

**Minutes of the Durango Mountain Master Association
Board of Directors Meeting
January 29, 2009**

Directors present:

Jay Eagen, Mark Seiter, Nancy Furry, Mark Gebhardt, Gary Derck, George Stahl

Guests present:

Chuck Wages, Lisa Foster (DMR)

Call to order and prior meeting minutes:

The meeting was called to order by Jay Eagen. After reviewing the December 18, 2008 meeting minutes, the board approved with no changes.

DMMA audit schedule:

The 08-09 audit will be performed in June. The 2007-08 audit report will be distributed for the annual meeting.

Club overview:

Chuck Wages: the club has received suggestions and is implementing where appropriate. Food costs were over budget in December; adjustments have been made and food costs will come in line in January and February. Ski valet has been moved under the mountain club from resort ski rentals and the club will experience savings due to this change.

Changes to the rules and regulations were discussed in relationship to parental supervision expectations. It was suggested the new policy should be presented as an exhibit to the rules and regulations instead of an addendum. The new policy will be reviewed by the legal department. Suggested policy items included: No children under 16 will be allowed in the fitness center, time limitation on games notice, parental supervision requirement and language to allow club manager the flexibility to handle situations on a case by case basis.

Nancy motioned to approve the policy and Mark Gebhardt seconded, with no one opposed.

Two control items were discussed including: 1.) A towel inventory will be taken at the end of season to determine shrinkage, and 2.) All invoices from DMR for food and supplies must be presented to Chuck for approval prior to submittal to accounting.

Community Center:

Fitness equipment will be rearranged in the downstairs of the community center to better utilize space. A draft agreement between DMMA and DMR was presented and discussed. Modifications per the discussion will be made and resubmitted to the board for review.

Financial Review:

George: Reviewed the financials in detail.

The board discussed delinquent dues and the policy of freezing club and DMMA benefits of past due members and placing liens on their properties if their dues remain unpaid Gary motioned to establish a delinquent payment policy, Jay seconded, no one opposed.

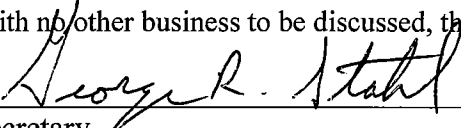
Gary requested the budget be revised to reflect the changes that have been implemented for Club food service items. Gary also requested a break out of food vs. bar items.

Mark Seiter presented the 5 year proforma and the commitment letter from Alpine Bank for the Mountain Club mortgage. Mark noted the loan commitment is for \$3.435 million, with an interest rate floor of 6% on a 30 year amortization. Mark suggested an increase in loan value to \$3.6

million to accommodate the final cost allocation formula. The board reviewed the resulting debt service commitment against future cash flow estimates, recognizing the risks and rewards of financing. Mark requested approval to proceed with due diligence and the commitment letter execution, targeting execution of the loan around the end of February or the first part of March. Nancy motioned to approved and Jay seconded the motion with no one opposed.

Jay will be scheduling the next meeting toward the end of February to review the loan documents prior to execution and a draft 09/10 budget.

With no other business to be discussed, the meeting was adjourned.


Secretary