White Oak Properties, Inc.

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President

SOME KEY QUESTIONS REGARDING LAKESHORE CONDOS, NORTH SHORE COMMUNITY OF CENTENNIAL CAMPUS

OWNERSHIP OF THE LAND:

All 1,000+ acres of land in Centennial Campus are owned by the State of NC. The State has granted this land to the Endowment of NC State University for the creation of Centennial Campus in its many aspects—research, office, lab, housing, education. The land is made available for development of these various uses via a 99-year ground lease. Why 99 years? In NC as in many parts of the country, any land lease agreement longer could be construed as a sale and this land will be owned by the State of NC in perpetuity and can't be sold. When we build a new condo building, we pay the Endowment the entire cost of the 99 year lease up front. That means that there is no payment on the land lease due for the 99-year term. Ownership costs to each buyer will be just like owning a home—taxes, utilities, maintenance, homeowner association dues and so on. A buyer can finance and obtain a mortgage on a condo in Lake Shore just like non-lease land anywhere in Wake County…because we've paid all lease payments in advance for the entire term of 99 years.

What happens at the end of the 99 years? There is no reasonable answer. It is reasonable to assume that the State of NC will still be in business as will NC State University. However, it is impossible to predict so far into the future otherwise.

HOMEOWNERS ASSOCIATION (HOA):

Lake Shore is a condominium building. In fact, all such buildings that have units on multiple floors are by definition condos. In a detached home or townhome, the owner owns the home or townhome but also the land beneath it. In a condo, the parcel of land beneath the building is owned in common by all of the unit owners within the building (or in the case of Lake Shore, owned by the State of NC). It is not subdivided into lots as in single family home communities. Each unit owner owns its condo separately, but all owners own the land parcel (or in the case of Lake Shore own the lease rights to the land) beneath the condominium building "in common" with all other unit owners in the building.

Each unit owner will receive a property tax bill just as with a home or townhome. Each unit owner will have a separate electric meter and will receive a monthly bill for services. The building will have a single water meter. Each unit will have its water usage sub-metered so the owner will pay his/her share of the single bill for the entire building that goes through the unit. The building will be owned by the HOA and insured with a single hazard policy for the benefit of the HOA. Each owner should purchase Unit Owners coverage (a HO-6 policy) which provides coverage for personal property and also general liability. Your insurance agent can discuss this in more detail, but the condo documents will require this for your own and the HOA's protection.

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NORTH SHORE, OWNERSHIP HOUSING OF WHICH LAKE SHORE IS A PART:

Centennial Campus has a variety of different uses throughout. However, North Shore is the only part of Centennial Campus in which housing ownership is possible. Well over ten years ago when Centennial Campus was first started, Comstock Homes of Virginia built the first buildings which contained thirty-three townhome style units of North Shore. Comstock later filed bankruptcy and left the Triangle market. Nothing further was done for a number of years. In 2012 the University sent out a Request for Proposals throughout the nation seeking a skilled developer to resume development of North Shore, particularly one experienced in developing on leased land. Our company, White Oak Properties based in Raleigh had earlier developed Park Devereux, a fifty-unit condo building in downtown Raleigh across from Nash Square on land that the Presbyterian Church owned and made available by 99-year lease rather than by sale. White Oak was short listed for selection to take over North Shore. Following a detailed proposal, White Oak was selected to resume the development of North Shore.

The site and the thirty-three original homes had been dormant since 2005 when White Oak first began work in 2014. It first built the swimming pool amenity to serve the North Shore community. This was then followed by seven townhome style buildings. And now comes Lake Shore with its initial building, 2441 Campus Shore Drive. Plans for the build out of North Shore in future years will include one additional condo building (2501) adjacent to the 2441 building plus four townhome style buildings. This will complete the community.

Roland Gammon—11.18.19