

RESOLUTION OF THE BOARD OF SUPERVISORS

OF JAMES CITY COUNTY, VIRGINIA

WHEREAS, the Industrial Development Authority of the City of Newport News, Virginia, whose principal business address is 2400 Washington Avenue, 3<sup>rd</sup> Floor, Newport News, Virginia 23607 (the "Authority"), has conducted a joint public hearing, after notice, on June 5, 2015, a date within sixty (60) days prior to the date of the adoption of this Resolution, on behalf of the Authority, James City County, Gloucester County and the City of Newport News on the plan of financing of Riverside Healthcare Association, Inc., whose principal place of business is 701 Town Center Drive, Suite 1000, Newport News, Virginia 23606 (the "Parent"), Riverside Hospital, Inc., whose principal place of business is 500 J. Clyde Morris Boulevard, Newport News, Virginia 23601 ("Riverside Hospital"), Patrick Henry Hospital, Inc., whose principal place of business is 1000 Old Denbigh Boulevard, Newport News, Virginia 23602 ("Patrick Henry"), Riverside Middle Peninsula Hospital, Inc., whose principal place of business is 7519 Hospital Drive, Gloucester Courthouse, Virginia 23061 ("Riverside Walter Reed"), Riverside Retirement Services, Inc., whose principal place of business is 1004 Old Denbigh Boulevard, Newport News, Virginia 23602 ("Riverside Retirement Services"), and Patriots Colony, Inc., whose principal place of business is 6000 Patriots Colony Drive, Williamsburg, Virginia 23188 ("Patriots Colony" and, together with the Parent, Riverside Hospital, Patrick Henry, Riverside Walter Reed and Riverside Retirement Services, "Riverside"), each of which it has been represented to the Authority is a not-for-profit Virginia nonstock corporation described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), which is exempt from tax under Section 501(a) of the Code, requesting that the Authority issue, pursuant to the Act, up to \$125,000,000 of its revenue bonds (the "Bonds") to assist Riverside in (a) financing the Projects (as hereinafter defined), (b) funding a reserve fund for the Bonds if required and (c) paying the costs of issuing the Bonds; and

WHEREAS, it has been represented to the Authority that the proceeds of the Bonds will be used to finance all or a portion of the following projects (collectively, the "Projects"): (a) for Riverside Hospital, (i) at the Riverside Regional Medical Center at 500 J. Clyde Morris Boulevard, Newport News, Virginia 23601, (1) the construction and components of an approximately 60,000 square-foot renovation of the neonatal intensive care unit, the fifth and sixth floors of the Annex Building and the east wings of the fifth and sixth floors of the main building, including the full demolition of the existing space and the construction of two 22-room nursing units and also including the creation of an upper level mechanical penthouse and adjacent support space, (2) the construction and components of an approximately 21,000 square-foot renovation of the labor and delivery unit, including the full demolition of the existing space and the construction of two C-section operating rooms, three triage rooms, four ante-partum rooms and 12 labor-delivery-recovery rooms and also including support space including the nurse's station, (3) the construction and components of an approximately 38,000 square-foot renovation for a Heart and Vascular Center, including the full demolition of the existing space and the construction of EKG, non-invasive diagnostic, ultra sound and nuclear medicine areas, a rehab gymnasium and four heart catheterization labs, and (4) the construction and components, as well as the equipping, of an approximately 160,000 square-foot expansion and renovation of the Riverside Regional Medical Center Pavilion, including two additional nursing unit floors

with 72 patient rooms each and with additional support space and including the expansion of the third floor which houses mechanical/electrical equipment, and (ii) at 1300 Old Denbigh Boulevard, Newport News, Virginia 23602, the purchase, installation, and development of software that will provide a new integrated medical record, clinical management, and billing system; (b) for Patrick Henry, at 1000 Old Denbigh Boulevard, Newport News, Virginia 23602, the renovation of an approximately 100,000 square-foot, 215-bed skilled nursing facility known as The Gardens at Warwick Forest, including mechanical, electrical and plumbing infrastructure and finish upgrades; (c) for Riverside Retirement Services, at 1004 Old Denbigh Boulevard, Newport News, Virginia 23602, the construction and components of an approximately 26,000 square-foot assisted living facility known as the Warwick Forest Retirement Community, including two 20-bed assisted living facilities, and site work for a future independent living facility; (d) for Riverside Walter Reed, at 7519 Hospital Drive, Gloucester Courthouse, Virginia 23061, the construction and components of an approximately 48,000 square-foot expansion and 55,000 square-foot renovation of the emergency department, surgery department, patient rooms, and infrastructure at Riverside Walter Reed Hospital, including the addition of a new two-story surgical center with operating rooms and a post anesthesia care unit occupying the first floor and 36 patient rooms occupying the second floor and also including imaging, administrative, pharmacy, energy plant and support spaces for acute care patients; and (e) for Patriots Colony, at 6000 Patriots Colony Drive, Williamsburg, Virginia 23188, (i) the construction and components, as well as the equipping, of an approximately 6,500 square-foot renovation of a bistro and dining area for facility residents, (ii) the construction and components, as well as the equipping, of a 3,200 square-foot maintenance building for facility staff, (iii) other construction and renovation of components of the existing Patriots Colony facilities and grounds, including without limitation roof replacement and repair, HVAC upgrades, plumbing improvements and equipment, landscaping, road paving, and interior and exterior finishes and carpentry work, (iv) the construction and components of up to five buildings, each with a maximum of 16 independent living units, totaling approximately 180,000 square feet, and (v) the construction and components of an approximately 40,000 square-foot 60-bed nursing facility; 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, certain of the Projects (the "Patriots Colony Projects") are 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

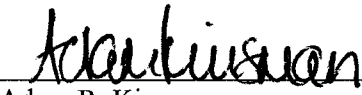
WHEREAS, a copy of the Authority's resolution approving the issuance of the Bonds, subject to terms to be agreed upon (the "Authority Resolution"), a record of the public hearing and a fiscal impact statement have been filed with the Board.

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

1. The recitals made in the first two "WHEREAS" clauses 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 June 5, 2015, and the publication of notice thereof.
3. The Board hereby concurs in the Authority Resolution adopted by the Authority on June 5, 2015, a copy of which is attached hereto.
4. The Board hereby approves the issuance of the Bonds by the Authority for the benefit of Riverside, 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 Patriots Colony Projects or of Riverside, 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 therefor by Riverside, 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 Riverside, 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.

  
 Michael J. Hipple  
 Chairman, Board of Supervisors

ATTEST:

  
 Adam R. Kinsman  
 Deputy Clerk to the Board

	VOTES		
	<u>AYE</u>	<u>NAY</u>	<u>ABSTAIN</u>
JONES	<u>X</u>	___	___
MCGLENNON	<u>X</u>	___	___
ONIZUK	<u>X</u>	___	___
KENNEDY	<u>X</u>	___	___
HIPPLE	<u>X</u>	___	___

Adopted by the Board of Supervisors of James City County, Virginia, this 23rd day of June, 2015.