

Position of the private Hatley Road Property Owners on the Cooper Development

In Contentnea Creek's initial written application for development of the Cooper subdivision, Contentnea Creek agreed to upgrade Hatley Road to NC DOT paved road standards between their Windfall subdivision and their proposed Cooper subdivision. To protect the interests of the property owners on the privately-owned section of Hatley Road and to ensure that Contentnea Creek satisfy the conditions of their initial application, we ask that Contentnea Creek agree in writing to upgrade Hatley Road to NC DOT paved road standards prior to or concurrently with the water line extension in Phase One of the Cooper subdivision.

In December of 2006, for the purpose of obtaining a utility easement and a public right-of-way along the privately-owned section of Hatley Road, Contentnea Creek negotiated with the Hatley Road property owners the above road provision and the additional provisions which are outlined below.

Hatley Road Background

Hatley Road runs east from Mt. Gilead Church Road. The state-maintained portion ends shortly before the Creekstone development. Hatley is paved up to the Cooper property and then continues east as a gravel road. The NC DOT has received approval from the property owners along the state-maintained gravel section to upgrade the road to paved DOT standards. We have been told by NC DOT that this work will probably be scheduled in spring 2008. Beyond the state-maintained section, Hatley continues as a private gravel road providing access to additional property owners to the east. The road, as a gravel and then dirt road, extends into the now existing Windfall development.

The installation of the water line along a private gravel road, without also paving the road, would seriously damage and degrade the road and would place an undue maintenance burden on the adjacent property owners. In addition, there is nothing to prevent Contentnea Creek from using Hatley Road to drive construction equipment between their Windfall and Cooper developments during Phase I which would further damage the road.

Cooper Development Background

Contentnea Creek approached the adjacent property owners regarding their plans for the Cooper development in June 2006. They were requesting that the Cooper property be rezoned from RA-5 to RA-90. As part of their application process, the developer agreed to extend the water line from the Windfall development to the Cooper development and to upgrade Hatley Road to NC DOT paved road standards and connect it to the Windfall development. Based on the conditions stated in the initial application, the Hatley Road property owners supported the proposed Cooper development.

In December of 2006, Contentnea Creek met with the property owners on the privately-owned section of Hatley Road and negotiated an agreement that would grant Contentnea Creek a utility easement to install a water line along Hatley Road between Windfall and Cooper. In exchange for granting the

utility easement and public right-of-way, Contentnea Creek would agree to upgrade and maintain Hatley Road to NC DOT paved road standards.

In addition to the road upgrade, the developer also agreed to meet the following provisions designed to protect the interests of the private Hatley Road property owners:

- a. Contentnea Creek installs a mature landscape buffer and berm providing 4-season privacy between the Salay property and Hatley road
- b. Contentnea Creek installs a drainpipe underneath the Salay's gravel driveway where it connects to Hatley road
- c. Contentnea Creek maintains Hatley road to state DOT paved road standards until the state takes over the maintenance of the road. The private Hatley Road property owners agree to grant a public right-of-way within the existing 60' private easement provided that all of the provisions referenced in this document are satisfied.
- d. During construction of the water line, Contentnea Creek is responsible for installing a tap to the water line for all lots that border the private portion of Hatley road between Windfall and Cooper. Each lot owner shall specify the location of the tap. Contentnea Creek will also be responsible for paying the tap-in fee for each lot. The property owners agree to apply for the discount for these tap-in fees and to refund the money to the developer. Note: this does NOT include the cost of a meter or installing/connecting the water line from the tap to each residence.
- e. If Contentnea Creek crosses Parker's Creek in their development of Cooper and subject to state and county approval, Contentnea Creek is responsible for providing right-of-way and utility easements from the north side of Parker's Creek to the eastern property currently owned by Michael and Gigi Davidson

We recently learned that due to an existing road and utilities easement that Contentnea Creek may not need to execute a utilities easement with us. However, we ask that in consideration for our interests and in exchange for our willingness to grant a public right-of-way that the developer agree in writing to honor these previously negotiated provisions.