

HOA Evaluation & Recommendation

Greenspace, Common Space, and other Assets

December 2025

To complete the final step in the developer transition, the HOA Board has been working together with Mark Adkins (our developer) on a buy-out package.

Executive Summary

Proposed Buy-out Agreement

These are the 22 items of greenspace, common space, and other assets that will be included in the buy-out

- | | |
|--|--|
| 1. Tee Pee Village | 1. Cow Mountain lumberyard acreage |
| 2. Gated Operations Buildings | 2. Discovery Cabin deed restrictions |
| 3. Equipment Loan Forgiveness | 3. Wilderness Cabin deed restrictions |
| 4. Trading Post | 4. Horse Stable deed restrictions |
| 5. Outpost Parcel | 5. Post office acreage |
| 6. Maintenance Facility | 6. Disco green space |
| 7. Helipad | 7. Green trail access near Snowcrest |
| 8. Fish Shack & acreage | 8. Nature's Walk green space |
| 9. Pickleball parking (lower lot) | 9. Wolf lake, dock and surrounding access |
| 10. Ingress/egress to Julie & Charlie Falls (gray trail) | 10. Retention pond at Double Knob & New Settlers |
| 11. Julie & Charlie falls & surrounding acreage | 11. Outpost buildings, amenities, acreage |

Buyout Agreement

We'll pay \$3.4M for an estimated value of \$4.025M+



This pyramid represents the progression of the negotiations

Legal Opinion

An early question we considered was, can Mark legally keep or sell the assets?

Legal Opinion: the answer is Yes

We engaged **Moretz Law Group**, an attorney that specializes in community associations:

- It has been determined that the developer is **not required to turn over any** of the assets in discussion.
- There are **no statutory obligations** in North Carolina requiring that the developer do so.
- In North Carolina, **developers have very broad rights** with very few limitations, to name a few, they can subdivide lots, create lots, convert lots into common elements, and withdraw real estate or future planned amenities from a planned community.
- **Case law** in North Carolina shows **favorability towards the developer** v. the community of which there are several examples.
- The **non-binding representations** in marketing materials and claims of being misled require substantial proof.
- The **reserve budget that is nearly \$1M** that has been set aside by the developer presents a **positive position for the developer** to be responsibly managing the association.
- There is an **opinion letter** available on our HOA site that is available to review this summary and details.

MORETZ
LAW GROUP

BUSINESS LAW | COMMERCIAL REAL ESTATE
COMMUNITY ASSOCIATIONS

 **BOARD CERTIFIED SPECIALIST**
NORTH CAROLINA STATE BAR

Zachary M. Moretz has been a Board Certified Specialist in
Commercial Real Estate Law by the North Carolina State Bar since 2005

Note: The agreement we have reached includes turning over much of the amenities, common space, and greenspace that have been in discussion.

Special Assessment

There are two payment options if approved.

Bank Loan

First Citizens bank has agreed to loan us 3.4M for which our annual dues will cover 1.2M and the Special Assessment will cover the remaining 2.2M.

Option 1

- Pay a one time special assessment of \$6,666.67 per lot

Option 2

- Include the annual dues over the life of the loan (15-years)
- Adds \$679.42 per lot per year for annual dues
- Each year in January, owners have the option to pay the residual principle of the special assessment and dues return to the regular annual amount each year afterwards
- Special Assessment liability follows the property when sold.

2026 Dues: \$3,850.00 (10% increase announced by Mark Adkins at September Annual meeting.)
With the Option 2 special assessment: \$4,529.42

What do we as owner's need to do next?

Please consider the HOA Board recommendation and then vote

We need all owners to vote on this decision.

- This decision requires an Owner Vote
- 51% Majority vote is needed to move forward
- 20% of eligible owners must vote
- We will hold townhalls on 12/17 and 12/18 6p ET to answer any of your questions
- The vote will be electronic or a mail in ballot. The electronic will be opened on 12/19 and all votes must be received by 12/30.
- All owners will be notified through email of the voting process with reminders on our website

Please attend a Town Hall . We think you will find it very beneficial to attend.

Pick from two dates
December 17 or 18 at 6p

They will be virtual Zoom meetings
The invitations will be posted on our Owner website
chinquapinowners.com

Submit any questions in advance to:
kay@chinquapinowners.com