

BLANCHARD, MILLER, LEWIS & STYERS, P. A.

L A W Y E R S

PHILIP R. MILLER, III*
E. HARDY LEWIS
M. GRAY STYERS, JR.*
KAREN M. KEMERAIT
CHARLOTTE A. MITCHELL

CHARLES F. BLANCHARD
DEBORAH K. ROSS*
OF COUNSEL

1117 HILLSBOROUGH STREET
RALEIGH, NORTH CAROLINA 27603

TELEPHONE (919) 755-3993
FACSIMILE (919) 755-3994
WEBSITE: www.bmlslaw.com
*CERTIFIED SUPERIOR COURT MEDIATORS

WRITER'S DIRECT
TELEPHONE (919) 747-8112
E-MAIL: gstyers@bmlslaw.com

January 26, 2010

VIA E-MAIL AND FIRST CLASS MAIL

Mr. Jason Sullivan
Planning Director
Chatham County Planning Department
80-A East Street
Pittsboro, North Carolina 27312

RE: Briar Chapel Phase 5, Section 2, Subdivision Preliminary Plat Submittal

Dear Jason:

As you have discussed with Lee Bowman, I am writing on behalf of NNP-Briar Chapel, LLC regarding the preliminary plat submittal for Phase 5 South, Section 2. As explained in greater detail below, the adjustment of the number of lots for this plat (compared to the concept Master Plan in 2005) is in substantial compliance with the Conditional Use Permit (CUP) approval for the Briar Chapel planned development.

At the time the Briar Chapel (CUP) was approved, and its specific language was being drafted by County Attorney Paul Messick and myself, in consultation with County Planning Director, Keith Megginson, it was understood by all parties that the precise layout of lots would vary from the lines drawn on the concept Master Plan prepared by the John R. McAdams Company. As acknowledged in Section 1 of the CUP, the project will be built out over fifteen years. Over that time period, market considerations that drive the demand for specific sizes and configurations of lots will inevitably vary, and the project will need flexibility to adapt to that changing demand. This flexibility was expressly allowed for in Sections 18 and 19 CUP.

Because the concept Master Plan was general in nature and will be refined and sharpened in detail as the project evolves over its fifteen-year life, Section 18 of the CUP required final detailed site plans with a level of detail that would be beyond the foresight (or clairvoyance) of the developer, Board, and staff at the time of the CUP approval. The subsequent subdivision plats, with lot-specific consideration of variables (such as topography, rock, and varying sizes

based upon current-market demand) are, of course, much more specific, as allowed by Section 18, which provides:

Such subdivision review may allow modification of the master site plan approved hereunder so long as not substantially inconsistent with this permit.

Section 19 specifically acknowledges that the project will be constructed in stages, pursuant to subdivision regulations, and states that:

Such subdivision review may allow mutually agreeable modification of the standards referred to therein so long as not substantially inconsistent therewith.

There are specific land use requirements in the CUP that are fixed and unchanging—the vested rights established by the permit—which are found in Section 2:

2. Land Use Intensity. This special use permit approves:

| | |
|----------------------------------|------------|
| Gross land area: | 1589 acres |
| Max Impervious surface area | 24% |
| Maximum Number of Dwelling Units | 2389 |

NNP-Briar Chapel does not propose any changes whatsoever to these limits established by the CUP. As it relates to the Phase 5 South, Section 2 Plat, NNP-Briar Chapel is not requesting any increase in the maximum number of allowed dwelling units for the entire development, but rather only proposing to redistribute them within the community to accommodate buyer demands. Moreover, it is worth noting that the ultimate result of reducing lot sizes at this time in light of market demand, while not changing the maximum number of dwelling units, is either to increase the lot size in later phases of the project, or most likely, increasing the total acreage of open space.

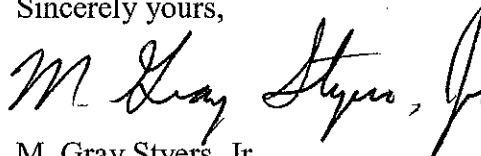
Finally, any re-allocation of lots in this Phase 5, Section 2 Plat maintains the original intent and character of the Master Plan. The street and overall development design has not changed. The lot sizes and widths are consistent with the immediately contiguous Phase 5, Section 1, the Final Plat for which has been approved by the County Commissioners this month. For the reasons explained above, almost every preliminary plat and final plat approved for lots within Briar Chapel have varied to some degree from the 2005 concept Master Plan -- consistent with the flexibility allowed by the CUP and needed to accommodate buyer demand. In this respect, this preliminary plat approval requested is like those previously approved by the Planning Board and Commissioners elsewhere in Briar Chapel.

Thank you for allowing me to more fully explain Briar Chapel's position regarding the appropriateness of approval of the pending preliminary plat and for your consideration of this analysis. Feel free to share this with the Planning Board or the Board of Commissioners if you feel that they might have any questions about the number of lots and the plat's consistency with the CUP.

Jason Sullivan
January 26, 2010
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If you have any questions or comments about anything written above, please do not hesitate to contact me at any time.

Sincerely yours,

A handwritten signature in black ink that reads "M. Gray Styers, Jr." The signature is written in a cursive style with a large, stylized "M" and "S".

M. Gray Styers, Jr.

Enclosures

Cc: Mr. Keith Hurand, NNP-Briar Chapel, LLC
Mr. Lee Bowman, NNP-Briar Chapel, LLC
Mr. Bill Mumford, NNP-Briar Chpael, LLC
Mr. Richard J. Rose, Esq. (via e-mail)
Ms. Lynn Richardson, Subdivision Administrator (via e-mail)