



2004-5 Board of Directors

Bud Hierlihy , President

Ray Karabin, Vice President

Don Kelner, Treasurer

Jan James, Secretary

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Bob James

Julie Peters

Will Rogers

Mary Jane Schilberg

Frank Willenborg

Terri Willenborg

Curt McDaniel

(Sudendorf Townhouse Rep)

Margaret Schaefer

{Bergrand Condo Rep}

The Schuss Mountain Views was originally scheduled to be published early in April of this year with the belief there would be reliable news on the resolution of the financial situation at Shanty Creek Resort. However, reliable, factual information was not available just numerous rumors with a different version available almost every day. Members of the Board of Directors including Bud Hierlihy, Ray Karabin and myself, Jan James have been attempting to gather factual information, to use in this newsletter. This newsletter contains the best we have been able to gather from the newspapers, web sites, and conversations with executives of both Douglas Wilson Companies and Shanty Creek Resort. Additionally there have been a number of other significant developments since the last newsletter in December 2004 that have a direct impact on Schuss Mountain Property Owners. The following items will be presented:

- Operations at the Shanty Creek Resort
- TCE water contamination issue and the Well First Procedure
- Developments in the Sewer System
- Ivan's Grill closing, facility being used for Family Activity Center, open only for special events
- Fire at Schuss Lodge and implication to pool opening
- The new SPMOA Directory
- Our new web site smpoa.net is up and running
- Annual SMPOA Meeting in September and possible joint Dinner Dance

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Hopefully the information provided will be useful and any feedback is encouraged.

Jan James

**2005
Schuss Mountain
Property Owners Association**

Executive	Bud Hierlihy Don Kelner Ray Karabin Jan James
Architectural	Bud Hierlihy Will Rogers Frank Willenborg Ray Karabin
Association By-laws	Frank Willenborg Don Kelner Bud Hierlihy
Beach Club	Julie Peters
Budget	Don Kelner Frank Willenborg
Contracts (roads, signs, path cleanup)	Frank Willenborg
Snowmobile	Open
Shanty Creek Liaison	Ray Karabin
Social	Terry Willenborg
Newsletter	Jan James Bob James
Meetings	Frank Willenborg

**2005
Schuss Mountain
Property Owners Association
Trustee Addresses & Phone Numbers**

Will Rogers, Flowers and Architectual Commitee

Bob & Jan James, Newsletter

Julie Peters, Beach Club

Frank Willenborg, Contracts (Snow Plowing & Mowing)
and Architectual Commitee

Mary Jane Schilberg

Curt McDaniel, Sudendorf Townhouse Rep

Margaret Schaefer, Bergrand Condo Rep

Comerica Bank Assumes Ownership of Shanty Creek

The Bellaire Review (4-5-05) reported that the end of the six month redemption period came and went without much fanfare. On March 24, Comerica Bank officially took control of Shanty Creek from resort owners.

Go Forward Operating Group and LaVanway Capital and Trade Corp., headed up by Charlevoix businessman Tom LaVanway and former resort CEO Terry Schieber, defaulted on a \$20 million mortgage last year, which forced Comerica to initiate foreclosure proceedings on the resort.

The resort is also delinquent in taxes owed to the county, according to Antrim County Treasurer Sherry Comben. Estimating the amount owed is difficult because Comerica has assumed some land deeds and Go Forward still holds others. Taxes for 2002 were paid by Comerica, while 2004's have not been, according to Comben.

On April 18th SMPOA Vice President, Ray Karabin met with Phil Jones, Vice President of Lodging and Sales at Shanty Creek Resort. The object of this meeting was to get answers to questions arising with reference to Schuss Mountain ... and to substantiate or dispel rumors which are making the rounds with Schuss property owners.

Q Is Schuss Mountain Lodge to remain closed?

A Not permanently... though all registrations will now go through Summit's Registration Desk because of the reconstruction going on at the Lodge due to the fire.

Q How will this effect the use of the swimming pools?

A The pools will be open as soon as the rest room facilities, which were damaged by fire and freezing, are repaired. The pools will definitely be opened even if we have to use the rest rooms in Ivan's.

Q Will Ivan's restaurant be open this summer?

A Ivan's will not be open except for Special Gatherings. Children's activities will be based at Ivan's.

Q The Schuss Mountain Property Owner's Ox-Roast is normally scheduled at Ivan's on the Memorial Day Weekend – will this be effected?

A This event will take place as usual in the same manner as in the past.

Q Will the Schuss Mountain Golf Course open this season?

A Schuss' golf course will be open and is currently being groomed.

Q Is Shanty Creek aware that the Original Property Deeds held by Schuss property owners state the Beach Club property was one of the promised amenities. The SMPOA would like to make some improvements at the Beach Club and request clarification of the status of the property.

A No definite information available on this. As to the legal ramifications, that would have to be resolved.

Q Do you have any knowledge of the Resort's status?

A Not really, although I have heard there are quite a few Interested parties.

In closing Phil Jones advised that a noted management firm, Douglas Wilson Companies, has been appointed to manage Shanty Creek for Comerica Bank.

On April 22 SMPOA President Bud Hierlihy and Secretary Jan James met with Phil Cutting, who is in charge of Shanty Creek for Douglas Wilson Companies. Phil said that his primary job is to maintain the value of the resort and to package the resort assets for market. While there are not any buyers today, there is a lot of interest. When asked about selling Schuss or other assets separately, Phil said he would advise against dividing up the resort property, keeping the resort as one entity will maximize the value and maintain the synergy of operations. Phil Cutting can be reached by email at pcutting@douglaswilson.com.

Douglas Wilson Companies has established an office at Shanty Creek in order to provide the best possible financial and operational oversight. The onsite representatives are Brad Ebright and Krista Freitag you may reach them at (231) 533-8621 x4183 or by email at bebright@douglaswilson.com or kfreitag@douglaswilson.com. For more information on Douglas Wilson Companies please visit their website at www.douglaswilson.com.

The following press release was found on the Hotel Travel News internet site at the address below. www.breakingtravelnews.com/article/20050413093705571

Shanty Creek Courses Ready for Season

The 2005 golf season will begin on schedule at Shanty Creek Resort and Club, with the resort's Summit course set to open Friday, April 22, 2005.

"Our experienced staff is busily preparing for an outstanding summer season. Weather permitting, we expect to have all facilities open and operating on schedule, providing guests and members with the same high level of quality they have come to expect from us," said Shanty Creek President and Chief Operating Officer, Jack Garagnani.

Buoyed by a nearly \$2 million investment of operating capital, Shanty Creek's new management team has continued regular operations and is purchasing a new fleet of maintenance equipment to ensure outstanding conditions at the resort's championship golf courses.

Following recent foreclosure proceedings, Shanty Creek Resort and Club is under the management of Douglas Wilson Companies, one of America's most capable and experienced problem resolution and real estate management firms. Since 1989, it has overseen development and management of nearly \$3 billion in assets and has served as a court appointed fiduciary for nearly 400 projects in both state and federal courts.

Douglas Wilson Companies has put in place a highly skilled, veteran leadership team whose sound business practices will ensure that Shanty Creek operates as a high-quality, full-service resort until a qualified buyer who is willing to take the property to the next level is found.

"Golf is a billion dollar business in Michigan and we anticipate that our Resort will continue to be one of the state's favorite golf destinations," continued Garagnani. "We are pleased with projections of a strong 2005 season for the state and look forward to welcoming back plenty of old friends and making just as many new ones."

In August, Shanty Creek Resort will play host to the 2005 Michigan PGA Championship, a three-day event featuring some of the best professional golfers in the state.

Following tradition, Shanty Creek will also offer 2005 summer guests top quality golf instruction, swimming, biking, horseback riding, children's programs, disk golf, entertainment, and dining opportunities.

"Since 1985, Shanty Creek Resort and Club has been one of Michigan's premier, four-season resorts. The property's employees, management, lenders, suppliers, and marketing partners are all working together to ensure its long-term success," Garagnani added.

The TCE Plume Update

In April 2005, the Northwest Michigan Community Health Agency (NWMCHA) issued a new "Well First Protocol" that affects those areas of Schuss Mountain not covered by the existing Mancelona Area Water and Sewer Authority (MAWSA) water system. In a Traverse City Record-Eagle story on Friday February 11, 2005, MDEQ geologist Janice Adams said that the MDEQ had drilled test wells on the outer edge of the plume between April and October of 2004, at a cost of \$2 million. The wells revealed TCE groundwater contamination from 40 to 200 feet below the water table in one location and "deeper than expected" contamination in another. The test wells further showed that the plume has migrated beyond those areas serviced by the existing MAWSA water system. Based on these results the NWMCHA was compelled to issue the new "Well First Protocol" affecting those areas of Schuss Mountain not presently serviced by the water system that was installed in 2002.

This new protocol requires that prior to the issuance of building permits a drinking water well must be drilled and tested for the presence of Volatile Organic Compounds (VOC) specifically TCE. If the test results do not show contaminants exceeding any EPA Maximum Contaminant Level (MCL), building permits will be issued. If the test results show VOC exceeding EPA MCL standards the well must be abandoned in accordance with existing laws and no building permits will be issued until such time as an approved water source is available.

The complete "Well First Protocol" can be viewed or downloaded from the SMPOA website at www.smpoa.net. Further information can be obtained from NWMCHA's website at www.nwhealth.org/ or by calling (231) 533-8670.

Antrim County United Through Ecology (ACUTE) continues to work with MDEQ and MACTEC to find a remedial solution to the TCE plume. The ACUTE Public Forum and information meeting that was scheduled for May 5, 2005 has been tentatively rescheduled for September 22, 2005. The purpose of this meeting will be to provide information on the progress of the remediation efforts. More information to follow. ACUTE is working on a set of Frequently Asked Questions (FAQ) on how this new policy will affect the buying and selling of Real Estate within the plume boundaries at Schuss Mountain. These questions along with additional information about the TCE plume are available at the following internet address www.egr.msu.edu/tosc/mancelona/

The Sewer System at Schuss Mountain

At the SMPOA Board of Directors meeting on March 19, 2005, Brett Gourdie from Gourdie-Fraser Inc. was present at the request of the board to discuss developments with the Mancelona Sewer project. The key facts presented by Mr. Gourdie were:

1. The present Schuss Mountain system is only operating at approximately 35% capacity which means that there is not sufficient material to keep an optimal number of micro-organisms alive. This decreases the efficiency of the plant.
2. Adding the proposed sewer system from the businesses in Mancelona will only bring the system to about 70% capacity, well below the average daily flow limit of 112,000 gpd. The increase will however allow for a more efficient operation of the facility.

Continued on next page

The Sewer System at Schuss Mountain (continued)

3. The current plan under consideration is for MAWSA to initially purchase capacity from the Schuss Mtn Sewer System. This payment could be used to reduce the current debt of the Schuss Mtn. System. The cost of this purchase would be spread over the Mancelona businesses using the system. Following this MAWSA would purchase the Schuss system for the reduced amount of money owed. This purchase cost would be spread over all of the users of the system. The benefit of this plan is that it reduces the purchase costs that will be assessed to the condominium and resort users.

4. The cost to the condominiums would be further reduced because instead of the flat rate per toilet in use today, water meters would be installed and sewage charges would be based on water usage. This means the average bill would probably be in the neighborhood of \$39-\$40 per month for an average usage of 300 gallons per day.

5. Concerns were expressed that the system would ultimately be expanded as more users were added. Mr. Gourdie stated that the system is land locked with very limited room for expansion. He further stated that any expansion would use newer technologies that are more cost effective and are typically buried underground out of sight.

6. Concerns were also expressed about the landscaping around the existing system. Mr. Gourdie said that MAWSA has budgeted in their plans monies to do further landscaping to camouflage the ponds from the road and the golf course.

After Mr. Gourdie left the board discussed what they had learned and agreed if the system were properly landscaped it would be "out of sight, out of mind". All members agreed that SMPOA should become actively involved with MAWSA to ensure that a proper landscaping plan is carried out. It was further agreed that SMPOA would drop all opposition to the MAWSA plan.

The Traverse City Record-Eagle and the Antrim County News reported that the Village and Township of Mancelona have approved the MAWSA \$2.7 million sewer plan for Mancelona businesses along U.S. 131 and down State Street (M-88). Residences in the village and township are not included in the sewer plan. The USDA's Rural Development Authority has committed to a \$1 million grant and a \$700,000 low interest loan for the system. The authority is in negotiations with the Michigan Economic Development Corp. for an additional \$1 million needed to fully fund the project. Gary Knapp, MAWSA Administrator, said he expects design work to be completed this fall and the construction could start in 2006.

Ivan's Mountain Side Grill New Location for Shanty Creek's Family Activity Center

Ivan's Mountain Side Grill at Schuss Village is closed for the season and the Schussy Cats shows have been cancelled. The Bellaire Review (3-22-05) reported that Ivan's will be new location for Shanty Creek's Family Activity Center. The resort's popular day camps, "Camp Gandy" and "Adventure Camp," will operate out of a dedicated wing of the Ivan's building. Family activities including horseback riding, hay rides and campfires will also be located near Ivan's. "This will be a wonderful boost for our family programming," said Mary Sue Wilkinson, events and activities manager. "Families and children will have easy access to the outdoor pool, the campfire pit, a large play area and deck for outdoor games and family gatherings. The horse corral will move over near Ivan's as well so our hayrides and guided trail rides will be near by. And our space inside Ivan's will give us plenty of room for activities should the weather not cooperate. We can even move our Bounce House inside if we need to."

Ivan's will only be available for Special Gatherings including the Ox-Roast on Memorial Day and the Annual SMPOA Meeting on September 24th. Also the Cortina Meeting Room that has been used for Board meetings in the past will not be available because the Children's Center will be offering daycare at Cortina Lodge for the summer.

Fire Damages Schuss Lodge

By Bob James

On Sunday, January 30, 2005 a fire started in an unoccupied third floor room in the main section of the Schuss Village Lodge. The fire was reported by a hotel guest at approximately 8 am and the resort staff immediately evacuated the building and called the fire department. Quick response by area fire departments saved the structure although there was extensive water and smoke damage to the main part of the lodge. The front desk operations were relocated to another area and the two wings of the lodge were reopened shortly after the fire. This Summer during repairs the reservations operations will be handled by the reservation desk at the Summit lodge. The Schuss Lodge pool will be open as soon as the restroom facilities are repaired. This piece is based on reports in the Antrim County News and the Traverse City Record-Eagle.

SMPOA Directory

The SMPOA Directory is currently at the printer and will be available for sale at the Ox-Roast Picnic on May 29, 2005. The directory is to be published in a 3 ring binder that will make updating very easy. The cost of the directory will be \$10.00 with \$3.00 charge for mailing if desired.

Annual Meeting Scheduled for September

There has been discussion between the property owner associations at Schuss, Summit and Cedar River about having all of the Annual Meetings on the same day followed by a resort-wide dinner dance in evening. At this time definitive information is not available. Presently, the SMPOA Annual meeting is still scheduled for September 24, 2005. More information will be published when it is available.

NEWS of Coming SUMMER EVENTS

See Flyer Insert

BEACH CLEAN-UP

Saturday May 28th, 9:00 a.m.

COME ONE, COME ALL!!!!

Bring: work gloves, rakes, shovel, watering pail

We can use all the help we can get to clean up the beach and surrounding area for OUR use.

Our beach is nice—come on out to help and enjoy. Hotdogs, chips and drinks for the work crew will keep us going. This is our kick off to summer—lend a hand and have fun too!!!!

For additional information please contact Julie Peters

2005 OX ROAST.

The 2005 SMPOA Ox Roast will be held on Sunday May 29th at Ivan's Mountain Side Grill. Cocktails 5:00–6:00 p.m. Buffet 6:00–8:00 p.m. Bring a dish to pass (Casserole, Salad, or Dessert for at least 10 people) Meat will be provided. Plan on attending this fun event and have a great dinner.

2005 SPRING BRUSH PICKUP

The 2005 Brush Pickup will start on June 6, 2005 and run until completed. Please have any brush piled at the street with large ends of limbs or sticks towards the street.

SMPOA WEB SITE IS LIVE ON THE INTERNET

By Bob James

The new SMPOA Internet site is now available on the Web www.smpoa.net offering a public face to our organization. Visitors will find meeting dates and times, information about activities and events. Additionally the site has downloadable copies of the by-laws, building codes and restrictions, the membership application, past newsletters, and any other form that might be needed. Email addresses are provided for you can contact different groups within the organization. Our goal is to make it as easy as possible for you to participate in the SMPOA with timely information. We welcome your comments and suggestions.



P.O. Box 570
Bellaire, MI 49615

SMPOA Contractors

To bring everyone up to date on the various contractors doing work here at Schuss Mountain.

Mowing the grass on the shoulders of the roadways the contractor is Great Lakes Landscaping you can reach Steve Folker at 231-587-8027.

The snow plowing of the roadways and spring brush pickup at Schuss Mountain is handled by Northern Tree Transplanting Service. You can reach Ron Robinson at 231-533-8122.

Important 2005 Dates

Board of Directors Meetings

May 14, 2005 9am The Platte at Cedar River

August 6, 2005 9am To be announced

Beach Cleanup/Cookout & Party

May 28, 2005 9am Beach Club

Ox Roast

May 29, 2005 Ivans Grill

Spring Brush Pickup

Starts June 6, 2005

Annual Meeting

September 24, 2005 9:00 am Ivans Grill

ACUTE Public Forum Meeting

September 22, 2005 Time and Location to be announced