

## **Fellow Mountain Club Owners,**

### **Final Update before Occupancy**

This will likely be our final update before the Mountain Club is ready for occupancy by Thanksgiving, 2011. We are confident regarding this date, based on work by our general contractor who has a construction crew of approximately 25 employees working to have all reconstruction completed by the early November. Please bear in mind there are two significant fire suppressant requirements that must be fulfilled for Alpine County to approve the placement of furniture and unit contents. The issues that need to be resolved are:

One: Connection and testing of a fully finished fire sprinkler and alarm system. There is some rewiring of alarm systems that must occur (contractor has been working overtime to accomplish this).

Two: Pebbles have been discovered in the fire sprinkler system and Alpine County is requiring, as they should, that this problem be solved before granting approval to move contents (furniture, etc.) back into the units.

Once we have approval by Alpine County, it will then take approximately two-weeks to have furniture, mattresses, bedding, sofas, chairs, etc. moved into all units.

### **Think Positive**

Even if the Thanksgiving date is missed, we would expect that approval for occupancy should occur no later than the first or second week of December, 2011, well before the Christmas Holiday season. Let's remain optimistic, though, that we will stay on track for a Thanksgiving "re-opening" of the Mountain Club for occupancy by our HOA members.

Also, we still have not received any indication from fire inspectors relevant to the exact nature or cause of the fire on May 23, 2011. For insurance renewal purposes, this is not good news. It is possible, as a result, that the Mountain Club's current carrier will not renew our fire insurance policy and that the complex would be placed on "assigned risk." This development could significantly increase our annual insurance premiums. On the other hand, your Board is working feverishly to avoid the assigned risk scenario. If any of our HOA members have suggestions in this regard, then the Board is certainly open to your ideas.

### **Now Some Really Good News**

The damage done to our Mountain Club complex was from the fire itself and smoke and water. Basically, every part of the complex was affected in some way. For example, smoke damage meant that all mattresses, pillows, and sofas had to be replaced. Water damage, on the other hand, impacted all of the TVs.

However, we are very happy to report – as shown in the following section -- that there will be many new features to the Mountain Club that you will readily notice. We trust that these new features will off-set to some extent our disappointment of not being able to use our units for several months. Some of the new features and upgrades are:

1. A brand new roof and eave-melt system
2. All new TVs with HDMI connectors (32" flat screens in lofts and lock-out units and 40" in all "main" units).
3. All new mini-fridges in lock-out units.

4. New mattresses, (best hotel grade available by Sleep Train – definite upgrade), pillows, head-boards, and sofas (all units)
5. Loft ventilation system
6. New baseboard and unit painting and carpets throughout the interior of the complex
7. Upgraded fire alarm (addressable system)
8. Brand new elevator car
9. Some new gym equipment
10. New unit lamps and hallway sconces

Most of these new features are being paid for by the insurance carrier. On the other hand, some of the upgrades have been paid for out of the Mountain Club's Reserve Fund. For example, the Board authorized upgrades to the new elevator in order to make it as "scratch resistant" as possible. Because of the reconstruction process, the Mountain Club, in many respects, will be like a brand new building. It has been a major undertaking, but we believe that our HOA members will appreciate many of the new features and upgrades to their units.

### **Your Board at Work**

The Mountain Club Board of Directors has been conducting weekly telecon meetings for several months (beginning in June) and these meeting last about 2 hours. There has been a very concerted effort by the Board to make prudent decisions – on a weekly basis -- for the reconstruction of the Mountain Club complex and for the benefit of all HOA members.

In our estimation, the Board's weekly telecon meetings have made it possible to keep moving the reconstruction project forward in a timely manner. Candidly, the Board is pleased with all of the hard work – especially by KCA and KMR staff – to make the Thanksgiving re-opening date a very real possibility and to achieve the certification by Alpine County for occupancy by that date.

In sum, the Board very much appreciates the timely payment of dues by HOA members. This has provided the Board with funding needed to approve the upgrades many HOA members have been requesting over the past few years. We all benefit when members are diligent in paying their monthly dues and fulfilling their homeowner responsibility to the Mountain Club community.

We look forward to seeing you at the Mountain Club -- Version 2.0.

Regards,

Board of Directors, Mountain Club

Pete McCourt, President; Barbara Posch; Tom Heffron; Nate Whaley; Doug Threet