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PROFFERS

THESE PROFFERS are made this 13th day of February, 2008 by INVESTMENT PROPERTIES OF VIRGINIA, LLC (together with its successors and assigns, the "Owner") and ASSOCIATED DEVELOPERS, INC., a Virginia corporation ("Buyer").

RECITALS

A. Owner is the owner of three contiguous tracts or parcels of land located in James City County, Virginia, one with an address of 1676 Jamestown Road, Williamsburg, Virginia and being Tax Parcel 4730100036, the second with an address of 1678 Jamestown Road, Williamsburg, Virginia and being Tax Parcel 4730100037, and the third with an address of 180 Red Oak Landing Road, Williamsburg, Virginia and being Tax Parcel 4730100039, being more particularly described on Exhibit A attached hereto (together, the "Property"). A portion of the Property is now zoned L-B and a portion is now zoned R-2.

B. Buyer has contracted to purchase the Property conditioned upon the rezoning of the Property.

C. Owner and Buyer have applied to rezone the Property from L-B and R-2 to R-2, , with proffers, and for a Special Use Permit to permit a residential cluster development of up to 36 townhouse units.

D. Buyer has submitted to the County a master plan entitled "Master Plan for Rezoning of Powhatan Terrace" prepared by AES Consulting Engineers dated June 1, 2007 (the "Master Plan") for the Property in accordance with the County Zoning Ordinance.

E. Owner and Buyer desire to offer to the County certain conditions on the development of the Property not generally applicable to land zoned R-2.

NOW, THEREFORE, for and in consideration of the approval of the requested rezoning, and pursuant to Section 15.2-2298 of the Code of Virginia, 1950, as amended, and the County Zoning Ordinance, Owner agrees that it shall meet and comply with all of the following conditions in developing the Property. If the requested rezoning is not granted by the County, these Proffers shall be null and void.

CONDITION

1. **Master Plan.** The Property shall be developed generally as shown on the Master Plan, with only minor changes thereto that the Development Review Committee determines do not change the basic concept or character of the development. There shall be no more than 36 residential townhouse dwelling units on the Property. All residential dwelling units on the Property shall be offered for sale by the developer thereof.

2. **Owners Association.** There shall be organized an owner's association (the "Association") in accordance with Virginia law in which all unit owners in the Property, by virtue of their property ownership, shall be members. The articles of incorporation, bylaws and restrictive covenants (together, the "Governing Documents") creating and governing the Association shall be submitted to and reviewed by the County Attorney for consistency with this Proffer. The Governing Documents shall require that the Association adopt an annual maintenance budget, which shall include a reserve for maintenance of stormwater management BMPs, recreation areas, private roads and parking areas, shall require each initial purchaser of a unit to make a capital contribution to the Association for reserves in an amount equal to one-sixth of the annual general assessment applicable to the unit (but no less than \$100.00) and shall require that the association (i) assess all members for the maintenance of all properties owned or

maintained by the association and (ii) file liens on members' properties for non-payment of such assessments. The Governing Documents shall grant the Association the power to file liens on members' properties for the cost of remedying violations of, or otherwise enforcing, the Governing Documents.

3. Water Conservation. (a) Water conservation standards shall be submitted to the James City Service Authority ("JCSA") as a part of the site plan or subdivision submittal for development on the Property and Owner and/or the Association shall be responsible for enforcing these standards. The standards shall address such water conservation measures as limitations on the installation and use of irrigation systems and irrigation wells, the use of approved landscaping materials and the use of water conserving fixtures and appliances to promote water conservation and minimize the use of public water resources. The standards shall be approved by JCSA prior to final subdivision or site plan approval.

(b) If the Owner desires to have outdoor watering it shall provide water for irrigation utilizing surface water collection from the surface water pond that is shown on the Master Plan or from rain barrels and shall not use JCSA water for irrigation purposes. This requirement prohibiting the use of well water may be waived or modified by the General Manager of JCSA if the Owner demonstrates to the JCSA General Manager that there is insufficient water for irrigation in the surface water impoundments, and the Owner may apply for a waiver for a shallow (less than 100 feet) well to supplement the surface water impoundment.

4. Cash Contributions for Community Impacts. For each dwelling unit on the Property the one time cash contributions set forth in this Section 4 shall be made.

(a) A contribution of \$844.00 for each dwelling unit on the Property shall be made to the James City Service Authority ("JCSA") in order to mitigate impacts on the County from the

physical development and operation of the Property. The JCSA may use these funds for development of alternative water sources or any project related to improvements to the JCSA water system, the need for which is generated by the physical development and operation of the Property.

(b) A contribution of \$4,870.00 for each dwelling unit on the Property shall be made to the County in order to mitigate impacts on the County from the physical development and operation of the Property. The County may use these funds solely for school use.

(c) A contribution of \$1,000.00 for each dwelling unit on the Property shall be made to the County in order to mitigate impacts on the County from the physical development and operation of the Property. The County may use these funds for any project in the County's capital improvement plan, the need for which is generated by the physical development and operation of the Property, including, without limitation, for emergency services equipment replacement and supply, off-site road improvements, library uses, and public use sites.

(d) A contribution of \$300.00 for each dwelling unit on the Property shall be made to the County for off-site stream restoration in the Powhatan Creek watershed..

(e) The contributions described above, unless otherwise specified, shall be payable for each dwelling unit on the Property at or prior to the final approval of the site plan or subdivision plat for such unit. In the event dwelling units, such as townhouse units, require both a site plan and subdivision plat, the contributions described above shall be payable for each such dwelling unit shall be paid at the time of final subdivision plat approval.

(f) The per unit contribution(s) paid pursuant to this Section shall be adjusted annually beginning January 1, 2009 to reflect any increase or decrease for the preceding year in the

Marshall and Swift Building Costs Index (the "Index"). In no event shall the per unit contribution be adjusted to a sum less than the amounts set forth in paragraphs (a) and (b) of this Section. The adjustment shall be made by multiplying the per unit contribution for the preceding year by a fraction, the numerator of which shall be the Index as of December 1 in the year preceding the calendar year most currently expired, and the denominator of which shall be the Index as of December 1 in the preceding year. In the event a substantial change is made in the method of establishing the Index, then the per unit contribution shall be adjusted based upon the figure that would have resulted had no change occurred in the manner of computing the Index. In the event that the Index is not available, a reliable government or other independent publication evaluating information heretofore used in determining the Index (approved in advance by the County Manager of Financial Management Services) shall be relied upon in establishing an inflationary factor for purposes of increasing the per unit contribution to approximate the rate of annual inflation in the County.

5. Jamestown Road Buffer. There shall be a minimum 150 foot buffer along the Jamestown Road frontage of the Property generally as shown on the Master Plan. The buffer shall be exclusive of any lots or units. The entrance as shown generally on the Master Plan, landscaping and berms, the trails, sidewalks and bike lanes as shown generally on the Master Plan, and with the approval of the Development Review Committee, utilities, lighting, entrance features and signs shall be permitted in the buffer. Dead, diseased and dying trees or shrubbery, and invasive or poisonous plants may be removed from the buffer area. A combination of preservation of existing trees, enhanced landscaping (defined as 125% of County Zoning Ordinance ("Ordinance") plant size requirements) and berms shall be provided within the buffer in accordance with a landscaping plan approved by the Director of Planning which shall, when

the landscaping has reached maturity, screen the adjacent units from the direct view of vehicles traveling on Jamestown Road. The perimeter buffers between the sides/back of buildings and the adjacent properties shall contain enhanced landscaping (defined as 125% of Ordinance size requirements) in accordance with a landscaping plan approved by the Director of Planning. The buffers shall be planted or the planting bonded in an amount and form approved by the County Attorney prior to the County being obligated to issue building permits for dwelling units located on the Property.

6. Entrances/Turn Lanes. There shall be one entrance into the Property to and from Jamestown Road as generally shown on the Master Plan. A northbound left turn lane with a taper and transition and an southbound right turn taper on Jamestown Road shall be constructed at the entrance to the Property. The turn lane and tapers proffered hereby shall be constructed in accordance with Virginia Department of Transportation standards and shall be completed prior to the issuance of the first certificate of occupancy.

7. Recreation. Owner shall provide the park, playground and passive recreational area shown on the Master Plan before the County is obligated to grant certificates of occupancy for more than 18 dwelling units on the Property. Owner shall install a mulch trail generally in the location shown on the Master Plan with the design and exact location of the mulch trails subject to the approval of the Director of Planning. The exact locations of the facilities proffered hereby and the equipment to be provided at such facilities shall be subject to the approval of the Director of Planning.

8. Private Drives. All entrance roads, interior roads, driveways, lanes or drive aisles connecting the parking areas on the Property shall be private and shall be constructed in

accordance with applicable County private street standards. Private roads shall be maintained by the Association. Owner shall deposit into a maintenance reserve fund to be managed by the Association an amount equal to one hundred and fifty percent (150%) of the amount of the maintenance fee that would be required for a public street of the same length as established by VDOT - Subdivision Street Requirements. The County shall be provided evidence of the deposit of such maintenance fee at the time of final site plan or subdivision plat approval by the County for the particular phase or section which includes the relevant private street.

9. Environmental Protections. (a) Owner shall submit to the County a stormwater management plan for the Property consistent with the Conceptual Stormwater Management Plan prepared by AES Consulting Engineers dated June 1, 2007 ("Stormwater Plan") and included in the Master Plan set submitted herewith and on file with the County, including facilities and measures necessary to meet the County's 10 point stormwater management system requirements and the special stormwater criteria applicable in the Powhatan Creek watershed ("SSC") and, in addition, including features and measures over and above those necessary to meet the 10 point and SSC requirements, which shall include, without limitation, bio-retention basins, provision of as-built drawings for the entire stormwater system, enhanced slope stabilization on all cut and fill slope, enhanced outlet protection on BMP outfall, porous pavement, rain barrels and dry swales subject to the criteria and conditions set forth on the Stormwater Plan. The stormwater plan shall be approved by the Environmental Director or his designee prior to the submission of any development plans for the Property. The stormwater management plan may be revised and/or updated during the development of the Property based on on-site conditions discovered in the field with the prior written approval of the Environmental Director or his designee. The

approved stormwater management plan, as revised and/or updated, shall be implemented in all development plans for the Property.

(b) The owner of the Property shall cause a survey to be conducted of the Property for rare, threatened and endangered species prior to any land disturbing activity on the Property. The location of any rare, threatened and endangered species located on the Property shall be shown on all subdivision or other development plans of the Property. Before any land disturbing activity is allowed in the vicinity of any rare, threatened and endangered species identified, if any, on the Property, a conservation plan shall be prepared by the owner of the Property in accordance with state and federal laws applicable to the Property at the time of development of the conservation plan and said conservation plan shall be submitted for information purposes to the Director of Planning and shall be incorporated into the development plans for the Property and implemented in the development of the Property.

10. Archaeology. A Phase I Archaeological Study for the Property shall be submitted to the Director of Planning for his review and approval prior to land disturbance. A treatment plan shall be submitted to, and approved by, the Director of Planning for all sites in the Phase I study that are recommended for a Phase II evaluation, and/or identified as being eligible for inclusion on the National Register of Historic Places. If a Phase II study is undertaken, such a study shall be approved by the Director of Planning and a treatment plan for said sites shall be submitted to, and approved by, the Director of Planning for sites that are determined to be eligible for inclusion on the National Register of Historic Places and/or those sites that require a Phase III study. If in the Phase II study, a site is determined eligible for nomination to the National Register of Historic Places and said site is to be preserved in place, the treatment plan

shall include nomination of the site to the National Register of Historic Places. If a Phase III study is undertaken for said sites, such studies shall be approved by the Director of Planning prior to land disturbance within the study area. All Phase I, Phase II and Phase III studies shall meet the Virginia Department of Historic Resources' Guidelines for Preparing Archaeological Resource Management Reports and the Secretary of the Interior's Standard and Guidelines for Archaeological Documentation, as applicable, and shall be conducted under the supervision of a qualified archaeologist who meets the qualifications set forth in the Secretary of the Interior's Professional Qualification Standards. All approved treatment plans shall be incorporated into the plan of development for the site and shall be adhered to during the clearing, grading and construction activities thereon.

11. Architectural Review. Prior to the County being obligated to grant final development plan approval for any of the buildings shown on any development plan for any portion of the Property, there shall be prepared and submitted to the Director of Planning for approval architectural and landscaping plans, including architectural elevations, for the Director of Planning to review and approve for general consistency with the architectural styles depicted in the architectural renderings prepared by Guernsey Tingle Architects submitted with the rezoning application. The Director of Planning shall review and either approve or provide written comments setting forth changes necessary to obtain approval within 45 days of the date of submission of the plans in question. Final plans and completed buildings shall be consistent with the approved conceptual plans as determined by the Director of Planning.

12. Preservation of Specimen Trees. Owner shall submit a tree survey of the Property with the site plan for development of the Property and shall use its best efforts to preserve trees within the Jamestown Road buffer identified on the survey as specimen trees to be preserved. If

any of the specimen trees die prior to issuance of certificates of occupancy for all units on the Property, the dead tree shall be replaced with a new tree with at least a two and one-half inch caliper.

13. Green Building; EarthCraft House Certification. Each residential unit shall be certified under the EarthCraft House Virginia certification process and a copy of the certification shall be provided to the Director of Planning.

14. Streetscape Guidelines. The Owner shall provide and install streetscape improvements in accordance with the applicable provisions of the County's Streetscape Guidelines policy. The streetscape improvements shall be shown on development plans for that portion of the Property and submitted to the Director of Planning for approval during the site plan approval process. Streetscape improvements shall be either (i) installed within six months of the issuance of any certificate of occupancy for any residential units in adjacent structures or (ii) bonded in form and amount satisfactory to the County Attorney prior to the issuance of any certificate of occupancy for any residential units in adjacent structures.

15. Nutrient Management Plan. The Association shall be responsible for contacting an agent of the Virginia Cooperative Extension Office ("VCEO") or, if a VCEO agent is unavailable, a soil scientist licensed in the Commonwealth of Virginia, an agent of the Soil and Water Conservation District or other qualified professional to conduct soil tests and to develop, based upon the results of the soil tests, customized nutrient management plans (the "Plans") for all common areas within the Property and each individual lot shown on each subdivision plat of the Property. The Plans shall be submitted to the County's Environmental Director for his review and approval prior to the issuance of the building permits for more than 50% of the units

shown on the subdivision plat. Upon approval, the Owner so long as it controls the Association and thereafter the Association shall be responsible for ensuring that any nutrients applied to common areas which are controlled by the Association be applied in strict accordance with the Plan. The Owner shall provide a copy of the individual Plan for each lot to the initial purchaser thereof. Within 12 months after issuance of the Certificate of Occupancy for the final dwelling unit on the Property and every three years thereafter, a turf management information seminar shall be conducted on the site. The seminar shall be designed to acquaint residents with the tools, methods, and procedures necessary to maintain healthy turf and landscape plants.

16. Sidewalks. There shall be sidewalks five feet in width installed along one side of all streets within the Property generally as shown on the Master Plan. Owner shall install a sidewalk along the Jamestown Road frontage of the Property.

17. Underground Storage Tanks. The existing underground storage tanks on the Property shall be removed in accordance with applicable laws, regulations and ordinances prior to the issuance of any building permit for structures on the Property.

18. Curb and Gutter. Streets within the Property shall be constructed with curb and gutter provided, however, that this requirement may be waived or modified along those segments of street, including entrance roads, where structures are not planned.

19. Price Restricted Units. A minimum of three of the units shall be reserved and offered for sale at a sales price to buyer at or below \$195,000 subject to adjustment as set forth herein ("Restricted Units"). The maximum price set forth herein shall be adjusted annually, or January 1st of each year, by increasing such prices by the cumulative rate of inflation as measured by the Index annual average change for the period from January 1, 2009 until January 1 of the year in question. The Director of Planning shall be provided with a copy of the

settlement statement for each sale of a Restricted Unit. The Governing Documents shall include a provision, approved by the County Attorney, providing that the Restricted Units must be occupied by the owner thereof or a family member of the owner. Short term rentals of these Restricted Unit by the owner thereof shall be permitted if the owner dies or is transferred out of the area and in similar situations.

WITNESS the following signature.

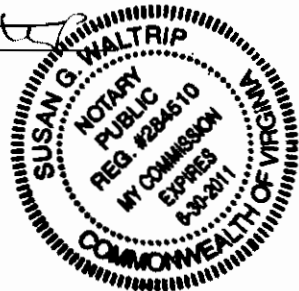
INVESTMENT PROPERTIES OF VIRGINIA, LLC
By: [Signature]
Title: MANAGER

STATE OF VIRGINIA AT LARGE
CITY/COUNTY OF Williamsburg, to-wit:

The foregoing instrument was acknowledged this 17th day of March, 2008, by Michael C. Brown as Manager of Investment Properties of Virginia, LLC.

[Signature]
NOTARY PUBLIC

My commission expires: 06/30/2011.
Registration No.: 284510



ASSOCIATED DEVELOPERS, INC.

By: [Signature]
Title: president

STATE OF VIRGINIA AT LARGE
CITY/COUNTY OF Williamsburg, to-wit:

The foregoing instrument was acknowledged this 14th day of March, 2008, by Henry Stephens President of Associated Developers, Inc.

[Signature]
NOTARY PUBLIC

My commission expires: 2-28-2011
Registration No.: 183223



EXHIBIT A

PARCEL ONE

All that certain piece or parcel of land, with the buildings and improvements thereon, consisting of 10.00 acres, more or less, situate in Jamestown District, James City County, Virginia, bounded and described as follows: Beginning at an iron stake on the southerly side of the road leading from the Main and Ambler's Farms to Powell's Mill crossing Route 31 to Jamestown on the dividing line between the land hereby conveyed and that of Robinson; thence in a westerly direction along said road the distance of 400 feet to another iron stake; thence said lot extends back in a southerly direction between parallel lines the distance of 1050 feet, more or less, to iron stakes marking its corners; and being a portion of a tract of land containing 140.62 acres as shown by survey and plat recorded in James City Plat Book 2, page 19, and is a portion of the same property of which T. T. Nixon died seized and possessed, intestate; the said tract having been conveyed to him by J. N. Richardson by deed from Henry O. Wright and wife, dated April 15, 1929, and recorded in James City Deed Book 24, page 531; the undivided one-half interest of the said Richardson having been conveyed to the said T. T. Nixon by deed dated June 5, 1930, and recorded in James City Deed Book 25, pages 514-5.

PARCEL TWO

All that certain lot, piece or parcel of land, with the buildings and improvements thereon, situate in Jamestown Magisterial District, James City County, Virginia, lying on the southerly side of the 10.00+/- acre parcel of Nixon, consisting of 6.082 acres, more or less, and described as follows: commencing at an iron stake 1,050 feet from the road leading from Ambler's and the Main Farm to Five Forks and Powell's Mill Road running thence a distance of 200 feet more or less in a southerly direction in a straight line to the low water mark of Powhatan Creek; thence in a westerly direction along the low water mark of Powhatan Creek as it meanders a distance of 400 feet more or less to a point; thence in a northerly direction in a straight line a distance of 200 feet more or less to an iron stake, the corner to the property hereby conveyed and other lands of Nixon; thence in an easterly direction along the line of the property hereby conveyed and other lands of Nixon a distance of 400 feet, more or less, to an iron stake corner to the property hereby conveyed and other lands of Nixon, being the point of departure. Said property is bounded on the northerly side of other lands of Nixon; on the southerly side by Powhatan Creek; on the easterly side by the lands of Robinson; and on the westerly side by the remaining lands of Hess N. Hart and Harry Hart, her husband, Mary B. Norman and J. D. Norman, her husband, Dorothy N. Waltrip and G. K. Waltrip, her husband. Said property is a portion of the track of land containing 140.62 acres as shown by survey and plat recorded in James City Plat Book 2, page 19, and is a portion of the same property of which T. T. Nixon died seized and possessed intestate; the said tract having been conveyed to him and J. N. Richardson by deed from Henry O. Wright and wife, dated April 15, 1929, and recorded in James City County Deed Book 24, page 531, the undivided one-half interest of said Richardson having been conveyed to the said T. T. Nixon by deed dated June 5, 1930, and recorded in James City County Deed Book 25, page 514.

PARCEL THREE

ALL that certain lot, piece or parcel of land situate, lying and being in Jamestown District, James City County, Virginia, as shown on that certain plat entitled, "E. T. Nixon, Plat of Survey, Containing .43 Acres, Two Miles Southeast of Williamsburg, James City County, Virginia" dated February 8, 1960 made by R. B. Cartwright, Certified Land Surveyor, and recorded April 1, 1960 in the Clerk's Office of the Circuit Court of the City of Williamsburg and County of James City in Deed Book 74, page 100; and being more particularly described as follows: Beginning at an angle iron down a private lane leading South from State Route #31; thence South 69° 30' East 116.28 feet to an angle iron; thence South 20° 00' West 162.28 feet to an angle iron; thence North 69° 30' West 116.28 feet to an angle iron; thence North 20° 00' East 162.28 feet to an angle iron, the point of beginning.

VIRGINIA: CITY OF WILLIAMSBURG & COUNTY OF JAMES CITY
This document was admitted to record on 13 Aug 68
at 2:53 PM. The taxes imposed by Virginia Code
Section 58.1-801, 58.1-802 & 58.1-814 have been paid.
STATE TAX LOCAL TAX ADDITIONAL TAX
\$ _____ \$ _____ \$ _____
TESTE: BETSY B. WOOLRIDGE, CLERK
BY: Betsy B. Woolridge Clerk