APPENDIX B

CONSTRUCTION AGREEMENT

To maintain a level of peacefulness in the Lodges at Eagles Nest community, Contractors must abide by the work rules. If a Contractor violates the rules, the ARB has the right to remove the Contractor from the property or issue a stop work order.

CONTRACTOR INFORMATION

NAME:_____**PHONE:** _____

ADDRESS: _____

Insurance Agency holding Certificate of Liability: _____

Insurance Agent Name and Number: _____

CONSTRUCTION LOCATION

ADDRESS (if known):_____**LOT NUMBER:** _____

LOT OWNER: _____

JOB SUPERINTENDENT:_____

PHONE NUMBER: _____

ARCHITECT OF RECORD:_____

CONTRACTOR WORK RULES

1. Owner and Contractor have read and agreed to the terms and provisions of Eagles Nest's Design Guidelines. Failure to comply may result in fines.
2. The project will be completed as described by the drawings and specifications approved by the Architectural Review Board.
3. Contractors will provide a current Certificate of Liability Insurance policy at a minimum coverage amount of one million dollars. All workers shall be covered under such plan. Subcontractors without a General Liability policy must be covered under the Contractor. Policy must remain in effect throughout the project.
4. The construction site will be maintained in a clean manner, an approved job sign will be installed, a commercial dumpster and job toilet shall be placed in conformance with the Design Guidelines.
5. Contractor is responsible for the conduct of all workers performing services on this project at all times working at his or her direction. Contractor is required to give details to workers or subs on directions, codes and specific lots or locations to avoid traffic in the Eagle's Nest office and at the gate.
6. Contractor must provide and present each subcontractor and all workers with this list of Construction Work Rules and ensure compliance.
7. Contractor will provide a list of all subcontractors and workers and include a point of contact name and telephone number for each in the space provided below.
8. All workers and vehicles are subject to search to help prevent theft of materials and equipment.
9. Any fines imposed can be deducted from the Construction Letter of Credit.
10. Any restorative, corrective, enforcement, or maintenance efforts expended by ARB on behalf of the Contractor shall be payable from the Construction Letter of Credit.
11. Other than an approved Eagles Nest building Contractor signs which include the Lot Number, Eagles Nest House Address, and Contractor telephone number, all other signs on the home site need to be approved by the ARB for content and placement on site.
12. Prior to tree removal, clearing or beginning construction of the building, compliance with setback lines and conformance with pre-approved tree removal plan must be verified to the ARB with a registered land surveyor at Owner's expense.
13. Any changes from the originally submitted plans and specifications affecting the exterior of the home or the site submitted must be approved in writing by the ARB prior to action and are subject to change of plan review fees.
14. Drainage (including road ditches and culvert pipe beneath the construction access road) is to be approved by Eagles Nest ARB.
15. Silt fences and erosion control measure shall be installed by the lot owner at his expense prior to any clearing.
16. No burning is permitted on the site without Eagles Nest ARB approval and supervision.

17. Any change from approved outside colors and/or outside lighting is to be approved by Eagles Nest ARB in writing.
18. Stumps, wood, or other materials shall not be dumped on adjacent lots. Clean up of surrounding lots for incidental trash shall be done on a daily basis including trash from wildlife from construction dumpster.
19. The road and drainage ditch in front of this lot must be kept clean of dirt, mud, trash, etc. at all times during construction. No construction worker vehicles, supplier vehicles, or building materials are permitted in the right-of-way without special permission of Eagles Nest ARB. Both traffic lanes are to be open at all times. If ARB approves the parking of vehicles on the shoulder of the road, contractor is responsible for placing "MEN WORKING" signs on the road so that drivers traveling in either direction on the road are adequately warned. The signs are to be provided by Contractor.
20. All lots shall have a drainage ditch established by the developer along the front of the property to allow water from road to drain off of right-of-way. Contractor shall make provision to prevent the above normal rainwater, mud or silt from affecting abutting properties.
21. Any dogs or pets brought to the job site shall be leashed and contained within the property boundaries.
22. The speed limit is 20 miles per hour and shall be strictly enforced.
23. Construction vehicles shall not block roadways. Neighboring driveways may not be used for parking or turn-around.
24. Contractors are expressly forbidden from parking or placing equipment on the shoulder of the road as stated in Section 2.21 in regards to Right of Way. One warning via email and second occurrence will result in fines of $100 per day.
25. Mud on the roadways shall be minimized at all times. Failure to control mud and mud build-up on roads is grounds for fines and/or ARB ordered clean up at Owner's expense.
26. Construction shall conform to the latest requirements of the North Carolina Residential State Building Code and pertinent local codes. Each contractor or subcontractor is responsible for ensuring work meets such requirements and obtaining all approvals.
27. It is understood and agreed to by both Owner and Contractor that failure on their part or on the part of either of them to comply with the terms and provisions in any part of Eagles Nest Design Guidelines may result in a cease-and-desist order and/or fine against them by Eagles Nest POA and forfeiture of the privilege of traveling on the roadways within Eagles Nest. Such fines are not limited to the Construction Letter of Credit amount.
28. It is understood that the Eagles Nest ARB has the authority to bar or restrict any Builder, Contractor or Subcontractor from entering Eagles Nest.
29. I have been given a copy of Eagles Nest Design Guidelines. "I understand said requirements and agree to abide by the Design Guidelines and Contractor Work Rules and accept fee penalties if imposed."
30. Construction must be completed within 18 months of commencement unless a variance is granted by the ARB. Failure to complete within the specified time

frame may result in forfeiture of the Construction Compliance Deposit.

SCHEDULE OF FINES

1. **Incomplete applications or not in compliance with requirements_ $500**
2. **Beginning construction prior to approval being granted____ $5,000**
3. **No dumpster_____$500.00**
4. **Burning without ARB permission_____$10,000.00**
5. **Littered site (per day)_____$500.00**
6. **No erosion control*_____$500.00**
7. **No temporary sanitation (job toilet)_____$500.00**
8. **Parking in right-of-way_____$500.00**
9. **Parking on shoulders and grass_____$100 per day**
10. **Building material in right-of-way; subject to cost of repair__ $500.00**
11. **Damage to right-of-way_____$500.00**
12. **Parking on adjacent property_____$500.00**
13. **Non-conforming job sign_____$500.00**
14. **Damage to small trees, vegetation, or natural areas_____$500.00**
15. **Dumping debris of any kind on any undeveloped parcel __ $1,000**
16. **Unauthorized removal or destruction of trees six (6) inches and larger in diameter – per tree_____$500.00**
17. **Unauthorized plan change (minor)_____$1,000.00**
18. **Unauthorized plan change (major) –Revocation of Eagles Nest Permits and Forfeiture of all funds remaining on letter of credit._____$2,500.00**
19. **Unauthorized finishes – Revocation of Eagles Nest Permits and Forfeiture of all funds remaining on letter of credit. Cost of legal compliance order will be paid by property owner.**
20. **Incomplete or non-complying landscaping – Forfeiture of all funds remaining on letter of credit.**

Subcontractors with Point of Contact Name and Phone Number:

- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____
- _____

Please enter the Lot Owner's and Contractor's name to confirm that each party has read and acknowledges the Construction Agreement.

Lot Owner Acknowledgement: _____

Contractor Acknowledgement: _____ **Date:** _____

APPENDIX C

Construction Regulations

Welcome to Eagles Nest! As a lot owner/builder, you have assumed responsibilities associated with the construction process. This document is provided as a supplement to the Design Guidelines in order to outline these responsibilities. You will want to keep it and refer to it throughout the construction period. It is intended to provide clarification of the entire process, from design review to move-in.

Our goals are:

To maintain a sense of community harmony that conveys to existing and future residents the intended lifestyle of Eagles Nest;

To provide a clean, safe environment in which to live, work and play;

To preserve the beauty and natural setting of the streams and wooded surroundings.

The information contained herein is provided to clearly communicate the expectations for construction within the community. After reviewing these documents, should you have any questions please feel free to call the ARB at 828-771-9343.

Who is Responsible?

The owner of record for each lot is ultimately responsible for compliance with the Covenants, Conditions and Restrictions of Eagles Nest, the Construction Regulations and Design Guidelines. Throughout this document, you will see the term "lot owner/builder". This term refers to the owner of the lot, which in some cases may also be the builder. The lot owner is accountable for the actions of their builder as well as any and all subcontractors or others providing service to their specific lot.

Design Review

Prior to commencing construction, each builder/lot owner will be required to submit plans for review by the Eagles Nest Architectural Review Board (ARB).

Upon approval by the ARB, construction can commence. Should construction begin prior to approval being granted and all fees being paid, a fine of $5,000 shall be imposed upon the lot owner.

Any changes or modifications desired during the construction process, which affect the approved exterior design, must be re-submitted for review prior to implementation. The ARB may conduct an inspection at any time to verify that all issues identified during the design review process have been adequately addressed and implemented during construction. In addition, a final building inspection will be conducted.

Construction Letter of Credit

The ARB charges a refundable letter of credit. Each builder shall provide their letter of credit prior to commencement of construction. In the event of violation of any of the following regulations or damage to infrastructure, associated costs or fines will be deducted from the letter of credit. Should the entire amount of the letter of credit be required to cover the cost of damages or fines, the lot owner/builder will immediately provide an additional letter of credit established by the ARB.

After final approval by the ARB, the letter of credit will be released less any damages or fines which may have been incurred, pending the final site visit.

Protection of Infrastructure and Landscaping

Within the Eagles Nest community there are numerous forms of infrastructure including utilities, streets, landscaping, storm drain structures and swales, irrigation systems, etc. The lot owner/builder is responsible for protecting the infrastructure within and adjacent to their property.

The lot owner/builder will be responsible for preventing damage to trees adjacent to the work site, as well as all existing trees or other landscaping which is to remain. Trees and shrubs adjacent to the work site shall be enclosed by green or black construction fencing installed no closer than 3 feet from the trunk or foliage and supported so that the fence remains taut and plumb. All building materials are to be kept away from these trees and shrubs during construction so as to prevent damage.

Any damage to infrastructure should be reported immediately to the ARB office. Damage to any infrastructure item will be repaired by the Association and back charged to the lot owner/builder at direct cost plus 20%.

The lot owner/builder is required to put up a solid green or black silt fence or screening (as appropriate) along the limits of the proposed construction area (limits of clearing), defining the proposed construction site from the adjacent properties. This fence may have an opening at the location of the temporary drive. All construction activities, materials or debris are to be contained within the boundaries of your lot. Any damage to an adjacent property or residence shall be immediately repaired by the lot owner/builder at their sole expense. No material, refuse or debris of any type may be stored, dumped or otherwise placed on adjacent properties.

Blasting

Blasting for construction grading requires 48 hour notification to the ARB and all adjacent property owners. Damage resulting from blasting is entirely the responsibility of the Owner/Builder.

Utility Easements

To avoid harm to yourself or your contractors and damage to underground utilities, you are required to request that the locations of existing utilities be marked. This requirement relates to any construction, including foundations, landscaping, etc.

Before you dig, call the appropriate utility companies.

YOU WILL BE LIABLE FOR ANY DAMAGE TO UNDERGROUND UTILITIES WHICH MAY OCCUR AS A RESULT OF A FAILURE TO FOLLOW THESE PROCEDURES.

Temporary Utilities

Construction water and power are the responsibility of the Owner/Builder and shall only be obtained from the taps designated for the project site.

Erosion Control and Lot Boundaries

Silt fencing shall be properly installed on all lots to prevent run-off of silt and debris onto adjacent properties, streets and common areas. Extra precautions may be necessary for lots adjacent to the ponds, river or streams, or lots with steep topography. Silt fencing will be properly trenched in to 8" in depth and backfilled.

A temporary drive or area will be provided as a means of ingress or egress onto the lot for equipment, trucks, etc. This area shall consist of a 6" deep layer of 2" to 3" size course aggregate in order to prevent vehicles from dragging mud and debris into the streets. Area should be at least 10' wide x 20' deep.

Silt fencing, screening and temporary drives MUST be maintained throughout the entire construction period. Any cleanup required due to a lack of properly installing and maintaining these items will be back-charged to the lot owner/builder at cost plus 20%.

Adjacent lots under construction simultaneously may share screening if agreed upon by both property owners.

Construction Debris and Trash Removal

Each builder is required to maintain a dumpster at the front of the property (not in the right-of-way) on the lot under construction. This dumpster should be emptied periodically so that construction debris is not visible above the upper rim. All construction sites are to be cleaned daily to provide a pleasing appearance to homeowners, guests and prospective buyers and to eliminate any potentially hazardous conditions. NO HOUSEHOLD TRASH OR FOOD SHALL EVER BE PLACED IN A CONSTRUCTION DUMPSTER.

Should a construction site be deemed in an unacceptable condition on an on-going basis, the lot owner will be notified by the ARB and required to clean the site. Failure to comply will result in the ARB having the site cleaned and back charging the lot owner the direct cost plus 20%.

Construction materials will be kept out of the street right-of-way at all times. Streets adjacent to the property shall be kept open for traffic at all times. This is for the protection of all parties and

will allow emergency vehicles direct access to any part of the community.

Workers utilizing the worksite for lunch or breaks shall remove all food wrappers, containers, cigarette butts, etc. from the site upon completion and deposit the debris in bear proof trash receptacles or take home with them for proper disposal.

NO DEBRIS OF ANY KIND MAY BE DUMPED ON ADJACENT LOTS, COMMON AREAS, OR UNDEVELOPED AREAS WITHIN THE EAGLES NEST PROPERTY. A fine of $1,000.00 shall be imposed on anyone dumping debris of any kind, including landscaping debris, on any undeveloped parcels or other areas within the Eagles Nest community. This fine shall accrue to the property from which the debris originated and a lien may be filed on said property. The workman responsible for depositing such debris shall be prohibited from future work within the Eagles Nest development.

Concrete trucks are specifically prohibited from dumping any excess concrete anywhere on Eagles Nest property. Concrete which is accidentally spilled on the asphalt paving or in any common area must be removed by the builder immediately. Concrete can only be washed out on your lot and you are solely responsible for its removal from the site upon completion of your construction. Paint or other material spills shall be cleaned immediately.

<u>Wash-Down Area</u>
The lot owner/builder is responsible for furnishing a wash-down area on each lot for purposes of disposing of paint and other solvents. This area shall consist of barrels, a lined pit, or other suitable disposal method. All deposited material shall be properly removed upon completion of construction. Creeks, ponds and streams strictly prohibited as wash-down areas.

<u>Burning</u>
County burning regulations shall apply to lot clearing. Open fires as a means of disposing of construction debris are strictly prohibited on any project site. Fires must be thoroughly extinguished at the end of each day. No burning of trash or debris shall be permitted at any time.

<u>Time of Construction</u>

Work hours for construction are January 1 – May 14 and September 16 – December 31

- **Monday – Saturday 7am-7pm**
- **Sunday – no work**

****In-season work hours** May 15 – September 15**

- **Monday – Thursday 7am-7pm**
- **Friday - 7am-5pm**
- **Saturday – 8am-5pm**
- **Sunday – no work**

Your gate codes will not work outside of these hours

Eagles Nest Contractor Holiday Schedule - *NO CONTRACTOR WORK ON THESE DAYS*

- **Memorial Day, 4th of July, Labor Day, Thanksgiving Day, Christmas 24th-26th, New Year's Eve, New Year's Day**
- **No work on any Sundays**

All construction will be continuously and diligently pursued and not abandoned for more than 10 days. All construction must be completed within one year from site clearing.

Signage

Each construction site shall have an ARB approved box for posting the Building Permit and inspections reports. The face of the box will show the Project Name and identify the Builder and Architect or Designer.

Parking

While it is understood that parking for workers may in some instances be limited, it is mandatory that vehicles not be parked in such a manner as to impede ingress or egress of emergency vehicles or residents to/from their homes. Parking shall only occur in areas approved for parking on the Site Plan for the lot. Overnight parking at job sites is not allowed. Vehicles and equipment trailers required to remain overnight or longer shall be stored at sites designated by the ARB. Temporary construction office trailers may be used only if approved by the ARB.

Portable Toilet

Each builder is responsible for his or her own job toilet. One (1) is required on every construction site. The location of the facility is subject to approval by the ARB.

Construction Radios and Noise

Noise from the construction activities will be kept to a reasonable level. No loud radios or speakers are permitted.

Conduct

Workers are expected to conduct themselves in a professional manner. Shirts will be worn at all times. Clothing shall not display offensive or vulgar language.
Speed limits and other traffic regulations are to be strictly obeyed. Violators shall be barred from driving on Eagles Nest property.
Builders and their workmen are forbidden to approach property owners to solicit odd jobs or after hours work.
Workers shall not possess or consume alcohol on Eagles Nest property.

Drug use is forbidden.

Please enter the Lot Owner's and Contractor's name to confirm that each party has read and acknowledges the Construction Regulations.

Lot Owner Acknowledgement: _____

Date:_____

Contractor Acknowledgement: _____

Date:_____