

RESOLUTION

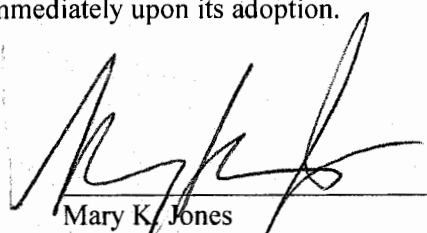
APPROVAL OF PATRIOTS COLONY BOND REFINANCING THROUGH THE

NEWPORT NEWS ECONOMIC DEVELOPMENT AUTHORITY (EDA)

- WHEREAS, the Economic Development Authority of the City of Newport News, Virginia, whose principal business address is 2400 Washington Avenue, 3rd Floor, Newport News, Virginia, 23607 (the "Authority"), has conducted a joint public hearing, after notice, on November 4, 2011, a date within 60 days prior to the date of the adoption of this resolution, on behalf of the Authority, James City County, and the City of Newport News on the plan of financing of Patriots Colony, Inc. (the "Patriots Colony"), whose principal business address is 6000 Patriots Colony Drive, Williamsburg, Virginia 23187, and which is an affiliate of Riverside Healthcare Association, Inc. and a not-for-profit Virginia corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), that is exempt from tax under Section 501(a) of the Code, for the issuance of the Authority's revenue refunding bonds in an amount not to exceed \$25,000,000 (the "Bonds") to assist Patriots Colony in (a) refinancing the outstanding principal balance of the \$30,500,000 Residential Care Facility Revenue Bonds (Patriots Colony Project), Series 1997 issued by the Industrial Development Authority of the County of James City, the proceeds of which financed the acquisition, construction and equipping of a 150-unit continuing care retirement facility for the residence and care of the aged, consisting of a five-story apartment building, a one-story community center and eight one-story attached villa courtyards, located at 6000 Patriots Colony Drive, Williamsburg, Virginia, 23187 on a site consisting of approximately 90 acres of land in James City County, Virginia (the "Project") and (b) financing certain issuance costs incurred in connection with the issuance of the Bonds; and
- WHEREAS, Section 147(f) of the Code provides that the governmental unit having jurisdiction over the area in which any facility financed with the proceeds of private activity bonds is located must approve the issuance of the bonds; and
- WHEREAS, the Project is located in James City County, Virginia (the "County"), and the Board of Supervisors of the County (the "Board") constitutes the highest elected governmental unit of the County; and
- WHEREAS, the Authority has requested the Board to ratify the public hearing and approve the issuance of the Bonds and the plan of financing to comply with Section 147(f) of the Code and Section 15.2-4906 of the Code of Virginia of 1950, as amended (the "Virginia Code"); and
- WHEREAS, a copy of the Authority's resolution approving the issuance of the Bonds, subject to terms to be agreed upon, (the "Authority Resolution"), a record of the public hearing and a fiscal impact statement have been filed with the Board.

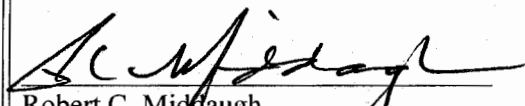
NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of James City County, Virginia, that:

1. The recitals made in the first "WHEREAS" clause to this resolution are hereby adopted as part of this resolution.
2. The Board hereby ratifies the joint public hearing held on its behalf by the Authority on November 4, 2011, and the publication of notice thereof.
3. The Board hereby concurs in the Authority Resolution adopted by the Authority on November 4, 2011, a copy of which is attached hereto.
4. The Board hereby approves the issuance of the Bonds by the Authority for the benefit of Patriots Colony, to the extent required by Section 147(f) of the Code and by Section 15.2-4906 of the Virginia Code.
5. Ratification of the joint public hearing, concurrence in the Authority Resolution, and approval of the issuance of the Bonds and the plan of financing do not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Project or of Patriots Colony, and, as required by Virginia law, neither the Commonwealth of Virginia nor any political subdivision thereof, including the County and the Authority, shall be obligated to pay the Bonds or the interest thereon or other costs incident thereto except from the revenues and moneys pledged therefore by Patriots Colony and its affiliates, and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof, including the County and the Authority, shall be pledged thereto.
6. The County, including its elected representatives, officers, employees and agents, shall not be liable and hereby disclaims all liability for any damage to Patriots Colony, direct or consequential, resulting from the Authority's failure to issue the Bonds for any reason.
7. This resolution shall take effect immediately upon its adoption.



Mary K. Jones
Chairman, Board of Supervisors

ATTEST:



Robert C. Middaugh
Clerk to the Board

<u>SUPERVISOR</u>	<u>VOTE</u>
KENNEDY	AYE
GOODSON	AYE
MCGLENNON	AYE
ICENHOUR	AYE
JONES	AYE

Adopted by the Board of Supervisors of James City County, Virginia, this 22 day of November, 2011.

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