

**Minutes of the Durango Mountain Master Association**  
Board of Directors Meeting  
September 27, 2006

**Directors present**

Mark Seiter, Nancy Furry, EJ Schanfarber, Gary Derck, Mark Gebhardt, and Cathy Craig

**Guests present**

George Stahl, Hank Theiss, Annie Simonson, and Kim Calder

**Call to order and prior meeting minutes**

Mark Seiter called the meeting to order and reviewed the packet of information for the meeting, including the agenda and prior meeting minutes. After a brief discussion, the agenda and the minutes from the July 28<sup>th</sup> meeting were approved unanimously.

**Financial review**

George presented a financial review for the four months ended August 2006, noting the following items:

- Due partially to a softening in the real estate market, sales within the resort community are slightly less than anticipated resulting in transfer fee revenue being approximately \$12,000 behind budget. While a more active sales market is expected during the winter season, this negative variance may not reverse in the near-term.
- Fixed and variable expenses year to date reflect a slight favorable variance to budget, resulting in a net unfavorable income statement variance of only \$8,000 through August.
- The balance sheet shows assessments receivable of approximately \$100,000. This balance reflects member assessments for the 05-06 fiscal year that were not mailed until summer 2006 due to computer complications that resulted from a change in software this spring. George Stahl informed the board that the computer issues have all been resolved, collection of the assessments is going smoothly, and the 06-07 fiscal year billings are expected to be mailed before calendar year end.
- As of August 31, 2006, the Association has \$116,000 in cash and has not yet drawn upon its \$50,000 winter seasonal line of credit.

**Sub-committee actions**

The Board then reviewed the sub-committee actions items that were formulated in the July 28<sup>th</sup> meeting. These represent longer range initiatives for completion in the winter of 2006 and before the summer of 2007. Following is a summary of the sub-committee reports:

1. Management of new members

EJ Schanfarber presented the initial draft of a DMR welcome kit, which will go out in a mailing to all current owners next week. Some items in the kit include:

- Welcome letter
- List of resort departments, establishments, and contacts
- List of DMMA benefits
- Information on schools, chamber, season passes, restaurants, residential services, utility districts, etc.
- Rental program agreement
- Transportation schedule

The kit will be given to new owners in their pre-closing documents from Realty. A second kit will go out to new owners once they close. Nancy will obtain updated information from the Metro District for the kit and EJ plans to design a kitchen (magnet) display piece that highlights easy access to commonly referenced information.

EJ also shared a draft activity calendar that will focus on community events and DMMA programs that will include such items as community center and EV tennis court activities.

2. Residential and commercial design guidelines

Gary and Mark Gebhardt are working on a condensed checklist that will streamline the processing of requests and approvals. Generally the design guidelines are working well and Cynthia Roebuck (newly hired) is responsible for management, administration, and policing of the guidelines.

3. Clubhouse utilization and programming

George and Annie highlighted the actions being initiated for this winter to drive homeowner and guest utilization, including:

- Positioning the bar, television and games as an evening alternative in the community and brand the venue something clever like “The Point”.
- Distribute “buy-one, get one” offers at check-in locations to expose guests to the center and generate word-of-mouth business.
- Market the venue as a premier meeting and wedding site for smaller high-end groups within the “Wedding & Banquets” sales materials.

4. Expand membership communication and touches

EJ indicated his intention to generate a newsletter that could be mailed before calendar year-end and then posted on the website for future update.

5. Organize survey into five year plan and post on website

Mark Seiter will work with Lisa to generate an amenity plan and development timeline for review by January 2007.

6. Work with metro district on community park

Nancy is working with a representative in Boulder who is putting together a three dimensional layout of an ideal park. Once the plans are received Nancy will schedule time with the district management to modify the plans fit the community park topographical features and dimensions.

7. Tennis court programming

Excavation and site preparation for the EV tennis court is expected to be complete by November. Given the proximity to winter and the lay-off of construction crews, construction of the court features and tot lot will be postponed until next spring. This will be more cost effective at this stage and mitigate the risk of any work done this fall being damaged over the winter.

8. Create map & signage of public and private trails

Nothing to report at this time.

9. Manage bears this autumn  
Hank and EJ will work with the engineering division to check all dumpsters to insure bear proof equipment is in place where appropriate.
10. Communicate and organize DRB volunteers  
Two volunteers (Lori Naylor and Cindy Alexander) interested in the position have come forward and are currently being evaluated by the committee.
11. Improve and manage website  
Hank and his team have designed a new resort website that is expected to be replace the old site in November. Upgraded and cleansing of the community service and HOA sites is scheduled for December.
12. Accounting charts showing sources and uses of cash by fund  
Mark will work with Lisa to put together a presentation for next years' annual HOA meeting.
13. Village sign replacement and upgrades  
Hank and George are working on the following items for completion in advance of the winter season:
  - Entrance sign to the ElkPoint subdivision
  - Purgatory Village Community Center lettering on the building
  - Village Center replacement signs and associated lighting
  - Lightpost banners on the entrance drive up to the plaza
  - Construction fence on the south side of the plaza

#### **Purgatory Lodge update**

Gary provided a quick overview of design changes, construction schedules, and strong buyer reservation activity. Gary shared that all aspects of the project are on schedule and going well.

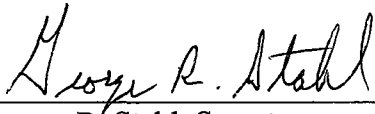
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**Other**

Mark Gebhardt communicated his conversations with Fort Lewis personnel who would be interested in establishing a student discount pass pricing based on academic performance. Hank and Mark would pursue options outside the meeting.

**Adjourn**

The next meeting is scheduled for Friday December 20, 2006 at 3:00 in the Dalton Ranch Clubhouse. There being no other business, the meeting was adjourned.



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George R. Stahl, Secretary