

Minutes of Meeting of the Board of Directors
Of
Stapleton Mansion Homes Condominium Association filing no 2
Held on August 26, 2013

Pursuant to Waiver of Notice and Consent the Board of Directors of the Association meet on August 26 at 3:00 PM at 8109 E 28th Place; all directors were present and participated in the meeting.

Ed Koldenhoven, President acted as chairman of the meeting.

The board reviewed current financial reports including the July Balance sheet and July operating statement prepared by Skyline Management. The board directed that these statements be posted on the Association's web site.

The board also reviewed a Reserve Analysis dated July 2013 prepared by William T. Caniglia tracking the reserve account from 12/31/2010 through July 2013 with the current balance of \$6,800, and a projection of monthly income and expenditures for July 2013 through December 2013. The Chairman directed that a copy of these financial reports be attached to the minutes of this meeting.

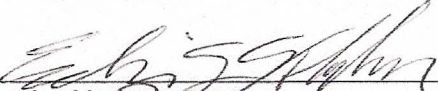
The property manager presented a preliminary budget for 2014. The board reviewed the preliminary budget and the board agreed to meet on September 4th to adapt a proposed budget for 2014 to present to the owners as required by the Declaration.

The President and Manager reported that owners have advised that scaling of the concrete surfaces has occurred on two second floor outdoor decks at 2818 Ulster St. and 2566 Syracuse St. The owners state that they have used chemical ice melting materials. The contractor advises that use of these materials voids any warranty. The concrete decks were examined by Kirby Ross and Brown Brothers Contractors to determine the cause of the scaling and cost to repair. Correspondence with the contractors is attached and a repair proposal in the amount of \$2,455 for each patio is attached. The contractor's opinion of the cause of the scaling is stated in email dated August 20, 2013 as follows: "when we collected scaling samples the products used in ice melt were identified...all concluded that the scaling problem was caused by ice melt or similar product."


The board deferred the matter in order to get more information regarding the Association's responsibility to repair the decks.

The board discussed the current policy on installation of satellite dishes and possible modification of current policy.

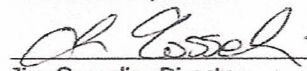
The meeting was continued to a future date to further consider the above issues.



Ed Kolderhove, Director



Ovid Beldock, Director



Jim Gosselin, Director

RESERVE ANALYSIS - JULY
2013

Year	Monthly HOA Fee	Reserve
12/31/2010	\$ 143	\$ 341,878
12/31/2011	\$ 176	\$ 11,808
12/31/2012	\$ 186	\$ 14,347
07/31/2013	\$ 206	\$ 6,800

In 2011 the reserve account was used for construction defect repair resulting in the reduction in this account balance to \$11,808 from \$341,878. In addition, two loans were put in place – Mutual of Omaha and Triple G; debt service for these loans (principal and interest) is \$7,204 per month = \$86,448 annually, debt service alone requiring monthly fee of \$73.51 per unit. The HOA assessment increases were not enough to cover the debt service and build any maintenance reserve account.

Shortages first appeared in 2012. ACCU was unable to pay insurance premiums in 2012 so they borrowed \$18,570 from First Insurance Funding Corp. to pay the premiums (without board knowledge or approval); the loan repayment in 10 monthly installments of \$1,857 each, these payments further cutting into cash flow.

In October 2012 we received a call from a creditor who had not been paid; ACCU advised that there was not enough cash to pay regular bills. Ovid and I met with ACCU and authorized transfer of \$18,000 from the reserve account to the operating account.

At about the same time our reserve study of July 2012 was completed recommending a monthly HOA fee increase of \$74.62 to re-establish the maintenance reserve account to meet future projected needs. The board decided to implement an increase of \$60 over 3 years at the rate of \$20 each year and monitor the situation on an annual basis. A letter was sent to the membership on October 12, 2012 explaining the \$20 increase for 2013 and planned \$20 increases for 2014 and 2015.

The \$20 increase that began in January 2013 helped to increase the reserve account from \$14,337 on 12/31/2012 to \$33,300 on 02/28/2013. These reserve funds had to be utilized in the first 5 months of 2013 for the following extraordinary items: insurance for 03/2013 -04/2014, \$33,000; balance of the First Insurance Funding loan, 5 payments = \$9,285, and approximately \$4,000 in snow removal for March and April that was unpaid on May 1 when AMS took over management. As a result the reserve account was reduced to the current balance of \$6,800. *I don't see this amount on our budget.*

The use of reserve monies to pay operating expense has resulted in clearing all accounts payable; has kept all loans current; and the association has \$6,800 in the reserve account as of 07/31/2013; also, insurance is prepaid to 03/15/2014. In addition, with the extraordinary items behind us, the cash flow is under control and we may be able to add to the reserve account in the second half of 2013, but not as much as originally projected. While this is encouraging caution is in order for the following reasons: operating funds must be retained to pay insurance premiums that will be due in March 2014 of about \$33,000; our snow removal budget is minimal – heavy snowfall this coming winter will impact cash flow. These factors must be taken into consideration as we study the 2014 budget and the implementation of the \$20 increase in monthly fees – this memo does not address these issues, but we will have to look at these matters this fall.

Bill Caniglia 08/25/2013

	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
1.income:							
2. monthly fees	20,188	20,188	20,188	20,188	20,188	20,188	121,128
3.late/default pmts	<u>-618</u>	<u>-618</u>	<u>-618</u>	<u>-618</u>	<u>-618</u>	<u>-618</u>	<u>-3,708</u>
4.gross income	19,570	19,570	19,570	19,570	19,570	19,570	117,420
5.expenditures:							
6.operating:							
7.management	1,800	1,800	1,800	1,800	1,800	1,800	10,800
8.legal	185	185	185	185	185	185	1,110
9.landscaping	1,035	1,035	1,035	1,035	1,035	0	5,175
10.snow removal	0	0	0	1,000	2,000	2,000	5,000
11.exterior lighting	82	82	82	82	82	82	492
12.electricity	80	80	80	80	80	80	480
12.water	3,000	3,500	3,000	2,500	2,000	1,500	15,500
13.sewer	1,000	1,500	1,000	1,000	1,000	2,500	8,000
14.building maintenance	0	0	0	0	0	0	0
15.debt service:							
16.mutual of omaha	5,704	5,704	5,704	5,704	5,704	5,704	34,224
17.triple G	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>9,000</u>
18.total operating and debt service	<u>14,386</u>	<u>15,386</u>	<u>14,386</u>	<u>14,886</u>	<u>15,386</u>	<u>15,351</u>	<u>89,781</u>
19.net income	5184	4184	5184	4684	4184	4219	27639
20.operating income retained for insurance premiums	3600	3600	3600	3600	3600	3600	21600
21.operating income available for maintenance reserve	1584	584	1584	1084	584	619	6039

Stapleton Mansion Homes – Proposed Budget for 2014

Cost Per Unit

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	AUG	SEP	OCT	NOV	DEC	TOTAL	Per Unit Annual	Per Unit Monthly
Scheduled Assessments	22,148	22,148	22,148	22,148	22,148	22,148	22,148	22,148	22,148	22,148	22,148	22,148	22,148	22,148	265,776	2,712.00	226.00
Defaults	<u>-676</u>	<u>-676</u>	<u>-676</u>	<u>-676</u>	<u>-676</u>	<u>-676</u>	<u>-676</u>	<u>-676</u>	<u>-676</u>	<u>-676</u>	<u>-676</u>	<u>-676</u>	<u>-676</u>	<u>-676</u>	<u>-8112</u>	<u>82.76</u>	6.90
1. Total Income:	21,472	21,472	21,472	21,472	21,472	21,472	21,472	21,472	21,472	21,472	21,472	21,472	21,472	21,472	257,664	2,629.20	219.10
Expenditures:																	
Administration:																	
Management	800	800	800	800	800	800	800	800	800	800	800	800	800	800	9,600		
Financial / Accounting	700	700	700	700	700	700	700	700	700	700	700	700	700	700	8,400	97.92	8.16
copy, postage, office, misc	300	300	300	300	300	300	300	300	300	300	300	300	300	300	3,600	85.71	7.14
																36.73	3.06
Insurance	4,800	4,800	4,800	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	41,400	422.25	35.20
Building Maintenance:	200	200	200	200	200	200	200	200	200	200	200	200	200	200	2,400	24.49	2.04
Exterior Maintenance:																	
Landscaping Maintenance	0	0	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	1,325	0	0	10,600	108.16	9.01
Irrigation Maintenance	0	0	500	500	500	500	500	500	500	500	500	500	0	0	4,000	40.82	3.40
Snow Removal	1,500	1,500	2,000	2,000								1,000	2,000	2,000	12,000	122.45	10.20
Exterior Lighting	82	82	82	82	82	82	82	82	82	82	82	82	82	82	984	10.04	0.84
Electricity	100	100	100	100	100	100	100	100	100	100	100	100	100	100	1,200	120.24	10.02
Utilities:																	
Water	1,000	1,000	1,500	1,500	2,000	2,000	3,000	3,000	1,500	3,000	1,500	1,500	1,000	1,000	20,000	204.08	17.01
Sewer	750	750	1,000	1,000	1,500	1,500	2,000	2,000	1,000	2,000	1,000	1,000	750	750	14,000	132.65	11.05
Debt Service:																	
Mutual Of Omaha	5,704	5,704	5,704	5,704	5,704	5,704	5,704	5,704	5,704	5,704	5,704	5,704	5,704	5,704	68,448	698.45	58.20
Triple G	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>1,500</u>	<u>18,000</u>	<u>183.67</u>	15.31
Total Expenditures:	<u>17,436</u>	<u>17,436</u>	<u>20,511</u>	<u>18,711</u>	<u>17,711</u>	<u>17,711</u>	<u>19,211</u>	<u>19,211</u>	<u>16,711</u>	<u>19,211</u>	<u>16,711</u>	<u>17,711</u>	<u>16,136</u>	<u>16,136</u>	214,632	2,179.92	181.66
Reserve	4,036	4,036	961	2,761	3,761	3,761	2,261	2,261	4,761	2,261	4,761	4,761	5,336	5,336	44,032	449.31	37.44

Minutes of Continuation of Meeting Held on August 26, 2013

The Board meeting on August 24, 2013 was continued to and reconvened on September 20, 2013 at 3:00 PM at 3401 Quebec St., Denver, CO # 8000; all directors were present and participated in the meeting; William Caniglia, property manager was also present.

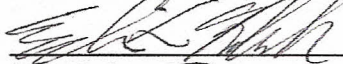
The Board noted a request from Kevin Goodman, 2818 Ulster St. with respect to maintenance of patio decks. The Board reviewed the Association's Declaration which provides:

1. the patios and patio surfaces are specifically defined as "limited common elements" for the exclusive use of the adjoining unit owner (Article I, paragraph 20, page 6).
2. Maintenance responsibility is on the owner (Article III, paragraph 1, page 31): *"Each Owner shall also keep the Limited Common Elements, or portions thereof, designated for use solely in connection with his Unit, in a good, clean, sanitary and attractive condition, order and repair."*

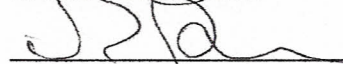
By unanimous consent the board agreed that the Association was not responsible for maintenance of patio decks and such responsibility was on the owner of the adjoining unit; that the Board was without authority to spend Association money to repair such decks, and the Property manager should send a letter to Mr. Goodman advising of such facts.

The Board also noted that several satellite dishes have been installed and attached to the roofs, common areas and limited common areas, that such installation was in violation of the Rules and Regulation of the Association that are posted on the Association web site; that any damage or repair caused by such installation is the responsibility of the Owner making such installation; on sale of the Unit this responsibility passes on to the purchaser of the unit and such purchaser should be notified of this responsibility by the Owner selling the Unit. The property manager noted that with every sale, the title company requests a status letter from the association regarding fees, compliance and similar matters; the board authorized and directed that the property manager add to the status letter a disclosure to both seller and buyer of responsibility for removal and repair of damage caused by installation of satellite dishes serving the unit.

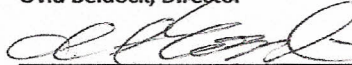
The meeting was adjourned at 4:00 PM.



Ed Koldenhoven, Director Date: 26/Aug/13



Ovid Beldock, Director Date: 8-26-13



James Goesslin, Director Date: 10-1-13
Goesslin