

Fairways of the Mountains

PROPERTY OWNERS ASSOCIATION

RESORT NEWSLETTER

SUMMER 2011

President's Letter



Cheryl Stott

Greetings from Lake Lure! Economically the year 2011 thus far has been challenging for us all. Your Board and Management continue to work together to improve your vacation home while facing these challenges.

In 2010, all entrance walkways were replaced, gutters and downspouts replaced and capped and a new picnic shed was constructed with grills and picnic tables. We are continuing improvement projects both inside and out now in 2011, with new bath and bed linens, new interior lighting and fans and new decks.

We have received many positive comments from Owners and Guests.

If you haven't visited your home resort recently, we invite you to come and see your vacation home and enjoy the new positive improvements in unit and at the Resorts facilities.

We appreciate and thank you for your continued support.

Kindest Regards,

Cheryl Stott, President
Fairways of the Mountains Board of Directors

Last Call...

Please send your recipes to:

180 Herman Wilson Road, Lake Lure, NC 28746 or email them to: fracomgm@aol.com.

Thank you to those owners that have already submitted your recipes for the "Association Recipe" book. For those owners yet to pencil down your cooking talents, please do so ASAP!

Your Association would like to have this new recipe book printed before Christmas!

Fairways of the Mountains Annual Meeting Update

The Fairways of the Mountains Annual Meeting was held on Tuesday, June 14, 2011 at the VRI Welcome Center. All Board Members and VRI Management Staff were in attendance along with two owners.

Quorum requirements were met for the Annual Meeting and incumbent, Joe DeFranco was re-elected for another three year term. Congratulations Joe!

REMINDER: If you are interested in running for the Fairways of the Mountains Board of Directors, Applications are available January 2012 by calling (828) 625-0097 and due no later than March 1, 2012. All applications are submitted to the Nomination Committee for review and approval.

Updates at Fairways of the Mountains

- All buildings and entrance walkways are being or have been pressure-washed and walkways are being stained.
- Back decks are scheduled to be replaced beginning this Fall.
- Old grills are being replaced with new covered grills.
- Old trashcan areas are being renovated and new cans are being installed.
- New mulch has been delivered and spread on ground areas.
- All lamps and artwork have been replaced.
- All beds have bedbug encasements and new linen.
- New carpet replacement has begun and will continue until all 18 units have new carpet.
- New kitchen countertop replacement has begun and will continue on an as-needed basis.

Average Maintenance Fees

There is limited public information regarding average maintenance fees. The American Resort Development Association provides data from 2008. According to ARDA “the timeshare industry reported an average annual maintenance fee of \$646 per interval in 2008, a 12.3% increase from 2007”. If the increased 12.3% since 2008 it would put the average maintenance fee for the year 2009 at \$726 and the average maintenance fee for the year 2010 at \$815. Based on these averages, the Fairways of the Mountains maintenance fee for the 2011 year was equal to the 2008 averages.

The 2012 Annual Maintenance Fee will be set at the Budget Meeting to be held in the fall. While there is still many renovation and replacement projects ahead of the Board and Management the Board’s goal for the meeting will be to keep fees as low as possible while maintaining the villas and continuing with the ongoing renovation/replacement plan.

Boat Slips

VRI is currently responsible for renting your Timeshare Boat Slips. If you would like to reserve a boat slip during your week of ownership, please contact our office at (828) 625-0097; we have three (3) available through VRI Management.

Slip Rentals are \$30.00 per day or \$125.00 per week and require a valid permit from the Town of Lake Lure.

Rentals

VRI has a very successful rental program at “The Mountains.” You as an owner may use this program as an additional option to banking or traveling to your resort. If you are interested in utilizing our rental program, please call our office at 828-625-0097. This is a great opportunity to extend your stay or book additional vacations for your family and friends!

Treasurer's Report

CASH BALANCES

Total operating fund cash balance as of 4/30/11 . . . 386,524.99
Reserve balance fund as of 4/30/1162,433.71

Total Cash Balance as of 4/30/11 \$ 448,958.40

2010 CAPITAL EXPENDITURES

Buildings/Commons 13,272.78
Furnishings/Appliances/Interior Maintenance19,762.64
Paving/Retaining Walls/Decks/Walkways7,100.00
Roof Repairs & Replacement8,602.98
Equipment/HVAC15,643.30
Landscaping7,779.81
Maintenance/Laundry/Office Bldg.1,049.00

TOTAL EXPENDITURES \$ 73,210.51

2011 PROPOSED CAPITAL EXPENDITURES

Building Commons2,050.00
Furnishings/Appliances/Interior Maintenance19,255.00
Paving/Retaining Walls/Decks/Walkways3,978.00
Roof Repairs & Replacement6,612.00
Equipment/HVAC11,000.00
Landscaping950.00
Maintenance/Laundry/Office Bldg.950.00

TOTAL EXPENDITURES \$ 44,795.00

A payment suggestion...

Are you struggling to pay those Maintenance Fees that seem to come due right after Christmas and right before Tax Season?? If so, let us make a suggestion...

If you begin in April paying \$50.00 per month and did so through November when your next Annual Maintenance Fee bill is mailed, you would have \$400.00 credit applied to your Maintenance Fee for the following year. Wouldn't it be nice to get that bill and only owe \$250.00 to \$300.00 instead of \$650.00 to \$700.00? You can increase your monthly payment or decrease it as you wish, this is not a set plan. This plan allows you the option of paying early as you have extra cash flow instead of being hit all at once for your Maintenance Fee bill. If you are interested, call the Resort Office (828-625-0097) and pay a small payment via credit card or mail a small payment to the Resort Office (180 Herman Wilson Road, Lake Lure, NC 28746) as your budget allows. If you take advantage of this idea, you may be pleasantly surprised when you receive your next Maintenance Fee billing.

Many owners have already began taking advantage of this option.

State of the Vacation Timeshare Industry

Industry Overview

There were 1,548 timeshare resorts in the United States in 2010, representing approximately 197,600 units for an average resort size of 128 units. Of these, 5% were studio units; 22% were one-bedrooms; 65% were two-bedrooms; and 8% were three bedrooms or more. There were 8.1 million intervals owned.

Industry Health

2010 sales volume totaled \$6.4 billion, increasing by 1.6% from 2009. There were about 329,200 timeshare intervals sold at an average price of \$19,300. The average cost for weekly intervals was \$14,744 and for points-equivalents it was \$19,921.

Metric	2010
Sales Volume	\$6.4 billion
Number of timeshare intervals sold	329,230
Sales price per interval	\$19,308
Points Equivalent	\$19,921
Weeks	\$14,744
Occupancy	78.5%
Average maintenance fee per interval	\$731

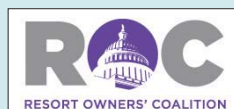
Industry Outlook

As noted, sales volume increased slightly in 2010. The compounded annual growth rates for sales price and maintenance fees from 2006 to 2010 were 1% and 7%, respectively. The average resort size has been relatively flat during this period; except for an increase in 2010 this is mainly attributable to changes in the respondent pool. Respondents expect little in the way of new construction. They anticipate building about 1,900 new units in 2011 and 1,500 in 2012 or beyond.



State of the Vacation Timeshare Industry: United States Study, 2010 Edition
ARDA International Foundation (AIF)

Ernst & Young conducted a survey of 1,548 recognized timeshare resorts to provide an overview of the state of the timeshare industry in the U.S.



Exchange Tips

www.ARDA.org



Timeshare exchange can be a wonderful way to leverage your timeshare ownership into vacations in locations other than yours. Follow these tips for getting maximum enjoyment out of an exchange:

- Focus on the vacation experience as well as the destination when exchanging.
- Think “what” before “where.” With so many resorts in so many places and units and destinations not always available at all times, think about activities and experiences you would enjoy during your vacation.
- Allow vacation exchange representatives to assist you in finding the perfect destination.
- Advance planning pays off. Place your request as far as possible in advance of the dates you want to travel to maximize your chances of securing the vacation of your dreams.
- Be as flexible as possible when requesting travel dates and resort locations. Listing several options enhances your chance for a timely confirmation.
- Consider a trip in the off-season or visit a lesser known destination that offers a similar vacation experience.
- Remember that resorts may have more small units than large ones. If you are willing to accept a unit that accommodates the number of people traveling, regardless of the size of the unit you are relinquishing, you enhance your exchange opportunities.

Resale Tips

DO:

- Check with your resort developer (if they are still selling), resort management company or homeowner's association to see if they either offer a resale program or are affiliated with a broker to handle resales. If so, ask for the statistics on past resales.
- Check with other owners at your resort. Those who own the weeks before or after you may wish to purchase more time.
- Check with local licensed real estate brokers who handle resales (check the real estate or classified section) if you have purchased in a resort area. If you find one, expect commissions to be in the 10 to 30 percent range. You may also find a broker in your hometown, but he or she may not be that familiar with timeshares.
- Run ads in the real estate or travel sections of newspapers in the resort area or your hometown.
- Research advertising costs in national publications that have an emphasis on travel and leisure. Online advertising rates may be more cost effective, but check and compare prices. Check at your library to see which have a classified section for travel/real estate opportunities.
- Understand the specific services of the resale company that you hire before signing a contract or paying a fee. For instance, if a resale company is only helping you advertise your timeshare, then their services typically will not include assisting you with writing a sales/rental contract, negotiating with a buyer/renter or assisting with the closing. However, the resale advertiser might have a licensed affiliate who can help you (probably for an additional charge).
- Notify both your resort and your exchange company in writing that you are selling your timeshare with full details about the new owner.
- Deal only with licensed real estate brokers if you are doing more than just advertising. When in doubt of a company's reputation, ask for references – and ask to speak with past sellers. And check out the status of the broker's real estate license at www.arello.com
- Understand that timeshare resellers holding real estate licenses are usually "full-service" companies. This means that they will not only help with advertising your timeshare but also assist buyers, help negotiate prices, write up contracts and assist with the closing. Some licensed companies may charge an up-front fee (if permitted by state law) or they may only—or also—charge a commission (10% to 30%) when a sale occurs, based on the price for the timeshare interest sold.

DON'T:

- Don't expect to receive the same amount that you originally paid for your timeshare. Many factors influence the resale price including season, location, unit size and age. In particular, if you have owned your timeshare interest for less than five years or if it is not in a well-known resort location, the resale price will reflect this. Remember, a timeshare should be considered a vacation-use product, rather than a traditional real estate investment, although it may include a small interest in real estate.
- Don't give up the right to use the timeshare accommodations for any purpose while you are selling your timeshare unless you have decided to rent your week/interval—for which you should receive the rental amount less any commissions.

Selecting a Resale Company

The following are the procedures that ARDA and its members suggest using when choosing a resale company:

- Be prepared by having all your paperwork in order before proceeding (see the resale checklist).
- Ask what methods the company will use to advertise and promote the property. How can you get regular information on the status of the property? Be sure you know exactly what services the company will perform before making any payments, signing a contract or giving any credit card information. Get a written contract with a full description of the services to be provided.
- If you receive an offer from a resale company by telephone, email or otherwise, resist any pressure to make an immediate decision. Ask the reseller to put details of the offer in writing and send the information through the mail or by email. Obtain a written contract before making any payments or providing your credit card information.
- Once you have received the contract, be sure you understand the terms and conditions, including:
 - any fees, commissions or other costs you must pay

- whether you can still rent or sell the interest on your own
 - how long the contract will be in effect
 - exactly what services the company will provide
 - who is responsible for documenting and closing any sale
- Some resale companies charge up-front or advance fees for resale activities. The legality of these fees depends on your state law. Check your state law before paying any advance fees. You may wish to consult with a state government agency such as the Department of Real Estate, Real Estate Commission or the Bureau of Timesharing to determine the legality of such fees in your state. A list of such agencies is available at www.arello.com.
 - Ask if the company holds a real estate brokers license in its home state. Check with the state real estate licensing agency or www.arello.com to verify the information.
 - Understand that, despite what some salespeople may tell you, there are no guarantees that your vacation interest can be resold or rented at a particular price or within a certain period of time. Resale of property is not an overnight process. Do not expect immediate results, but don't hesitate to check on the progress your company is making on reselling or renting. If you have listed your timeshare with a resale advertiser (rather than a licensed broker or sales person), any buyer or renter inquiries will usually come directly to you.
 - If you have a problem, report it to the proper agencies: The Better Business Bureau, state and local real estate commissions and consumer protection agencies, consumer reporters, and state attorneys general.
 - Make sure you get a written contract and understand the terms of the contract before paying any money.
 - Be aware that some resale companies require up-front fees which are not refundable. Some of these fees may legitimately be for advertising your timeshare—ranging from as little as \$25 to hundreds of dollars.
 - Be wary of companies offering gimmicks, such as money-back guarantees, or threats or scare tactics in order to get money from you.
 - Ask questions regarding the company's background, history of resale or rental success, and who at the company, if anyone, will handle the closing and at what cost.

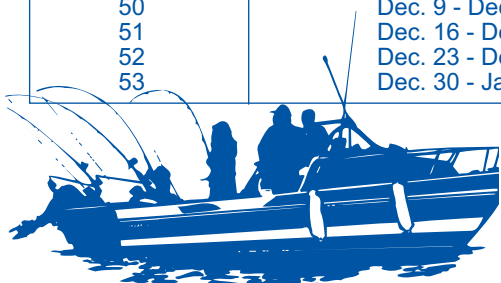
Resale Checklist

Even though it's a vacation-use product, selling a timeshare usually involves the same steps involved in selling real estate, such as a house. Before selling your timeshare, make sure that you have your paperwork in order. The following checklist should help.

- the name, address, and phone number of the resort
- the deed, and the contract or membership agreement which clearly identifies the timeshare you own
- the financing agreement (if you are still paying for the property)—remember you'll have to pay this off before you can transfer your timeshare to a new owner
- any title insurance information
- any other information to identify clearly your particular interest or membership
- the exchange company affiliation
- the amount and due date of your maintenance fee, and whether it has been paid for the current year
- the amount of real estate taxes (if billed separately), the due date, and whether they have yet been paid for the current year
- the date your timeshare will next become available for use by a new owner or when a new owner can first make a reservation
- whether or not your timeshare is a fixed week and/or unit or requires an advance reservation (a floating or flex-time timeshare)
- gather copies of the documents governing the resort owner's association, if any, the resort's rules and regulations, reservation rules and any other information that would be helpful to a new owner, such as area attractions
- know whether or not your vacation interest is legally classified as real estate or personal property, as this will make a difference in how it is conveyed to a new owner

2012 RCI WEEKS CALENDAR

Unit Week Number	2012 Sunday to Sunday
1	Jan. 1 - Jan. 8
2	Jan. 8 - Jan. 15
3	Jan. 15 - Jan. 22
4	Jan. 22 - Jan. 29
5	Jan. 29 - Feb. 5
6	Feb. 5 - Feb. 12
7	Feb. 12 - Feb. 19
8	Feb. 19 - Feb. 26
9	Feb. 26 - Mar. 4
10	Mar. 4 - Mar. 11
11	Mar. 11 - Mar. 18
12	Mar. 18 - Mar. 25
13	Mar. 25 - Apr. 1
14	Apr. 1 - Apr. 8
15	Apr. 8 - Apr. 15
16	Apr. 15 - Apr. 22
17	Apr. 22 - Apr. 29
18	Apr. 29 - May 6
19	May 6 - May 13
20	May 13 - May 20
21	May 20 - May 27
22	May 27 - June 3
23	June 3 - June 10
24	June 10 - June 17
25	June 17 - June 24
26	June 24 - July 1
27	July 1 - July 8
28	July 8 - July 15
29	July 15 - July 22
30	July 22 - July 29
31	July 29 - Aug. 5
32	Aug. 5 - Aug. 12
33	Aug. 12 - Aug. 19
34	Aug. 19 - Aug. 26
35	Aug. 26 - Sep. 2
36	Sep. 2 - Sep. 9
37	Sep. 9 - Sep. 16
38	Sep. 16 - Sep. 23
39	Sep. 23 - Sep. 30
40	Sep. 30 - Oct. 7
41	Oct. 7 - Oct. 14
42	Oct. 14 - Oct. 22
43	Oct. 22 - Oct. 28
44	Oct. 28 - Nov. 4
45	Nov. 4 - Nov. 11
46	Nov. 11 - Nov. 18
47	Nov. 18 - Nov. 25
48	Nov. 25 - Dec. 2
49	Dec. 2 - Dec. 9
50	Dec. 9 - Dec. 16
51	Dec. 16 - Dec. 23
52	Dec. 23 - Dec. 30
53	Dec. 30 - Jan. 06



Fairways of the Mountains

PROPERTY OWNERS ASSOCIATION, INC. BOARD OF DIRECTORS

PRESIDENT

CHERYL STOTT
E-MAIL: nstott@windstream.net

VICE PRESIDENT

JOE DeFRANCO
(no email address available)

SECRETARY/TREASURER

BECKY VARN
rebeccavarn@hotmail.com



RESORT CONTACT

GENERAL MANAGER

Jeanette Elliott

Email: frafomgm@aol.com

RESORT MAILING ADDRESS

180 Herman Wilson Road
Lake Lure, NC 28746

The Fairways of the Mountains Property Owners Association Resort Newsletter publication is intended solely as a vehicle for the owners and Board of Directors. The purpose of this newsletter is to relate membership information, correspondence, stories, facts, and news deemed appropriate or relevant to the interest of the owners.

CONTRIBUTING EDITORS

Cheryl Stott, *President*

Joe DeFranco, *Vice President*

Becky Varn,
Secretary/Treasurer

Steve White, *Vice President of
Resort Operations/VRI*

Jeanette Elliott,
General Manager, VRI

IMPORTANT TELEPHONE NUMBERS

Fairways of the Mountains

VRI WELCOME CENTER (828) 625-0097
RESORT FAX (828) 625-0049
RESORT SECURITY (828) 694-3046

OFFICE HOURS

MONDAY–THURSDAY 8:00 a.m. – 6:00 p.m.
FRIDAY–SUNDAY 8:00 a.m. – 7:00 p.m.

EXCHANGE INFORMATION

VRI*ety (888) 203-1044
VRI*ety PLUS (866) 469-8222
RCI (RESORT CONDOMINIUMS) (800) 338-7777
II (INTERVAL INTERNATIONAL) (800) 843-8843

VACATION OWNER SERVICES

ASSESSMENT BILLING & COLLECTIONS (828) 625-0097
RENTALS (866) 469-8222 or (828) 625-0097
CENTRAL RESERVATIONS 1-866-469-8222

Fairways Website www.fairwaysatlakelure.com
VRI Website www.8664myvacation.com
Rumbling Bald Website www.rumblingbald.com