

READ THIS PROPERTY REPORT BEFORE SIGNING ANYTHING

This Report is prepared and issued by the developer of this subdivision. It is NOT prepared or issued by the Federal Government.

Federal law requires that you receive this Report prior to your signing a contract or agreement to buy or lease a lot in this subdivision. However, NO FEDERAL AGENCY HAS JUDGED THE MERITS OR VALUE, IF ANY, OF THIS PROPERTY.

If you received this Report prior to signing a contract or agreement, you may cancel your contract or agreement by giving notice to the seller any time before midnight of the seventh (7th) day following the signing of the contract or agreement.

If you did not receive this Report before you signed a contract or agreement, you may cancel the contract or agreement any time within two (2) years from the date of signing.

Name of Subdivision: The Reserve at Barefoot Landing on Lake James

Name of Developer: Reserve at Barefoot Landing on Lake James, LLC

Date of This Report: December 1, 2025

TABLE OF CONTENTS

	<u>Page</u>
RISKS OF BUYING LAND	1
GENERAL INFORMATION	2
TITLE TO THE PROPERTY AND LAND USE.....	3
METHOD OF SALE	3
ENCUMBRANCES, MORTGAGES AND LIENS	3
PAYMENTS	4
RESTRICTIONS ON THE USE OF YOUR LOT	5
PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT	7
ROADS	9
ACCESS TO THE SUBDIVISION.....	9
ACCESS WITHIN THE SUBDIVISION.....	9
UTILITIES.....	12
WATER	12
SEWER.....	15
ELECTRICITY	16
TELEPHONE AND INTERNET	17
FUEL OR OTHER ENERGY SOURCE.....	18
WASTE DISPOSAL.....	18
FINANCIAL INFORMATION	19
LOCAL SERVICES	20
FIRE PROTECTION	20
POLICE PROTECTION.....	20
SCHOOLS	20
HOSPITAL	20
PHYSICIANS AND DENTISTS	20
SHOPPING FACILITIES.....	20
MAIL SERVICE.....	20
PUBLIC TRANSPORTATION.....	20
RECREATIONAL FACILITIES.....	21

SUBDIVISION CHARACTERISTICS AND CLIMATE	24
GENERAL TOPOGRAPHY	24
WATER COVERAGE.....	24
DRAINAGE AND FILL.....	24
FLOOD PLAIN	24
FLOODING AND SOIL EROSION	24
NUISANCES	24
HAZARDS.....	24
CLIMATE.....	25
OCCUPANCY	25
ADDITIONAL INFORMATION.....	26
PROPERTY OWNERS ASSOCIATION.....	26
TAXES	26
RESALE OR EXCHANGE PROGRAM	27
LEASES.....	27
EQUAL OPPORTUNITY IN LOT SALES	27
LISTING OF LOTS	27
COST SHEET	1
RECEIPT, AGENT CERTIFICATION, AND CANCELLATION PAGE.....	2
RECEIPT, AGENT CERTIFICATION, AND CANCELLATION PAGE.....	3

NOTE: In this Property Report, the words “you” and “your” refer to the buyer. The words “we,” “us,” and “our” refer to the developer.

RISKS OF BUYING LAND

The future value of any land is uncertain and dependent upon many factors. DO NOT expect all land to increase in value.

Any value which your lot may have will be affected if the roads, utilities and all proposed improvements are not completed.

Resale of your lot may be difficult or impossible, since you may face the competition of our own sales program, and local real estate brokers may not be interested in listing your lot.

Any subdivision will have an impact on the surrounding environment. Whether or not the impact is adverse and the degree of impact, will depend upon the location, size, planning, and extent of development. Subdivisions which adversely affect the environment may cause governmental agencies to impose restrictions on the use of the land. Changes in plant and animal life, air and water quality, and noise levels may affect your use and enjoyment of your lot and your ability to sell it.

In the purchase of real estate, many technical requirements must be met in order to assure that you receive proper title. Since this purchase involves a major expenditure of money, it is recommended that you seek professional advice before you obligate yourself.

- WARNING -

THROUGHOUT THE PROPERTY REPORT THERE ARE SPECIFIC WARNINGS CONCERNING THE DEVELOPER, THE SUBDIVISION OR INDIVIDUAL LOTS. BE SURE TO READ ALL WARNINGS CAREFULLY BEFORE SIGNING ANY CONTRACT OR AGREEMENT.

GENERAL INFORMATION

This report covers one hundred forty-two (142) lots in McDowell County, North Carolina. See Page 27 for a listing of these lots. The listing of lots on Page 27 also indicates which lots are in each phase as such phases are identified in this report.

The developer of this subdivision is:

Reserve at Barefoot Landing on Lake James, LLC
P.O. Box 3608
Mooresville, North Carolina 28117
Telephone number: (704) 255-7100

Answers to questions and information about this subdivision may be obtained by telephoning the developer at the number listed above.

TITLE TO THE PROPERTY AND LAND USE

A person with legal title to property generally has the right to own, use, and enjoy the property. A contract to buy a lot may give you possession but does not give you legal title. You will not have legal title until you receive a valid deed. A restriction or an encumbrance on your lot or on the subdivision could adversely affect your title.

Here we will discuss the sales contract you will sign and the deed you will receive. We will also provide you with information about any land use restrictions and encumbrances, mortgages, or liens affecting your lot and some important facts about payments, recording, and title insurance.

METHOD OF SALE

Sales Contract and Delivery of Deed

All sales will be on a cash basis. You will sign a purchase agreement in which you will agree to pay an earnest money deposit upon execution of the agreement, and the remainder of the purchase price will be payable at closing.

The deed to the property will be delivered to you free and clear of liens and monetary encumbrances, on the date of closing. The deed must be delivered to you or lease entered into within 180 days after the date the purchase agreement is signed by you.

Type of Deed

The transfer of legal title to all lots will be by special warranty deed for deeded lots or by leasehold conveyance for leasehold lots, free and clear of all monetary liens and encumbrances except for real property taxes not yet due and payable. As depicted on the plat, Lots 1, 4 through 28, 37 through 85, 101 through 119 and 126 through 142 are deeded lots, and Lots 2 and 3, 29 through 36, 86 through 100, and 120 through 125 are leasehold lots.

ENCUMBRANCES, MORTGAGES AND LIENS

The lots described in this Property Report are subject to a blanket monetary lien in the form of a Deed of Trust given by us to People's Bank, whose address is 518 West C Street, Newton, NC 28658.

Release Provisions

The release provisions for the lots have not been recorded. Therefore, they may not be honored by subsequent holders of the mortgage. If they are not honored, you may not be able to obtain clear title to a lot covered by this mortgage until we have paid the mortgage in full, even if you have paid the full purchase price of the lot. If we should default on the mortgage prior to obtaining a release of your lot, you may lose your lot and all monies paid.

The release provisions of the Deed of Trust on each of the lots in this subdivision may be exercised only by us. Therefore, if we default on the Deed of Trust before obtaining a release of your lot, you may lose your lot and any money you have paid for it.

The release provisions of the blanket lien are not contained in the recorded security deed. We will cause your lot to be released from all liens of indebtedness to our lenders at the time of closing. The release provisions may be exercised only by us. The release provisions require us to pay \$50,000 of the proceeds

of the sale of your lot to People's Bank. If we should default on the debts represented by the security deeds prior to obtaining a release of your lot, you may lose your lot and any money you have paid up front.

- WARNING -

THE DEED OF TRUST ON ALL LOTS IN THE SUBDIVISION DOES NOT CONTAIN ANY PROVISIONS FOR THE RELEASE OF AN INDIVIDUAL LOT WHEN THE FULL PURCHASE PRICE ON THE LOT HAS BEEN PAID. THEREFORE, IF YOUR LOT IS SUBJECT TO THIS DEED OF TRUST, YOU MAY NOT BE ABLE TO OBTAIN CLEAR TITLE TO YOUR LOT UNTIL WE HAVE PAID THE DEED OF TRUST IN FULL, EVEN THOUGH YOU MAY HAVE RECEIVED A DEED AND PAID THE FULL PURCHASE PRICE OF THE LOT. IF WE SHOULD DEFAULT ON THE DEED OF TRUST PRIOR TO OBTAINING A RELEASE OF YOUR LOT, YOU MAY LOSE YOUR LOT AND ALL MONIES PAID.

RECORDING THE CONTRACT AND DEED

Method or Purpose of Recording

The lot purchase agreement for the purchase of your lot does not contain acknowledgments and may not be recorded. North Carolina law does not require that sales contracts be recorded, and since it is not a common practice in North Carolina, we will not record the lot purchase agreement. Under North Carolina law recording a sales contract only places third parties on notice that the subject property is under contract for sale.

The closing attorney or title insurance agent will be responsible for recording the deed to your lot upon closing the sale and you will be responsible for the cost of recording the deed. Under North Carolina law, recording a deed protects you from a claim by a third person against us after the date of recording. We will be responsible for payment of any applicable excise tax on the transfer.

- WARNING -

UNLESS YOUR CONTRACT OR DEED IS RECORDED, YOU MAY LOSE YOUR LOT THROUGH THE CLAIMS OF SUBSEQUENT PURCHASERS OR SUBSEQUENT CREDITORS OF ANYONE HAVING AN INTEREST IN THE LAND.

Title Insurance

You should obtain an attorney's opinion of title or a title insurance policy, which will describe the rights of ownership or leasehold interest that you are acquiring in your lot. We recommend that you have an appropriate professional interpret the opinion or policy.

PAYMENTS

Escrow

All deposits and down payments submitted by you prior to closing on your lot purchase shall be deposited with the Developer's local attorney, Jones, Childers, Donaldson & Webb, PLLC, to be held in escrow in that firm's trust account until closing. These funds will be disbursed by the escrow agent at

closing to be combined with all other closing funds and disbursed in accordance with the closing settlement statement. This procedure will allow you to receive a return of all money paid in the event of our failure to convey title or our default on any other obligation which would otherwise result in your loss of that money prior to your receiving title to your lot.

Your earnest money deposit will be held by Jones, Childers, Donaldson and Webb, PLLC, as an independent escrow agent, in order to assure you that your deposits will be protected. The escrow agent will disburse funds only in accordance with the terms of the contract of sale, or if a dispute arises, the escrow agent may refer the matter to a court for resolution. The escrow agent's address is 149 Welton Way, Mooresville, NC 28117.

Prepayments

If the purchase of your lot is financed by an independent financial institution, you will need to review the financing documents to determine whether there is any prepayment penalty.

Default

In the event you default in the performance of any obligation or covenant under the sales contract prior to closing or which prevents closing from taking place as provided, we may elect to terminate the contract by written notice to you and retain all monies paid, including accrued interest, if any, as full and complete liquidated damages for such default. At the time of your default, we will give you a written notice of default and allow you ten (10) days from your receipt of the notice to correct the default.

RESTRICTIONS ON THE USE OF YOUR LOT

Restrictive Covenants

Restrictive covenants for the subdivision have been recorded in the public records of McDowell County, North Carolina in the Second Amended and Restated Declaration of Covenants, Conditions and Restrictions for The Reserve at Barefoot Landing on Lake James (the "Declaration"), for The Reserve at Barefoot Landing on Lake James Community Association (the "Association"). The Declaration contains provisions which require lot owners or long-term lot lessees entering into leases from us (referred to herein collectively as "lot owners") to secure permissions, approvals, or take other action prior to using or disposing of a lot. Certain provisions dealing with these types of restrictions are discussed in the paragraphs below. This discussion contains only highlights and should not be a substitute for your careful review of the Declaration. The Declarant (as defined in the Declaration) may impose additional covenants, conditions, and restrictions on all or any portion of The Reserve at Barefoot Landing on Lake James and/or create exceptions to or modify the terms of the Declaration for portions of The Reserve at Barefoot Landing on Lake James.

The Declaration provides for a site review and approval process for recreational vehicles or other improvements to be placed on lots within the subdivision. The restrictions set forth certain design and landscaping standards and guidelines and provide for our right to disapprove the plans for any recreational vehicle or improvement. This blanket authority extends to aesthetic considerations such as the exterior elevations and color and age of the recreational vehicle. We have delegated these approval rights to the Site Review Board (the "SRB") which is currently managed by which may approve plans at its sole and absolute discretion. We will provide community, site use, improvements, and landscaping standards in the Site and Use Guidelines. You will be responsible to pay both a Site Review Fee of \$375.00 and a Construction Bond Fee of \$1000.00 at the time of submission of an application to the SRB. We reserve the

right to control the location of any recreational vehicle in The Reserve at Barefoot Landing on Lake James and to approve or veto modifications to the Site and Use Guidelines.

The Declaration contains restrictions that require that lots may be used for recreational vehicle purposes only and ancillary uses. The Declaration prohibits lots or recreational vehicles placed thereon from being used as your primary residence as described in more detail in the paragraph below. The maximum recreational vehicle occupancy, on either a temporary or permanent basis, shall not exceed one recreational vehicle per lot. If you are purchasing a lot in Phase 1, you may place a traditional recreational vehicle or a “park model” recreational vehicle on your lot, subject to SRB review and written approval. Purchase agreements for future phases of the project may require that all recreational vehicles that are placed on the Lot be “park model” recreational vehicles purchased from us or from a dealer approved by us at our sole and absolute discretion. Should we impose this requirement for future phases of the project after Phase 1, you will be required to acknowledge and agree that you are obligated to buy a “park model” recreational vehicle from us or our affiliate and that your acquisition or entry of a lease for your lot will be contingent upon the acquisition of such recreational vehicle including the payment of all installation costs for the recreational vehicle on your Lot. Additionally, should we elect to impose this requirement for future phases, your deed or lease, as applicable, will include restrictions that all recreational vehicles that may be placed on your lot shall be recreational vehicles sold by us or by a dealer approved by us at our sole and absolute discretion and that neither you nor your successors or assigns will be permitted to install any other type of recreational vehicle on your lot without our written consent, which we may give or withhold at our sole and absolute discretion. While it is our current intent for the subdivision to be comprised mostly of “park model” recreational vehicles (which are recreational vehicles with more elaborate skirting and foundation features than a typical recreational vehicle), we currently are allowing more conventional recreational vehicles within Phase 1 of the subdivision and may do the same at any time and for any lot or phase within the subdivision at our sole and absolute discretion. We also may waive, either temporarily or permanently, as for all or any future lots sold or leased in the subdivision, the requirement to purchase a recreational vehicle from us. You have been informed that we maintain the flexibility regarding the types of recreational vehicles that may be placed on lots within the subdivision.

Lots (whether owned in fee or leasehold lots) may be short-term leased for use by occupants of recreational vehicles only. All short-term leases shall contain a restriction prohibiting occupancy from exceeding one recreational vehicle on the Lot both for use by permanent residents or as overnight guests. All short-term leases of “Lake Slip Lots” (which are lots that are leasehold lots that also are entitled to a boat slip as described in the Declaration (should boat slips be constructed)), shall be for a minimum term of fifteen (15) days.

You are prohibited from utilizing your lot or the recreational vehicle thereon as a primary residence, meaning that your lot is not allowed to be utilized as a legal residence of you or any other person for any reason, including, without limitation, for income tax purposes, as a primary residence for purposes of mortgage financing, for voter registration, for motor vehicle registration or for any other purpose, as you and any other occupant of your lot are required to have a primary residence at an address other than your lot. You are required to inform the Association of your primary residence at all times for purposes both of verification of compliance with the Declaration and for routine mailing and transmissions of other communications from the Association to you. Your lot and any recreational vehicle thereon will not be permitted to be utilized for overnight stays beginning on January 1 of each year through and including February 28 (or February 29 during “leap years”) annually except with the express written permission of the Association, which may be given or withheld at the Association’s sole and absolute discretion. You are permitted to access your lot and any recreational vehicle thereon during daylight hours during the aforesaid restricted time period as necessary to monitor, inspect, and maintain your lot and the recreational vehicle thereon, provided that the roads to your lot are passable. The Association shall not conduct snow removal activities at any time.

The Declaration also contains additional restrictions applicable to the Association which make each lot owner automatically a member of the Association and responsible to pay certain dues and assessments to the Association. Accompanied with the responsibility of paying certain assessments to the Association are the rights and prerogatives of membership as are set forth in the Declaration, Articles of Incorporation and By-Laws of the Association. If you own a lot in a multiple ownership situation such as a partnership, limited liability company, corporation, or as co-tenants, the covenants provide that only one person shall be designated by the co-owners as the voting representative on behalf of the co-owners of the lot.

The Declaration also gives the Board of Directors of the Association the power to promulgate rules and regulations to govern or prohibit the outside storage or parking upon any lot of any commercial vehicles of any type or trailer, boat or other watercraft, boat trailer and similar vehicles.

The Declaration provides that it will be in effect for perpetual duration. If North Carolina law hereafter limits the period during which covenants may run with the land, then to the extent consistent with such law, this Declaration shall automatically be extended at the expiration of such period for successive periods of twenty (20) years each, unless terminated as provided herein.

The Association has been incorporated in North Carolina as a non-profit corporation. All lot owners within The Reserve at Barefoot Landing on Lake James are automatically members of the Association upon taking title or a leasehold to their lot. There are provisions governing the operation of Association set forth in the Declaration which is recorded in the Office of the Register of Deeds for McDowell County, North Carolina, as noted previously.

A complete copy of the recorded Declaration, including all amendments and supplements thereto, is available upon request.

Easements

Certain perpetual, alienable and releasable easements have been reserved to the developer on, over and under the ground to erect, maintain and use pipes, wires, cables, conduits, water mains, and other suitable equipment for the conveyance and use of electricity, cable television, security cable equipment, telephone equipment and gas, water or other private or public conveyance or utility.

There are easements which may affect your plans for building or using your lot, including drainage easements, sewer and septic easements, and utility easements which are shown on the plats of the subdivided lots, in restrictions placed in the deed to your lot and in the restrictive covenants. Sewer easements affect Lease Sites 30-31, 89-90 and Lots 127-128. A 250-foot Lake Protective Zone affects Lease Sites 2-3, 29-37, 86-100, and 120-125. None of these type easements will affect the building area of the lot or inhibit its use. The subdivision is not subject to flood control or flowage easements.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT

Plats

The registered lots covered in this Property Report are being platted and, as each plat is approved by the regulatory authorities, it is recorded in the public records of McDowell County, North Carolina. The plat depicting the lots covered by this Property Report has been approved by the appropriate regulatory authorities and recorded in the public records of McDowell County, North Carolina.

Zoning

The lots may be used for the placement of movable recreational vehicles in accordance with the Zoning Ordinance of McDowell County, North Carolina. The lots are currently not subject to any zoning requirements other than certain lots subject to the Lake James Protection Ordinance described later in this paragraph. Thus, use of the lots for recreational vehicles conforms to local zoning requirements and the restrictive covenants; however, Lots 2 and 3, Lots 29 through 36, Lots 86 through 100 and Lots 120 through 125 are within the 250-foot buffer as set forth in the Lake James Protection Ordinance of McDowell County, North Carolina, and must adhere to additional restrictions as set forth therein. Among these requirements are that the lots must be leasehold lots because of minimum lot size requirements in the Lake James Protection Ordinance that requires all deeded lots subject to the ordinance to be at least 1.5 acres in size. The Declaration mandates that all lots be used in compliance with all applicable zoning ordinances.

Surveying

All of the lots covered by this Report have been surveyed using a combination of conventional surveying methods and Global Positioning System (“GPS”) technology. Each lot covered by this Property Report will be surveyed and marked for identification on a recorded subdivision plat; however, leasehold lots will be marked only with a dashed line on the subdivision plat because they are leasehold lots. If you require a separate survey of your lot, the approximate cost to you is estimated to be Nine Hundred Dollars (\$900.00).

Permits

Prior to placement of a porch, deck, or similar structure on your lot, you must obtain a building permit from McDowell County, North Carolina, located at 408 Spaulding Road, Marion, North Carolina. The fee for a building permit is estimated to be four hundred dollars (\$400.00). In addition, prior to placing a structure of any kind on your lot, you must obtain written approval from the Site Review Board pursuant to the Declaration. The current Site Review Fee for SRB review of a proposed recreational vehicle placement is three hundred seventy-five dollars (\$375.00).

Environment

We are not aware of any environmental impact study which considers the effect of the subdivision on the environment. No determination has been made as to the possible adverse effects the subdivision may have upon the environment and surrounding area.

ROADS

Here we discuss the roads that lead to the subdivision, those within the subdivision, and the location of nearby communities.

ACCESS TO THE SUBDIVISION

Access to the subdivision is provided by Barefoot Landing Drive, which is currently primarily a two-lane private gravel road that is narrower in certain areas with a width of 16 feet to 20 feet and maintained by Barefoot Landing Partners, LLC, and access is pursuant to a recorded easement agreement dated September 1, 2022, between Barefoot Landing Partners, LLC, and us. The developer is not responsible for providing or completing the roads providing access to the subdivision and can give no assurance that it will be completed or available for use. Barefoot Landing Partners, LLC, is responsible to maintain Barefoot Landing Drive, and Barefoot Landing Partners, LLC, and the Association shall divide the cost to maintain Barefoot Landing Drive in proportion to the number of structures that are on each of the adjacent Barefoot Landing development and The Reserve at Barefoot Landing on Lake James at the time that the maintenance expense has occurred. Barefoot Landing Partners, LLC, pursuant to the easement agreement, shall agree with the Association on a commercially reasonable annual road maintenance fee (defined as the “Annual Charge” in the easement agreement) that the Association will pay to Barefoot Landing Partners, LLC. The expected Annual Charge to be paid from the Association to Barefoot Landing Partners, LLC, for 2025 is \$7,500.00. Part of your annual assessment payment to the Association will be used to pay the Annual Charge. As the initial buyer of a lot in the Subdivision, you will also be responsible for payment of a working capital contribution in the amount of \$2,500.00 to be collected at the closing of your lot and paid to the Association. Subsequent purchasers from you will not be obligated to pay any such amount.

We started working with the Association and Barefoot Landing Partners, LLC in October 2023 to improve Barefoot Landing Drive to complete the roadway by November 2026. Portions of your working capital contribution to the Association may be utilized by the Association for the installation, repair and replacement of the road providing access to the subdivision. The developer is not responsible for providing or completing the roads providing access to the subdivision and can give no assurance that it will be completed or available for use.

ACCESS WITHIN THE SUBDIVISION

Legal and physical access within the subdivision is provided by way of private two-lane roads pursuant to easements granted in the Declaration.

The road system is currently under construction and the completion schedule is shown below. We are obligated to complete the remaining roads within the subdivision at no cost to you. An irrevocable letter of credit has been established with People’s Bank and has been tendered to McDowell County, North Carolina, to assure completion of the roads. McDowell County has the authorization to draw upon the Letter of Credit to pay for completion of the roads.

The road system will consist of two (2) lanes with a paved asphalt surface and a minimum width that will comply with the standards of McDowell County, North Carolina.

	Estimated Construction Starting Date (month/year)	% of Construction Now Complete	Estimated Completion Date (month/year)	Present Surface	Final Surface
Phase 1*	October 2023	50%	Initial Coat: May 2026 Final Coat: May 2028	Dirt	Asphalt
Phase 2*	October 2023	50%	Initial Coat: May 2027 Final Coat: May 2029	Dirt	Asphalt
Phase 3*	October 2023	30%	Initial Coat: January 2027 Final Coat: January 2029	Dirt	Asphalt
Phase 4*	October 2023	30%	Initial Coat: January 2028 Final Coat: January 2030	Dirt	Asphalt
Phase 5*	October 2023	30%	Initial Coat: January 2029 Final Coat: January 2031	Dirt	Asphalt

*We may choose to revise the order in which we develop phases of the project or the order by which we develop lots within a phase. The dates for completion are estimates and the phases listed above may be developed in a different order (both for the entire phase and for lots within a phase) than is estimated above. These previous estimated completion dates will not be met: Ph. 1: Initial Coat Dec 2025; Final Coat Dec 2027; Ph. 2: Initial Coat Dec 2026; Final Coat Dec 2028; Ph. 3: Initial Coat Jul 2026; Final Coat Jul 2028; Ph. 4: Initial Coat Jul 2027; Final Coat Jul 2029; Ph. 5: Initial Coat Jul 2028; Final Coat Jul 2030

We are responsible for maintenance of the private roads until such time as they are conveyed to the property owners association. During the period we perform maintenance, you will not be required to contribute to the cost. Upon completion of the roads, the Association will be responsible for maintenance of the roads. All owners within The Reserve at Barefoot Landing on Lake James will contribute to the cost of maintenance of the subdivision roads through payment of assessments as provided in the Declaration. The roads will be maintained so as to provide year-round access to your lot. Your ability to remain on your lot for overnight stays, however, will be restricted during certain parts of the year as set forth in the Declaration. Use of the interior roads is subject to the use restrictions set forth in the Declaration and such rules as may be adopted from time to time by the Association.

We are responsible for the road construction at no cost to lot owners. No financial assurance for completion of the interior roads have been made.

The interior roads will have two lanes. Construction of the roads commenced in October 2023 and are now 50% complete for lots in Phase 1. Presently the surface of the roads is dirt, however, upon our estimated completion date for all lots in the project of July 2028 as to the initial coat of 1.5 inches of asphalt, the surface of the roads will be asphalt. A final coat of 1.5 inches of asphalt will be applied approximately two years after the initial coat.

We are responsible for maintenance of the private roads until such time as they are conveyed to the property owners association. During the period we perform maintenance, lot owners will not be required to contribute to the cost. After the roads are conveyed to the property owners association, all lot owners will contribute to the cost of maintenance through payment of assessments as provided in the restrictive covenants. The roads will be maintained so as to provide year-round access. No representation is made to you that construction of these roadways is sufficient to be included in the state secondary road system or that the State of North Carolina will eventually assume maintenance of these roadways. Potential gating of

the roads is an example of a reason why these roads may not be able to be turned over to the State of North Carolina.

The table below identifies the distance (in miles) from the center of the subdivision to nearby communities.

Nearby Communities	Population	Distance Over Paved Roads	Distance Over Unpaved Roads	Total
Marion, NC (County Seat)	7,652	3.5 miles	0.5 miles	4 miles
Nebo, NC	3,212	4.0 miles	0.5 miles	4.5 miles
Morganton, NC	17,518	20.7 miles	0.5 miles	21.2 miles

UTILITIES

WATER

Central Water System

Water is supplied to all lots within the subdivision by a transient non-community water system. Pursuant to a Utilities Agreement entered into in May 2024, the Association will pay Barefoot Landing Partners, LLC, which is not affiliated with us but is owned by an entity affiliated with one of the entities that co-owns us, for access to its water supply and the charge will be passed through to you as part of your assessments with the current estimated annual charge being \$300 per year per lot. Barefoot Landing Partners, LLC, is required by the State of North Carolina to test the purity of the water quarterly for bacteria and annually for nitrates. The results can be found online at <https://www.pwss.enr.state.nc.us/NCDWW2/> and searching for “Barefoot Landing” for the Water System Name or by searching for the state’s assigned water system number NC0156138. A history of all water analysis, violations, etc. can be found at this address. The last nitrate test was February 2025, and the last bacteria test was October 2024. As set forth below, there are occupancy restrictions on the use of your lot and home while it is being served by a transient non-community water system.

- WARNING -

THERE IS NO ASSURANCE OF A SUFFICIENT SUPPLY OR THAT THE WATER IS DRINKABLE.

- WARNING -

NO ASSURANCE IS GIVEN THAT THERE IS A SUFFICIENT SUPPLY OF WATER FOR THE ANTICIPATED POPULATION OF THE PROJECT.

The owner and supplier of the transient non-community water system is Barefoot Landing Partners, LLC, which has an address of 188 Uptons Landing Road, Marion, North Carolina 28752. All permits have been procured to operate the transient non-community water system. Construction of the central supply plant for the transient non-community water system is complete. The water main lines have not yet been extended to any lots. We will extend the water main lines to the front of, or adjacent to, the boundary of each lot. The estimated completion date of April 2025 for the central water system in Phase 1 has not been met. Construction of the lines to extend the transient non-community water system to the boundaries of each lot is anticipated to commence and to be substantially completed in accordance with the following schedule:

	Estimated Construction Starting Date	Percentage of Construction Now Complete	Estimated Service Availability Date
Phase 1	August 2025	0%	May 2026
Phase 2	February 2026	0%	August 2026
Phase 3	February 2026	0%	August 2026
Phase 4	August 2026	0%	February 2027
Phase 5	February 2027	0%	August 2027

*We may choose to revise the order in which we develop phases of the project or the order by which we develop lots within a phase. The dates for completion are estimates and the phases listed above may be developed in a different order (both for the entire phase and for lots within a phase) than is estimated above. The previous estimated completion dates will not be met: Ph. 1: Dec 2025; Ph. 2 and Ph. 3: Mar 2026; Ph. 4: Sept 2026; Ph. 5 Mar 2027.

We are not required to have completed, or to have posted a bond or irrevocable letter of credit for completion of, the water lines for the transient non-community water system to lots prior to being permitted to record the plat depicting such lots; thus, we do not expect that the water lines will be installed prior to the closing.

- WARNING –

THE LINES EXTENDING THE TRANSIENT NON-COMMUNITY WATER SYSTEM TO YOUR LOT MAY NOT BE COMPLETE AND COMPLETION MAY NOT BE FINANCIALLY ASSURED. NO FUNDS HAVE BEEN SET ASIDE IN AN ESCROW OR TRUST ACCOUNT NOR HAVE ANY OTHER FINANCIAL ARRANGEMENTS BEEN MADE TO ASSURE COMPLETION OF THE TRANSIENT NON-COMMUNITY WATER SYSTEM TO THE LOT.

The present capacity of the central plant of the transient non-community water system is two hundred fifty (250) connections. Barefoot Landing Partners, LLC, has confirmed that the present capacity of the transient non-community water system is sufficient to supply all of the lots, but subject to the occupancy limitations described in the paragraph and warning below, and that the water is regularly tested for purity and chemical content to ensure that the water meets all standards for a public water supply that is provided by a transient non-community water system. No hydrological surveys have been completed to determine that a sufficient source of water is available to serve the anticipated population of The Reserve at Barefoot Landing on Lake James.

Barefoot Landing Partners, LLC, has agreed to convert its existing transient non-community water system from a “transient system” to a “non-transient system.” At this time, permits have not been obtained for this conversion from the North Carolina Department of Environmental Quality. If the conversion does not occur, then the applicable governmental authorities will require that all lot owners comply with the rules of a transient non-community water system, which are set forth in North Carolina Administrative Code Title 15A, Department of Environmental Quality Subchapter 18C. The rules for a transient non-community water system include that no owners or their guests may use the transient non-community water system for more than one hundred eighty (180) cumulative days per person per calendar year. If and when the water system is converted to a “non-transient system”, there will be no restriction imposed by the state on water

usage year-round, but the Declaration will continue to impose restrictions as set forth in the Declaration. The estimated but not guaranteed availability date of the non-transient system is the summer of 2026.

- WARNING -

THE NECESSARY PERMITS, APPROVALS AND LICENSES HAVE NOT BEEN OBTAINED FOR THE COMMUNITY WATER SYSTEM; THEREFORE, THERE IS NO ASSURANCE THAT THE COMMUNITY WATER SYSTEM CAN BE COMPLETED, OPERATED, OR USED. FURTHERMORE, UNTIL THE PROVIDER OF THE TRANSIENT NON-COMMUNITY WATER SYSTEM IS ABLE TO OBTAIN A PERMIT FOR THE WATER SYSTEM TO BE A COMMUNITY WATER SYSTEM (WHICH THE PROVIDER CANNOT GUARANTEE WILL BE OBTAINED), YOU WILL BE RESTRICTED TO ONLY BE ABLE TO USE ANY RECREATIONAL VEHICLE ON YOUR LOT FOR ONE HUNDRED EIGHTY (180) CUMULATIVE DAYS PER PERSON PER CALENDAR YEAR.

Your will pay your tap fee of \$500.00 to the Association as part of your \$2,500 working capital contribution referenced earlier in this Property Report, and the Association will remit the tap fee to Barefoot Landing Partners, LLC., to cover the cost of installing a water meter on your lot. An additional tap fee will not be required should a community water system be installed in the future. You will be responsible for connecting water service lines from the meter to your house, which is currently estimated to cost approximately \$450.00 for a typical lot. While Barefoot Landing Partners, LLC, will install meters, Barefoot Landing Partners may or may not charge you for individual water usage in the future. Instead, the current expectation is that the Association will pay for all water used by the community, and all owners will share this cost as part of regular assessments by the Association, with the current estimated cost being \$240 per year per lot (subject to annual increase).

You may not install a private well or other water system, even on a temporary basis. Use of the transient non-community water system is mandatory and not voluntary as will be use of the community water system should it be constructed in the future. Water will not be available until the central system is extended to the lot.

The supplier of water is not a governmental agency or an entity that is regulated or supervised by a governmental agency; thus, neither operation of the transient non-community water system nor the rates are regulated by a public authority, except that the North Carolina Division of Water Resources oversees all transient non-community water systems and imposes minimum testing standards for drinking water as set forth in North Carolina Administrative Code Title 15A, department of Environmental Quality Subchapter 18C.

- WARNING -

WE DO NOT OWN OR OPERATE THE TRANSIENT NON-COMMUNITY WATER SYSTEM SO WE CANNOT INSURE ITS CONTINUED AVAILABILITY FOR USE.

SEWER

Central Sewer System

Sewer service is or will be supplied to the lots by multiple community septic systems that are going to be owned and operated by us. One septic tank system is planned to be installed for each phase of the project. We are responsible for constructing the community septic system, including extension of the septic lines to the boundary line of each lot. The estimated completion date of August 2027 for the central sewer system in Phase 1 has not been met. Construction of the community septic system facilities for the lots is anticipated to commence and be completed pursuant to the chart below:

	Estimated Construction Starting Date	Percentage of Construction Now Complete	Estimated Service Availability Date
Phase 1	August 2025	70%	May 2026
Phase 2	February 2026	0%	August 2026
Phase 3	March 2026	0%	August 2026
Phase 4	August 2026	0%	February 2027
Phase 5	February 2027	0%	August 2027

*We may choose to revise the order in which we develop phases of the project or the order by which we develop lots within a phase. The dates for completion are estimates and the phases listed above may be developed in a different order (both for the entire phase and for lots within a phase) than is estimated above. The previous estimated completion dates will not be met: Ph. 1: Dec 2025; Ph. 2 and Ph. 3: Mar 2026; Ph. 4: Sept 2026; Ph. 5 Mar 2027.

The office of Reserve at Barefoot Landing on Lake James, LLC, is located at 132 Joe Knox Avenue, Suite 105, P.O. Box 3608, Mooresville, North Carolina 28117. We cannot confirm that the present capacity of the community septic system is sufficient to serve all of the lots.

- WARNING -

ALL LOTS IN THE SUBDIVISION CANNOT NOW BE SERVED. WE CANNOT CURRENTLY STATE THE NUMBER OF LOTS THAT CAN BE SERVED BECAUSE THE COMMUNITY SEPTIC SYSTEM HAS YET TO BE CONSTRUCTED.

We have not provided any financial assurance of completion of the community septic system.

- WARNING -

NO FUNDS HAVE BEEN SET ASIDE IN AN ESCROW OR TRUST ACCOUNT NOR HAVE ANY OTHER FINANCIAL ARRANGEMENTS BEEN MADE TO ASSURE COMPLETION OF THE COMMUNITY SEPTIC SYSTEM; THEREFORE, THERE IS NO ASSURANCE THAT THE COMMUNITY SEPTIC SYSTEM WILL BE COMPLETED.

We will operate the community septic systems until they are turned over to the Association free and clear of any encumbrance. At this time permits have been obtained for construction of the community septic system, but permits for operation of the system will not be obtained until the community septic system is constructed. not been obtained for the construction, operation and use of the central system and the permits will limit the number of connections or recreational vehicles which the central system may serve. The permit issuing authority is the McDowell County Health Department. The owner of the community septic system is not a governmental agency or an entity which is regulated or supervised by a governmental agency; thus, neither the operation of the community septic system nor the rates are regulated by a public authority.

- WARNING -

THE NECESSARY PERMITS, APPROVALS AND LICENSES HAVE NOT BEEN OBTAINED FOR THE OPERATION OF THE COMMUNITY SEPTIC SYSTEM BECAUSE THE COMMUNITY SEPTIC SYSTEM HAS NOT YET BEEN CONSTRUCTED; THEREFORE, THERE IS NO ASSURANCE THAT THE SYSTEM CAN BE COMPLETED, OPERATED, OR USED.

You are not required to pay a connection fee to us to connect to the community septic system. You may be responsible for certain other costs associated with connecting to the community septic system. You will be responsible for extending the septic line from the boundary of the lot to your recreational vehicle. The cost for having the septic service line extended to a typical lot is currently estimated at \$500.00 All maintenance costs associated with such portions of any septic disposal system located on your lot will be your responsibility.

We may transfer ownership and control of the portions of the community septic system located within the subdivision boundary to the Association, and the Association is obligated to accept the community septic system at such time pursuant to the Declaration. Until such time the community septic system is conveyed to the Association, the portions of the community septic system located within the community will be maintained and operated by us. Upon conveyance to the Association, the costs of operating, maintaining, repairing and replacing the community septic system will be assessed by the Association against all lot owners.

You may not install individual sewer systems or septic tanks, even on a temporary basis. Use of the community septic system is mandatory. The community septic system will be adequate for the intended use of your lot for a recreational vehicle that is not your primary residence, as use of your lot for your primary residence is prohibited by the Declaration. Service will not be available until the central system reaches the lot.

ELECTRICITY

Electricity to the lots covered by this Property Report will be provided by Rutherford Electric Membership Cooperative, a publicly regulated utility, which has an address of 614 Carbon City Road (Hwy. 70 West, Morganton, NC, 28655. The Developer is not responsible for providing or completing the electric service lines and can give no assurance that the electric services lines will be completed or available for use.

- WARNING -

NO FUNDS HAVE BEEN SET ASIDE IN AN ESCROW OR TRUST ACCOUNT NOR HAVE ANY OTHER FINANCIAL ARRANGEMENTS BEEN MADE TO ASSURE COMPLETION OF THE ELECTRIC LINES.

Rutherford Electric Membership Cooperative is responsible to extend the electric service lines to a metered electrical pedestal located on your lot. Rutherford Electric Membership Cooperative is also responsible for the maintenance of the electrical service lines. You will be responsible for extending the line to your recreational vehicle and for maintenance of the line from the metered electrical pedestal to your recreational vehicle. This may only be accomplished through the use of a 30- or 50-amp electrical cord that plugs into the metered electrical pedestal. The connection may not be hard-wired. The cost to you to extend the service line from the boundary line of your lot to your recreational vehicle is currently estimated to be the cost of the cord which is approximately \$400 but may vary depending upon the length needed. Additionally, you will be responsible for setting up an account with Rutherford Electric Membership Cooperative that includes monthly usage fees as established by Rutherford Electric Membership Cooperative. Please refer to your purchase agreement for specific details. If you install your recreational vehicle before recreational service is available, you will be responsible for any costs of generators.

The construction schedule for the electrical facilities servicing the lots is set forth in the chart below.

Lots	Estimated Start Date (Month/Year)	Percentage of Construction Now Complete	Estimated Service Availability Date (Month/Year)
Phase 1	August 2025	0%	May 2026
Phase 2	February 2026	0%	August 2026
Phase 3	February 2026	0%	August 2026
Phase 4	August 2026	0%	February 2027
Phase 5	February 2027	0%	August 2027

*We may choose to revise the order in which we develop phases of the project or the order by which we develop lots within a phase. The dates for completion are estimates and the phases listed above may be developed in a different order (both for the entire phase and for lots within a phase) than is estimated above.

TELEPHONE AND INTERNET

Telephone service to the subdivision may or may not be available as it is subject to the provider obtaining a permit to extend lines over a railroad track from a railroad provider. If service is available, you will be notified of the provider, and you will need to contact the provider directly to establish service to your lot. Service lines will be extended to the boundary of your lot, but we do not know what your costs will be, if any, or whether the provider will or will not charge an installation fee, although in any event

other routine account or connection fees may be due to the provider. We cannot make any other assurances regarding telephone and internet service at this time.

FUEL OR OTHER ENERGY SOURCE

Natural gas will not be available in the subdivision. No other energy source will be available for heating or cooking within the subdivision; however, park model homes will be required to have a propane tank and buyers of other types of homes will have the option of to have propane tanks. You will have the right to select from any provider that you choose. One possible supplier will be James O2, 30 US-321, Hickory, NC 28602. If you select this provider, the total cost of the new tank to you will be \$411 payable to James O2 which includes a \$70 setup fee, an \$18 delivery fee and the initial filling of the tank at market rate for propane (which is currently \$3.10 per gallon); however, this rate and these fees may change. The propane tank must be returned to the provider if no longer used. Use of the propane tanks within a park model would be limited to cooking and for use of a hot water heater.

WASTE DISPOSAL

Barefoot Landing Partners, LLC, will provide waste services for the subdivision pursuant to an Agreement to Provide Trash Receptacle Services entered into in May 2024 between the Association and Barefoot Landing Partners, LLC. The cost is initially expected to be \$144 per year, and all owners will share this cost as part of regular assessments by the Association.

FINANCIAL INFORMATION

Developer is a newly formed entity, does not have significant operating experience and does not have audited financial statements. A copy of the unaudited balance sheet and statement of receipts and disbursements of funds for the period ending December 31, 2024, is available upon request. As a new entity, this may affect our ability to complete promised facilities and discharge financial obligations.

LOCAL SERVICES

FIRE PROTECTION

Fire protection is available to serve the subdivision on a year-round basis from the Marion, North Carolina, Fire Department.

POLICE PROTECTION

Police protection is provided by the Marion Police Department located approximately four (4) miles from the subdivision. This protection is provided on a year-round basis.

SCHOOLS

Elementary, junior high and senior high schools of McDowell County, North Carolina, are available to residents of the subdivision. Public school bus transportation is not available from within the subdivision.

HOSPITAL

Mission Hospital McDowell is located at 430 Rankin Drive, Marion, North Carolina, and is approximately five (5) miles from the subdivision. Emergency ambulance service is available.

PHYSICIANS AND DENTISTS

The nearest physicians' office is located in Nebo, North Carolina, approximately four (4) miles from the subdivision. The nearest dentists' office is located in Marion, North Carolina, approximately four (4) miles from the subdivision.

SHOPPING FACILITIES

Shopping facilities are located in Marion, North Carolina, approximately four (4) miles from the subdivision.

MAIL SERVICE

Mail service will not be provided to the subdivision by the U. S. Postal System or by any other service provider. U.S. post office boxes are available at the U.S. Post Office in Marion, North Carolina, which is located approximately four (4) miles from the center of The Reserve at Barefoot Landing on Lake James.

PUBLIC TRANSPORTATION

There is no public transportation available in the subdivision or to nearby towns. The nearest rail, air or ground transportation can be found in Morganton, North Carolina, approximately twenty-one (21) miles from the subdivision.

RECREATIONAL FACILITIES

The Reserve at Barefoot Landing on Lake James Community Association

<u>Facility</u>	<u>Percentage of Construction Now Complete</u>	<u>Estimated date of Start of Construction (month/year)</u>	<u>Estimated Date Available for Use (month/year)</u>	<u>Financial Assurance of Completion</u>	<u>Buyer's Annual Cost or Assessments</u>
Boat Slips (for owners of those Lots who enter a Lake Slip Sublease with the Association)	0%	May 2026	May 2027	Not Applicable	All members will contribute to "community slips" as a General Assessments. Dedicated slips subject to Specific Assessment by Association to pay for use of slip pursuant to Lake Slip Sublease

The previous estimated availability date for the Boat Slips of December 2026 will not be met.

We are responsible to provide boat slips on Lake James subject to the permit from Duke Energy. The permit for the slips from Duke Energy will be issued to the Declarant and then the Association who will lease the slips from Duke Energy and operate the slips following our work to complete construction. We are obligated to make slips available for buyers of certain lots to purchase as approved by Duke Energy. Should you acquire the possibility to procure a slip when you sign a contract, your deposit for the slip will be held in escrow until completion of the construction by us.

Barefoot Landing Partners, LLC

<u>Facility</u>	<u>Percentage of Construction Now Complete</u>	<u>Estimated date of Start of Construction (month/year)</u>	<u>Estimated Date Available for Use (month/year)</u>	<u>Financial Assurance of Completion</u>	<u>Buyer's Annual Cost or Assessments</u>
Pool	100%	Completed	Completed	Not applicable	Use is in conjunction with operation of adjacent Barefoot Landing Campground. The Association will pay all fees associated with use of this amenity, and these fees will be collected from you as part of your Association annual assessment.

<u>Facility</u>	<u>Percentage of Construction Now Complete</u>	<u>Estimated date of Start of Construction (month/year)</u>	<u>Estimated Date Available for Use (month/year)</u>	<u>Financial Assurance of Completion</u>	<u>Buyer's Annual Cost or Assessments</u>
Bathhouse	100%	Completed	Completed	Not applicable	Use is in conjunction with operation of adjacent Barefoot Landing Campground. The Association will pay all fees associated with use of this amenity, and these fees will be collected from you as part of your Association annual assessment.

Barefoot Landing Partners, LLC, has agreed to make the above facilities available to owners within The Reserve at Barefoot Landing on Lake James to utilize along with permitted users at the Barefoot Landing Campground. Your participation in use of the Barefoot Landing Campground Facilities will be subject to an additional fee in the amount of \$600 annually (subject to annual increases) that will be payable to the Association as part of your assessment for use rights in the Barefoot Landing Campground Facilities. The fee is subject to increase on an annual basis.

- WARNING -

WE DO NOT OWN THE POOL OR BATHHOUSE SO WE CANNOT ASSURE THEIR CONTINUED AVAILABILITY.

Constructing the Facilities

The Barefoot Landing Campground facilities are complete. We are responsible for construction of the boat slips provided that a building permit is obtained from McDowell County. The boatslips have been approved by Duke Energy. We cannot promise, warrant or guarantee that the boatslips will be built.

Maintaining the Facilities

The Association will be responsible for entering into a lease with Duke Energy to own the boat slips and for maintaining the boat slips in the future, provided that permits are obtained, and the boat slips are constructed. The costs of maintenance will be paid by those owners who enter Lake Slip Subleases as a Specific Assessment of the Association pursuant to the Declaration. Owners of lots who have not entered into Lake Slip Subleases will not be required to pay Specific Assessments and will have no access to the boat slip facilities.

Facilities which will be Leased to Lot Purchasers

Duke Energy will enter into a lease with the Association to operate the slips. The term of this lease will be determined should the lease be entered into. Lot owners will not have the opportunity to terminate or ratify the lease after control of the Association is turned over to the lot owners. The Association will

enter into sublease agreements with individual lot owners for 113 slips, which shall be determined at the time a buyer purchases a lot. The term of the subleases will be determined upon procurement of a lease from Duke Energy. No assurances are made at this time as to whether a slip lease will be available to you or the cost or term thereof. The sublease agreements will require the lot owners to pay annual charges to the Association which may be levied against your lot as a Specific Assessment. All lot owners will be responsible for the maintenance of the community slips. Neither the Association as to the lease with Duke Energy nor the lot owners as to the subleases for additional slips may encumber the lease or subleases. Lease payments for the subleases may be increased on an annual basis to cover the Association's costs to own, operate, and maintain the slips. The lease between the Declarant and later the Association and Duke Energy cannot be assigned, but the Declarant and later the Association can enter into the individual subleases. The sublease agreements can only be assigned by an individual lot owner with written approval of the Declarant and later the Association in accordance with the sublease agreements, which will not be provided until and if the Duke Energy lease is procured. The lease between Duke Energy and the Declarant and later the Association can be terminated for various reasons, including, without limitation, violations of the terms of the lease, abandonment of the facility, or if Duke Energy is directed to terminate the lease based on a FERC Order. The sublease agreements between lot owners and the Declarant and later the association can be terminated for reasons set forth in the sublease including if the lease from Duke Energy is terminated.

Transfer of the Facilities

We have no control over whether Barefoot Landing Partners, LLC, may cease operations of the pool or bathhouse in the future. These facilities are beyond the boundaries of The Reserve at Barefoot Landing on Lake James. We also have no control over the continued availability of the boat slips as these are subject to control and leases with Duke Energy.

Permits

The Barefoot Landing Campground facilities are complete, and all applicable permits have been issued.

Permits for construction, use and occupancy of the boat slips have been obtained from Duke Energy and the Federal Energy Regulatory Commission (FERC). Prior to commencing construction of the boat slips, we will obtain a building permit from McDowell County. Because a building permit has not yet been obtained, there is no assurance that lot owners will be able to enter subleases to use individual dedicated slips.

Who May Use the Facilities

Only lot owners who have entered into sublease agreements may utilize individual boat slips. Any lot owner may be able to utilize a community boat slip subject to availability and to the rules and regulations of the Association.

Both lot owners at The Reserve at Barefoot Landing on Lake James and owners, tenants, lessees and guests of owners and tenants within the Barefoot Landing Campground may utilize the pool and bathhouse at Barefoot Landing Campground subject to the terms of the Shared Facilities Agreement entered into in May 2024 between the Association and Barefoot Landing Partners, LLC, which among other things, allows Barefoot Landing Partners to limit use of the pool on peak days to prevent overcrowding. Your use will be subject to the Barefoot Landing Campground rules and to other terms that may apply upon your time of using the Barefoot Landing Campground Facilities. Also, pursuant to the Shared Facilities Agreement, tenants who lease your recreational vehicle for less than 90 days will not have access to the Barefoot Landing Campground facilities unless either the tenants pay a resort fee to Barefoot Landing

Partners, LLC, or you agree to use Barefoot Landing Partners, LLC, as your third-party management company to advertise and book reservations for your recreational vehicle.

SUBDIVISION CHARACTERISTICS AND CLIMATE

GENERAL TOPOGRAPHY

The general topography of the land in the subdivision is mountainous and sloping. The land in the subdivision contains approximately 35 acres of land and 5.56 acres of buffer area adjacent to the lake which areas must remain as natural open space. The Developer will maintain approximately 30% to 45% of the project as open space. No lots in the subdivision have a slope of 20% or more.

WATER COVERAGE

No lots or any portion thereof are covered by water at any time.

DRAINAGE AND FILL

Lots 1 through 70 and Lots 75 through 101 require some fill prior to placement of the recreational vehicle on the lot. We have obtained and completed work on the fill.

FLOOD PLAIN

The subdivision is not located in a flood plain or an area which has been designated as flood-prone by the Federal Insurance Administration of the Federal Emergency Management Agency.

FLOODING AND SOIL EROSION

We have a program that provides for control of erosion, sedimentation, and flooding throughout the subdivision. The program includes the collection of surface waters in roadside swales, road culverts and storm water impoundments. Erosion and sedimentation will be controlled with silt fencing, jute matting, straw bales and hydro seeding. The program was approved by the North Carolina Department of Environment and Natural Resources (DENR), and Developer is obligated to comply with the program. Implementation of this program commenced in October 2022 and is to be substantially completed in July 2029. There is no financial assurance of completion of the program.

NUISANCES

To our knowledge, no nuisance exists in the immediate vicinity of the subdivision with the exception that The Reserve at Barefoot Landing on Lake James is located immediately adjacent to two existing campgrounds, Barefoot Landing Camping Resort and the Marion Moose Lodge, either of which may result in after-hours noises that we cannot control.

HAZARDS

We are unaware of any proposed plans for construction, either public or private, which may create a nuisance or safety hazard or adversely affect the subdivision. There are no existing or possible future hazards of which we are aware except that the subdivision is located adjacent to Lake James and adjacent to flood zones associated with the lake and its tributaries.

The subdivision is located in an area which has a State Fire Rating and has been assigned a fire rating of 3 out of 10. The ratings range from 1 to 10 with 1 being the best rating. The practical effect of a

9 or 10 rating is that homeowners in the subdivision are provided nominal fire protection and pay higher than average insurance rates. Fire ratings are established based upon the road distance from specific lots to the fire department location, the availability of water, and the capability of the fire department and emergency communication system.

CLIMATE

The average temperature ranges in Fahrenheit degrees for the summer and winter in the area in which the subdivision is located are:

	<u>High</u>	<u>Low</u>	<u>Mean</u>
Summer	86°	67°	76
Winter	49°	31°	39°

The average annual rainfall is fifty (50) inches, and the average annual snowfall is four (4) inches.

OCCUPANCY

Zero (0) homes or recreational vehicles are occupied on a full or part time basis as of the date of this Property Report.

ADDITIONAL INFORMATION

PROPERTY OWNERS ASSOCIATION

Your lot is located within The Reserve at Barefoot Landing on Lake James. As an owner of a lot within this subdivision, you will be a member of the Association. The Association will be incorporated with the North Carolina Secretary of State as a nonprofit corporation.

As the Declarant under the Declaration, we have the right to appoint the board of directors of the Association. This right shall continue until the earlier of the date upon which one hundred percent (100%) of the lots proposed under the Master Plan for the subdivision have been deeded to persons other than the Declarant or December 31, 2044, unless we choose to relinquish such right sooner in our discretion.

Membership in the Association is mandatory. As a mandatory member, you shall be obligated to pay general assessments, any specific assessments, any special assessments levied by the Association. General assessments are imposed on each lot as set forth in the Declaration. The current general assessment, specific assessment and special assessment, if any, are set forth on the Cost Sheet of this Property Report. The rates of assessment are subject to change in accordance with the Declaration and by-laws of the Association, and those documents also prescribe the method for special and specific assessments, if any.

The Association has powers and duties which include, but are not limited to, preparation and adoption of annual budgets, levying and collecting assessments, providing for the operation and maintenance of the common areas, hiring and firing personnel, making and amending rules and regulations, enforcing the provisions of the Declaration, the by-laws, and the rules and regulations, as well as, keeping books and records. The Association also will be the lessee under the lease of slips from Duke Energy should such lease be approved by Duke Energy. Architectural and design control over improvements and modifications on lots within the subdivision is discussed in this Property Report under the section entitled "Restrictions on the Use of Your Lot."

We do not furnish any service at no charge for which the Association will be required to assume responsibility. The current level of assessments provides the capability for the Association to meet its financial obligations, including operating costs, maintenance and repair costs, and reserves or replacement. In the event there is a deficit in meeting the financial obligations of the Association, we have the right, but not the obligation to subsidize the Association as necessary and/or extend a loan to the Association and to recoup all such payments pursuant to the provisions of the Declaration.

TAXES

You will be obligated to pay real property taxes on your lot commencing upon the transfer of title to the lot to you. Real property taxes on the lot will be paid to the McDowell County Tax Collection Office. Taxes are due annually on the first day of September. The real property tax rate in 2025 was 0.5675, which is the most current established rate as of the date of this Property Report. To calculate the real estate taxes on your lot, multiply the millage rate by the assessed tax value of your lot. The appraised tax value of your lot may increase upon and following your acquisition. As an example, using the 2025 tax rate, real property taxes on a lot with an assessed tax value of \$90,000.00 would be calculated dividing \$90,000 by 100 to reach an amount of \$900 and then multiplying this by the millage rate of .5675 to reach an annual tax due of \$510.75. A recreational vehicle is also subject to personal property tax in the amount of \$0.6913 per \$100 of assessed value. In addition to property taxes, each lot will also have to pay additional millage in addition to real estate taxes but based on the assessed tax value for service charges based on a rate of 0.1164 for Marion Fire, 0.02 for County-wide Fire and 0.0105 for rescue.

RESALE OR EXCHANGE PROGRAM

Restrictions which might hinder the resale of lots include, but are not limited to, architectural approval and control of improvements and use restrictions and signage contained in the Declaration, as discussed above in the section entitled “Restrictions on the Use of Your Lot.”

We have no program to assist you in the sale of your lot. We do not have any provision to allow you to exchange one lot for another.

LEASES

For lots sold as leasehold lots and not as deeded lots, which are Lots 2-3, 29-36, 86-100, and 120-125, the term of the lease shall be not less than one (1) year and not more than ninety-nine (99) years. The lease is renewable. The lease or a memorandum thereof is recordable. Creditors of the developer cannot acquire title to the property without any obligation to honor the terms of the lease. Creditors of the owner cannot acquire title to the property without any obligations to honor the terms of the lease. There are lease payments due or if due—they are for a flat sum. A long-term lessee can mortgage or otherwise encumber the leasehold. The owner of a leasehold lot is not permitted to remove improvements that they have installed when the lease expires or is terminated.

EQUAL OPPORTUNITY IN LOT SALES

We are in compliance with Title VIII of the Civil Rights Act of 1968. We have not and will not discriminate against you because of your race, color, religion, sex (including gender identity and sexual orientation), familial status, national origin, or disability in any of the following general areas: lot marketing and advertising, rendering of lot services, and in requiring terms and conditions on lot sales and leases.

LISTING OF LOTS

The following lots are offered for sale in the subdivision:

Lots Numbered:

PHASE ONE

Lots 108-119; Lease Sites 120-125; Lots 126-142

PHASE TWO

Lot 1; Lease Sites 2-3; Lots 4-14; Lots 48-62

PHASE THREE

Lots 15-18; Lots 46-47; Lots 63-75; Lots 104-107

PHASE FOUR

Lots 19-28; Lease Sites 29-36; Lots 37-45

PHASE FIVE

Lots 76-85; Lease Sites 86-100; Lots 101-103

COST SHEET

In addition to the purchase price of your lot, there are other expenditures which must be made. Listed below are the major costs. There are other fees for use of the recreational facilities.

All costs are subject to change.

Sales Price

Cash Price of Lot	\$ _____
Finance Charge	\$ _____
Total	\$ _____

Estimated One-Time Charges

- | | | |
|-----|---|--------|
| 1. | Estimated cost to connect water line (to your RV/Park Model, included in Park Model Pricing) | \$450 |
| 2. | Estimated cost to connect Septic line (to your RV/Park Model, included in Park Model pricing) | \$500 |
| 3. | Estimated cost to connect Park Model to Electric Meter (Included in pricing) | \$500 |
| 4. | Estimated cost of electric cord for RV (provided by buyer) | \$400 |
| 5. | Estimated Installation charge for telephone/internet (if service is available) (connection paid to provider by buyer) | \$200 |
| 6. | Building Permit Fee for buyer improvements (if required, paid to McDowell County by buyer) | \$400 |
| 7. | Architectural Review Fee (paid at plan submission by buyer) | \$375 |
| 8. | Setup for Park Model RV(if applicable, included in pricing) | \$8000 |
| 9. | Construction Bond Fee (refundable and paid by buyer, upon submission to SRB) | \$1000 |
| 10. | Working Capital Contribution to Association (including Water Tap Fee) paid by buyer at closing | \$2500 |

Total of estimated sales price and one-time charges	\$ _____
---	----------

Estimated annual charges, exclusive of utility use fees

- | | | |
|----|---|----------|
| 1. | Taxes -- Average unimproved lot after sale to purchaser | \$ _____ |
| 2. | Assessment of property owners association | \$1380 |

The information contained in this Property Report is an accurate description of our subdivision and development plans.

RESERVE AT BAREFOOT LANDING ON LAKE
JAMES, LLC

By: _____
Name: _____
Title: _____

RECEIPT, AGENT CERTIFICATION, AND CANCELLATION PAGE
PURCHASER RECEIPT

IMPORTANT: READ CAREFULLY

Name of Subdivision: The Reserve at Barefoot Landing on Lake James

ILSRP Number: 40084

Date of Report: December 1, 2025

We must give you a copy of this Property Report and give you an opportunity to read it before you sign any contract or agreement. By signing this receipt, you acknowledge that you have received a copy of our Property Report.

Received by: _____ Date: _____

Street Address: _____
City State Zip

If any representations are made to you which are contrary to those in this Report, please notify the:
Bureau of Consumer Financial Protection
1700 G Street NW
Washington, D.C. 20552

AGENT CERTIFICATION

I certify that I have made no representations to the person(s) receiving this Property Report which are contrary to the information contained in this Property Report.

Lot _____ Block _____ Section _____

Name of Salesperson: _____

Signature: _____ Date: _____

PURCHASER CANCELLATION

If you are entitled to cancel your purchase contract and wish to do so, you may cancel by personal notice or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below:

Name of Subdivision: _____

Date of Contract: _____

This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) signature: _____ Date: _____

RECEIPT, AGENT CERTIFICATION, AND CANCELLATION PAGE

PURCHASER RECEIPT

IMPORTANT: READ CAREFULLY

Name of Subdivision: The Reserve at Barefoot Landing on Lake James

ILSRP Number: 40084

Date of Report: December 1, 2025

We must give you a copy of this Property Report and give you an opportunity to read it before you sign any contract or agreement. By signing this receipt, you acknowledge that you have received a copy of our Property Report.

Received by: _____ Date: _____

Street Address: _____
City State Zip

If any representations are made to you which are contrary to those in this Report, please notify the:
Bureau of Consumer Financial Protection
1700 G Street NW
Washington, D.C. 20552

AGENT CERTIFICATION

I certify that I have made no representations to the person(s) receiving this Property Report which are contrary to the information contained in this Property Report.

Lot _____ Block _____ Section _____

Name of Salesperson: _____

Signature: _____ Date: _____

PURCHASER CANCELLATION

If you are entitled to cancel your purchase contract and wish to do so, you may cancel by personal notice or in writing. If you cancel in person or by telephone, it is recommended that you immediately confirm the cancellation by certified mail. You may use the form below:

Name of Subdivision: _____

Date of Contract: _____

This will confirm that I/we wish to cancel our purchase contract.

Purchaser(s) signature: _____ Date: _____