Capital Investment Counsel, Inc.

Proposal for:

Stapleton Master Community Association

Prepared by:

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Portfolio Manager

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Who is Capital Investment Counsel?

- Capital Investment Counsel is a Wealth Management firm and Registered Investment Advisor
- Offices in Denver, Colorado and Scottsdale, Arizona
- Managing over $1 billion in equity, fixed income and balanced client accounts
- Fee only advisor - maximum fee of 1%. We do not accept commissions or sell product of any kind

Fee-Only Advisor:

EQUITY ONLY AND BALANCED ACCOUNTS

Up to $1 million	1.00%
$1 million to $2 million	0.85%
$2 million to $5 million	0.75%
Over $5 million	0.50%

FIXED INCOME ONLY

Up to $2 million	0.50%
$2 million to $5 million	0.40%
Over $5 million	0.25%

Our Wealth Management Professionals

NAME	INVESTMENT EXPERIENCE	TITLE
Chris Johnson, *CFP®*	23 Years	*Chairman & CEO*
Clark Johnson, *CFA*	23 years	*President, Director of Research*
Tom Hackett	45 years	*Senior Vice President*
Steve Dreiling , *CFP®*	15 years	*Vice President*
Bob Bush	36 years	*Director of Fixed Income & Economics*
Jason Rosener, *CFP®*	10 years	*Portfolio Manager*
Matt Blake	11 years	*Portfolio Manager*
Kathy Raabe	26 years	*Portfolio Manager*
Matt Henderson , *CFA*	13 years	*Portfolio Manager & Analyst*
Tim McDonald, *CFP®*	15 years	*Portfolio Manager*
Brian Coughlan	12 years	*Portfolio Manager*
Larry Hilton	41 years	*Portfolio Manager*
Alice Bullwinkle, CFP®	30 years	*Portfolio Manager*
Andy Reinhardt, *CFP®*	8 years	*Portfolio Manager*
Brian McDowell	9 years	*Analyst*
Christine Fuerstenau	17 years	*Portfolio Administrator*
Teri Tidwell, *CFP®*	22 years	*Portfolio Administrator*
Gail Yamamoto	21 years	*Trading Manager*
TOTAL	**377 years**	***Combined Investment Experience***
AVERAGE	**21 years**	***Investment Experience***

INVESTMENT MANAGEMENT

Multiple Fixed Income Investment Strategies

Fixed Income Management

- Taxable Bonds
- Municipal Bonds
- Short-Term Cash Management

What sets Capital Investment Counsel's approach apart from a traditional "buy and hold to maturity" strategy is a focus on providing higher returns through active management of the two components of a bond portfolio—principal and income. Two advantages of active Institutional Fixed Income Management in the secondary market are:

- Buying Power in purchasing larger blocks of bonds (negotiating costs)

- Not tied to only one brokerage firm (the ability to shop)

Fixed Income

Savings

- Capital Investment Counsel is able to shop for the best bonds at the best price. In addition, participation in an institutional commission structure minimizes costs while maximizing the benefits of institutional fixed income management.

- For example, selling a bond requires obtaining multiple bids (prices) from many different brokerage firms. The bids can vary widely. If you rely on one brokerage firm for all your bond bids, you may not be getting the best price.

Example Bond trades executed in June/July 2006:

- These examples show the benefit of obtaining price information from multiple firms, and being able to aggregate client bond trades to improve our negotiating power.

# of bonds	Name	Coupon	Maturity	High Bid/Low Bid	Savings
100	Colorado Springs COP	3.00%	12/10/2009	$100.26/$99.307	**$953.00**
500	FHLB	5.38%	07/17/2009	$103.865/$103.18	**$3,425.00**
100	Verizon Florida Inc.	6.86%	02/01/2028	$101.68/$99.00	**$2,680.00**

Capital Investment Counsel, Inc

PORTFOLIO APPRAISAL

Stapleton Master Community Association

Sample Portfolio

August 21, 2008

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
Government Bonds									
60,000	U S Treasury Note 3.625% Due 05-15-13	0.00	0	102.59	61,556	12.3	3.625	2,175	3.5
			0		61,556	12.3		2,175	3.5
Fed Home Loan Banks									
65,000	FHLB 5.300% Due 06-01-12	0.00	0	103.44	67,236	13.5	5.300	3,445	5.1
60,000	FHLB 4.000% Due 08-27-12	0.00	0	100.12	60,073	12.0	4.000	2,400	4.0
65,000	FHLB 4.500% Due 09-16-13	0.00	0	102.40	66,558	13.3	4.500	2,925	4.4
			0		193,868	38.8		8,770	4.5
Federal National Mortgage Association									
60,000	FNMA 3.750% Due 03-15-13	0.00	0	102.00	61,199	12.2	3.750	2,250	3.7
			0		61,199	12.2		2,250	3.7
Federal Farm Credit Bank									
60,000	Federal Farm Credit Bank 3.875% Due 08-25-11	0.00	0	101.73	61,038	12.2	3.875	2,325	3.8
60,000	Federal Farm Credit Bank 4.500% Due 10-17-12	0.00	0	102.38	61,429	12.3	4.500	2,700	4.4
60,000	Federal Farm Credit Bank 4.250% Due 07-08-13	0.00	0	100.92	60,551	12.1	4.250	2,550	4.2
			0		183,018	36.6		7,575	4.1
TOTAL PORTFOLIO			**0**		**499,641**	**100.0**		**20,770**	**4.2**

Capital Investment Counsel, Inc

FIXED INCOME PORTFOLIO

Stapleton Master Community Association

Sample Portfolio

August 21, 2008

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value +Accr.Int.	Pct. Assets	Yield To Mat.	Duration
Government Bonds										
60,000	U S Treasury Note 3.625% Due 05-15-13	0.00	0	102.59	61,556	580	62,136	12.3	3.0	4.3
	Government Bonds Total		0		61,556	580	62,136	12.3	3.0	4.3
Fed Home Loan Banks										
65,000	FHLB 5.300% Due 06-01-12	0.00	0	103.44	67,236	766	68,002	13.5	4.3	3.4
60,000	FHLB 4.000% Due 08-27-12	0.00	0	100.12	60,073	0	60,073	11.9	4.0	3.7
65,000	FHLB 4.500% Due 09-16-13	0.00	0	102.40	66,558	1,259	67,818	13.4	4.0	4.4
	Fed Home Loan Banks Total		0		193,868	2,025	195,892	38.8	4.1	3.8
Federal National Mortgage Association										
60,000	FNMA 3.750% Due 03-15-13	0.00	0	102.00	61,199	975	62,174	12.3	3.3	4.1
	Federal National Mortg Total		0		61,199	975	62,174	12.3	3.3	4.1
Federal Farm Credit Bank										
60,000	Federal Farm Credit Bank 3.875% Due 08-25-11	0.00	0	101.73	61,038	362	61,400	12.2	3.3	2.8
60,000	Federal Farm Credit Bank 4.500% Due 10-17-12	0.00	0	102.38	61,429	930	62,359	12.4	3.9	3.7
60,000	Federal Farm Credit Bank 4.250% Due 07-08-13	0.00	0	100.92	60,551	305	60,856	12.1	4.0	4.4
	Federal Farm Credit Ba Total		0		183,018	1,596	184,615	36.6	3.7	3.6
TOTAL PORTFOLIO			**0**		**499,641**	**5,176**	**504,817**	**100.0**	**3.7**	**3.8**

Capital Investment Counsel, Inc

PROJECTED FIXED INCOME CASH FLOWS

Stapleton Master Community Association

Sample Portfolio

Beginning September 1, 2008

Security	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Total
Government Bonds													
U S Treasury Note 3.625% Due 05-15-13			1,087						1,087				2,175
TOTAL			1,087						1,087				2,175
Fed Home Loan Banks													
FHLB 5.300% Due 06-01-12				1,722						1,722			3,445
FHLB 4.000% Due 08-27-12						1,200						1,200	2,400
FHLB 4.500% Due 09-16-13	1,462						1,462						2,925
TOTAL	1,462			1,722		1,200	1,462			1,722		1,200	8,770
Federal National Mortgage Association													
FNMA 3.750% Due 03-15-13	1,125						1,125						2,250
TOTAL	1,125						1,125						2,250
Federal Farm Credit Bank													
Federal Farm Credit Bank 3.875% Due 08-25-11						1,162						1,162	2,325
Federal Farm Credit Bank 4.500% Due 10-17-12		1,350						1,350					2,700
Federal Farm Credit Bank 4.250% Due 07-08-13					1,275						1,275		2,550
TOTAL		1,350			1,275	1,162		1,350			1,275	1,162	7,575
GRAND TOTAL	**2,587**	**1,350**	**1,087**	**1,722**	**1,275**	**2,362**	**2,587**	**1,350**	**1,087**	**1,722**	**1,275**	**2,362**	**20,770**