REQUEST FOR PROPOSALS (RFP)

Vantage Pointe Townhomes – CHDO Infill Development

CITY OF CHARLOTTE
HOUSING & NEIGHBORHOOD SERVICES DEPARTMENT - HOUSING SERVICES

DATE ISSUED:
August 25, 2020
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1  REQUEST FOR PROPOSALS (RFP) INSTRUCTIONS

1.1  Public Notice
The City of Charlotte (City) plans to select a developer to provide site work, infill development and to establish a homeowner’s association for Vantage Pointe Townhomes. The City is seeking a developer whose combination of experience and expertise will provide timely and cost-effective service to the City.

Information related to this solicitation, including any addenda, will be posted to the City’s Housing Website at:

http://charlottenc.gov/HNS/Housing/RFP/Pages/Requests%20For%20Proposals.aspx and the NC Interactive Purchasing (IPS) site at http://www.ips.state.nc.us

For questions related to this RFP, contact:

Warren Wooten
Housing Operations Manager
Direct Phone: (704) 336-2489
Email: twooten@charlottenc.gov

1.2  Project Overview

The Vantage Pointe Townhomes development, an affordable homeownership development, was initiated by a nonprofit organization in 2008. The development consists of 26 townhomes located at La Salle and Augusta streets. Of the 26 townhomes, 14 townhomes are completed and sold to eligible homeowners.

Pads exist for the remaining units but must be removed due to the current conditions and must be removed. The scope includes:

- Demo and removal of existing pads.
- Construct twelve units of single-family townhomes for affordable homeownership to qualified low- moderate income buyers.
- Repair site infrastructure and site improvements per the responsibilities of the homeowner’s association and consistent with current City standards.
- Establish a homeowner’s association with sufficient professional and financial capacity to sustain the association’s legal requirements.
Scope of Work is further detailed in the attached scope of work.

1.3 **RFP schedule and Proposal Submission**

Provided below is the anticipated schedule of events. The City reserves the right to adjust the schedule and to add/remove specific events to meet the unique needs of this Project.

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Advertisement of RFP</td>
<td>August 25, 2020</td>
</tr>
<tr>
<td>Deadline for Questions</td>
<td>September 8, 2019 by 5pm</td>
</tr>
<tr>
<td><strong>DUE DATE &amp; TIME FOR PROPOSALS:</strong></td>
<td>September 25, 2020 by 5pm</td>
</tr>
</tbody>
</table>

Proposals shall be enclosed in a sealed envelope or package, addressed to the City of Charlotte, Housing & Neighborhood Services Department. The name and address of the prospective agency and RFP Title shall be placed on the outside of the package. All items required for a responsive proposal shall be included. It is the sole responsibility of the proposer to ensure that the proposal package is received no later than the established due date and time at the proper location. Proposals received after the due date and time will not be considered. Proposals submitted by facsimile or other electronic means will not be accepted.

Submit/Deliver to: **Warren Wooten**

Housing Operations Manager  
City of Charlotte  
Housing & Neighborhood Services  
600 East Trade Street  
Charlotte, North Carolina 28202

1.4 **Evaluation Criteria & Process**

Proposals will be evaluated based on the Company’s ability to meet the performance requirements of this RFP. Proposals will be assessed to determine the most comprehensive, competitive and best value solution for the City based on, but not limited to the following criteria:

- Qualifications and experience
- Developer availability to complete work in a timely manner
- Proposed approach
- Proposed cost effectiveness
- Acceptance of the Terms of the contract

The City reserves the sole right to select the most qualified agency on the basis of best overall value that is most advantageous to the City.

Agencies who submit proposals will be notified of the selection results. Final recommendation of any selected agency is subject to the approval of City Council or City officials.
1.5 Proposal Format & Contents
Interested agencies must complete and submit two original copies of their proposal document and each of the required Forms 1 thru 6 provided with this RFP.

Proposals must include:
1. All required forms outlined in this RFP.
2. The developer’s name, mailing address, email address, and telephone numbers.
3. A list of all the persons (including the principal and any employees or subcontractors) to be involved in carrying out the proposed work, describing each person’s qualifications and proposed involvement in specific tasks. Attach a resume for each person.
4. The proposed approach and proposed approach schedule.
5. The proposed contract amount and a proposed payment schedule.
6. Detailed information on similar projects completed within the last five years.
7. Any additional information or materials relevant to the developer’s availability, qualifications and capacity to do the work.
8. A statement authorizing the City to verify references.

1.6 Qualifications
1. At least 5 years development experience with two completed development in Mecklenburg County, preferably with infill single family construction.
2. Familiarity with the Charlotte market as evidenced by developments completed in this market and a local business presence.
3. An approach that meets the goals of this RFP.
4. A proposed timeframe the completes the development within 18 months, with a preference for a timelier completion.
5. Cost effectiveness.

END OF SECTION ONE
2 REPRESENTATIONS, CONDITIONS, AND OTHER REQUIREMENTS

2.1 Communications
All communication of any nature with respect to this RFP shall be addressed to the Contracts Administrator identified in this RFP. With the exception of communications with the Contracts Administrator and Charlotte Business INClusion Officer for this RFP, prospective agencies and their staffs are prohibited from communicating with elected City officials, City staff and any selection committee member regarding this RFP or submittals from the time the RFP was released until the selection results are publicly announced. Violation of this provision may lead to disqualification of the agency’s proposal for consideration.

2.2 Duties and Obligations of Agencies in the RFP Process
Interested agencies are expected to fully inform themselves as to all conditions, requirements and specifications of this RFP before submitting a proposal. Agencies must perform its own evaluation and due diligence verification of all information and data provided by the City. The City makes no representations or warranties regarding any information or data provided by the City. Agencies are expected to promptly notify the City in writing to report any ambiguity, inconsistency or error in this RFP. Failure to notify the City accordingly will constitute a waiver of claim of ambiguity, inconsistency or error.

2.3 No Collusion, Bribery, Lobbying or Conflict of Interest
By responding to this RFP, the agency shall be deemed to have represented and warranted that the proposal is not made in connection with any competing agency submitting a separate response to this RFP and is in all respects fair and without collusion or fraud. Furthermore, the agency certifies that neither it, any of its affiliates or subcontractors, nor any employees of any of the foregoing has bribed or lobbied, or attempted to bribe or lobby, an officer or employee of the City in connection with this RFP.

2.4 Public Records
Upon receipt by the City, each proposal becomes the property of the City and is considered a public record except for material that qualifies as “trade secret” North Carolina General Statute 66-152 et seq. Proposals will be reviewed by the City’s evaluation committee, as well as other City staff. To properly designate material as a trade secret under these circumstances, each agency must take the following precautions: (a) any trade secrets submitted by the agency should be submitted in a separate, sealed envelope marked “Trade Secret – Confidential and Proprietary Information – Do Not Disclose Except for the Purpose of Evaluating this Proposal,” and (b) the same trade secret/confidentiality designation should be stamped on each page of the trade secret materials contained in the envelope.

In submitting a proposal, each agency agrees that the City may reveal any trade secret materials contained in such response to all City staff and City officials involved in the evaluation process and to any outside consultant or other third parties who serve on the evaluation committee or who are hired by the City to assist in the evaluation process. Furthermore, each agency agrees to indemnify and hold harmless the City and each of its officers, employees and agents from all costs, damages and expenses incurred in connection with refusing to disclose any material that the agency has designated as a trade secret. Any agency that designates its entire proposal as a trade secret may be disqualified from consideration.
2.5 Advertising
In submitting an RFP, proposer agrees not to use the results therefrom as part of any commercial advertising without prior written approval of the City of Charlotte.

2.6 Vendor Registration with City of Charlotte and NC Secretary of State
The selected agency and subcontractors must be registered in the City's Vendor Registration System in order to receive payment for services and/or supplies provided under any City contract.

Any agency wishing to be considered for the Services must be properly registered with the Office of the Secretary of State at the time of submission. The agency selected under this RFP will be responsible for providing all professional, technical, managerial, and administrative staff with the appropriate skills and qualifications to perform the required services.

2.7 Financial Capacity; Insurance Requirements
The selected agency must have the financial capacity to undertake the work and assume associated liability. The selected agency will be required to provide certificates of insurance evidencing coverage for automobile liability in the minimum amount of $1,000,000; commercial general liability in the minimum amount of $1,000,000; a fidelity bond of $50,000; and workers’ compensation insurance as required by North Carolina statutes.

2.8 Ownership of Work Products
The City shall have exclusive ownership of all intellectual property rights in all documents and other work product prepared by, for, or under the direction of the selected agency pursuant to any contract under this RFP (collectively, the “Intellectual Property”), including without limitation the right to copy, use, disclose, distribute, and make derivations of the Intellectual Property for any purpose or to assign such rights to any third party. The Intellectual Property shall be prepared in the City’s name and shall be the sole and exclusive property of the City, whether or not the work contemplated therein is performed. The City will grant the agency a royalty-free, non-exclusive license to use and copy the Intellectual Property to the extent necessary to perform the contract.

2.9 City Rights and Reservations
The City reserves the right, at the City’s sole discretion, to take action affecting this RFP, this RFP process, or the services or facilities subject to this RFP that would be in the best interests of the City, including:

2.9.1 To supplement, amend, substitute, or otherwise modify this RFP, including the schedule, or to cancel this RFP, at any time;

2.9.2 To require any Companies to supplement or clarify its Proposal or provide additional information relating to its Proposals;

2.9.3 To investigate the qualifications, experience, capabilities, and financial standing of each Company submitting a Proposal;

2.9.4 To reject any or all Proposals;

2.9.5 To share the Proposals with City employees and contractors in addition to the Evaluation Committee as deemed necessary by the City;
2.9.6 To award all, none, or any part of the Services and enter into Contracts with one or more of the responding Companies deemed by the City to be in the best interest of the City, which may be done with or without re-solicitation;

To discuss and negotiate with any Company(-ies) their Proposal terms and conditions, including but not limited to financial terms; and

To terminate discussions and negotiations with any Company at any time and for any reason.

2.10 **Contract**

The contents of this RFP and all provisions of the successful proposal deemed responsive by the City of Charlotte may be incorporated, either in whole or in part, into a contract and become legally binding when approved and executed by both parties. Contents of the contract may contain changes from the City of Charlotte's perspective as a result of the RFP process and proposal(s) received. The final negotiated contract may include the scope of work as outlined in this RFP along with the successful agency’s submittal and any additions or deletions made at the discretion of the City as a result of the RFP process.

2.11 **NC Prohibition on Contracts with Companies that Invest in Iran or Boycott Israel**

Company certifies that: (i) it is not identified on the Final Divestment List or any other list of prohibited investments created by the NC State Treasurer pursuant to N.C.G.S. 147-86.58 (collectively, the “Treasurer’s IDA List”); (ii) it has not been designated by the NC State Treasurer pursuant to N.C.G.S. 147-86.81 as a company engaged in the boycott of Israel (such designation being referred to as the “Treasurer’s IB List”); and (iii) it will not take any action causing it to appear on the Treasurer’s IDA List or the Treasurer’s IB List during the term of this Contract. In signing this Contract Company further agrees, as an independent obligation, separate and apart from this Contract, to reimburse the City for any and all damages, costs and attorneys’ fees incurred by the City in connection with any claim that this Contract or any part thereof is void due to Company appearing on the treasurer’s IDA List or the Treasurer’s IB List at any time before or during the term of this Contract.

2.12 **Addenda / Questions and Answers**

Agencies may submit written questions concerning this RFP Warren Wooten via email at twooten@charlottenc.gov. Questions received after the stated deadline in the Schedule of Events will not be answered. No oral statement of any person shall modify or otherwise change or affect the terms, conditions, or specifications stated in the RFP, and changes to the RFP, if any, shall be made in writing only and issued in the form of an Addendum to the RFP. Addenda and clarifications will be posted on Housing Services website at [https://charlottenc.gov/HNS/Housing/RFP/Pages/Requests%20For%20Proposals.aspx](https://charlottenc.gov/HNS/Housing/RFP/Pages/Requests%20For%20Proposals.aspx)

2.13 **Charlotte Business INClusion**

Pursuant to Charlotte City Council’s adoption of the Charlotte Business INClusion (CBI) Policy, the Charlotte Business INClusion program promotes diversity, inclusion, and local business opportunities in the City’s contracting and procurement process for Minority, Women, and Small Business Enterprises (MWSBEs) headquartered in the Charlotte Combined Statistical Area (CSA). The CBI Policy is posted at: [www.charlottebusinessinclusion.com](http://www.charlottebusinessinclusion.com).

The City of Charlotte is committed to promoting opportunities for maximum participation of certified MWSBEs on City funded contracts at both the Prime and Subcontract level. In regard to
this effort, SBE participation will be required in order to meet goal compliance. For SBE participation to count towards a Goal, SBEs must meet both the certification and geographic requirements as detailed throughout this solicitation and in the CBI Policy.

The Charlotte CSA refers to the Charlotte-Gastonia-Salisbury Combined Statistical Area in effect as of April 8, 2013 consisting of; (a) the North Carolina counties of Anson, Cabarrus, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly, and Union; and (b) the South Carolina counties of Chester, Lancaster, and York. This is one criteria used by Charlotte Business Inclusion to determine eligibility to participate in the program.

Agencies are highly encouraged to consider any and all possibilities for MWSBE participation. A complete list of City certified SBEs is available at www.charlottebusinessinclusion.com.

2.14 Special Provisions

The Home Investment Partnership Program (HOME) may fund all or part of the contract resulting from this RFP. The selected developer shall comply with the following provisions including 24 Code of Federal Regulations (CFR) Part 92. The contract will include guidelines for HOME developers, as regulated by the HOME program and complies with applicable Federal Statutes, Federal Rules, and other required provisions in effect as of the date of the written agreement. These requirements include, but are not limited to the following:

- 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards
- CFR 24 Part 92 – HOME Program Regulations
- Executive Order 13166 – Improving Access to Services for Persons with Limited English Proficiency (Language Access Planning)

IMPORTANT PROGRAM REQUIREMENTS:

As Found In CFR 24 Part 92

- §92.350 – Other Federal Requirements/Nondiscrimination
- §92.351 – Affirmative Marketing
- §92.352 – Environmental Review
- §92.353 – Displacement/Relocation
- §92.354 – Labor
- §92.355 – Lead Based Paint
- §92.356 – Conflict of Interest
- §92.357 – Executive Order 12372

The developer must submit a copy of its annual audit report within 30 days of receipt, but no later than nine months after end of the audit period. Audited financial statements must adhere to the requirements stated in 2 CFR Part 200 – “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”.

By signing the agreement, the developer acknowledges that he/she has read the above stated Federal Regulations for the HOME Program and 2 CFR Part 200. Failure to adhere to the federal and city compliance regulations will result in withholding or denial of contract/written agreement reimbursements.
2.14.1 Debarment and Suspension. The Developer represents and warrants that, as of the Effective Date of the Contract, developer or subconsultant(s) performing work under this Contract (at any tier) is included on the federally debarred bidder’s list listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), “Debarment and Suspension.” If at any point during the Contract term the developer or subconsultant(s) performing work at any tier is included on the federally debarred bidder’s list, the developer shall notify the City immediately. The developer completed Attachment 3 – Vendor Debarment Certification.

2.14.2 Record Retention. The Developer certifies that it will comply with the record retention requirements detailed in 2 CFR § 200.333. The Developer further certifies that it will retain all records as required by 2 CFR § 200.333 for a period of three (3) years after it receives City notice that the City has submitted final expenditure reports or quarterly or annual financial reports, as applicable, and all other pending matters are closed.

No federal appropriated funds have been paid or will be paid, by or on behalf of the Developer, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal Loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

If any funds other than federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the developer shall complete and submit Standard Form—LLL, “Disclosure Form to Report Lobbying,” in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96)].

The Developer shall require that the language of this certification be included in the award documents for all subawards at all tiers (including developer, subgrants, and contracts under grants, loans, and cooperative agreements) and that all developers shall certify and disclose accordingly.

2.14.4 Right to Inventions. If the federal award is a “funding agreement” under 37 CFR 401.2 and the City wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment of performance or experimental, developmental or research work thereunder, the City must comply with 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.

2.14.5 DHS Seal, Logo, and Flags. The developer shall not use the Department of Homeland Security (“DHS”) seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.
2.14.6 The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the City, developer, or any other party pertaining to any matter resulting from the contract.

END OF SECTION TWO
Form 1 – Execution of Proposal

The person executing the Proposal, on behalf of the Company, being duly sworn, solemnly swears (or affirms) that neither he, nor any official, agent or employee of the Company has entered into any agreement, participated in any collusion, or otherwise taken any action which is in restraint of full and open competition in connection with any proposal or contract, that the Company has not been convicted of violating North Carolina General Statute 133-24 within the last three years, and that the Company intends to do the work with its own bona fide employees or subcontractors and is not proposing for the benefit of another company.

Submission of a response to this RFP constitutes certification that the Company and all proposed team members are not currently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this Project by any State or Federal department or agency. Submission is also agreement that the City will be notified of any change in this status.

NC General Statute 133-32 and City Policy prohibit any gift from anyone with a contract with the City, or from any person seeking to do business with the City. By execution of this Proposal, you attest, for your organization and its employees or agents, that you are not aware that any such gift has been offered, accepted, or promised by any employees of your organization.

The information contained in this Proposal, including its forms and other documents, delivered or to be delivered to the City, is true, accurate, and complete. This Proposal includes all information necessary to ensure that the statements therein do not in whole or in part mislead the City as to any material facts.

Type of Company:  
(check 1 box)  
☐ Sole Proprietor  ☐ Partnership  ☐ Joint Venture  
☐ Corporation __________________________ (identify the State of incorporation)  
(if joint venture, complete this “Proposal Submission” sheet for each joint venture company and identify the “Name of Joint Venture” on each sheet)  
NAME OF JOINT VENTURE: _________________________________________________________  
City of Charlotte Vendor Number: __________________________

ACKNOWLEDGEMENT OF ADDENDA:
The undersigned acknowledges receipt of the following addenda:

No: _____ Date: ____________ No: _____ Date: ____________ No: _____ Date: ____________

Company Legal Name: ____________________________________________________________

Mailing Address: _________________________________________________________________

City/State/Zip: ________________________________________________________________

Phone: ____________________________ Email: ____________________________

__________________________________________

Signature of Authorized Representative (or Designee)  
(Print Name)  
(Title)  
Date  
Proposal is valid for one-hundred-eighty (180) days from the Proposal due date.
FORM 2 – COMMERCIAL NON-DISCRIMINATION CERTIFICATION

COMPANY NAME: 

RFP NAME: Vantage Pointe Townhomes

The undersigned Company hereby certifies and agrees that the following information is correct:

1. In preparing its bid/proposal, the Company has considered all bids/proposals submitted from qualified, potential subcontractors and suppliers and has not engaged in discrimination as defined in Section 2 below.

2. For purposes of this section, discrimination means discrimination in the solicitation, selection, or treatment of any subcontractor, vendor, supplier or commercial customer on the basis of race, ethnicity, gender, age, religion, national origin, disability or other unlawful form of discrimination. Without limiting the foregoing, discrimination also includes retaliating against any person or other entity for reporting any incident of discrimination.

3. Without limiting any other remedies that the City may have for a false certification, it is understood and agreed that, if this certification is false, such false certification will constitute grounds for the City to reject the bid/proposal submitted with this certification and terminate any contract awarded based on such bid/proposal. It shall also constitute a violation of the City’s Commercial Non-Discrimination Ordinance and shall subject the Company to any remedies allowed thereunder, including possible disqualification from participating in City contracts for up to two years.

4. As a condition of contracting with the City, the Company agrees to promptly provide to the City all information and documentation that may be requested by the City from time to time regarding the solicitation and selection of subcontractors and suppliers. Failure to maintain or failure to provide such information shall constitute grounds for the City to reject the bid/proposal and to terminate any contract awarded on such bid/proposal. It shall also constitute a violation of the City’s Commercial Non-Discrimination Ordinance and shall subject the Company to any remedies that are allowed thereunder.

5. As part of its bid/proposal, the Company shall provide to the City a list of all instances within the past ten years where a complaint was filed or pending against the Company in a legal or administrative proceeding alleging that the Company discriminated against its subcontractor, vendors, suppliers, or commercial customers, and a description of the status or resolution of that complaint, including any remedial action taken.

6. As a condition of submitting a bid/proposal to the City, the Company agrees to comply with the City’s Commercial Non-Discrimination Policy as described in Section 2, Article V of the Charlotte City Code, and consents to be bound by the award of any arbitration conducted thereunder.

________________________________________
Signature of Authorized Representative (or Designee)

________________________________________
(Print Name)

________________________________________
(Title)

________________________________________
(Date)
This E-Verify Certification is provided to the City of Charlotte (the “City”) by the company signing below (“Company”) as a prerequisite to the City considering Company for award of a City contract (the “Contract”).

1. Company understands that:
   a. E-Verify is the federal program operated by the United States Department of Homeland Security and other federal agencies to enable employers to verify the work authorization of newly hired employees pursuant to federal law, as modified from time to time.
   b. Article 2 of Chapter 64 of the North Carolina General Statutes requires employers that transact business in this state and employ 25 or more employees in this state to: (i) verify the work authorization of newly hired employees who will be performing work in North Carolina through E-Verify; and (ii) maintain records of such verification (the “E-Verify Requirements”). Section 126-7.1 of the North Carolina General Statutes requires state agencies to verify their employees’ work statuses through E-Verify.
   c. North Carolina General Statute 160A-20.1(b) prohibits the City from entering into contracts unless the contractor and all subcontractors comply with the E-Verify Requirements.

2. As a condition of being considered for the Contract, Company certifies that:
   a. If Company has 25 or more employees working in North Carolina (whether now or at any time during the term of the Contract), Company has complied and will comply with the E-Verify Requirements with respect to Company employees working in North Carolina; and
   b. Regardless of how many employees Company has working in North Carolina; Company will take appropriate steps to ensure that each subcontractor performing work on the Contract that has 25 or more employees working in North Carolina complies with the E-Verify Requirements.

3. Company acknowledges that the City will be relying on this Certification in entering into the Contract, and that the City may incur expenses and damages if the City enters into the Contract with Company and Company or any subcontractor fails to comply with the E-Verify Requirements. Only in the manner and to the extent permitted by the North Carolina Tort Claims Act, N.C.G.S. §143-291, et seq., and without waiver of its sovereign immunity, company agrees to indemnify and save the City harmless from and against all losses, damages, costs, expenses obligations, duties, fines and penalties (collectively “Losses”) arising directly or indirectly from violation of the E-Verify Requirements by Company or any of its subcontractors, including without limitation any Losses incurred as a result of the Contract being deemed void.

______________________________
Signature of Authorized Representative (or Designee)

______________________________
(Print Name)

______________________________
(Title)

______________________________
(Date)
List the full names of all employees whom you intend to assign to this program. Describe their specific role/responsibility and availability. Add additional pages as necessary.

<table>
<thead>
<tr>
<th>Employee Name &amp; Title</th>
<th>Project Role</th>
<th>Availability</th>
<th>Education / Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td>John Smith, Counselor</td>
<td>Program eligibility client services &amp; counseling</td>
<td>Full time staff assigned 50% to this program</td>
<td>MSW</td>
</tr>
</tbody>
</table>
Form 5 - Scope of Work

The City of Charlotte is seeking a nonprofit developer to construct infill units in the Lincoln Heights neighborhood for households at or below 80% of the area median income. The Vantage Pointe Townhomes development was an affordable homeownership development initiated by a nonprofit organization in 2008. The project consists of 26 townhomes located at La Salle and Augusta streets. Of the 26, 14 are complete and sold to eligible homeowners. Pads were poured for the remaining units and must be removed. The scope includes:

- Demo and remove existing pads. Construct twelve units of single-family townhomes.
- Repair site infrastructure and site improvements per the responsibilities of the homeowner’s association.
- Establish a homeowner’s association with sufficient professional and financial capacity to sustain the association’s legal requirements.

Unit Construction

The selected developer will provide all permitting, site preparation, labor and materials to successfully complete the Vantage point development. The approved site plan calls for 26 total units of which 14 were previously completed. 12 additional townhomes in two sets of 6 shall be completed using plans and elevations that complement the existing development. Plans and elevations must be approved by Housing & Neighborhood Services prior to completion.

Site Improvements

Due to the age of the project and lack of active homeowner’s association, various site improvement and maintenance needs exist. The selected developer will bring the site and existing improvements up to standard condition including but not limited to:

- Repair, replace and clean gutters
- Clear and clean storm water retention pond
- Clean storm water piping
- Install, repair and seal asphalt parking area
- Repair and replace exterior lighting
- Mow and trim landscaping
- Repair and install gate at storm water pond
- Replace damaged roof trim and facia
- Clean/ pressure wash all units
- Repair missing/damaged roof shingles and nail pops
- Repair roof flashing
- Replace roof shingles/ deck per roofing inspection (to be completed by the developer

The developer shall provide detailed pricing for the above referred items. Additional detail can be found in the Appendix: Limited Condition Assessment.
Homeowners Association

The selected developer will be charged with executing the covenants detailed in the appendix and establishing the required Homeowner’s Association. The City understands that the Homeowner Association is currently not operating, and funding will be required to establish operating reserves. The City understands that required dues may be a burden for current owners and will work with the selected developer to establish an equitable dues schedule. The developer will be responsible for all legal work required to fully establish the homeowner’s association. See Appendix: HOA Covenants for more detail.

Developer Compensation

The developer may propose up to a 15% developer fee. This fee shall be calculated based on housing, site improvement and maintenance construction costs.
# Form 6 - Vantage Pointe Townhomes – Gap Analysis

## Townhome Construction

<table>
<thead>
<tr>
<th>Unit</th>
<th>Land Value</th>
<th>Demolition</th>
<th>Cost/ Site Improvements</th>
<th>Construction Cost</th>
<th>Carrying Cost/ Marketing</th>
<th>Closing Cost</th>
<th>Overage</th>
<th>Sales Price (Subsidy)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$ 27,000</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$ 0</td>
<td>$ (27,000)</td>
</tr>
<tr>
<td>2</td>
<td>$ 27,000</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$ 0</td>
<td>$ (27,000)</td>
</tr>
<tr>
<td>3</td>
<td>$ 27,000</td>
<td>$</td>
<td>$</td>
<td>$</td>
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<td>$</td>
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<tr>
<td>4</td>
<td>$ 27,000</td>
<td>$</td>
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<td>$</td>
<td>$</td>
<td>$</td>
<td>$ 0</td>
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<tr>
<td>5</td>
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<td>$</td>
<td>$</td>
<td>$</td>
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<td>$ (27,000)</td>
</tr>
<tr>
<td>6</td>
<td>$ 27,000</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$ 0</td>
<td>$ (27,000)</td>
</tr>
<tr>
<td>7</td>
<td>$ 27,000</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$ 0</td>
<td>$ (27,000)</td>
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<tr>
<td>8</td>
<td>$ 27,000</td>
<td>$</td>
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<td>$</td>
<td>$</td>
<td>$</td>
<td>$ 0</td>
<td>$ (27,000)</td>
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<tr>
<td>9</td>
<td>$ 27,000</td>
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<td>$</td>
<td>$</td>
<td>$</td>
<td>$ 0</td>
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<td>10</td>
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<td>$</td>
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<td>$ (27,000)</td>
</tr>
<tr>
<td>11</td>
<td>$ 27,000</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$ 0</td>
<td>$ (27,000)</td>
</tr>
<tr>
<td>12</td>
<td>$ 27,000</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$ 0</td>
<td>$ (27,000)</td>
</tr>
</tbody>
</table>

- $324,000 $ - $ $ - $ $ - $ 15% Developer Fee oveage (subsidy) $ (324,000)

## Site Improvements/ Deferred Maintenance

- Infrastructure $ -
- Landscaping $ -
- Exterior Facades $ -
- Other $ -

Net Sales $ (324,000.00)

## Homeowners Association

- Legal $ -
- Maintenance Reserve $ -
- Fee Offset Reserve $ -

Donated Land Value $ (324,000)

Overage(Subsidy Requested) $ -

The developer indicates a gap, the City will consider providing HOME - CDHO funds. The developer must identify eligible expenses and follow all required federal regulations. The developer may use this cost sheet or a customer cost sheet so long as all items on this sheet are included.
LIMITED PROPERTY CONDITION ASSESSMENT

VANTAGE POINT TOWNHOMES
CHARLOTTE, NORTH CAROLINA

For:
CITY OF CHARLOTTE

Prepared By:
AMICUS PARTNERS, PLLC

Amicus Project No. 18-19-036
May 10, 2019

7140 Weddington Road, Suite 140, Concord, NC 28027
704-573-1621 (o)
License No. P-1191
May 10, 2019

Mr. Warren Wooten
City of Charlotte
Housing Services
600 East Trade Street
Charlotte, North Carolina 28202

Reference: Limited Property Condition Assessment
Vantage Point Townhomes
Charlotte, Mecklenburg County, North Carolina
Amicus Project No. 18-19-036

Dear Mr. Wooten:

Amicus Partners, PLLC (AMICUS) is pleased to submit this Limited Property Condition Assessment (LPCA) report for the Property known as Vantage Point Townhomes in Charlotte, Mecklenburg County, North Carolina. The report was prepared in general accordance with the authorized Amicus Proposal 1039-19 issued on March 29, 2019 and the general conditions, procedures and limitations listed herein. This limited assessment is intended for the exclusive use of the addressee and reliance on this report by other parties without our written consent is prohibited.

We can be contacted at any time if questions regarding this report or if additional information is desired.

Sincerely,

AMICUS PARTNERS, PLLC

Robert C. Link, P.E.
Principal
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**Appendices**

- A. Figures
- B. Immediate Needs Table & Capital Reserve Table
- C. Photographs
- D. Additional Documentation
1.0 EXECUTIVE SUMMARY

1.1 Background

Amicus has been retained by the City of Charlotte to conduct a Limited Property Condition Assessment (LPCA) for the Property known at Vantage Point Townhomes located in Charlotte, Mecklenburg County, North Carolina. More specifically, the townhomes have addresses of 2014-2026 Lasalle Street and 2110-2134 Augusta Street. The Property contains fourteen (14) residential townhome structures. The site will be hereinafter known as the Property. Amicus performed our field assessment on May 3, 2019. The Property incorporates a HOA responsible for the Property grounds, storm water features, pavements, building exteriors (excluding windows & doors) and building roofs. The townhome residents are responsible for the structure foundations, framing, interiors, windows, doors, plumbing and HVAC features.

Our field services and report have been conducted in general conformance with our proposal 1039-19 dated March 29, 2019. The assessment is limited in nature and does not follow ASTM protocol.

1.2 General Description

The site property information is summarized in the table below. Detailed descriptions are present in the following sections of this report. Appendix A contains a Site Vicinity Map and Aerial Photograph of the Property.

<table>
<thead>
<tr>
<th>GENERAL INFORMATION</th>
<th>Vantage Point Townhomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Address</td>
<td>2014-2026 Lasalle Street and 2110-2134 Augusta Street, Charlotte, Mecklenburg County, NC 28216</td>
</tr>
<tr>
<td>Structure Type</td>
<td>Residential Townhomes. Fourteen (14) total. Two-stories in height.</td>
</tr>
<tr>
<td>Structure Size</td>
<td>1,250 – 1,330 SF (+/-) per townhome as reported by Mecklenburg County GIS.</td>
</tr>
<tr>
<td>Year Constructed</td>
<td>2003 to 2007.</td>
</tr>
<tr>
<td>Land Area</td>
<td>2.06 acres (+/-) total as reported by Mecklenburg County GIS.</td>
</tr>
<tr>
<td>Zoning</td>
<td>UR-2 (Urban Residential – max floor area ratio 1.0).</td>
</tr>
<tr>
<td>Tenants</td>
<td>None. HOA responsible for the Property grounds, storm water features, pavements, building exteriors (excluding windows &amp; doors) and building roofs. Townhome residents responsible for the structure foundations, framing, interiors, windows, doors, plumbing and HVAC features.</td>
</tr>
<tr>
<td>GIS Pin #</td>
<td>Multiple. Main HOA portion 07503741. 07503721 to 07503724 for residents.</td>
</tr>
<tr>
<td>FEMA Panel</td>
<td>3710454500 K, 9/2/2015, Zone X.</td>
</tr>
<tr>
<td>Date of Assessment</td>
<td>May 3, 2019</td>
</tr>
<tr>
<td>Weather During Assessment</td>
<td>Cloudy 60 degrees F</td>
</tr>
<tr>
<td><strong>SITE</strong></td>
<td></td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Parking Surfaces</td>
<td>Asphalt parking lots and drive lanes.</td>
</tr>
<tr>
<td>Parking Spaces</td>
<td>(30) total marked spaces (2 handicap).</td>
</tr>
<tr>
<td>Flatwork</td>
<td>Flatwork around townhome structure perimeters.</td>
</tr>
<tr>
<td>Loading Aprons and Doors</td>
<td>None.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>FRAME AND ENVELOPE</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation</td>
</tr>
<tr>
<td>Structural System</td>
</tr>
<tr>
<td>Roof</td>
</tr>
<tr>
<td>Exterior Finishes</td>
</tr>
<tr>
<td>Windows</td>
</tr>
<tr>
<td>Doors</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>MEP</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Plumbing</td>
</tr>
<tr>
<td>Heating, Cooling and Ventilation</td>
</tr>
<tr>
<td>Electrical and Wiring</td>
</tr>
<tr>
<td>Domestic Hot Water</td>
</tr>
<tr>
<td>Transformer</td>
</tr>
<tr>
<td>Life and Fire Safety</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>UTILITY PROVIDERS</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Water/Sewer</td>
</tr>
<tr>
<td>Electric</td>
</tr>
<tr>
<td>Natural Gas</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>SITE MANAGEMENT</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall</td>
</tr>
<tr>
<td>Site / Landscaping</td>
</tr>
<tr>
<td>MEP</td>
</tr>
<tr>
<td>Roof</td>
</tr>
</tbody>
</table>
1.3  General Physical Condition

The Property appears to have been generally constructed according to relevant industry standards based on visual observations. Maintenance appears to have occurred on a reactive basis to site and building components. The Property appears to be in overall fair condition.

The Estimated Useful Life (EUL) of the Property is approximately 50 years or more taking into account adequate property and building maintenance occurs.

The Effective Age (EA) of the Property is approximately 16 years (based upon 2003 construction). The Remaining Useful Life (RUL) is estimated to be approximately 34 years or more. Proper building maintenance, system upgrades, and periodic condition assessments are recommended to meet the suggested EUL.

1.4  Opinions of Probable Cost

The opinions of cost provided herein are based upon readily visible building and site materials that may affect the property and its value within the requested Term. The Term for this assessment is 10 years.

Our opinions do not constitute a warranty or guarantee that all item(s) requiring repair have been included in this assessment. Items that are considered routine maintenance have been excluded. Examples of routine maintenance include pressure washing flatwork, utility and landscaping costs, filter replacements, etc.

Our opinions of costs are included in the attached Immediate Needs Summary Table and the Capital Reserve Table which are included within Appendix B of this report. The Capital Reserve Table includes capital expenditures only and replacement items less than $1,000.00 in cost have been excluded with the exception of safety concerns or immediate repairs. We have approximated an inflation rate of 3 percent over the ten (10) year Capital Reserves term. Please note the actual inflation rate may vary significantly over this period.

The opinions of probable cost that are provided are based upon our reviewed bid documents, industry pricing guides, and our experience with similar projects. These opinions should not be solely relied upon as a bid or offer to execute the recommended repairs. Actual costs may vary from our opinion due to seasonal factors, contractor expertise, etc. Our costs provided herein should be considered preliminary and further utilized as an "order of magnitude" in budgeting purposes only. Amicus recommends obtaining contractor bids and scopes for use in future repairs and cost forecasting.

1.5  Deviations from the Guide

Our assessment has been performed in general accordance with the Amicus Proposal 1039-19 dated March 29, 2019. The assessment format and reporting are limited in nature and therefore, a Limited Property Condition Assessment (LPCA) has been provided.

The assessment has not been performed in conjunction with an ASTM. Please contact Amicus if a complete Property Condition Assessment (PCA) is desired.

In general, areas maintained by the HOA were assessed. Our field assessment did not include resident owned and resident-maintained areas (interiors, windows, doors, porches, utilities and HVAC components).
1.6 Recommendations

Please see below for a brief summary of the Immediate Needs Summary Table and Capital Reserve Table:

**Immediate Need**
- Replace missing and repair damaged gutters at 2110, 2114, 2118 and 2126 Augusta Street townhomes.
- Clean gutters. Seal gutters seams.
- Clean and remove vegetation at storm water pond.
- Clean storm water piping.
- Clean pavements and seal active linear asphalt cracking.
- Seal-coat and restripe.
- Repair potholes (3).
- Repair/replace inoperable light poles (lighting).
- Landscaping maintenance.
- Repair metal fence at two areas and install locked gate at the storm water pond.
- Replace roof trim/facia at 2118 Augusta Street.
- Clean / pressure wash 2134 Lasalle Street exterior.
- Repair asphalt shingle nail pops.
- Replace/repair roof flashings.
- Potential repair for roof decking at 2014 and 2016 Lasalle Street.

**Capital Reserves**
- Clean storm water piping.
- Repair north and west entrance aprons.
- Seal-coat and restripe.
- Repaint townhome exteriors.
- Replace vertical sealants.
- Annual maintenance to onsite roofs.
- Reroof 2003 townhomes roofs.
- Replace flashings.
2.0 PURPOSE AND SCOPE

2.1 Purpose

The purpose of this LPCA is to observe and comment upon the physical aspects of the property condition as it relates to a potential real estate transaction, refinance, property management or similar event.

Our LPCA report is based upon the conditions observed at the time of visual assessment. Our LPCA report should not serve as a guarantee on the overall condition or how the asset will function.

Our field work and reporting were conducted in general accordance with our Amicus Proposal 1039-19 and is limited in nature. The assessment has not been performed in conjunction with an ASTM. Please contact Amicus if a complete Property Condition Assessment (PCA) is desired.

The LPCA is intended to evaluate the physical condition of the structure and associated property features, observe for obvious defects, opine on suspected hidden or latent defects and determine the need for immediate and future capital expenditures. This assessment is limited in nature. An Immediate Needs Summary Table and a Capital Reserve Table (10 Year Term) is provided for the building and property component items.

2.2 Scope

The LPCA conducted by Amicus included site reconnaissance, interviews (or attempted interviews) with onsite representatives and appropriate local government authorities (e.g., building and fire departments) and a review of client provided or onsite construction drawings (if provided). The LPCA is intended to evaluate the physical condition of the various components and their maintenance schedules, observe for obvious defects, opine on suspected hidden or latent defects, and determine the need for immediate and future capital expenditures.

Amicus conducted visual observations of the following readily accessible HOA facility features during the LPCA: site development systems and appurtenances; building structure systems; building exterior systems; and building interior systems. Operational testing of building systems or components (including that of HVAC units), destructive testing, or identification of discrepancies in concealed spaces was not conducted.

This report is intended for review as a complete document. Therefore, interpretations and conclusions drawn from the review of any individual section are the sole responsibility of the User.

The majority of readily accessible areas for the Property were granted.
3.0 SYSTEM DESCRIPTION AND OBSERVATIONS

3.1 Location and Overall General Description

The Property is known as Vantage Point Townhomes in Charlotte, Mecklenburg County, North Carolina. Furthermore, the Property can be identified as addresses 2014-2026 Lasalle Street and 2110-2134 Augusta Street. The Property is bordered by Catherine Simmons Avenue to the north, Madrid Street to the east, Lasalle Street to the south and Augusta Street to the west. Residential structures are present within the nearby vicinity. The Property was improved with the townhome structures in 2003 and 2007.

The Property is utilized for residential townhome purposes. The townhomes front to Lasalle Street and Augusta Street. The townhome structures are generally between 1,250 to 1,330 square feet (+/-) on 2.06 total acres. The main property portion is identified by Mecklenburg County as parcel ID 07503741. Townhomes have individual parcels of 07503721 to 07503734.

The structures utilize wood framing to support building loads. Crawlspace is utilized with anticipated shallow foundations at the southern townhomes. A concrete slab-on-grade with anticipated shallow (turn down) foundations is present at the western townhomes. Exteriors utilize fiber cement siding or brick veneer. Stucco accents are also present. Roof are typically asphalt shingles. Metal roofs are present but minor in nature at porch covering or architectural features. Windows are set in aluminum frames. The townhomes are conditioned by ground mounted split-system HVACs.

The site contains two additional concrete slabs that did not undergo vertical townhome construction. The site also has an interior storm water management pond. Pavements are present throughout the site along with curb inlets for storm water conveyance. Light poles are present along with perimeter fencing.

3.1.1 Construction Information

The Property was initially developed in 2002/2003. Western townhomes were constructed in 2003 and southern townhomes constructed in 2007. This was generally confirmed with limited aerial photographs. Site improvements since original construction do not appear to have occurred. Construction documents were not available for review.
3.2 Site Conditions

3.2.1 Topography

<table>
<thead>
<tr>
<th>TOPOGRAPHY</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Overall Contours</td>
<td>Overall site slopes from the perimeters inward to the central area of the site. No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Structures</td>
<td>Site grading observed to be sloping away from the onsite structures. No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Adjacent Sites</td>
<td>No issues observed or reported.</td>
<td>Good</td>
</tr>
</tbody>
</table>

Comments: Amicus has no additional comments.

Recommendations: Topography is in overall good condition. Control structures are present throughout the site. Amicus did not identify Immediate Needs or Capital Reserves for this report section.

3.2.2 Storm Water Drainage

<table>
<thead>
<tr>
<th>STORM WATER DRAINAGE</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Storm Water Collection</td>
<td>Storm water is promoted towards control structures (curb inlets) across the Property. Yard inlets also present. Isolated storm water boxes observed to be clogged with debris.</td>
<td>FAIR</td>
</tr>
<tr>
<td>Site Drainage</td>
<td>Site drainage is moved across the pavement surfaces towards curb inlets. A storm water management pond is in the central area of the site. Storm water pond overgrown. Residents reported storm water levels have neared curb level.</td>
<td>POOR</td>
</tr>
<tr>
<td>Roof Drainage</td>
<td>The roof captures storm water via building mounted gutters and downspouts that discharge onto to building perimeters. Minor missing downspout piping or splash guards. Missing and damaged gutters at 2110 Augusta St., 2114 Augusta St., 2126 Augusta St. &amp; 2118 Augusta St. Debris clogged gutters observed throughout.</td>
<td>FAIR</td>
</tr>
<tr>
<td>Storm Water Structures</td>
<td>Catch basins and underground piping present to central storm water pond. Storm water pond overgrown and potentially clogged with debris. Isolated curb inlet drop box clogged with debris.</td>
<td>POOR</td>
</tr>
</tbody>
</table>

Comments: The curb inlet to the north of the storm water pond was observed to be clogged with debris. Remaining curb inlet boxes observed to be generally clear.
**Recommendations:** Storm Water Drainage appears to be in overall fair condition. Missing and damaged gutters should be replaced/repaired at the 2110, 2114, 2118 and 2126 Augusta Street townhomes as an Immediate Need. Gutters should be cleaned as an Immediate Need. We also recommend sealing gutter seams during cleaning.

The storm water pond should undergo maintenance (tree removal, cleaning, etc.) as an Immediate Need. The north curb inlet and storm water control riser should also be cleaned of internal debris as an Immediate Need. We also recommend budgeting for storm water box and pipe cleaning as a Capital Reserve.

Splash guards and corrugated piping should be installed as part of routine maintenance where needed. Future pond foliage overgrowth maintenance is considered routine.

**Immediate Need:**
- Replace missing and repair damaged gutters at 2110, 2114, 2118 and 2126 Augusta Street townhomes.
- Clean gutters. Seal gutters seams.
- Clean and remove vegetation at storm water pond.
- Clean storm water piping.

**Capital Reserves:**
- Clean storm water piping.

3.2.3 Access and Egress

<table>
<thead>
<tr>
<th>ACCESS AND EGRESS</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aprons</td>
<td>Concrete apron at the west entrance. Gravel entrance at the north entrance. No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Emergency Access</td>
<td>Access to each side for emergency vehicles. No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Signage</td>
<td>None generally present other than townhome mounted address signage. No issues observed or reported.</td>
<td>Good</td>
</tr>
</tbody>
</table>

**Comments:** The north gravel entrance is expected to be converted to asphalt during future new building construction.

**Recommendations:** Access and Egress is considered to be in overall good condition. Future cracked apron areas should be repaired as a Capital Reserve during parking lot improvements.

**Capital Reserves:**
- Repair north and west entrance aprons.
3.2.4 Paving, Curbing and Parking

<table>
<thead>
<tr>
<th>Description</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface Type(s)</td>
<td>Asphalt pavements present throughout. Small concrete apron at mailbox kiosk. Linear cracking throughout site asphalt pavements. Three (3) potholes observed. Various phase 2 development pavement areas have undergone final asphalt lift placement. Gravel drive at northern drive lane.</td>
<td>FAIR</td>
</tr>
<tr>
<td>Curbing and Gutters</td>
<td>Minor shrinkage cracking in isolated areas and one small area of damaged curbing.</td>
<td>FAIR to Good</td>
</tr>
<tr>
<td>Drainage</td>
<td>Flows towards perimeter parking lot curb inlets. No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Total Spaces</td>
<td>30 total spaces marked. Unmarked spaces present for future parking. No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Accessible Spaces</td>
<td>2 total accessible spaces observed.</td>
<td>Good</td>
</tr>
<tr>
<td>Van Spaces</td>
<td>1 van accessible space observed.</td>
<td>Good</td>
</tr>
<tr>
<td>Striping</td>
<td>Faded.</td>
<td>POOR</td>
</tr>
<tr>
<td>Repairs</td>
<td>None performed.</td>
<td>POOR</td>
</tr>
<tr>
<td>Arrangement of Spaces and Circulation</td>
<td>No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Pavement Lighting</td>
<td>Light poles throughout. Reported majority do not operate.</td>
<td>FAIR</td>
</tr>
<tr>
<td>Parking Garage</td>
<td>None present.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Comments: Pavements were observed to be overall serviceable and useable throughout where they were paved. The “unpaved” areas typical are finished during vertical construction, which has been placed on hold. Sediment and debris are present across pavement surfaces.

Recommendations: The Paving, Curbing and Parking are considered to be in overall fair condition. We recommend active asphalt pavements be cleaned, cracks sealed, seal-coated and restriped. We also recommend repair of the active potholes and light pole repair. These are considered Immediate Needs.

“Unpaved” areas have not been included for repair at this time as they are viewed to be implemented when Phase II construction occurs. Restriping and seal-coating is recommended as a Capital Reserve. Curbing crack repair is considered routine maintenance.

Immediate Needs:
- Clean pavements and seal active linear asphalt cracking.
- Seal-coat and restripe.
- Repair potholes (3).
- Repair/replace inoperable light poles (lighting).

Capital Reserves:
- Seal-coat and restripe.
3.2.5 Flatwork

<table>
<thead>
<tr>
<th>FLATWORK</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sidewalks</td>
<td>Present leading to resident entrances. No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Steps and Ramps</td>
<td>Townhome exterior steps present and reported to be the responsibility of the townhome owner and not the HOA.</td>
<td>N/A</td>
</tr>
<tr>
<td>Curb Cuts</td>
<td>No issues observed or reported.</td>
<td>Good</td>
</tr>
</tbody>
</table>

Comments: Amicus has no additional comments.

Recommendations: The Flatwork is considered to be in overall good condition. Future trip hazards should be repaired as part of routine maintenance. Amicus did not identify Immediate Needs or Capital Reserves for this report section.

3.2.6 Landscaping and Appurtenances

<table>
<thead>
<tr>
<th>LANDSCAPING AND APPURTENANCES</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trees/Bushes</td>
<td>Medium and large sized bushes and trees present around perimeter. Overgrowth occurring.</td>
<td>FAIR</td>
</tr>
<tr>
<td>Bedding and Grassing</td>
<td>Overgrowth occurring.</td>
<td>FAIR</td>
</tr>
<tr>
<td>Property Signage</td>
<td>Address signage present on individual townhomes. No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Landscape Lighting</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Walls, Fences, Gates</td>
<td>Chain link fencing around majority of perimeter. Metal fencing in front of south and west townhomes. Metal fencing around storm water pond. Two areas of townhome metal fencing damage observed.</td>
<td>FAIR</td>
</tr>
<tr>
<td>Irrigation System</td>
<td>None observed.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Comments: Onsite residents reported the storm water pond does not have a locked gate. Grass maintenance was reported to occur every 2 weeks. Various minor debris is located across the site.

Recommendations: Landscaping and Appurtenances are considered to be in overall fair condition. We recommend landscaping maintenance be performed as an Immediate Need. Metal fencing should also be repaired as an Immediate Need as well as a locked gate be installed at the storm water pond. Future landscaping needs are considered routine maintenance.

Immediate Need:
- Landscaping maintenance.
- Repair metal fence at two areas and install locked gate at the storm water pond.
3.2.7 Recreational Facilities

<table>
<thead>
<tr>
<th>RECREATIONAL FACILITIES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Comments</td>
<td>Condition</td>
</tr>
<tr>
<td>Pool Exteriors</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Pool Equipment (pumps,</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>None present.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Observations:** Amicus has no additional comments.

**Recommendations:** Amicus did not identify Immediate Needs or Capital Reserves for this report section.

3.2.8 Utilities

<table>
<thead>
<tr>
<th>UTILITIES</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Description</td>
<td>Comments</td>
<td>Condition</td>
</tr>
<tr>
<td>Water Service</td>
<td>Charlotte Water. No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Water Meters, Wells, etc.</td>
<td>No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Electrical Service</td>
<td>Duke Power. No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Transformer and Meter</td>
<td>Pad mounted transformers with underground electrical conduits to facilities. Installed in 2003. No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Natural Gas Service</td>
<td>Piedmont Natural Gas. No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Gas Meter</td>
<td>No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Sanitary Waste Service</td>
<td>No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Lift Station</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Septic Field</td>
<td>None observed.</td>
<td>N/A</td>
</tr>
<tr>
<td>Storm Sewer</td>
<td>No issues observed or reported.</td>
<td>Good</td>
</tr>
</tbody>
</table>

**Comments:** Electrical lines, water lines, storm and sewer structures are anticipated to be the responsibility of the HOA.

**Recommendations:** Utilities were observed to be in overall good condition. The site utilizes municipal services. Amicus did not identify Immediate Needs or Capital Reserves for this report section.
3.3 Structural Frame and Building Envelope

3.3.1 Foundation

<table>
<thead>
<tr>
<th>Description</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foundation Support</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Slab-On-Grade (SOG)</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Below-Grade Elements</td>
<td>None observed.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Comments: Two future townhome slabs-on-grade are present that were to receive future vertical construction. We understand these are to be razed and demolition costs are not to be included at this time.

Recommendations: The Foundations are not present within HOA maintenance areas and therefore not included.

3.3.2 Building Frame

<table>
<thead>
<tr>
<th>Description</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Framing Members</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Floor Framing</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Wall Framing</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Roof Framing</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Other</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Comments: Amicus has no additional comments.

Recommendations: The Building Frames are not present within HOA maintenance areas and therefore not included.

3.3.3 Facades or Curtain Wall

<table>
<thead>
<tr>
<th>Description</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Veneer / Exteriors</td>
<td>Finished fiber cement siding or brick veneer. Partial or full in various units. Stucco accents also present. <em>Discolored exterior at 2134 Augusta St.</em> Original exteriors to year of construction.</td>
<td>FAIR to Good</td>
</tr>
<tr>
<td>Accent/Trim</td>
<td>Stucco accents and wood trim around roof eaves. <em>Damage rear eave trim at 2118 Augusta St.</em></td>
<td>FAIR to Good</td>
</tr>
<tr>
<td>Eaves and Soffits</td>
<td>Wood trim around roof eaves. <em>Damage rear eave trim at</em></td>
<td>FAIR to Good</td>
</tr>
</tbody>
</table>
**2118 Augusta St.**

<table>
<thead>
<tr>
<th>Item</th>
<th>Condition Details</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awnings</td>
<td>None generally present. Front porches present with wood framed asphalt shingled or metal roofs. No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Paint</td>
<td>Typically original to year of construction (2003 &amp; 2007). <strong>Minor fading paint at 2114 and 2118 Augusta St.</strong></td>
<td>Good</td>
</tr>
<tr>
<td>Sealants</td>
<td>Minor vertical sealants anticipated between brick to siding transitions. Could not be viewed during assessment.</td>
<td>N/A</td>
</tr>
<tr>
<td>Mortar Joints</td>
<td>No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Door Construction and Framing</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Door Hardware</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Overhead/Roll-up</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Stair Structure, Treads</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Comments:** Amicus has no additional comments.

**Recommendations:** The Facades / Curtain Wall (exteriors, doors, stairs, steps, and eaves) appeared in overall fair to good condition. Amicus recommends replacing the damaged roof eave trim/fascia at 2118 Augusta Street as an Immediate Need. We also recommend cleaning/pressure washing 2134 Lasalle Street as an Immediate Need.

The townhomes are exhibiting exterior finishes in overall fair condition. We recommend budgeting for repainting as a Capital Reserve. This also includes repainting stucco features. Vertical sealants should also be replaced at this time as a Capital Reserve. Future pressure washing exteriors is consider routine maintenance.

**Immediate Needs:**
- Replace roof trim/facia at 2118 Augusta Street.
- Clean / pressure wash 2134 Lasalle Street exterior.

**Capital Reserves:**
- Repaint townhome exteriors.
- Replace vertical sealants.
3.3.4 Exterior Windows

<table>
<thead>
<tr>
<th>Description</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Frame</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Glass Pane</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Operation</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Exterior Sill</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Comments:** Amicus has no additional comments.

**Recommendations:** Exterior Windows are not present within HOA maintenance areas and therefore not included.

3.3.5 Roofing

<table>
<thead>
<tr>
<th>Description</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Surface Material</td>
<td>Asphalt shingles. 3-tab and architectural types present. <strong>Minor isolated areas of shingle nail pops occurring.</strong></td>
<td>FAIR to Good</td>
</tr>
<tr>
<td>Insulation</td>
<td>Interior attics anticipated to be insulated. No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Substrate/Deck</td>
<td>Wood decking present. <strong>2014 and 2016 Lasalle St. unit appeared to have potential damaged roofing/decking at the second floor.</strong></td>
<td>FAIR to Good</td>
</tr>
<tr>
<td>Slope/Pitch/Drainage</td>
<td>Steep sloped. No issues observed or reported.</td>
<td>Good</td>
</tr>
<tr>
<td>Roof Age</td>
<td>2003 (western townhomes) and 2007 (southern townhomes). <strong>Original to construction.</strong></td>
<td>FAIR to Good</td>
</tr>
<tr>
<td>Warranty</td>
<td>None anticipated or reported.</td>
<td>N/A</td>
</tr>
<tr>
<td>Parapet walls</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Cap Flashing/ Copping</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Attics</td>
<td>Present but not entered.</td>
<td>N/A</td>
</tr>
<tr>
<td>Penetrations</td>
<td>Plumbing stacks and natural gas penetrations. <strong>Original flashings anticipated.</strong></td>
<td>FAIR</td>
</tr>
<tr>
<td>Skylights</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Flashing</td>
<td>Rubber boots anticipated at roof penetrations. Anticipated to be original to construction.</td>
<td>FAIR</td>
</tr>
<tr>
<td>Expansion Joints</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Maintenance Program</td>
<td>None reported.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Comments:** Roofs were steep sloped and could not be safely accessed. Observations were made from the ground surface. Residents interviewed did not report active roof leaks.
Recommendations: The Roofing surfaces appeared in overall fair condition. The EUL of an asphalt shingled roof system is estimated at 20 to 25 years. The roofs are original to construction and appear to be functioning. Surface staining is occurring which is typical to aged asphalt roofs. Minor asphalt shingle nail pops should be repaired as an Immediate Need to aid in preventing water infiltration. Flashings are anticipated to be deteriorated and have been included at this time for replacement/repair as an Immediate Need. The potential damaged roof/decking at 2014 and 2016 Lasalle Street should be investigated and budgeted for repair as an Immediate Need.

We recommend budgeting for yearly maintenance due to roofs being between 12 to 16 years in age as a Capital Reserve. Additionally, we recommend budgeting for 2003 asphalt shingle replacement later in the Term as a Capital Reserve. Rubber flashings should also be anticipated to be sealed or replaced again during this period.

Immediate Needs:
- Repair asphalt shingle nail pops.
- Replace/repair roof flashings.
- Potential repair for roof decking at 2014 and 2016 Lasalle Street.

Capital Reserves:
- Annual maintenance to onsite roofs.
- Reroof 2003 townhomes roofs.
- Replace flashings.

3.4 Mechanical and Electrical Systems

3.4.1 Plumbing Systems

3.4.1.1 Supply and Waste Piping

<table>
<thead>
<tr>
<th>PLUMBING – SUPPLY AND WASTE</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply Risers and Laterals</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Water Flow and Pressure</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Waste Stacks and Lines</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Clean-outs</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Ejector Pump</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Comments: Amicus has no additional comments.

Recommendations: Plumbing Supply and Waste Piping are not present within HOA maintenance areas and therefore not included.
3.4.1.2 Hot Water Production

<table>
<thead>
<tr>
<th>DOMESTIC HOT WATER</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heating Equipment and Capacity</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Circulation Pumps</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Comments: Gas and electric water heaters anticipated.

Recommendations: Hot Water Production not present within HOA maintenance areas and therefore not included.

3.4.1.3 Fixtures

<table>
<thead>
<tr>
<th>FIXTURES</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lavatories / Sinks</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Stalls</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Janitor’s Sinks</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Showers / Tubs</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Comments: Amicus has no additional comments.

Recommendations: The Fixtures are not present within HOA maintenance areas and therefore not included.

3.4.2 HVAC Systems

<table>
<thead>
<tr>
<th>HVAC EQUIPMENT, DISTRIBUTION AND CONTROLS</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location of Units</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Heating Equipment</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Cooling Equipment</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Condensate Discharge System</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Return/Supply Air/Ducts</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Thermostats</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Energy Management System</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Back-up System</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Maintenance Program</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Comments: Electric and natural gas heating anticipated.

Recommendations: HVAC Systems are not present within HOA maintenance areas and therefore not included.

3.4.3 Electrical Systems

3.4.3.1 Service and Metering

<table>
<thead>
<tr>
<th>ELECTRICAL - SERVICE AND METERING</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Main Service</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Master Meter</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Main Shut-off Switch</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Back-up System</td>
<td>None present.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Comments: Electrical service is provided by an original ground mounted transformers and underground conduits.

Recommendations: Service and Metering are not present within HOA maintenance areas and therefore not included.

3.4.3.2 Distribution

<table>
<thead>
<tr>
<th>ELECTRICAL - DISTRIBUTION</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subpanels</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Transformers</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Wiring</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Safety Devices/Switches</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Lighting</td>
<td>HOA related portions not present.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Comments: Amicus has no additional comments.

Recommendations: Distribution systems are not present within HOA maintenance areas and therefore not included.
3.5 Vertical Transportation Systems

<table>
<thead>
<tr>
<th>Description</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type and Controller</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Motors</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Cables</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Governor</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Cabs</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Hydraulic Tank</td>
<td>None present.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Comments:** Conveyance systems are not present. Amicus has no comments.

**Recommendations:** Amicus has no additional recommendations.

3.6 Life Safety and Fire Protection

3.6.1 Sprinklers and Standpipes

<table>
<thead>
<tr>
<th>Description</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sprinkler System</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Controller and Pumps</td>
<td>None present.</td>
<td>N/A</td>
</tr>
<tr>
<td>Date of Last Inspection</td>
<td>None present.</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Comments:** Amicus has no additional comments.

**Recommendations:** Sprinklers and Standpipes are not present. Amicus did not identify Immediate Needs or Capital Reserves for this report section.
### 3.6.2 Alarms and Other Systems

<table>
<thead>
<tr>
<th>ALARM SYSTEMS</th>
<th>Description</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alarms, Bells, Strobes</td>
<td>HOA related portions not present.</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Annunciator and Address System</td>
<td>HOA related portions not present.</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Emergency Lighting</td>
<td>HOA related portions not present.</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Exit Signs, Smoke Detectors, Pull Stations</td>
<td>HOA related portions not present.</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Security, Other</td>
<td>No issues observed or reported.</td>
<td></td>
<td>Good</td>
</tr>
</tbody>
</table>

**Comments:** Amicus has no additional comments.

**Recommendations:** Alarms and Other Systems appeared in overall good condition. Amicus did not identify Immediate Needs or Capital Reserves for this report section.

### 3.7 Interior Common Area Building Components

#### 3.7.1 Interior Finishes

<table>
<thead>
<tr>
<th>INTERIORS</th>
<th>Description</th>
<th>Comments</th>
<th>Condition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tenant Finishes</td>
<td>HOA related portions not present.</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Wall Finishes</td>
<td>HOA related portions not present.</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Ceiling Finishes</td>
<td>HOA related portions not present.</td>
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<td>Floor Finishes</td>
<td>HOA related portions not present.</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Doors and Frames</td>
<td>HOA related portions not present.</td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Mezzanine, Other</td>
<td>HOA related portions not present.</td>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

**Comments:** Amicus has no additional comments.

**Recommendations:** Interior Finishes are not present within HOA maintenance areas and therefore not included.
4.0 ADDITIONAL CONSIDERATIONS

Out of Scope Considerations

Our services were performed in general accordance with our proposal 1039-19. Our assessment is limited in nature and was not conducted in accordance with ASTM E2018. Additionally, this limited LPCA specifically discusses those sites and building components that are the responsibility of the HOA.

ADA Compliance

The Americans with Disabilities Act (ADA) is comprehensive civil rights legislation designed to prohibit discrimination on the basis of disability. ADA rules and regulations require that new construction, renovations, and existing public accommodations provide accessibility for the disabled from physical conditions affecting mobility, stamina, sight, hearing, and speech to conditions such as emotional illness and learning disorders. Title III of the ADA includes barrier-free design standards and “prohibits discrimination on the basis of disability by private entities in places of public accommodations,” and requires that “all places of public accommodation and commercial facilities be designed, constructed, and altered in compliance with the accessibility standards.”

The structures and site were designed and constructed subsequent to the enactment of the Americans with Disabilities Act in 1991. The development was observed to utilize barrier-free designs throughout at HOA areas. Amicus did not identify Immediate Needs or Capital Reserves for this report section.

Water Intrusion

Amicus conducted a visual assessment in reasonably accessible areas for visual indications of water intrusion and microbial colonization in areas maintained by the HOA. This visual assessment does not guarantee all microbial colonization growths were identified.

Amicus did not observe indications of water infiltration in those areas having HOA maintenance responsibility.

Contingency

A contingency has not been included.
5.0 DOCUMENT REVIEW AND INTERVIEWS

Amicus requested pertinent documentation that can aid in conducting this LPCA and evaluating the Property's physical improvements. Our review should be considered cursory and evaluating if the facility has been built in accordance with approved construction plans is not part of the scope of this report.

The following documents were provided and reviewed:

- No existing construction documents were available.

The following personnel from the facility and government agencies were interviewed in the process of conducting this LPCA:

<table>
<thead>
<tr>
<th>Personnel and Title</th>
<th>Phone Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>City of Charlotte Fire Department</td>
<td>(p) 704-336-2101</td>
</tr>
<tr>
<td>Various residents during site walk</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Amicus has not received a response from the Charlotte Fire Department at this time.
6.0 OPINIONS OF PROBABLE COSTS TO REMEDY PHYSICAL DEFICIENCIES

Amicus has attached our estimates for Immediate Needs, Capital Reserves, and Insurable Replacement Costs within Appendix A of this report. Items that are identified as routine maintenance have not been included. Our estimates are based upon received bid estimates from the tenant or owner, published facility and construction costs (such as R.S. Means, etc.) our experience with similar projects, city cost indexes, and approximate quantities. Detailed analysis has not been performed. Lump sum or allowance costs have been utilized where quantities cannot be obtained. These costs represent today's dollars and should be considered typical to the area the assessment has been performed. Actual repair costs may vary. Please see below for additional information regarding Immediate Needs, Capital Reserves Over the Term, and Insurable Replacement Costs.

Immediate Needs and Repairs

Immediate Needs are physical deficiencies that require immediate action as a result of (1) existing or potentially unsafe conditions, (2) significant negative conditions impacting tenancy, (3) material building or fire code violations, (4) poor or deteriorated condition of critical elements or system, or (5) conditions that if left unremedied have the potential to result in or contribute to critical element of system failure within one year or will probably result in significant escalation of its remedial cost.

Amicus has also included physical deficiencies such as deferred maintenance that may not warrant immediate attention, but require repairs or replacements that should be undertaken on a priority basis including routine preventive maintenance. These opinions of probable cost can include exploratory borings, physical sampling or testing and performing additional studies if recommended.

Capital Reserves Over the Term

Capital Reserves are for recurring probable expenditures, which are not classified as operation or maintenance expenses, which should be annually budgeted for in advance. Capital Reserves are reasonably predictable both in terms of frequency and cost. However, they may also include components or systems that have an indeterminable life but nonetheless have a potential liability for failure within an estimated time period. The Capital Reserve timeframe is projected to be 10 years. A component method has also been included within this report as well.

Capital Reserves excludes systems or components that are estimated to expire after the reserve term and that are not considered material to the structural and mechanical integrity of the subject property. Furthermore, systems and components that were not deemed to have a material effect on the use were also excluded. Costs that are caused by acts of God, accidents or other occurrences that are typically covered by insurance, rather than reserved for, are also excluded. Replacement costs were solicited from ownership, property management, discussions with service companies, manufacturers’ representatives, and previous experience in preparing such schedules for other similar facilities. Costs for work performed by ownership’s or property management’s maintenance staff were also considered.
Amicus' reserve methodology involves identification and quantification of those systems or components requiring capital reserve funds within the evaluation period. Additional information concerning systems or components respective replacement costs (in today’s dollars), typical expected useful lives, and remaining useful lives were estimated so that a funding schedule could be prepared. The Capital Reserve Schedule presupposes that all required remedial work has been performed or that monies for remediation have been budgeted for items defined in the Immediate Needs Summary Table.
7.0 LIMITING CONDITIONS

This LPCA report was prepared to provide a physical description of the Property's substructure and include our photographic documentation, note deficiencies, and provide our opinions of probable cost to repair those deficiencies. Observations and costs estimates were provided for those items which may be a danger to public safety, obviously violate codes, and could lead to habitability and further deterioration of the property. Our preparation of this LPCA report is intended to reduce but not eliminate the potential for component or system failure.

Construction drawings were reviewed, if provided, to spot check the adequacy of the building systems. Quantity takeoffs should be considered approximate as detailed measurements were outside the scope of this assessment. Our visual assessment was conducted in accessible areas of the substructure and various building components are present that conceal facility elements. No attempt was made to operate onsite equipment. If operation of this equipment is desired an appropriate contractor should be contacted.

This RUL stated in this report is based upon observed physical conditions on the date of assessment. The RUL is also based on the assumption that immediate repairs, routine maintenance and capital replacement repairs are completed in a timely and professional manner.

Our LPCA should be considered subjective opinions on the physical components and systems including their RULs, installation, etc. There may be other alternate or more appropriate methods to remedy the physical deficiency than those provided by Amicus. The LPCA was conducted under certain time constraints. Design of systems, Amicus Partners calculations, insect infestation surveys, asbestos audits, environmental sampling, surveying is not part of the scope for this LPCA. Amicus assumes no responsibility or liability for information and the accuracy provided by others during the interview process (i.e. local building and fire departments, etc.).

If this LPCA report is to be used in connection with a sales transaction, parties other than the Client are not entitled to rely on the information within the LPCA report. Our evaluation, analysis and opinions are not representations on the facility design integrity, structural soundness, or actual property value. The conclusions presented are based on the provided information, field observations, and physical conditions that existed on the date of the assessment.
APPROXIMATE SITE VICINITY

Figure 1 – Site Vicinity Map

Vantage Point Townhomes
Charlotte, North Carolina 28216

Source: Mecklenburg County GIS

Amicus Project No. 18-19-036
FIGURE 2 – AERIAL PHOTOGRAPH

Vantage Point Townhomes
Charlotte, NC 28216

Source: Mecklenburg County GIS

AMICUS PROJECT No. 18-19-036

Not to Scale
APPENDIX B

IMMEDIATE NEEDS TABLE & CAPITAL RESERVE TABLE
## IMMEDIATE NEEDS SUMMARY TABLE

**Site Address:**

**Building Information:**

**Assessment Date:**

**Amicus Project No.:**

### Section #  | Item                                                                 | Quantity | Units | Unit Cost | Total Cost | Comments |
---           |                                                                      |          |      |           |            |          |
3.2          | **SITE CONDITIONS**                                                   |          |      |           |            |          |
3.2.2        | Replace missing and repair damaged gutters at 2110, 2114, 2118 and 2126 Augusta Street townhomes. | 4        | EA   | $700.00   | $2,800.00  |          |
3.2.2        | Clean gutters. Seal gutters seams.                                   | 1        | LS   | $2,000.00 | $2,000.00  |          |
3.2.2        | Clean and remove vegetation at storm water pond.                    | 1        | LS   | $7,500.00 | $7,500.00  |          |
3.2.2        | Clean storm water piping.                                           | 1        | LS   | $3,500.00 | $3,500.00  |          |
3.2.4        | Clean pavements and seal active linear asphalt cracking.            | 1        | LS   | $1,800.00 | $1,800.00  |          |
3.2.4        | Seal-coat and restripe.                                             | 20000    | SF   | $0.30     | $6,000.00  |          |
3.2.4        | Repair potholes (3).                                                | 3        | EA   | $750.00   | $2,250.00  |          |
3.2.4        | Repair/replace inoperable light poles (lighting).                   | 12       | EA   | $250.00   | $3,000.00  |          |
3.2.6        | Landscaping maintenance.                                            | 1        | LS   | $1,500.00 | $1,500.00  | Obtaining quote recommended |
3.2.6        | Repair metal fence at two areas and install locked gate at the storm water pond. | 3        | EA   | $750.00   | $2,250.00  |          |
3.3          | **STRUCTURAL FRAME and BUILDING ENVELOPE**                          |          |      |           |            |          |
3.3.3        | Replace roof trim/facia at 2118 Augusta Street.                      | 1        | EA   | $2,000.00 | $2,000.00  | Obtaining quote recommended |
3.3.3        | Clean / pressure wash 2134 Lasalle Street exterior.                 | 1        | EA   | $750.00   | $750.00    |          |
3.3.5        | Repair asphalt shingle nail pops.                                   | 1        | LS   | $1,400.00 | $1,400.00  |          |
3.3.5        | Replace/repair roof flashings.                                      | 21       | EA   | $150.00   | $3,150.00  |          |
3.3.5        | Potential repair for roof decking at 2014 and 2016 Lasalle Street.  | 2        | EA   | $2,000.00 | $4,000.00  | Obtaining quote recommended |
3.4          | **PLUMBING, MECHANICAL, and ELECTRICAL SYSTEMS**                    |          |      |           |            |          |
3.5          | **VERTICAL TRANSPORTATION SYSTEMS**                                 |          |      |           |            |          |
3.6          | **LIFE SAFETY and FIRE PROTECTION**                                 |          |      |           |            |          |
3.7          | **INTERIOR FINISHES**                                               |          |      |           |            |          |
3.8          | **ADDITIONAL CONSIDERATIONS**                                       |          |      |           |            |          |

**Legend:**

EA - Each
LS - Lump Sum
LF - Linear Foot
SF - Square Foot

**TOTAL IMMEDIATE NEEDS** $43,900.00
## Capital Reserves Table

**Vantage Point Townhomes**

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<th>Section</th>
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<th>EFF AGE (Year)</th>
<th>RUL (Year)</th>
<th>Quantity</th>
<th>Unit</th>
<th>Unit Cost</th>
<th>Replacement Cost</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
<th>Year 6</th>
<th>Year 7</th>
<th>Year 8</th>
<th>Year 9</th>
<th>Year 10</th>
<th>Total (Years 1 through 10 - Uninflated)</th>
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<td><strong>3.2 SITE CONDITIONS</strong></td>
<td>Clean storm water piping</td>
<td>2-5</td>
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<td>LS</td>
<td>$3,500</td>
<td>$3,500</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td>$3,500</td>
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<tr>
<td></td>
<td>Repair north and west entrance aprons</td>
<td>10-20</td>
<td>16</td>
<td>5-10</td>
<td>2</td>
<td>EA</td>
<td>$2,500</td>
<td>$2,500</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$2,500</td>
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<tr>
<td></td>
<td>Reel lead and retrace</td>
<td>3-5</td>
<td>0</td>
<td>4</td>
<td>10,000</td>
<td>SF</td>
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<td>$6,000</td>
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<tr>
<td><strong>3.3 STRUCTURAL FRAME and BUILDING ENVELOPE</strong></td>
<td>Replacement townhome exteriors</td>
<td>10-15</td>
<td>16</td>
<td>1-5</td>
<td>0</td>
<td>LS</td>
<td>$3,000</td>
<td>$3,000</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>$3,000</td>
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<tr>
<td></td>
<td>Replace vertical seals</td>
<td>10-15</td>
<td>16</td>
<td>1-5</td>
<td>1</td>
<td>LS</td>
<td>$1,000</td>
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<td></td>
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<td></td>
<td>Annual maintenance to onsite roofs</td>
<td>-</td>
<td>-</td>
<td>yearly</td>
<td>10</td>
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<td>$1,000</td>
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<td>Reroof 2003 townhome roofs</td>
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<td>Replace flashings</td>
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<td></td>
<td></td>
<td>$0</td>
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<td><strong>3.5 VERTICAL TRANSPORTATION SYSTEMS</strong></td>
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<td></td>
<td>$0</td>
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<tr>
<td><strong>3.6 LIFE SAFETY and FIRE PROTECTION</strong></td>
<td>None identified</td>
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<td><strong>3.8 ADDITIONAL CONSIDERATIONS</strong></td>
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<td></td>
<td></td>
<td></td>
<td>$0</td>
</tr>
</tbody>
</table>

### CAPITAL RESERVES REPLACEMENT TABLE

#### Annual Capital Reserve (Uninflated)

- Year 1: $1,000
- Years 2-10: $1,000 - $7,000
- Total (Years 1 through 10 - Uninflated): $89,150

#### Inflation Rate Factors

- Yearly: 1.0000, 1.0300, 1.0609, 1.0927, 1.1255, 1.1593, 1.1941, 1.2299, 1.2668, 1.3048

#### Annual Capital Reserve (Inflated)

- Year 1: $1,000
- Years 2-10: $1,030 - $8,867
- Total (Years 1 through 10 - Uninflated): $102,981

### CAPITAL RESERVES TABLE

#### Avg. Total Capital Reserves per Year (Uninflated)

- Year 1: $1,000
- Years 2-10: $1,000 - $8,867

#### Avg. Capital Reserves per SF Over 10 Year Term (Uninflated)

- $0.49

#### Avg. Capital Reserves per SF Over 10 Year Term (Inflated)

- $0.57
Photograph 1 – Vantage Point townhomes shown with southern building facing towards Lasalle Street.

Photograph 2 – Street perimeter fencing shown. Typical to site features with traditional chain link fencing around non-street sides.
Photograph 3 – South townhomes shown. Minor roof damage observed from ground level at noted above.

Photograph 4 – Southern townhomes shown. Exteriors can vary from full to partial siding with the use of brick veneer. Stucco also occasionally utilized.
Photograph 5 – Southern townhomes shown. Gutters observed to be clogged with tree debris.

Photograph 6 – Western townhomes shown that face towards Augusta Street. Similar exteriors present. Metal roof observed at porch areas.
Photograph 7 – Western townhomes shown.

Photograph 8 – Full brick veneer also utilized at townhome exteriors.
Photograph 9 – Western townhomes with end unit shown. Note exterior discoloration reported by owner to be due to foliage growth.

Photograph 10 – Rear exterior shown for western townhomes.
Photograph 11 – Rear exterior of western townhomes shown. Damaged gutter and fascia observed at middle unit.

Photograph 12 – Additional view shown for middle townhome unit with missing gutter and damaged fascia.
Photograph 13 – Rear exteriors shown for southern townhome units.

Photograph 14 – Additional view shown for rear of southern townhomes.
Photograph 15 – Typical townhome unit with downspout discharge shown along with HVAC units.

Photograph 16 – Additional rear view shown and end unit shown for southern townhomes.
Photograph 17 – Drive entrance shown off Augusta Street along with impacted fencing/raling.

Photograph 18 – Drive entrance shown off of Augusta Street. Striping is fading.
Photograph 19 – Typical parking lot shown with linear cracking occurring and faded striping.

Photograph 20 – Typical linear crack shown.
Photograph 21 – Parking spaces shown for future townhome (not constructed). Final asphalt lift was not placed.

Photograph 22 – Drive intersection shown located at the northern site portion. Potholes have formed and underlying stone base is exposed.
Photograph 23 – Northern entrance drive shown. Entrance drive mainly composed of gravel throughout.

Photograph 24 – Main active parking lot and drive shown.
Photograph 25 – Damaged curbing observed. Isolated in nature.

Photograph 26 – Curb inlet shown typical to the site. Storm water drains to the interior site storm water pond.
Photograph 27 – South west curb inlet shown and generally free of debris.

Photograph 28 – Eastern parking lot and drive shown. Typical exposed stone base present where final asphalt lifts where not installed.
Photograph 29 – Perimeter chain link fencing shown. Vegetative overgrowth has occurred.

Photograph 30 – Two foundations/slabs present onsite that were not constructed. Slabs to be razed.
Photograph 31 – Northern drive lane shown with exposed stone base occurring.

Photograph 32 – Northern catch basin shown with debris present within it.
Photograph 33 – Interior storm water pond shown at development. Complete vegetative overgrowth has occurred
**ASSESSMENT DETAILS**

Notice of 2019 Real Estate Assessed Value

| Land Value | $0 |
| Building Value | $0 |
| Features | $0 |
| **Total** | **$0** |

**AND**

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<tr>
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<th>UNITS</th>
<th>TYPE</th>
<th>NEIGHBORHOOD</th>
<th>ASSESSMENT</th>
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<td>H514TH</td>
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**BUILDINGS**

- Building (1)

  - Finished Area
  - Year Built
  - Built Use / Style
  - Story
  - Heat
  - Fuel
  - Foundation
  - External Wall
  - Fireplace(s)
  - Full Bath(s)
  - Half Bath(s)
  - Bedroom(s)
  - Total (SqFt)

*No Photo Available*
VALUE CHANGES

The value change history shows only changes in appraised value; it does not show exemptions, exclusions or deferrals that could reduce a property's taxable value. If any of these are in effect for a particular tax year, it will be shown on the property tax bill for that year. It is also possible that some previous value changes might be missing from this list or listed in the wrong order. If you have any questions, please call the County Assessor's Office at 704-336-7600.

<table>
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<tr>
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<td>REAPPRAISAL REVIEW - PEARSON</td>
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<tr>
<td>02/04/2011</td>
<td>2011</td>
<td>COUNTYWIDE REAPPRAISAL</td>
<td>$0</td>
</tr>
</tbody>
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PERMITS

For information on building, electrical, mechanical or plumbing permits issued for this property in the last six years, please visit Mecklenburg County Code Enforcement's searchable permit database.

Disclaimer

Mecklenburg County makes every effort to produce the most accurate information possible. No warranties, expressed or implied, are provided for the data herein, its use or interpretation.
AMENDED AND RESTATED DECLARATION OF COVENANTS, CONDITIONS, AND RESTRICTIONS FOR VANTAGE POINTE TOWNHOMES
# TABLE OF CONTENTS

**Article 1. DEFINITIONS**

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<thead>
<tr>
<th>Section</th>
<th>Term</th>
<th>Page</th>
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AMENDED AND RESTATED DECLARATION OF COVENANTS CONDITIONS AND RESTRICTIONS FOR VANTAGE POINTE TOWNHOMES

This DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR VANTAGE POINTE TOWNHOMES (this “Declaration”) is made this ____ day of July, 2016 by BUILDERS OF HOPE, INC., a North Carolina non-profit corporation (together with its successors and assigns, “Declarant”) and America D. Washington, the owner of a Lot in Vantage Pointe who execute this Declaration (“Current Owner”). Each capitalized term used in this Declaration shall have the meaning for such term defined herein unless otherwise required by context.

WITNESSETH:

WHEREAS, Declarant and Current Owner are the owners of the property described in Exhibit A attached hereto and made a part hereof, which property, together with such Additional Property as shall have been from time to time brought under the scheme of this Declaration by Supplemental Declaration filed in the Registry (collectively, the “Property”), has been or will be developed into building lots and related amenities for use as a community of townhome lots, upon which townhome units will be constructed (each a “Townhome” and collectively “Townhomes”), said community to be known as Vantage Pointe Townhomes (provided, however, Declarant reserves the right to change said name as to all or any portion of the Property at any time and from time to time); and

WHEREAS, Declarant and Current Owner desire to insure the attractiveness of the Lots and community facilities within the Property and to prevent any future impairment thereof, to prevent nuisances, to preserve, protect, and enhance the values and amenities of the Property, and to provide for the maintenance and upkeep of the Common Areas and other community facilities and utilities within the Property; and, in order to accomplish these objectives, Declarant and Current Owner deem it advisable to subject the Property to the covenants, conditions, restrictions, easements, charges, and liens hereinafter set forth and this Declaration replaces and supersedes all other previously recorded declarations affecting the Property; and

WHEREAS, Declarant deems it desirable, in order to insure the efficient preservation, protection, and enhancement of the values and amenities of the Property and the residents’ enjoyment of the specific rights, privileges, and easements in the Common Areas, the Located Easements, and the other community facilities and utilities within the Property, that an organization be created to which will be delegated and assigned the powers of maintaining the Common Areas, the Located Easements, and the other community facilities and utilities within the Property, administering and enforcing this Declaration, and collecting and disbursing the assessments and charges hereinafter imposed; and

WHEREAS, Declarant has caused or will cause to be created for the purposes aforesaid, a North Carolina non-profit corporation under the name and style of Vantage Pointe Townhome Association, Inc. (“Association”);
NOW, THEREFORE, Declarant and Current Owner declare that the Property is and shall be owned, held, leased, transferred, sold, mortgaged, conveyed and occupied subject to the following covenants, conditions, restrictions, easements, charges, and liens, which shall run with the title to Property and be binding upon and inure to the benefit of all Owners thereof and their heirs, personal representatives, successors, and assigns.

ARTICLE 1.
DEFINITIONS

Without limitation of other capitalized terms defined herein, certain of the capitalized terms used in this Declaration are defined in and shall have the meanings given them in this Article 1.

Section 1.1. “Act” shall mean the North Carolina Planned Community Act, Chapter 47F of the North Carolina General Statutes.

Section 1.2. “Additional Property” shall mean the property described on Exhibit B attached hereto, all of any portion of which may from time to time be made subject to the Declaration pursuant to Article 2 hereof and which, when so subjected, shall become a part of the Property.

Section 1.3. “Annual Assessment” shall have the meaning set forth in Article 7, Section 6.3.

Section 1.4. “Assessment Year” shall mean such one year period as shall be specified by the Board in its discretion.

Section 1.5. “Association” shall mean Vantage Pointe Townhome Association, Inc., a North Carolina non-profit corporation.

Section 1.6. “Authority” over any parcel of property shall mean a right of ownership or control (whether in whole or in part) over such parcel of property.

Section 1.7. “Board” shall mean the Board of Directors of the Association. Notwithstanding anything to the contrary set forth in this Declaration or the Charter Documents, so long as Declarant owns any portion of the Property, Declarant shall have the right at any time and from time to time to appoint and remove any and all members of the Board.

Section 1.8. “Charter Documents” shall mean the Articles of Incorporation and Bylaws of the Association, as applicable, as the same may be amended.

Section 1.9. “Common Areas” shall mean all portions of the Property which are deeded to the Association for the common use and enjoyment of all Members or owned by Declarant and designated for the common use and enjoyment of the Association and its Members, and all improvements and facilities constructed thereon for such purposes, including, but not limited to (without any obligation by Declarant to construct or install the same), any signage, irrigation, drainage facilities, sidewalks, entrance monuments, landscaped areas, lighting, green or natural area and other amenities constructed on portions of Common Areas on
the Property. Declarant shall deed Common Areas to the Association prior to converting Class B Membership to Class A Membership.

Section 1.10. “Declarant” shall mean Builders of Hope, Inc., its successors and assigns and Declarant reserves all Special Declarant Rights provided for in the Act and herein.

Section 1.11. “General Utility Easements” shall have the meaning set forth in Article 4, Section 4.1.

Section 1.12. “Homeowner” shall mean any individual or entity other than Declarant or Builder who shall reside in a dwelling or lease a dwelling for occupancy of the dwelling upon a Lot.

Section 1.13. “Improvement” shall mean any structure and all appurtenances thereto of every type and kind, including but not limited to: buildings, outbuildings, patios, tennis courts, garages, doghouses, swimming pools, basketball goals, mailboxes, aerials, roads, driveways, parking areas, fences, walls, retaining walls, stairs, decks, landscaping, plantings, planted trees and shrubs, ponds, lakes, changes in grade or slope, site preparation, poles, signs, exterior air conditioning, external facilities used in connection with utilities (including water, sewer, gas, electric, telephone, regular, cable or satellite television or computer service), exterior illumination, front doors, window blinds, changes in any exterior color, and any new exterior construction or exterior improvement not included in any of the foregoing. The definition of Improvement includes both original Improvements and all later changes and/or repairs to Improvements, except that it does not include replacement of trees or shrubs with those of the same or similar species or replacement or repair of Improvements previously approved by the Architectural Control Committee provided such replacement or repair does not change any exterior color, material, design or appearance from that previously approved by the Architectural Control Committee.

Section 1.14. “Individual Assessments” shall have the meaning set forth in Article 7, Section 7.5.

Section 1.15. “Located Easements” shall have the meaning set forth in Article 4, Section 4.1.

Section 1.16. “Lot” shall mean a portion of the Property which has been included as a numbered or lettered plot of land on a Plat.

Section 1.17. “Member” shall have the meaning set forth in Article 5, Section 5.1.

Section 1.18. “Owner” shall mean the record owner, whether one or more persons or entities, of fee simple title to any Lot, but excluding those having such interest merely as security for the performance of an obligation.

Section 1.19. “Person” shall mean any individual, corporation, partnership, association, trust, or other legal entity.
Section 1.20. “Plats” shall mean such plats of all or any portion of the Property as shall have been from time to time recorded in the Registry (each a “Plat”).

Section 1.21. “Property” shall mean the property described in Exhibit A hereto, together with such Additional Property as shall have been from time to time brought under the scheme of this Declaration by Supplemental Declaration filed in the Registry.

Section 1.22. “Registry” shall mean the office of the Register of Deeds for Mecklenburg County, North Carolina.

Section 1.23. “Special Assessments” shall have the meaning set forth in Article 7, Section 7.4.

Section 1.24. “Supplemental Declaration” shall mean a Supplemental Declaration of Covenants, Conditions and Restrictions filed in the Registry pursuant to Article 2, Section 2.2.

Section 1.25. “Townhome” shall mean one individual dwelling located on a Lot.

Section 1.26. “Working Capital Contributions” shall have the meaning set forth in Article 7, Section 7.15.

ARTICLE 2.
PROPERTY

Section 2.1. Property Subject to Declaration. The Property shall be owned, held, leased, transferred, sold, mortgaged, conveyed and occupied subject to this Declaration.

Section 2.2. Scope of Additional Coverage. Declarant shall have the right, at its election without the consent of any Owner, to bring within the scheme of this Declaration and subject to the jurisdiction of the Association any portion of the Additional Property which Declarant shall elect, by filing a Supplemental Declaration in the Registry. At such time as any Additional Property is brought within the scheme of this Declaration set forth above, it shall be part of the Property.

Section 2.3. Additional Declaration Documents. Declarant may supplement the provisions of this Declaration, whether with regard to the entire Property or any portion thereof, including any modifications as may be necessary to reflect the different character of any portion of the Property, provided the same are not inconsistent with the plan and spirit hereof. So long as Declarant owns any part of the Property, Declarant’s prior written consent shall be required for any Person to supplement the provisions of this Declaration in regard to any portion of the Property.

ARTICLE 3.
RIGHTS IN COMMON AREAS

Section 3.1. Owner’s Easements of Enjoyment. Subject to the provisions of Section 3.5 of this Article and other provisions of this Declaration, each Owner shall have a right and easement of use and enjoyment in and to the Common Areas, and such easements shall be
appurtenant to and shall pass with the title to such Owner’s Lot; provided, however, that such easements shall not give such Owner the right to make alterations, additions, or improvements to any part of any Common Area.

Section 3.2. Delegation of Use. The rights and easements of use and enjoyment granted to each Owner in Section 3.1 of this Article may be exercised by the members of the Owner’s family who occupy the Owner’s Lot, and may be delegated by the Owner to such Owner’s tenants who occupy said Lot as their principal residence.

Section 3.3. Title to the Common Areas.

(a) Declarant shall convey to the Association (by special warranty deed) fee simple title to the Common Areas, free and clear of all encumbrances and liens other than the lien of current taxes and assessments not in default, restrictive covenants and utility easements, and any other title exceptions of record. Common Areas may be conveyed by Declarant to the Association in whole or in part from time to time.

(b) While it is anticipated that the Common Areas shall be limited to those properties specifically set forth on the Plats, nothing contained herein shall prevent the Declarant, by Supplemental Declaration or otherwise, to create, and to convey to the Association, any Common Areas.

Section 3.4. Control of Common Areas. Subject to other provisions in this Declaration, the Association shall have sole and exclusive Authority over the usage of and guidelines applicable to the Common Areas.

Section 3.5. Extent of Owner’s Easement. The rights and easements of use and enjoyment created in this Article shall be subject to the following:

(a) The right of the Association to prescribe regulations governing the use, operation, and maintenance of the Common Areas subject to limitations established by the Declarant or the Association, as applicable, on such right to impose regulations.

(b) Subject to affirmative vote of eighty percent (80%) of the votes of the Class A Members and the vote of the Class B Member (for so long as Class B Membership exists), the right of the Association to borrow money for the purpose of improving the Common Areas and in aid thereof to mortgage such Common Areas; provided that the rights of such mortgagee in the Common Areas shall be subordinate to the rights of the Owners hereunder.

(c) The right of the Association to take such steps as are reasonably necessary to protect the Common Areas against foreclosure.

(d) Subject to the affirmative vote of eighty percent (80%) of the votes of the Class A Members and the vote of the Class B Member (for so long as Class B Membership exists), the right of the Association to dedicate or transfer all or any part of the Common Areas, subject to the provisions of Section 47F-3-112 of the Act; provided that this paragraph shall not preclude the Association from either granting easements for
the installation and maintenance of electrical, telephone, cablevision, water and sewerage, utilities and drainage facilities upon, over, under and across the Common Areas without the assent of the Members when such easements are requisite for the convenient use and enjoyment of the Property, as determined by the Board in its sole discretion or the reconfiguration of Lots and Common Areas by Declarant.

(e) The right of the Association to grant easements, leases and licenses through or over the Common Areas.

(f) The rights of the Association and Declarant to use the easements for ingress and egress over, in, to and throughout the Common Areas.

(g) The right of Declarant, its successors and assigns to make any improvements for any reason, they deem proper upon the Common Areas, even after their conveyance to the Association. Declarant hereby reserves an easement over the Common Areas for the purpose of development of the remainder of the Property or Additional Property owned by Declarant. Although not limited in scope of this easement, this easement shall include the right of access at all times for Declarant’s employees, agents, subcontractors, invitees, etc., over the Common Areas and shall include the right to construct, maintain and dedicate any additional utility easements, drainage easements or any additional sanitary sewer or water line easements across any of the Common Areas. This Easement shall terminate upon the completion of the development of Vantage Pointe Townhomes and when the Class B Membership is converted to Class A Membership.

ARTICLE 4.
EASEMENTS

Section 4.1. Located Easements. An easement on each Lot is hereby reserved by the Declarant along, over, under, and upon a strip of land five (5) feet in width parallel and contiguous to the front, side and rear Lot lines of each Lot, (collectively, the “General Utility Easements”). The purpose(s) of the General Utility Easements shall be to provide for installation, maintenance, construction, and operation of drainage facilities and utility service lines to, from, or for each of the Lots. In addition, as shown on the Plats, the Declarant has reserved (and may hereafter reserve) the following other easements (which, together with the General Utility Easements are collectively sometimes referred to herein as the “Located Easements”), which Located Easements are reserved by Declarant for itself, its successors and assigns, over, under, and across the Property, and which Declarant may modify or extinguish when in its sole discretion adequate easements are otherwise available:

(a) Landscape easements, consisting of: (i) those areas shown on the Plats as easements dedicated for the installation, maintenance, repair, and removal of landscaping amenities, including, but not limited to, monumentation, signage, installation of fencing over the Lots and Property and sitework; (ii) street medians, shoulder, and boulevard areas within street rights of way;
(b) Specific utility easements, consisting of those areas shown on the Plats as easements dedicated for the installation, maintenance, repair, and removal of public and private utilities, including without limitation gas, electric, telephone, cable, sewer, and water;

(c) Irrigation easements, consisting of those areas shown on the Plats as easements dedicated for the installation, maintenance, repair, and removal of irrigation facilities; and

(d) Drainage easements, consisting of those areas shown on the Plats as easements dedicated for the installation, maintenance, repair, and removal of drainage facilities.

(e) Construction easements, consisting of those areas over the Lots and adjoining Common Areas as easements for purposes reasonably related to the installation of streets and construction of Townhomes on the Lots. Declarant and its contractors shall have full rights of ingress and egress to and through, over, and about the Lots and adjoining Common Areas during such period of time that Declarant is engaged in any construction or improvement work on or with the Property and shall further have an easement for the purpose of storing the materials, vehicles, tools, equipment, etc., which are being utilized in such construction. No Owner or his/her guests or invitees, shall in any way interfere or hamper Declarant or its employees or contractors in the exercise of these rights and easements.

(f) Repair and maintenance easements are reserved for the benefit of Declarant and the Association over, under, and through that portion of each Lot upon which is located any wall or any portion thereof for the construction, replacement, maintenance, and continued location of such wall, together with a general right of ingress, egress, and regress over and upon each Lot for the purpose of accessing such construction and location easement. Easements are reserved for the benefit of Declarant and the Association over, under, and through each Lot in order to perform any maintenance, alteration, or repair required or permitted herein to be performed by the Declarant or the Association, including, without limitation, the matters set forth in Sections 6.1(a), 6.1(b) and 6.1(c) of Article 6 (and the Owner of each Lot shall permit the Declarant and the Association and any representative of either to enter for such purposes at reasonable times and with reasonable advance notice), and for immediate entry onto each Lot in the case of any emergency threatening such Lot or any other Lot for the purpose of remedying or abating the cause of such emergency. The Declarant or the Association may, without consent or approval of any Owner, grant or convey any of the easement rights hereinabove reserved for the purposes set forth herein to any person, public or private utility or service company or any agent of Declarant or the Association.

(g) Settlement and overhang easements consisting of those areas over the Lots and adjoining Common Areas as easements for building encroachments created by initial construction and by subsequent settling and overhangs. A valid easement for said encroachments and for maintenance of same shall continue so long as said encroachments exist. In the event a Townhome is partially or totally destroyed, and then
rebuilt, minor encroachments over parts of the adjoining Lots or Common Area(s) resulting from the reconstruction shall also be permitted and a valid easement for said encroachments and the maintenance thereof shall continue.

Section 4.2. Rights and Limitations With Regard to Located Easements. With regard to the Located Easements, the following shall apply:

(a) Since the locations of certain of the Located Easements may not have been finally determined as of the date of recording of this Declaration in the Registry, for a period of ten (10) years after the date of recording of this Declaration in the Registry, Declarant reserves to itself and its successors and assigns, and shall be vested with, the right to establish and adjust the locations of such of the Located Easements as are not finally established as of such date of recording and to record in the Registry on behalf of each and every affected Owner such revisions or supplements to the Plats as may be necessary or desirable to reflect the final locations of the Located Easements.

(b) Within the Located Easements, no structure, planting, or other material shall be placed or permitted to remain which may damage or interfere with the installation or maintenance of utilities, or which may change the direction or flow of drainage channels. Except as otherwise specifically provided in this Declaration and except for maintenance and repairs for which a public authority or public utility shall be responsible, the Located Easements on each Lot and all Improvements therein shall be maintained continuously by the Owner.

(c) It is anticipated that Declarant shall assign to the Association Declarant’s rights with respect to the Located Easements.

(d) Declarant shall have the right to assign to any public authority or public utility company, in whole or in part, any easement reserved by Declarant under this Declaration.

Section 4.3. Easement of Ingress and Egress. Full rights of ingress and egress are reserved for the benefit of Declarant and the Association for the exercise of the Located Easement rights, as well as the maintenance and repair rights (as set forth in Article 11) in accordance with the provisions hereof for the carrying out by Declarant and/or the Association of the rights, functions, duties, and obligations of each hereunder (to the extent applicable); provided, that any such entry by Declarant or the Association upon any Lot shall be made with as minimum inconvenience to the Owner of such Lot as reasonably practical, and any damage caused as a result of the gross negligence of Declarant’s or the Association’s employees or agents shall be repaired by Declarant or the Association (as the case may be) at the expense of Declarant or the Association (as the case may be).

Section 4.4. Reservation of Special Declarant Rights. Declarant hereby reserves all Special Declarant Rights as defined in Section 47F-1-103(28) of the Act, including, but not limited to the following: the right to complete, repair, maintain, replace and operate improvements on the Property; the right to exercise any development rights; the right to maintain
sales offices, management offices, models and signs advertising the Property; the right to use easements through the Common Area and through any Lot or Lots for the purpose of making, repairing, maintaining, replacing and operating improvements within the Property; and the right to elect, appoint or remove any officer or board member of the Association during any period of declarant control. These Special Declarant rights shall expire one year after the conveyance of Declarant's last Lot in the Property.

Section 4.5. Easements for Driveway Encroachments. Declarant hereby establishes an easement for any Lot ("Benefited Lot") whose driveway, as installed by Declarant, encroaches onto the adjoining Lot ("Burdened Lot"). This easement shall be non-exclusive and perpetual and shall allow the portion of the Benefited Lot's encroaching driveway, as installed by Declarant, to remain on the Burdened Lot. This easement is appurtenant to the Benefitted Lot and shall burden and run with the title to the Burdened Lot and shall be binding on all Owners, successors and assigns of the Benefited Lots and Burdened Lots. The foregoing easement shall also apply to any replacement driveway in conformance with the original driveway installed and constructed by Declarant.

ARTICLE 5.
MEMBERSHIP IN THE ASSOCIATION

Section 5.1. Membership in the Association. Every Owner of a Lot which is subject to assessment shall be a Member of the Association. Membership shall be appurtenant to and may not be separated from ownership of a Lot. The voting rights of the Members shall be appurtenant to the ownership of the Lots. When more than one Person owns an interest (other than a leasehold or security interest) in a Lot, all such Persons shall be Members and the voting rights appurtenant to said Lot shall be exercised as they, among themselves, determine, but in no event shall more than one (1) vote be cast with respect to any Lot owned by a Class A Member.

Section 5.2. Classes of Members. The Association shall have two classes of membership:

(a) Class A. Class A Members shall be all Members with the exception of Declarant. Each Class A Member shall be entitled to one vote (1) per Lot owned by such Member.

(b) Class B. The Class B Member shall be Declarant. The Class B Member shall be entitled to ten (10) votes for each Lot owned by it. The Class B Membership shall cease on the earliest of (a) the date on which Declarant no longer owns any part of the Property, or (b) the date Declarant shall elect, in its sole discretion, that Class B Membership cease and be converted to Class A Membership (which election may be made upon Declarant giving written notice of the election to the Board).

Section 5.3. Voting, Quorum, and Notice Requirements. Except as may be otherwise specifically set forth in this Declaration or in the Charter Documents, the vote of the majority of the aggregate votes entitled to be cast by all classes of the Members present or represented by legitimate proxy at a legally constituted meeting at which a quorum is present shall be the act of the Members meeting. The Charter Documents will set forth (a) the number of
votes present that will constitute a quorum at a properly called meeting of Members and (b) the notice requirements for all action to be taken by the Members.

In any instance in this Declaration in which the affirmative vote of a number or percentage of votes of the Association is called for, it shall be interpreted to mean the following: The affirmative vote of that number or percentage of votes of the Association that: (i) are entitled to be cast and (ii) are present or represented by proxy at a Proper Meeting. A “Proper Meeting” shall mean a meeting of the members of the Association: (a) at which a quorum is present and (b) which is duly called and held for the purpose of casting such vote.

ARTICLE 6.
POWERS RIGHTS AND OBLIGATIONS OF THE ASSOCIATION

Section 6.1. Powers and Obligations of the Association. The Association, for the benefit of the Owners, shall have the following specific powers and rights (without limitation of other powers and rights the Association may have) and obligations:

(a) The power, right, and obligation to improve, maintain, or cause to be maintained the Common Areas and Located Easements (or particular portions thereof or particular improvements therein, as determined from time to time by the Association in its discretion);

(b) The power, right and obligation to maintain, repair, and replace the landscaping in the front and rear yards of the Townhomes on the Lots, including, but not limited to, trees, hedges, shrubs, flowers, ground cover and grass, but excluding any additional landscaping installed by any Owner (any such landscaping being required to be approved in writing by the Architectural Control Committee).

(c) The power to replace, maintain or repair exterior building surfaces not performed by Owner as required herein or as requested by the Association is caused through the willful or negligent act of the Owner, the Owner’s family, guest, or invitees, the cost of such replacement, maintenance, or repairs shall be the obligation of that Owner and shall be assessed by Individual Assessment.

(d) The power and right to own the Common Areas and the facilities and improvements thereon;

(e) The power and right to enter into agreements to enable the Association to improve and maintain the Common Areas and Located Easements or portions thereof;

(f) The power and right to make (without being obligated to do so) rules and regulations and establish guidelines for the use and operation of and activities on the Lots and the Common Areas and Located Easements (including, without limitation, guidelines, rules, and regulations related to architectural control), and to amend them from time to time;
(g) The power and right to enter into agreements or contracts with insurance companies with respect to insurance coverage relating to the Common Areas, Located Easements, and the Association;

(h) The power and right to enter into agreements or contracts with utility companies with respect to utility installation, consumption, and service matters relating to the Common Areas, Located Easements, and the Association;

(i) The power and right to borrow funds to pay costs of operation of the Association, which borrowings may be secured by assignment or pledge of rights against delinquent Owners or by liens on other Association assets, if the Board sees fit;

(j) The power and right to enter into contracts (specifically including, without limitation, street light leases), maintain one or more bank accounts, and generally to have all the powers necessary or incidental to the operation and management of the Association;

(k) The power and right to sue or defend in any court of law in on behalf of the Association and to provide reserves for maintenance and repairs;

(l) The power, right, and obligation to make available to each Member within sixty days after the end of each Assessment Year an annual report of the Association and, upon resolution adopted by the Board or upon the written request of the Class A Members holding at least three-fourths (3/4) of the eligible votes of Class A Members of the Association at such time, to have such report audited (at the expense of the Association) by an independent certified public accountant, which audited report shall be made available to each Member within thirty days after completion;

(m) The power, right, and obligation to adjust the amount, collect, and use any insurance proceeds to repair damage to or replace lost property of the Association; and if proceeds are insufficient to repair damage or replace lost property, to assess the Owners in proportionate amounts to cover the deficiency;

(n) The power and right to exercise all powers, duties, and authority vested in the Association by this Declaration or the Charter Documents and not reserved to the Members or Declarant by other provisions of this Declaration or the Charter Documents;

(o) The power and right to employ a manager or firm to manage the affairs and property of the Association (including, without limitation, collection of assessments provided for in this Declaration and enforcement of the other provisions of this Declaration), to employ independent contractors, or such other employees as the Board may deem necessary, and to prescribe their duties and to set their compensation;

(p) The power and right to retain the services of legal and accounting firms;
(q) The power and right to the extent permitted hereby, to enforce the provisions of this Declaration and any rules made hereunder and to enjoin and, at its discretion, seek damages or other relief for violation of such provisions or rules, and to fine Owners for violations after proper notice and opportunity to be heard as required by the Act;

(r) The power and right to contract with any third party or any Member (including Declarant) for performance, on behalf of the Association, of services which the Association is otherwise required to perform pursuant to the terms hereof, such contracts to be at competitive rates and otherwise upon such terms and conditions and for such consideration as the Board may deem proper, advisable, and in the best interests of the Association;

(s) The power and right to take any and all other actions and to enter into any and all other agreements as may be necessary or proper for the fulfillment of its rights or obligations hereunder or for the operation or protection of the Association;

(t) The power and right to set the Assessments; and

(u) Anything contained herein to the contrary notwithstanding, except as specifically set forth herein, none of the above-described rights and powers of the Association shall be obligatory on the part of the Association, and the failure or refusal by the Association to implement any such rights and powers shall not constitute a breach or default by the Association or the Board or the officers of the Association of any duties or obligations arising hereunder or otherwise owing to its Members.

Section 6.2. Liability Limitations. Neither Declarant, nor any Member, nor the Board, nor any member or manager of Declarant nor any officer or director of the Association shall be liable for: (a) debts contracted for or otherwise incurred by the Association or for a tort of another Member, whether or not such other Member was acting on behalf of the Association or otherwise; (b) any incidental or consequential damages for failure to inspect any premises, improvements, or portions thereof or for failure to repair or maintain the same; or (c) any personal injury or other incidental or consequential damages occasioned by any act or omission in the repair or maintenance of any premises, improvements or portions thereof. The Association shall, to the extent permitted by applicable law, indemnify and defend all members of the Board from and against any and all loss, expense, damage, liability, action, or cause of action relating to the performance by the Board of its duties except for any such loss, expense, damage, liability, action, or cause of action resulting from the gross negligence or willful misconduct of the person to be indemnified.

ARTICLE 7.
ASSESSMENTS

Section 7.1. Covenant for Assessments. The Owner of a Lot (except for Declarant), by acceptance of a deed therefor, whether or not it shall be so expressed in such deed, is deemed to covenant and agree to pay to the Association: (a) Annual Assessments; (b) Special Assessments; (c) Individual Assessments; and (d) Working Capital Contributions (collectively
“Assessments”). Any such Assessments or charge, together with interest, costs, fines and reasonable attorney’s fees shall be a charge on the land and shall be a continuing lien upon the Lot against which each such Assessment or charge is made. Each such Assessment, together with interest, costs, fines and reasonable attorney’s fees shall also be the personal obligation of the person who was the Owner of such property at the time when the Assessment or charge fell due.

Section 7.2. Purposes of Assessments. The Assessments shall be used to carry out of the rights, powers, and obligations of the Association pursuant to the terms of this Declaration and to promote the enjoyment and welfare of the Property, including in particular, but without limitation, to (i) maintain and repair the Common Areas and Located Easements; (ii) pay ad valorem taxes, premiums for hazard insurance in connection with the Common Areas and Located Easements, and public liability and other insurance of the Association, including directors and officers liability insurance; (iii) carry out the duties of the Association; (iv) carry out the purposes of the Association and its Architectural Control Committee as stated in the Charter Documents and this Declaration; (v) as more particularly described in Article 6, Section 6.1(b), repair and replacement of exterior surfaces of the Townhomes (excluding, entry doors, garage doors, light fixtures, and windows); (vi) as more particularly described in Article 6, Section 6.1(c), repair and replacement of the landscaping (including irrigation systems) in the front yards of the Townhomes on the Lots, including, but not limited to, trees, hedges, shrubs, flowers, ground cover and grass, but excluding any additional landscaping installed by any Owner; (vi) pay all utility expenses of the Common Areas; (viii) and maintenance of insurance as provided in Article 10, Section 10.6. All costs and expenses associated with operating, maintaining, repairing, and replacing the improvements within the Common Areas and Located Easements benefiting the Property in general (as determined from time to time in the sole discretion of the Board) shall be the responsibility of the Association.

In addition to the general purposes set forth above, the Assessments shall expressly be used for repayment of any loan incurred, payment of any sum due under any lease entered into, and satisfaction of any other expense of installation, maintenance, repair, or replacement incurred by Declarant or the Association in connection with the acquisition of decorative street light poles, fixtures, bulbs, wiring, and all equipment related to the use thereof within the Property. However, to the extent that there is any fee or payment due on account of the maintenance of any such poles not located on streets dedicated to the public, such fees or expenses shall be borne entirely by the Owners of Lots and assessed in such manner as shall be determined by the Board.

Section 7.3. Annual Assessments. For each Assessment Year, in accordance with the provisions of the Act and this Declaration, the Board shall determine the amount of the annual assessment provided for in this Article 7 (the “Annual Assessment”) to be assessed against each Lot (which, except as provided in Section 7.6 below, shall be uniform for all Lots). In making such determination, the Board shall take into consideration, among other things, estimated development and maintenance costs to be borne by the Association under this Article 7, and future needs of the Association under this Article 7. The time of payment of the Annual Assessment shall be determined by the Board from time to time as set forth in statements of amounts due sent to each Lot Owner.
Section 7.4. Special Assessments. In addition to the Annual Assessment, the Board may levy in any Assessment Year, in accordance with the provisions of the Act and this Declaration, special assessments (each a “Special Assessment”) against each Lot (which, except as provided in Section 7.6 below, shall be uniform for all Lots) for the purpose of defraying, in whole or in part, any costs incurred by the Association under this Article 7 which are not paid for out of funds on hand in the Association or out of the Annual Assessment collected by the Association, as determined by the Board in its discretion.

Section 7.5. Individual Assessments. The Board may levy particular assessments against an individual Owner (“Individual Assessments”) for: (i) reimbursement to the Association for repairs to the Common Areas, any exterior portions of the Townhomes and/or Lots pursuant to Articles 6 and 11 or Located Easements occasioned by the willful or negligent acts of such Owner; or (ii) payment of fines, penalties, or other charges imposed against an individual Owner relative to such Owner’s failure to comply with the terms and provisions of this Declaration, the Charter Documents, or any rules or regulations promulgated hereunder, including, without limitation, reimbursement to the Association for all expenses incurred in connection with the enforcement of the provisions of Article 11, or otherwise specifically allocable to such Owner hereunder or (iii) a benefit or service to fewer than all the Lots shall be assessed exclusively against the Lot benefitted.

Section 7.6. Assessment Limitations on Declarant Owned Lots. Notwithstanding any other provision of this Declaration, no Lot owned by Declarant shall be subject to any Assessment.

Section 7.7. Use of Working Capital Contributions. The Working Capital Contributions provided for in Section 7.15 below may be used by the Association for any of the purposes described in Section 7.2 above, as determined from time to time by the Board in its discretion.

Section 7.8. Commencement of Annual Assessments. The first Annual Assessment shall commence with the Assessment Year in which any Lot is conveyed to an Owner other than Declarant or Builder or any later Assessment Year as determined by the Board in its discretion. Annual Assessments shall continue thereafter for each Assessment Year.

Section 7.9. Due Date of Assessments; Payment. Annual Assessments shall be due and payable on a monthly basis on the first day of each month of each Assessment Year or on such other basis as shall be determined from time to time by the Board in its discretion and shall be past due and subject to interest at a rate of eighteen percent (18%) per annum or one and one half percent (1.50%) per month, late fees, fines and penalties as determined by the Board on the tenth day of each month. The due date of any Special Assessment or Individual Assessment shall be fixed in the Board resolution authorizing such Special Assessment or Individual Assessment and if not paid within ten (10) days of notice of such Assessments by an Owner, such Owner shall be subject to interest at a rate of eighteen percent (18%) per annum or one and one half percent (1.50%) per month, late fees, fines and penalties as determined by the Board for late payment.
Section 7.10. Notice. In the event of the establishment or revision in the amount or rate of an Annual Assessment, Special Assessment, or Individual Assessment, the Board shall fix the amount thereof, and in regard to any Special Assessment or Individual Assessment, the applicable due date(s) for the payment of such Special Assessment or Individual Assessment, and shall provide written notice thereof to each Owner subject thereto.

Section 7.11. Omission by Board. The omission by the Board, before the expiration of any Assessment Year, to fix the Annual Assessment hereunder for that or any subsequent Assessment Year shall not be deemed to waive or modify in any respect any of the provisions of this Declaration or to release any Owner from the obligation to pay the Annual Assessment due for that or any subsequent Assessment Year. The Annual Assessment fixed for the preceding Assessment Year shall continue until a new Annual Assessment is fixed.

Section 7.12. Owner’s Personal Obligation for Payment. Each Assessment provided for herein shall be the personal and individual debt of the Owner (as of the due date of the applicable Assessment) to which such Assessment relates. The personal obligation to pay any such Assessment, together with interest thereon and costs of collection, shall not pass to the successors in title of such Owner unless expressly assumed by such successors. Although unpaid Assessment charges are not the personal obligation of such Owner’s successors in title unless expressly assumed by them, as provided in Section 7.13 below, the unpaid Assessment charges continue to be a lien on the Lot against which the Assessment has been made. In the event of default in the payment of any such Assessment, the defaulting Owner shall be obligated to pay interest, late fees, and all costs and expenses of collection, including reasonable attorneys’ fees, as determined from time to time by the Board on an annual basis and consistent with the provisions of the Act.

Section 7.13. Assessment Lien and Foreclosure. All sums assessed in the manner provided in this Article but unpaid, are, together with interest, late fees, and the costs of collection, including reasonable attorney’s fees as provided in this Article, a continuing lien and charge on the Lot owned by the defaulting Owner as of the Assessment due date and shall bind and run with the title to such Lot. Except as provided below, the aforesaid lien shall be superior to all other liens and charges against such Lot. Further provided, that the Board shall have the power to subdivide the aforesaid assessment lien to any other lien, and such power shall be entirely discretionary with the Board. The Association may bring an action at law against the Owner personally obligated to pay the Assessment, or to foreclose the lien against the Lot as provided in the Act.

Section 7.14. Subordination of the Lien to Mortgages. The lien of the Assessments shall be subordinate and inferior to the lien of any first priority mortgage or deed of trust encumbering a Lot; provided, however, that such subordination shall apply only to the assessments which have become due and payable prior to the foreclosure sale or other transfer of the Lot pursuant to the terms and conditions of any such first priority mortgage or deed of trust. Such sale or transfer shall not relieve such Lot from liability for the amount of any Assessment thereafter becoming due or from the lien thereof.

Section 7.15. Working Capital Contributions. In addition to, and not in lieu of, the Annual Assessments, Special Assessments, and Individual Assessments provided for above in
this Article 7, Declarant hereby imposes against each Lot the working capital contribution requirements set forth below. Each capital contribution required hereunder is herein referred to as a “Working Capital Contribution.” With regard to each Lot, a Working Capital Contribution shall be paid to the Association by the initial Homeowner of such Lot and dwelling unit where such Lot is conveyed by Declarant to the initial Homeowner. Each Working Capital Contribution shall not be considered to be an advance payment of any Annual Assessment, Special Assessment, or Individual Assessment. The amount of the Working Capital Contribution shall be in an amount determined by the Board.

ARTICLE 8.
USE OF PROPERTY – PROTECTIVE COVENANTS

The Property shall be occupied and used as follows:

Section 8.1. Residential Purposes Only. Each Lot shall be used exclusively for single-family, non-transient residential purposes, and garages, carports, and parking spaces shall be used exclusively for the parking of passenger automobiles or light (noncommercial) vans or trucks therein or thereon; provided, however, each Developer shall have the right to use Lots owned by it for the purpose of construction and operation of sales and marketing centers (and for related uses) for the Property. No structure shall be erected, placed, altered, used, or permitted to remain on any Lot other than one single-family private dwelling and private garage(s) approved by the Architectural Control Committee in accordance with the requirements of Article 9 of this Declaration. No Lot or portion thereof may be used for hotel or other transient residential purposes.

Section 8.2. Obstructions, etc. Except with the prior written consent of the Association, there shall be no obstruction of the Common Areas or Located Easements, nothing shall be kept or stored in the Common Areas or Located Easements, nor shall anything be altered, or constructed or planted in, or removed from the Common Areas or Located Easements. Notwithstanding the above, Declarant shall have the right to install signs in the Common Areas and Located Easements.

Section 8.3. Restricted Actions by Owners. No waste as determined by the Association shall be committed in the Common Areas or Located Easements. Each Owner shall comply with all laws, regulations, ordinances (including, without limitation, applicable zoning ordinances), and other governmental rules and restrictions in regard to such Owner’s Lot.

Section 8.4. Signs. No sign of any kind shall be displayed to the public view on any Lot except no more than one professional sign which is consistent with such rules, regulations, and guidelines as shall from time to time be issued by the Architectural Control Committee, approved in writing by the Architectural Control Committee (and, for so long as Class B Membership exists, approved in writing by Declarant), and which is for the purpose of advertising the Lot for sale or rent; however, the foregoing shall not act to restrict or prohibit Declarant from erecting and maintaining signs and billboards advertising the Property, or to restrict the Association from posting permanent signs designed to aid in vehicular access and related information.
Section 8.5. Attachments. No permanent attachments of any kind or character whatsoever shall be made to the roof or exterior walls of any dwelling on a Lot, except for: (a) a satellite disc or dish no larger than one (1) meter in diameter that is not (nor is any cable, wire, or other apparatus connected thereto) visible from any street adjoining the Lot.

Section 8.6. Animals. No animals, livestock, or poultry shall be raised, bred, or kept on any Lot except that dogs, cats, or other household pets may be kept, but not for any commercial purposes, provided that such animals are kept on a leash outside of the residence upon a Lots, that they do not create a nuisance (in the judgment of the Board in its sole discretion) such as, but without limitation, by noise, odor, damage or destruction of property, or refuse. Animal waste must be picked up by the Owner and after two warnings, the Board may assess a fine against such Owner and Lots. At any time and from time to time the Board, in its sole discretion, may require any animal to be removed from any Lot. No animal enclosure may be constructed or maintained on any Lot unless such dog run has been approved in writing by the Architectural Control Committee prior to commencement of construction. Notwithstanding the foregoing, no event shall more than two (2) dogs or two (2) cats be maintained on any Lot.

Section 8.7. Vehicles/Parking. All vehicles must be parked in the parking spaces as designated by the Association and each Lot shall be assigned two (2) parking spaces. Any street parking and parking in the Common Areas shall be in the areas designated by the Association only and shall be on a first-come, first-serve basis and subject to any rules or regulations that may be promulgated by the Association. No house trailer or mobile home, school bus, truck greater than 6,000 pounds or commercial vehicle over three-fourths (3/4) ton capacity or having ladders, pipes, or similar racks or utility beds, boat or boat trailer, jet ski or jet ski trailer, motor home, camper, or van (not to include passenger vans for non-commercial use), junked or wrecked vehicles, or vehicles on blocks shall be kept, stored, or parked overnight on any street, Common Area, or Lot. Any such vehicle must be currently licensed (if applicable) and must be parked in an enclosed garage, if applicable. Vehicles parked on driveways shall not block access over public sidewalks. The above provision shall not prevent Declarant of Builder from locating construction and/or sale trailers within the Property as necessary. No significant automobile repair or maintenance shall be allowed on the Property. The Association shall have the right to tow any vehicle in violation of this Section at the vehicle owner’s expense.

Section 8.8. Waste and Trash Pickup. No Lot shall be used or maintained as a dumping ground for rubbish, trash, or garbage. Waste of any nature shall not be kept on any part of the Property except on a temporary basis in sanitary containers. Trash containers must be out of view from the streets other than during the 24 hours prior to and following the trash pickup day for the Lot. In addition, the Owners of Lots on private streets must roll their trash containers to public streets for trash pickup and then retrieve those trash containers within 24 hours following trash pickup.

Section 8.9. New Construction. Construction of new buildings only shall be permitted on Lots, it being the intent of this covenant to prohibit the moving of any existing building onto a Lot.

Section 8.10. No Temporary Structures/Lawn Art. No structure of a temporary character on any Lot, such as a trailer, tent, shack, or other outbuilding, shall be used at any time
as a dwelling. Lawn art and temporary decorations shall only be permitted in the rear yard of a Lot except for holiday decorations on the front door and windows of a residence upon a Lot provided such decorations are removed in a timely manner after the holiday event has occurred.

Section 8.11. Mailboxes. All mailboxes within the Property shall be centralized in the Common Area for use by Owners. No mailboxes shall be permitted on the exterior of a Townhome or on the Lot.

Section 8.12. No Drilling or Mining. No oil drilling, oil development operation, oil refining, quarrying, or mining operations of any kind shall be permitted on any Lot, nor shall oil wells, tanks, tunnels, mineral excavations, or shafts be permitted on any Lot. No derrick or other structure designed for use in quarrying or for drilling for oil or natural gas shall be erected, maintained, or permitted on any Lot.

Section 8.13. Diligent Construction. All construction, landscaping, or other work which has been commenced on any Lot must be continued with reasonable diligence to completion and no partially completed houses or other Improvements shall be permitted to exist on any Lot, except during such reasonable time period as is necessary for completion.

Section 8.14. No Subdivision or Combination of Lots. No Lot shall be subdivided by sale, lease, or otherwise so as to reduce the total Lot area as shown on the Plat of such Lot and no Lot shall be combined with another Lot. The foregoing shall not apply to Declarant.

Section 8.15. Governmental Requirements. Nothing herein contained shall be deemed to constitute a waiver of any governmental requirement applicable to any Lot and all applicable governmental requirements or restrictions relative to the construction of improvements on and/or use and utilization of any Lot shall continue to be applicable and shall be complied with in regard to each Lot.

Section 8.16. Nuisance. No noxious or offensive activity shall be carried on in or upon any Lot or Common Areas nor shall anything be done thereon which may be or become an unreasonable annoyance, inconvenience or nuisance to the residents of the Property or unreasonably interfere with the quiet enjoyment of occupants of Lots. No Owner shall permit anything to be done or kept on his or her Lot which would result in the cancellation of insurance on said Lot or any other dwelling or any part of the Common Area or which would be in violation of any law.

ARTICLE 9.
ARCHITECTURAL CONTROL

Section 9.1. General. Notwithstanding any other provision of this Declaration, no Improvement, including, without limitation, site preparation on any Lot or change in grade or slope of any Lot or erection of building or exterior addition or alteration to any building situated upon the Property or erection of or changes or additions to front doors, changes to the color of any building situated upon a Lot, fences, hedges, walls, storage buildings, mail boxes, and other structures, or construction of any swimming pools or other improvements, shall be commenced,
erected, or maintained on any portion of the Property until the Architectural Control Committee appointed as hereinafter provided, has approved the plans and specifications therefor, the location of such Improvements and the change of color of any building upon a Lot. Subject to approval by the Board, the Architectural Control Committee shall have the authority to issue and amend from time to time (but shall not be required to do so) guidelines, rules, and regulations with respect to construction of Improvements. Notwithstanding the foregoing, as to any Builder, Declarant may provide blanket approval of site plans, general housing styles and finishes which may then be constructed on any Lot without the need for additional written approvals of, or the submission of, specifications, exterior color and finish, landscape plan, site development or any other matter included within the definition of "Plans." Once granted, such blanket approval shall be irrevocable and binding on the Committee as to any Lots owned by Builder or subject to any contract to purchase or option to purchase of Builder. Once blanket approval is granted, a Builder shall not be obligated to obtain any other approvals from the Declarant, Board or Committee.

Section 9.2. Composition. The Architectural Control Committee shall be composed of at least three individuals (the exact number to be designated by the Board from time to time), annually appointed by the Board, each to be generally familiar with residential and community development design matters and knowledgeable about the Association's concern for high level design standards within the Property. In the event of the death, removal, or resignation of any member of the Architectural Control Committee, the Board shall have full authority to designate and appoint a successor. Members of the Architectural Control Committee may be removed and replaced by the Board at any time, with or without cause, and without prior notice. For so long as Declarant owns any portion of the Property, Declarant shall also have the right at any time and from time to time to appoint and remove any and all members of the Architectural Control Committee.

Section 9.3. Procedure. No Improvement of any kind or nature shall be erected, remodeled, or placed on any portion of the Property until all plans and specifications and a site plan therefor have been submitted to and approved in writing by the Architectural Control Committee.

Section 9.4. Authority. The Architectural Control Committee is authorized and empowered to consider and review any and all aspects of the construction of any Improvements on any portion of the Property which may, in the opinion of the Architectural Control Committee, affect the living enjoyment of any Owner or the general value of the Property or any portion thereof.

Section 9.5. Enforcement. The Architectural Control Committee shall have the specific right (but no obligation) to enforce the provisions contained in this Article 9, and/or to prevent any violation of the provisions contained in this Article 9 by a proceeding at law or in equity against the person or persons violating or attempting to violate any such provisions contained in this Article 9. The Association shall also have the right (but not obligation) to enforce these provisions.

Section 9.6. Limitation of Liability. Neither the Architectural Control Committee, nor the members thereof, nor Declarant shall be liable in damages or otherwise to anyone
submitting plans and specifications and other submittals for approval or to any Owner by reason of mistake of judgment, negligence, or nonfeasance arising out of or in connection with the approval or disapproval or failure to approve or disapprove any plans or specifications.

Section 9.7. Miscellaneous. No member of the Architectural Control Committee shall be entitled to compensation for, or be liable for claims, causes of action, or damages (except where occasioned by gross negligence or arbitrary and capricious conduct) arising out of, services performed pursuant to this Article 9. The Association shall reimburse members of the Architectural Control Committee for reasonable out-of-pocket expenses associated with its activities hereunder.

ARTICLE 10.

INSURANCE

Section 10.1. Insurance Requirements under the Act. Section 47F-3-113 of the Act requires certain insurance to be carried by the Association and provides for the distribution of insurance proceeds. Sections 10.2 through 10.5 of this Article 10 set forth the requirements of Section 47F-3-113 of the Act. In the event the insurance requirements set forth in the Act or any portion of the Act are changed, amended, or deleted, the insurance requirements set forth in Sections 10.2 through 10.5 of this Article 10 shall likewise be changed, amended, or deleted to conform with the insurance provisions of the Act without the requirement of a formal amendment to this Declaration.

Section 10.2. Property Insurance. The Association shall maintain, to the extent reasonably available, property insurance on the Common Areas and Located Easements insuring against all risks of direct physical loss commonly insured against including fire and extended coverage perils. The total amount of insurance after application of any deductibles shall not be less than eighty percent (80%) of the replacement cost of the insured property at the time the insurance is purchased and at each renewal date, exclusive of land, excavations, foundations, and other items normally excluded from property policies. Any loss covered by this property insurance shall be adjusted with the Association, but the insurance proceeds for that loss are payable to any insurance trustee designated for that purpose, or otherwise to the Association, and not to any mortgagee or beneficiary under a deed of trust. The insurance trustee or the Association shall hold any insurance proceeds in trust for Owners and lien holders as their interests may appear. The proceeds shall be disbursed first for the repair or restoration of the damaged property, and Owners and lien holders are not entitled to receive payment of any portion of the proceeds, unless there is a surplus of proceeds after the property has been completely repaired or restored, or the planned community is terminated.

Section 10.3. Liability Insurance. The Association shall maintain, to the extent reasonably available, liability insurance in reasonable amounts, covering all occurrences commonly insured against for death, bodily injury, and property damage arising out of or in connection with the use, ownership, or maintenance of the Common Areas and Located Easements. The liability insurance shall be for the benefit of the Owners, occupants, the Association, the Board, the managing agent, if any, the Declarant, and their respective officers, directors, members, managers, agents, and employees in such amounts and with such coverage that shall be determined by the Board; provided that such liability insurance shall be for at least
One Million Dollars ($1,000,000.00) per occurrence for death, bodily injury, and property damage.

Section 10.4. Required Provisions for Property and Liability Insurance. Insurance policies carried pursuant to Sections 10.2 and 10.3 above shall provide that:

(a) Each Owner is an insured person under the policy to the extent of the Owner’s insurable interest;

(b) No act or omission by any Owner, unless acting within the scope of the Owner’s authority on behalf of the Association, will preclude recovery under the policy; and

(c) If, at the time of a loss under the policy, there is other insurance in the name of the Owner covering the same risk covered by the policy, the Association’s policy provides primary insurance.

Section 10.5. Insurance Repairs. Any portion of the planned community for which insurance is required under Sections 10.2 and 10.3 heretofore which is damaged or destroyed shall be repaired or replaced promptly by the Association unless: (a) the planned community is terminated; (b) repair or replacement would be illegal under any State or local health or safety statute or ordinance; or (c) the Association determines not to rebuild. The cost of repair or replacement in excess of insurance proceeds and reserves is a common expense if any portion of the planned community is not repaired or replaced, (a) the insurance proceeds attributable to the damaged Common Area or Located Easement shall be used to restore the damaged area to a condition compatible with the remainder of the planned community; (b) the insurance proceeds attributable to limited common elements which are not rebuilt shall be distributed to the Owners of the Lots to which those limited common elements were allocated, or to lien holders, as their interests may appear; and (c) the remainder of the proceeds shall be distributed to all the Lot Owners or lien holders, as their interests may appear, in proportion to the common expense liabilities of all the Lots. Notwithstanding the provisions of this Section 10.5, Section 47F-2-118 (termination of the planned community) governs the distribution of the insurance proceeds if the planned community is terminated.

Section 10.6. Casualty Insurance Maintained By Owners. Each Owner shall procure and maintain casualty insurance upon the Lot and the Townhome thereon for the benefit of such Owner and its mortgagees, as their interests may appear. Each Lot shall be insured in an amount equal to one hundred percent (100%) of its insurable replacement value of the Townhome.

(a) Coverage. Such coverage shall provide protection against: loss or damage by fire and other hazards, including extended coverage, vandalism and malicious mischief, and such other risks as from time to time shall be reasonably required by the Association.

(b) Premiums. Premiums for insurance policies purchased by the Owner shall be paid by the Owner or its mortgagee.
(c) **Responsibility for Repair.** If the proceeds of insurance are insufficient to repair damage or destruction to any portion of a Townhome by fire or other casualty, or if such casualty is not insured against, then the reconstruction or repair of any damaged improvements contained within any Lot shall be accomplished promptly by the Owner(s) of such Lot or Lots, and the extent of such repairs shall be an expense of such Owner(s). If the Owner of the affected Lot fails to promptly accomplish such repair or reconstruction, the Association may perform such repairs or reconstruction on his behalf, and the expense of such repair or reconstruction may be assessed against that Lot, and if not paid shall be a lien on the Lot having all of the priorities provided in this Declaration.

**Section 10.7. Public Liability Insurance.** The Association shall procure public liability insurance with limits of liability of no less than One Million Dollars ($1,000,000.00) per occurrence and shall include an endorsement to cover liability of the Owners as a group, to a single Owner. If an insured casualty shall occur resulting in damage or injury to a claimant whose claim is insured against in said policy, proceeds from the Association shall be applied as follows: all expenses of the insurance trustee shall be first paid or provisions made therefor; and the balance held in undivided shares for compensation for injuries suffered by each claimant whose claim is insured against in said policy, all as determined by the Association.

**Section 10.8. Insufficient Proceeds.** If the insurance proceeds received by the Association are insufficient to reimburse, to repair and/or replace any damage or destruction to person or property, the Board may levy a Special Assessment against the Owners to cover the deficiency.

**Section 10.9. Owner’s Personal Property.** The Association or Declarant shall not be liable in any manner for the safekeeping or condition of any personal property belonging to or used by any Owner or such Owner’s family, guests, or invitees, located on or used at the Common Areas or Located Easements. Further, the Association or Declarant shall not be responsible or liable for any damage or loss to any personal property of any Owner, such Owner’s family, guests or invitees located on or used at the Common Areas or Located Easements. Each Owner shall be solely responsible for all personal property and for any damage thereto or loss thereof, and shall be responsible for the purchase of, at such Owner’s sole cost and expense, any liability or other insurance for damage to or loss of such property.

**Section 10.11. Security.** In the event the Association decides to provide, maintain, or support certain security and fire protection measures, neither the Association, the Board, Declarant, nor any successor of Declarant shall in any way be considered insurers or guarantors of security or fire protection within the Property, and neither the Association, Declarant nor any successor of Declarant shall be held liable for any loss or damage by reason of failure to provide or take any security or fire protection measures or for the ineffectiveness of any such measures undertaken. Each Owner of any Lot and each tenant, guest, and invitee thereof acknowledges and understands that neither the Association, the Board, Declarant nor any successor of Declarant are insurers, and each such Owner of a Lot, and such Owner’s tenants, guests, and invitees hereby assume all risks for loss or damage to persons, property, or contents belonging to any such persons.
ARTICLE 11.
MAINTENANCE

Section 11.1. Duty of Maintenance. The Owner of each Lot shall have the duty and responsibility, at such Owner's sole cost and expense, to keep the Lot owned by such Owner in a well-maintained, safe, clean, and attractive condition at all times. Such maintenance includes, but is not limited to, the following:

(a) Paint, stain, repair, replace, and care for all exterior building surfaces (including without limitation: external brick, siding, roof surfaces, roof systems, gutters, downspouts and decks; all exterior glass including windows and patio doors, with any replacement windows and doors being the same as originally installed);

(b) Prompt removal of all litter, trash, refuse, and waste;

(c) Keeping exterior lighting and mechanical facilities in working order;

(d) Complying with all governmental health regulations;

(e) Maintaining those exterior portions of Townhomes not maintained by the Association as set forth in Section 6.1(b); and

(f) Repair of damage to Improvements; it being understood and agreed that if any Improvements are damaged or destroyed by fire, or other casualty covered by the policy of insurance maintained by the Association pursuant to Article 10, Section 10.6, the proceeds from such insurance policy shall be used to repair the damage insured against in said policy. In the event that the proceeds are insufficient to repair the damage or destruction to any portion of the Townhomes of if such casualty is not insured against, then the Owner(s) of the damaged Townhomes shall be responsible for the reconstruction or repair of any damaged improvements as provided in Article 10, Section 10.6(e) of this Declaration.

Section 11.2. Enforcement. If the Owner of any Lot has failed in any of the duties or responsibilities of such Owner as set forth in this Declaration, then the Association and Declarant, jointly or severally, may enforce the duties and responsibilities of such Owner in any manner available at law or in equity (subject, however, to any limitations imposed by the Act), including, without limitation, by entering onto the Lot of such Owner and performing such care and maintenance without any liability for damages for wrongful entry, trespass, or otherwise to any Person. The Owner of the Lot on which such work is performed shall be liable for the cost of such work and, without limiting any other remedy, the Association may impose an Individual Assessment against such Owner and if not timely paid by Owner pursue legal actions to collect such Individual Assessment, late fee and interest assessed as provided in the Charter Documents. Declarant has the right to assign to the Association the rights of Declarant under this Section.

Notwithstanding the foregoing, if an Owner is in violation of Article 8, Section 8.4 of this Declaration, the Association and Declarant, jointly or severally, may give such Owner written notice of such failure and such Owner must within 24 hours after receiving such notice (which
notice shall be deemed received when handed to Owner or prominently posted on the front entry
door of the dwelling on the Lot) remove the unauthorized sign(s). Should such Owner fail to
fulfill this duty within such 24 hour period, then the Association and Declarant, jointly or
severally, shall have the right and power to enter onto the Lot and remove and dispose of such
unauthorized sign(s) without any liability for damages for wrongful entry, trespass or otherwise
to any Person.

ARTICLE 12.
PARTY WALLS

Section 12.1. Definition. Each wall or fence separating two Townhomes as a part of the
original construction of the Townhomes, and any replacement thereof, shall constitute a “party
wall” for purposes of this Article.

Section 12.2. General Law. To the extent not inconsistent with the provisions of this
Article, the general rules of law regarding party walls and liability for property damage due to
negligence or willful acts or omissions shall apply to all party walls.

Section 12.3. Encroachment. If any portion of any structure originally constructed by
Declarant or any party wall, or any common fence, protrudes over an adjoining Lot or into any
Common Area, such structure, wall, or fence shall be deemed to be a permitted encroachment
upon the adjoining Lot or Common Area, and the Owners and the Association shall neither
maintain any action for the removal of the encroaching structure, wall, or fence, nor any action
for damages. In the case of such a protrusion, it shall be deemed that the affected Owners or the
Association have granted perpetual easements to the adjoining Owner for continuing
maintenance and use of the encroaching structure, wall, or fence. The foregoing provision shall
also apply to any replacements in conformance with the original structure, wall, or fence
constructed by Declarant.

Section 12.4. Sharing of Repair and Maintenance. The cost of replacement, repair,
and maintenance of a party wall shall be equally divided by the Owners which share the wall,
except that (i) if the damage necessitating the replacement, repair, or maintenance is covered
under the terms of any fire or casualty insurance policy maintained by the Association, the
proceeds of such policy shall first be used to effect such replacement, repair, and maintenance;
and (ii) if the portion of the wall which requires the replacement, repair, or maintenance is an
outside wall for one of the Townhomes, but not for the other (that is, not common to both
Townhomes) the replacement, repair, or maintenance cost of that portion of the wall shall be
borne by the Owner of the Townhome utilizing that portion of the wall, if, and to the extent that,
the Association does not have that responsibility.

Section 12.5. Destruction by Fire or Other Casualty. If a party wall is destroyed or
damaged by fire or other casualty or requires replacement, repair, or maintenance in excess of
the benefits payable under any fire or casualty insurance policy maintained by the Association,
and one of the common Owners of the wall repairs, replaces, or performs necessary maintenance
work, the other Owner shall promptly reimburse the Owner who effects the work in an amount
equal to one-half of the cost thereof; provided that this obligation shall not be absolute, but shall
be subject to the general rules of law regarding negligence and wrongful acts.
Section 12.6. Right to Contribution Runs With Land. The right of any Owner to contribution from any other Owner under this Article shall be appurtenant to the land and shall pass to such Owner's successors in title.

Section 12.7. Easement and Right of Entry for Repair, Maintenance and Reconstruction. Every Owner shall have an easement and right of entry upon the Lot of any other Owner to the extent reasonably necessary to perform repair, maintenance, or reconstruction of a party wall. Such repair, maintenance, or construction shall be done expeditiously and, upon completion of the work, the Owner shall restore the adjoining Lot or Lots to as near the same condition as that which prevailed prior to the commencement of the work as possible.

ARTICLE 13.
EMINENT DOMAIN (CONDEMNATION)

In the event of a taking of all or any portion of a Lot or all any portion of the Common Areas or Located Easements by eminent domain, or by conveyance in lieu thereof, the awards paid on account thereof shall be applied in accordance with Section 47F-1-107 of the Act.

ARTICLE 14.
TERMINATION OF PLANNED COMMUNITY

The Property, a planned community under the Act, may be terminated only in strict compliance with Section 47F-2-118 of the Act.

ARTICLE 15.
AMENDMENT

This Declaration may be amended only in strict compliance with the Act, including, without limitation, Section 47F-2-117 of the Act, except that no amendment altering or impairing rights reserved by Declarant hereunder may be made without the written consent of the Declarant and except that the Declarant shall have the unilateral right to add Additional Property by Supplemental Declaration without the joinder of any party.

ARTICLE 16.
REstrictions ON LEASING

The Declarant has deemed it to be in the best interest of Owners to restrict the number of Lots that may be leased or occupied by persons other than the Owner. Such restrictions will, among other things, enhance property values by promoting stability and reducing resident turnover; increase interest by the Owners in the appearance and maintenance of the Lots; minimize problems of rule enforcement and vandalism; and ensure that Lots and Owners qualify for certain federally supported mortgage programs. These restrictions do not restrict any Owners rights under the First Amendment or any other provision of the U.S. Constitution, nor are they violative of public policy.

Section 16.1. General: No Owner shall lease his Lot for transient or hotel purposes, which for purposes of this Declaration shall be defined as rental for any period of time less than
twelve (12) months. Each lease shall be approved as set out herein below, shall be in writing and shall be subject to this Declaration. Any failure of any lessee to comply with the terms of this Declaration or the Rules and Regulations for the Property shall be a default under the lease. Fines issued for lessee violations shall be assessed against the Owner of the Lot where the lessee resides.

Section 16.2. Procedures and Additional Restrictions:

(a) **Notice to Board:** Any Owner intending to make a lease of his/her Lot shall give prior written notice to the Board of Directors (or any managing agent designated by the Board) of such intention together with a copy of the proposed lease. For purposes of this section, "lease" is defined as exclusive or partial occupancy of a Lot by any person(s), other than the Owner, for any period of time, for which the Owner receives any consideration or benefit, including but not limited to, a fee, service, or gratuity. The required notice shall include the complete terms of the proposed lease, and such other information as the Board or its agent shall reasonably require. All leases of Lots shall be in writing, utilizing standardized lease forms provided by or approved by the Board or its managing agent. The provisions of this section shall also apply to the renewal of or modification to the terms of any lease of a Lot. No subleasing of a Lot shall be allowed.

(b) **Approval of the Board:** Within 15 days after receipt of such notice, the Board or its managing agent shall provide the Owner with written notice of its approval or disapproval of the proposed lease. The decision of the Board shall be final and non-appealable, but approval shall not be unreasonably withheld. The Board’s approval may be conditioned upon the addition, deletion, or modification of any provision of the proposed lease. The Board specifically reserves the right to withhold the approval of any lease which would result in forty-nine percent (49%) or more of the total number of Lots within the Property being leased. The failure of the Board to provide written notice to the Owner of its approval or disapproval of the proposed lease within the 15-day period contemplated by this section shall be deemed an approval of the proposed lease.

(c) **No Leasing For First Two (2) Years of Ownership:** For Lots purchased on or after the effective date of this amendment, no Owner shall lease his Lot for two (2) years from the date of purchase of his Lot. For the purposes of this section, date of purchase shall refer to the date an Owner’s deed is recorded at the County Public Registry where the Property is located. Title transfers from an Owner to a single purpose entity or trust where the Owner is a the primary owner or shareholder of the single purpose entity or the primary beneficiary of the trust shall not operate to start a new two (2) year period, and for that Owner the two (2) year period shall run from the date of purchase of his Lot.

(d) **Three (3) Year Limit On Leasing:** Any Owner whose Lot is approved for leasing may lease such Lot for a maximum period of three (3) years. No lease shall be approved that is greater than three (3) years in term or which term exceeds the three (3) year limitation on leasing. An Owner who has been approved for leasing may extend the term of any approved lease within the three (3) year period without approval of the Board, but any such extension shall not exceed the expiration of the three (3) year period.
Any assignment of a lease or any other amendment or modification or material change to a lease or any new lease whether or not it is within the three (3) year period must be approved by the Board pursuant to sub-section 2 (a) and (b) of this section. An Owner may opt out of his leasing rights within his three (3) year term upon written notice to the Board in order to allow other Owners to lease inside the rental cap described in sub-section 2(b) of this section.

(e) **Compliance with Declaration, By-Laws, and Rules and Regulations:** Any lease agreement must provide that it shall be subject to the provisions of this Declaration, and that any failure by the Lessee to comply with the terms hereof shall be a default under the lease. Any Owner leasing his/her Lot shall provide the Lessee with a copy of the Declaration, Bylaws, and Rules and Regulations affecting Stillwater upon execution of the lease. The Lessee shall be bound in all respects by the provisions contained therein. Any default by a Lessee of such provisions shall entitle the Association to terminate the lease, and the Owner hereby irrevocably appoints the Association as its lawful attorney-in-fact to take all actions necessary to terminate the lease and the Lessee’s right to possession of the Lot, including the commencement of legal proceedings against the Owner and/or the Lessee.

(f) **Void Transactions:** Any lease of a Lot which is not approved pursuant to the terms of this section shall be void, unless subsequently approved in writing by the Board. Any violation of these provisions shall subject the Owner to a fixed or daily fine, after notice and an opportunity to be heard, in accordance with N.C.G.S. § 47F-3-107.1.

(g) **Lots Currently Owned or Leased:** Any Owner whose Lot is leased as of the recording of this Declaration shall give written notice together with a copy of the existing lease to the Board, as required by sub-section 2 (a) of this section, within fifteen (15) days from the date this Declaration is recorded. Any Owner who purchased his Lot prior to the effected date of the recording of this Declaration shall not be subject to the rental cap described in sub-section 2(b) of this section for a period of two (2) years from the date of the recording of this Declaration.

**ARTICLE 17.**

**GENERAL PROVISIONS**

**Section 17.1. Enforcement.** The Declarant, the Association or any Owner, shall have the right to enforce, by any proceeding at law or in equity against any person or persons violating or attempting to violate any restriction, condition, covenant, reservation, lien, and charge now or hereafter imposed by the provisions of this Declaration, either to restrain or to enjoin violation or to recover damages, and against the land to enforce any lien created by this Declaration. Failure or forbearance by the Declarant, the Association, or by any Owner to enforce any covenant or restriction herein contained shall in no event be deemed a waiver of the right to do so thereafter.

**Section 17.2. Conflict with the Act; Severability.** Should any of the terms, conditions, provisions, paragraphs, or clauses of this Declaration conflict with any provisions of the Act, the provisions of the Act shall control unless the Act permits this Declaration to override the Act, in which event this Declaration shall control. The invalidity of any covenant, restriction, condition,
limitation, provision, paragraph, or clause of this Declaration, or any part of the same, or the application thereof to any person or circumstance, shall not impair or affect in any manner the validity, enforceability, or effect of the rest of this Declaration, or the application of any such covenant, restriction, condition, limitation, provision, paragraph, or clause to any other person or circumstance.

Section 17.3. Term. This Declaration shall run and bind the Property for a term of twenty five (25) years from the date this Declaration is recorded in the Registry, after which time this Declaration shall be automatically extended for successive periods of ten (10) years, unless terminated or altered in accordance with the provisions of the Act; provided, however, that Declarant’s rights hereunder may not be amended or altered without Declarant’s prior written consent. Any amendment must be properly recorded in the Registry and shall take effect only upon such recording. For the purposes of this section, additions to the Property as provided in Article 2, Section 2.2 hereof shall not constitute an “amendment”.

Section 17.4. Interpretation of Declaration. Whenever appropriate, singular may be read as plural, plural may be read as singular, and the masculine gender may be read as the feminine or neuter gender. Compound words beginning with the prefix “here” shall refer to this entire Declaration and not merely the part in which they appear.

Section 17.5. Captions. The captions herein are only for convenience and reference and do not define, limit, or describe the scope of this Declaration, or the intent of any provision.

Section 17.6. Law Controlling. This Declaration shall be construed and controlled by and under the laws of the State of North Carolina.

Section 17.7. Notices. Any notice required to be sent to any Member or Owner under the provisions of this Declaration shall be deemed to have been properly sent when mailed, by ordinary mail, postpaid, to the last known address of the person who appears as Member or Owner on the records of the Association at the time of such mailing.

Section 17.8. Conflicts. In the case of any conflict between this Declaration and any of the Charter Documents, this Declaration shall control.

Section 17.9. Condemnation. In the event any Common Area or Located Easement or any portion thereof is made the subject matter of any condemnation or eminent domain proceedings or other sought to be acquired by a condemning authority, the proceeds of any award or settlement shall be distributed to the Association for the common benefit of the Owners and their mortgagees, as their interests appear.

Section 17.10. Disclaimer. Notwithstanding anything contained herein or in the Charter Documents, rules or regulations issued by the Association, or any other document governing or binding the Association (collectively the “Association Documents”), the Association and the Declarant shall not be liable or responsible for, or in any manner a guarantor or insurer of, the health, safety, or welfare of any Member, occupant, or user of any portion of the Property, including, without limitation, Owners and their respective families, guests, invitees, agents, servants, contractors, or subcontractors or for any property of any such persons. It is the express intent of the Association Documents that the various provisions thereof that are enforceable by
the Association and govern or regulate the uses of the Property have been written, and are to be interpreted and enforced, for the sole purpose of maintaining the enjoyment of the Property. The Association and the Declarant are not empowered, and have not been created, to act as an entity which enforces or ensures any other individual's or entity's compliance with the laws of the United States, State of North Carolina or any other jurisdiction or the prevention of criminal, tortuous, or like regulated activities. Every Owner, by taking title to any part of the Property, covenants and agrees to hold harmless and to indemnify the Association and the Declarant, and their respective directors, trustees, officers, members, managers, agents, parties, and affiliates from and against all claims of any kind whatsoever by an invitee, licensee, family member, employee, or other representative or agent of that Member for any loss or damage arising in connection with the use, ownership, or occupancy of any portion of the Property.

Section 17.11. Construction Activities. All Owners, occupants, and users of Lots are hereby placed on notice that Declarant and/or their agents, contractors, subcontractors, licensees, and other designees, successors, or assigns, may, from time to time, conduct blasting, excavation, construction, and other activities within the Property. By the acceptance of a deed or other conveyance or mortgage, leasehold, license, or other interest, and by using any portion of a Lot or the Property generally, the Owners and all occupants and users of Lots acknowledge, stipulate, and agree (a) such activities shall not be deemed nuisances, or noxious or offensive activities, under any applicable covenants or at law generally; (b) not to enter upon, or allow their children or other Persons under their control or direction to enter upon (regardless of whether such entry is a trespass or otherwise) any property within or in proximity to the Lot where such activities are being conducted (even if not being actively conducted at the time of entry, such as at night or otherwise during non-working hours); (c) that Declarant and all of their agents, contractors, subcontractors, licensees, and other designees, successors, and assigns, shall not be liable but, rather, shall be held harmless for any and all losses, damages (compensatory, consequential, punitive, or otherwise), injuries, or deaths arising from or relating to the aforesaid activities; (d) that any purchase or use of any portion of a Lot has been and will be made with full knowledge of the foregoing; and (e) this acknowledgment and agreement is a material inducement to Declarant to sell, convey, lease, and/or allow the use of Lots within the Property.

Section 17.12. No Liability for Third Party Acts. Owners and occupants of Lots, and their respective guests and invitees, are responsible for their own personal safety and for their property. The Association may, but is not obligated to, maintain or support certain activities within the Property which promote or enhance safety or security within the Property. However, the Association and Declarant shall not in any way be considered insurers or guarantors of safety or security within the Property, nor shall they be held liable for any loss or damage by reason of failure to provide adequate security or ineffectiveness of security measures undertaken.

No representation or warranty is made that any systems or measures, including fire protection, burglar alarm, or other security monitoring systems, or any mechanism or system for limiting access to the Property cannot be compromised or circumvented, nor that any such systems or measures undertaken will in all cases prevent loss or provide the detection or protection for which the system is designed or intended. Each Owner acknowledges, understands, and shall be responsible for informing its tenants and all occupants of such Owner's Lot that the Association, the Board and its committees and Declarant are not insurers or
guarantors of security or safety and that each Person within the Property assumes all risks of personal injury and loss or damage to property, including Lots and the contents of Lots, resulting from acts of third parties.

Section 17.13. Assignment. Declarant may assign its rights hereunder (either in their entirety, or with respect to a portion of the Property) by a written instrument recorded in the Registry.

Section 17.14. No Exemption. No Owner shall become exempt from the coverage hereof or obligations imposed hereby (including, without limitation, the obligation to pay Assessments) by non-use of such Owner’s Lot or the Common Areas.

Section 17.15. Changes to Plan for the Property. Nothing contained herein shall be deemed to incorporate, by reference or otherwise, any plans or proposals promulgated by Declarant with respect to the Property, and Declarant reserves the right to change any plans for the Property at any time and from time to time as Declarant may determine to be necessary based upon Declarant’s continuing research and design program and/or market conditions and Declarant’s plans for the Property shall not bind Declarant or its successors and assigns to adhere to such plans in the development of the Property or any part thereof.

Section 17.16. Asserting Certain Claims. Notwithstanding any other provision in this Declaration or Charter Documents, in no event shall the Association assert a claim against, or institute any legal proceeding against, the Declarant, nor shall the Association file any complaint with any governmental agency or authority which has regulatory or judicial authority over Vantage Pointe on account of any alleged act or omission of the Declarant, unless the asserting of such claim, the instituting of such legal proceeding or the filing of such complaint shall be approved in writing by the Owners of no less than seventy-five percent (75%) of the Lots prior to the date any such claim is asserted, legal proceeding instituted or complaint filed, as the case may be. In the event that such claim is asserted, legal proceeding instituted or complaint filed without the approval of the Owners of the Lots that is herein required, then the Declarant shall have the right to require the claim, legal proceeding or complaint be dismissed. No amendment to this Section 16.16 shall be effective unless such amendment is approved in writing by the Declarant.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be duly executed this 21st day of July, 2016.

BUILDERS OF HOPE, INC.,
a North Carolina non-profit corporation

By: [Signature] (SEAL)
Name: Michael Naib
Title: CFO
STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

I, LAURA LYNN VISOSKAS, a Notary Public for said County and State, do hereby certify that MICHAEL NADER as CFO of Builders of Hope, Inc., a North Carolina non-profit corporation, either being personally known to me or proven by satisfactory evidence (said evidence being personally known), personally appeared before me this day and acknowledged the voluntary due execution of the foregoing instrument by him for the purposes stated therein.

Witness my hand and Notarial stamp or seal, this 27th day of July, 2016.

Notary Public

My commission expires: 8/27/2018

Laura Lynn Visoskas
Notary Public
Harnett County
North Carolina
My Commission Expires 8/27/2018
CURRENT OWNER:

STATE OF NORTH CAROLINA

COUNTY OF Mecklenburg

I, SAAADIA JAMES, a Notary Public in and for said County and State, do hereby certify this 18th day of April, 2016, AMERICA D. WASHINGTON and personally known to me or proven by satisfactory evidence (said evidence being NC Driver's License), personally appeared before me this day and acknowledged that they voluntarily signed said instrument for the purposes therein.

WITNESS my hand and notarial stamp or seal.

SAAADIA JAMES
Notary Public
Notary Typed Name: SAAADIA JAMES
My Commission Expires: December 12, 2016

Address:
2110 Augusta Street
Charlotte, NC 28216
Legal Description

BEING all of Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26 in a subdivision known as VANTAGE POINTE TOWNHOMES, MAP 1, according to a plat duly recorded in Map Book 39, Page 135, and according to Deed recorded in Book 30499, Page 670-672 and Deed recorded in Book 30499, Page 673-675, of the Mecklenburg County Public Registry.


Together with the any and all common areas and facilities of Vantage Pointe Townhomes as referred to in the Declaration of Covenants, Conditions and Restrictions for Vantage Pointe Townhomes recorded in Book 14799 at Page 272.

Said property is commonly known as Vantage Pointe Townhomes, Charlotte, NC.