

Master Community Association, Inc.
Initial Meeting of the Board of Directors
Minutes of Meeting
December 17, 2001

Call to Order: Pursuant to a call of the Declarant under the Community Declaration, this meeting was held to appoint members of the Board of Directors of the Association, and for the Board to conduct such other business as deemed necessary. The meeting was called to order by Denise Gammon at 2:15 P.M. Denise Gammon, John Lehigh, and Jim Chrisman, all of whom were appointed Directors by the Declarant, were present in addition to Bill Biesendorfer from Management Specialists, Inc. Since this was the first meeting of the Board of Directors, there are no minutes from a prior meeting to approve and all business was “New Business”. There was no “Old Business”

New Business:

Acknowledgement of Board of Directors Appointment: Denise, John, and Jim acknowledged that the Declarant, in accordance with Special Reserved Rights and Development Rights, appointed them to the Board of Directors of the Association.

Selection of Officers: The Board of Directors unanimously appointed the following Officers of the Association:

Denise Gammon – President
John Lehigh – Vice President
Jim Chrisman – Secretary
Mark Gerteis – Treasurer (not a member of the Board of Directors)

Approval of Articles of Incorporation: The Board acknowledged that they had reviewed the Articles of Incorporation, as filed with the Secretary of State, and they unanimously approved of the Articles as filed.

Approval of By-Laws: The Board acknowledged that they had reviewed the By-Laws of the Association. They unanimously approved of the By-laws and directed that the Secretary sign them.

Bank Account Authorization: The Board acknowledged the need to establish bank accounts for the Association. The Board authorized the establishment of two bank accounts, one for Operating Funds and one for Reserve Funds. The Managing Agent will be authorized to open these accounts when the first sale of a Unit to an Owner, other than the Declarant or a Builder is imminent. The anticipated date for opening accounts is May, 2002. The Board authorized that each account will

require two signatures. At least one signature must be by a member of the Board of Directors. The second signature may be by the Managing Agent.

Budget Approval: The Board reviewed the budgets prepared by Management Specialists, Inc. for both the Build-Out of Filing 2 and Fiscal Year 2002. The Build-Out budget is for the purpose of determining the appropriate assessment levels for each class of membership and each level of service. The Fiscal Year 2002 budget is for the purpose of determining actual income and expenses for the fiscal year. After reviewing both budgets, the Board of Directors unanimously approved the budgets as revised. A copy of the approved budgets are attached to these minutes. The approved assessment levels for all types of units are summarized on page two of the Build-Out budget. The Board of Directors unanimously approved the commencement of assessments to be the first of the month after the first sale of a unit to a buyer other than the Declarant or a Builder. This is consistent with the Association's legal documents. The anticipated date of commencement is June, 2002.

Management Agreement: Bill Biesendorfer from Management Specialists, Inc. presented the Board with a Management Agreement that had been negotiated between the parties. The Board reviewed the agreement and unanimously decided to accept it. A copy of the Management Agreement is attached to these minutes. The Board decided that the President and Vice-President will execute the agreement on behalf of the Association.

The Board acknowledged that the Managing Agent will provide services to the Association prior to the commencement date of June 2002. These services will be billed to the Declarant on an hourly basis and will be paid by the Declarant consistent with a prior consultation agreement. In the meantime, the Board authorized Management Specialists, Inc. to accomplish any authorized work as the Managing Agent of the Association.

Association Insurance: The Board authorized Management Specialists, Inc. to obtain proposals for Association insurance which will be consistent with the Association's legal documents, and present them to the Board in January.

Director Liability: The Board unanimously resolved the following for the purpose of limiting their liability as a volunteer Board:

Resolved that no member of the Board shall be liable to the Association or any member or creditor of the Association for monetary damages arising from breach of fiduciary duty as a Director. However, this resolution shall not eliminate or limit the liability of a Director to the Association or its members for monetary damages for any breach of a Director's duty of loyalty, acts or omissions not in good faith or which involve intentional

misconduct or a knowing violation of law, act specified in C.R.S. paragraph 7-1280402, or any transaction from which a Director derived an improper personal benefit.

Fiscal Year: The Board unanimously adopted a fiscal year for the Association the equal to the calendar year.

Ratification of Prior Actions: The Board unanimously passed the following resolution ratifying the prior actions of the Declarant and the individuals appointed to the initial Board:

Resolved that all actions taken on behalf of the Association by the Declarant and individuals appointed to the Board of Directors by the Declarant prior to the date of this meeting are ratified and approved in all aspects.

Adjournment: There being no further business, the meeting was adjourned at 3:35 P.M

Jim Chrisman, Secretary