

November 30, 2022

**VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED**

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EYC Companies, LLC  
Craig Ferri, Vice President of Construction  
1005 St. Andrews Blvd., Unit C  
Charleston, SC 29407

**Re: Town of Hillsborough, NC – Corbinton Commons – Outstanding  
Punchlist Items**

To Whom It May Concern,

I am writing to you in my capacity as the Assistant Town Attorney for the Town of Hillsborough (the “Town”). This letter is intended (1) to provide a status update regarding several outstanding punchlist items that must be completed before the Town will accept dedicated public improvements or release any bonds currently held by the Town and (2) to request a specific timeline for completion of the outstanding punchlist items.

The Corbinton Commons development project was approved on May 12, 2008 when the Town of Hillsborough Board of Commissioners granted Special Use Permit # 2008-02 for the project (the “SUP”). Notably, the SUP specifies that “the Town Board of Commissioners may revoke this Special Use Permit after a finding. . . [t]hat any of the applicable requirements of Section 4 (Conditional Use Requirements) of the Zoning Ordinance or any conditions attached to the Permit or subsequent modification of the Permit have been violated.” Moreover, N.C. Gen. Stat. § 160D-403 says that development approvals, such as the SUP, “*shall* be revoked for any substantial departure from the approved application, plans, or specifications; for refusal or failure to comply with the requirements of any applicable local development regulation or any State law delegated to the local government for enforcement purposes in lieu of the State; or for false statements or misrepresentations made in securing the approval.” Finally, the Town has the right

to withhold issuance of other permits or certifications for development work undertaken under the SUP until satisfactory compliance has been achieved with respect to the current work undertaken under the SUP.

To date, many required work items remain outstanding. Attached is a document, titled Corbinton Commons Final Punchlist 2/16/2022 (the "Punchlist"). The Punchlist includes outstanding work items noted by the Town's Planning and Economic Development Department, Public Works Department, and Stormwater and Environmental Services Department. The Punchlist also includes a checklist of requirements necessary prior to acceptance by the Town of all dedicated public streets and sidewalks. Separate punchlists have previously been provided by respective departments, as more fully described below.

There is no record that you ever made an end of warranty inspection request. However, Town Staff conducted an inspection of their own accord to facilitate the completion of your project. In May of 2020, Mr. Ferri was provided with a utilities-related punchlist following a warranty walkthrough conducted by Town utilities Staff. Only a few of the punchlist items have been addressed to-date. In October of 2021, Town Staff communicated additional construction-related defects discovered in the sewer system from sewer television tapes provided by EYC. To-date, those issues have not been addressed. In December of 2021, Mr. Ferri responded to Town Staff and seemingly refused to repair the construction-related sewer defects identified in Town Staff's October 2021 report and reiterated in a December 2021 email.

Additionally, in February and March of 2022, Planning Staff provided a punchlist of outstanding work items and requested that you provide a timeline for the completion of those items. To-date, Planning Staff has not received a substantive response.

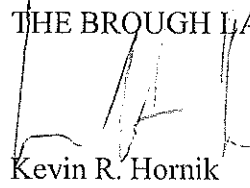
Town Staff have consistently communicated to Mr. Ferri and other representatives that a number of work items remain to be completed before the Town can release various bonds currently held by the Town or accept any remaining public dedications. Moreover, failure to satisfactorily complete these items constitute violations of various provisions of the Town Code, the Unified Development Ordinance, and the SUP and may subject you to one or more Notices of Violation, civil penalties, and any other enforcement action that the Town deems necessary under the circumstances.

The Town hopes to resolve these defects amicably. To that end, the Town respectfully requests that you provide a detailed response to the Punchlist, including anticipated completion dates for all outstanding work items, within thirty (30) days of the date of this letter. If the Town has not received a satisfactory response by that date, the Town may take any action deemed appropriate, including but not limited to revocation of the SUP and calling the bonds.

Please contact Margaret Hauth, Assistant Town Manager, at (919) 296-9471 with any questions.

Sincerely,

THE BROUGH LAW FIRM, PLLC

A handwritten signature in dark ink, appearing to read "Kevin R. Hornik", is written over a rectangular stamp area.

Kevin R. Hornik

KRH: