



2008 Budget Summary

Income forecast

Although 2007 has proved to be a strong year in the development of new units to the market, we have still seen a slowdown in the number of units that are closing each month. We had budgeted 50 new closings per month throughout 2007, as of the end of the 3rd quarter we were down to an average of 36 new closings per month which translates into a 28% drop in anticipated revenue. Budget forecasts for 2008 have been scaled back another 16% and are estimated at 30 new closings per month. This issue is further exacerbated by the builders not taking down as many new lots based upon anticipated inventories for the coming year (2008-2009). In other words the slow down impact the income side of the budget for both residential and builder assessments well into the foreseeable future. It is anticipated that this condition will correct itself as development picks up as housing supply is absorbed and new starts begin to increase once again.

Expense forecast

The Stapleton MCA budget can be best evaluated when all PCMD expenses are removed from the budget presentation. Under the “Non-District” scenario, the MCA budget consists of 5 major items; administration and overhead, fixed costs such as insurance, grounds maintenance, programming and events, and pool operations.

Both administration and fixed costs are showing modest increases. Administrative costs are not exceeding 3% of 2007 numbers. In large part this is due to MCA offices being in the new location for the entire year as opposed to partial year. Although assessment management shows a 38% increase over 2007, a portion of this increase reflects a change in account allocations from administration to assessment collection (attributed to the MSI contract). The 29% increase in professional services is also offset by a corresponding 62% increase in “Legal Income”

Grounds maintenance show a 39% increase in expense mainly from the transfer of new parks. 2008 MCA will go from 8 acres to 18 acres of community maintained parks. This is 130% increase of park maintenance.

The largest piece of the MCA budget is allocated to Pool operations. The addition of the Filing 15 pool will add approximately \$180,000 in expense. The public nature of the pools and the daily dictates the amount of staff that are required at all time and is a major driver of the pool operation expenses (58%).



Programming and events continue to be a major part of the ongoing mission of the MCA. 2008 presents a drop of 16% in the expenses attributed to programs and events. This drop is due to a focus on events that are both economical to produce and popular with the community. Resources will be reallocated out of festivals and into movies and concerts. As the events continue to draw more participants we anticipate being able to generate additional sponsorship dollars, offsetting more of the production costs. Seasonal lighting throughout the 29th Ave town center continue to be scaled back but still adding much needed lighting during the dark winter months.

Reserve Funding

In 2007 the MCA commissioned a new reserve study to reflect current assets. The results of the reserve study, which can be obtained online, concluded that the MCA was 98% funded and the current funding structure was consistent with future repair and replacement costs. The board will be reviewing the results and determining if there should be any significant changes in the funding structure of the reserve funds. At the 3rd quarter meeting of the board of directors a motion was made and passed for the creation of a "Capital Improvement" fund which the organization could use to set aside any excess revenues each year and restrict their usage to qualified capital improvement projects that added value to the community. Currently our reserve funds do not allow for these types of expenditures.

Assessment Schedule

The proposed 2008 assessment schedule is proposed for a maximum assessment of \$36 per month. This is up 14% from 2007. Assessments have remained relatively flat since 2002. A \$1 increase was introduced in the 2006 budget cycle to accommodate the additional pool operations (Filing 6 Puddle Jumper). Although, the growth rate in the community has been able to absorb most of the costs associated with additional community assets, it has not been fully sufficient. In 2007 the MCA was restructured as a self operating organization which resulted in reduced administration costs of over \$100,000 annually.

Sincerely,

A handwritten signature in black ink that reads "Keven A. Burnett". The signature is stylized and cursive.

Keven A. Burnett
Executive Director

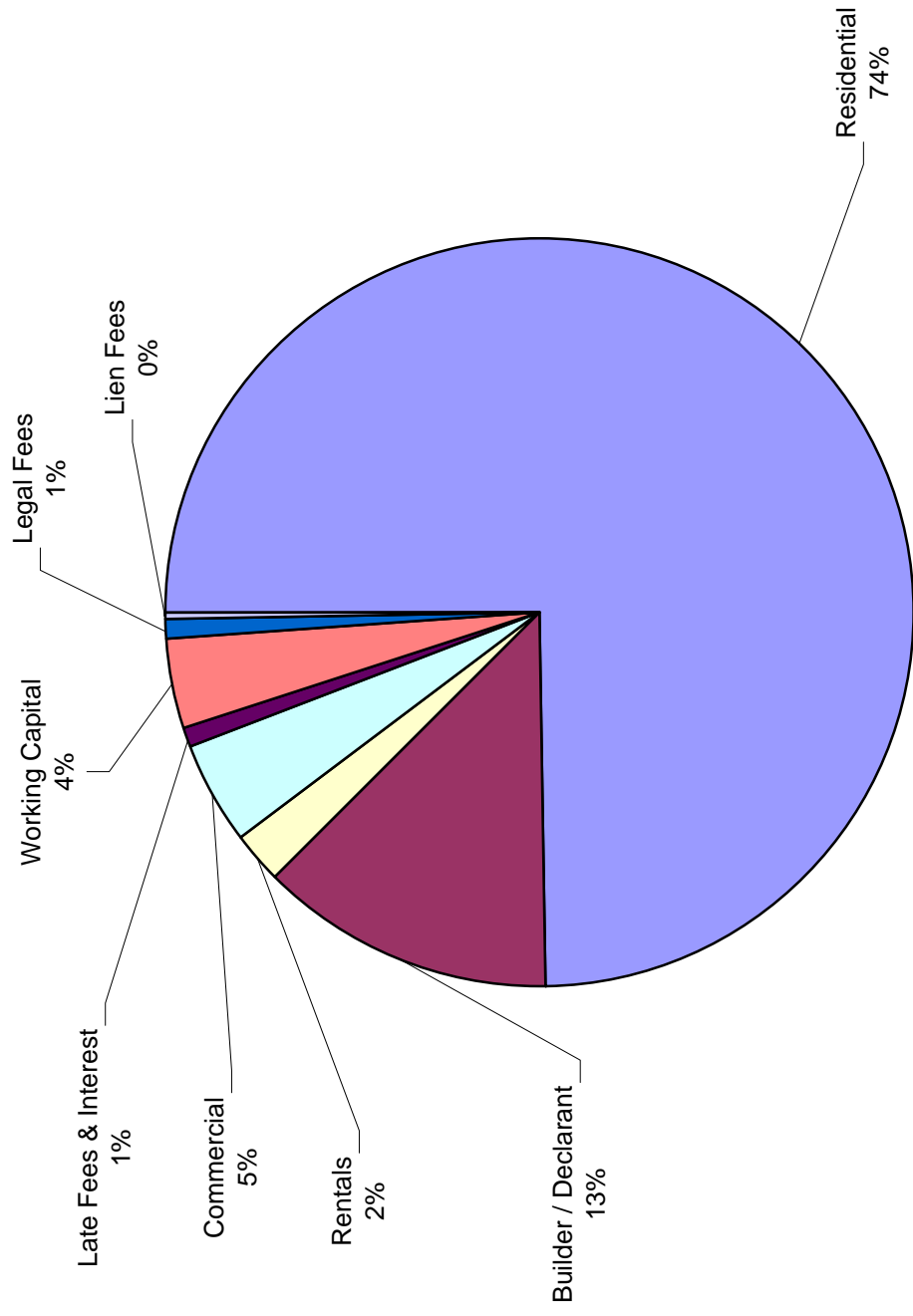


2008 Master Community Proposed Assessment Schedule

2008 Assessment are as follows: Effective January 1, 2008		
TYPE OF UNIT	DESCRIPTION	2008 ASSESSMENT
For Sale Regular Residential	Individually owned dwelling units sold at market rate prices.	\$36.00 / Month
For Sale Affordable Residential	Individually owned dwelling units subject to restrictions under the Workforce Housing Program.	\$20.40 / Month
For Rent Residential - Affordable and Market Rate	Apartments/multi-family rental units.	\$20.40 / Month
Commercial, Office, Other	Units used for commercial, retail, light industrial, office, or public or private recreation use.	\$12.00 2,000 s.f./ Month

*Following your closing and recordation of title, you will receive payment information from the Master Community Association, through Management Specialists, on specific amounts due and methods of payment. All assessments are a personal obligation of each owner and are secured by a lien established by Colorado law and the Community Declaration. This lien is for the benefit of the Master Community Association and may be foreclosed upon by the Master Community Association. After an assessment is delinquent, the Master Community Association may charge a late charge and interest will accrue on the unpaid amounts.

Assessment Income



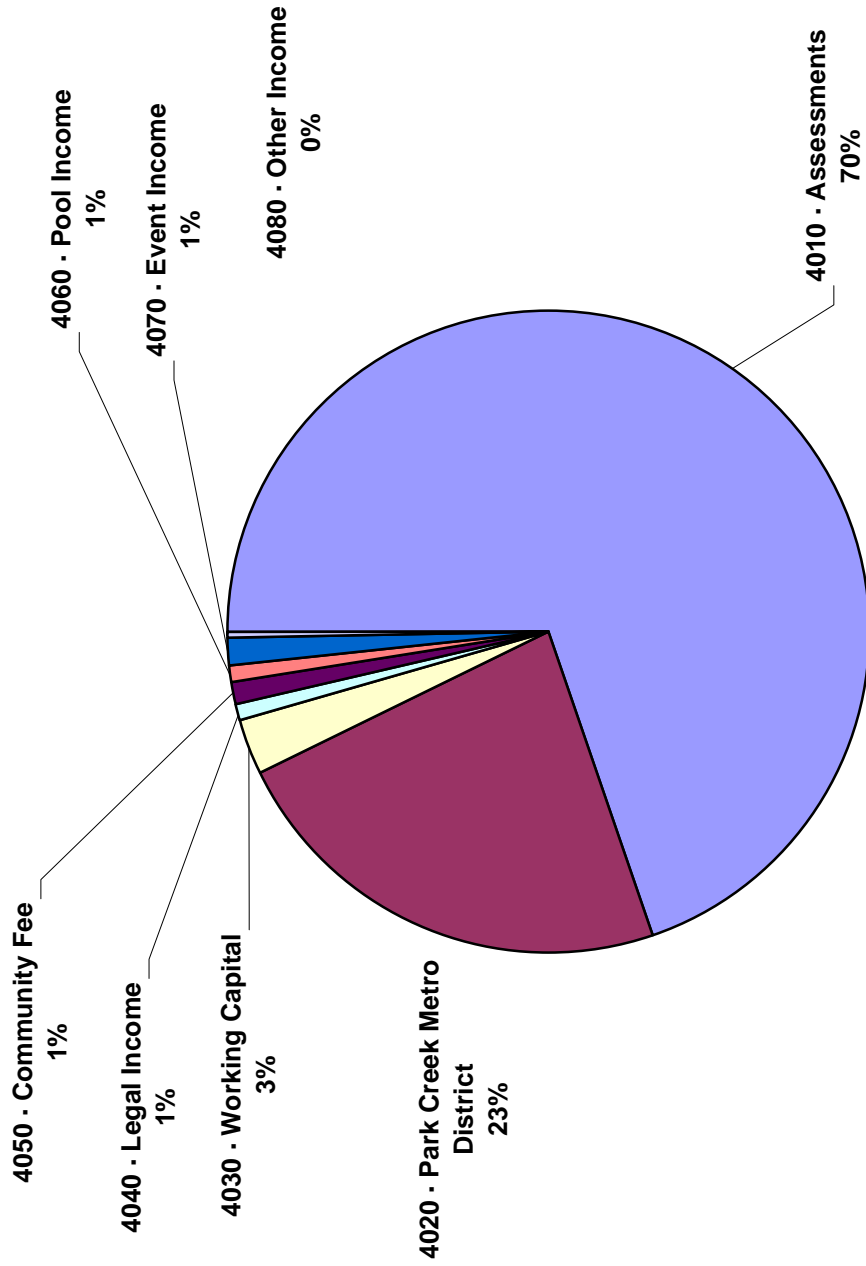
Stapleton Master Community Association

2007 / 2008 Budget Overview

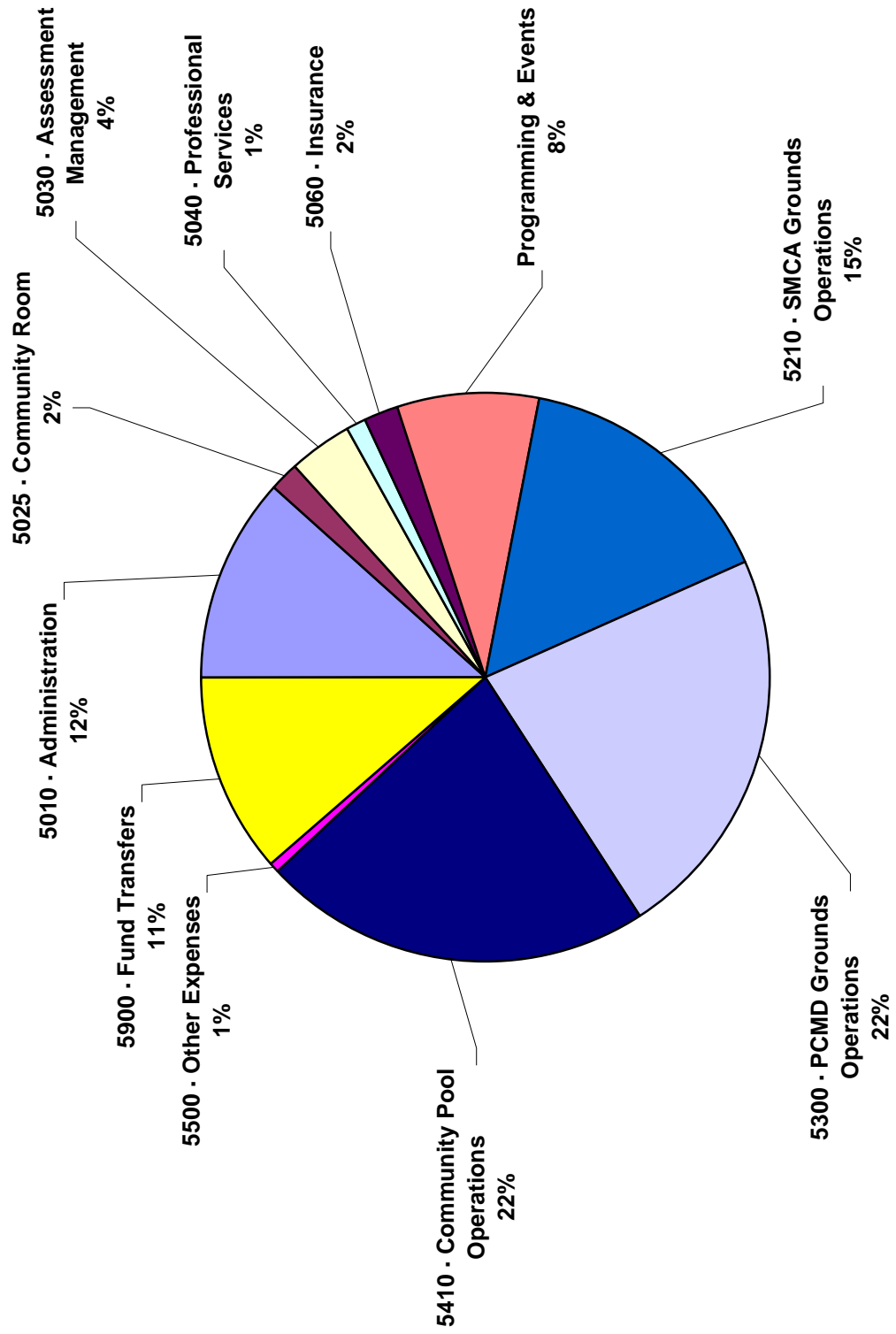
January through December

07/08 Budget Comps	Jan - Dec 07	Jan - Dec 08	Diff	%
Ordinary Income/Expense				
Income				
4010 - Assessments	1,545,531.39	1,738,984.00	193,452.61	11%
4020 - Park Creek Metro District	347,780.16	573,900.00	226,119.84	39%
4030 - Working Capital	114,000.00	72,000.00	(42,000.00)	-58%
4040 - Legal Income	7,200.00	18,900.00	11,700.00	62%
4050 - Community Fee	23,004.00	28,000.00	4,996.00	18%
4060 - Pool Income	12,000.00	21,000.00	9,000.00	43%
4070 - Event Income	4,000.00	35,000.00	31,000.00	89%
4080 - Other Income	1,200.00	4,800.00	3,600.00	75%
Total Income	2,054,715.55	2,492,584.00	437,868.45	18%
Expense				
5010 - Administration	283,764.00	291,879.00	8,115.00	3%
5025 - Community Room	23,052.00	38,652.00	15,600.00	40%
5030 - Assessment Management	57,000.00	91,887.00	34,887.00	38%
5040 - Professional Services	19,000.00	26,800.00	7,800.00	29%
5060 - Insurance	46,128.00	52,480.00	6,352.00	12%
5100 - Programming & Events	230,660.00	199,300.00	(31,360.00)	-16%
5150 - Community Projects	100,000.00		(100,000.00)	
5210 - SMCA Operations	231,657.00	380,720.00	149,063.00	39%
5300 - PCMD Operations	329,780.16	555,900.00	226,119.84	41%
5400 - Pool Operations	332,088.39	554,054.00	221,965.61	40%
5500 - Other Expenses	67,200.00	18,000.00	(49,200.00)	-273%
5900 - Fund Transfers	334,386.00	282,912.00	(51,474.00)	-18%
Total Expense	2,054,715.55	2,492,584.00	437,868.45	18%
Net Ordinary Income	0.00	0.00		

2008 Stapleton MCA Revenue
\$2,492,584



**2008 Stapleton MCA Expense
\$2,492,584**

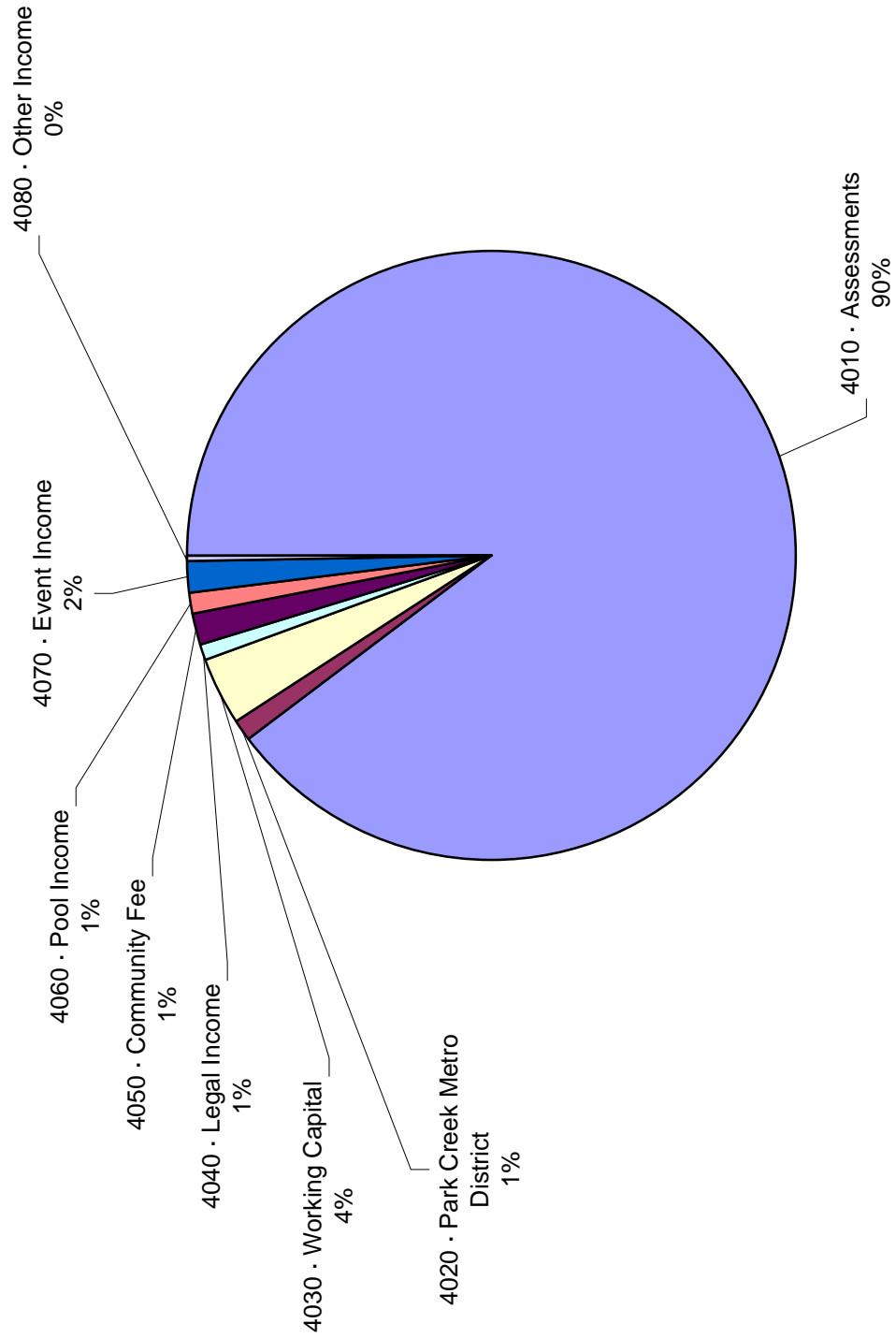


**Stapleton Master Community Association
2007 / 2008 Budget Overview (Non-District Funds)**

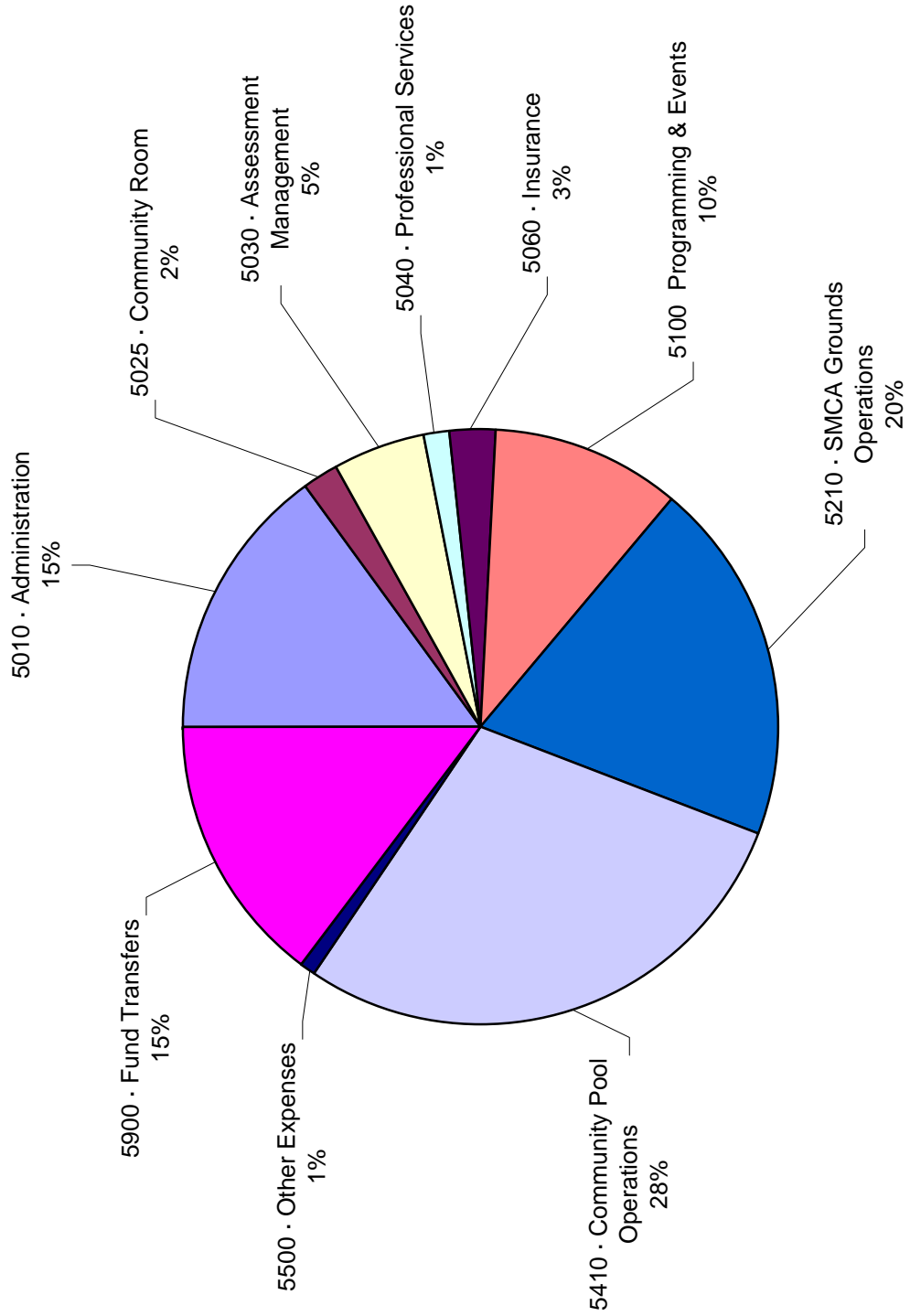
January through December

07/08 Budget Comps	Jan - Dec 07	Jan - Dec 08	Diff	%
Ordinary Income/Expense				
Income				
4010 - Assessments	1,545,531.39	1,738,984.00	193,452.61	11%
4020 - Park Creek Metro District	18,000.00	18,000.00	-	0%
4030 - Working Capital	114,000.00	72,000.00	(42,000.00)	-58%
4040 - Legal Income	7,200.00	18,900.00	11,700.00	62%
4050 - Community Fee	23,004.00	28,000.00	4,996.00	18%
4060 - Pool Income	12,000.00	21,000.00	9,000.00	43%
4070 - Event Income	4,000.00	35,000.00	31,000.00	89%
4080 - Other Income	1,200.00	4,800.00	3,600.00	75%
Total Income	1,724,935.39	1,936,684.00	211,748.61	11%
Expense				
5010 - Administration	283,764.00	291,879.00	8,115.00	3%
5025 - Community Room	23,052.00	38,652.00	15,600.00	40%
5030 - Assessment Management	57,000.00	91,887.00	34,887.00	38%
5040 - Professional Services	19,000.00	26,800.00	7,800.00	29%
5060 - Insurance	46,128.00	52,480.00	6,352.00	12%
5100 - Programming & Events	230,660.00	199,300.00	(31,360.00)	-16%
5150 - Community Projects	100,000.00		(100,000.00)	
5210 - SMCA Operations	231,657.00	380,720.00	149,063.00	39%
5300 - PCMD Operations	0.00	0.00	-	
5400 - Pool Operations	332,088.39	554,054.00	221,965.61	40%
5500 - Other Expenses	67,200.00	18,000.00	(49,200.00)	-273%
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Total Expense	1,724,935.39	1,936,684.00	211,748.61	11%
Net Ordinary Income	0.00	0.00		

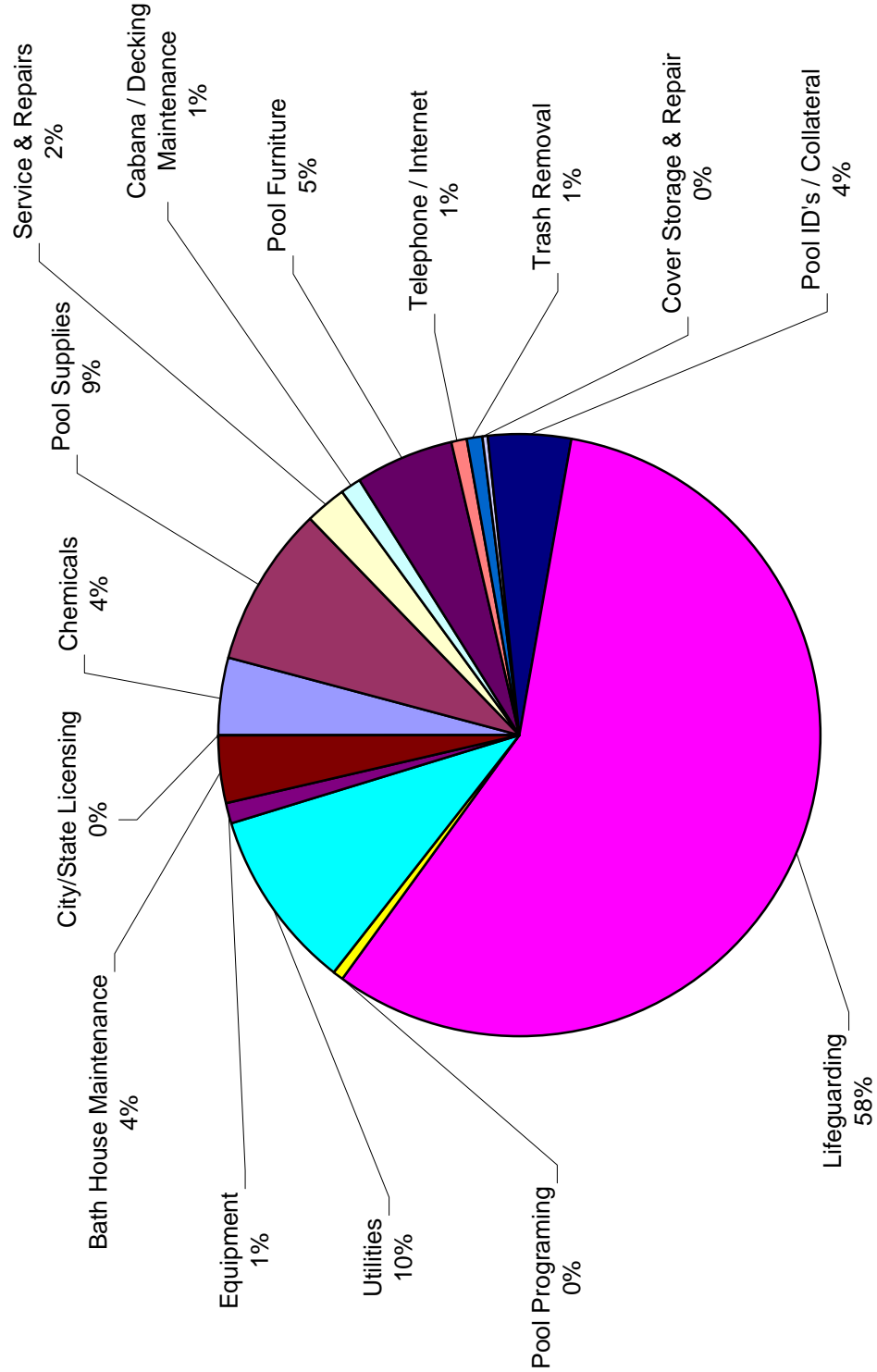
2008 Stapleton MCA Income (Non-District)
\$1,936,684



2008 Stapleton MCA Expense (Non-District)
\$1,936,684



Stapleton Community Pools
\$553,854



**2008 Stapleton MCA Programming & Events
Net Expense = \$ 164,300**

