Stapleton
MASTER COMMUNITY ASSOCIATION

Meeting of the Executive Board

Stapleton Community Room ● 2823 Roslyn St. ● Denver, 80238
Wednesday May 18, 2011 ~ Noon.

AGENDA

I. CALL TO ORDER • Additions to the Agenda	**H.Majerik**	Verbal
II. APPROVAL OF MINUTES • February 16, 2011	**H.Majerik**	Attached
III. FINANCIAL REPORT • Statement of Activity Jan - Apr 2011 • MCA Balance Sheet April 30, 2011 • Investment Funds Jan - Mar, 2011 • Past Due Accounts / Collections / Write-offs	**K. Burnett**	Attached
IV. GOVERNANCE • Policies Requests o Adopting Procedures for the conduct of Meetings o Board Member Conflict of Interest o Inspection of Records • 2010 Audit Report - Update	**K. Burnett**	Attached
V. DELEGATE FORUMS	**M. Kearns**	Verbal
VI. MANAGEMENT REPORT • **ADMINISTRATION** - Aviator Pool Incident (5/12) - Seasonal Staffing - Update • **FACILITIES** - Jet Stream Pool - Update - Filing 15 Shade Structure – Update -- Park Improvements • **AQUATICS** - 2011 Aquatics Programs - Update • **EVENTS** - 2011 Summer - Update	**K. Burnett**	Attached
VII. NEXT MEETING • Jul 20th (Delegate) • August 18th / September 21 (Executive Board)	**H.Majerik**	Verbal

STAPLETON MASTER COMMUNITY ASSOCIATION
EXECUTIVE BOARD MEETING
Wednesday, February 16th, 2011 ~12:00 – 2:00 pm.
Stapleton Community Room
2823 Roslyn Street
Denver, CO 80238

ATTENDANCE
Heidi Majerik (President)
Brian Fennelly (Treasurer)
Lee Ferguson (Vice President)
Keven Burnett (SMCA Executive Director)
Michael Kearns (Resident Board Member)
George Pavlik (District 1 Delegate)
Gregg Looker (District 2 Delegate)
Dana Elkind (District 3 Delegate)
Bethany Smith (District 4 Delegate)
Tim Wilson (District 5 Delegate)
Thomas Atwood (District 6 Delegate)
Jenifer Graham (Office Manager)
Paula Deorio (Aquatics Director)
Diane Deeter (Program & Events Director)
Alec Hill (Facility Manager)

I. CALL TO ORDER
Heidi Majerik

II. APPROVAL OF MINUTES
Nov 18, 2010 meeting minutes were attached.

❖ **M/S/C~ (Majerik/Kearns/Fennelly)**
Motion to approve: minutes as presented.

III. FINANCIAL REPORT:
1) The Executive Director presented budget.

Balance Sheet (As of December 31st , 2010)

- Current Assets $17,498.27
- Accounts Receivable $276,500.73
- Total Assets $1,517,992.97
- Total Liabilities $273,611.31

- Total Equity $1,386,120.96
- Total Liabilities & Equity $1,659,732.27

Statement of Activity (January through December 2010)

• Income (4000 series)	$3,182,687.71	Budget	$3,125,544.15
• Expense (5000 series)	$3,182,497.77	Budget	$3,125,544.15
• Net ordinary Income	$189.94	Budget	$0
• Other Income	$190,556.15	Budget	$115,204.00
• Net Income	$190,746.09	Budget	$115,204.00

(5220 & 5320-2010 Utilities were over budget due to 2009 actual not being correct because Denver Water only billed for ½ of the addresses
5100- Was over budget due to Beer Festival being a new event, Seasonal Lighting the MCA had to pick more of the bill to keep it uniform.)

- ❖ **M/S/C ~ (Fennelly/Kearns/Majerik)**
- ❖ **Motion to approve**: Financial Statement for January through December 2010 as submitted.

IV. GOVERNANCE

- Appointment of Officers for 2010. Explanation of Officers and their duties was provided.
  President= Heidi Majerik
  Vice President = Michael Kearns
  Treasurer = Brian Fennelly
  Secretary = Lee Ferguson

- ❖ **M/S/C ~ (Kearns/Majerik/Fennelly)**
- ❖ **Motion to approve**: 2011 Officers as presented by President

MCA Compensation Committee

- Management & Compensation Disclosure packet was presented. (Purpose is to: Establish Executive Director and Senior Staff compensation, Develop the compensation philosophy, Assist with and review the Compensation Discussion and Analysis, Complete a Compensation Committee report and Retain outside experts if necessary.)
- Board Members will be: MCA President, MCA Treasurer and Resident Board Member
  Staff: Executive Director
- Committee will meet at least once annually and compensation report will be available to Delegates.

❖ **M/S/C ~ (Ferguson/Kearns/Majerik)**
❖ **Motion to approve**: MCA Compensation Committee

V. MANAGEMENT REPORT

A. Administration

- Filing 32 water service- District/MCA will read the sub-meter bills and pay. Denver Water would only put in an irrigation tap and a residential tap for the homes and the muse. MCA will collect the readings from each home and bill the resident directly (from MSI). Builder will put in the equipment for the MCA to be able to read them.

B. Facilities

- Jet Stream Pool (Filing 19)-
- Filing 15 – shade structure will be manufactured in 2011 to have before season opens
- Green Improvements- Effective aesthetically pleasing fencing system will be constructed this year.
- Crusher fine will be added to the rose bush area at The Green for the tents at events
- A new dog station was put out at Filing 21 (Improvements)

C. Aquatics

- 2011 Aquatics guide will be to residents the first week in March and lesson/swim team sign up is March 15th for residents and April 1st for non-residents

D. Events

- 2011 Calendar of Events schedule was handed out.

VI. MEETING SCHEDULE

1) Q2 Executive Board: May 18th Noon-2:00pm

Capital Investment Counsel, Inc

PERFORMANCE BY ASSET CLASS

Discounted Cash Flow Method Net of Fees

Stapleton Master Community Association (staple1)

Keven Burnett

From 01-01-11 To 03-31-11

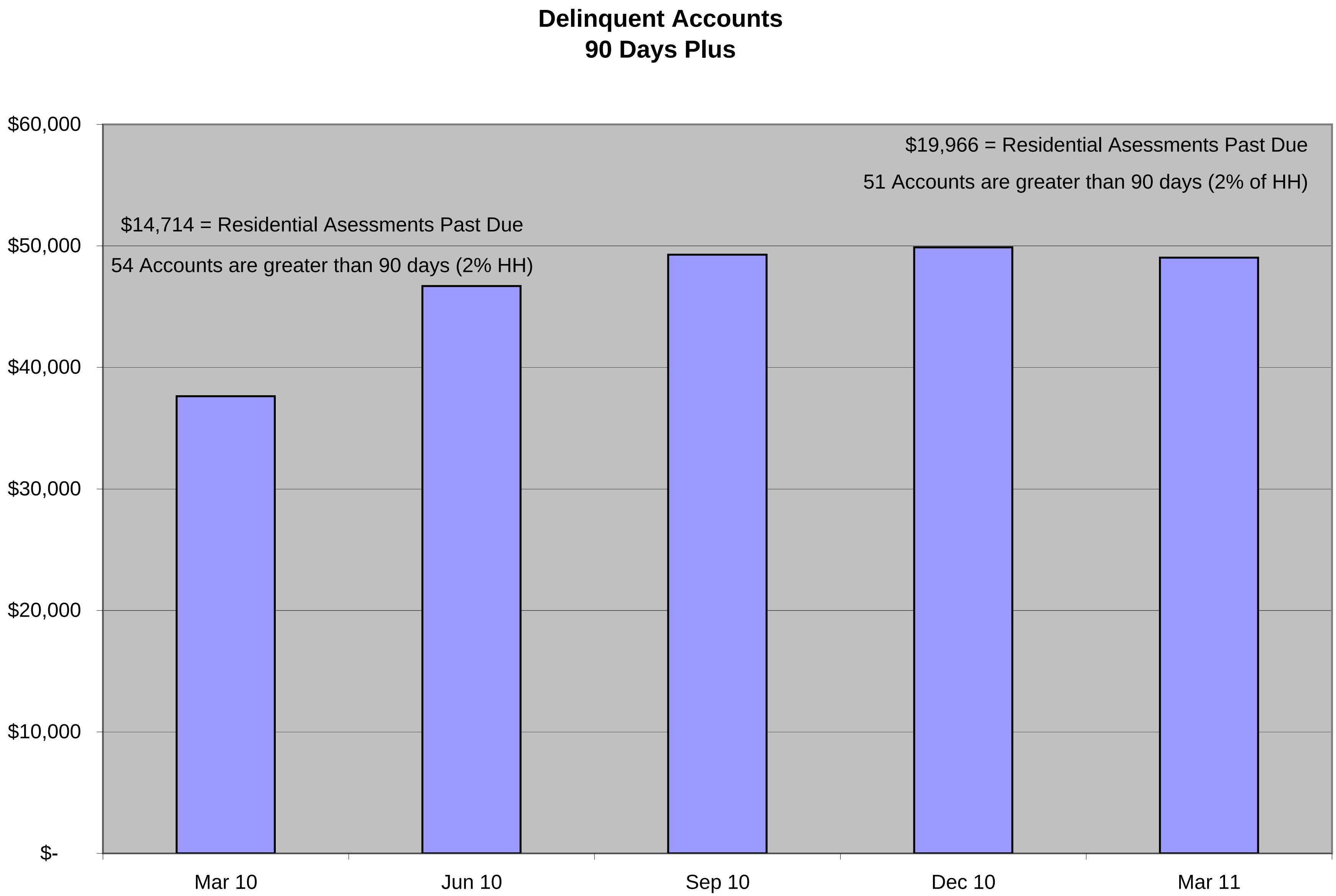
	Cash & Equivalents	Fixed Income	Equities	Other	Loans	Total Portfolio
Market Value on 01-01-11	117,059.92	620,017.83	0.00	0.00	0.00	737,077.75
Accrued Interest	0.00	2,448.16	0.00	0.00	0.00	2,448.16
Purchases/Contributions	21,876.30	0.00	0.00	0.00	0.00	0.00
Sales/Withdrawals	0.00	-21,876.30	0.00	0.00	0.00	0.00
Transfers In	0.00	0.00	0.00	0.00	0.00	0.00
Transfers Out	0.00	0.00	0.00	0.00	0.00	0.00
Realized Gains	0.00	-535.47	0.00	0.00	0.00	-535.47
Unrealized Gains	0.00	1,062.90	0.00	0.00	0.00	1,062.90
Interest Income	2.50	6,246.48	0.00	0.00	0.00	6,248.98
Dividend Income	0.00	0.00	0.00	0.00	0.00	0.00
Change in Accrued Interest	0.00	1,394.58	0.00	0.00	0.00	1,394.58
Management Fees	-922.00	0.00	0.00	0.00	0.00	-922.00
Portfolio Fees	0.00	0.00	0.00	0.00	0.00	0.00
Market Value on 03-31-11	138,016.72	604,915.44	0.00	0.00	0.00	742,932.16
Accrued Interest	0.00	3,842.74	0.00	0.00	0.00	3,842.74
Total Fees	-922.00	0.00	0.00	0.00	0.00	-922.00
Total Gain after Fees	-919.50	8,168.49	0.00	0.00	0.00	7,248.99
IRR for 0.24 Years	-0.73%	1.33%	0.00%	0.00%	0.00%	0.98%

Stapleton MCA
Statement of Activity
January through April 2011

	Jan - Apr 11	Budget	$ Over Budget	% of Budget
Ordinary Income/Expense				
Income				
4010 · Assessments	706,226.06	697,872.00	8,354.06	101.2%
4020 · PCMD	174,283.72	272,264.00	-97,980.28	64.0%
4030 · Working Capital	13,600.00	20,000.00	-6,400.00	68.0%
4040 · Collections	15,019.20	15,664.00	-644.80	95.9%
4060 · Pool Income	83,892.15	77,000.00	6,892.15	109.0%
4070 · Event Income	35,000.00			
4080 · Facility Rental	1,504.68			
4090 · Other Income	667.94			
Total Income	1,030,193.75	1,082,800.00	-52,606.25	95.1%
Gross Profit	1,030,193.75	1,082,800.00	-52,606.25	95.1%
Expense				
5010 · Administration & Payroll	201,238.71	202,260.00	-1,021.29	99.5%
5020 · Office & Community Room	30,212.95	30,088.00	124.95	100.4%
5030 · Assessment Management	51,915.40	52,440.00	-524.60	99.0%
5040 · Professional Services	13,154.80	11,400.00	1,754.80	115.4%
5060 · Insurance	19,333.17	20,854.00	-1,520.83	92.7%
5100 · Programming & Events	31,342.36	29,200.00	2,142.36	107.3%
5210 · SMCA Grounds Maint.	108,004.33	195,000.00	-86,995.67	55.4%
5220 · SMCA Utilities	13,586.01	24,400.00	-10,813.99	55.7%
5300 · PCMD Grounds Maint.	161,488.37	258,964.00	-97,475.63	62.4%
5320 · PCMD Utilities	6,804.30	7,300.00	-495.70	93.2%
5400 · Pool Operations	25,450.15	54,916.00	-29,465.85	46.3%
5500 · Other Expenses	625.30	1,332.00	-706.70	46.9%
5900 · Fund Transfers	87,168.00	87,168.00	0.00	100.0%
Total Expense	750,323.85	975,322.00	-224,998.15	76.9%
Net Ordinary Income	279,869.90	107,478.00	172,391.90	260.4%
Other Income/Expense				
Other Income				
6010 · Reserve Funds	75,495.68	75,168.00	327.68	100.4%
6020 · Improvement Fund	12,000.00	12,000.00	0.00	100.0%
6050 · Community Fund	4,692.18			
Total Other Income	92,187.86	87,168.00	5,019.86	105.8%
Other Expense				
7010 · Reserve Repairs & Replacements	36,345.11	95,000.00	-58,654.89	38.3%
7020 · Improvement Projects	20,537.32	36,000.00	-15,462.68	57.0%
Total Other Expense	56,882.43	131,000.00	-74,117.57	43.4%
Net Other Income	35,305.43	-43,832.00	79,137.43	-80.5%
Net Income	**315,175.33**	**63,646.00**	**251,529.33**	**495.2%**

Stapleton MCA
Balance Sheet
As of April 30, 2011

	Apr 30, 11
ASSETS	
Current Assets	
Checking/Savings	
1010 · MSI Assessment Acct	159,254.90
1015 · MCA Operating Acct	25,572.75
1020 · MCA Operating Reserve	300,117.33
1030 · MCA Community Reserve	209,209.89
1070 · MCA Community Fee Fund	31,663.34
1080 · MCA Investment - Schwab	750,000.00
Total Checking/Savings	1,475,818.21
Accounts Receivable	
1110 · Accounts receivable	334,603.68
1115 · Doubtful accounts allowance	-40,000.00
Total Accounts Receivable	294,603.68
Other Current Assets	
1410 · Inventories for sale	1,301.24
1420 · Inventories for use	10,506.44
1530 · Petty Cash - MSI	1,200.00
1535 · Cash Banks - MCA	600.00
1550 · Training Equipment - Aquatics	3,890.59
Total Other Current Assets	17,498.27
Total Current Assets	1,787,920.16
Fixed Assets	
1620 · Pool Faciltiy - operating	16,146.35
1630 · Leasehold improvements	117,490.16
1640 · Furniture, fixtures, & equip	72,930.06
1650 · Vehicles	24,831.98
1745 · Accum deprec	-33,736.90
Total Fixed Assets	197,661.65
TOTAL ASSETS	**1,985,581.81**
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2010 · Accounts payable	154,749.41
Total Accounts Payable	154,749.41
Credit Cards	
2050 · Credit card	-5,988.52
Total Credit Cards	-5,988.52
Other Current Liabilities	
2100 · Payroll Liabilities	3,584.20
2200 · Prepaid Assessments	133,342.69
2250 · Swim Team Fund	1,048.98
2410 · Refundable advances	-347.46
Total Other Current Liabilities	137,628.41
Total Current Liabilities	286,389.30
Total Liabilities	286,389.30
Equity	
3001 · Opening Bal Equity	148,920.30
3010 · Unrestrict (retained earnings)	490,545.44
3300 · Working Capital Equity	745,688.80
Net Income	314,037.97
Total Equity	1,699,192.51
TOTAL LIABILITIES & EQUITY	**1,985,581.81**


Delinquent Accounts
90 Days Plus
$19,966 = Residential Asessments Past Due
51 Accounts are greater than 90 days (2% of HH)
$14,714 = Residential Asessments Past Due
54 Accounts are greater than 90 days (2% HH)
$60,000
$50,000
$40,000
$30,000
$20,000
$10,000
$-
Mar 10
Jun 10
Sep 10
Dec 10
Mar 11

RESOLUTION
OF THE
MASTER COMMUNITY ASSOCIATION, INC.
ADOPTING PROCEDURES FOR THE CONDUCT OF MEETINGS

SUBJECT: Adoption of a policy and procedures for conducting Owner and Board meetings.

PURPOSE: To facilitate the efficient operation of Owner and Board meetings and to afford Owners an opportunity to provide input and comments on decisions affecting the community.

AUTHORITY: The Declaration, Bylaws and Articles of the Association and Colorado law.

EFFECTIVE DATE: ______________________________

RESOLUTION: The Association hereby adopts the following procedures regarding the conduct of meetings:

1. Member Meetings. Meetings of the Members of the Association, by Delegate District, shall be called pursuant to the Bylaws of the Association.

(a) **Notice**.

(1) In addition to any notice required in the Bylaws, notice of any meeting of the Members, by Delegate District, shall be physically conspicuously posted in the community at least seven days prior to each such meeting, or as may otherwise be required by Colorado law.

(2) The Association shall also post notice on its website of all such meetings. Such notice shall be posted at least seven days prior to such meeting.

(3) If any Member has requested in writing that the Association provide notice via email and has provided the Association with an email address, the Association shall send notice of all Member meetings for that Member's Delegate District to such Member at the email address provided as soon as possible after notice is provided pursuant to the Bylaws but in no case less than 24 hours prior to any such meeting.

(b) **Conduct**.

(1) All Member meetings of any Delegate District shall be governed by the following rules of conduct and order:

(A) The President of the Association or designee shall chair all Member meetings of any Delegate District.
(B) All Members and persons who attend a meeting of the Members of a Delegate District will sign in, present any proxies and receive ballots as appropriate. (See section below regarding voting).
(C) Any person desiring to speak shall sign up on the list provided at check in and indicate if he/she is for or against an agenda item.
(D) Members will be allowed to speak based upon the order in which they signed up per each agenda item after first being recognized by the Chair. If a Member failed to sign up as required above, they may be allowed to speak at the discretion of the Chair.
(E) Anyone wishing to speak must first be recognized by the Chair.
(F) Only one person may speak at a time.
(G) Each person who speaks shall first state his or her name and Unit address.
(H) Any person who is represented at the meeting by another person, as indicated by a written instrument, will be permitted to have such person speak on his or her behalf.
(I) Those addressing the meeting shall be permitted to speak without interruption from anyone as long as these rules are followed.
(J) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting.
(K) Each person shall be given an equal amount of time to speak as determined by the Chair based upon the number of individuals wishing to speak the length of the agenda and other time constraints.
(L) Each person shall be given up to a maximum of three minutes to make a statement or to ask questions. The Board may decide whether or not to answer questions during the meeting. Each person may only speak once. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair, but shall be uniform for all persons addressing the meeting.
(M) All actions and/or decisions will require a first and second motion.

(N) Once a vote has been taken, there will be no further discussion regarding that topic.
(O) So as to allow for and encourage full discussion by Members, no meeting may be audio, video or otherwise recorded. Minutes of actions taken shall be kept by the association.
(P) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order will be requested to immediately leave the meeting.
(Q) If a person has been requested to leave the meeting, and such person refuses, the Chair may adjourn the meeting or take other action necessary to bring order to the meeting.
(R) The Chair may establish such additional rules of order as may be necessary from time to time.

(c) **Voting**. All votes taken at Member meetings for a Delegate District shall be taken as follows:

(1) All votes taken at a meeting of the Members of a Delegate District shall be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice or by ballot, unless otherwise required by law.

(2) Written ballots shall be counted by a neutral third party, excluding the Association's managing agent or legal counsel, or a committee of volunteers who are not Board members or Delegates, and in the case of a contested election, are not candidates. The committee shall be selected or appointed at an open meeting, in a fair manner, by the Chair of the meeting or another person presiding during that portion of the meeting.

(3) The individual(s) counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor of and against any issue.

(d) **Proxies.** Proxies may be given by any owner as allowed by C.R.S. 7-127-203.

(1) All proxies shall be reviewed by the Association's Secretary or designee as to the following:

(A) Validity of the signature;
(B) Signatory's authority to sign for the Owner;
(C) Authority of the Owner to vote;
(D) Conflicting proxies; and
(E) Expiration of the proxy.

2. <u>Delegate Meetings</u>. Meetings of the Delegates of the Association shall be called pursuant to the Bylaws of the Association.

(a) **Conduct.**

(1) All Delegate meetings shall be governed by the following rules of conduct and order:

(A) The President of the Association or designee shall chair all Delegate meetings.
(B) All persons who attend a meeting of the Delegates shall be required to sign in, listing their name and unit address.
(C) All Members will be given an opportunity to speak as to any matter or ask questions of the Delegates during the Member Forum at the beginning of the meeting. Any Member wishing to speak during the Member Forum shall so indicate so at the time of sign in.
(D) Anyone desiring to speak shall first be recognized by the Chair.
(E) Only one person may speak at a time.
(F) Each person speaking shall first state his or her name and Unit address.
(G) Any person who is represented by another person as indicated by a written instrument at the meeting shall be permitted to have such person speak on his or her behalf.
(H) Those addressing the Delegates shall be permitted to speak without interruption from anyone as long as these rules are followed.
(I) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.
(J) Each person shall be given up to a maximum of three minutes to speak or to ask questions during the Member Forum. At the discretion of the Chair, questions may not be answered until a later date. Each person may only speak once during the Member Forum. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting. If a Member's comments or concerns cannot be adequately in time allotted, the Member may submit the concern in writing to the Delegates to be addressed in more detail at the next regularly scheduled Delegate meeting. After the Member Forum, the Delegates will address the remaining items on the agenda. Except to the extent required by law, the Delegates may not seek Member comment or input after the Member Forum.

(K) No meeting of the Delegates may be audio, video or otherwise recorded except by the Delegates to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association.

(L) Anyone disrupting the meeting, as determined by the Chair, shall be asked to "come to order." Anyone who does not come to order shall be requested to immediately leave the meeting.

(b) **Voting**. All votes taken at Delegate meetings shall be taken as follows:

(1) All votes taken at a meeting of the Delegates shall be taken in such method as determined by the Board of Directors including acclamation, by hand, by voice or by ballot, unless otherwise required by law.

(2) Written ballots shall be counted by a neutral third party, excluding the Association's managing agent or legal counsel, or a committee of volunteers who are not Board members or Delegates, and in the case of a contested election, are not candidates. The committee shall be selected or appointed at an open meeting, in a fair manner, by the Chair of the meeting or another person presiding during that portion of the meeting.

(3) The individual(s) counting the ballots shall report the results of the vote to the Chair by indicating how many votes were cast for each individual or how many votes were cast in favor of and against any issue.

(c) **Member Input**. After a motion and second has been made on any matter to be discussed, but prior to a vote by the Delegates, Members present at such time, or their designated representative, shall be afforded an opportunity to speak on the motion as follows:

(1) The Chair will ask those Members present to indicate by a show of hands who wishes to speak in favor of or against the motion. The Chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The Chair shall also announce the procedure for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak

(2) Following Member input, the Chair will declare Member input closed and there shall be no further Member participation on the motion at hand unless a majority of the Delegates votes to open the discussion to further Member participation.

3. Board Meetings. Meetings of the Board of Directors of the Association shall be called pursuant to the Bylaws of the Association.

(a) **Conduct.**

(1) All Board meetings shall be governed by the following rules of conduct and order:

(M) The President of the Association or designee shall chair all Board meetings.

(N) All persons who attend a meeting of the Board shall be required to sign in, listing their name and unit address.

(O) All Delegates will be given an opportunity to speak as to any matter or ask questions of the Board during the Delegate Forum at the beginning of the meeting. Any Delegate wishing to speak during the Delegate Forum shall so indicate so at the time of sign in.

(P) Anyone desiring to speak shall first be recognized by the Chair.

(Q) Only one person may speak at a time.

(R) Each person speaking shall first state his or her name and Unit address.

(S) Any person who is represented by another person as indicated by a written instrument at the meeting shall be permitted to have such person speak on his or her behalf.

(T) Those addressing the Board shall be permitted to speak without interruption from anyone as long as these rules are followed.

(U) Comments are to be offered in a civilized manner and without profanity, personal attacks or shouting. Comments are to be relevant to the purpose of the meeting or issue at hand.

(V) Each person shall be given up to a maximum of three minutes to speak or to ask questions during the Delegate Forum. At the discretion of the Board, questions may not be answered until a later date. Each person may only speak once during the Delegate Forum. Yielding of time by a speaker to another individual shall not be permitted. Such time limit may be increased or decreased by the Chair but shall be uniform for all persons addressing the meeting. If a Delegate's comments or concerns cannot be adequately in time allotted, the Delegate may submit the concern in writing to the Board to be addressed in more detail at the next regularly scheduled Board meeting. After the Delegate Forum, the Board will address the remaining items on the agenda. Except to the extent required by law, the Board may not seek Delegate comment or input after the Delegate Forum.

(W) No meeting of the Board may be audio, video or otherwise recorded except by the Board to aid in the preparation of minutes. Minutes of actions taken shall be kept by the Association.

(X) Anyone disrupting the meeting, as determined by the Chair, shall be asked to “come to order.” Anyone who does not come to order shall be requested to immediately leave the meeting.

(b) **Delegate Input**. After a motion and second has been made on any matter to be discussed, but prior to a vote by the Directors, Delegates present at such time shall be afforded an opportunity to speak on the motion as follows:

(1) The Chair will ask those Delegates present to indicate by a show of hands who wishes to speak in favor of or against the motion. The Chair will then determine a reasonable number of persons who will be permitted to speak in favor of and against the motion and for how long each person will be permitted to speak. The Chair shall also announce the procedure for who shall be permitted to speak if not everyone desiring to speak will be permitted to speak

(2) Following Delegate input, the Chair will declare Delegate input closed and there shall be no further Delegate participation on the motion at hand unless a majority of the Board of Directors votes to open the discussion to further Delegate participation.

4. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

5. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

6. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

7. Amendment. This Policy may be amended at any time by the Board of Directors.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of Master Community Association, Inc. a Colorado nonprofit corporation, certifies that the foregoing Resolution was adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors on ____________________________ and in witness thereof, the undersigned has subscribed his/her name.

MASTER COMMUNITY ASSOCIATION, INC.
a Colorado nonprofit corporation

By: _________________________________,
President

RESOLUTION
OF THE
MASTER COMMUNITY ASSOCIATION, INC.
ADOPTING POLICIES AND PROCEDURES
REGARDING BOARD MEMBER CONFLICTS OF INTEREST

SUBJECT: Adoption of a policy and procedure regarding conflicts of interest and a code of ethics.

PURPOSE: To adopt a policy and procedure to be followed when a Director, Delegate or committee member has a conflict of interest to ensure proper disclosure of the conflict and voting procedures and to adopt a code of ethics for Directors, Delegates and committee members.

AUTHORITY: The Declaration, Bylaws and Articles of the Association and Colorado law.

EFFECTIVE DATE: ______________________________

RESOLUTION: The Association hereby adopts the following policy and procedure regarding Director, Delegate and committee member conflicts of interest and code of ethics:

1. General Duty. The Directors, Delegates and committee members shall use their best efforts at all times to make decisions that are consistent with high principles, and to protect and enhance the value of properties of the members and Association. All Directors, Delegates and committee members shall exercise their power and duties in good faith and in the best interest of, and with utmost loyalty to the Association. All Directors, Delegates and committee members shall comply with all lawful provisions of the Declaration and the Association's Articles, Bylaws, and other Policies. All Directors, Delegates and committee members shall undertake only those responsibilities and assignments that they can reasonably expect to perform with professional competence. Directors, Delegates and committee members shall use professional care in the performance of their duties and shall adequately plan and supervise all functions for the Association.

2. Definitions.

(a) "Conflicting interest transaction" means a contract, transaction, or other financial relationship between the Association and a Director, a Delegate, or a committee member, or between the Association and a party related to a Director, or between the

Association and an entity in which a Director of the Association is a director or officer or has a financial interest.

(b) "Director" means a member of the Association's Board of Directors.

(c) "Party related to a Director" means a spouse, a descendant, an ancestor, a sibling, the spouse or descendant of a sibling, an estate or trust in which the Director or a party related to a Director has a beneficial interest, or an entity in which a party related to a Director is a director or officer or has a financial interest.

3. Loans. No loans shall be made by the Association to its Directors or officers. Any Director or officer who assents to or participates in the making of any such loan shall be liable to the Association for the amount of the loan until it is repaid.

4. Disclosure of Conflict. Any conflicting interest transaction on the part of any Director or party related to a director, Delegate or committee member shall be verbally disclosed to the other Directors, Delegates or committee members in open session at the first open meeting at which the interested Director, Delegate or committee member is present prior to any discussion or vote on the matter. After disclosure, the Director, Delegate or committee member may participate in the discussion but shall not vote on the matter. The minutes of the meeting shall reflect the disclosure made, the abstention from voting, the composition of the quorum and record who voted for and against.

5. Enforceability of Conflicting Interest Transaction. No conflicting interest transaction shall be voidable by an Owner or on behalf of the Association if:

(a) The facts about the conflicting interest transaction are disclosed to the Board, and a majority of the disinterested Directors, even if less than a quorum, in good faith approves the conflicting interest transaction;

(b) The facts about the conflicting interest transaction are disclosed to the Owners entitled to vote on the matter, and the conflicting interest transaction is authorized in good faith by a vote of the Owners entitled to vote on the matter; or

(c) The conflicting interest transaction is fair to the Association.

6. Code of Ethics. In addition to the above, all Directors, Delegates, committee members, managing agents and executive directors shall adhere to the following Code of Ethics:

(a) No Director, Delegate, committee member, managing agent or executive director shall use his/her position for private gain, including for the purpose of enhancement of his/her financial status through the use of certain contractors or suppliers.

(b) No contributions will be made to any political parties or political candidates by the Association.

(c) No Director, Delegate, committee member, managing agent or executive director shall solicit or accept, directly or indirectly, any gifts, gratuity, favor, entertainment, loan or any other thing of monetary value from a person who is seeking to obtain contractual or other business or financial relations with the Association, except as follows.

(i) Gifts of a nominal value and of a personal nature given as a token of friendship or special occasions such as holiday gifts, or gifts commemorating a job promotion or length of service are acceptable. Likewise, entertainment that would be difficult to describe as “lavish” is acceptable. Although no precise definition of “nominal value” or “lavish entertainment” is possible, it is intended that any gift, entertainment or other favor does not meet acceptable standards of the Association if:

(A) The gift, entertainment or other favor is judged above the standard of living of the donor and the donor; or

(B) The gift or entertainment is judged beyond the ability of the donor to reciprocate, either on a personal basis or with legitimate claim for reimbursement from the Association, and the gift or entertainment received would suggest to a disinterested third party that the donor might be influenced in the conduct of the Association business with the donor;

(ii) Cash gifts of any amount are not acceptable.

(iii) Directors, Delegates, committee members, managing agents and executive directors must use discretion when vendors offer to pay for lunches or dinners that may be considered excessive under the circumstances outlined above.

(d) No Director, Delegate, committee member, managing agent or executive director shall accept a gift or favor made with intent of influencing decision or action on any official matter.

(e) No Director, Delegate, committee member, managing agent or executive director shall receive any compensation from the Association for acting as a volunteer.

(f) No Director, Delegate, committee member, managing agent or executive director shall willingly misrepresent facts to the members of the community for the sole purpose of advancing a personal cause or influencing the community to place pressure on the Board to advance a personal cause.

(g) No Director, Delegate, committee member, managing agent or executive director shall interfere with a contractor engaged by the Association while a contract is in progress. All communications with Association contractors shall go through the Board President or be in accordance with policy.

(h) All Directors, Delegates, committee members, managing agents and executive directors shall exhibit professional courtesy to all community association management professionals. No Director, Delegate, committee member, managing agent or executive director shall interfere with contractual relationships between community management professionals and contractors.

(i) No Director, Delegate, committee member, managing agent or executive director shall harass, threaten, or attempt through any means to control or instill fear in any member, Director or agent of the Association.

(j) No promise of anything not approved by the Board as a whole can be made by any Director, Delegate, committee member, managing agent or executive director to any subcontractor, supplier, or contractor during negotiations.

(k) Any Director, Delegate, committee member, managing agent or executive director convicted of a felony shall voluntarily resign from his/her position.

(l) No Director, Delegate, committee member, managing agent or executive director shall knowingly misrepresent any facts to anyone involved in anything with the community which would benefit himself/herself in any way.

(m) Language and decorum at Board meetings will be kept professional. Personal attacks against owners, residents, managers, service providers and Directors are prohibited and are not consistent with the best interest of the community.

(n) Directors, Delegates, committee members, managing agents and executive directors shall comply with all technical and operating standards, policies and procedures of the Association that are in force or may from time to time be promulgated by the Board.

(o) No Director, Delegate, committee member, managing agent or executive director shall use any funds of the Association for their own personal use. All funds of the Association must be segregated either through bank accounts or accounting records.

7. Attendance at Board Meetings. Any Board member who misses three consecutive Board meetings or four meetings in twelve months will be removed from the Board.

8. Members in Good Standing. Board members must remain members in good standing of the Association at all times, including, but not limited to, payment of annual and/or special assessments in a timely manner.

9. Review of Policy. The Board shall review this Policy and the procedures contained herein periodically, at least once every three years, to determine whether any revisions or amendments to this Policy are necessary or warranted

10. Definitions. Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

11. Supplement to Law. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the community.

12. Deviations. The Board may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

13. Amendment. This policy may be amended from time to time by the Board of Directors.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of the Master Community Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on ____________________ and in witness thereof, the undersigned has subscribed his/her name.

MASTER COMMUNITY ASSOCIATION, INC.
a Colorado non-profit corporation,

By: ________________________________,
President

RESOLUTION
OF THE
MASTER COMMUNITY ASSOCIATION, INC.
REGARDING POLICY AND PROCEDURE FOR INSPECTION AND COPYING OF ASSOCIATION RECORDS

SUBJECT: Adoption of a procedure for the inspection and copying of Association records by Owners and retention of Association permanent records.

PURPOSE: To adopt a policy regarding an Owner's right to inspect and copy Association records and identification of records to be permanently retained by the Association. To adopt a standard procedure to be followed when an Owner chooses to inspect or copy Association records.

AUTHORITY: The Declaration, Articles and Bylaws of the Association and Colorado law, including but not limited to C.R.S. 38-33.3-209.5.

EFFECTIVE DATE: ________________________

RESOLUTION: The Association hereby adopts the following Policy and Procedures:

1. The Association shall permanently retain the following records as required by Colorado law:

   - Minutes of all Board and Owner meetings
   - All actions taken by the Board or unit Owners by written ballot in lieu of a meeting
   - All actions taken by a committee on the behalf of the Board instead of the Board acting on behalf of the Association
   - All waivers of the notice requirements for unit Owner meetings, Board member meetings, or committee meetings

2. Inspection/Copying Association Records. An Owner or his/her authorized agent is entitled to inspect and copy any of the books and records of the Association, subject to the exclusions, conditions and requirements set forth below:

   (a) The inspection and/or copying of the records of the Association shall be at the Owner's expense, which may be collected by the Association in advance;
   (b) The inspection and/or copying of the records of the Association shall be conducted during regular business hours of 8:00 a.m. to 5:00 p.m. at 2823 Roslyn Street,

Denver, Colorado 80238, or during the next regularly scheduled Owner or Board meeting occurring within 30 days of the Owner's request.

(c) The Owner shall give the Association's managing agent a written demand, stating the purpose for which the inspection and/or copying is sought. The Association shall make the requested records available within five business days of the Owner's request or at the next regularly scheduled Owner or Board meeting if the next regularly scheduled Owner or Board meeting is scheduled within thirty days of the Owner's request, in the sole discretion of the Board. The Board shall advise the Owner of the time and place of such inspection in writing within five business days of the Owner's request; and

(d) The Owner shall complete and sign the Agreement Regarding Inspection of Association Records prior to the inspection and copying of any Association record. A copy of the Agreement is attached to this Policy. Failure to properly complete or sign the Agreement shall be valid grounds for denying an Owner the right to inspect and/or copy any record of the Association.

3. <u>Proper Purpose/Limitation</u>. Association records, including its membership list, shall not be used by any Owner for:

(a) Any purpose unrelated to an Owner's interest as an Owner;
(b) The purpose of soliciting money or property unless such money or property will be used solely to solicit the votes of the Owners in an election to be held by the Association;
(c) Any commercial purpose;
(d) For the purpose of giving, selling, or distributing such Association records to any person; or
(e) Any improper purpose as determined in the sole discretion of the Board.

4. <u>Exclusions</u>. The following records shall NOT be available for inspection and/or copying as they are deemed confidential:

(a) Attorney-client privileged documents and records, unless the Board decides to disclose such communications at an open meeting;
(b) Any documents that are confidential under constitutional, statutory or judicially imposed requirements; and
(c) Any documents, or information contained in such documents, disclosure of which would constitute an unwarranted invasion of individual privacy, including but

not limited to social security numbers, dates of birth, personal bank account information, and driver's license numbers.

5. <u>Fees/Costs</u>. Any Owner requesting copies of Association records shall be responsible for actual costs, which have been determined by the Association to be $.50 per page, including the cost to search, retrieve, and copy the record(s) requested. The Association may require a deposit equal to the anticipated actual cost of the requested records. Failure to pay such deposit shall be valid grounds for denying an Owner copies of such records. If after payment of the deposit it is determined that the actual cost was more than the deposit, Owner shall pay such amount prior to deliver of the copies. If after payment of the deposit it is determined that the actual cost was less than the deposit, the difference shall be returned to the Owner with the copies. There shall be no cost to any Owner accessing records which are required to be disclosed by Colorado law at no cost to Owners.

6. <u>Inspection</u>. The Association reserves the right to have a third party present to observe during any inspection of record by an Owner or the Owner's representative.

7. <u>Original</u>. No Owner shall remove any original book or record of the Association from the place of inspection nor shall any Owner alter, destroy or mark in any manner, any original book or record of the Association.

8. <u>Creation of Records</u>. Nothing contained in this Policy shall be construed to require the Association to create records that do not exist or compile records in a particular format or order.

9. <u>Agent.</u> The Association has designated its management company as its agent to maintain all records and provide all such access as required by Colorado law and/or this Policy. Therefore, such management company shall have all rights of the Association with respect to such obligations.

10. <u>Definitions.</u> Unless otherwise defined in this Resolution, initially capitalized or terms defined in the Declaration shall have the same meaning herein.

11. <u>Supplement to Law</u>. The provisions of this Resolution shall be in addition to and in supplement of the terms and provisions of the Declaration and the law of the State of Colorado governing the Project.

12. Deviations. The Board or its agent may deviate from the procedures set forth in this Resolution if in its sole discretion such deviation is reasonable under the circumstances.

13. Amendment. This policy may be amended from time to time by the Board of Directors.

PRESIDENT'S CERTIFICATION: The undersigned, being the President of the Master Community Association, Inc., a Colorado nonprofit corporation, certifies that the foregoing Resolution was approved and adopted by the Board of Directors of the Association, at a duly called and held meeting of the Board of Directors of the Association on ____________________ and in witness thereof, the undersigned has subscribed his/her name.

MASTER COMMUNITY ASSOCIATION, INC.
a Colorado non-profit corporation,

By: ________________________________,
President

AGREEMENT REGARDING INSPECTION AND COPYING OF RECORDS OF THE MASTER COMMUNITY ASSOCIATION, INC.

I have requested to inspect and/or obtain copies of the following records for the Master Community Association, Inc. (be as specific as possible): ________________________________
____
____

The records shall be used for the following purpose(s) only: ______________________________
____
____

I understand that under the terms of the Colorado Revised Nonprofit Corporation Act, Association records may not be obtained or used for any purpose unrelated to my interest(s) as an Owner. I further understand and agree that without limiting the generality of the foregoing, Association records may not be:

(A) used to solicit money or property unless such money or property will be used solely to solicit the votes of the Owners in an election held by the Association;

(B) used for any commercial purpose;

(C) sold to, otherwise distributed to, or purchased by any person;

(D) any other purpose prohibited by law; or

(E) any purpose not related to the reason specified in this Agreement.

In the event any document requested is used for an improper purpose or purpose other than that stated above, I will be responsible for any and all damages, penalties and costs incurred by the Association, including attorney fees resulting from such improper use. I will additionally be subject to any and all enforcement procedures available to the Association through its governing documents and Colorado law. I further understand and agree that I shall be charged $.50 per page for copies of documents.

Understood and agreed to by:

_________________________ Date: ______________________________
Homeowner

_________________________ Date: ______________________________
Homeowner

____
Address

____

Stapleton
MASTER
COMMUNITY
ASSOCIATION

May 17, 2011

Dear Owners:

First, let me apologize if I have not spoken to each of you personally. As you may know the Master Community Association (MCA) was performing its routine preparations for opening of the Aviator Pool last Thursday. As part of the opening processes each year, we drain the winter water into the main sewer line prior to refilling the pool for the upcoming season. This is the process we have followed for the past seven years. During the draining process, the sewer line failed and as a result water came into your basements.

The MCA is investigating why this occurred. We do believe that something was blocking the flow downstream; as such, we plan to pursue this in greater detail with the appropriate entity at Public Works to gain a full understanding what led to this incident.

The purpose of this letter is to address the flooding that occurred in your basements on the evening of March 12, 2011 and to provide guidance so that your homes are brought back to normal as quickly as possible. The MCA intends to be available to facilitate and assist each of you as you navigate through this process. Below is a checklist of recommended actions to be taken:

- ✓ Take necessary steps to remove the water and dry your home;
- ✓ Notify your insurance carrier immediately and provide your insurance agent's name and number to the MCA;
- ✓ Take photographs of your basement and the water and/or damage;
- ✓ Work with your insurance carrier to determine coverage and follow their guidelines as to remediation and repairs;
  - If your claim is denied, request the reason in writing and provide this to the MCA;
  - If your claim is covered, relay this information to the MCA together with documentation of your deductible amount;
- ✓ Contract with the appropriate contractors to have work completed;
- ✓ Make sure that any invoices for work done carefully documents any work that is "extra" (beyond restoration);

Any information or specifics you or your contractors uncover as to where the water was found in your home, the exact amounts of water, etc. would be very helpful to us in our investigation. In addition, we have submitted to our insurance carrier your address information and let them know that they could expect to be contacted by you for damage claims as it relates to MCA operations. They are dispatching an adjuster to investigate the entire incident. In the mean time you may contact Jim McColgan with the Philadelphia Insurance Company at 610-538-2565 (reference claim #551094)

Certainly, if you encounter any problems throughout this process or have any questions, please contact me and we will use our best efforts and resources to help you resolve the issues.

Sincerely

Keven A. Burnett
Executive Director