

**ADDENDUM TO AMENDED AND
RESTATED SPECIAL ASSESSMENT AGREEMENT**

THIS ADDENDUM TO AMENDED AND RESTATED SPECIAL ASSESSMENT AGREEMENT (this "Addendum") is made as of _____, 2015, by and among the COUNTY OF CHESTERFIELD, VIRGINIA (the "County"); 6801 WOOLRIDGE ROAD – MOSELEY LP ("WRM") and the LOWER MAGNOLIA GREEN COMMUNITY DEVELOPMENT AUTHORITY (the "CDA").

W I T N E S S E T H

WHEREAS, by petition, as amended (the "Petition") filed with the County's Board of Supervisors (the "Board") pursuant to Sections 15.2-5152 *et seq.* of the Code of Virginia of 1950, as amended (the "Virginia Code"), the Board was requested to create a community development authority to assist in the development of public improvements as set forth in the Petition in conjunction with the development of approximately 1,656.084 acres located in the Matoaca Magisterial District of the County as a mixed-use development consisting of residential, commercial and office components, with recreation facilities and other amenities to be known as Lower Magnolia Green; and

WHEREAS, by Ordinance enacted August 22, 2007, as amended on December 19, 2007 (the "CDA Ordinance"), the Board created the CDA and established the Lower Magnolia Green Community Development Authority District (the "CDA District"); and

WHEREAS, by Ordinance enacted on September 26, 2007 (the "Assessment Ordinance"), the Board levied a special assessment on real property in the CDA District (the "Special Assessment"); and

WHEREAS, the County, the CDA and Magnolia Green Development, LLC, as then landowner and developer (the "Prior Owner"), entered into a Special Assessment Agreement which was subsequently amended and restated in its entirety by an Amended and Restated Special Assessment Agreement, dated as of December 1, 2007 (the "Original Agreement"); and

WHEREAS, pursuant to that certain Deed of Foreclosure dated May 19, 2009, and recorded on May 22, 2009 in the Clerk's Office in Deed Book 8716, Page 828 (the "Foreclosure Deed"), 6801 Woolridge – Moseley TRS, LLC, acquired title to certain real property previously owned by the Prior Owner located within CDA District, as more particularly described in the Foreclosure Deed (the "Property"); and

WHEREAS, pursuant to a corporate conversion ("Corporate Conversion") effective December 21, 2011, WRM became the corporate successor of 6801 Woolridge – Moseley TRS, LLC.; and

WHEREAS, pursuant to an instrument recorded in the Clerk's Office on January 10, 2012 in Deed Book 9623, Page 30, WRM became the record owner of the Property.

WHEREAS, WRM, as owner and new developer of certain land in the CDA District, and the other parties hereto wish to affirm the Special Assessment as set forth in the Original Agreement and to clarify the obligations and responsibilities of the respective parties to this Addendum and to set forth certain additional understandings with respect to the CDA in this Addendum:

NOW, THEREFORE, in consideration of the foregoing, the parties set forth the following understandings.

1. Issuance of Bonds.

The CDA will issue bonds in the minimum amount provided in Paragraph 5(e) below and in Section 3.09 of the Development/Acquisition Agreement. The bonds to be issued by the CDA (the "Bonds") will be issued in an amount sufficient to pay all or a portion of the cost of the improvements described on Exhibit B to the Original Agreement (the "Improvements") exclusive of (i) those costs which are the sole responsibility of the County under the Development/Acquisition Agreement and (ii) those costs and improvements which are the sole responsibility of WRM under the Development/Acquisition Agreement, plus the costs of issuing the Bonds (including, but not limited to, attorneys' fees, underwriter fees, engineering fees and appraisal fees), the costs of establishing any reserve fund required in connection with the issuance of the Bonds, and the costs of Plans for the construction of the Improvements as set forth in Section 3.01 of the Development/Acquisition Agreement, and may include an amount sufficient to pay interest on the Bonds for a period of not more than twelve months after completion of the Improvements to be financed with proceeds of the Bonds and certain administrative costs incurred by the County in connection with the administration and operation of the CDA as more particularly set forth in the Development/Acquisition Agreement; provided, however, that the aggregate principal amount of the Bonds will not exceed \$30,500,000. The Prepaid Amount is equal to \$3,000,000 which is an amount that has been or will be paid by WRM and applied as a prepayment of a portion of the Special Assessment applicable to WRM's real estate. The Bonds may be issued in more than one series if the County, in its discretion, agrees to such issuance. The CDA and WRM will use their best efforts to issue the Bonds (or the first series of Bonds if the County agrees to the issuance of Bonds in more than one series) in March 2015, or by such other date to which the parties agree in writing. The County acknowledges and agrees that a fully executed and delivered bond purchase agreement with respect to the Bonds, if entered into on or before March 31, 2015, will satisfy any resolution or ordinance requirements that the Bonds be "issued" on or before such date. Notwithstanding anything in the Original Agreement to the contrary, if any costs associated with the acquisition, design, construction, project management and development of the Improvements exceed the proceeds of the Bonds allocated therefore, such excess cost(s) shall not be the responsibility of WRM provided that (1) all Bonds are sold in accordance with this Addendum and the Development/Acquisition Agreement and (2) WRM performs its obligations under the Development/Acquisition Agreement; and any obligations of WRM and the Petitioner, under the CDA Ordinance, the Special Assessment Ordinance, the 2007 CDA Documents (as defined in the Development/Acquisition Agreement), and the CDOT Correspondence of 2012 (as defined in the Development/Acquisition Agreement) shall be deemed to be satisfied and/or waived as provided in Section 7.05 of the Development/Acquisition Agreement.

2. Development of Improvements.

Contemporaneous with the execution of this Addendum, the CDA, WRM and the County shall enter into a Development/Acquisition Agreement in the form attached hereto as Exhibit A (the "Development/Acquisition Agreement") providing for the completion of some or all of the Primary Improvements (as identified in Exhibit B to the Original Agreement) and the Additional Improvements (identified in Exhibit B to the Original Agreement), consistent with their respective obligations as set forth in the Development/Acquisition Agreement. The Development/Acquisition Agreement will provide for the payment of costs of the Primary Improvements and Additional Improvements and by whom the payments will be borne as well as the conveyance of the Improvements, if not already owned by the County, to the County or other appropriate governmental entity, such as the Virginia Department of Transportation. All obligations regarding the design and construction of the Improvements and timing of the construction shall be governed by, and shall be controlled by, the Development/Acquisition Agreement. Defined terms used in this Addendum which are not otherwise defined herein shall have the meaning set forth in the Development/Acquisition Agreement.

3. Submission of Information.

Before the issuance of any series of Bonds, the CDA will submit to the County Administrator and the County's Director of Budget and Management the Limited Offering Memorandum or other disclosure document to be used in connection with the sale of such series of Bonds and such other information with respect to the CDA's finances or WRM's finances, as appropriate, and the issuance of the Bonds as the County Administrator or the County Attorney may reasonably request. Such documents will be furnished to the County solely for informational purposes and receipt of any such document does not constitute approval of any such document by the County. To the extent that such Limited Offering Memorandum or other disclosure document includes information about the County, the CDA, as appropriate, will provide to the County Administrator a draft of such information at least 15 days prior to the publication or use of such document and will either incorporate into such document any changes requested by the County Administrator within such 15-day period or will provide the County Administrator with a written explanation as to the laws or regulations that would prevent such changes from being made.

4. Special Assessment.

(a) Special Assessment. The parties to this Addendum acknowledge and agree to the provisions of Paragraph 4 of the Original Agreement and the levy and collection of the Special Assessment as set forth in the Original Agreement. The sentence beginning with "In order to reduce the likelihood of any" and ending with "foreclosure procedures in general" in Paragraph 4, subparagraph (a)(ii) of the Original Agreement is modified to read as follows:

WRM covenants and agrees not to commence, join in, support or sponsor any proceeding to challenge or contest the levy and collection of Special Assessments or any authorization therefor provided such levy and collection or any authorization therefore is in accordance with the CDA Ordinance, the Special Assessment Ordinance, the Rate and Method, the Development/Acquisition

Agreement, and the Original Special Assessment Agreement as supplemented by this Addendum. The foregoing agreement and covenant of WRM shall survive the termination of the Development/Acquisition Agreement.

(b) Reduction in Special Assessment for Prepayments; Updated Assessment Roll. The maximum amount of the Special Assessment levied pursuant to the Original Agreement (\$87,367,912) shall be reduced by the Prepaid Amount and the prepayments previously made of the Special Assessment in the amount of \$35,839.63. On or before the date of issuance of the Bonds (or date of issuance of the first series of Bonds if the Bonds are issued in more than one series) the CDA will furnish to the County an updated Special Assessment Roll taking into account such prepaid amounts and the amounts required to pay principal of and interest on the Bonds (including projected amounts required to pay debt service on any Bonds that will not be issued in the first series of Bonds).

(c) Notice to Subsequent Landowners. WRM will include in each sales contract and each deed for the conveyance of a fee simple interest in any portion of land within the CDA District that is owned by WRM and that is subject to an outstanding Special Assessment a disclosure statement that includes a statement of the estimated amount of the applicable portion of the Special Assessment and setting forth the name and address of the CDA's administrator or other location where information regarding the CDA and the Special Assessment may be obtained. All such sales contracts and deeds shall also include a covenant that all subsequent deeds conveying any fee simple interest in land within the CDA District that is subject to an outstanding Special Assessment include such disclosure statement. WRM shall require any homeowners association created in connection with the Lower Magnolia Green development to include in the disclosure provided by the homeowners association information regarding the CDA and the Special Assessment. WRM agrees that it will notify the CDA and the CDA's administrator in writing, within ten (10) days after recordation of a deed of conveyance, of the sale of any land owned by WRM indicating the tax map parcel number of the property sold and the purchaser of the property.

5. Additional Covenants.

(a) Public Ownership of Improvements. WRM and the CDA agree that all Improvements financed in whole or in part with proceeds of the Bonds will be owned by the County or other appropriate public entity. WRM and the CDA further agree that the County shall not be required to undertake ownership, operation or maintenance of any such Improvements unless the County agrees to such undertaking or unless provided otherwise in the Development/Acquisition Agreement. It is the County's current intention and expectation that such Improvements will be owned, operated and maintained by the County, the Virginia Department of Transportation or other appropriate public entity.

(b) Bonds Not Secured by County's Full Faith and Credit. The CDA Bonds will not constitute a debt or a pledge of the full faith and credit of the County and will not impose any liability on the County except as expressly agreed to by the County in the Original Agreement, this Addendum, the CDA Ordinance, the Assessment Ordinance and the Development/Acquisition Agreement.

(c) Minimum Denominations. The CDA will sell the Bonds only in minimum denominations of \$100,000 and \$1,000 increments in excess of \$100,000, with the ability to convert to \$5,000 minimum denominations in the event an investment grade rating is obtained for the Bonds.

(d) Continuing Disclosure. The CDA agrees to comply with the continuing disclosure requirements to the extent required by Securities and Exchange Commission Rule 15c2-12 and to furnish copies of all filings under such Rule to the County Administrator within 15 days after filing. WRM and the County shall cooperate with CDA and shall endeavor to provide information with respect to WRM, the Improvements and the Special Assessment, as appropriate, reasonably requested by the CDA in connection with the underwriting and sale of the Bonds or the CDA's disclosure obligations.

(e) Purchase of Bonds. If the Authority issues any Bonds, then the Authority shall issue Bonds in the minimum amount of \$25,000,000 or in such higher amount that will result in a minimum of \$22,000,000 in bond proceeds to be placed in the Project Fund account created under Section 7.1(a) of the Indenture, whichever is higher. Any Bonds issued shall not exceed a total face amount of \$30,500,000. If a fully executed and delivered bond purchase agreement for Bonds in such \$25,000,000 or higher, as applicable, minimum amount is entered into on or before March 31, 2015, and some or all of such Bonds are not purchased at market clearing rates on or before April 15, 2015, then WRM, or an affiliate company of WRM, shall purchase as many Bonds as are unsold, up to a maximum amount of \$30,500,000, at the market clearing rate or rates, from the underwriter selected for the Bonds, Stifel, Nicolaus & Company, Incorporated, which firm shall provide evidence from recent comparable transactions to support the determination of such rate or rates established. Such rate or rates would need to be approved in writing by WRM. To the extent the parties do not agree on rate or rates, WRM shall provide its own evidence of rate or rates from a financial institution, at its own cost, familiar with comparable transactions. In connection with any such purchase of unsold bonds by WRM from the underwriter, the underwriter will be entitled to recover no compensation from WRM. WRM shall make such purchase within fifteen (15) calendar days after the County or the Authority provides written notice to purchase such bonds in accordance with the Notice provision of the Development/Acquisition Agreement, which is set forth in Section 9.02 of the Development/Acquisition Agreement, provided, however, the County or the Authority must give WRM notice to purchase such bonds on or after April 15, 2015, but in no event later than April 22, 2015.

(f) Easements. WRM shall grant or cause the granting of easements mutually agreeable to WRM and the CDA within the CDA District to allow for (1) the future development of the County's planned linear park system and (2) access from Woolridge Road to a future fire station site, if requested by the County.

(g) Architectural Standards. WRM will use its best efforts to cause the development of attractive, high-quality neighborhoods within the CDA and to implement the practices, guidelines and standards set forth in Exhibit A with respect to future residential development within the CDA boundaries.

(h) Bankruptcy of Landowner. In the event that WRM or the CDA is subject to any order, proceeding, liquidation, appointment of a receiver or similar action under state of

federal bankruptcy or similar laws with respect to the property within the District or any moratorium, debt restructuring or reorganization plan with respect to WRM, any owner of land within the CDA District or the CDA is instituted with respect to which the CDA or the County has the right to consent, then the CDA and the County, as appropriate, agree that any such consent shall be subject to the prior written approval of the Trustee.

(i) **Satisfaction of Ordinance Requirements.** The County agrees and warrants to WRM that, provided that Bonds in the minimum amount described in Paragraph 1 and Paragraph 5(e) of this Addendum and Section 3.09 of the Development/Acquisition Agreement are issued and sold in accordance with this Development/Acquisition Agreement, the Special Assessment Agreement and the Addendum, the performance by WRM of all of its obligations under the Development/Acquisition Agreement fully satisfies and discharges all obligations of WRM, its predecessors in title and the Petitioner pursuant to and set forth in the Petition, the CDA Ordinance, the Special Assessment Ordinance and other 2007 CDA Documents, and the CDOT Correspondence of 2012, irrespective of whether the Available Moneys are sufficient to complete the construction of the Improvements and whether all improvements referenced and incorporated in the Petition, the CDA Ordinance, the Special Assessment Ordinance and other 2007 CDA Documents, and the CDOT Correspondence of 2012 Improvements have been funded and completed after the Bonds are issued and sold.

6. Notice of Non-Appropriation or Payment.

In addition to the provisions in Paragraph 7 of the Original Agreement, not later than ten business days after receipt of a notice of non-appropriation from the County, the CDA shall cause such notice or a summary thereof to be posted with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System (EMMA).

7. Successors and Assigns.

This Addendum will be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and assigns.

8. Amendments.

This Addendum may be amended only in writing signed by each of the parties hereto or their successors and assigns.

9. Term.

This Addendum shall be in full force and effect until all Bonds have been paid or deemed no longer outstanding under the Indenture.

10. Original Agreement.

The Original Agreement is in full force and effect, except as certain provisions are supplemented or updated by this Addendum and/or the Development/Acquisition Agreement.

11. Severability.

If any clause, provision or section of this Addendum is held to be illegal or invalid by any court, the invalidity of the clause, provision or section will not affect any of the remaining clauses, provisions or sections, and this Addendum will be construed and enforced as if the illegal or invalid clause, provision or section has not been contained in it.

12. Parties in Interest.

Nothing in this Addendum, express or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the CDA, the County and WRM any rights, remedies or claims under or by reason of this Addendum or any covenants, conditions or stipulations hereof, and all covenants, conditions, promises and agreements in this Addendum shall be for the sole and exclusive benefit of the CDA, the County and WRM; provided, however, the provisions of Paragraph 4(b)(ii) of the Original Agreement and Paragraph 5(i) of this Addendum shall confer upon the Trustee the rights set forth in such paragraphs and shall be deemed for the benefit of the Trustee.

13. Counterparts.

This Addendum may be executed in any number of counterparts, each of which shall be deemed to be an original, and all of which together shall constitute but one and the same instrument.

14. Governing Law.


This Addendum shall be governed by and construed under the laws of the Commonwealth of Virginia without regard to its conflict of law rules.

[SIGNATURES ON FOLLOWING PAGES]

WITNESS the following signatures.

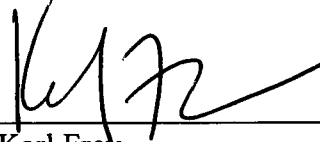
COUNTY:

COUNTY OF CHESTERFIELD, VIRGINIA

By 
Name: James J. L. Stegmayer
Title: County Administrator


WRM

6801 WOOLRIDGE ROAD – MOSELEY LP

By 
Name: Karl Frey
Title: Executive Vice President

CDA:

**LOWER MAGNOLIA GREEN COMMUNITY
DEVELOPMENT AUTHORITY**

By 
Name: Debra Girvin
Title: Chairman

The undersigned enters into this Addendum for purposes of acknowledging and agreeing to the provisions of Paragraph 4 of this Addendum and Paragraph 4 of the Original Agreement.

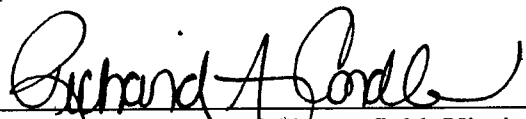

Treasurer, County of Chesterfield, Virginia

Exhibit: A - Development/Acquisition Agreement
B - Architectural and Design Guidelines

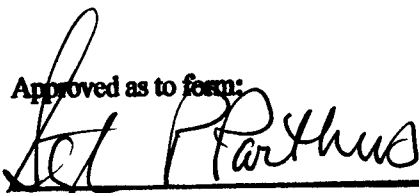
Approved as to form:

Stylian P. Parthemos
Deputy County Attorney

Exhibit A

Development/Acquisition Agreement

Exhibit B

Architectural and Design Guidelines

A. All residential areas:

1. To achieve architectural compatibility and a harmonious mixed-use development, Landowner shall utilize the services of a registered architect whose expertise is in residential home design to develop separate design standards for each neighborhood based upon the specific product type (i.e. patio homes, custom homes, townhomes, etc.) for that neighborhood.
2. Materials for front porches and/or stoops shall be consistent with the dwelling exterior. No unfinished, salt treated lumber shall be permitted.
3. At a minimum, asphalt paved driveways shall be used.

B. All single-family tracts upon which no homes have previously been constructed:

1. Landowner shall provide a copy of the design standards for each particular neighborhood to the County at time of plat approval. The County shall have the right to review and provide comments to the design standards, but final plat approval shall not be contingent upon County staff's approval of the design standards.
2. Landowner shall require all single-family detached homebuilders to submit house design plans for each and every lot to the Architectural Review Board (ARB) established by the homeowner's association for review and approval prior to commencing construction. The ARB shall ensure the plans meet the minimum design standards for that particular neighborhood. The ARB shall also ensure that homes with identical elevations are not constructed next to or across the street from one another.
3. All exposed foundation walls shall be veneered with brick or stone. On homes with basements, the rear foundation wall shall be veneered with brick or stone up to the basement finished floor elevation.
4. Roof materials are limited to architectural dimensional shingles or raised seam metal roofs.

C. Multi-family tracts:

Multi-family tract development is required by current County ordinances to submit building elevations for review and approval. Multi-family buildings will generally adhere to the following:

1. Front facades on the majority of the units shall incorporate brick or stone masonry accents.
2. All facades shall incorporate, as a minimum, a masonry watercourse to a minimum height of thirty six (36) inches. In the case of walk-out basement units, the rear masonry watercourse may be measured from the basement floor elevation.
3. Vinyl siding shall not be permitted on any façades.
4. Roof materials are limited to architectural dimensional shingles or raised seam metal roofs.

D. Community development:

1. Concrete sidewalks and/or asphalt paths shall be provided on both sides of all collector streets to provide connectivity between neighborhoods. Neighborhood sidewalks will be provided in accordance with the Chesterfield County Planning Commission Sidewalk Policy.
2. Decorative street lights will be provided on at least one side of all collector streets. Any street lights installed outside of the requirements of the Chesterfield County Board of Supervisors Street Light Policy shall be maintained by the Magnolia Green Homeowner's Association.