

**RESOLUTION NO.** 12946-16

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA, ON THE ISSUANCE OF UP TO \$104,000,000 OF REVENUE BONDS BY THE ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF NEWPORT NEWS, VIRGINIA FOR THE BENEFIT OF VIRGINIA BAPTIST HOMES, INC., D/B/A LIFESPIRE OF VIRGINIA.

WHEREAS, the Economic Development Authority of the City of Newport News, Virginia (the "Authority") has approved the application of Virginia Baptist Homes, Inc., d/b/a LifeSpire of Virginia (the "Organization"), a nonstock, not-for profit Virginia corporation, requesting that the Authority issue up to \$104,000,000 of its revenue bonds in one or more series at one time or from time to time (the "Bonds") and loan the proceeds of the Bonds to the Organization and the Organization's affiliate corporations: Culpeper Baptist Retirement Community, Inc. (the "Culpeper Borrower"), Lakewood Manor Baptist Retirement Community, Inc. (the "Lakewood Borrower") and Newport News Baptist Retirement Community, Inc., d/b/a The Chesapeake (the "Newport News Borrower" and collectively, with the Organization, the Culpeper Borrower, the Lakewood Borrower and the Newport News Borrower, the "Borrowers"):

(1) to refinance an existing line of credit, which financed various capital improvements at (A) the Culpeper Borrower's continuing care retirement community campus at 12425 Village Loop, Culpeper, Virginia (the "Culpeper Community"), including, but not limited to the acquisition, construction and equipping of resident areas, (B) the Lakewood Borrower's continuing care retirement community campus at 1900 Lauderdale Drive, Henrico, Virginia (the "Lakewood Community"), including, but not limited to the acquisition, construction and equipping of resident areas, a cooling tower and chiller and the acquisition of vehicles to transport residents and (C) the Newport News Borrower's continuing care retirement community campus at 955 Harpersville Road, Newport News, Virginia (the "Newport News Community"), including but not limited to the acquisition, construction and equipping of resident areas and a new building automation system,

(2) to refund all or a portion of (a) the Economic Development Authority of Henrico County, Virginia's Residential Care Facility Revenue Bonds (Virginia Baptist Homes), Series 2006A, in the original principal amount of \$24,275,000, which financed and refinanced prior obligations of the Borrowers, which prior obligations financed the acquisition, construction and equipping of improvements to the Lakewood Community and the Newport News Community and (b) the Peninsula Ports Authority of Virginia Residential Care Facility Revenue Refunding Bonds (Virginia Baptist Homes), Series 2006C in the original principal amount of \$81,545,000, which financed and refinanced prior obligations of the Borrowers, which prior obligations financed the acquisition, construction and equipping of improvements at the Culpeper Community, the Lakewood Community and the Newport News Community, and

(3) to finance capitalized interest on the Bonds, a debt service reserve fund for the Bonds and costs of issuance related to the issuance of the Bonds (collectively, the "Plan of Finance"); and

WHEREAS, the Authority held a public hearing on August 5, 2016; and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"), provides that the governmental unit having jurisdiction over the issuer of private activity bonds and 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 Section 15.2-4906 of the Industrial Development and Revenue Bond Act, Chapter 49, Title 15.2, Code of Virginia of 1950, as amended, sets forth the procedure for such approval; and

WHEREAS, the Authority issues its bonds on behalf of the City of Newport News, Virginia (the "City"), a portion of the facilities to be financed and refinanced with the proceeds of the Bonds are located in the City and the City Council of the City of Newport News, Virginia (the "Council"), constitutes the highest elected governmental unit of the City; and

WHEREAS, the Authority has recommended that the Council approve the Plan of Finance and the issuance of the Bonds; and

WHEREAS, a copy of the Authority's resolution approving the issuance of the Bonds, subject to the terms to be agreed upon, a certificate of the public hearing and a Fiscal Impact Statement have been filed with the Council.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF NEWPORT NEWS, VIRGINIA:

1. The Council approves the issuance of the Bonds, in an aggregate principal amount up to \$104,000,000, by the Authority for the benefit of the Borrowers, solely to the extent required by Section 147(f) of the Code and Chapter 726 of the Acts of Assembly of 1972, as amended, to permit the Authority to assist in accomplishing the Plan of Finance.

2. The approval of the issuance of the Bonds does not constitute an endorsement to a prospective purchaser of the Bonds of the creditworthiness of the Plan of Finance or the Borrowers. In accordance with Chapter 726 of the Acts of Assembly of 1972, as amended, the Bonds shall not be deemed to constitute a debt or a pledge of the faith and credit or taxing power of the Commonwealth or any political subdivision thereof (other than the Authority).

3. This resolution shall be in effect on and after the date of its adoption, August 9, 2016.

PASSED BY THE COUNCIL OF THE CITY OF NEWPORT NEWS ON AUGUST 9, 2016

Mabel Washington Jenkins, MMC  
City Clerk

McKinley L. Price, DDS  
Mayor

A true copy, teste:

City Clerk