



Winter 2011

President's Message

It seems that our Summer has gone by so quickly. We have accomplished so much since our Annual Meeting in July.

Because of the Special Assessment, we are accomplishing our goals by paying down our loan, adding monies to our reserve account, paying off the new roof on the E building, and replacing shingles that are in desperate need of replacement.

We have replaced the shingles at the back of E318; the front, back and side of F321; along with the front, back and side of D311. These shingles were so damaged that we couldn't nail anything to them to cover holes without the existing shingles falling apart.

We have added decking to the bottom floor of the D and B buildings. This new decking sits on the already existing cement floor. Not only does this decking prevent our bottom floor owners in these buildings from walking in water and mud puddles, they look great! They will surely add value to those units.

Our next project to tackle from our Special Assessment monies, that wasn't on the initial list, but has come to light, is the replacement of the retaining wall at the F building. This wall is leaning into the support structure for the front decking and is also disintegrating. We asked four contractors for a bid on this project. Two declined the job, as it is very labor intensive and they were not willing to take it on. We did receive two bids, which were miles apart. We are taking the lower bid of \$35,000, from George DeLaura, who has worked on many projects at HBV. Mr. DeLaura has worked on the replacement and structural issues on the D, F and G top decks, the foundation at the H building, stairs at the G building, new decking at the H building and also shoring up the front landing of that building and the replacement of our top shingles. Weather permitting, he hopes to get started on the F retaining wall as soon as he is done with the F and D buildings shingles. We may have to do this project in stages, depending on the monies we

receive from the Special Assessment and the weather. At this time, the wall is not a hazard, but does need to be replaced.

Because of this unexpected project, we will not be able to replace the side shingles at the E, G or K buildings.

We also hired someone in August to trap raccoons, due to the infiltration of these animals into our mansard roofs. Four raccoons were trapped, one being the mother of three babies that were left in the mansard roof at the D building. The babies were then taken by Genesis Wildlife Center. Since then we have had no problems with raccoons damaging the roofs. We have seen them on decks and are spraying deterrents at the bottom back posts of buildings. We also ask that you not leave food out at night, which will attract them.

There are still bears around, eating a lot to get ready for winter. We ask that for the next month you use the Town's recycling center to dispose of your trash. These bears can, and will get in to our dumpsters and bins if there's something they want.

We also ask, if you do use the trash bins, to close and secure the lids. Although this won't keep the bears out, it will help keep raccoons away.

I'd also like to take this time to welcome Carol Robinson to our Board. She has graciously accepted the position left open by the sad, untimely passing of her husband, Charlie.

In this economy, we have done so much at Holiday Beech Villas to help maintain our values and increase our investments for the future. But, there is much yet to do, and with your help, I know we can make HBV *the* place to be on Beech Mountain.

I'd also like to wish all our Homeowners a very Happy Thanksgiving, and for the holidays to come . . . A Happy Hanukah and a very Merry Christmas!

Sincerely,
Karen Alexander, President

What's Going on at Beech this Winter

- November 26** **Holiday Market** 9am—3pm **Buckeye Recreation Center**
Get a jump on your shopping with unique goods from local artisans. Give your loved ones a gift that you can't get anywhere else! With food, yarn art, unique arts and crafts and more, you are sure to find something for everyone on your list.
- December 5** **Winter Photography Tips and Tricks Hike** 1pm—4pm **Emerald Outback**
Meet at Buckeye Recreation Center at 12:30pm or the Upper Trail Head for the Emerald Outback at 1pm. Join Doug Wood as he points out tips and tricks for the winter time photographer.
- December 9** **Winter Photography Tips and Tricks Hike** 1pm—4pm **Lower Pond Creek**
Meet at Buckeye Recreation Center at 12:30pm or at the Lower Pond Creek Trail Head at 1pm. Join Doug Wood as he teaches tips and tricks to the winter time photographer.
- December 23** **Breakfast with Mrs. Claus** 9am—11am **Buckeye Recreation Center**
Join Mrs. Claus at Buckeye Recreation Center for breakfast and Christmas stories by the fire. Feel free to bring last minute letters to submit to Santa!
- December 31** **Rockin' Family New Years Eve Party** 6pm—8:30pm **Buckeye Recreation Center**
Have little ones this New Years Eve? Bring them to Buckeye for a great party with dinner, games, a bounce house, a countdown and still have them in bed at a reasonable hour.
- January 1** **Yule Log Bonfire** 6pm—8:30pm **Chamber of Commerce Field**
Celebrate a New Year and new beginnings at the Yule Log bonfire. Live music, s'mores, hot cocoa and cider and fun for the whole family. You can even make a wish on our Yule Log.
- January 7** **The North Carolina State Championship Snowshoe Race** 1pm—5pm **Beech Mountain Resort and Emerald Outback**
Held in conjunction with Beech Mountain Resort's Winterfest, this event includes a recreational and competitive 5K run, a kids snowshoe scramble, and a competitive 10K State Championship, which will serve as a qualifying race for the 2012 US Snowshoe Championship. Previous experience is not necessary and loaners will be available for free.
- February 18** **Snowman Building Contest** 1pm **Town Hall**
Strut your frosty stuff at our 2nd annual Snowman Building Contest. Your creativity is the limit (please keep it family friendly) and bring your own accessories. Prizes will be awarded for the most creative and superlative snowman or snow woman.



Beech Mountain Resort

In addition to the hard work it required to install the new snowmaking system, the resort staff was able to tackle many other improvements this past year.

Some of the new items include:

- The removal of Chair #2, increasing the skiable terrain on Southern Star and Robbins Run
- A new beginner slope. The "School Yard" will be located behind the View Haus Cafeteria
- A new freestyle ski and snowboard shop. "Roots Rideshop" will offer demos, retail and the only public indoor half-pipe in the area.
- Beech Mountain Coffee and Gift Shop. Located in the Beech Tree Village, the shop will offer souvenirs, drinks and snacks.
- A new building for shuttle pick up and drop off. The newly designed space will shield customers from

the cold conditions, while waiting for the shuttle.

- New Snowboard Rentals.

Beech Mountain Resort will again offer the 30/20 plan for the weekday skiing! The 30/20 plan offers \$30 day/twilight tickets (Monday-Friday) and \$20 night tickets (Monday-Thursday), during non-holiday periods. The resort is now offering the Super Saver Season Pass sale for it's third year. The sale highlights 200 unlimited season passes for only \$375.

We had a great summer. We are making progress across the board and making decisions with our customer's experience in mind. I know that our customers will appreciate the pride we are putting into the details.

- General Manager, Ryan Costin



Treasurer's Report

At the end of October, we had \$2,338.00 in Homeowners delinquents for the current fiscal year. From the last fiscal year, there is an additional \$2,320.00 delinquent, which is due to one unit owner. A payment plan was agreed upon with this Homeowner who has been

delinquent for over a year. A claim of lien is placed on that unit.

To date \$43,522.08 has been received for the Special Assessment fund and an additional \$213.00 in late fees. Of that amount, \$5,566.08 has gone to pay back the credit line debt, in which we now owe \$33,466.67. Of the \$14,000 owed

for the new E roof, \$6,000 has been paid back.

To date, the amount in our reserve account is \$8,597.84.

For those wanting a financial report every month, please contact Renée at 828-387-4740 or e-mail at hbvillas@skybest.com.

Does Holiday Beech Qualify for FHA Financing?

An FHA (Federal Housing Administration) loan is a loan insured against default by the FHA. In other words, the FHA guarantees that a lender won't have to write off a loan if the borrower defaults – the FHA will pay. Because of this guarantee, lenders are willing to make large mortgage loans. That means you don't need a large down payment as getting a non-FHA loan. FHA loans allow people to buy a home with a down payment as small as 3.5%. Other loans might not allow such a low down payment.

To qualify for FHA-backed loans, condominium projects must be approved by the FHA based upon specific guidelines.

Some of the notable provisions are:

- All units must be 100 percent complete and the project must be at least one year old, although there are certain exceptions for condos with additional phases planned.
- No more than 10 percent of the units may be owned by a single investor or entity.
- No more than 15 percent of the owners may be delinquent in payment of condo association assessments.
- No more than 25 percent of the condominium project's or a unit's floor area may be used for nonresidential (i.e., commercial) purposes.

- The association must have a reserve account of at least 10 percent of the annual budget.
- There may be no restrictions on an owner's right to convey the unit (there are exceptions for affordable housing).
- At least 50 percent of the units must be owner-occupied.

Prior to 2008, FHA guidelines allowed leasing restrictions on condominiums. Placing restrictions on the number of units that can be leased, and giving the condo association the authority to screen potential tenants, is very important to many communities, and many condos adopted new leasing restrictions over the past several years.

But in 2008, the FHA reversed course and determined that leasing restrictions would bar condominiums from qualifying for FHA-backed mortgages. After many months of uncertainty and changing regulations, and uproar from condominium communities, the FHA has revised its regulations to allow certain leasing restrictions. Those allowed restrictions include:

- All leases must be in writing and the terms of the lease subject to the condo's governing documents.
- The condo association may require the owner to provide a copy of the lease.
- The condo association may require the owner to provide the names of all

occupants (including family members) who will be residing in the unit.

- Unit owners may be prohibited from leasing for terms of less than 30 days.
- The association may restrict the maximum length of leases (e.g., 6 or 12 months).
- The association may restrict the total number of leased units in the project to no more than 50 percent.
- The association may NOT require screening and approval of proposed tenants by the association.

According to the provisions cited by the FHA, Holiday Beech Villas falls short on, primarily, two issues.

The first is, at this time, HBV does not have 10 percent of its budget in reserves. With the help of the Special Assessment we should be at that amount by next summer.

The other short-fall is the provision of 50 percent of the units must be owner-occupied. Owner-occupied is defined by units that are either primary or second homes, that are not used as investments. It is believed that 51 percent of the units at Holiday Beech Villas are not solely used as primary or second homes.

So, to answer the question initially presented . . . Holiday Beech Villas does not qualify for FHA loans.

continued on next page

FHA Financing . . . continued

Then we ask what does that mean to Holiday Beech Villas Homeowners who are trying to sell their units.

The one issue of having 10 percent of the budget in our reserves will, hopefully, be settled by next summer. But, having 51% of our units as owner-occupied is out of the Association's control. When the 51 percent of the units are owner-occupied the Association will definitely take the steps needed to be placed on the FHA approved condominium list. Until then, well, there's not much that can be done.

There are other options to those who are selling, when they have a prospective buyer.

Homeowner Financing

If the seller doesn't need all the proceeds from the sale right away, then owner-financing can be a great investment for the seller. When you put money in the stock market, you might get 6%, or maybe a little more -- or you could lose

5, 10, or 20%, or all of it. By contrast, owner-financing gives the seller a guaranteed return of whatever the interest rate on the loan. Further, sellers who owner-finance can charge a higher interest rate than banks because seller-financing often makes the deal attractive to the buyer, especially if the buyer couldn't qualify for a bank loan. The main risk to the seller is that the buyer might fail to make the monthly payments (known as "defaulting" on the loan), but in that case the seller can reclaim the house ("foreclose" on it) and sell it to get their money back. The seller is fine as long as they can sell the house for at least as much as is left on the loan.

If a prospective buyer can't get a bank loan, you could offer a higher interest rate. Therefore, selling your home, but get more money each month to compensate for not selling it outright. Or, as the seller, you may want to finance

part of the sale price. If a prospective buyer comes in with a good portion of the sale price, but cannot get a bank loan for the remainder of the amount, you may want to finance just that small part of the cost. The likelihood of someone defaulting on a loan like this is slight, as they have a larger financial investment to lose.

Bank Approved Mortgages

Then there is always a good ol' regular bank approved mortgage using Fannie Mae or Freddie Mac. These types of loans may require a larger down payment.

The Bottom Line . . .

The bottom line for those of you trying to sell your condo . . . Holiday Beech Villas will do what it can to become FHA approved, to make it easier for a buyer to get a mortgage. Until then, there are other options you may use, when a prospective buyer is interested in purchasing your unit.



Woolly Worm Festival Winter Predictions

- 1 - Lt Snow & Cold
- 2 - Cold & Snowy
- 3 - Cold & Snowy
- 4 - Cold & Snowy
- 5 - Lt Snow & Cold
- 6-11 Normal Cold
- 12 - Cold & Snowy
- 13 - Cold & Snowy

Roy Krege commented the worm was overall a dark worm.



Ray's Weather Winter Predictions

So, here's the RaysWeather.Com Winter 2011-2012 Fearless Forecast:

Total snowfall: Close to the long-term average. Areas along the western upslope of the Appalachians (near the TN/VA state line) may have relatively more snow than the rest of the Southern Appalachians.

Temperatures: Slightly colder than normal. Expect high temperatures about 1 degree colder than normal.

Confidence level: Are you kidding? It's crazy to publish any seasonal forecast at all. :-)

City	Expected Total Snow/Ice for '11-'12		
Asheville	15"	Morganton	9"
Banner Elk	48"	Spruce Pine	25"
Beech Mountain	110"	Sugar Mountain	90"
Boone	42"	Waynesville	15"
Hickory	7"	Wilkesboro	11"

The Damage that Bears Can Do and What It Can Cost

The Association has asked Homeowners, on a regular basis, not to place trash in the bins because of bears taking out the garbage and spreading it all over the property.

Once again, we are asking that you not put trash in the bins, to sit there all week or over night. The trash pick up is on Mondays. If you must use the bins, instead of bringing your trash to the Town's Recycling Center (open 8:00 to 4:30 every day except Tuesday and Thursday, and even then you can walk around the gate and throw away your trash) please put your trash out Monday mornings. This will help reduce the litter caused by the bears, which in turn will keep Holiday Beech costs down by paying someone \$17 per hour to pick up trash. We do have Homeowners (thank you Les and Nina Eiskowitz) that also help pick up litter.



For those of you that think the bins are "bear proof", they are not. A bear will get in to anything it wants. The Town has passed an ordinance on the wood bins that most private homes have. We have those at the K building. They must adhere to strict codes for construction and must have lids. Some think

these are enough to keep bears out. Not so. They bins are built to keep other critters out. But, as you can see, a bear will rip off the lid of a bin to get what he wants. If he doesn't want to do that, well, he'll just push the bin over and all the trash is there for his enjoyment.



At the Town Council meeting, held November 15, the Town Manager stated that the Town will start fining town residents who continually put out their garbage so that bears and other critters can get to it, thereby creating litter. The fine for littering is \$100.00 per instance.

Please put your trash out Monday mornings, or go to the Recycling Center. Let's not be one of those residents.

Buckeye Recreation Center Activity

March Madness Medallion Hunt

When: March 1-31st, everyday/all day

Where: Beech Mountain Town Limits

Age Group: Family Friendly

Cost: This is a free program!

More Info: Be the first to find the medallion, and

prizes will abound, you have all month with weekly clues, within the Town of Beech the medallion will be found.



We have a new Homeowners!

Gena and Chad Morgan have recently purchased G130. Gena and Chad hail from Richlands, North Carolina.

Welcome to HBV Gena and Chad!

What's for Sale at HBV?

Folks are always asking which units are for sale at Beech. Even though the real estate market has diminished greatly, you can still get some good buys here at Holiday Beech Villas. If you're interested or know someone who might be interested . . . Here's a listing of the units that we know are for sale. The realtors have given us permission to place their units on our website.*

These listings, with additional information, can be found on our website, www.hbvillas.org/Sales.htm

A101--\$67,900—Is anxious to sell and will listen to any offer

Entry level, true one bedroom, one bath. Room divider has been removed and a permanent wall added – creating a large bedroom & a large living room w/GAS log fireplace. FULL Kitchen has been recently re-designed and is all new. Dual bath access.

A202--\$78,900

This one bedroom, one bath has a current Beech Mountain Club membership. There is a \$1,000 application fee due at closing to be paid by the buyer. Just REDUCED by over \$20,000 for a quick sale.

B106--\$99,500

Very nice two bedroom, two bath condo. Remodeled kitchen and baths, nice laundry area added. Nice furnishings included. Walk to skiing. New window treatments including shutters on all windows.

C209--\$115,000

Level entry, two bedroom, two bath. Recently refurbished, large master bedroom. Beech Mountain Club included (\$1,000 Buyer Transfer Fee), furnished. Water heater 3 yrs old.

D115--\$110,000

This two bedroom, two bath was re-remodeled a few years back with all ceramic tile flooring. Huge stone fireplace. Sold Furnished. Has Current Beech Mountain Club Membership. This unit was also double-insulated by the previous owner.

D116--\$72,000

A cute one bedroom, one bath that has been renovated to include new appliances, cabinets, countertops, floors, furniture, beadboard walls, washer/dryer and accessories. Being sold turnkey.

D211--\$59,900

Has a Full Club Membership, a one bedroom, one bath that is cute and well-maintained. An end unit with a Beech Mountain Club Membership (buyer to pay \$1000 new application fee). Condo is being sold furnished with a few exceptions. Updated appliances (including washer and dryer) are included in sale.

D312 -- \$89,500

A two bedroom, two bath TOP FLOOR that has laundry and is fully furnished. Light & bright, wood burning fireplace with laminate wood floors in living dining and kitchen. Has great views with new shingles on back side.

E119--\$100,000

Two bedroom, two bath newly remodeled.

E318--\$95,500

One bedroom, one bath on top floor with great views and new shingles on the back side.

F224--\$69,900--Make an offer! Must sell!

One bedroom, one bath with Beech Mountain Club membership. There is a \$1,000 transfer at closing to be paid by the buyer. This unit has been newly remodeled and is in pristine condition.

G128--\$58,000--REDUCED PRICE!!!

One bedroom, one bath.

G129--\$51,900

One bedroom, one bath, level entry from parking lot, with a full kitchen, large bedroom (two double beds), large sectional sofa in living room. Club membership available for about \$12,500

G329--\$54,900—very anxious to sell! Make an offer.

One bedroom, one bath TOP FLOOR with great views. A level entry (no steps) Beech Mountain Club membership included. Full kitchen.

H133--\$75,000

Two bedroom, two bath with Beech Mountain Club membership. This is a great deal.

* There may be other units for sale on multiple listings, but since we do not act as a real estate agent, we do not have access to those listings.