

**Minutes of the Durango Mountain Master Association
Board of Directors Meeting
September 2, 2009**

Directors present:

Jay Eagen, Nancy Furry, Mark Gebhardt, Gary Derck, Mark Seiter 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 June 4, 2009 meeting minutes, the board approved with no changes.

A draft of the annual DMMA homeowner meeting (June 27, 2009) were circulated for review and comment.

Financial Review:

Mr. Stahl provided the board with the draft financial statements for the first quarter of the fiscal year (May through July 2009) along with hand-outs on supply expenses and transfer fees.

The three months ended July 31, 2009 reflects an overall \$2,000 positive variance from budget to actual, despite a shortfall in revenues of just under \$10,000. Board discussion focused on the Durango Mountain Club free food/beverage expenses. The complementary breakfast was felt to be abused by some members/guests. The board discussed at length policies and communication regarding excessive consumption and the negative impact on the budget and in turn the dues. The board requested that Mr. Stahl separate out the budget line items for food versus alcohol so they can monitor specifically the expense for complementary food offerings versus revenue producing expenses.

The majority of the annual assessments have been received; the board requested Mr. Stahl follow the delinquent policy on those that have not been received, including initiating a lien on the delinquent properties. It was also requested that the delinquency policy be included in the materials for future board meetings.

Transfer fee revenue is ahead of budget, lodging activity has been better than expected and the board consensus is that the budget is obtainable as long as expenses are monitored and properly controlled.

The fiscal year 2009 audited financials are expected to be completed within the week. The board requested a reserve study be conducted in conjunction with Purgatory Lodge to help minimize the costs of the study. Mr. Stahl will prepare a request for proposal by the end of the month.

Mr. Derck requested information on assessment caps, asked how cap figures were derived, and obtained confirmation that caps are adjustable in the future. The board discussed the implication of the caps on revenues. The board agreed that the caps for the current fiscal year are in place for one year only and are subject to change based on the budget situation each fiscal year.

The board discussed requests from some property owners to limit assessments on multiple property ownership. The board concluded that assessments are based on the value of each property and not specific ownership, and therefore cannot be handled separately.

The need for formation of a homeowner financial committee was discussed, as presented to the membership at large in June. The board agreed costs are currently in line, and the board will continue to monitor financials, while informing the volunteers to keep them up-to-date should the committee need to be formed.

The board considered a request from a developer to temporarily suspend DMMA dues payments on unsold property. The board directed Mr. Eagen to prepare a response indicating that this request was not approved.

Finally it was requested that the DMMA financial reports include monthly updates presenting the budget and actual financials in the three categories, including; 1.) community maintenance/service, 2.) amenities/operations and 3.) asset acquisition and debt service.

Operations and Actions:

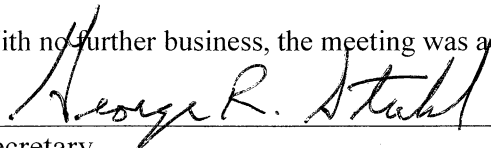
Mr. Eagen presented information on the DMC pool cover and its deterioration. The maintenance team is in the process of testing a chemical pool cover. This chemical pool cover disperses when the pool is in use, however when not in use, it surfaces creating a protective film over the pool. The chemical is benign; it has been used at other winter resorts with outdoor pool facilities, such as Whistler.

Chuck Wages presented the fall schedule for the Durango Mountain Club (DMC). The upstairs level of the DMC and the pool will be closed for maintenance and cleaning for 5 weeks, October 19th – November 24, 2009. The fitness area, hot tub and locker rooms will be open 7 days a week during this period. The DMC is looking to have lunch themes on full service days. The Community Center opening date will be determined based on the resorts winter schedule.

The pending management agreement between the Durango Mountain Club and DSC/Purgatory, LLC was approved by the board.

The next meeting will be held November 18, 2009 at the Durango Mountain Resort Bodo office.

With no further business, the meeting was adjourned.


Secretary