



January 21, 2020

Dear Simba Run Owners,

On October 9th, 2019, I sent a letter to all owners outlining the urgent need to modernize all 3 elevators at Simba Run. At that time, we anticipated a total project cost of \$800,000, to be financed entirely through a special assessment.

On October 18th, I sent a subsequent letter to owners which provided answers to various questions that resulted from my prior letter. It also communicated the board's decision to take \$200,000 out of the capital reserve, leaving \$600,000 to be financed via special assessment. **On the basis of that communication, we received overwhelming approval from owners, with 62 of our 94 units (66%) voting in favor of the project.** The board voted unanimously to proceed with the project at our October 28th board meeting.

Subsequent to the October 28th board meeting, as we attempted to finalize the project details, we reached an impasse with the consultant who had administered our bidding process. Essentially, he was unwilling to evaluate all of our bids objectively, in conflict with the wishes of the board. As a result, we terminated the initial consultant and hired a new consultant to take over the process. Our new consultant refined the initial specifications for the project to include certain cost savings and several significant enhancements to the final product. He then rebid the project.

Results of the Revised Bidding Process

As a result of the head to head bidding process put in place by our new consultant, **the final cost of the project was reduced significantly, to \$630,000. With \$200,000 still funded from the capital reserve, the special assessment has now been reduced to \$430,000 (a 46% reduction from the original plan.)** A copy of the exact amount that will be assessed to each unit is attached to this e-mail. These amounts are based on the percentage ownership of each unit of Simba Run. **Our accountant, Lindsay Gremmer, will be sending an invoice to each owner in the next week, with payment due on April 1st.**

The vendor that was selected is Peak Elevators, a rapidly growing, Denver based company. Their current clients include Vail Resorts (120 elevators), the USAF Academy (88 elevators), Colorado School of Mines (44 elevators) and many other properties in the Colorado mountains and Denver area. The board conducted extensive interviews of 10 of their current customers, including the 3 named above, and received strong endorsements from each of them. Since their selection, Peak has shown a high level of responsiveness to our questions and has already launched into the comprehensive design process of our new elevators. We executed the final contract with Peak on December 27th, which, in addition to the modernization project, will also include providing ongoing maintenance services for our elevators at a cost roughly \$10,000 per year less than we had been paying with our previous elevator service company.

The Schedule

Peak will begin the project construction work at Simba Run immediately after the end of the ski season. The elevator in Building 2 will be addressed first, and completed prior to start of the busy summer season. Peak will then begin modernizing the Building 1 elevators, one at a time, with completion anticipated in October, well before the start of the next ski season. Upon completion, we will essentially have brand new elevators in every sense, with improved reliability and performance to serve Simba Run for the next 25-30 years.

Additional Items

While we anticipate that most owners will have sufficient time to prepare for the payment of the special assessment on April 1st, for any owners who are not in position to make this payment, the board is willing to work with you to make arrangements that are workable for you. If you require such an arrangement, please contact me at the phone number or e-mail shown below to discuss your requirements.

I believe it is appropriate to give a special shout out to Oscar Kaelin, who pushed very hard to challenge the initial conclusions of our first elevator consultant, and Bob Oppenheimer, of MPM, who has been our key liaison to our consultants and elevator vendor candidates throughout the evaluation process.

We are very excited about the prospect of working with Peak, and having new and improved elevators prior to the next ski season. While there will be some disruption as a result of the project, we will attempt to make the project as manageable as possible for all owners and guests of Simba Run. If you have any questions regarding this project, please feel free to contact me at your convenience.

Rich Larson

President, Simba Run Condo Association

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