

Minutes of the Durango Mountain Master Association
Board of Directors Meeting
December 20, 2006

Directors present

Mark Seiter, EJ Schanfarber, Gary Derck, Mark Gebhardt, and Cathy Craig

Guests present

George Stahl, Virginia Wright, and Kim Calder

Call to order and prior meeting minutes

Mark Seiter called the meeting to order and reviewed the packet of information for the meeting, including the agenda and prior meeting minutes. After a brief discussion, the agenda and the minutes from the September 27th meeting were approved unanimously.

Financial review

George presented a financial review for the seven months ended November 2006, noting that the association is functioning within budget except for the following 2 items:

- Real estate transfer fees are \$21,000 (25%) behind budget due to a softening in the real estate new and resale market within the resort community. This negative trend is expected to continue during the balance of the fiscal year.
- Excavation and site preparation for the EV tennis court is in progress. Given the proximity to winter and the lay-off of construction crews, construction of the court features and tot lot will be postponed until next spring. This will be more cost effective at this stage and mitigate the risk of any work done this fall being damaged over the winter. The site work this fiscal year is estimated to cost around \$60,000 (bills have not yet been submitted), resulting in approximately \$75,000 of the budget not being spent this year.

The cash balance at November 30, 2006 is \$52,000.

Sub-committee actions

The Board then reviewed open sub-committee actions.

1. Management of new members
New member welcome kit samples were presented for review and comment.
2. Residential and commercial design guidelines
All guidelines modifications have been and are incorporated into operational practice. Gary Derck presented modifications to the guidelines to compliment the Durango Mountain Utility service plan with respect to community utilities. After brief discussion the board unanimously approved the modifications.
3. Clubhouse utilization and programming
The clubhouse bar has been re-branded as *Moguls* and promotions within the lodging units has been initiated to expose guests to the amenity and drive incremental membership sales in the up-coming campaign.

4. Accounting charts showing sources and uses of cash by fund
Sources and uses of cash pie chart that highlighted where cash is generated and on what costs the cash is spent were presented. The board commented on the simple user friendly presentation and requested that the pie chart be included in the annual membership meeting in June 2007.

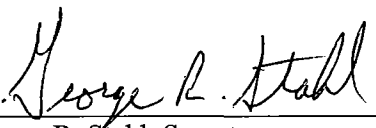
5. Village sign replacement and upgrades
All targeted sign projects are complete:
 - Entrance sign to the ElkPoint subdivision
 - Purgatory Village Community Center lettering on the building
 - Village Center replacement signs and associated lighting
 - Light post banners on the entrance drive up to the plaza
 - Construction fence on the south side of the plaza

Purgatory Lodge update

Gary provided a quick overview of design changes, construction schedules, and strong buyer reservation activity. Gary shared that all aspects of the project are on schedule and going well.

Adjourn

The next meeting is scheduled for Wednesday February 21 at 3:30 and the location is TBD. There being no other business, the meeting was adjourned.



George R. Stahl, Secretary