



FOR IMMEDIATE RELEASE

October 13, 2009

**Balsam Mountain Preserve's Leaders and Members Align
Behind Community's Re-Capitalization Initiatives**

Sylva, N.C. – Balsam Mountain Preserve's leadership and a core group of its membership announced today their intentions to re-capitalize the community in an effort to settle a dispute with the developer's lender, TriLyn, who earlier this week filed a Notice of Foreclosure with Jackson County.

Despite seventeen property closings year-to-date, being current on loan interest payments, and making principal reduction payments over the life of their loan, the community has been considered in default by its lender, TriLyn, since the beginning of 2009.

"In our 40 years in business, Chaffin/Light has always made good on its financial obligations. This situation is not only an isolated incident, caused in great part by the challenges resulting from the near collapse of the global lending market, but one that we feel confident we will see the end of as swiftly and efficiently as possible," stated Jim Chaffin, Managing Partner and CEO of Balsam Mountain Preserve, and Partner of Chaffin/Light Associates, the developer.

Filed on Tuesday, October 6, the Notice of Foreclosure sets in motion a process through which a hearing will occur within the next four to six weeks. Before a Notice of Sale, Balsam Mountain Preserve intends to have sufficient capital commitments for restructuring, thereby enabling a settlement with TriLyn and paving the way to re-emergence as early as the end of this year with resumption of full-scale community operations.

Jim Chaffin continued, "I deeply regret the adverse impact this has had on our membership as well as our staff and their families. I pledge that we are doing everything in our power to restructure in a way that allows the return of full operations immediately upon resolution of this matter. "

In light of Tuesday's actions by the lender, Balsam Mountain Preserve's leadership immediately ceased all but the highest priority operations on the property. Balsam' leadership has plans underway to partner with a community agency to assist those displaced with finding gainful re-employment.

“It’s the least we can do for those who we consider extended family,” explained Chris Chaffin, President of Balsam Mountain Preserve. “They’ve given so much to the community and have played such a role in creating the sense of community here. We hope to be in a position to re-hire as many of them as we can, once we are on the other side of this.”

In addition to the concerted efforts with its members, Balsam Mountain Preserve is also speaking with institutional investors for gap financing provisions. Together with the funding initiatives by the community’s members, the developer may enable a settlement with its lender.

“We continue to exhaust every possible method of raising enough capital to avert foreclosure,” said Jim Chaffin, “and we are confident in the advice and strategy of our legal team.”

“Though we are naturally disappointed and frustrated that it’s come to this,” Chris Chaffin emphasized, “we couldn’t be more grateful to our members for their unprecedented level of support or more eager to get back to the normal course of business.”

Media Contact: Chris Chaffin, *President*, Balsam Mountain Preserve
(866) 452-3456 | cchaffin@chaffinlight.com

* * *

END