PROFFERS
YORKTOWN GREEN

THESE PROFFERS are made this ____ day of _____, 2006, by and among:

MID-ATLANTIC COMMUNITIES, LLC, a Virginia limited liability company ("Mid-Atlantic") (to be indexed as grantor);

VIRGINIA HEALTH SERVICES, INC., a Virginia corporation ("Virginia Health") (to be indexed as grantor);

C. L. PARRISH ("Parrish") (to be indexed as grantor); and

COUNTY OF YORK, VIRGINIA, a political subdivision of the Commonwealth of Virginia ("County") (to be indexed as grantee).

RECITALS

R-1. Virginia Health is the owner of certain real property located in the County of York, Virginia, shown and depicted as "Parcel A-1" on the attached exhibit plat last revised June 28, 2006 and entitled, "Exhibit Plat of Parcel A-1 and Parcel B" (the "Exhibit Plat") attached hereto and made a part hereof.

R-2. Parrish is the owner of certain real property located in the County of York, Virginia, shown and depicted as "Parcel B" on the Exhibit Plat.

R-3. Mid-Atlantic is the contract purchaser of the property shown and depicted as Parcel A-1 and Parcel B on the Exhibit Plat (the "Property").

R-4. Mid-Atlantic has filed an Application for rezoning (the "Application") of the Property, and Virginia Health and Parrish have consented to the Application as evidenced by their duly authorized signatures on the Application. The Application has been designated by the County as Case No. PD-18-06.

R-5. In the Application, Mid-Atlantic, in its capacity as the Applicant and Contract Purchaser, has requested that the zoning of the Property be changed from R-20 and GB to Planned Development as described in Section 24.1-362 et seq. of the County's zoning ordinance in effect on the date hereof (the "Zoning Ordinance") in order to permit the construction of a planned mixed use development comprised of certain residential and non-residential development. Virginia Health and Parrish as the record owners of the respective parcels comprising the Property have consented to such change of zoning and do sign the Proffers for that sole purpose.

R-6. A conceptual plan of development ("Master Plan") entitled "Master Plan, Yorktown Green," dated April 26, 2006, last revised July 30, 2006, prepared by C. E. Newbaker Surveying and Planning, Inc., has been submitted to the County Planning Division for review by

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the County in connection with the Application. The Master Plan is on file with the Office of the County Planning Division.

R-7. Plans ("Plans") dated June 28, 2006, last revised August 1, 2006, prepared by Hopke and Associates, Architects, have been submitted to the County Planning Division for review by the County in connection with the Application. The Plans are on file in the office of the County Planning Division.

R-8. A community impact statement ("Community Impact Statement") entitled "Yorktown Green Community Impact Assessment in York County, Virginia," dated March 2006, prepared by The Wessex Group, Ltd., has been submitted to the County Planning Division for review by the County in connection with the Application. The Community Impact Statement is on file in the office of the County Planning Division.

R-9. A fiscal impact statement ("Fiscal Impact Statement") entitled, "Yorktown Green Proposed Development versus By-Right Scenario," dated April 2006, prepared by The Wessex Group, Ltd., has been submitted to the County Planning Division for review by the County in connection with the Application. The Fiscal Impact Statement is on file in the Office of the County Planning Division.

R-10. A traffic impact analysis ("Traffic Impact Analysis") entitled "Mixed Use Development, Traffic Impact Study, York County, Virginia," dated March 20, 2006, prepared by URS Corporation, has been submitted to the County Planning Division for review by the County in connection with the Application. The Traffic Impact Analysis is on file in the Office of the County Planning Division.

R-11. Mid-Atlantic and its collective successors and assigns to Mid-Atlantic's right to purchase the Property and any subsequent purchasers of any portion of the Property are collectively referred to herein as "Contract Purchaser."

R-12. The provisions of the Zoning Ordinance may be deemed inadequate for protecting and enhancing orderly development of the Property. Accordingly, Contract Purchaser, in furtherance of the Application of rezoning, desires to proffer certain conditions which are limited solely to those set forth herein in addition to the regulations provided for by the Zoning Ordinance for the protection and enhancement of the development of the Property, in accordance with the provisions of Section 15.2-2296, et seq. of the Code of Virginia (1950), as amended (the "Virginia Code") and Section 24.1-361 of the York County Zoning Ordinance.

R-13. The County constitutes a high-growth locality as defined by Section 15.2-2298 of the Virginia Code.

NOW, THEREFORE, for and in consideration of the approval by the County of the Application, and pursuant to Section 15.2-2296, et seq., of the Virginia Code and Section 24.1-361 of the York County Zoning Ordinance, Contract Purchaser agrees that it shall meet and comply with the following conditions and proffers as indicated in developing the Property.

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1. Plan of Development. The Property shall be developed generally in accordance with the Master Plan and in substantial conformance with the Plans. The Master Plan is a conceptual plan for proposed development on the Property and provides only for the general location of buildings, proposed streets, parking, drainage facilities, areas of open space, and buffer areas. Any deviations from the Master Plan and/or the Plans shall be allowed only in accordance with the provisions of Section 24.1-362 of the Zoning Ordinance.

2. Property Owners Association(s). One or more property owners associations and/or condominium unit owners associations shall be established pursuant to and in accordance with the Virginia Property Owners Association Act, § 55-508 et seq. of the Virginia Code or the Virginia Condominium Act, § 55-79.39 et seq. of the Virginia Code, as applicable (hereinafter, each such association shall be referred to as an "Owners Association"), in which all owners of lots, units and parcels within the Property shall be members of at least one of such Owners Association(s) by virtue of their property ownership. The articles of incorporation and bylaws of each such Owners Association and declaration of covenants enforceable by each Owners Association (collectively, the "Governing Documents") shall be submitted to and reviewed by the County Attorney for consistency with this proffer and the requirements of Section 24.1-497 and Section 24.1-498 of the Zoning Ordinance prior to final site plan approval.

3. Certain Existing Overhead Utilities to be Relocated Underground. Overhead utility lines currently located aboveground along the portion of the Property fronting on U.S. Route 17 shall be placed underground, subject to the ability to obtain any and all necessary consents, easements and approvals from the applicable landowners, lienholders, utility providers and any other entity or governmental agency having jurisdiction over the same. In addition, cost estimates shall be obtained for the cost of causing the remaining aboveground utility lines located on the adjacent properties to be relocated underground along the Route 17 frontage (on the Northeast side of Route 17) from Fort Eustis Boulevard up to the intersection of U.S. Route 17 with Battle Road. The foregoing cost estimates shall be provided by Contract Purchaser to York County, but Contract Purchaser shall incur no obligation to incur any expense associated with the relocation of such utilities along the Route 17 frontage outside the boundaries of the Property.

4. Exterior Building Materials. The exterior façade of buildings to be constructed on the Property shall be constructed of any of the following: brick, stone, hardi-plank, dryvit, or the equivalent of the same. The foregoing notwithstanding, trim, soffit, and accent features of buildings and related improvements may be composed of or contain vinyl, aluminum or materials other than brick, stone, hardi-plank, dryvit, or the equivalent of the same.

5. Sidewalks. Sidewalks shall be provided within the boundaries of the Property up to the boundary line of the adjacent Patriots Square shopping center in the location shown on the Master Plan.

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6. Vehicular Connections. A Vehicular connection to the adjacent Patriots Square shopping center, property line shall be provided in the location shown on the Master Plan upon written approval of the County. Subject to approval by the Virginia Department of Transportation, an additional joint, right-in, right-out entrance from Route 17 shall be provided on the property line between the project and the adjacent York Convalescent Center property to provide access to both properties. In addition, an ingress-egress easement shall be provided for future connection to the York Convalescent Center property, such connection to be at the sole option of the present or future owners of the York Convalescent Center property.,

7. Phasing. Commercial space will be constructed in relationship to mixed-use space as follows:

a. The first Certificate of Occupancy (CO) for the first commercial building shall be issued prior to issuance of the building permit for the first mixed-use building. At or prior to the time of issuance of the first CO for the first mixed-use building, all of the tenant spaces within the first commercial building shall be ready for individual tenant fit out and customization to their individual needs.
b. The first CO for the second commercial building shall be issued prior to issuance of the building permit for the second mixed-use building. At or prior to the time of issuance of the first CO for the second mixed-use building, all of the tenant spaces within the second commercial building shall be ready for individual tenant fit out and customization to their individual needs.

8. Commercial Infrastructure. Prior to issuance of the first CO for the townhouse units, the applicant will cause to be constructed the following infrastructure improvements:

i. turn lane and main entrance road from Route 17 into the Project
ii. the placement of overhead utilities underground (subject to the conditions contained in Paragraph 3, above)
iii. the traffic circle and central landscape feature contained within the traffic circle
iv. the parallel road extending to the property line of the Patriots Square shopping center property.
v. public water and sewer connections to the commercial and mixed-use sites
vi. the installation of landscaping along the Route 17 frontage of the Project sufficient to meet the planting requirements of a 45-foot greenbelt as defined in Section 24.1-245 c. of the York County Zoning Ordinance.

9. Prohibited Uses. The following uses shall not be permitted within the development:

a. Plant nursery or greenhouse
b. Animal hospital with outside runs
c. Farmer's market
d. Indoor theater
e. Health club with outdoor facilities

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f. Video arcade/pool hall/bingo
g. Indoor firing range
h. Outdoor commercial amusement
i. Auction house
j. Convenience store
k. Lumber yard/building materials
l. Bait, tackle/marine supplies
m. Storage shed/utility building sales
n. Funeral home
o. Pawn shop, tattoo parlor, fortune tellers
p. Hotel/motel
q. Fast food restaurant
r. Drive-through restaurant
s. Nightclub
t. Commercial reception hall
u. Small engine repair
v. Tool, household equipment, lawn & garden equipment sales or rentals
w. Car wash
x. Gas/service station
y. Auto repair
z. Auto/light truck sales
aa. Heavy truck sales
bb. Farm equipment sales/rental
cc. Manufactured home sales
dd. Boat sales/service rental
ee. Heliport/helipad
ff. Bus terminal
gg. Taxi/limousine service
hh. Towing service/auto storage
ii. Wholesale auction
jj. Warehousing
kk. Wholesale trade with outdoor storage
ll. Mini-storage warehouse
mm. Contractor's shop
nn. Machine shop

10. Successors and Assigns. These Proffers shall be binding upon and shall inure to the benefit of the parties hereto, and their respective heirs, successors and/or assigns.

11. Severability. In the event that any clause, sentence, paragraph, subparagraph, section or subsection of these Proffers shall be judged by any court of competent jurisdiction to be invalid or unenforceable for any reason, including a declaration that it is contrary to the Constitution of the Commonwealth of Virginia or of the United States, or if the application thereof to any owner of any portion of the Property or to any government agency is held invalid, such judgment or holding shall be confined in its operation to the clause, sentence, paragraph, subparagraph, section or subsection hereof, or the specific application thereof directly involved

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in the controversy in which the judgment or holding shall have been rendered or made, and shall not in any way affect the validity of any other clause, sentence, paragraph, subparagraph, section or provision hereof.

12. Headings. All paragraph and subparagraph headings of the Proffers herein are for convenience only and are not a part of these Proffers.

13. Conflicts. In the event that there is any conflict between these proffers and the Zoning Ordinance, the conflict shall be resolved by the County's Zoning Administrator subject to the appeal process to the Board of Zoning Appeals and the Courts as otherwise provided by law.

14. Void if Application not Approved. In the event that the Application is not approved by the County, these Proffers, the Master Plan and the Plans shall be null and void.

15. Incorporation of Recitals. The Recitals set forth above shall be included and read as a part of these Proffers and are incorporated herein by reference.

[SIGNATURES CONTINUE ON FOLLOWING PAGES]

WITNESS the following signatures, thereunto duly authorized:

MID-ATLANTIC COMMUNITIES, LLC

By:_____
Cowles M. Spencer, Sr.,
Manager

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2006 by Cowles M. Spencer, Sr. as Manager of Mid-Atlantic Communities, LLC, a Virginia limited liability company, on its behalf.

_____
NOTARY PUBLIC

My commission expires:_____

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VIRGINIA HEALTH SERVICES, INC.

By:_____

_____,
Executive Vice-President

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2006 by _____ as Executive Vice-President of Virginia Health Services, Inc., a Virginia corporation, on its behalf.

_____
NOTARY PUBLIC

My commission expires:_____

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C. L. PARRISH

By:_____

COMMONWEALTH OF VIRGINIA
CITY/COUNTY OF _____, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2006 by C. L. Parrish.

_____
NOTARY PUBLIC

My commission expires:_____

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C. E. Newbaker
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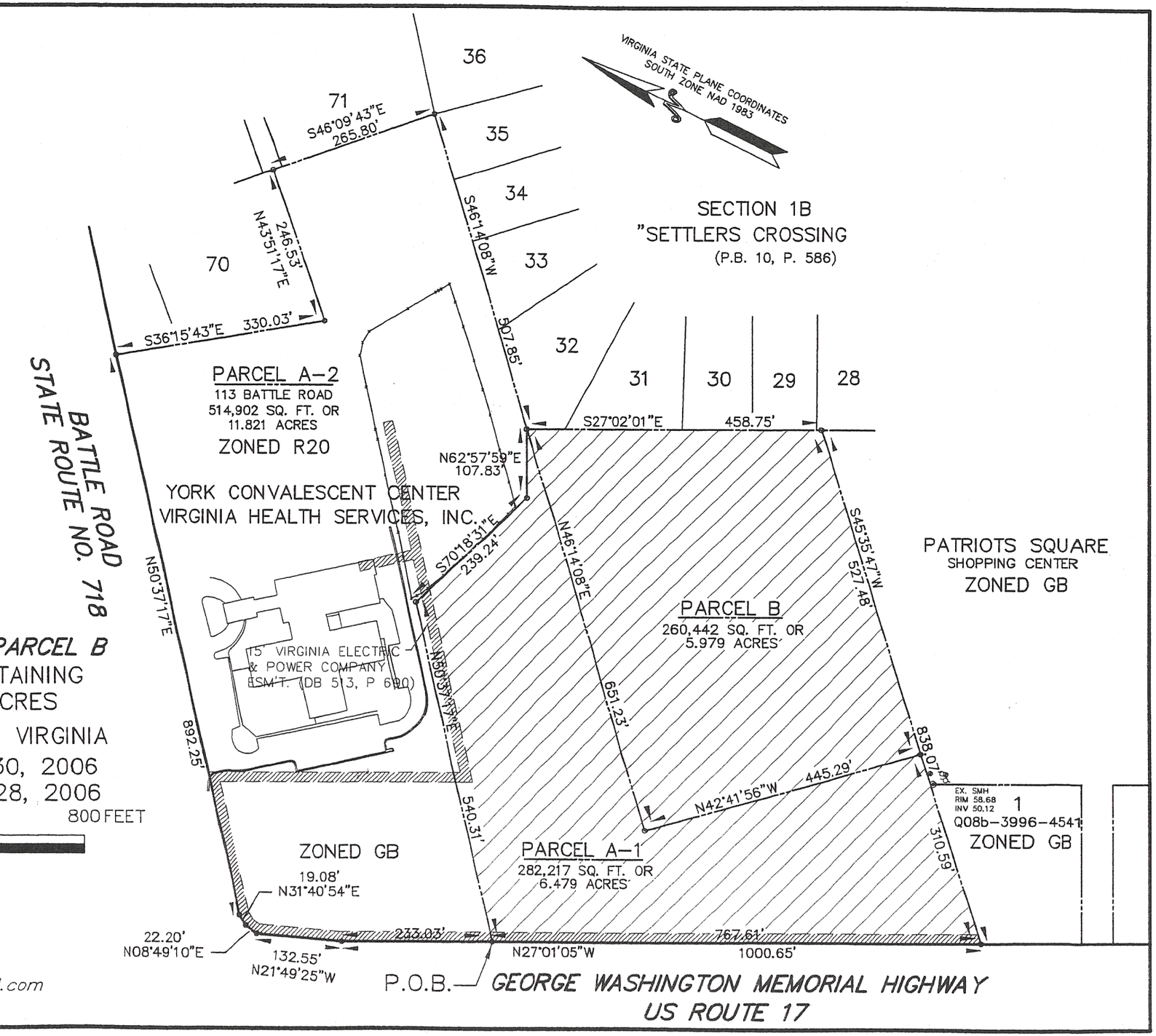

EXHIBIT PLAT OF PARCEL A-1 & PARCEL B

PROPERTY TO BE ZONED PD CONTAINING
542,659 SQ. FT. OR 12.458 ACRES

NELSON DISTRICT – YORK COUNTY, VIRGINIA

SCALE: 1" = 200' MARCH 30, 2006
REVISED: JUNE 28, 2006

0 100 200 400 600 800 FEET

C. E. Newbaker
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