

AGREEMENT

THIS AGREEMENT dated this 25th day of November, 1991, by and between the Town of Cape Charles, Virginia (hereinafter Town), Northampton County, a political subdivision of the Commonwealth of Virginia, (hereinafter County), and Brown & Root I, Inc., a Delaware Corporation authorized to conduct business in the Commonwealth of Virginia, (hereinafter Brown & Root).

WHEREAS, the Town has initiated an annexation Petition to the Commission on Local Government (hereinafter Commission), for the annexation of property currently under the jurisdiction of Northampton County; and

WHEREAS, the County has filed its Response to the annexation Petition with the Commission; and

WHEREAS, the Commission has conducted public hearings and after due consideration it has recommended approval of the Town's Petition; and

WHEREAS the Town has adopted an Ordinance and Petition pursuant to Section 15.1-1033 of the Code of Virginia, 1950 as amended, petitioning the Special Annexation Court (hereinafter the Court) to grant the annexation of land in Northampton County, and

WHEREAS, the County has filed its responsive pleadings thereto and the matter has been docketed for hearing; and

WHEREAS, Brown & Root is the owner of the majority of the property sought to be annexed by the Town and desires that its property be annexed by the Town; and

WHEREAS, the Town and County acknowledge their support for the concept of development of Accawmacke Plantation, as defined below,

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and their desire to work in harmony with one another and Brown & Root to facilitate the reasonable development of Accawmacke Plantation with various State and Federal agencies and to appropriately expedite local permit requirements; and

WHEREAS, the Town, County and Brown & Root have reached an Agreement, the terms of which are acceptable to all parties and which is designed to settle various issues of concern to the parties.

NOW THEREFORE AND IN CONSIDERATION of the following mutual covenants, the adequacy of which are hereby acknowledged, the parties agree as follows:

1. As used herein Accawmacke Plantation shall mean all land belonging to Brown & Root I, Inc., within the corporate limits of the Town of Cape Charles as of November 25, 1991, and all land belonging to Brown & Root I, Inc., located within the Area Proposed for Annexation in the Annexation Suit Currently pending in the Northampton County Circuit Court wherein the Town of Cape Charles is the petitioner and the County of Northampton is the respondent except that this definition shall not include lots presently subdivided and platted on a certain plat of survey of the Town of Cape Charles, recorded in the Circuit Court Clerk's Office of Northampton County, Virginia, in Deed Book 41 at page 484.

2. Brown & Root currently leases approximately sixty (60) acres of land in the Town of Cape Charles to the Northampton Country Club, Inc., for use as a golf course. Brown & Root agrees it will not exercise its right to terminate its existing lease with the Northampton Country Club, Inc. for a period of three years from the date of this Agreement or until such time as Brown & Root opens

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for operation a new golf course in Accawmacke Plantation, whichever occurs first. At the time that it solicits memberships for its new golf course, Brown & Root agrees that it shall offer any current Northampton Country Club member, in good standing as of the date of this Agreement, a reduction in the following fees:

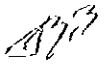
- a) Fifty percent reduction in initiation fees and fifty percent reduction in dues; or
- b) Fifty percent reduction in green fees, if the course is opened to the general public.

These discounts shall remain in effect for a period of three years from the date of the opening of the new course, at the end of which time such of the above-described individuals as are then paying initiation fees and dues can continue their membership by paying the balance of the then existing initiation fee previously discounted. Dues will increase to the 100% level after three (3) years.

All memberships mentioned herein are non-transferable.

All affected Northampton Country Club members will be subject to the rules, regulations and bylaws of the new golf course/development.

3. The Town and Brown & Root acknowledge and agree that the County shall not be responsible for the cost of right-of-way acquisition or construction of any of the following: a) an at-grade extension of Fig Street or other road improvements within the post-annexation boundaries of the Town of Cape Charles; b) any new connector corridor from Route 184 through the property now owned by V.M. Martin and into the Brown & Root property; c) for any portion of Route 642 within Accawmacke Plantation. The



maintenance obligations required by law are not affected by this Agreement.

4. Upon the acquisition of all necessary rights-of-way and permits, Brown & Root agrees to commence construction of the new access corridor from Route 184 across the property now owned by V.M. Martin into the Brown & Root property in accordance with the attached schedule of improvements labeled Schedule A. Once construction has commenced, the road shall be completed as expeditiously as practicable. Should Brown & Root not commence construction of the new access corridor as provided above and in accordance with the attached Schedule A or should it fail to complete construction thereof in an expeditious manner, then in such event the Town shall withhold the issuance of any further Certificates of Occupancy in the annexed portion of Accawmacke Plantation.

5. Prior to the sale or transfer or the commencement of construction on any of the land which is situate in Accawmacke Plantation, Brown & Root shall cause restrictive covenants to be recorded in the land records of the Northampton County Circuit Court restricting dwelling unit construction thereon to not more than three thousand (3,000) dwelling units. Recordation of this Agreement by Brown & Root or the County shall be considered to be the imposition of the restrictive covenant required herein which restrictive covenant shall be binding upon the land constituting Accawmacke Plantation and shall be for the benefit of the County.

The Town shall issue no building permit for the construction of nor Certificate of Occupancy for the use of any dwelling unit which will result in more than three thousand (3,000) dwelling

units in Accawmacke Plantation.

6. Brown & Root, or its successors, as appropriate, shall pay to the County the sum of Three Hundred Dollars (\$300.00) at the closing on the initial sale of each residential dwelling unit or upon the issuance of a Certificate of Occupancy on property within that portion of Accawmacke Plantation annexed by the Town, effective January 1, 1992. The payment shall increase from Three Hundred Dollars (\$300.00) to Four Hundred Dollars (\$400.00) for each triggering event that occurs more than ten (10) years after the first sale or certificate of occupancy.

All funds received by the County from such source shall be accounted for separately from other funds and revenues of the County. Such funds shall be used by the County exclusively for projects intended to lessen the impact upon displaced leaseholders, the development and/or improvement of public parks, wetlands parks, recreational amenities, educational facilities (including, but not limited to, public libraries), landscaping improvements adjacent to Old Stone Road (Virginia State Route 184), rescue squads, and fire departments located in the area from Cape Charles, Cheriton, Oyster, and other lands in lower Northampton County.

7. The County and Town acknowledge their support for the concept of the development of Accawmacke Plantation. To the extent that the development is appropriate to the best interest of Northampton County, the County agrees to cooperate with Brown & Root in facilitating the permitting processes and working toward the successful completion of the development of Accawmacke Plantation.

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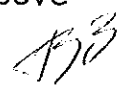
8. Subject to the approval of this Settlement Agreement by the Court, the representations and obligations contained herein shall be binding upon the respective parties, their successors and assigns. Brown & Root's obligations contained herein shall apply only to the property designated as Accawmacke Plantation. Furthermore, the subsequent purchasers of individual lots or other incidents of individual ownership shall not incur the obligations of Brown & Root contained herein. It is the intent of the parties not to impose the obligations of Brown & Root contained herein upon the consumers who purchase lots, condominiums, and/or memberships within Accawmacke Plantation.

The obligations of Brown & Root, contained herein, except as provided above, shall run with the land and be binding upon the subsequent owners of Accawmacke Plantation, which owners shall assume all of those obligations and relieve the prior owner thereof.

9. The laws of the Commonwealth of Virginia shall apply to this Agreement which has been executed in Northampton County, Virginia.

10. This Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall be an original and all of which counterparts taken together shall constitute but one and the same instrument.

IN WITNESS WHEREOF and intending to be legally bound hereby, the parties have signed this Agreement the day and year first above written.



TOWN OF CAPE CHARLES

By

Edward A. Parry

Its Mayor

COUNTY OF NORTHAMPTON

By

Charles S. Bell

Its Chairman

BROWN & ROOT I, INC.

By

Jeff G. Tate

Its Vice President

State of Virginia

County of Northampton

The foregoing instrument was acknowledged before me this 25th day of November, 1991, by E. A. Parry, III, Mayor, for and in behalf of the Town of Cape Charles.

My Commission expires: June 30, 1993

Elizabeth L. Thomas
Notary Public

State of Virginia

County of Northampton

The foregoing instrument was acknowledged before me this 25th day of Northampton, 1991, by Charles B. Bell, Chairman, for and in behalf of Northampton County.

My Commission expires: June 30, 1993

Elizabeth L. Thomas
Notary Public

State of Virginia

County of Northampton

The foregoing instrument was acknowledged before me this 25th day of November, 1991 by Joel G. Bates, Vice President, for and in behalf of Brown & Root I, Inc.

My Commission expires: June 30, 1993

Elizabeth L. Thomas
Notary Public

SCHEDULE A

SCHEDULE FOR ROAD IMPROVEMENT

Brown & Root shall commence construction of the new connector road referenced in Paragraph 4 of this Agreement (hereinafter New Connector), when:

1. If officially approved in writing by the Virginia Department of Transportation, District Traffic Engineer, or his designee, (hereinafter "VDOT Official") as an appropriate measure of the reasonable necessity of the New Connector, then construction of the New Connector shall commence when (a) the average annual peak hour volume, entering and leaving the southern tract of Accawmacke Plantation exceeds four hundred (400); and in the same year, (b) when the average annual peak hour volume on Route 642, as measured at the easternmost portion of the southern tract of Accawmacke Planation exceeds two hundred fifty (250).

For purposes of determining the average annual peak hour volume entering and leaving the southern tract of Accawmacke Plantation, a total of two (2) vehicular counts on the primary ingress and egress roads within the southern tract of Accawmacke Plantation shall be used to determine the peak hour total two-way traffic count entering and leaving the southern tract of Accawmacke Plantation. The peak hour volumes entering and leaving the southern tract of Accawmacke Plantation onto Route 642 shall then be averaged on a calendar-year basis.

2. If not officially approved by the VDOT Official as provided in Paragraph 1 above, then the construction of the New Connector shall be commenced according to a schedule mutually acceptable to Brown & Root's traffic engineers and the VDOT

Official. Such acceptability shall be manifested by a written document executed by both the VDOT Official and Brown & Root's traffic engineer.

3. In the event that the schedule to commence construction of the New Connector cannot be established pursuant to either Paragraph 1 or 2 above, then the parties agree to submit for binding and final arbitration the issue identified below to an arbitrator who shall be a traffic engineer and who shall be acceptable to Brown & Root and the County. In the event that the parties cannot agree upon an arbitrator, then such arbitrator shall be appointed by the Judge of the Northampton County Circuit Court. The issue to be submitted shall be:

Pursuant to generally accepted traffic principles and standards, is the formula set out in Paragraph 1 an appropriate formula for determining construction commencement of the New Connector and, if not, what is an appropriate formula to determine commencement of construction.

The New Connector shall be built to a total paved width of at least twenty-four (24) feet pursuant to VDOT street subdivision requirements with an at-grade rail crossing near Bender's Row. Nothing contained herein shall preclude Brown & Root from constructing the New Connector in advance of the periods specified above.

For purposes of this schedule, "commence construction" shall be defined as posting any necessary construction bonds, and the commencement of clearing and grading activity within the New Connector corridor.

The cost of the arbitrator shall be shared equally between Brown & Root and the County.