

Dear Preserve at Smith Creek Homeowners,

The Preserve Board recently received the following communication from Mr. Alex Bailey (Garner Road - Preserve West Developer). In the interest of keeping everyone informed of matters that may impact or be in the best interests of our community, we are sharing his correspondence in its entirety below. We hope this communication clarifies any questions that have arisen and addresses misconceptions, misunderstandings or speculation circulating since the annual meeting. By providing homeowners with the information directly from the source, residents can review Preserve West's developer statements first hand and form their own informed conclusions. We will keep you advised as more information becomes available.

Dear Board,

As a follow-up to the 2026 Preserve Annual Meeting held on April 27, 2026, I wanted to update Preserve at Smith Creek Homeowners regarding the Preserve West community. The information provided mirrors the discussion and updates from that meeting.

Development of Preserve West has officially begun. Builder teams (Eight Total Custom Builders) and lot assignment are complete, and construction is anticipated to begin in Summer / Fall of 2026. The first residents are expected to move into Preserve West early in 2027. Home costs within Preserve West are anticipated to start in the upper \$800,000 range, with pricing expected to increase based on home style, size and options. As stated in the meeting the current plan for Preserve West includes approximately 178 new homes, with the initial phase consisting of approximately 48 homes.

During the annual meeting, many homeowners expressed questions and concerns regarding future amenities and how they would integrate with the existing Preserve at Smith Creek community amenities. Garner Road Associates has advised the Board that, now that lot assignments are complete, installation of the first phase of amenities is expected to begin in late 2026 and is subject to change.

The amenities to be developed are based on an early community survey and have been conveyed to the community during earlier Board meetings.

The first phase of amenities is anticipated to include:

- Two (2) tennis courts that will also function as multi-purpose courts for Pickleball
- Basketball Hoops
- A community green space
- Walking Paths
- Dedicated parking areas located within Preserve West to help avoid additional strain on the current Preserve at Smith Creek parking areas. A walking / golf cart path is planned to connect Preserve West to the existing pool area, giving residents convenient access to the current recreational facilities.

Separately, your Board of Directors is currently discussing several additional improvements for the existing community amenities with Garner Road Associates. These discussions currently include:

- Installation of exterior-access community restrooms for homeowner use.
- Construction of a new community pavilion on the currently undeveloped parcel adjacent to the Clubhouse and Pool.
- Replacement of the existing playground equipment, which is over 20 years old, with installation hoped for by early 2027.
- Creation of additional parking spaces to support long-term growth.

In addition to the ongoing discussions, we are also working simultaneously with your Board to incorporate the Covenants, Conditions and Restrictions, By-Laws, etc. No major adjustments will be incorporated to these documents as Preserve West will follow what you are currently accustomed to and will include language to cover the retention ponds associated with Preserve West. Let's be very clear: The Preserve West will be responsible for funding the five (5) to seven (7) water retention ponds where we see changes. The Preserve at Smith Creek will have no financial responsibility for these ponds. A separate fund will be created to support the funding needed for inspections, licencing and maintenance of these ponds and the Preserve West homes will bear these costs. As specifically stated in the stormwater agreement recorded at the register of deeds, recorded book 1996 page 610-644, notably page 2 #b "property to which this agreement attaches," specifically referencing the stormwater easement plat found BM 53 PG 179 at the Granville County registry.

Now, what will be the Preserve's contributions? At this stage you have no responsibilities, but in the future yes. Since you will have access to these new amenities, they must insured and you will be required to cover the maintenance (at some point). Only when these amenities are turned over to the Preserve at Smith Creek community will the Preserve at Smith Creek assume any responsibility. Some folks have expressed concerns that your assessments will be affected, and some even expect the assessments to be reduced due to the influx of new homeowners. Since the amenities are included and you as a community will be able to use them the answer is yes: your assessments will indeed be affected as mentioned earlier. Assuming our assessments will be reduced is incorrect. During the the annual meeting the Board provided an update on surrounding communities and their associated costs and available amenities (or lack thereof). Your Board clearly indicated that The Preserve was shown to be not only the lowest in cost but also a great bargain considering many communities either do not have the amenities being proposed.

To help offset some associated costs homes purchased in Preserve West will contribute \$1,000.00 each to the Preservation Fund, in addition to the annual HOA assessments and will be charged a yearly retention pond fee deposited into a separate fund solely for the maintenance, inspection, and licencing requirements. Furthermore, the home builders have agreed to pay 50% of the

applicable HOA assessments; the new homeowner will owe the remaining balance upon property closing and issuance of a Certificate of Occupancy.

Garner Road Associates remains committed to maintaining the quality, appearance, and long-term value of both Preserve at Smith Creek and Preserve West. Additional updates will continue to be shared with the community as timelines and construction schedules progress. Note that this information is subject to change. Garner Road has also created a Preserve West website to provide potential buyers and community members with information about the community which is currently under construction and will be populated as information becomes available.

In closing, we believe that the additional amenities will help your community from a marketability standpoint, value standpoint to ensure your community remains attractive and competitive while strengthening the long term appeal and desirability as this area grows.

Thank you for your time. We will keep both the Preserve Board and community informed as more information becomes available.

Sincerely,
Garner Road Associates