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September 23, 2009

Via email only: mikejohnson@co.southampton.state.va.us
Michael W. Johnson
Southampton County
P.O. Box 400
Courtland, VA 23837

Dear Mike:

Re: Sanitary Sewer Extension

Mike:

In response to your email to JoAnn regarding the proposed extension of the sanitary sewer serving the area to manhole #43 which is approximately 100' east of the Boulevard from Camp Parkway to the School, and pursuant to its agreement with the School Board, Hampton Roads Development (HRD) agrees with the County as follows:

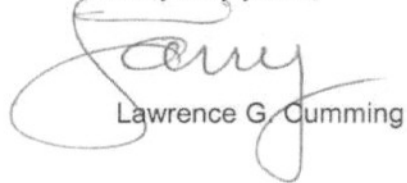
1. HRD will contribute to the proposed extension of such sanitary sewer system based upon your option #2: HRD will pay \$60,000 toward the cost of the extension of the sanitary sewer line to manhole #43.
2. SHC will issue 12 facility fee credits to HRD, which may be used by HRD on any project in Southampton County that is served by sewer lines operated by Southampton County. Such credits shall be transferable by HRD to a third party if HRD elects not to use the credits itself.
3. SHC agrees to arrange with Franklin to make drinking water available for use by the Villages of Southampton (VOS) property owned by HRD, utilizing the water lines installed by HRD, with sufficient capacity to serve the future development of the VOS property.
4. HRD shall pay the \$60,000 contribution toward the sanitary sewer system referred to in #1 above within 30 days after the sanitary sewer extension to manhole #43 is completed or within 30 days after drinking water is available for use by the VOS property, whichever is later.

Disclosure Required by Internal Revenue Service Circular 230: This communication is not a tax opinion. To the extent it contains tax advice, it is not intended or written by the practitioner to be used, and it cannot be used by the taxpayer, for the purpose of avoiding tax penalties that may be imposed on the taxpayer by the Internal Revenue Service.

Michael W. Johnson, Southampton County
September 23, 2009
Page 2

If these terms meet with your approval, please confirm by return email. If you have any questions, let me know.

Very truly yours,



Lawrence G. Cumming

LGC/cas
Enclosures
cc: Hampton Roads Development, L.L.C.
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11. GRAVITY SEWER EXTENSION FOR HIGH STREET METHODIST CHURCH

As directed last month, I've obtained a change order proposal to extend the gravity sewer along the north side of Camp Parkway an additional 580' from its current terminus at Riverdale Elementary School in order to better align with the Methodist Church property. The estimate, \$120,000.00, includes design and construction of two deep manholes, 580' of 18" sewer line, dewatering and reclamation.

The extension also makes sewer readily available to the property owned by Hampton Roads Development (please see attached exhibit).

I'd like to propose the following for your consideration:

- 1) That we execute a project change order and proceed with construction of the extension;
- 2) That we offer Hampton Roads Development an opportunity to equally share in the cost of the extension (\$60,000 each) in exchange for a credit for twelve (12) sewer facility fees for future single-family development (presently valued at \$6,000 each);
- 3) That we fund the change order (\$60,000 or \$120,000, depending upon Hampton Roads Development's interest) from interest already earned on VRA bond proceeds for the project;
- 4) That High Street United Methodist Church assume responsibility for expenses associated with the jack and bore beneath Camp Parkway. Southampton County, at its option, may choose to install a larger pipe than is necessary for the church and pay the marginal difference. The larger pipe would be installed at a depth that is sufficient to accommodate future flows south of Camp Parkway. The marginal difference will be determined by competitive estimates for both alternatives;
- 5) That Southampton County will waive the connection fee (but not facility fee) for High Street United Methodist Church since it is installing the connection at its own expense.

MOTION REQUIRED: If the Board is so inclined, a motion is required authorizing the County Administrator to proceed as outlined above (or as may be modified or amended during discussion).