

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 receive 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 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 years from the date of signing.

Name of Subdivision: **Arlington Place**

Name of Developer: **Burton Farm Development Company, LLC**

Date of This Report: **May 31st, 2023**

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In this Property Report, the words "you" and "your" refer to the buyer. The words "we", "us" and "our" refer to the developer.

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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 that 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 on 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 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.

WARNINGS

THROUGHOUT THIS 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.

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GENERAL INFORMATION

This Report (the "Property Report") covers four hundred and twenty (**420**) lots (collectively referred to as the "Homesites" or "Lots" or individually as a "Homesite" or "Lot") within Phases I and II, and a section of Homesites referred to as "Arlington Estates" in the community known as Arlington Place (the "Subdivision" or "Community") in the Town of Minnesott Beach, Pamlico County, North Carolina. The Homesites designated as "Arlington Estates" are referred to herein as the "Estate Lots"; however, the term Homesites as such term is used herein shall include the Estate Lots. See Page 38 for a listing of these Homesites.

These Homesites are part of a planned unit development under development by Burton Farm Development Company, LLC (the "Developer"), which is anticipated to ultimately include multi-family properties in addition to the single-family Homesites described in this Property Report. It is estimated that this Subdivision may eventually contain approximately one thousand three hundred eighteen (1,318) residential dwellings; however, these numbers are not fixed and may be expanded or contracted from time to time based upon a variety of factors. As was Developer's right pursuant to the Fifth Supplemental Declaration (as defined below), a total of eight (8) cottages ("Cottages") have been constructed on Lots 62, 62A and 62E. The Cottages, referred to as the "Outfitters Cottages", are being sold under an exemption in the Interstate Land Sales Full Disclosure Act. The Developer may change its plans for this Subdivision from time to time in its sole discretion. The Developer may also acquire additional land and develop additional homesites or multi-family homes in the Subdivision.

The developer of this subdivision is:

Burton Farm Development Company, LLC
P.O. Box 1908
Rocky Mount, NC 27802-1908
Telephone Number: 252-937-2000

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

WE MAY COMPLETE THE RECREATIONAL FACILITIES DISCUSSED ON PAGES 28 AND 29, BUT WE ARE NOT CONTRACTUALLY OBLIGATED TO DO SO AND THERE IS NO ASSURANCE THAT THEY WILL BE COMPLETED OR PROVIDED. THE COST OF COMPLETING OR PROVIDING RECREATIONAL FACILITIES IS SUBSTANTIAL AND THE VALUE OF YOUR HOMESITE MAY BE ADVERSELY AFFECTED BY OUR FAILURE TO COMPLETE OR PROVIDE THEM. YOU SHOULD CAREFULLY CONSIDER YOUR PURCHASE OF A HOMESITE IN THE SUBDIVISION IF IT IS BASED UPON THE ASSUMPTION THAT THE RECREATIONAL FACILITIES WILL BE COMPLETED OR PROVIDED AND THAT YOU WILL BE ABLE TO USE THEM.

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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 doesn't give you legal title. You won't 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

The following is provided as a cursory summary of certain provisions of the Arlington Place Homesite Purchase Agreement ("Homesite Purchase Agreement"). The Homesite Purchase Agreement contains many important provisions and this should not be viewed as a substitute for the sales contracting process. Please review your Homesite Purchase Agreement for complete terms and conditions.

You will be required to execute a Homesite Purchase Agreement for the purchase of your Homesite with the Developer, as the "Seller". You may, but are not obligated to, negotiate to pay a Due Diligence Fee for an extended Due Diligence Period during which time you will have the right to terminate the Homesite Purchase Agreement for any reason or no reason. Except in the event of a material breach of the Homesite Purchase Agreement by the Seller, the Due Diligence Fee will become non-refundable after the expiration of the seven (7) day right to cancel of the Homesite Purchase Agreement afforded pursuant to federal law. Any Due Diligence Fee will be the property of the Seller upon the Effective Date of the Homesite Purchase Agreement and will be applied as a credit to you at closing ("Closing"). You will be required to pay an initial down payment ("Earnest Money Deposit") to the Escrow Agent (as described hereinbelow) within five (5) days of your execution of your Homesite Purchase Agreement. The amount of the Earnest Money Deposit will be set forth in your Homesite Purchase Agreement. You will be required to pay the balance of the purchase price at Closing in cash or immediately available funds.

If you wish to finance your purchase, your lender will likely require you to execute a note (negotiable instrument) for the balance of the purchase price and a deed of trust securing that note. We may offer financing to qualified, credit-worthy purchasers at market rates on individual Lots; however, we do not have a formal program to provide such financing nor are we obligated to offer any such financing to purchasers. If we provide financing for the purchase of your Homesite, you will be required to execute a Promissory Note for the balance of the purchase price and a Purchase Money Deed of Trust in our favor securing that note. Your Homesite will serve as the security for the

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Promissory Note, as will be described more particularly in the Purchase Money Deed of Trust. We do not discriminate on the basis of race, color, religion, sex, national origin, familial status, or handicap in the offer of such financing to prospective purchasers. We also recommend that you obtain an appropriate explanation of any such Promissory Note and Purchase Money Deed of Trust from an attorney or other licensed professional as to how the execution of such documents impacts you as a purchaser.

You will not have title to the Homesite until you receive a General Warranty Deed. We intend to deliver to you a General Warranty Deed, free and clear of liens and encumbrances, except those set forth in the Homesite Purchase Agreement and/or on your General Warranty Deed, at the time of Closing. Closing will take place on or before the date set forth on the Homesite Purchase Agreement, but in no event will be later than one hundred eighty (180) days after you sign your Homesite Purchase Agreement, subject to time extensions caused by acts or events that are sufficient to provide for an excusable delay or complete excuse to performance or contract under state law. We will deliver the General Warranty Deed to you at Closing regardless of whether you pay cash for your Homesite or finance your purchase with us, or with a third-party lender. Prior to our delivering the General Warranty Deed to your Homesite, if you fail to make the payments required by the Homesite Purchase Agreement, you may lose your Homesite and all monies paid.

The above disclosures are set forth as a cursory outline of the sales contract process. You are encouraged to carefully review your Homesite Purchase Agreement for additional requirements that may be imposed on the purchase and use of your Homesite.

You are advised that the Developer's primary interest is in selling Homesites (as such term specifically excludes the Outfitters Cottages, which are not subject to this Property Report) for construction of residences to be occupied on a full-time or part-time basis by, and for the personal use and enjoyment of, the Owners thereof. The Developer makes no representation as to any potential for investment, future profit, rental income, or appreciation; and prospective purchasers of Homesites should not base their decision to purchase on any expectation thereof.

Type of Deed

The transfer of legal title to you will be accomplished by a General Warranty Deed.

ENCUMBRANCES, MORTGAGES AND LIENS

The Subdivision is no longer encumbered by a deed of trust.

You should carefully review the title opinion affecting your Homesite with an appropriate professional prior to Closing to determine any other liens which may affect Homesites in the Subdivision.

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RECORDING THE PURCHASE AGREEMENT AND DEED

Method Or Purpose Of Recording

Under North Carolina law, the recording of your deed will protect you from subsequent creditors of the Developer. Upon Closing, the closing attorney will record your deed for you, the cost of which will be borne by you. Your Homesite Purchase Agreement will not be recorded because it will not be in recordable form and it is not customary to record a purchase contract in Pamlico County, North Carolina.

UNLESS YOUR CONTRACT OR DEED IS RECORDED YOU MAY LOSE YOUR HOMESITE 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 an owner's title insurance policy that describes the rights of ownership which are being acquired in your Homesite. We also recommend that you obtain from an appropriate professional an interpretation and explanation of the opinion or policy to your satisfaction. The selection of a title insurance company and the amount and type of title insurance is up to the Homesite purchasers and will be at their sole cost and expense.

PAYMENTS

Escrow

All earnest money paid by you will be held in an escrow account by Sara Delamar, Esq. at Delamar & Delamar, PLLC, Attorneys at Law located at 408 Main Street, P.O. Box 411, Bayboro, North Carolina, 28515, as escrow agent (the "Escrow Agent"), until Closing or as otherwise provided in the Homesite Purchase Agreement. This is an independent escrow account allowing a purchaser to receive a refund of all monies paid in the event of the Developer's failure to convey title or the Developer's default on any obligations to deliver title to the purchaser's Homesite to the purchaser at Closing. The Developer does not have any financial interest in or to any type of controlling interest (including any "Affiliated Business Arrangements" as defined under the Real Estate Settlement Procedures Act at 12 U.S.C. §2607(c)(f) and 24 C.F.R. 3500.15) in the Escrow Agent.

Prepayments

If we provide financing for the purchase of your Homesite, you will be required to execute a Promissory Note for the balance of the purchase amount. The amount on the Promissory Note may be prepaid in full or in part at any time without penalty or premium. Financing may also be available from local institutional lenders at market rates. Third-

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party loans will be governed in accordance with their terms, including any prepayment provisions, and the documents should be reviewed by your legal advisor. All costs of third-party financing will be your responsibility.

Default

If you default under your Homesite Purchase Agreement (such as failing to make your payment obligations at Closing), we may retain all of the payments you made as liquidated and agreed-upon damages, and we will be free to resell your Homesite to any third party. Upon payment of the damages, the Homesite Purchase Agreement shall be terminated and neither party shall have any other obligations or liabilities to one another.

RESTRICTIONS ON THE USE OF YOUR HOMESITE

Restrictive Covenants

We have recorded the Master Declaration of Covenants, Conditions, Restrictions and Easements for Arlington Place (“Master Declaration”) in the public records of Pamlico County, North Carolina. The following supplementals to the Master Declaration (collectively, the “Supplemental Declarations”) have been recorded in the public records of Pamlico County, all as described in further detail below: Supplemental Declaration of Covenants, Conditions, Restrictions and Easements for Arlington Place Phase I, Homesites 1-264 (“Supplemental Declaration for Phase I Homesites”); Supplemental Declaration of Covenants, Conditions, Restrictions and Easements for Arlington Place Phase II, Homesites 265-408 (“Supplemental Declaration for Phase II Homesites”); Third Supplemental Declaration to Master Declaration of Covenants, Conditions, Restrictions and Easements for Arlington Place (“Third Supplemental Declaration”); Fourth Supplemental Declaration to Master Declaration of Covenants, Conditions, Restrictions and Easements for Arlington Place (“Fourth Supplemental Declaration”); the Amended and Restated Fifth Supplemental Declaration to Master Declaration of Covenants, Conditions, Restrictions and Easements for Arlington Place (“Fifth Supplemental Declaration”); Sixth Supplemental Declaration to Master Declaration of Covenants, Conditions, Restrictions and Easements for Arlington Place (“Sixth Supplemental Declaration”); Seventh Supplemental Declaration to Master Declaration of Covenants, Conditions, Restrictions and Easements for Arlington Place (“Seventh Supplemental Declaration”); Eighth Supplemental Declaration and Amendment to Master Declaration of Covenants, Conditions, Restrictions and Easements for Arlington Place (“Eighth Supplemental Declaration”); Ninth Supplemental Declaration and Amendment to Master Declaration of Covenants, Conditions, Restrictions and Easements for Arlington Place (“Ninth Supplemental Declaration”); and Tenth Supplemental Declaration of Covenants, Conditions, Restrictions and Easements for Arlington Place (“Tenth Supplemental Declaration”).

Further, a Subdivision Street Disclosure Statement (“Street Disclosure Statement”) has been recorded with Pamlico County.

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A complete copy of these restrictions is available upon request.

The major provisions of the Master Declaration and the Supplemental Declarations will be discussed in the paragraphs below. However, this discussion will only highlight certain provisions within these documents and should not be a substitute for a careful study of the documents by you. Terms in this section not otherwise defined are as defined in the Master Declaration, as supplemented. Copies of these documents are available to all prospective purchasers at any time and are given to purchasers at the time of sale.

THE MASTER DECLARATION

The Homesites in this Property Report shall be used for residential purposes only. As additional phases and property are annexed to the Subdivision, various uses including multi-family and commercial uses may be authorized. You should carefully review your Homesite location as it relates to other sections of the Subdivision.

Architectural Review Committee:

The Master Declaration requires that your plans and specifications for any structure or improvement to the Homesite be approved by the Architectural Review Committee of the Master Association (the "ARC"). The purpose of the ARC is to preserve the natural setting of the development, to preserve a harmonious and aesthetically pleasing design and to protect and promote the value of property located within the Subdivision. The ARC has adopted and established Design and Development Standards which may be modified at the discretion of the ARC. No site preparation, excavation, or changes in grade, nor any construction, erection, alteration or installation of any improvements or landscaping shall be undertaken without submitting plans and specifications to the ARC and obtaining its written approval. All building plans submitted for review must comply with these Design and Development Standards. The procedure to submit plans for review is set forth in the Master Declaration and the Design and Development Standards. The ARC in conjunction with the Master Association (as defined below) shall have the authority to charge review fees and to require a construction bond or deposit with the submission of each application. Each Homesite Owner shall be responsible for the repair, maintenance and upkeep of their property.

Land Use and Building Type:

A Homesite shall be used for residential purposes only, and no buildings shall be erected other than one (1) detached single-family dwelling and not more than one (1) outbuilding (a detached garage is an outbuilding). Construction in any Homesite shall be subject to minimum dwelling size and maximum built upon the area as set forth in the recorded plat. No Homesite shall be used to conduct business, trade, or profession that involves the coming and going of customers or suppliers to and from the Homesite.

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Completion of Construction and Landscaping:

Once construction of a dwelling commences, it must be completed and ready for occupancy within twelve (12) months. Owners must submit a Certificate of Occupancy issued by the Pamlico County Inspection Department before any dwelling is to be occupied. All landscaping must be finished upon completion of the dwelling, within six (6) months after the dwelling is occupied.

Fences, Walls, Playground Equipment and Signs:

No chain link fences shall be permitted. No dog pen or kennel shall be erected on any Homesite. All playground equipment must be approved by the ARC and must remain located behind the rear of the dwelling. No billboards, posters, or signs of any kind shall be erected or allowed to remain on any Homesite without written approval of the Developer.

No Temporary Structures or Clotheslines:

No tents, campers, garage or other outbuildings shall be used as a temporary or permanent residence. No outdoor clothesline poles, clotheslines or similar structures shall be placed or allowed to remain in a Homesite.

Boats, Trailers, and Certain Vehicles:

No boat, watercraft, trailer, bus, camper, motor home, recreational vehicle, commercial vehicle or inoperative vehicle shall be parked for longer than twenty-four (24) hours on any Homesite, except in a garage, with the garage door fully closed. The Association may permit parking for longer periods of time, in its discretion.

Animals and Nuisances:

Dogs, cats and other household pets shall be permitted, provided that they are not kept or maintained for commercial purposes and are kept in compliance with all applicable laws and ordinances and any other rules and regulations adopted by the Master Association. No noxious, offensive or illegal activities shall be conducted upon any Homesite.

Wells and Irrigation Systems:

No well shall be drilled, installed, or allowed to remain on any Homesite for drinking water or other household or potable water supply purposes. A well may be installed for irrigation purposes only, provided that the location and screening is approved by the ARC.

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Ponds:

The use of ponds located in the Subdivision is subject to the rules and regulations of the Master Association. If any portion of a pond abuts or is located within a Homesite, the Owner of the Homesite is responsible to maintain the edge and bank of the pond and for controlling erosion due to stormwater or other runoff from within such Homesite.

Wetlands:

Jurisdictional wetlands may be present on portions of certain Homesites. Draining, filling, grading, excavating and other land disturbing activities of these areas may be prohibited by federal and state law.

SUPPLEMENTAL DECLARATION FOR PHASE I HOMESITES

Any and all terms not specifically defined in this section shall be as defined in the Supplemental Declaration for Phase I Homesites.

The Supplemental Declaration for Phase I Homesites designates the Phase I Lots then added to the Property Report as Homesites. The Homesites added with Phase I are subject to the Master Declaration. The Supplemental Declaration for Phase I Homesites is only applicable to the Homesites indicated therein.

The Supplemental Declaration for Phase I Homesites contains restrictions and easements affecting Phase I of the Subdivision. Restrictions, easements, use restrictions are addressed therein.

The above description is summary in nature and you should refer to the Supplemental Declaration for Phase I Homesites for complete information regarding this amendment to the Master Declaration.

SUPPLEMENTAL DECLARATION FOR PHASE II HOMESITES

Any and all terms not specifically defined in this section shall be as defined in the Supplemental Declaration for Phase II Homesites.

The Supplemental Declaration for Phase II Homesites designates the Phase II Lots then added to the Property Report as Homesites. The Homesites added with Phase II are subject to the Master Declaration. The Supplemental Declaration for Phase II Homesites is only applicable to the Homesites indicated therein.

The Supplemental Declaration for Phase II Homesites contains restrictions and easements affecting Phase II of the Subdivision. Restrictions, easements, use restrictions are addressed therein.

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The above description is summary in nature and you should refer to the Supplemental Declaration for the Phase II Homesites for complete information regarding this amendment to the Master Declaration.

THIRD SUPPLEMENTAL DECLARATION

Any and all terms not specifically defined in this section shall be as defined in the Third Supplemental Declaration.

The purpose of the Third Supplemental Declaration is to provide updates to easements and restrictions affecting Homesites in Phases I and II of the Subdivision.

The Third Supplemental Declaration amended the Master Declaration to provide that unless the Owner of the Restricted Buffer Area, or any successors or assigns, obtains the prior written approval of the North Carolina Department of Environmental and Natural Resources ("NCDENR"), the Restricted Buffer Area must remain undeveloped in perpetuity. To maintain the ability of the Restricted Buffer Area to filter and absorb stormwater, and to maintain compliance with the Stormwater Management Law and the permit issued thereunder to the Developer.

Any activity on or use of the Restricted Buffer Area inconsistent with the purpose of these restrictions is prohibited. Any future alterations or changes in use of the Restricted Buffer Area must receive prior approval in writing from NCDENR. The NCDENR may approve such alterations and changes in use if such alterations and uses do not impede the stormwater control and treatment capability of the Restricted Buffer Area or if adequate and appropriate alternative means of stormwater control and treatment are provided.

The above description is summary in nature and you should refer to the Third Supplemental Declaration for complete information regarding this amendment to the Master Declaration.

FOURTH SUPPLEMENTAL DECLARATION

Any and all terms not specifically defined in this section shall be as defined in the Fourth Supplemental Declaration.

The Fourth Supplemental Declaration states that the Coastal Area Management Act Land Use Plan ("CAMA LUP") applicable to the Community establishes a local, permanent conservation zone within 75 feet of the normal water level for the shoreline bordering the Neuse River and Mill Creek. In addition, Coastal Area Management Act Permit Number 85-11 ("CAMA Permit") has been issued to the Developer, as the Declarant, for the Arlington Place development and marina facility, requiring, among other things, that the Developer comply with the CAMA LUP and further requires that environmental commitments be made by the Developer in the Environmental Assessment approved by the North Carolina Division of Coastal Management for the marina and

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development should be implemented. Among the environment commitments made by the Developer in the Environmental Assessment are that a 75-foot conservation zone will be maintained along the entire Neuse River shoreline of the Community, meeting applicable Neuse River Riparian Buffer and Pamlico County requirements, and that this green space will be available to residents as waterfront access.

The Fourth Supplemental Declaration serves to: (1) establish conservation zones adjacent to the Neuse River (“Neuse River Conservation Zone”) and adjacent to Mill Creek (“Mill Creek Conservation Zone”) to be restricted to conservation uses consistent with those permitted by CAMA Estuarine Shoreline Rules adopted by the North Carolina Coastal Resources Commission and the Neuse Buffer Rules adopted by the North Carolina Environmental Management Commission, (2) establish the right of Owners in the Community to use a portion of the Neuse River Conservation Zone as a pedestrian walkway (“Neuse Greenway”), (3) establish the right of Owners of certain Homesites adjacent to the conservation zones (“Waterview Homesites”) to construct docks and accessways to such docks in the conservation zone, subject to the covenants, conditions and restrictions in the Master Declaration, and any and all future amendments and supplements to the Master Declaration, and (4) establish within the Common Elements a trail for use by Owners in the Community (“Multi-Use Trail”) and to set out its uses, restrictions and conditions for such Multi-Use Trail. As such, the Fourth Supplemental Declaration establishes that the Neuse River Conservation Zone, the Mill Creek Conservation Zone, the Neuse Greenway and the Multi-Use Trail are all Common Elements of the Community.

The above description is a summary and you should refer to the Fourth Supplemental Declaration for complete information regarding this amendment to the Master Declaration.

AMENDED AND RESTATED FIFTH SUPPLEMENTAL DECLARATION

Any and all terms not specifically defined in this section shall be as defined in the Fifth Supplemental Declaration. The Fifth Supplemental Declaration authorizes the creation of either a Homesite or two (2) or three (3) Cottages on Lots 62, Lot 62A and 62E (hereinafter referred to as “Cottage Lots”). Three (3) Cottages were built upon both Lots 62 and 62E. Two (2) Cottages were built on Lot 62A. A total of eight (8) Cottages were built upon Lots 62, 62A and 62E. The Cottages are designated as the “Outfitters Cottages.” The Fifth Supplemental Declaration also establishes a committee (the “Cottage Committee”) of the Master Association to govern certain aspects of the Cottage Lots and designates on the Cottage Lots certain Limited Common Elements as defined in the Master Declaration.

Pursuant to the Fifth Supplemental Declaration, Lot 62, Lot 62A and Lot 62E are each designated for development as a Cottage Lot or as a Homesite as defined in the Master Declaration. The Developer, as the Declarant, shall designate the lot as a Cottage Lot or a Homesite at the time Developer conveys title to the Lot or to a Cottage Unit as described in the Fifth Supplemental Declaration to an Owner. If the Developer designates

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the lot as a Homesite, the Owner shall have all of the rights and be subject to the same covenants and restrictions as any other Homesite Owner under the Master Declaration and the lot shall not be further subject to the Fifth Supplemental Declaration. If the Developer designates the lot as a Cottage Lot, in addition to the rights, covenants, and restrictions of the Fifth Supplemental Declaration, the Owner of the Cottage Lot shall have all of the rights and be subject to the same covenants and restrictions as any other Homesite Owner under the Master Declaration except as such rights, covenants or restrictions are changed by or inconsistent with any right, covenant or restriction of the Fifth Supplemental Declaration. In the event of any inconsistency between the terms of the Fifth Supplemental Declaration and the Master Declaration as applied to any Cottage Lot, the terms of the Fifth Supplemental Declaration shall govern and control.

The above description is summary in nature and you should refer to the Fifth Supplemental Declaration for complete information regarding this amendment to the Master Declaration. The Cottages are being offered pursuant to an exemption from the requirements of the Interstate Land Sales Full Disclosure Act.

SIXTH SUPPLEMENTAL DECLARATION

Any and all terms not specifically defined in this section shall be as defined in the Sixth Supplemental Declaration.

The Sixth Supplemental Declaration serves to provide that the Lots specified therein, as shown on the plat of Mill Creek Subdivision Phase II recorded in Plat Cabinet A at Slide 164, page 27 shall no longer be subject to the 1,600 square foot restriction set out in Section 3 of the First Supplemental and instead shall be subject to the following minimum dwelling size restriction:

“No dwelling shall be constructed or allowed to remain on Homesites 297, 298, 301, 302, 303, 304, 379, 380, and 381 unless the total floor area of the heated space within the roofline of the main structure, excluding any basement, garage, and porches, is at least 2,500 square feet.”

The minimum dwelling size restriction for all Lots not specified therein shall remain as set out in the Master Declaration.

The above description is summary in nature and you should refer to the Sixth Supplemental Declaration for complete information regarding this amendment to the Master Declaration.

SEVENTH SUPPLEMENTAL DECLARATION

Any and all terms not specifically defined in this section shall be as defined in the Seventh Supplemental Declaration.

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The Seventh Supplemental Declaration amends the Master Declaration to grant the owner, heirs, and assigns of Lot 102 a perpetual, appurtenant easement (the "Easement") over and upon the Easement Area together with a non-exclusive appurtenant easement for ingress and egress over and upon the Open Space to, at their own cost and only after receiving approval from the ARC, construct, use, maintain, repair and replace distribution lines for a septic-tank wastewater disposal system on the Easement Area. There is a \$100.00 fee (subject to change) involved with the installation of the system to the Lot Owner. Such rights shall be a Limited Common Element appurtenant to and for the benefit of Lot 102.

If the owner of Lot 102 fails to comply with the conditions and requirements thereof and shall fail to cure such non-compliance within sixty (60) days after written notice from the Developer as the Declarant, the Developer may, but shall not be obligated to, cure such non-compliance and may assess the owner of Lot 102 the reasonable costs incurred.

The above description is summary in nature and you should refer to the Seventh Supplemental Declaration for complete information regarding this amendment to the Master Declaration.

EIGHTH SUPPLEMENTAL DECLARATION

Any and all terms not specifically defined in this section shall be as defined in the Eighth Supplemental Declaration.

The Eighth Supplemental Declaration provides an additional area outside of a Homesite for installation of septic tank distribution lines for wastewater disposal in compliance with applicable Pamlico County ordinances and regulations. An Owner's right to use any such specific outside area for use by the Owner of the Homesite for wastewater disposal shall be deemed a Limited Common Element appurtenant to the Designated Homesite, which shall be evidenced by a recorded Easement Agreement. The Owner of a Designated Homesite shall have the right and easement to construct, use, maintain, repair and replace distribution lines for a Wastewater Distribution System on the easement area designated in the Easement Agreement, provided that the Wastewater Distribution System must be built in accordance with the Master Declaration and any regulations and restrictions duly adopted pursuant thereto, and all applicable governmental regulations.

If the Owner of a Designated Homesite fails to comply with the conditions and requirements of the Eighth Supplemental Declaration and shall fail to cure such non-compliance within sixty (60) days after written notice from the Developer as the Declarant, the Developer may, but shall not be obligated to, cure such non-compliance and may assess the owner of the Designated Homesite the reasonable costs incurred.

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The above description is summary in nature and you should refer to the Eighth Supplemental Declaration for complete information regarding this amendment to the Master Declaration.

NINTH SUPPLEMENTAL DECLARATION

Any and all terms not specifically defined in this section shall be as defined in the Ninth Supplemental Declaration.

The Ninth Supplemental Declaration amends certain provisions of the Fourth Supplemental Declaration pertaining to the allowable size, elevation and characteristics of docks in the Neuse River Conservation Zone, and kayak docks and motorboat docks in the Mill Creek Conservation Zone, and the restriction on motorized vehicles on the Multi-Use Trail.

The above description is summary in nature and you should refer to the Ninth Supplemental Declaration for complete information regarding this amendment to the Master Declaration.

TENTH SUPPLEMENTAL DECLARATION

Any and all terms not specifically defined in this section shall be as defined in the Tenth Supplemental Declaration.

The Tenth Supplemental Declaration subjects the seven (7) Estate Lots to the Master Declaration and the additional covenants, conditions, restrictions and easements set out in the Tenth Supplemental Declaration.

The Tenth Supplemental Declaration provides that an Estate Lot may be used for residential purposes only and no buildings shall be erected on an Estate Lot except one (1) detached single-family dwelling (meeting the minimum size requirements) and no more than three (3) outbuildings (a detached garage is considered to be an outbuilding for purposes of this restriction). No outbuilding shall be used as a temporary or permanent residence. Adjoining Estate Lots may use a shared driveway for access to Burton Farm Road provided they execute and record in the Pamlico County Registry a cross-access easement agreement with attached survey plat depicting the driveway, all in a form approved by the Developer as the Declarant, such approval to be evidenced by the Developer's written consent on the recorded document. Any such shared driveway must be approved by the Town of Minnesott Beach, if required by applicable ordinances. In addition to the other provisions of the Tenth Supplemental Declaration, each Estate Lot shall also be subject to any additional or further restrictions and easements applicable to such Estate Lot as set forth on any plat depicting the Estate Lot.

Notwithstanding anything to the contrary above, Estate Lot 1 will not be sold as a separate Lot for a residence, but may be sold in connection with Estate Lot 2. No

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structures may be built on Estate Lot 1 due to it being comprised almost entirely of wetlands.

The above description is summary in nature and you should refer to the Tenth Supplemental Declaration for complete information regarding this amendment to the Master Declaration.

SUBDIVISION STREET DISCLOSURE STATEMENT

Pursuant to the Street Disclosure Statement, all Owners of Lots within the Subdivision have the right to use the private roads within the Subdivision. Additionally, the Street Disclosure Statement establishes that the responsibility for maintaining such streets is the joint responsibility of all Owners of Lots, the cost of which will be shared proportionately amongst the Owners as an assessment.

Easements

The Homesites in this Subdivision are subject to easements that affect the use of the Homesites. You cannot construct any buildings or structures on the areas affected by the easements, but there are adequate construction sites on all of the Homesites exclusive of the easement areas. As set forth on the plats, we have reserved easements for drainage and utilities on all Homesites (except the Estate Lots) for the installation and maintenance of electric, cable television, telephone, and sewer. Such easements are 25 feet in width contiguous with all street frontages, 10 feet in width contiguous with all sidelines and 10 feet in width contiguous with all rear lot lines.

Some Homesites or portions of some Homesites are located within the jurisdiction of the Neuse River Basin requirements. Owners of such Homesites are responsible for establishing the proper buffers and building in accordance with rule 15A NCAC 02B.0233 Neuse River Basin. The affected Homesites are listed below:

Phase I Homesites: 9, 25, 114, 202, 224-226, 229, 230

Phase II Homesites: 272-279, 283-304, 378-382, 385, 386

You should carefully review the final recorded plat and the Master Declaration and any Supplemental Declaration for the section where your Homesite is located to determine what, if any, easements affect your Homesite.

The discussion of easements set forth above is based upon a cursory review of general plat maps of the Subdivision. These may change from time to time to show additional easements, and additional easements may affect the property pursuant to other recorded agreements, local, state and federal laws and statutes or through rights of other parties. There may be other easements set forth on area maps affecting the property, such as FEMA maps and other federal or state flood control or flowage easements that may or may not be noted on the plats for the Subdivision. You should carefully review the plat pertaining to your Homesite for any easements that may affect your Homesite,

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the title evidence pertaining to your Homesite and any documents referenced therein, and you should make a personal inspection of your Homesite to determine if other easements, including power line easements and other infrastructure easements that are not currently shown on an existing plat may exist. The Developer is not making any representation that the above disclosures cover every possible easement on your Homesite. The information is based upon a cursory review of the relevant documents and lists the easements that generally affect multiple Homesites in the Subdivision.

PLATS, ZONING, SURVEYING, PERMITS AND ENVIRONMENT

Plats

The final plats for Homesites in Phase I, Phase II and Arlington Estates have been approved by the appropriate regulatory authorities and recorded in the public records of Pamlico County.

Zoning

Under its current zoning ordinance, the Town of Minnesott Beach has zoned the Subdivision RMU (Residential Multi-Use District), which allows for the mix of single-family homes and multi-family development. The Master Declaration, as supplemented, restricts the use of the Homesites to residential use. The use of these Homesites conforms to local zoning requirements and the restrictive covenants.

Surveying

All of the Homesites in Phase I, Phase II and Arlington Estates have been surveyed and/or marked at the Developer's expense. If a Purchaser desires an updated survey, they must obtain it at their own expense. As each phase of the Subdivision is developed, we will survey the remaining property and mark the Homesites for identification.

Permits

You must obtain permits or approvals from the following agencies prior to the construction of a home:

1. Arlington Place Property Owners' Association, Inc.
Architectural Review Committee
57 Burton Farm Road
Arapahoe, NC 28510
2. County of Pamlico
P.O. Box 776
Bayboro, NC 28515

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3. Pamlico County Health Department
203 North Street
P.O. Box 306
Bayboro, NC 28515
4. U.S. Army Corps of Engineers, Coastal Area Management Act
and Division of Water Quality (for Homesites located where construction will
impact wetlands)
3532 Market Street
Wilmington, NC 28403
5. Town of Minnesott Beach
P.O. Box 245
Arapahoe, NC 28510

We are not aware of any other permits that are needed to use the Homesites for the purpose for which they are being sold.

The above is not meant to be an exhaustive list of all permits that could be required to build your home and/or make improvements to your Homesite. There are numerous permits required for various activities to be conducted on a Homesite and various permits required in addition to an initial building permit for various portions of the building process. Additional permits may be required depending upon where your Homesite is located, whether or not there are waterways or wetlands on your Homesite or other geographical features or legal requirements imposed upon any or all of the Homesites in the Subdivision. As a consequence, in addition to the permits specified above, you should contact the building office for Pamlico County, North Carolina which is located at the address listed above, and has a telephone number of (252) 745-3861 to determine what, if any, additional permits may be required in order to construct a dwelling and/or any particular type of dwelling and/or a dwelling in any particular location on your Homesite. Depending upon such factors, special construction techniques may also be required to build a particular type of house in a particular location. Additionally, the requirements for permits may change at any time for any of a number of reasons. As such, the requirements that may be in place today may not be the same requirements that will be in place if you choose to build something on your Homesite in the future. We can make no assurances that the requirements for building a home on your Homesite will not change and/or that the costs associated with compliance with any such future requirements may be significant.

Environment

An environmental assessment (the "Environmental Assessment") was prepared in 2005 to determine if the Subdivision is of sufficient impact to the environment as to require preparation of an environmental impact statement. The findings of the Environmental Assessment were that the Subdivision's impact on the environment is insignificant and the preparation of an environmental impact statement is not warranted. It should be noted

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that the Environmental Assessment was prepared in 2005 and no reassessment has been performed since that time.

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ROADS

ACCESS TO THE SUBDIVISION

Access to the Subdivision is provided by North Carolina Highway 306. North Carolina Highway 306 is a two-lane, paved state highway.

This road is a public road that is maintained by the North Carolina Department of Transportation (NCDOT). You will not be assessed for the maintenance costs incurred for this road.

Access to the Arlington Estates is provided by Burton Farm Road, which is a public road leading up to the guard gate at the entry of the Subdivision and is a private road beyond the guard gate within the Subdivision. The public portion of Burton Farm Road will be maintained by NCDOT; you will not be assessed for such maintenance. The private portion of Burton Farm Road will be maintained as set forth below.

ACCESS WITHIN THE SUBDIVISION

Private roads as shown on the Subdivision's plats provide year-round access from the Subdivision entrance to the Homesites in the Subdivision. We are responsible for constructing all interior roads. You will bear none of the cost of the construction of these roads. The roads in Phase I, Phase II and Arlington Estates are fully complete.

The Master Association will maintain the interior roads in the Subdivision. Pursuant to a recorded Street Disclosure Statement, responsibility for maintaining the streets within the Subdivision is the joint responsibility of all Lot Owners, as members of the Master Association, and will be shared proportionately with all Lot Owners. Each Lot Owner's proportionate share of the cost of such maintenance constitutes an assessment against said Owner's Lot and if unpaid for a period of over thirty (30) days will constitute a lien on said Lot (the lien will be enforceable upon filing of the lien with the Clerk of Superior Court of Pamlico County). All decisions regarding street maintenance will be made by the Developer, or its successors and/or assigns until such time as the Developer transfers such decision-making authority to the Master Association. The Developer may be responsible for mowing the grass along the private portion of Burton Farm Road, but will not be responsible for any maintenance of the asphalt road itself.

The table below identifies the distance from the center of the Subdivision to nearby communities:

NEARBY COMMUNITIES	APPROXIMATE POPULATION	DISTANCE OVER PAVED ROADS	DISTANCE OVER UNPAVED ROADS	TOTAL
Pamlico County, NC (County Seat)	12,726	10 miles	0 miles	10 miles

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NEARBY COMMUNITIES	APPROXIMATE POPULATION	DISTANCE OVER PAVED ROADS	DISTANCE OVER UNPAVED ROADS	TOTAL
Minnesott Beach, NC	420	1 mile	0 miles	1 mile
Arapahoe, NC	529	5 miles	0 miles	5 miles

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UTILITIES

Here we will discuss the availability and cost of basic utilities. The areas covered will be water, sewage disposal, electricity, telephone, and fuel or other energy sources.

WATER - CENTRAL SYSTEM

Water will be supplied to all Homesites in the Subdivision by means of a central water distribution system. Pamlico County Water Supply System, located at 102 N. Fourth Street, Bayboro, North Carolina 28515 is the supplier of water to the Subdivision. Pamlico County Water System is a regulated, public, municipal utility, which is not controlled by or affiliated with us.

The water distribution lines serving all of the Homesites have been completed and have been installed up to the property lines of such Homesites. We have constructed water distribution lines for the central system in front of, or adjacent to, each Homesite in the Subdivision at our expense and at no cost to you.

The water system for Pamlico County has a sufficient capacity to supply the water needed for the anticipated population of the Subdivision, and its water is tested regularly to be sure that it meets the standards for a public water system.

You will not be permitted to use individual water systems. Water will not be available to the Homesites until water service is connected, as described below.

The operation of the water system and the rates charged for services are regulated by a public authority. You will be responsible for the tap on fees and meter charges. For a 3/4" meter, the tap fee is currently one thousand five hundred and twenty-five dollars (\$1,525.00) and for a 1" meter, the tap fee is currently one thousand six hundred and eighty dollars (\$1,680.00). For a 3/4" meter, the meter charge is currently two hundred and fifteen dollars (\$215.00) and for a 1" meter, the meter charge is currently two hundred and sixty dollars (\$260.00).

In addition to the cost of tap on fees and meter charges, there are other costs and fees associated with your water usage. The tap fees, meter charges and other costs and fees related to water usage are set by Pamlico County Water Department and are subject to change from time to time. You will be responsible for any costs associated with the water usage. The costs will vary based on usage and you should check with the supplier for the current costs for the water service. Water connection fees will be prepaid by the Developer for Lots in Phases I and II but will not be prepaid by the Developer for the Estate Lots. You may be responsible for reimbursing the Developer for any prepaid fees.

SEWER – INDIVIDUAL SYSTEM

Sewer service to the Homesites shall be provided by individual systems. Local authorities have given general approval to use individual systems in the Subdivision. The

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Developer previously obtained a septic permit for each individual Lot; however, the permits have expired and purchasers will be required to apply for a permit to install a septic system on their Lot. The cost of a septic Improvement Permit fee is currently \$225.00 and the cost of a septic Construction Authorization fee is \$200.00 for a total of \$425.00. These permit costs and fees are all payable to the Pamlico County Department of Environmental Health. The estimated cost of a conventional on-site septic system is approximately \$6,000.00. However, the costs can vary based on the type of system required for the Homesite. Certain areas of the project may be served with central sewer in the future. If a central sewer system is installed in the future, purchasers may be required to connect to the central system at the purchaser's expense.

The purchaser will be responsible for any costs associated with the final location of the septic system.

If a particular Lot does not have an existing septic permit, then there is no assurance that an individual on-site system can be installed and, if it cannot, no refund of the purchase price of the Homesite will be made.

ELECTRICITY

Electricity to the Subdivision is supplied by Tideland Electric Co-op. Tideland Electric Co-Op is a publicly regulated utility. Electrical service lines have been extended to all Homesites by the utility company and at our expense. You will be required, however, to pay the usual, regulated connection fees to obtain service.

TELEPHONE

Telephone service is available to the Subdivision and is supplied by CenturyLink, a publicly regulated utility. Telephone service lines will be extended to the Subdivision, and has been or will be extended in front of, or adjacent to, each of the Homesites in the Subdivision by the telephone company at no cost to the Homesite Owners. You will be required, however, to pay the usual, regulated connection fees to obtain service. Telephone service will not be available to a Homesite Owner in the Subdivision until the Owner applies for connection.

Telephone service may also be available through other service providers using technologies such as voice over Internet protocol ("VOIP"). Availability is subject to change from time to time.

FUEL OR OTHER ENERGY SOURCE

Natural gas is not available to the Subdivision. Propane Gas is a fuel and energy source available to the Subdivision. Propane Gas is available from various suppliers, including Suburban Propane which is located at 117 Virginia Rd., Bayboro, North Carolina 28515. The costs will vary based on usage and you should check with the supplier for the current costs for this service.

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FINANCIAL INFORMATION

A copy of our financial statements for the period ending December 26, 2022 and December 27, 2021 is available from us upon request. The Developer's fiscal year ends on the last Monday of December in each year.

As set forth on Note 1 to the recent audited financial statements, the Developer's losses from operations and historical cash flow needs raise substantial doubt about its ability to continue as a going concern. This may affect the Developer's ability to complete promised facilities and discharge financial obligations. Notwithstanding the foregoing, to meet its cash flow needs, management plans to continue obtaining capital from one of its members, Boddie-Noell Enterprises, Inc., which is currently funding the Developer.

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LOCAL SERVICES

In this section, we will identify the availability of fire and police protection and the location of schools, medical facilities, shopping facilities, and mail service.

FIRE PROTECTION

Fire protection is available year-round to the Subdivision from the Arapahoe Volunteer Fire Department, located approximately less than five (5) miles from the Subdivision.

POLICE PROTECTION

Police protection is provided by the Pamlico County Police Department, located approximately five (5) miles from the Subdivision.

SCHOOLS

Currently, the nearest elementary, junior high and senior high schools are Arapahoe Charter School (K-12), located directly across from the entrance to the Subdivision. Pamlico Primary, Pamlico Middle School, Fred Anderson Elementary, and Pamlico High School are located within city limits; school bus transportation will be available when residences are established in the Subdivision.

HOSPITALS

The nearest hospital available to the Subdivision is Carolina East Medical Center, located in New Bern, North Carolina, which is approximately seventeen (17) miles from the Subdivision. Ambulance service for residents of the Subdivision will be provided by the County.

PHYSICIANS AND DENTISTS

Physicians' and dentists' offices are located in New Bern, North Carolina, approximately seventeen (17) miles from the Subdivision. An urgent care facility is located in Grantsboro, approximately ten (10) miles from the Subdivision. A dentist office is located in Bayboro, approximately twelve (12) miles from the Subdivision.

SHOPPING FACILITIES

A Dollar General is located in Arapahoe (approximately two (2) miles from the Subdivision). General shopping facilities including grocery and variety stores and service stations are located in Grantsboro (approximately eight (8) miles from the Subdivision), in Oriental (approximately nine (9) miles from the Subdivision) and in New Bern (approximately seventeen (17) miles from the Subdivision).

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MAIL SERVICE

Mail service is available directly to individual homes. Mail service is available through the United States Postal Service.

PUBLIC TRANSPORTATION

No public transportation is available from the Subdivision to nearby municipalities. The closest forms of public transportation are Greyhound bus lines in New Bern, North Carolina, located approximately thirty (30) miles from the Subdivision.

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RECREATIONAL FACILITIES

WE MAY COMPLETE THE RECREATIONAL FACILITIES BELOW BUT WE ARE NOT CONTRACTUALLY OBLIGATED TO DO SO. THEREFORE THERE IS NO ASSURANCE THAT THEY WILL EVER BE PROVIDED OR COMPLETED. YOU SHOULD CAREFULLY CONSIDER YOUR PURCHASE OF A HOMESITE IF IT IS BASED SOLELY ON THE ASSUMPTION THAT THESE RECREATIONAL FACILITIES WILL BE AVAILABLE.

We intend to construct recreational facilities throughout the Subdivision. We currently plan to construct the facilities listed in the chart below; however our plans have not been finalized and are subject to change from time to time in our sole discretion.

Facility	Percentage of Construction Now Complete	Date of Start of Construction (month/year)	Estimated Date Available for Use (month/year)	Financial Assurance of Completion	Buyers Annual Cost or Assessment
Walking Trails	80%	April 2007	December 2024*	None	**
Parks	85%	April 2007	December 2024*	None	**
Swimming Pool	100%	N/A	Available	N/A	**
Tennis Courts	100%	N/A	Available	N/A	**
Volleyball/ Basketball/ Playground	100%	N/A	Available	N/A	**
Outfitters Center – Kayaking and Canoeing	100%	N/A	Available	N/A	**
Boat Slips	100%	N/A	Available	N/A	**
Dog Park	100%	N/A	Available	N/A	**
Riverfront Beach and Pier	100%	N/A	Available	N/A	**

* The estimated date available for use for the Walking Trails and Parks has been amended to delay it to a later date from their initially planned availability date of January 2016.

** The cost to use these facilities will be included in the annual assessment levied by the Master Association.

Constructing the Facilities

We will be responsible for constructing the above recreational facilities that are to be built in the Subdivision; however, we are under no obligation to construct any of these recreational facilities. If we build the above recreational facilities, you will not bear any costs in connection with this construction.

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Maintaining the Facilities

When the recreational facilities are completed, the Master Association will be responsible for operating and maintaining the recreational facilities listed above, using the funds collected from the general annual assessments paid by Owners.

Transfer of the Facilities

We intend to convey the recreational facilities listed on the chart to the Master Association at the end of the developer control period, as described in the Master Declaration.

Permits

All permits necessary to construct the recreational facilities have been obtained.

Who May Use the Facilities

The recreational facilities may be used by Owners of Homesites, other residential units in Arlington Place, and their guests (when accompanied by the Owner of a Homesite), and by Cottage renters. Homesite Owners who are not current in the payment of their assessments may be denied access to the facilities for themselves and their guests. Boat slips are available for use by Owners and their guests on a first come first serve basis. There will be no additional fee to use the boat slips, which will be maintained by the Master Association and paid for by the Master Association assessments.

Other Facilities

A private membership club is being contemplated by the Developer. The Developer plans to apply for a permit for a marina with access to the Neuse River and is working at this time on engineering plans and cost estimates for its construction. The plans are in the formative stages only and there is no assurance that the marina will ever be built. If the marina is developed, the Developer may create a club tentatively named the Arlington Place Yacht Club which would provide amenities to be determined by the Developer and the club owner in their sole discretion. The Arlington Place Yacht Club is proposed only and may never be built or operated. All of the marina and club plans are subject to change based on conditions and constraints including but not limited to environmental, physical, financial and general market conditions and regulatory constraints.

We are not contractually obligated to create or provide the marina or Arlington Place Yacht Club and therefore there is no assurance that they will ever be provided or completed.

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SUBDIVISION CHARACTERISTICS AND CLIMATE

In this section, we will discuss the basic terrain of the Subdivision, its climate, and any nuisances or hazards in the area.

GENERAL TOPOGRAPHY

The Subdivision is located on mostly wooded, medium topography land that is primary high ground and marshland. Some Homesites may be located near or include wetland areas. Filling, grading, excavating or other land disturbing activity in any wetlands located on any Homesite is regulated and may be prohibited by federal and/or state law. Approximately twenty percent (20%) of the land located in the Subdivision will remain natural open space and an additional twenty percent (20%) will be developed parkland.

A careful review of the plat showing your Homesite as well as a personal inspection of your Homesite is necessary to determine if your Homesite may be affected by wetlands.

WATER COVERAGE

Except during heavy storms, Homesites or any portions thereof should not be covered by water during the year. Some Homesites are located adjacent to wetland areas and may be covered by water at some times.

The following Homesites contain some wetland areas or are adjacent to wetland areas:

Phase I Homesites: 1-22, 25-36, 38-45, 48, 51-71, 74-80, 86-93, 96, 97, 101-107, 109-122, 127-147, 149-154, 156-157, 159-166, 179-200, 203-212, 221-242, 259, 263-264

Phase II Homesites: 265-318, 335-346, 353-382, 385-408

Estate Lots: 1-7

It should be noted that Estate Lot 1 is comprised mostly of wetlands; as such, such Lot is not suitable for development but may be sold in connection with Estate Lot 2 for additional acreage.

It is suggested that you walk, inspect and survey your Homesite prior to purchase. All Homesites (except for Estate Lot 1, as noted above) have a sufficient area to build a home. You should carefully review the plats, Master Declaration and any Supplemental Declaration for your Homesite prior to signing a Homesite Purchase Agreement to determine any restrictions on building your home.

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Furthermore, since the Subdivision is located in the coastal area of North Carolina, all of the Homesites could be susceptible to storm waters, standing water and other water coverage resulting from forces of nature that may exist from time to time. Some Lots in the Subdivision may also be covered by water on occasions due to the location of drainage easements on the Homesite. You should carefully review the final plats for your Homesite and make a personal inspection of your Homesite to determine if your Homesite is subject to any drainage easements.

Due to climate changes, it is unknown what the future may hold for properties located in coastal areas like the Town of Minnesott Beach, North Carolina and/or what restrictions on building in the Subdivision may be put in place by regulatory authorities in the future. The Developer is not responsible for changes in the environment or for future regulatory changes that may impact the use and enjoyment of your Homesite.

DRAINAGE AND FILL

Depending upon the location of the residence and the type and scope of the improvements to the Homesite, drainage and fill could be required. If you choose to take certain measures to improve your Homesite to accommodate your plans for a residence, you will bear the cost of such measures.

If you are concerned about such factors, you are urged to get a soil analysis and site evaluation prepared by a professional engineer prior to purchasing a Homesite in the Subdivision. In no event will the Developer be responsible for the costs associated with any drainage and/or fill on your Homesite, it being your sole responsibility to determine the need and costs of any such work prior to purchasing your Homesite.

FLOOD PLAIN

The following Homesites (included any portions of a Homesite) are located within the Firm Zone AE (EL 7') based on a review of the relevant FEMA Flood Maps (3720644600K and 3720644400K) effective 06/19/2020:

Phase II Homesites: 305, 335-337, 374-378, 390-397

The following Homesites (including any portions of a Homesite) are located within the Firm Zone AE (EL 8') based on a review of the relevant FEMA Flood Maps (3720644600K and 3720644400K) effective 06/19/2020:

Phase I Homesites: 39, 51-52, 54-62E, 64-67, 75-80, 88-93, 111-115, 139, 152, 153, 161-163, 181-184, 193-199, 201-210, 212, 221-224, 226, 228-233, 235, 236, 238

Phase II Homesites: 269-274, 277-279, 281, 283-291, 294-296, 335-337

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The following Homesites (including any portions of a Homesite) are located within the Firm Zone AE (EL 9') based on a review of the relevant FEMA Flood Maps (3720644600K and 3720644400K) effective 06/19/2020:

Phase II Homesites: 385-391

The following Homesites (including any portions of a Homesite) are located within the Firm Zone AE (EL 10') based on a review of the relevant FEMA Flood Maps (3720644600K and 3720644400K) effective 06/19/2020:

Phase II Homesites: 296

The following Homesites (including any portions of a Homesite) are located within the Firm Zone AE (EL 11') based on a review of the relevant FEMA Flood Maps (3720644600K and 3720644400K) effective 06/19/2020:

Phase II Homesites: 378, 380-382

Homesites built in Zone AE will be required by federally insured lenders to be covered by flood insurance. Pamlico County does not require flood insurance in any zone; however, federally insured lenders require flood insurance in the AE Zone. Additionally, any structures built in the AE Zone must be built at 10 feet above the ground level, measured from the bottom of the floor joists.

The following Homesites are located, including any portions of a Homesite within the Firm Zone AO (EL 1') based on a review of the relevant FEMA Flood Maps (3720644600K and 3720644400K) effective 06/19/2020:

Phase II Homesites: 303, 304, 378-381.

Zone AO is defined by FEMA as "Flooding occurring on the surface of an alluvial fan or similar landform which originates at the apex and is characterized by high-velocity flows; active processes of erosion, sediment transport, and deposition; and unpredictable flowpaths. Alluvial fan flooding is depicted on a Flood Insurance Rate Map (FIRM) as Zone AO, with a flood depth and velocity. Areas subject to inundation by 1-percent-annual-chance shallow flooding (usually sheet flow on sloping terrain) where average depths are between 1 and 3 feet. Average flood depths derived from detailed hydraulic analyses are shown in this zone. Mandatory flood insurance purchase requirements and floodplain management standards apply." Homes in the AO (1) zone would need to be constructed with a finished floor elevation that is 1 foot higher than the highest adjacent grade.

The following Homesites (including any portions of a Homesite) are located within the Firm Zone D based on a review of the relevant FEMA Flood Maps (3720644600K and 3720644400K) effective 06/19/2020:

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Phase I Homesites: 114, 115, 139, 152

Firm Zone D is defined by FEMA as “Areas with possible but undetermined flood hazards. No flood hazard analysis has been conducted. Flood insurance rates are commensurate with the uncertainty of the flood risk.”

Also affecting the Subdivision are Firm Zone X and Firm Zone Shaded X. Lots located in Firm Zone X are not in the flood plain. Owners may build anywhere in Firm Zone X and flood insurance is not required in Firm Zone X. The lowest areas of Firm Zone X may flood every five hundred (500) years. Lots located in Firm Zone Shaded X is also not located in the flood plain, however, it is possible the area may flood once every two hundred (200) years. The Estate Lots are located within the Flood Zone X.

Mandatory flood insurance applies and rates will vary based on the size and location of your Homesite and the value of your residence. The Flood Insurance Program is a federally assisted program and insurance is available to purchasers of Homesites in Arlington Place at prevailing rates. Flood insurance is generally available through federally insured programs; however, its availability should be determined prior to purchasing a particular Homesite in the Subdivision. Damage caused by conditions associated with flooding may often be the result of windblown damage. Insurance covering this and other incidents may be difficult to obtain, if available at all, and could be very expensive.

FLOODING AND SOIL EROSION

The Developer has a comprehensive program to control soil erosion, sedimentation and stormwater. The program includes temporary measures such as mulching and seeding of exposed areas and silt basins to trap sediments in runoff water and permanent stormwater management measures such as stormwater collection via roadside grassed swales and culverts. The erosion and stormwater management plan has been completed for Phase I, Phase II and Arlington Estates.

It is unknown as to whether or not such measures will be sufficient or will last indefinitely as conditions, geography and climate are subject to change. The Developer is not responsible for any flooding or soil erosion on your Homesite and/or the costs of repair, replacement or remedial efforts that may be required in the future.

NUISANCES

We are not aware of any onsite or offsite unpleasant odors, noises, pollutants, or other nuisances. You should be aware that there are wetlands and marshy areas within the Subdivision. There may be typical odors and wildlife as a result of these areas.

Arlington Place may eventually contain in excess of 1,318 homes. Noise and other factors typically associated with new home construction will continue until all of the homes in the community are built. We have provided for such activities in the Master Declaration

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affecting the entire community and prospective purchasers should recognize that ongoing construction is a part of any new community.

Cherry Point Marine Corps Air Station is located in Havelock, North Carolina across from the Neuse River from Arlington Place, and, as a result, Arlington Place may be susceptible to potential military noise.

Purchasers are urged to make a personal inspection of their Homesite prior to purchase to determine if there are any other factors associated with their Homesite that may impact its desirability to them. The location of adjacent properties not a part of the Subdivision may impact the desirability of certain Homesites as the uses of such property cannot be known by the Developer. The construction of properties in accordance with the allowed uses of adjacent properties may result in a use on such properties that could be considered a nuisance to some.

Indigenous plants, insects and wildlife and other naturally occurring conditions could be considered a nuisance by some purchasers of property in the Subdivision. While the Developer is unaware of any existing conditions within the Subdivision that it considers a nuisance, a purchaser should make a personal on-the-lot inspection of the property being purchased and the surrounding area to determine any relevant information that may be available. Furthermore, conditions change and the Developer cannot and does not warrant that the condition of the property will remain the same.

HAZARDS

There are no unusual safety factors or any proposed plans, private or governmental, for the construction of any facility that may create a nuisance or safety hazard or adversely affect the use of the land.

Coastal North Carolina is subject to extreme weather conditions including hurricanes, tornadoes and other natural occurrences that may be considered hazards. The last significant hurricanes that impacted the area were Hurricane Florence in 2018 and Hurricane Dorian in 2019. The Subdivision did not experience any structural damage and no insurance claims for flood or wind damage for either hurricane. Other hurricanes affecting North Carolina dumped significant rain in the area of Pamlico County. There is a large amount of new construction and development in the area surrounding the Subdivision. Some of these may be considered hazardous and may result in hazardous materials being brought into the area and hazardous conditions. The Developer is unaware of any other hazards associated with the location of the Subdivision. The Developer is not aware of any other hazards affecting the property.

In addition to hurricanes and tornadoes, the Subdivision may be vulnerable to flooding, freezing rain, snowstorms, severe wind chill as well as other hazards. For additional information concerning potential hazards that may affect the Subdivision, you may review the North Carolina State Hazard Mitigation Plan, which can be found at the website for the North Carolina Department of Crime Control and Public Safety, Division

Dated: May 31st, 2023

of Emergency Management, Hazard Mitigation Section at:

<http://www.nccrimecontrol.org/Index2.cfm?a=000003,000010,001623,000177,001563>.

CLIMATE

The average temperatures for summer and winter are contained in the table below.

	<u>HIGH</u>	<u>LOW</u>	<u>MEAN</u>
Summer	<u>95</u> degrees	<u>70</u> degrees	<u>80</u> degrees
Winter	<u>70</u> degrees	<u>20</u> degrees	<u>45</u> degrees

The average rainfall is approximately 54", and the average snowfall is approximately 1".

OCCUPANCY

As of the date of this Property Report seventy-three (73) homes have been constructed in the Subdivision, including sixty-five (65) homes on Lots covered by this Property Report and eight (8) Outfitters Cottages. An additional twelve (12) homes are currently under construction.

Dated: May 31st, 2023

ADDITIONAL INFORMATION

In this section we will discuss the following:

- The Homeowners' Association
- The Annual Real Estate Taxes
- Violations and Litigation
- Resale or Exchange Program
- Equal Opportunity in Homesite Sales
- Listing of Homesites

HOMEOWNERS' ASSOCIATION

We have formed the Arlington Place Property Owners Association, Inc. (the "Master Association"), a North Carolina nonprofit corporation on behalf of all Homesite and unit Owners in the Subdivision, including the Developer as to its unsold lots. All Homesite Owners will automatically be members of the Master Association. We have voting control of the Master Association until the turnover date. The developer control period shall continue until December 31, 2030, or such earlier date that the Developer, in its discretion, terminates such period by giving written notice to the Master Association.

The Master Association will collect assessments from all property Owners in Arlington Place. The Master Declaration provides for the different assessments that the Master Association may levy against Owners. The assessments include, but may not be limited to, (i) Annual Assessments, (ii) Special Assessments, (iii) Segment Assessments, (iv) all costs of collection including reasonable attorney's fees, and (v) all other fees, charges, late charges, fines, interest and expenses imposed or authorized to be collected by the Master Association pursuant to the Master Declaration, the Bylaws and any rules and regulations of the Master Association.

Annual Assessments are those assessments that are charged for the operation, maintenance, repair, replacement of the common elements. The Master Association may allocate a portion of the Annual Assessments to fund a reasonable operating expense surplus, and to establish a reserve for contingencies, emergencies, and for major maintenance, repairs and replacements of the common elements.

Special Assessments are those assessments that are charged to (a) construct, repair, or replace capital improvements upon the common elements; (b) to provide for the necessary facilities and equipment to offer services authorized by the Master Association; (c) to repay any loan made to the Master Association; and (d) for any other purpose deemed necessary.

Segmented Assessments are those assessments that are charged for the benefit of a particular section of the development.

Dated: May 31st, 2023

The Master Declaration provides that all assessments levied by the Master Association are a charge and continuing lien on the real property and improvements thereon against which each assessment is made. The lien of the Master Association shall further secure such advances for taxes and payments on account of superior mortgages, liens, or encumbrances as may be made by the Master Association in order to preserve and protect its lien. The Master Association shall be entitled to interest at the highest rate allowed by law on any advances made for such purpose. The Master Association has the right to place a lien upon your Homesite if you fail to pay the assessments.

The Master Association is responsible for the exclusive management, control and maintenance of the common elements and improvements thereon, including the recreation areas. Other functions and responsibilities of the Master Association include, but are not limited to, making and enforcing reasonable regulations governing the use of the property; seeking relief for nuisances; imposing sanctions; enforcing any provision of the rules, regulations, or Bylaws of the Master Association, or of the Master Declaration. As discussed above, the Master Association holds architectural control over Homesites within the Subdivision.

The current level of assessment at the Subdivision is \$900.00/year (billed annually) for unimproved Homesites and \$1,200.00/year (billed annually) for improved Homesites. Assessments for Outfitters Cottages are an additional \$1,042.50 /year. It is anticipated that this level of assessment will meet the expected operating expenses, including maintenance and replacement costs of the Master Association for the current year. However, if the assessments are insufficient to meet the Master Association's expenses, the membership assessments will be increased to cover the deficit. The budget will be formulated from various expenditures that are reasonable and necessary for the Master Association to carry out its obligations under the Master Declaration and its Bylaws.

TAXES

After title is transferred to your Homesite, you will be responsible for real property taxes assessed by Pamlico County and the Town Minnesott Beach. The Pamlico County tax rate for 2022 was 0.625 per \$100.00 of assessed value. The Town of Minnesott Beach tax rate for 2022 was 0.110 per \$100.00 of assessed value. For the purpose of computing taxes, the assessed value is approximately one hundred percent (100%) of the market value. You must pay these taxes directly to Pamlico County.

VIOLATIONS AND LITIGATION

The Developer is not currently involved in any lawsuits or litigation.

RESALE OR EXCHANGE PROGRAM

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

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EQUAL OPPORTUNITY IN HOMESITE SALES

We are in compliance with Title VIII of the Civil Rights Act of 1968 by not directly or indirectly discriminating on the basis of race, color, religion, sex, national origin, familial status, and handicap in any of the following general areas: Lot marketing and advertising, rendering of lot services, requiring terms and conditions on lot sales and leases, or the offer of Seller financing to prospective purchasers.

LISTING OF HOMESITES

The Homesites included in this offering consist of the **420** Homesites described below:

<u>Phase</u>	<u>Lots</u>	<u>Totals</u>
Phase I	1-62, 62A-62E, 63-264	269 Homesites
Phase II	265-408	144 Homesites
Arlington Estates	Parcels 1*-7	7 Homesites
Total Number of Homesites		420 Homesites

*Estate Lot 1 will not be sold as a separate Lot for a residence, but may be sold in connection with Estate Lot 2. No structures may be built on Estate Lot 1 due to it being comprised almost entirely of wetlands.

Dated: May 31st, 2023

COST SHEET, SIGNATURE OF SENIOR EXECUTIVE OFFICER
COST SHEET

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

Sales Price of Homesite

Cash Price of Lot/Unit	\$ _____
Finance Charge	\$ <u>NA</u>
Closing Fee	\$ _____
Total	\$ _____

Estimated One-time Charges

1. Water Connection Fee*not prepaid for Estate Lots \$ _____
2. On-Site Septic **estimated for a conventional system* \$ 6,000.00
3. Construction costs to
 extend electric and/or telephone service \$ 0.00
4. ARC Submittal Fee \$ 0.00
5. POA Capital Contribution \$ 150.00
6. Other (identify)
 - a. Septic Permit Fees \$ 425.00
 - b. _____ \$ _____

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

Estimated annual charges, exclusive of utility use fees:

Taxes – vary based on assessed value of the lot	\$ _____
Dues & Assessments – unimproved lots (billed annually)	\$ <u>900.00 /year</u>
Dues & Assessments – improved lots (billed annually)	\$ <u>1,200.00 / year</u>

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

Burton Farm Development Company, LLC

By: _____
Print Name & Title: Douglas E. Anderson – Executive Vice President
 Boddie-Noell Enterprises, Inc.
 Member, on behalf of Management Committee

Dated: May 31st, 2023

Receipt, Agent Certification and Cancellation Page
PURCHASER RECEIPT
IMPORTANT: READ CAREFULLY

Name of Subdivision: **Arlington Place**
OILSR NUMBER: **31704**
Date of Report: **May 31st, 2023**

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, DC 20006

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.

Homesite _____ Phase _____ 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 **Arlington Place**
Date of Contract _____

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

Purchaser(s) Signature _____ Date _____

Dated: May 31st, 2023

Receipt, Agent Certification and Cancellation Page
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