

**Minutes of the Durango Mountain Master Association
Board of Directors Meeting
April 6, 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 March 2, 2010 meeting minutes, the board approved without modification.

Financial Review:

Mr. Stahl presented the financial statements for the ten months ending February 2010.

Mr. Stahl guided the board through the balance sheet noting:

- Real estate transfer fees have exceeded budget by \$54,000.
- Outside memberships have not met projections reflecting a \$100,000 shortfall.
- Community Center overall expenses are \$13,000 ahead of budget mainly due to the outdoor spa deck has not been heated. Ms. Craig asked how the lack of the heated deck has been received. Mr. Seiter requested maintenance to explore the location and provide an estimate to repair.
- Overall DMMA expenses are \$48,000 better than budget

Accounts receivable is currently \$325,000. Of that, residential property assessments are \$18,900; \$235,000 is offset by related party payables. The DMMA initiated liens against three residential properties.

Property Assessments, multiple lot assessment cap: the board discussed capping the assessments on lots where an owner has multiple un-improved lots.

Mr. Stahl presented the fiscal year 2011 budget for review; the board discussed methods to reduce expenses, increase revenue, and reviewed the capital/reserve projects. Mr. Derck motioned to approve the budget subject to final review of total RETF, impact on capping lot assessments for owners with multiple lots, final review of the DMC labor and cost of goods sold and capital projects. Mark Gebhardt seconded the motion, and the budget was approved by the board.

Operations and Actions:

Reserve Study - the board discussed self performing the reserve study, using internal reserves with list of current items, reflecting useful life and cost.

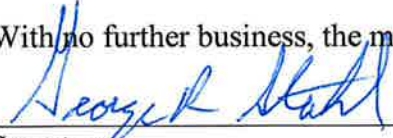
Mr. Eagen provided a handout and presented a new approach for the Community Center. Mr. Eagen proposed renaming the facility as the Durango Mountain Institute and Conference Center to be marketed as a meeting retreat and team building services facility. The presentation included creating a partnership with local organizations to provide these services. Mr. Eagen recognized parking is limited for this concept. The

board inquired if the partnership concept is created what would be the benefit to the homeowner membership; the board inquired about the costs to "mothball" the Community Center.

The board will continue to review options for the community center based on membership benefit as well as revenue generation and expense reductions.

The next board meeting will be held Tuesday June 1, 2010 at the Durango Mountain Resort Bodo office.

With no further business, the meeting was adjourned.



Secretary