

**Minutes of the Durango Mountain Master Association
Board of Directors Meeting
March 2, 2010**

Directors present:

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

Guests present:

Chuck Wages, Cathy Craig, Lisa Foster (DMR)

Call to order and prior meeting minutes:

The meeting was called to order by Jay Eagen. After reviewing the January 26, 2010 meeting minutes, the board approved minor modifications.

Financial Review:

Mr. Stahl presented the financial statements for the nine months ending December 2010. Mr. Stahl guided the board through the balance sheet, noting the association has \$513,000 cash on hand as of January 31. In addition, he noted:

- Real estate transfer fees have exceeded budget by \$91,000.
- Property, Sales and Lodging sales assessments are collectively 80% of budget
- Durango Mountain Club is \$23,000 ahead of plan.
- Community Center expenses are \$27,000 ahead of budget mainly due to the outdoor spa deck has not been heated.

Accounts receivable is currently \$246,000. Of that, residential property assessments are \$28,000; \$208,000 is offset by related party payables.

Mr. Stahl presented initial fiscal year 2011 budget concepts maintaining flat homeowner property assessments. Mr. Stahl presented budget options for the Community Center noting the monthly loan payment for the building to the First National Bank of Durango. The board discussed options to increase income to help off-set debt. Mr. Derck reiterated the need for an overall DMMA balanced budget. A final budget proposal will be presented at the April board meeting.

Operations and Actions:

Mr. Eagen referred the board to the operating schedule, included in the packet, for the year 2010 -2011, which will more closely mirror the operating schedule of the resort.

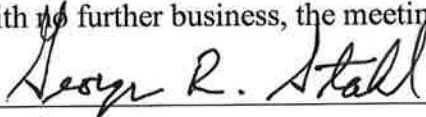
Mr. Eagen presented survey results for a homeowners locker room. We received a 30% response rate and of that 28% reflected an interest in a homeowner locker room facility. The board discussed ski valet options to accommodate the demand until the Purgatory Lodge phase II locker room addresses space limitations. The board accepted management's recommendation that a fee for service program utilizing the present DMC ski valet be explored. The board asked Mr. Eagen and Mr. Wages to explore pricing and features and report back to the board at a future meeting.

Ms. Craig requested clarification on club access rules: Homeowner must be on the deed, and is limited to three families.

Items added to agenda – samples of reserve studies will be sent electronically to members for review. Security cameras are being added to the DMC and Community Center; Mr. Gebhardt noted signage, alerting people of the security camera is appropriate.

The next board meeting will be held Tuesday April 6, 2010 at the Durango Mountain Resort Bodo office.

With no further business, the meeting was adjourned.



Secretary