

# APPENDIX

## **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 that contains a Purchase Agreement and Developer Agreement.

# 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        |

## Your HOA Board

# Chinquapin HOA Board of Directors

This is the elected Board from the Annual Meeting on September 12th. This deck will outline the proposed completion to transition from Waterfront Group

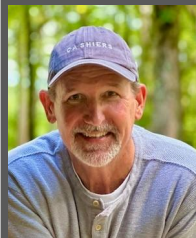
## Executive Team



Allen Dobson  
President



Bill Benner  
VP Operations



Brent Walker  
Treasurer



Doug Barber  
VP Admin



Kay Lucas  
Secretary

## BOD Members



Emma Geisler  
BOD Member



Frank Gaston  
BOD Member



Mark Adkins  
BOD Member



Rich Vietez  
BOD Member



Sally Alvis  
BOD Member



Steve Gajda  
BOD Member



Tim Wellman  
Director, Policy

**Let's review the details**

# The historical background will provide context to the offer

## Historical background

- In 2015, Waterfront Group, aka Chinquapin LLC (Mark & Will Adkins), purchased the land from the Carlton's after Trillium (first developer) returned the development to the Carlton Land Trust in 2010.
- The Amended Development Agreement and Covenants were approved by Jackson County in 2016 to include 80 existing platted lots, 148 new lots, 172 new cluster housing (100 cottages in Nature's Walk, 48 cottages in Packs Creek, 27 cottages in Wolf Lake) for a total of 400 potential lots.
- All purchased property was deeded to Chinquapin LLC and there were no deed restrictions or amenity designations in the transfer.

If owners approve the buy-out, the goal is to complete the transition fully in January 2026.

### Leading up to September 12

Today we have 354 approved lots (133 total homes, 37 under construction, 184 vacant lots). 330 are currently dues paying.

Mark transferred the Outpost and 79.52 acres containing greenspace & most of the amenities to the HOA in 2025.

Mark turned over the HOA declarant rights to the owners at the annual meeting Sept 12, 2025. This was done 10 years before it was required.

### From September 12 to now

The original deal we were discussing with Mark was an ask of \$3.4M for the Trading Post, Outpost Parcel and Maintenance Building.

Mark would keep or sell the Gated Operations Building, Tee Pee Village, Helipad, Pickleball Parking, Fish Shack, Discovery Cabins, Wilderness Cabins, Horse Stables and more.

The Board began negotiating and exploring the potential purchase and transfer by discussing all options with attorneys and banks as well as procuring appraisals and environment studies on specific parcels.

# 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.



Questions that we asked ourselves and that you may be considering. These questions are answered in this slide deck.

### Evaluation Process

We approached this as an all encompassing deal:

- a. What did the developer need to complete? (slide 11))
- b. What could be transferred without cost to the HOA - common & green space? (slide 11,13)
- c. What additional property could be included at no cost or as part of the final agreement to be transferred at closing? (slide 18)
- d. What is the appraised value of what the Developer offered for purchase and does the Maintenance building have any environmental issues? (slide 5)
- e. Does the deal in its entirety make sense? (slide 19)
- f. How do we pay for the proposed purchase? (slide 22)

# Step 1

## Declarant Transfer to HOA – completed on 9/12 at our annual meeting

### HOA Currently Owns:

In 2024, Mark transferred a tremendous asset to us – 79.52 acres that represent our Outpost and the surrounding greenspace.

- Outpost Transfer
- 79.52 Acres
- Parcel 7584-91-2454
- Represented in the blue on the right

### HOA Responsibility Transferred in September:

- Governance (Covenants, Bylaws)
- Management (General Manager, Employees, Operations)
- Operating and Reserve Funds



### Chinquapin Owner Value

1. Outpost buildings, amenities, acreage

# Step 2

## The Board and Mark began working on a Developer Agreement

Mark and the HOA Executive Board have been meeting to discuss the developer completion items and transfer of properties at no cost.

### Items to be Completed by Mark:

- Pack's Creek 30 acres will be 14 lots ranging from 1 to 4.2 acres; 2 developer owned properties are dues paying; construction fees waived until 2030
- Compliance with ARC guidelines for all builds
- Water system completion
- Cow mountain acreage including cleanup & beautification
- Street sign completion

### Greenspace to be turned over:

- Post office acreage
- Discovery cabin green space (firepit and surrounding area)
- Green trail near Snowcrest
- Nature's Walk green space
- Wolf lake, dock, and surrounding access
- Retention pond located at Double Knob & New Settlers

### Value Add:

Mark agreed to a developer completion list and turning over several properties to the HOA

### Chinquapin Owner Value

1. Post office acreage
2. Discovery Cabin green space
3. Green trail access near Snowcrest
4. Nature's Walk green space
5. Wolf lake, dock and surrounding access
6. Retention pond at Double Knob & New Settlers
7. Outpost buildings, amenities, acreage

+7

# Step 3

## Deed restrictions were added to the Developer Agreement

Mark is deed restricting property through Jackson County. The property can and likely will be sold by Mark with Chinquapin owner protections.

### Discovery & Wilderness Cabins:

- 5 Discovery Cabins & 2 Wilderness Cabins
- Restricted use by owners and their family and friends
- HOA retains 20% of rental fees (income)
- HOA dues required for each (income)

### Horse Stables:

- 8.01 acres off of Flat Creek Drive
- Restricted to one property if sold (cannot be subdivided)
- 20% of purchase price if sold (income)
- HOA dues required (income)

### Value Add:

The deed restrictions are protecting a key resource that many of us value deeply as owners

### Chinquapin Owner Value

1. Discovery Cabin deed restrictions
2. Wilderness Cabin deed restrictions
3. Horse Stable deed restrictions
4. Post office acreage
5. Disco green space
6. Green trail access near Snowcrest
7. Nature's Walk green space
8. Wolf lake, dock and surrounding access
9. Retention pond at Double Knob & New Settlers
10. Outpost buildings, amenities, acreage

+10

# Step 4

## More common space & green space was added to the Developer Agreement

Mark and the HOA Executive Board met on additional transfers to the HOA and these additional properties were part of the next step in negotiations.

### Common Space estimated value:

- Heliport at entrance (est. \$300,000)
- Fish Shack (est. \$350,000)
- Pickleball parking area (est. \$150,000)

### Green Space:

- Ingress/egress to Julie & Charlie Fall (Gray trail)
- Julie and Charlie falls and surrounding acreage
- Cow Mountain lumberyard acreage

### Value Add:

Additional green space, common space and key features such as the waterfalls are irreplaceable.

### Chinquapin Owner Value

1. Helipad
2. Fish Shack & acreage
3. Pickleball parking (lower lot)
4. Ingress/egress to Julie & Charlie Falls (gray trail)
5. Julie & Charlie falls & surrounding acreage
6. Cow Mountain lumberyard acreage
7. Discovery Cabin deed restrictions
8. Wilderness Cabin deed restrictions
9. Horse Stable deed restrictions
10. Post office acreage
11. Disco green space
12. Green trail access near Snowcrest
13. Nature's Walk green space
14. Wolf lake, dock and surrounding access
15. Retention pond at Double Knob & New Settlers
16. Outpost buildings, amenities, acreage

+16

# Step 5

## Reaching a decision to move forward with the purchase

Mark and the Executive Board put together a Purchase Agreement for the asking price although we see it as a much bigger value when considering the full package included in the developer agreement

### Trading Post:

- Appraised value: \$695,000 (asking \$1.5M)

### Outpost parcel:

- Appraised value: \$280,000 (asking \$400K)

### Maintenance Facility:

- Appraised value: \$900,000 (asking \$1.5M)

### Value Add:

Consider the full package in decision making

#### Chinquapin Owner Value

+19

- |   |  |
|---|--|
| 1. Trading Post   | 12. Horse Stable deed restrictions               |
| 2. Outpost Parcel                                       | 13. Post office acreage                          |
| 3. Maintenance Facility                                 | 14. Disco green space                            |
| 4. Helipad  | 15. Green trail access near Snowcrest            |
| 5. Fish Shack & acreage                                 | 16. Nature's Walk green space                    |
| 6. Pickleball parking (lower lot)                       | 17. Wolf lake, dock and surrounding access       |
| 7. Ingress/egress to Julie & Charlie Falls (gray trail) | 18. Retention pond at Double Knob & New Settlers |
| 8. Julie & Charlie falls & surrounding acreage          | 19. Outpost buildings, amenities, acreage        |
| 9. Cow Mountain lumberyard acreage                      |  |
| 10. Discovery Cabin deed restrictions                   |  |
| 11. Wilderness Cabin deed restrictions                  |  |

# We'll begin with the Trading Post

## Trading Post



### Details

The Trading Post is located next to Wolf Lake just before the helipad and main entrance. It is 2.05 acres. It includes the building that has been the Sales office and is where the developer currently rents offices (3 tenants). The office is used for our HOA staff, including our Office Manager (Rhonda) and General Manager (Katie).

### Why it's a good idea to consider

- It is at the entry to the community and very visible.
- It serves as the community office.
- It can provide income from rented office space to offset expense

### If we don't what could happen

- This is really an unknown but we can expect that it would be sold
- It could be sold as a home on the lake

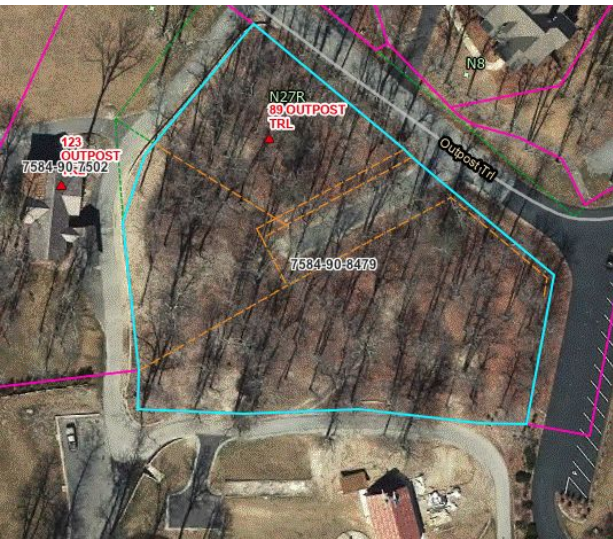
**Appraisal** \$695,000

**Asking Price** \$1,500,000



# Next, let's review the Outpost Parcel

## Outpost Parcel



### Details

The Outpost Post parcel is located next to our Outpost building where we gather for events. It is 1.3 acres.

### Why it's a good idea to consider?

- It is currently green space that is next to the outpost with many trees.
- It provides an overflow parking area for UTVs for events at the Outpost.
- It provides options for future expansion of amenities if desired.

### If we don't own it, what could happen?

- We can expect it to be sold as 1-3 parcels where homes can be built.
- It can be subdivided into multiple parcels. The development plan shows it as 3 parcels.

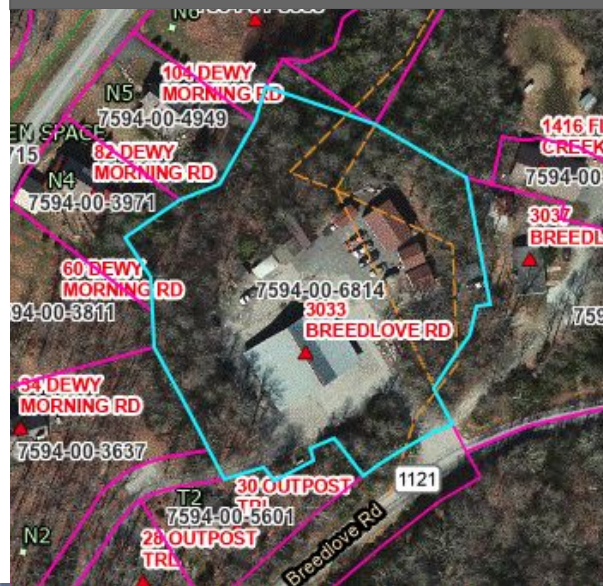
**Appraisal** \$280,000

**Asking Price** \$400,000



# Last, let's look at the Maintenance Facility.

## Maintenance Facility



## Details

The Maintenance area is located off of Breedlove road near Flat Creek road. It is 1.91 acres. It includes the buildings used to house our maintenance equipment (property upkeep, snow plow, etc.) It's main use is to support our Property Manager (Lucas).

## Why it's a good idea to consider

- It's where we keep all of our property management equipment
- We don't have another clear place to store these.
- We completed a Phase 2 environmental study as part of the process which came back favorable with no significant issues.
- It has apartments used by bands for our parties and other uses.

## If we don't what could happen

- We don't have a place to store our equipment which could be a **big issue**
- We'd request to lease the space from Chinquapin LLC.
- It could be sold

**Appraisal** \$900,000

**Asking Price** \$1,500,000

# Step 6

## If the vote passes, these Final Transfer steps will be completed

Mark will complete the transfer of the following properties if we as a community agree to the buy-out proposed.

### Tee Pee Village:

- Est. \$495,000 (this area includes the bath houses)

### Gated Operations Buildings:

- Est. \$600,000; the building will be deeded to the HOA and leased back to the LLC. There will be an addendum to purchase agreement. This became a new part of HOA negotiations to include in transfer

### Equipment Loan Forgiveness:

- \$150,000 This is a loan for equipment used to run our operations

### Value Add:

Mark has agreed to transferring 203.8 acres of roads, common areas, and greenspace creating over 900 acres of protected land for our value

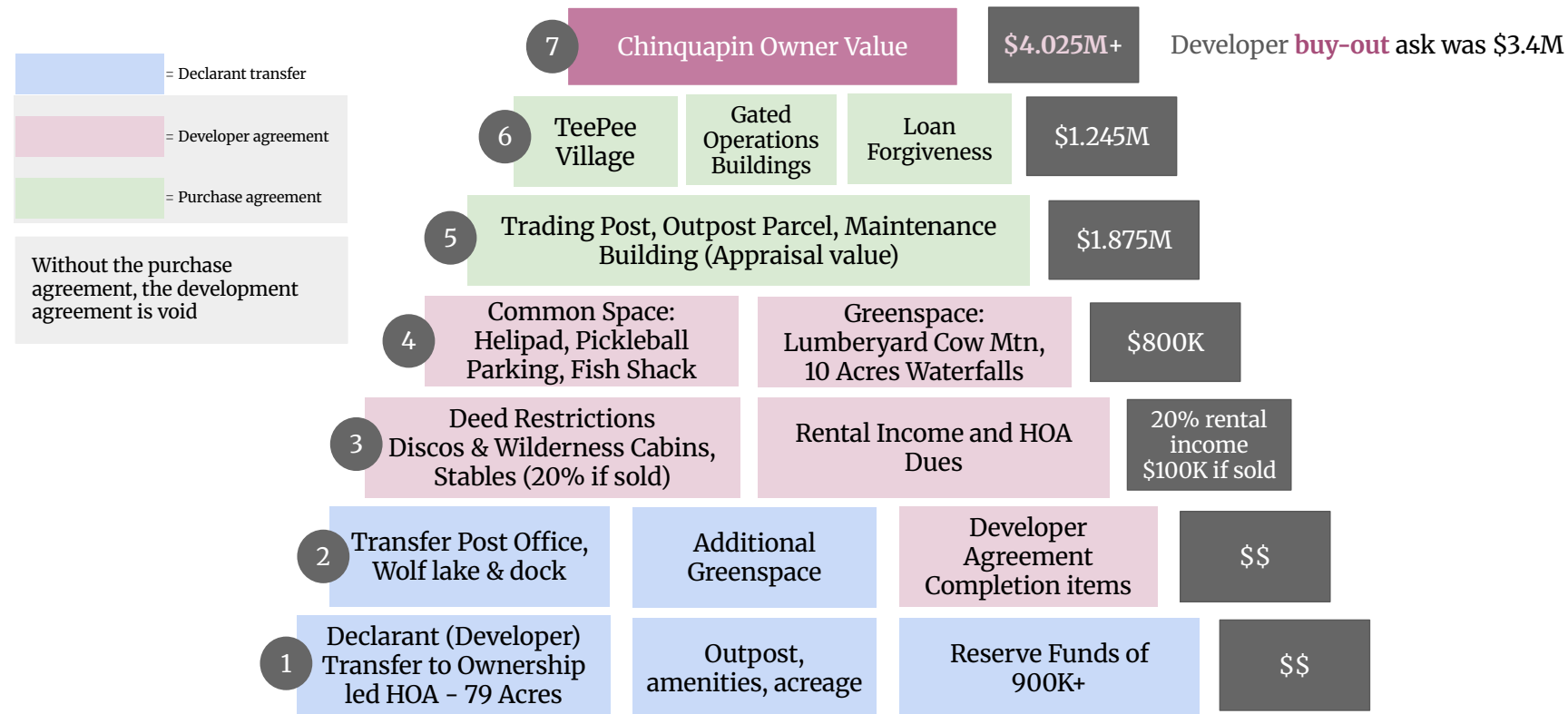
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22. Outpost buildings, amenities, acreage

+22

# Step 7

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



# We have been meeting with Banks to discuss loan options for all owners

## Banks

- We've met with **First Citizens and HomeTrust Bank**
- Both would loan the money based on **dues and assessment revenue**
- First Citizens was the most flexible.
  - Allows a **15-year amortization**
  - **6.1% interest** on loan.
  - Requesting **\$3.4M loan**
  - **Reserve study** required for over \$1M that would begin in 2026 (was already planned by HOA)
  - They have a specific **HOA bank division**.
  - Bank will allow maximum flexibility for HOA and owners
  - Closing date **mid January 2026**



## Financials

How do we finance the loan?

- \$1.2M from our HOA budget (annual dues)
- \$2.2M from a one time special assessment

# How do our Annual Dues Compare?

To further evaluate and compare the increase, we looked at comparable communities in our area. This data was retrieved November 2025 from Broker MLS system

Community	2025 Dues	Water	Amenities	Total	Amenity Comments
Chinquapin	\$3,500	Included	Included	\$3,500	Note #1
Big Sheepcliff	\$3,500	Included	None	\$3,500	1 Gate
Cedar Hill	\$4,875	Included	None	\$4,875	1 Gate Trash receptacles
The Divide	\$4,747	Included	\$1,125	\$5,872	1 Gate Sapphire Valley, Note #2
Bald Rock	\$3,900	\$1,050	\$1,125	\$6,075	1 Gate Sapphire Valley, Note #2

**Chinquapin Amenities:** Outpost clubhouse, 200 acres greenspace, 700 acres conservation area, 22+ miles hiking, waterfalls, driving range, putt putt, dog park, playground, UTV trails, fishing ponds, pickleball + more.  
**Other Services:** 11 Gates, Trash receptacles in community.

**Sapphire Valley Amenities:** community center, rec center (fitness), Fairfield lake boat and beach, pickleball, tennis, activity field, foot golf, river walk, golf club, racquet club. Link to full description: [https://sapphirevalleyresort.com/amenities\\_sapphire\\_valley.html](https://sapphirevalleyresort.com/amenities_sapphire_valley.html)

# 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 electronically on Dec 22nd.

The Chinquapin Board, is **recommending that we proceed with the buy-out** with these key factors as our reasoning:

- Protect our **property value** as owners
- **Prevent the sale** of common property
- Maintain current lots v. **selling and subdividing**
- **Loan terms** are reasonable
- **Dues comparison** to other communities is favorable
- The purchase agreement and development agreement are a **single package**. Without the purchase agreement, the development agreement is void

We **need all owners to vote** on this decision. From our covenants we cannot proceed without a majority vote:

- 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.
- This will be an **electronic vote on 12/19/2025 and will close on 12/30/2025** We'll also offer a mail in ballot.
- We will **email all owners instructions on the voting process** with reminders on our website

Please attend a Town Hall . It is hard to cover all the details in a powerpoint presentation. 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](http://chinquapinowners.com)

Submit any questions in advance to:  
[kay@chinquapinowners.com](mailto:kay@chinquapinowners.com)