

Stonehouse Non-Residential Water Conservation Agreement

These water conservation standards are adopted by GS Stonehouse Green Land Sub LLC for the above-referenced development, after approval by the James City Service Authority ("JCSA") under the requirements of paragraph (9) Water Conservation Proffer for Stonehouse dated November 27, 2007 of record in the Office of the Clerk of the Circuit Court for James City County ("JCC") as Instrument Number 080007838, as such Proffers may be amended from time to time. This Non-Residential Water Conservation Agreement shall be incorporated in the covenants of all future commercial property associations and recorded in the Office of the Clerk of the Circuit Court for JCC and shall be applicable to all non-residential/commercial lots included in those associations.

Water use for irrigation of any non-residential/commercial lots within Stonehouse shall be at all times subject to the following rules, as they may be amended from time to time.

1. Water-Efficient Landscaping:

- a. No more than thirty percent (30%) of the pervious area of a non-residential/commercial lot area will be allowed turf irrigation.
- b. Primary plantings should be drought tolerant, low water use, non-invasive plants. Note: A suggested plant list is available from JCSA.
- c. Wherever possible, existing trees and vegetation should be retained.
- d. Trees located in turf areas should be mulched.
- e. Warm season grasses such as Bermuda or Zoysia shall be used per recommendations by the Virginia Cooperative Extension.

2. Irrigation System:

- a. Pre-existing vegetation should not be irrigated.
- b. Water for common area and roadway right-of-way irrigation should come from surface water and/or stormwater collection facilities.
- c. Non-residential/commercial lots shall include a rain sensor installed concurrent with the installation of the irrigation system. Rain sensors shall be set at ¼ inch.
- d. If a Reclaimed Water System for irrigation is installed, the non-residential/commercial lots and common areas shall utilize the reclaimed water for irrigation assuming a sufficient supply of water can be provided.
- e. Non-residential/commercial lots shall adhere to JCC Ordinance Numbers 116A-34 and 116A-36.
- f. No irrigation wells shall be allowed unless approval is granted by the General Manager of the JCSA. If approved, wells must be shallow, less than 100 feet deep.

3. Indoor Appliances:

- a. All hot water heaters, washing machines, dishwashers, toilets, shower heads, and faucets shall be high efficiency models.
- b. Where appropriate, point of use and/or centrally located small-volume hot water heaters should be used.
- c. Where appropriate, tankless water heaters should be used.

4. Changes and Amendments:

- a. Any changes and/or amendments to this Non-Residential Water Conservation Agreement shall be reviewed and approved in writing by the General Manager of the JCSA.

5. Enforcement:

- a. This Non-Residential Water Conservation Agreement shall be fully enforceable by the Association(s) Board of Directors. The Association(s) shall make its members aware of this agreement and shall monitor and enforce compliance.
- b. From time to time JCSA and/or JCC may adopt generally applicable water conservation standards. The Association(s) shall adopt such water conservation standards, which shall then be fully enforceable by the Associations as well as JCSA and JCC.

GS Stonehouse Green Land Sub LLC

BY: David L. Gony

Date: 4/5/09

James City Service Authority

BY: Larry M. Foster
Larry M. Foster, General Manager

Date: 6/11/09

Stonehouse Residential Water Conservation Agreement

These water conservation standards are adopted by GS Stonehouse Green Land Sub LLC for the above-referenced development, after approval by the James City Service Authority (“JCSA”) under the requirements of paragraph (9) Water Conservation Proffer for Stonehouse dated November 27, 2007 of record in the Office of the Clerk of the Circuit Court for James City County (“JCC”) as Instrument Number 080007838, as such Proffers may be amended from time to time. This Residential Water Conservation Agreement shall be incorporated in the recorded covenants for all future residential homeowner’s associations within Stonehouse and shall be applicable to all residential lots in Tracts 1 through 13.

Water use for irrigation of any residential lots within the above-referenced Tracts within Stonehouse shall be at all times subject to the following rules, as they may be amended from time to time.

1. Water-Efficient Landscaping:

- a. No more than thirty percent (30%), up to 5,000 square feet, of the pervious area of a single-family lot area will be allowed turf irrigation.
- b. Primary plantings including those on residential lots should be drought tolerant, low water use, non-invasive plants. Note: A suggested plant list is available from JCSA.
- c. Wherever possible, existing trees and vegetation should be retained.
- d. Trees located in turf areas should be mulched.
- e. Warm season grasses such as Bermuda or Zoysia shall be used wherever possible per recommendations by the Virginia Cooperative Extension. Cool season grasses shall only be used in full shade areas that are not suitable for establishment of a warm season grass.

2. Irrigation System:

- a. Pre-existing vegetation should not be irrigated.
- b. Water for common area and roadway right-of-way irrigation should come from surface water and/or stormwater collection facilities.
- c. All neighborhood and community park recreation areas should be irrigated only from surface water and/or stormwater collection facilities.
- d. Residential lots shall include a rain sensor installed concurrent with the installation of the irrigation system. Rain sensors shall be set at ¼ inch.
- e. If a reclaimed water system is installed within Stonehouse, common areas and residential lots shall utilize the reclaimed water for irrigation. In the event the supply of reclaimed water cannot meet the full irrigation demands, common areas shall take precedence in being served.

- f. Residential lots shall adhere to JCC Ordinance Numbers 116A-34 and 116A-36.
- g. No irrigation wells shall be allowed unless approval is granted by the General Manager of the JCSA. If approved, wells must be shallow, less than 100 feet deep.

3. Indoor Appliances:

- a. All builder-installed hot water heaters, washing machines, dishwashers, toilets, shower heads, and faucets shall be high efficiency models.
- b. Where appropriate, point of use and/or centrally located small-volume hot water heaters should be used.
- c. Where appropriate, tankless water heaters should be used.

4. Changes and Amendments:

- a. Any changes and/or amendments to this Residential Water Conservation Agreement shall be reviewed and approved in writing by the General Manager of the JCSA.

5. Enforcement:

- a. This Residential Water Conservation Agreement shall be fully enforceable by the applicable homeowners associations for residential development in Tracts 1 through 13. The applicable Associations shall make their respective members aware of this agreement and shall monitor and enforce compliance.
- b. From time to time JCSA and/or JCC may adopt generally applicable water conservation standards. The Associations shall adopt such water conservation standards, which shall then be fully enforceable by the Associations as well as JCSA and JCC.

GS Stonehouse Green Land Sub LLC

BY: David L. Guy

Date: 6/5/09

James City Service Authority

BY: Larry M. Foster
Larry M. Foster, General Manager

Date: 6/11/09



JAMES CITY SERVICE AUTHORITY

101-E Mounts Bay Road, P.O. Box 8784, Williamsburg, Virginia 23187-8784

Phone: (757) 253-6805

E-mail: jcsa@james-city.va.us

Fax: (757) 253-6850

Website: www.jccEgov.com/jcsa

January 27, 2010

Mr. Thomas Page
GS Virginia
4011 West Chase Blvd.
Suite 175
Raleigh, NC 27607

Dear Tom:

Please find attached an original signed copy of a supplemental agreement to the Water Conservation Agreement that was proffered by GS Virginia for the Stonehouse development. The proffer provided that potable water would not be used to irrigate common areas.

In summary, the agreement allows GS Virginia to irrigate Laurel Grove Park – Amenity H to use the potable water system for up to 36 months. The agreement can be extended by mutual agreement of GS Virginia and the James City Service Authority.

Should you have any questions, please let me know. This is a practical approach to addressing the timing for permitting and installation of the common area irrigation system and opening the Laurel Park amenity.

Sincerely,

Larry M. Foster
General Manager
James City Service Authority

LMF/kh

cc: Beth Davis

Attachment

January 12, 2010

Mr. Larry Foster
James City Service Authority
101-E Mounts Bay Road
Williamsburg, VA 23187

RE: Stonehouse – Laurel Grove Park Amenity Irrigation

Dear Larry:

In accordance with the approved proffers, which restrict us from using JCSA potable water for common area irrigation, we have designed an irrigation water supply system that utilizes surface water from Richardson's Mill Pond and one of the golf course ponds. The system will be used to irrigate both the amenity area and all common areas along Fieldstone Parkway east of the Mill Pond Run intersection and all common areas along Six Mt. Zion road. DEQ visited Stonehouse on Friday, December 4th to inspect both ponds and we believe this was the final step in our securing a water withdrawal permit for the system.

Because the irrigation water supply system is designed to serve not only the amenity area but all future common areas along both roadways, the cost will exceed \$300,000. Unfortunately, it is not practicable to install a less costly system that serves only the amenity area.

As you are fully aware, we are in one of the worst economic recessions and depressed housing markets this country has ever seen. Bank credit is extremely tight and as a result, we must make prudent use of our limited funds. We committed during the rezoning process to build the \$2.4 million-dollar Laurel Grove Park amenity and we are following thru with this commitment. The amenity is scheduled to open Memorial Day weekend of 2010. However, we are finding it very difficult to get banks to fund ancillary costs such as the irrigation water supply system.

As a result, we are requesting your approval to utilize JCSA water on a temporary basis to irrigate the landscaped areas of the amenity. We would limit the use of JCSA water to a maximum duration of 36 months, subject to any mutually agreed upon extensions of this agreement. In addition, we will incorporate the following water saving techniques to limit the amount of water utilized for irrigation:

1. The irrigation system will utilize a state of the art weather station which monitors rainfall and based upon the current conditions, can both delay the system from operating when sufficient rainfall has occurred and automatically reduce the run times of each zone.

2. We will install a warm season grass in the lawn areas which is more tolerant to dry summer conditions and requires less water than traditional fescue type, cool season grasses.

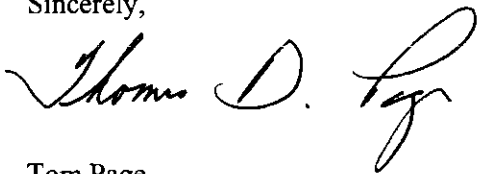
3. We will provide manual shut-off valves to zones that are strictly used for watering trees and shrubs such that after a sufficient grow-in period, these zones can be permanently turned off.

4. We have utilized native plants such as Inkberry Holly and Yaupon Holly in our landscape design that are suited to our weather and will survive without water after a sufficient grow-in period. The only species that are water dependent are the Hydrangeas but these are utilized in areas which will naturally retain moisture.

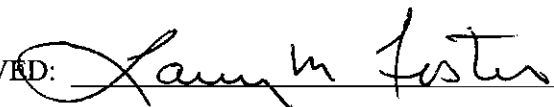
This agreement in no way relieves us from the commitments we have made in our Water Conservation Agreement relative to the future development of the property.

If you need any additional information to assist in your consideration of our request, or if you have any questions, please do not hesitate to contact me.

Sincerely,



Tom Page
GS Virginia

APPROVED:  DATE: 1/25/2010

Mr. Larry Foster
James City Service Authority