

**THE TIMBERS OWNERS ASSOCIATION, INC.**  
**TOWN HALL MEETING**  
**OCTOBER 17, 2018**  
**318 ELK AVENUE, SUITE 24**

Those Present:

Ann Mallow (Board member)  
Erin Stock (Board member)  
Evan Sandstrom (Board member)  
Kat Hasebroek (Board member)  
Rob Harper, Toad Property Management, Inc.  
Jim Ruthven, Toad Property Management, Inc.  
Chris Rockers, Public Adjuster (by phone)  
Unit owners at meeting: Units 002, 101, 102, 103, 109, 203 and 300  
Unit owners by phone: Units 006, 010, 012, 104, 106, 109, 110, 112, 201,  
206, 209, 212, 304, 305, 306, 307, 308, 309

Rob called the meeting to order at 5:30 pm. and said Evan would be presenting the questions emailed from owners and answering those concerns. Rob explained Chris Rockers was on the phone and he had been representing the Association in negotiations with the insurance company regarding the recent leak. Rob said legal counsel for the Association could not attend the meeting and it might be necessary to get back to owners if a question could not be answered by those present.

Rob said Chris Rockers, Public Adjuster, had recently sent an update by email and Chris would be giving an additional update at the meeting. Chris explained the mitigation of the leak had been completed and the contractor, KW Construction, had been paid by Seneca, the insurance company, and there were ongoing discussions with Seneca regarding the restoration of the building. Chris said Seneca had provided their estimate for repair two days ago, KW Construction had submitted their revised estimate for repairs and a conference call would be held on October 18<sup>th</sup> between Seneca, KW Construction and Chris to review the estimates and reach agreement on reimbursement of costs. Chris explained nothing could be done on the building until the fire sprinkler system and alarm system were once again operational. At that point residents on the third floor of the building would be able to move back in and repairs on the rest of the building could commence.

Rob explained during the recent pressure test on the building by Dynamic Fire Systems an additional pipe break had been located and repaired and following that repair the fire suppression system had passed the pressure test. Rob said the necessary parts to make all repairs to the fire suppression system, as identified in reports, had been ordered by Dynamic and would be installed as soon as the parts were received which was expected in 7 – 10 days. Rob clarified the third floor residents could be back into units once the fire suppression system and alarm system were operational and drywall had been installed in the hallways leading to the third floor units and the Town of Mt. Crested Butte had inspected and lifted their condemnation of the building.

Chris Rockers said the Seneca estimate and the KW Construction estimate were approximately \$500,000 apart and Chris said the conference call had been set up to work at reducing that difference. Rob said it was exactly four months since the leak had occurred and Chris said it was not unusual for insurance companies to take that long to get to the same point although delays from the insurance company had been very frustrating. Chris explained both Seneca and KW Construction estimated 6 months to complete the restoration of the building and that timeframe would start once a resolution on the repair estimates had been reached and a Town of Mt. Crested Butte building permit was in place. Chris stressed the need for Seneca and KW Construction to reach resolution on the cost estimates prior to the restoration work commencing. Rob said KW Construction and other contractors were prepared to start work as soon as the scope of work and cost of that work was agreed between Seneca and KW Construction. Chris said he would take legal advice and speak to Seneca on whether work to get the third floor residents back into the building could commence while the discussions on the entire scope of work and cost of that work was resolved. Chris Rockers left the meeting and said he would send an update on the discussions between Seneca and KW Construction.

In response to emailed questions Rob explained Western Slope Fire had installed the fire suppression system, made subsequent repairs and performed annual inspections of the fire suppression system. Evan said the Crested Butte Fire Protection District also performed annual inspections and Rob said Toad checked pressure valves in the mechanical room periodically to confirm they were at the usual 175 level. Rob explained the recent repair work and pressure testing had been performed by Dynamic Fire Systems. Rob said the new fire suppression system would operate differently from the prior system and pressure reducing valves were being added.

Kat read a note from the Association's legal counsel saying once it was known how much of the restoration work would be paid by the insurance company the Association could then decide any potential claims against contractors and all entities had received the official notification that future claims might be forthcoming.

Rob confirmed an additional small repair had been made to the fire suppression system during the testing and after that repair the system had been put under pressure of 220 psi for a period of 15 hours and no additional leaks had been discovered. Rob explained the new system would run at 150 psi or less pressure and the Engineer's Report had indicated no further problems should occur. Evan said the pressure reducing valves were being installed at a cost of approximately \$11,000 and the insurance company had initially denied payment of that cost but discussions with the insurance company were ongoing on that matter.

Rob confirmed the insurance company had paid \$450,000 to KW Construction for the water mitigation work performed on the building and the insurance company had paid approximately \$300,000 as working funds for the restoration. Rob explained those funds would be used for the restoration and no immediate special assessments were anticipated.

Rob said Toad and KW Construction had been working to ensure that temperature in all units was maintained at least 55 degrees.

Kat said the installation of the pressure reducing valves was one of the suggestions from Mountain West Insurance to assist in reducing future insurance premiums and the Association would address as many of the suggestions Mountain West had made. Kat said future insurance premiums were unknown at the present time and it would not be possible to obtain estimates from the Broker until this claim had progressed further. Kat confirmed the existing insurance policy with Seneca expired in May, 2019. Evan said Chris Rockers had also been very helpful in making suggestions for insurance in the future but at this time it was not known what impact the second water claim would have on future premiums. Unit 104 stressed the importance of protecting the building against future water claims and asked that owners be involved in the decision making to make any suggested upgrades.

Concern and frustration were expressed regarding the KW Construction invoices owners had received for the moving and storage of personal items from each unit and the excessive cost. Erin said the Releases signed by owners for the storage of items were unfortunately clear that it would be an individual owner's expense but that had not been understood by the majority of owners. Erin encouraged owners to reach out to their personal insurance carrier as some policies would cover that expense. It was acknowledged that communication was key and KW Construction needed to be made aware of the need to correctly share information with owners during a very stressful time.

Rob said the building was locked during the condemnation period and owners wanting access needed to contact Toad and Toad would let them into the building. Rob explained locks had been tampered with and codes would be changed again as the people performing the fire watch were aware of people entering the building without giving prior notification.

Evan worked through the owner list inviting owners to ask any remaining questions. Rob said the strategy for the order of repairs after the restoration of the third floor had been discussed but was unknown at the present time and the order of repairs might be led by the availability of specific materials. Rob said if owners wanted to make their own repairs they should contact him after it was known how much the insurance company would pay and Chris Rockers and KW Construction would be involved in calculating how much of the insurance company payment went to specific units. Kat said inspection reports were available and once all the work had been completed and the building restored there would be Town of Mt. Crested Butte inspections to confirm the work had been satisfactorily performed and those reports would also be available to owners for potential buyers or insurance companies.

Rob said Toad was working through a list to reimburse owners for the large electricity bills they had received during the drying process of the building. Rob said he would remind the individuals performing the fire watch to turn off lights when not required and to not put thermostats higher than 65 degrees. Rob confirmed the Building Inspector at the Town of Mt. Crested Butte would be the person responsible for lifting the condemnation on individual units and the building and Rob agreed to speak to the Town regarding the process for lifting the condemnation and if it would be by unit or by floor. Rob said he would follow up with legal counsel and obtain advice on how to deal with restored units but disrepair in other parts of the building as that might have an impact on individual owner's ability to rent their unit and any loss of income provisions provided by some of the individual insurance companies. Owners thanked

Toad and the Board for their hard work during a stressful time and it was agreed owners should email Rob and the Board with any questions moving forward and weekly updates would be sent once construction was underway. It was suggested that another Town Hall meeting be scheduled in 60 days as it had been useful and well received by owners.

Rob said Marcus Lock, the Association's attorney and Chris Rockers, the Public Adjuster, were working very hard on behalf of the Association and Rob thanked the Board for their hard work and owners for their patience during a difficult time.

The meeting closed at 7:00 pm

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Prepared by Rob Harper,  
Toad Property Management, Inc., Manager

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