



Capital Investment Counsel, Inc.

Proposal for:
Stapleton Master Community Association

Prepared by:
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Vice President

March 9, 2010



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
- Recognized as one of the top 50 advisors in the country by Forbes magazine in 2008.
- Schwab Advisor Network – “Advisor of the Year 2008”

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	0.75%
\$2 million to \$5 million	0.50%
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
Steve Dreiling, CFP®	15 years	Executive Vice President
Tom Hackett	45 years	Senior Vice President
Bob Bush, AIF	37 years	Director of Fixed Income & Economics
Jason Rosener, CFP®	11 years	Vice President
Brian McDowell, CFA	10 Years	Vice President of Research and Trading
Matt Henderson, CFA	13 years	Portfolio Manager & Analyst
Kathy Raabe	26 years	Portfolio Manager
Cody R. Amis, CFA, CFP®	10 years	Portfolio Manager
Brian Coughlan	13 years	Portfolio Manager
Matt Blake	12 years	Portfolio Manager
Alice Bullwinkle, CFP®	30 years	Portfolio Manager
Andy Reinhardt, CFP®	10 years	Portfolio Manager
Lisa Schwinghammer, CFA	18 years	Portfolio Manager
Larry Hilton	41 years	Portfolio Manager
Christine Fuerstenau	17 years	Portfolio Administrator
Teri Tidwell, CFP®	22 years	Portfolio Administrator
TOTAL	375 years	Combined Investment Experience
AVERAGE	21 years	Investment Experience



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 January/February 2009:

- 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	Low Bid/High Bid	Savings
50	Aurora Co Hosp Rev.	4.00%	12/01/2018	\$88.69/\$102.30	\$6,805.00
200	FHLMC	4.5%	01/15/15	\$106.913/\$107.25	\$674.00
50	Douglas County Co Sales & Use Tax	4.125%	10/15/2019	\$94.02/\$100.40	\$3,190.00



INVESTMENT MANAGEMENT



Capital Investment Counsel, Inc.

Capital Investment Counsel, Inc
PORTFOLIO APPRAISAL
Stapleton Master Community Association
Sample Portfolio
 March 8, 2010

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
Non-Sweep Money Markets									
10,585.14	Schwab Value Advantage	0.00	0.00	1.00	10,585.14	1.5	0.010	1.06	0.0
			0.00		10,585.14	1.5		1.06	0.0
Federal Farm Credit Bank									
50,000	Federal Farm Credit Bank 3.000% Due 09-22-14	0.00	0.00	102.33	51,163.05	7.3	3.000	1,500.00	2.9
			0.00		51,163.05	7.3		1,500.00	2.9
FHLMC - Mortgage Backed Security									
98,000.000	FHLMC PI #G1-8296 4.500% Due 02-01-24	0.00	0.00	104.36	80,131.14	11.4	4.500	3,455.10	4.3
90,000.000	FHLMC PI #G1-3623 4.500% Due 08-01-24	0.00	0.00	104.36	86,716.80	12.4	4.500	3,739.06	4.3
89,000.000	FHLMC PI #G1-8323 4.500% Due 09-01-24	0.00	0.00	104.27	84,898.33	12.1	4.500	3,663.94	4.3
88,000.000	FHLMC PI #G1-8327 4.500% Due 10-01-24	0.00	0.00	104.27	86,138.37	12.3	4.500	3,717.46	4.3
			0.00		337,884.63	48.3		14,575.57	4.3
Corporate Bonds									
40,000	Berkshire Hathaway Fin Gtd Sr N 4.850% Due 01-15-15	0.00	0.00	108.20	43,278.88	6.2	4.850	1,940.00	4.5
30,000	Honeywell Intl Inc 5.400% Due 03-15-16	0.00	0.00	110.48	33,142.95	4.7	5.400	1,620.00	4.9
40,000	Consolidated Edison Co N Y Inc 5.300% Due 12-01-16	0.00	0.00	106.89	42,757.48	6.1	5.300	2,120.00	5.0
40,000	Lilly Eli & Co 5.200% Due 03-15-17	0.00	0.00	107.84	43,137.40	6.2	5.200	2,080.00	4.8



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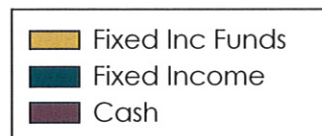
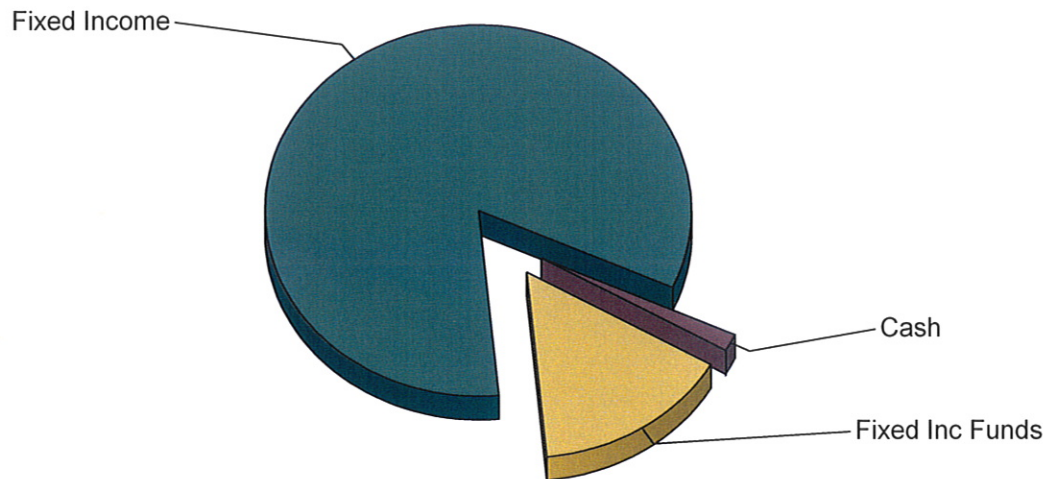
Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Unit Income	Annual Income	Cur. Yield
30,000	Conocophillips 5.200% Due 05-15-18	0.00	0.00	106.07	31,821.87	4.5	5.200	1,560.00	4.9
			0.00		194,138.58	27.7		9,320.00	4.8
Bond ETF									
Financial									
340	iShares Barclays 1-3 Year Credit Bond Fund	0.00	0.00	104.51	35,533.40	5.1	3.874	1,317.05	3.7
340	iShares Barclays Intermediate Credit Bond	0.00	0.00	104.03	35,370.20	5.1	4.857	1,651.33	4.7
			0.00		70,903.60	10.1		2,968.38	4.2
	Bond ETF Total		0.00		70,903.60	10.1		2,968.38	4.2
Mutual Funds-Fixed Income									
4,500.000	JPMorgan High Yield Bond Fund	0.00	0.00	7.85	35,325.00	5.0	0.576	2,592.00	7.3
			0.00		35,325.00	5.0		2,592.00	7.3
TOTAL PORTFOLIO			0.00		700,000.00	100.0		30,957.00	4.4



The Big Picture

Tuesday, March 09, 2010

Analysis Of Current Assets for Stapleton Master Community Association Proposal



Summary		
Fixed Inc Funds	\$106,228	15.18%
Fixed Income	\$583,185	83.31%
Cash	\$10,587	1.51%
Equities	\$0	0.00%
Equity Mutual Funds	\$0	0.00%
	\$700,000	100.00%



	Current	%
Stapleton Master Community Assn. - Proposed		
Cash	10,587	1.51%
Fixed Income	583,185	83.31%
Fixed Inc Funds	106,228	15.18%
TOTAL	700,000	100.00%

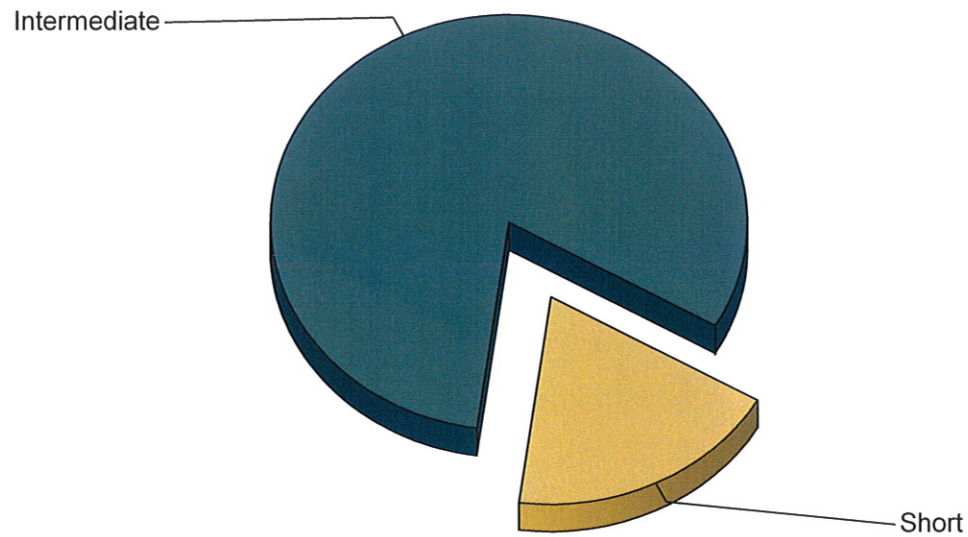
Current **%**



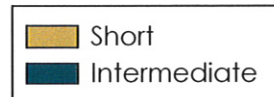
How your fixed income is invested

Tuesday, March 09, 2010

Allocation By Maturity For Stapleton Master Community Association Proposal



Summary		
Short	\$129,975	18.85%
Intermediate	\$559,438	81.15%
	\$689,413	100.00%



<u>Fixed Income</u>	<u>Amount</u>	<u>Quality</u>	<u>Percentage</u>	<u>Maturity Date</u>	<u>Category</u>	<u>Total</u>	<u>Total%</u>
Berkshire Hathaway	43,279.00	AA+/AA2	4.85%	1/15/2015	Short		
CSJ - iShares Barclays 1-3 Yr. Credit Bond Fund	35,533.00		3.90%		Short		
Federal Farm Credit Bank	51,163.00	AAA	3.00%	9/22/2014	Short		
						129,975	18.85%
CIU - iShares Barclays Intern Credit Bond	35,370.00		4.66%		Intermediate		
Conocophillips	31,822.00	A/A1	5.20%	5/15/2018	Intermediate		
Consolidated Edison Company NY	42,757.00	A-/A3	5.30%	12/1/2016	Intermediate		
Eli Lilly & Company	43,137.00	AA/A1	5.20%	3/15/2017	Intermediate		
FHLMC Pool #G1- 3623	86,717.00		4.50%	8/1/2024	Intermediate		
FHLMC Pool #G1- 8296	80,131.00		4.50%	2/1/2024	Intermediate		
FHLMC Pool #G1- 8323	84,898.00		4.50%	9/1/2024	Intermediate		
FHLMC Pool #G1- 8327	86,138.00		4.50%	10/1/2024	Intermediate		
Honeywell International	33,143.00	A/A2	5.40%	3/15/2016	Intermediate		
OHYFX - JP Morgan High Yield Bond Fund	35,325.00	B	8.45%		Intermediate		
						559,438	81.15%
	<u>689,413.00</u>					<u>689,413</u>	<u>100.00%</u>

