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October 20, 2011

(VIA E-MAIL AND U. S. MAIL)

Jason Sullivan, Planning Director
Lynn Richardson, Subdivision Administrator
Chatham County Planning Dept.
P.O. Box 54
Pittsboro, NC 27312

Dear Jason and Lynn:

I represent Capital Bank and The Legacy at Jordan Lake, LLC in connection with their request that the Board of Commissioners relinquish the final plat approvals for Phases Two and Three of The Legacy at Jordan Lake pursuant to the Permit Extension Act. The County's Technical Review Committee has previously reviewed this matter in addition to yourselves. I appreciate your input and assistance.

As you know, The Legacy at Jordan Lake was originally approved as a large conditional use residential project of 463 lots on 626 acres in 2004. Phases Two and Three with a total of 114 lots were approved in 2006 with substantial letters of credit issued by Capital Bank to secure completion of the subdivision improvements proposed for those phases. The developer subsequently filed Chapter 11 and has been unable to complete those improvements. Capital Bank and the developer are cooperating in this matter to make the land more marketable. The 114 lots in Phases Two and Three have been recombined with the remaining undeveloped property in the project into a large 402 acre tract. The developer and bank are requesting the County "relinquish" the final plat approvals granted in 2006 and allow the property to revert to its preliminary plat status. A similar process was followed on behalf of The Glens development some time ago.

As a part of this request, there are also some ancillary issues that deserve clarification, as follows:

1. Recreation fees and water availability fees were paid as a part of the development approval process to the County by the developer. My clients believe that these fees should be retained by the County, but available as a credit towards any similar fees incurred for future development of the property. The water capacity represented by the water fees paid should remain available for future development as well.

2. There are three private roads depicted upon the final plats which the developer intends to withdraw dedication as a part of the recombination process. The road names are already associated with The Legacy and they should remain available for future development.

3. Although no improvements have been constructed on Phases Two and Three, there has been some land disturbance activity on the site with adequate erosion control measures in place. In order to assure future compliance with the erosion control permit issued by the County, Capital Bank is willing to issue a letter of credit to secure those control measures on behalf of the developer. Rachel Thorne has agreed to the cost estimate supplied by Mark Ashness which would be the basis for the adequate security.

4. Upon relinquishment by the County, the Bank's two existing letters of credit securing the subdivision improvements for Phases Two and Three should be released and cancelled.

This request is justified under the following circumstances. It will not adversely impact or delay the future development potential of the property and in fact, it will make it more marketable and provide a purchaser with a fresh opportunity. The Permit Extension Act already extends the time to otherwise complete this development until 2015. Based upon my conversations with the Chatham County Tax office staff, the recombination of these 114 lots will not adversely impact the property tax valuation of or ad valorem tax revenue to the County from the property. The developer currently holds various regulatory permits and development approvals necessary for the future development of the property from other agencies which will not be adversely affected by the recombination of the lots or by the County's relinquishment of final plat approvals. I believe the public health and safety will be preserved and protected by those regulatory permits continuing in effect.

I have enclosed a draft resolution for the consideration of the Chatham County Board of Commissioners. The draft resolution covers all of the items set forth in this letter. Upon further review, if you or the County Attorney have any questions or concerns, please let me know. I shall look forward to presenting this matter to the Board at its first meeting in November.

Thank you again for your assistance and cooperation.

Very Truly Yours,

GUNN & MESSICK, LLP



Paul S. Messick, Jr.

PSMJR/ngp
Enclosures