

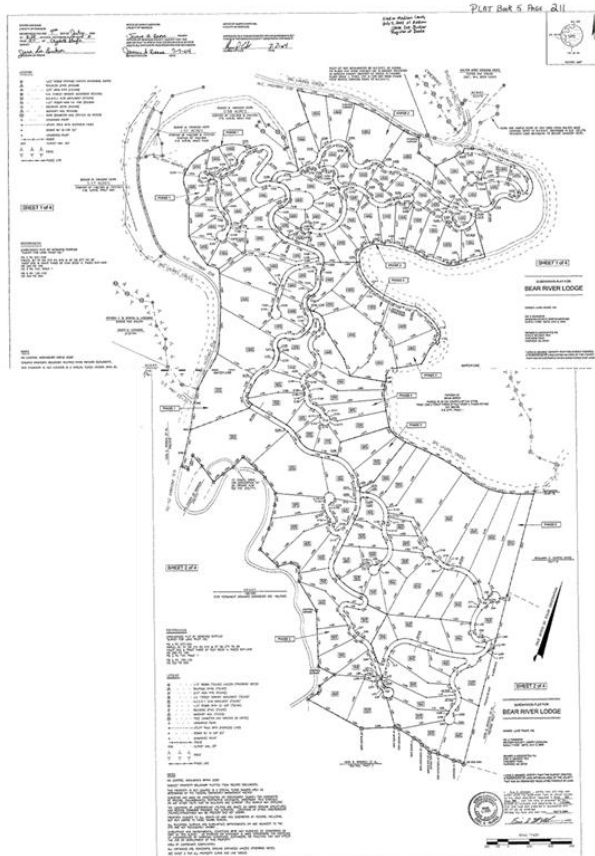
A New Century

From the rich history of the Gahagan family, fast forward to the turn of the new century when, in late 2001, the estate of Bonnie Gahagan sold 608 acres, including the future Phase 1 and portions of Phase 2 Bear River Lodge, to Lloyd and Peggy Sineath for \$360,000. Lloyd Sineath was a retired real estate attorney from Charleston, SC and it's reasonable to assume that he had retirement dreams centered in this area. In December 2001, the Sineaths filed a rezoning application with Madison County, requesting the land be rezoned from Residential Agriculture to Residential Resort District, with plans to offer horseback riding and cabin rentals with a clubhouse. His application mentioned plans for a grocery store and gas station along 25-70. At the time of the application, the stables 'for 16 horses' was being constructed. Other than those stables, and some of the defining corral and pasture fences, little remains of the Sineath dream, and it is not known why they elected to sell the property in 2004 less than 4 years after its acquisition.



'The Stables' as it appears in early 2018. Built in 2002 by Lloyd Sineath, with hopes of offering horseback riding on the land that is now Bear River Lodge.

In any regard, in March 2004 the Sineaths sold the original 608 acres, plus an additional 36 acres they had acquired in future Phase 2, to Landtrust Inc., a subsidiary of North American Land Development, for \$3.5 million dollars, a fair return on their original investment. John Folds was the president of North American Land with Daniel Shattuck acting as president of Landtrust, two names that remain on the



Original plat of Bear River Lodge, July 2004

books as owners-of-record for lots 117 and 125. Landtrust began setting up their sales office in April with Debra Downes (later Lewis) acting as office manager, with an estimated budget of \$25,000. In June the Bear River Lodge Community Association was formed with members of the property development team being the Board members, including Mark Lewis named as Secretary. By July, the first plat of Bear River Lodge was filed with the County along with the original Covenants and Restrictions, signed by Shattuck.

In August 2004, Landtrust hosted an open house in Asheville to introduce and promote Bear River Lodge. The Articles of Incorporation and By-Laws were filed with the State and the marketing was off and running. Lots were advertised, starting at \$50,000, in newspapers along the east coast, including the Boston Globe. It was from this ad that current residents Ray and Tish Desjardins became among the first lot owners at Bear River Lodge. Through the end of 2004, Landtrust had closed on 10 lots for an average price of \$143K.

Sales really began picking up in 2005, with the sales staff growing slowly, adding two salespeople early

in the year and three more after August. At this time, before the lodge was built, the sales office was housed in the small cabin located along NC208, just north of the old construction entrance. A total of 46



Google Street View, from October 2009, of the cabin at 460 NC 208, site of the old sales office for Bear River Lodge, managed by Landtrust LLC.

lots were sold in 2005 for an average of \$109K, concentrating on the lower numbered lots in the north half of the subdivision. The sales staff salaries were based on commission, earning 6% on cash sales and 5% on financed deals. During 2005, only two lots were resold on the private market, one subdividing a lot for a modest profit and the other selling the lot for essentially the price paid. Also during 2005, the first house was built in Bear River, a spec home by Southern Pride of WNC, Inc. near the front of the development, on lot 4. The home was finished mid-year, but would sit vacant until it was purchased out of foreclosure over four years later in 2009.

Eight sales staff was added in January 2006 and 39 more lots were sold through May, for an average price of \$138K, including many over \$200K, mostly located in the south half of the subdivision. The sales pace slowed in the latter half of the year, with only 17 lots sold for an average of \$229K, again mostly to the south. The highest price paid was \$400K for one of the physically highest lots in BRL, near the end of Thunder Trail. There were two landmark events in the latter half of 2006 as well. In August Landtrust obtained a loan from Asheville Savings in the amount of 4.2 million dollars, using the deed of trust from their 2004 purchase as security. And in September they sold their 109th lot out of the original 136 (later reduced), and with that 80% milestone turned over the voting control to the members of the Association, which included the development team and the property owners. By the end of 2006, Landtrust had grossed over 15 million dollars in sales. It is not known what they spent on salaries, infrastructure, marketing and administrative expenses. Two additional homes were completed in 2006, the first occupied by residents at BRL.

Landtrust sold the last four lots in their inventory in March and April 2007 for an average price of \$285K. A few lots were resold by the owners in late 2006 and early 2007, with price increases anywhere from 10 to 100%. Landtrust retained two lots in the development, lots 117 and 125. Those lots are still 'officially' owned by Shattuck, Folds and others, though they have not paid HOA dues, nor, we suspect, county taxes since day one.

The lodge was constructed in late 2007 and early 2008, designed and built by Mark Lewis, a member of the development team and a trained architect. Unfortunately, 2008 also brought the beginning of the real estate crash. As the market started to turn, Landtrust was still boasting confidence to the owners that they would fulfill their Phase 1 commitment, begin to market Phase 2 and enable the Home Owners Association, though by April it was apparent they had no intentions to fulfill their legal obligations.

The rise of our owner-managed HOA in the next, and final, installment of our history...