

Covered Bridge Trail
Chapel Hill, NC 27517

May 17, 2021

Chatham County Board of Commissioners
PO Box 1809
Pittsboro, NC 27312

Dear Board of Commissioners:

Good afternoon, my name is Stephen Warshofsky and I have lived at The Legacy at Jordan Lake with my wife since November 2014. We looked long and hard for a municipality that is managed well and looks to protect residents' interests. We feel we found it in Chatham County.

However, we have concerns about Freehold Capital Management, LLC that is the Developer (declarant) and who controls the HOA for the Legacy. Freehold has caused many issues in the Legacy and has charged to the HOA many repair costs that should have been charged to the Developer – Freehold. These inappropriate charges have caused the HOA to go into unnecessary debt to Freehold. Freehold has loaned over a half million dollars to the HOA to cover expenses that Freehold should have paid. Now, Freehold expects repayment and is achieving such repayment, in part, by increasing our HOA fees to \$200.00 a month.

We want Freehold to obtain approval to complete phase III in the Legacy, but only if there are some assurances that Freehold will not charge the HOA for developer costs that should be covered by Freehold as the Developer. We also want Freehold to reimburse the HOA for prior charges paid by the HOA that should have been paid by Freehold and to meet with key Legacy members to discuss our issues.

To give a few examples of past issues that will get worse as phase III progresses if Freehold is allowed to continue its inappropriate development activities and charges to the HOA as follow.

Road Issues:

Two independent road construction companies (Raleigh Paving and Sanford Construction) who have worked at the Legacy, when asked said that the slippage of roads is due to heavy equipment travelling on the streets to get to building sites. These heavy vehicles brake at stop signs and cause slippage and other street damages. Asphalt repairs thus far have been charged to the HOA by Freehold and are of poor quality. These development repairs show on financial statements as declarant (developer) loan, to be paid back to Freehold.

We know that the completion of phase III will add to our road issues.

A site visit of all roads used by heavy construction equipment would reveal much more.

Capital Improvements:

Freehold has systematically charged the HOA for the cost of capital improvements and repairs that should be appropriately borne by a developer for e.g., costs to transfer and clean retention ponds were billed to the HOA and cleaning out sewer silt and builder's debris.

Silt and Debris Issues:

There is a creek that goes under Covered Bridge Trail. According to Google Maps, this creek flows into the tributaries of Jordan Lake. During M/I Home building I witnessed no erosion control fences in the back of many homes located on Two Creeks Loop, to stop silt escaping into the downward hill into the creek, which has occurred during many rainstorms.

If the silt issues are not addressed in the Legacy, the completion of phase III will add to the silt run-off impacting Jordan Lake.

Compressed debris is wedged in the sewer at Legacy Falls Dr South coming from Lennar building.

Renewal of NC State Effluent Spray Permit Issue:

The Legacy's golf course had to switch to county water because Freehold did not obtain proper permits. Freehold stated at a November 19, 2020 meeting, that the golf course permit issue 'Fell Through the Cracks'. This was 6 years, 8 months and 24 days after the permit expired on February 26, 2014. Since then, several more renewal attempts were made, confirming that Freehold was aware of the expired permit. The permit was finally approved on May 6, 2019. However, Freehold assumed no responsibility for the issue "falling through the cracks" and charged the HOA to pay costs associated with the interim switch to county water and even the costs to repair the turf that had died because of the oversight due to their negligence.

Freehold Certified letter response to issues:

A certified letter signed by several residents was sent to Freehold March 30, 2021 outlining concerns regarding the way Freehold is running the HOA. On May 3rd, Freehold responded it will take some time to complete their investigation to provide a response to the letter. Our concern is Freehold may be rewarded for their insidious and inappropriate development activities with an approval on Phase 3 and the return of their posted bond before resolving residents' issue.

Resolution of Issues:

1. I respectfully request the BOC to please not release performance bonds until a thorough inspection of the entire property is done, and the developer corrects deficiencies identified by the BOC.
2. I ask the BOC delay final approval of Phase 3 permits until Freehold meets with homeowners and address our concerns raised in a letter recently sent to them and, to deny any attempt to remove vacant land known as Phase 7 from the Legacy PUD.

Thank you,

Stephen Warshofsky

Photo Attachments:

- Illustration 1. Flooding Sewers (both sides of Covered Bridge Trail near mailboxes)
- Illustration 2 & 3. Silt in Sewers (one of many places)
- Illustration 4. Heavy Equipment (one of many heavy equipment vehicles)
- Illustration 5. Silt in Water Falls and ponds
- Illustration 6. Silt in Creek May 3, 2021
- Illustration 7 & 8. Road Slippage, Seaming and Cracking 2 yrs. after final asphalt paving

Illustration 1. This is recent flooding due to the sewer full of silt and debris near the mailboxes on Covered Bridge Trail and the other parallel sewer. Each time it rains sewer water backup occurs.

Additionally, during this winter there was substantial rain flooding in the streets near the front gate guard house area. Homeowners were notified the road needed to be closed until the flood was cleared. Much silt and gravel debris has been coming down the hill on Legacy Falls Dr South from Lennar building. Complains have been made to the management company but they take their marching orders from Freehold.



Illustration 2. Silt and gravel debris after the above sewer flooding retreated in illustration 1. Sewer debris has remained for a long time.



Illustration 3. This sewer filled with debris on Legacy Falls Dr. South coming downhill from the Lennar Build. Rainwater comes down the hill and towards front gate bypassing the sewer. There appears to be no project management oversight from the developer Freehold Capital Management nor the builder.



Illustration 4. This is one of many illustrations of trucks and heavy builders' equipment going in/out of the front gate. The guard house video camera takes 24/7 photos of all vehicles and license plates entering and leaving the front gate. The management company and Freehold have access to all videos. Heavy equipment vehicles frequently brake at the Stop Sign causing concaving in the asphalt from weight. A site visit will show this.



Illustration 5. Silt in the pond and on the waterfalls. Freehold charges cleaning of the waterfalls to homeowners when silt is clearly coming from building home sites. The pond on the other side of the road also contains much silt. A site visit will reveal more.



Illustration 6. Silt in Creek under Covered Bridge Trail May 3, 2021 after rain. Heavier rains in the past have revealed more silt in the creek leaching into Jordan Lake.



Illustration 7. At location 1074 Legacy Falls Dr South there is road slippage and cracking 2 years after final asphalt paving. Asphalt shows slippage and degradation. Damaged areas are at least 25 x 14 ft in one area and another 5 x 5 ft nearby. The road was traveled with heavy equipment during the M/I build of homes.

Seams where asphalt meets cement bridges has been widening allowing water to leak in undermining base of road.

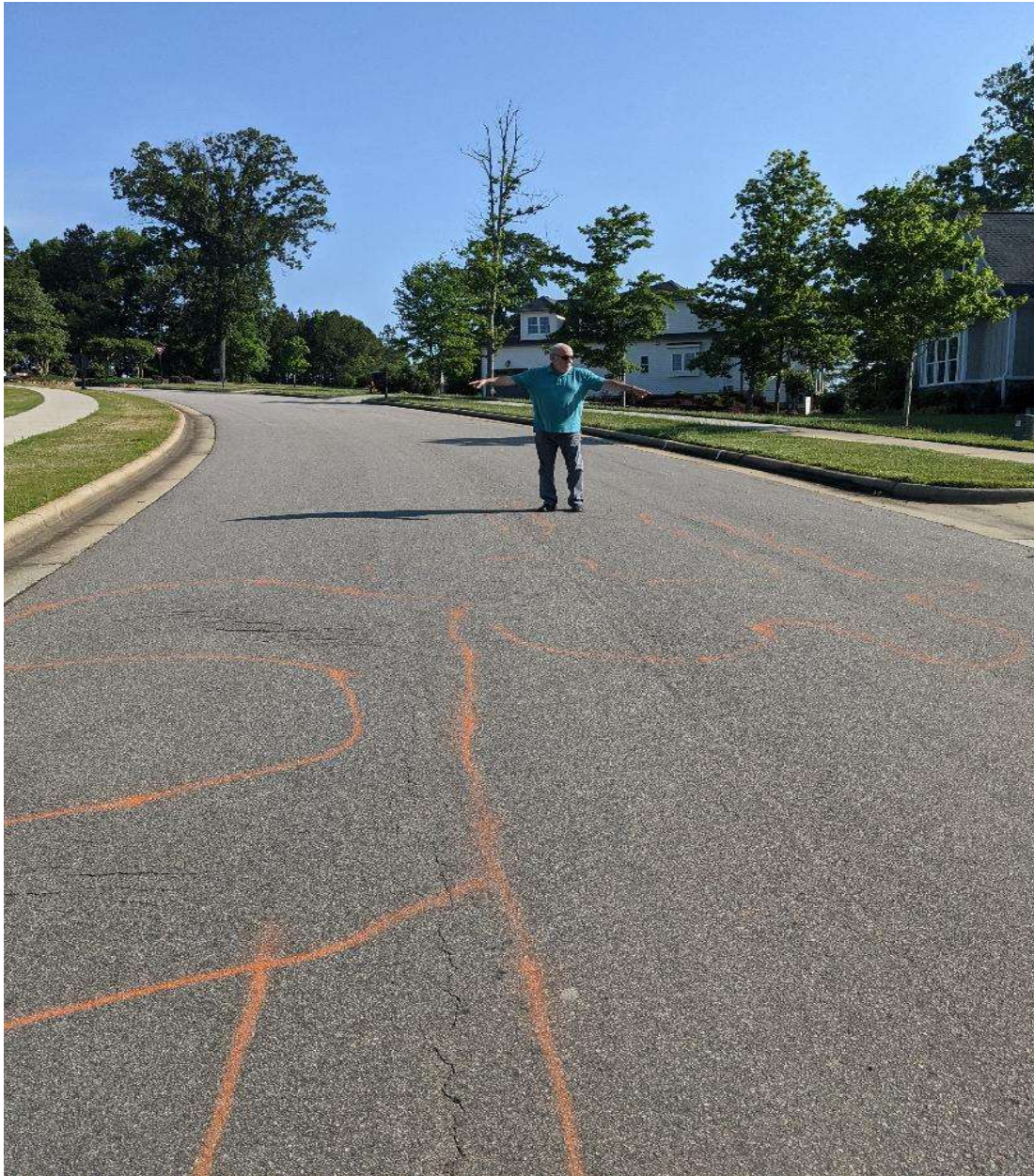


Illustration 8 (continuation of illustration 7). The county requires developers to build roads to standards and stay suitable and strong for residential use. Yet the developer heavy equipment traffic damages roads and then the Freehold expects residents to pay for repairs charged to the HOA's reserve fund or added to the declarant loan.

There are many more areas in Legacy where the below slippage has and is occurring. A site visit will reveal more at this address and other areas along Covered Bridge Trail.



From: Stephen Warshofsky <stephenwarshofsky@yahoo.com>

Sent: Thursday, May 13, 2021 8:07 PM

To: Lindsay Ray <lindsay.ray@chathamcountync.gov>; Kaitlyn Warren <kaitlyn.warren@chathamcountync.gov>

Subject: Additional supporting documents for Legacy Phase 3 BOC meeting 5/17/21

WARNING: This message originated from outside the Chatham County email system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Lindsay / Kaitlyn, if is not late or too much to ask for, please share the below photos with the Board of Commissioners. These photos were taken today 5/13/21 at 6:08 PM.

This is indicative of Freehold sanctioning development heavy equipment going through the front gate and causing road damages in the Legacy. Heavy laden vehicles brake at the stop sign. Concaving in the asphalt gets worse. The construction gate was open.

Freehold surreptitiously charges road repairs under the HOA's reserve fund and then takes it back from our increase dues in a repayment of a loan. Freehold does not ask homeowners to make a loan when the have a capital improvement in a development project. They are not enforcing large and heavy vehicles to take the construction trail.

There are video cameras that run 24/4 at the front gate area. Road repairs are clearly due to Freehold's negligence.

Stephen



