

**Minutes of the Durango Mountain Master Association  
Board of Directors Meeting  
January 29, 2008**

**Directors present**

Mark Seiter, Nancy Furry, Mark Gebhardt, Gary Derck, Cathy Craig, George Stahl

**Guests present**

Kim Provost, Jay Eagen, Virginia Wright

**Call to order and prior meeting minutes**

The meeting was called to order by Mark Seiter at 3:10 p.m. Nancy Furry moved and Cathy Craig seconded the motion to approve the August 15, 2007 meeting minutes, with a minor change to the financial section. The motion was passed with none opposed.

**Financial Review**

The financial statements for the eight months ended December 2007 were reviewed. Revenues are slightly ahead of plan due to the timing of real estate transfer fees, however, this is expected to reverse before year end. Fixed and variable expenses are generally within budget. George will check on Alpenglow and Black Bear Design Review Board deposit reimbursements. The 2008-2009 budget will be presented to the board via email for approval prior to April 30, 2008.

**Operations and actions**

- Purgatory Lodge update: Gary Derck reported that the roof is about three weeks behind due to the heavy snowfall we've had. The construction crew is scheduled to do the final slab floor on February 7. We hope to have a topping out party on President's weekend. The furnished residential model is scheduled to be complete by the end of February. Gary invited the board to tour the facility. The details for the Purgatory's demolition party are in the works. There should be some great touring opportunities for the annual homeowners weekend.
- Durango Mountain Club outside membership offering: Mark Seiter outlined the focus group and competitive set process the sub-committee has been working on to develop the offering. The membership profile was outlined and discussed. The next step is to compile a target list of potential members. Jay and George have been working with Duke to get the application and governing documents finalized. Nancy Furry moved and Mark Gebhardt seconded a motion to approve the sale of memberships under the proposed parameters and pricing. The motion was passed with none opposed.
- Strategic Plan: Mark Seiter reported that we have a bank (Community Banks of Colorado) ready to receive the strategic plan and financing RFP. This is the same bank that is financing the construction of Purgatory Lodge. Mark gave an overview of the

draft package he prepared. Mark asked the board members to review at their leisure and call him with questions or comments. Gary Derck suggested adding an exhibit comparing current dues to the increased dues that will be assessed when the Durango Mountain Club opens. Nancy Furry moved and Gary seconded a motion authorizing Mark to move forward on a loan commitment letter. The motion passed with none opposed.

- Dues and CCRs: Mark presented proposed amendments to the bylaws regarding Article 9 Section 1 which outlines property assessments. The proposal would take the dues to a mill rate vs. property assessment. This proposed amendment would help with the understanding of how dues are calculated each year and simplify the billing process. There was also a proposal to put a cap on annual dues assessments. Legal counsel is reviewing these proposed changes. Mark Gebhardt moved and Cathy Craig seconded the motion to approve the proposed amendment subject to Legal Counsel's review. The motion passed with Nancy Furry abstaining.
- Quarterly tasks: Jay Eagen reviewed the quarterly task lists and timelines that were discussed by the board.
- President's Council: Jay Eagen reviewed the purpose of the council, which is to create an on-going forum for Resort associations to work together, share ideas, and leverage synergies. This will also be an opportunity for association president's to get up to date information. The next target date for meeting will be in June during the annual homeowner's meetings. Minutes of the inaugural President's Council gathering were included with the meeting packet.
- 2007-2008 calendar of actions: The calendar for the remaining 2007-2008 fiscal year and through the annual homeowners weekend was reviewed. A tour of Purg Lodge was scheduled for Friday February 8 at 3:00 and will be added to the calendar. The board was instructed to meet at the Okland construction trailer across from East Rim.
- Tennis court-tot lots: Blasting and site work has been done. Jim Hards will be working with Mark Gebhardt to complete construction specifications and contractor RFP issuance. Blasting came in over budget so the projected costs are now \$150,000 for the entire project. Mark Seiter and Jay Eagen will meet with Gary Derck to get a comprehensive schedule of completion for this project. The goal is to have the tennis court available during homeowners weekend in June.

### **DMMA leadership transition**

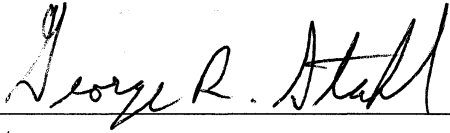
Cathy Craig has submitted her resignation from the DMMA board but will continue to be an honorary member. Jay Eagen was appointed by Mark Seiter, President of the board, to take her place. Mark Seiter then submitted his resignation as president of DMMA. After brief

discussion, Nancy Furry moved to elect Jay Eagen as the Board President. Mark Gebhardt seconded the motion and the motion passed with none opposed.

**Future meetings**

The annual meeting sub-committee meeting originally scheduled for February 15 will need to be rescheduled due to conflicts. Members of this committee will be Annie Simonson, Cathy Craig, Nancy Furry, Mark Seiter, Jay Eagen and Virginia Wright.

There being no further business the meeting was adjourned at 5:30 p.m.

A handwritten signature in cursive script that reads "George R. Stahl". The signature is written in black ink and is positioned above a horizontal line.

Secretary