METROPOLITAN STATE COLLEGE *of* DENVER
BOARD OF TRUSTEES
Special Board Meeting

August 17, 2010
7:30-8:30 a.m.
Writer's Square
1512 Larimer Street
7th Floor Conference Room

I. CALL TO ORDER

II. ACTION ITEM
Resolution 2010-S01: Approval of Incorporation of Special Purpose Corporation

III. EXECUTIVE SESSION
An Executive Session may be held to confer with the Board's attorney for the purpose of:

- **Receiving legal advice, confidential pursuant to C.R.S §24-6-402(3)(a)(II)(2009).**

IV. ADJOURNMENT

Metropolitan State College of Denver
Special Board of Trustees Meeting

Agenda Item
August 17, 2010
Action Item

AGENDA ITEM: Incorporation of Special Purpose Corporation

BACKGROUND:
In developing the concept of a Hotel/Hospitality Learning Center designed to enhance the academic program abilities of the College and provide for an additional source of revenue for the College, the College and the Foundation have explored numerous alternatives for structuring the financing, ownership and operation of the project. As described in Attachment #1 *Metropolitan State College of Denver Hotel/HLC Executive Summary*, incorporation of a special purpose corporation is a critical component of achieving the most beneficial structure for the College in relation to control of the project, obtaining low cost of financing, and reducing the College's potential exposure for the obligations associated with the project. Please see Attachment #2, *Proposed Articles of Incorporation and Bylaws of HLC @ Metro, Inc.*

RECOMMENDATION:
Staff recommends that the Board of Trustees approve the incorporation of A Special Purpose Corporation to be known as HLC @ Metro, Inc. per the attached resolution.

BOARD OF TRUSTEES OF METROPOLITAN STATE COLLEGE OF DENVER RESOLUTION NO. 2010-S01

WHEREAS, the Board of Trustees has determined that it is in the best interest of Metropolitan State College of Denver to develop and construct a hotel and hospitality learning center (the "Project") to enhance the academic program abilities of the College; and

WHEREAS, the Board of Trustees desires to provide for the creation of a Colorado nonprofit corporation for the purpose of owning the Project and providing for the financing, construction, improvement, operation and management of the Project;

NOW, THEREFORE, BE IT RESOLVED that the Board of Trustees hereby approves the attached Articles of Incorporation and Bylaws of HLC@Metro, Inc., and

BE IT FURTHER RESOLVED that the Board of Trustees authorizes staff to cause the incorporation of HLC@Metro, Inc. as a Colorado nonprofit corporation by filing the attached Bylaws and Articles of Incorporation; and

BE IT FURTHER RESOLVED that the Board of Trustees appoints the following individuals to serve as the initial Board of Directors for HLC@Metro, Inc. pursuant to the Bylaws and Articles of Incorporation and until such time as the Board of Trustees makes further appointments:

Name: ______________________________

Name: ______________________________

Name: ______________________________

Name: ______________________________

Name: ______________________________

BOARD OF TRUSTEES OF
METROPOLITAN STATE COLLEGE
OF DENVER

By ____________________________________
Secretary, Board of Trustees

Date: __________________________________

Attachment #1

Metropolitan State College of Denver
Hotel/HLC Executive Summary

Attachment #1

Metropolitan State College of Denver Hotel/HLC Project
Executive Summary

Background:
The College and the Foundation have been exploring the concept of developing a Hotel/Hospitality Learning Center (HLC) for several years. The vision for the project is to provide state of the art facilities to serve students' academic and professional training needs and ultimately to create a source of additional revenue for the College and Foundation. President Jordan and Metro staff have conferred with expert legal and financial advisors and feasibility consultants, have solicited partnerships with developers and hospitality industry experts, and have engaged the Department of Hospitality, Tourism and Events (HTE) as well as the School of Professional Studies in project planning efforts. Numerous alternatives for structuring the financing, ownership and operation of the Hotel/HLC have been explored. The President and Metro staff are now recommending the structure detailed below as the one that provides the College with the greatest amount of control over the development of the project and future operations, a favorable cost of financing, and controlled risk by the College for the outstanding debt and other obligations associated with the project. In the last few months a project management team including the President, Metro staff, consultants, and Trustees from both the Metro and Foundation Boards has come together specifically to shape the direction of the development efforts at this critical juncture. There is now a plan in place to create an innovative public private partnership that will fulfill the vision of developing a Hotel/HLC with the following characteristics:

Project Description:

Hotel
SpringHill Suites by Marriott
150 rooms/keys
75 parking spaces
90,000 square feet
Hospitality Learning Center
State of the art classrooms and kitchens
Faculty offices
30,000 square feet
Conference Center
7500 square feet

The project site area is approximately 76,604 SF (1.76 acres) located at the corner of 12th Street and Auraria Parkway where the campus tennis courts currently reside. The construction phase is scheduled to begin in the 1st or 2nd quarter of 2011 and end with occupancy in the 3rd or 4th quarter of 2012. The total cost of completion of the facility will be no greater than $45 million, and Metro has received spending authority for that amount plus interest and reserves for a total bond issue estimated to be no greater than $58 million. The anticipated sale of the bonds is scheduled to take place in October of 2010 prior to the general election on November 2, 2010, given the uncertainty presented by Amendment 61, which proposes to prohibit all new state government borrowing after 2010.

Metropolitan State College of Denver Hotel/HLC Project
Executive Summary (cont.)

Proposed Ownership and Operating Structure:
Public private partnerships are an innovative way to allow a governmental entity like Metro to partner with private industry to acquire necessary expertise and financing for facilities and activities that are of mixed governmental and proprietary natures. As a public entity, Metro cannot directly own and operate a for profit enterprise such as a hotel. Accordingly, Metro must form a special purpose entity—the Special Purpose Corporation--that will borrow the funds necessary for the project on Metro's behalf and that will own and operate the Hotel during the life of the bonds. As an educational institution, Metro is uniquely qualified to build and operate a Hospitality Learning Center for HTE students and faculty, and will enhance learning opportunities for students by partnering in the academic endeavor with the hospitality experts selected to participate in this innovative public private partnership.

Because the Hotel/HLC project will be financed with government taxed advantaged bonds, federal tax law prohibits the parties involved in this project from engaging in "private use" of the facility as regulated by the IRS. In practical terms, this means, among other things, fixing the "profit" that the private parties in the partnership make by locking in their compensation rather than permitting variable compensation and by limiting the initial contract term to 15 years between the private entity and the owner. These limitations will be accomplished by including special terms in the management and franchise agreements, also known as Qualified Management Agreements (QMAs). Due to concerns by our partners regarding the impact of the QMAs on the business deal and the restrictions that Metro will have on restructuring the bond debt if the 63-20 corporation is the issuer of the bonds, it has been recommended that Metro and the Special Purpose Corporation form a recovery and reinvestment act finance authority ("Authority") under Colorado statute to serve as issuer of the bonds. Such structure will eliminate certain restrictions placed upon the Special Purpose Corporation, and consequently Metro, if the Special Purpose Corporation were to serve as issuer of the bonds.

The Foundation's proposed role in this project has changed over time, but the fundraising component for the HLC remains a top priority. Moreover, the role of the Foundation in providing daily oversight of the operations of the Hotel and in preservation and investment of the assets of the Hotel is currently being explored. Operating agreements/MOUs between the Foundation and Metro and the Foundation and the Special Purpose Corporation will be developed to detail the services to be provided by the Foundation.

Please see Attachment #3 for a diagram of the Hotel/HLC structure and Attachment #4 for a graphic of the HLC fundraising campaign.

Metropolitan State College of Denver Hotel/HLC Project
Executive Summary (cont.)

Financial Information:

Feasibility Studies:
In analyzing the 2007 and 2010 feasibility studies, some salient points should be identified, including:

- The projected occupancy rates for both studies are very similar (all projections are within 1 percent).
- **Original Study:**
  - The original study has projected room rates that are slightly higher than the current projections. This is to be expected given the economic nature of Denver and the nation right now.
  - The original study does not project food/beverage revenues from banquet sales.
  - Operating expenses are projected higher in the original study.
- **Current Study**:
  - Because revenues are projected to be higher, the respective management fee and reserve for replacement are higher in the current study. The franchise fee is lower than originally projected.
  - Overall cash flow projections before debt are projected to be higher than the original estimates.
  - This study proposes a replacement reserve be funded in an amount equal to 4 percent of gross operating reserves. The original study started at 2 percent and ramped it up over three years to 4 percent.

Financing/Project Costs:
The original estimated project cost was $27,925,000. Of this amount, it was projected that only 70% was to be financed (approximately $19,500,000). Annual debt service was originally projected to be $1,135,000 at interest rates of 7%. Current estimates are that the entire project will be financed through taxable subsidized Build America Bonds, with 25% of the debt service to be paid for by fundraising efforts and the remaining 75% to be paid for from operating revenues generated by the hotel. Build America Bonds will result in a federal subsidy equal to 35% of the interest on the bonds and currently provide a lower cost of funds than tax exempt bonds.

Guaranteed Maximum Price for Completion
≤$45M

Total Estimated Bond Issuance
$58M

Estimated Debt Service
$3.6M annually, at full ramp up

Metropolitan State College of Denver Hotel/HLC Project
Executive Summary (cont.)

Use of Proceeds

Project fund deposit:	$45 million
Capitalized interest deposit:	$5.5 million
Debt service reserve fund	$3.5 million
Costs of issuance	$1.5 million
Subtotal	$55.5 million
"Cushion" for interest rate movements	$2.5 million
Estimated maximum borrowing:	$58 million

Please see Attachment #5 for a comparison sheet of 2007 and 2010 feasibility studies and Attachment #6 for the draft feasibility study update by Robert S. Benton & Associates, Inc.

Summary of Recommendations and Actions:
President Jordan and Metro staff recommend that the Board of Trustees endorse and approve the concept, structure, and financing of the Hotel/HLC project through action at both its August 17, 2010 Special Board Meeting and its September 1, 21010 regular Board Meeting. The following actions will be necessary to execute the project as planned and are recommended by staff:

August 17, 2010 Special Board Meeting

- Authorize the incorporation of a Special Purpose Corporation to borrow the proceeds of the bonds and own and operate the Hotel.

September 1, 2010 Regular Board Meeting

- Approve an agreement between the Special Purpose Corporation and Metro to form a recovery and reinvestment act finance authority to issue the Build America Bonds that will fund the project.
- Approve a parameters resolution relating to issuance of the bonds.
- Approve a ground lease with AHEC for the project site area.
- Accept a franchise agreement with Marriott if approved.
- Approve a guaranty with respect to the bonds.

Attachment #2

Proposed Articles of Incorporation and Bylaws of HLC @ Metro, Inc.

Attachment #2

ARTICLES OF INCORPORATION

OF

HLC @ METRO, INC.

The undersigned adult natural person, acting as Incorporator, hereby establishes a nonprofit corporation pursuant to the laws of the State of Colorado governing nonprofit corporations and adopts the following Articles of Incorporation:

ARTICLE FIRST

NAME

The name of the Corporation is HLC @ Metro, Inc.

ARTICLE SECOND

PRINCIPAL OFFICE

The address of the initial principal office of the Corporation shall be: HLC @ Metro, Inc., c/o Metropolitan State College of Denver, Suite 800, 1512 Larimer Street, Denver, Colorado 80202, Attention: Chief Financial Officer.

ARTICLE THIRD

DURATION

The Corporation shall have perpetual existence.

ARTICLE FOURTH

PURPOSES AND POWERS

(a) *Purposes*. The Corporation is organized and shall be operated exclusively on behalf of and for the benefit and in furtherance of the purposes of Metropolitan State College of Denver. All monies realized by the Corporation shall be used exclusively for the acquisition, construction, operation and maintenance of a hotel, hotel learning center, conference center and parking structure, including payment of obligations of the Corporation in connection therewith, all as determined by the Board of Directors of the Corporation from time to time. Any such improvements shall be located on the Auraria Higher Education Center campus located in the City and County of Denver, Colorado.

(b) *Powers*. In furtherance of the foregoing purposes and objectives and subject to the restrictions set forth in paragraph (c) of this Article, the Corporation shall have and may exercise all of the powers now or hereafter conferred upon nonprofit corporations organized under the laws of the State of Colorado and may do everything necessary or convenient for the accomplishment of any of the corporate purposes, either alone or in connection with other organizations, entities or individuals, and either as principal or agent, including but not limited to exercising the power and authority to issue its own bonds or other obligations and to secure the same by a pledge of any property of the Corporation, subject to such limitations as are or may be prescribed by law. If the Corporation shall exercise its authority to issue its own bonds or other obligations, said bonds or other obligations shall not constitute a direct or indirect debt or financial obligation whatsoever of the Board of Trustees of Metropolitan State College of Denver, or the State of Colorado. The Corporation shall obtain the prior written approval of the Board of Trustees of Metropolitan State College of Denver prior to issuing any bonds or other obligations. Upon the repayment of any such bonds issued by the Corporation, any assets financed thereby shall be transferred to the Board of Trustees of Metropolitan State College of Denver.

(c) *Restrictions on Powers*.

(i) No part of the net earnings of the Corporation shall inure to the benefit of or be distributable to any Director or Officer of the Corporation, or any other private person (except for reasonable compensation that may be paid for services rendered to or for the benefit of the Corporation regarding one or more of its purposes), and no Director or Officer of the Corporation, or any other individual, shall be entitled to share in any distribution of any of the corporate assets on dissolution of the Corporation or otherwise.

(ii) No substantial part of the activities of the Corporation shall consist of carrying on propaganda or otherwise attempting to influence legislation. The Corporation shall not participate or intervene in (including the publishing or distribution of statements) any political campaign on behalf of or in opposition to any candidate for public office.

(iii) All property of the Corporation shall be owned for the benefit of the Board of Trustees of Metropolitan State College of Denver, and subject to the condition that upon dissolution of the Corporation, all of the Corporation's assets remaining after payment of or provision for all of its liabilities shall be paid over or transferred to the Board of Trustees of Metropolitan State College of Denver. This limitation shall not restrict the ability of the Corporation to pledge its property to secure the payment of its obligations.

(iv) Notwithstanding anything contained herein, the Corporation shall be an independent entity and not an agent of the Board of Trustees of Metropolitan State College of Denver (except as may be expressly agreed to by the Board of Trustees of Metropolitan State College of Denver in writing) and the Corporation shall have no authority to obligate or otherwise bind the Board of Trustees of Metropolitan State College of Denver.

(v) The Corporation at all times shall be a corporation not organized for profit.

ARTICLE FIFTH

REGISTERED OFFICE AND AGENT

The address of the initial registered office of the Corporation is: HLC @ Metro, Inc., c/o Metropolitan State College of Denver, Suite 800, 1512 Larimer Street, Denver, Colorado 80202, Attention: Chief Financial Officer. The name of its initial registered agent at such office is Natalie Lutes. The consent of the initial registered agent to such appointment is being filed with the Secretary of State in connection with these Articles of Incorporation.

ARTICLE SIXTH

MEMBERS

The Corporation shall have no members, voting or nonvoting.

ARTICLE SEVENTH

BOARD OF DIRECTORS

(a) *Board of Directors*. The management of the affairs of the Corporation shall be vested in a Board of Directors, except as otherwise provided in the laws of the State of Colorado governing nonprofit corporations, these Articles of Incorporation or the Bylaws of the Corporation. The number of Directors, their classifications, if any, their terms of office and the manner of their election or appointment shall be determined according to the Bylaws of the Corporation from time to time in force.

(b) *Liability of Directors*. The personal liability of a Director to the Corporation for monetary damages for any breach of fiduciary duty as a Director is limited to the fullest extent permitted by the laws of the State of Colorado, as the same exist or may hereafter be amended, and as further provided by in the Bylaws of the Corporation. Any repeal or modification of this Article SEVENTH (b) shall be prospective only and shall not adversely affect any right or protection of a Director of the Corporation under this Article SEVENTH (b), as in effect immediately prior to such repeal or modification, with respect to any liability that would have accrued, but for this Article SEVENTH (b), prior to such repeal or modification.

(c) *Initial Board*. Five Directors shall constitute the initial Board of Directors. Their names and addresses are as follows:

Name	**Address**
Natalie K. Lutes	HLC @ Metro, Inc. c/o Metropolitan State College of Denver Suite 800 1512 Larimer Street Denver, CO 80202

Loretta P. Martinez	HLC @ Metro, Inc. c/o Metropolitan State College of Denver Suite 800 1512 Larimer Street Denver, CO 80202
Dawn P. Bookhardt	HLC @ Metro, Inc. c/o Metropolitan State College of Denver Suite 800 1512 Larimer Street Denver, CO 80202
Carrie A. Besnette	HLC @ Metro, Inc. c/o Metropolitan State College of Denver Suite 800 1512 Larimer Street Denver, CO 80202
Diedra A. Garcia	HLC @ Metro, Inc. c/o Metropolitan State College of Denver Suite 800 1512 Larimer Street Denver, CO 80202

ARTICLE EIGHTH

BYLAWS

The initial Bylaws of the Corporation shall be as adopted by the Board of Directors. The Board of Directors shall have the power to alter, amend or repeal the Bylaws from time to time and adopt new bylaws. The Bylaws of the Corporation may contain any provisions for the regulation of management of the affairs of the Corporation that are not inconsistent with the law or these Articles of Incorporation, as these Articles may from time to time be amended. However, no bylaw at any time in effect, and no amendment to these Articles, shall have the effect of giving any Director or Officer of the Corporation any propriety interest in the Corporation’s property or assets, whether during the term of the Corporation’s existence or as an incident to its dissolution.

ARTICLE NINTH

AMENDMENT

Any provision of these Articles of Incorporation and the Bylaws of the Corporation may be altered, amended, repealed or adopted only by resolution duly adopted by a majority of the Board of Directors, subject to the prior written consent of the Board of Trustees of Metropolitan State College of Denver.

ARTICLE TENTH

UNDERTAKINGS UNDER THE CODE

(a) The Corporation is organized and operated exclusively for educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the "Code") or the corresponding section of any future federal tax code, and such related purposes as described in Article Fourth.

(b) Notwithstanding any other provision of these Articles of Incorporation, the Corporation shall not carry on any other activities not permitted to be carried on (i) by a corporation exempt from federal income tax under Section 501(c)(3) of the Code or (ii) by a corporation contributions to which are deductible under Section 170 of the Code.

(c) No substantial part of the activities of the Corporation shall consist of carrying on propaganda, or otherwise attempting to influence legislation, and the Corporation shall not participate or intervene in any political campaign (including the publishing or distribution of statements) on behalf of, or in opposition to, any candidate for public office.

(d) Notwithstanding any other provision of these Articles of Incorporation, the Corporation, further, may not engage in any activities which would cause it to be characterized as an action organization, as described in Treasury Regulations Section 1.503(c)(3)-1.

(e) Notwithstanding any other provision of these Articles of Incorporation, during any period that the Corporation is a "private foundation" within the meaning of Section 509 of the Code, the Corporation shall be required to distribute its income for each taxable year of the Corporation at such time, in such manner, and to such extent as not to become subject to tax on undistributed income imposed by Section 4942 of the Code or corresponding provisions of any subsequent federal tax laws.

(f) The Corporation shall not engage in any act of self dealing, as defined in Section 4941(d) of the Code or corresponding provisions of any subsequent federal tax laws.

(g) The Corporation shall not retain any excess business holdings, as defined in Section 4943(c) of the Code or corresponding provisions of any subsequent federal tax laws.

(h) The Corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code or corresponding provisions of any subsequent federal tax laws.

(i) The Corporation shall not make any taxable expenditures, as defined in Section 4945(d) of the Code or corresponding provisions of any subsequent federal tax laws.

(j) The property of the Corporation is irrevocably dedicated to educational and other related purposes and no part of the net income or assets of the Corporation shall ever inure to the benefit of, or be distributable to, any director, officer or member thereof or to the benefit of any private person.

(k) Upon the dissolution or winding up of the Corporation, its assets remaining after payment of, or provision for payment of, all debts and liabilities of the Corporation, shall be distributed to the Board of Trustees of Metropolitan State College of Denver, or if such entity no longer exists, the State of Colorado or any agency or instrumentality thereof, a nonprofit fund, foundation, or corporation which is organized and operated exclusively for educational and other related purposes and which has established its tax-exempt status under Section 501(c)(3) of the Code.

ARTICLE ELEVENTH

INCORPORATOR

The name and address of the Incorporator is:

Frederic H. Marienthal, Esq.
Kutak Rock LLP
1801 California Street, Suite 3100
Denver, Colorado 80202-2626

Dated: _________________________

By _____________________________________
Frederic H. Marienthal, Incorporator

CONSENT OF REGISTERED AGENT

The undersigned hereby consents to her appointment as initial Registered Agent for HLC @ Metro, Inc.

Dated: _________________________

By _____________________________________
Natalie K. Lutes, Registered Agent

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

Acknowledged before me this ___ day of __________, 2010 by Frederic H. Marienthal, as Incorporator of HLC @ Metro, Inc.

Witness my hand and official seal.

My commission expires:

[SEAL]

____
Notary Public

ACKNOWLEDGMENT

STATE OF COLORADO)
) ss.
CITY AND COUNTY OF DENVER)

Acknowledged before me this ___ day of __________, 2010 Natalie K. Lutes, as initial Registered Agent for HLC @ Metro, Inc.

Witness my hand and official seal.

My commission expires:.

[SEAL]

____
Notary Public

BYLAWS

OF

HLC @ METRO, INC.

ARTICLE I

OFFICES

Section 1.01. Business Offices. The principal office of the Corporation shall be located in the State of Colorado. The Corporation may have such other offices, either within or outside of the State of Colorado, as the Board of Directors may designate or as the affairs of the Corporation may require from time to time.

Section 1.02. Registered Office. The registered office of the Corporation required by the laws of the State of Colorado governing nonprofit corporations to be maintained in the State of Colorado may be, but need not be, the same as the principal office in the State of Colorado, as set forth in the Articles of Incorporation, and the addresses of the registered office may be changed from time to time by the Board of Directors or by the Officers of the Corporation.

ARTICLE II

MEMBERS

No Members. The Corporation shall have no members.

ARTICLE III

BOARD OF DIRECTORS

Section 3.01. General Powers. The business and affairs of the Corporation shall be managed by its Board of Directors, except as otherwise provided in the laws of the State of Colorado, the Articles of Incorporation or these Bylaws.

Section 3.02. Number, Election, Tenure and Qualifications. The number of Directors of the Corporation shall be from five to nine, as determined by the Board of Directors from time to time.

Directors shall be appointed or re-appointed by the Board of Trustees of Metropolitan State College of Denver at its annual meeting of the Board of Trustees of Metropolitan State College of Denver, or at such meeting as designated by the Board of Trustees, and each Director shall hold office until the next annual meeting of the Board of Directors and thereafter until the Director's successor shall have been appointed and qualified, or until the Director's earlier death, resignation or removal. Directors must be at least 18 years old and must be residents of the State of Colorado. Any Director may be removed at any time, with or without cause, by the Board of Trustees of Metropolitan State College of Denver. Any Director may be removed at any time, with or without cause, by a vote of three-fourths of the other Directors then in office. Each of the Directors of the initial Board of Directors must also hold one of the following offices: Chief Financial Officer of Metropolitan State College of Denver, General Counsel of Metropolitan State College of Denver, member of the Board of Trustees of Metropolitan State College of Denver, Executive Director of the Metropolitan State College of Denver Foundation, Inc. and member of the Board of Directors of the Metropolitan State College of Denver Foundation, Inc.

Section 3.03. Vacancies. Any Director may resign at any time by giving written notice to the President or to the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. Any vacancy occurring in the Board of Directors may be filled by appointment by the Board of Trustees of Metropolitan State College of Denver. A Director appointed to fill a vacancy shall be appointed for the unexpired term of such Director's predecessor in office. Any Directorship may be filled by reason of an increase in the number of Directors shall be filled by appointment by the Board of Trustees of Metropolitan State College of Denver and a Director so chosen shall hold office until the next appointment of Directors and thereafter until the Director's successor shall have been appointed and qualified, or until the Director's earlier death, resignation or removal.

Section 3.04. Regular Meetings. A regular annual meeting of the Board of Directors shall be held during the month of January at the time and place, within the State of Colorado, determined by the Board of Directors, for the purpose of electing Officers and for the transaction of such other business as may come before the meeting. The Board of Directors may provide by resolution the time and place, within the State of Colorado, for the holding of additional regular meetings.

Section 3.05. Special Meetings. Special Meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place within the State of Colorado as the place for holding any special meeting of the Board called by them.

Section 3.06. Notice. Notice of each meeting of the Board of Directors stating the place, day and hour of the meeting shall be given to each Director at the Director's business address at least five days prior thereto by the mailing of written notice by first-class, certified or registered mail, or at least two days prior thereto by telephonic notice or written notice given personally or by telegraph, teletype, electronically transmitted message or facsimile or other form of wire or wireless communication (and the method of notice need not be the same as to each Director). If mailed, such notice shall be deemed to be given when deposited in the United Sates mail, with postage thereon prepaid. If telegraphed, such notice shall be deemed to be given when the telegram is delivered to the telegraph company. If transmitted by teletype, electronic message, facsimile, or other wire or wireless communication, such notice shall be deemed to be given when the transmission is completed. Any Director may waive notice of any meeting before, at or after such meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any meeting of the Board of

Directors need be specified in the notice or waiver of notice of such meeting unless otherwise required by statute.

Section 3.07. Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless such Director's dissent shall be entered in the minutes of the meeting or unless the Director shall file a written dissent to such action with the person acting as the secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the secretary of the Corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

Section 3.08. Quorum and Voting. A majority of the Directors shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, and the vote of a majority of the Directors present in person at a meeting at which a quorum is present shall be the act of the Board of Directors. If less than a quorum is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice other than an announcement at the meeting, until a quorum shall be present. No Directors may vote or act by proxy at any meeting of Directors.

Section 3.09. Compensation. Directors shall not receive a compensation for their services as such, although the reasonable expenses of Directors of attendance at Board Meetings may be paid or reimbursed by the Corporation. Directors shall not be disqualified to receive reasonable compensation for services rendered to or for the benefit of the Corporation in any other capacity.

Section 3.10. Committees. By one or more resolutions adopted by a majority of the Directors then in office, the Board of Directors may designate from among its members one or more committees, each of which, to the extent provided in the resolution establishing such committee, shall have and may exercise all of the authority of the Board of Directors, except as prohibited by statute. The delegation of authority to any committee shall not operate to relieve the Board of Directors or any member of the Board from any responsibility imposed by law. Rules governing procedures for meetings of any committee of the Board shall be as established by the Board of Directors, or in the absence thereof, by the committee itself.

Section 3.11. Meetings by Telephone. Members of the Board of Directors or any committee thereof may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by which all persons participating in the meeting can hear each other at the same time. Such participation shall constitute presence in person at the meeting, no matter where such person is actually located.

Section 3.12. Action Without a Meeting. Any action required or permitted to be taken at a meeting of the Directors or any committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the Directors or committee members entitled to vote with respect to the subject matter thereof. Such consent (which may be signed in counterparts) shall have the same force and effect as a unanimous vote of the Directors or committee members taken at a duly-held meeting thereof, and shall be effective when all of the Directors have signed the consent, unless the consent specifies a different effective date.

ARTICLE IV

OFFICERS AND AGENTS

Section 4.01. Number and Qualifications. The Executive Officers of the Corporation shall be a president, one or more vice presidents, a secretary and a treasurer. The Board of Directors may also appoint such other officers, assistant officers and agents, including an executive director, a controller, assistant secretaries and assistant treasurers, as it may consider necessary. One person may hold more than one office at a time, except that no person may simultaneously hold the offices of president and secretary. Officers must be residents of Colorado and may be Directors of the Corporation. All Officers must be a least 18 years old.

Section 4.02. Election and Term of Office. The elected Officers of the Corporation shall be elected by the Board of Directors at each regular annual meeting. If the election of Officers shall not be held at such meeting, such election shall be held as soon as convenient thereafter. Each officer shall hold office until the officer's successor shall have been duly elected and shall have qualified, or until the officer's earlier death, resignation or removal.

Section 4.03. Compensation. Officers shall not receive a compensation for their services as such. However, Officers shall not be disqualified to receive reasonable compensation for services rendered to or for the benefit of the Corporation in any other capacity.

Section 4.04. Removal. Any officer or agent may be removed by the Board of Directors whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not in itself create contract rights.

Section 4.05. Vacancies. Any officer may resign at any time, subject to any rights or obligations under any existing contracts between the officer and the Corporation, by giving written notice to the President or to the Board of Directors. An officer's resignation shall take effect at the time specified in such notice, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective. A vacancy in any office, however occurring, may be filled by the Board of Directors for the unexpired portion of the term.

Section 4.06. Authority and Duties of Officers. The Officers of the Corporation shall have the authority and shall exercise the powers and perform the duties specified below and as may be additionally specified by the President, the Board of Directors or these Bylaws, except that in any event each officer shall exercise such powers and perform such duties as may be required by law.

(a) ***President***. The President shall, subject to the direction and supervision of the Board of Directors, (i) be the Chief Executive Officer of the Corporation and have general and active control of its affairs and business and general supervision of its Officers, agents and employees; (ii) preside at all meetings of the Board of Directors; (iii) see that all orders and resolutions of the Board of Directors are carried into effect;

and (iv) perform all other duties incident to the office of President and as from time to time may be assigned to the President by the Board of Directors.

(b) ***Vice Presidents***. The Vice President or Vice Presidents shall assist the President and shall perform such duties as may be assigned to them by the President or by the Board of Directors. The Vice President (or if there is more than one, then the Vice President designated by the Board of Directors, or if there be no such designation, then the Vice Presidents in order of their election) shall, at the request of the President, or in the President's absence or inability or refusal to act, perform the duties of the President and when so acting shall have all the powers of and be subject to all the restrictions of the President.

(c) ***Secretary***. The secretary shall (i) keep the minutes of the proceedings of the Board of Directors and any committees of the Board; (ii) see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; (iii) be custodian of the corporate records and of the seal of the Corporation; and (iv) in general, perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board of Directors. Assistant secretaries, if any, shall have the same duties and powers, subject to supervision by the Secretary.

(d) ***Treasurer***. The Treasurer shall (i) be the principal financial officer of the Corporation and have the care and custody of all its funds, securities, evidences of indebtedness and other personal property and deposit the same in accordance with the instructions of the Board of Directors; (ii) receive and give receipts and acquittances for moneys paid in on account of the Corporation, and pay out of the funds on hand all bills, payrolls and other just debts of the Corporation of whatever nature upon maturity; (iii) unless there is a controller, be the principal accounting officer of the Corporation and as such prescribe and maintain the methods and systems of accounting to be followed, keep complete books and records of account, prepare and file all local, state and federal tax returns and related documents, record of account, prepare and file all local, state and federal tax returns and related documents, prescribe and maintain an adequate system of internal audit, and prepare and furnish to the President and the Board of Directors statements of account showing the financial position of the Corporation and the results of its operations; (iv) upon request of the Board, make such reports to it as may be required at any time; and (v) perform all other duties incident to the office of Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or the Board of Directors. Assistant Treasurers, if any, shall have the same powers and duties, subject to supervision by the Treasurer.

(e) ***Secretary/Treasurer***. In lieu of the separate offices of Secretary and Treasurer, the Board of Directors may elect one individual to the position of Secretary/Treasurer, who shall perform all of the duties and have such powers as are set forth herein for the Secretary and the Treasurer of the Corporation.

Section 4.07. Surety Bonds. The Board of Directors may require any officer or agent of the Corporation to execute to the Corporation a bond in such sums and with such sureties as shall be satisfactory to the Board, conditioned upon the faithful performance of such person's duties and/or the restoration to the Corporation of all books, papers, vouchers, money and other property of whatever kind in such person's possession or under such person's control belonging to the Corporation.

ARTICLE V

INDEMNIFICATION

Section 5.01. Definitions. For purposes of this Article V, the following terms shall have the meanings set forth below:

(a) "*Corporation*" means the Corporation and, in addition to the resulting or surviving Corporation, any domestic or foreign predecessor entity of the Corporation in a merger, consolidation or other transaction in which the predecessor's existence ceased upon consummation of the transaction.

(b) "*Expenses*" means the actual and reasonable expenses, including attorneys' fees, incurred by a party in connection with a proceeding.

(c) "*Liability*" means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax benefit plan) or expense incurred with respect to a proceeding.

(d) "*Official Capacity*" when used with respect to a Director of the Corporation means the office of Director in the Corporation, and when used with respect to a person in a capacity other than as a Director (even if such person is also a Director) means the office in the Corporation held by the Officer or the employment relationship undertaken by the employee on behalf of the Corporation in the performance of his or her duties in his or her capacity as such officer or employee. "Official capacity" does not include service for any other foreign or domestic Corporation or for any partnership, joint venture, trust, other enterprise or employee benefit plan when acting directly on behalf of such other Corporation, partnership, joint venture, trust, enterprise or plan as a director, officer, employee, fiduciary or agent thereof.

(e) "*Party*" means any person who was, is, or is threatened to be made, a named defendant or respondent in a proceeding by reason of the fact that such person is or was a Director, Officer or employee of the Corporation, and any person who, while a Director, Officer or employee of the Corporation, is or was serving at the request of the Corporation as a Director, Officer, partner, trustee, employee, fiduciary or agent of any other foreign or domestic corporation or of any partnership, joint venture, trust, other enterprise or employee benefit plan. A party shall be considered to be serving an employee benefit plan at the Corporation's request if such party's duties to the Corporation also impose duties on or otherwise involve services by such party to the plan or to participants in or beneficiaries of the plan.

(f) "*Proceeding*" means any threatened, pending or completed action, suit or proceeding, or any appeal therein, whether civil, criminal, administrative, arbitrative, or investigative (including an action by the Corporation) and whether formal or informal.

Section 5.02. Right to Indemnification.

(a) ***Standards of Conduct***. Except as provided in Section 5.02(d) below, the Corporation shall indemnify any party to a proceeding against liability incurred in or as a result of the proceeding if (i) such party conducted himself or herself in good faith, (ii) such party reasonably believed (A) in the case of a Director acting in his or her official capacity, that his or her conduct was in the Corporation's best interests, or (B) in all other cases, that such party's conduct was at least not opposed to the Corporation's best interests, and (iii) in the case of any criminal proceeding, such party had no reasonable cause to believe his or her conduct was unlawful. For purposes of determining the applicable standard of conduct under this Section 5.02, any party acting in his or her official capacity who is also a Director of the Corporation shall be held to the standard of conduct set forth in Section 5.02(a)(ii)(A), even if such party is sued solely in a capacity other than as such Director.

(b) ***Employee Benefit Plans***. A party's conduct with respect to an employee benefit plan for a purpose such party reasonably believed to be in the interests of the participants in or beneficiaries of the plan is conduct that satisfies the requirements of Section 5.02(a)(ii)(B). A party's conduct with respect to an employee benefit plan for a purpose that such party did not reasonably believe to be in the interests of the participants in or beneficiaries of the plan shall be deemed not to satisfy the requirements of Section 5.02(a)(i).

(c) ***Settlement***. The termination of any proceeding by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, is not of itself determinative that the party did not meet the applicable standard of conduct set forth in Section 5.02(a).

(d) ***Indemnification Prohibited***. Except as hereinafter set forth in this Section 5.02(d), the Corporation may not indemnify a party under this Section 5.02 either (i) in connection with a proceeding by or in the right of the Corporation in which the party is or has been adjudged liable to the Corporation; or (ii) in connection with any other proceeding charging that the party derived an improper personal benefit, whether or not involving action in the party's official capacity, in which proceeding the party was adjudged liable on the basis that the party derived an improper personal benefit.

(e) ***Claims by Corporation***. Indemnification permitted under this Section 5.02 in connection with a proceeding by or in the right of the Corporation shall be limited to expenses incurred in connection with the proceeding.

(f) ***Combined Proceedings***. If any claim made by the Corporation against a party is joined with any other claim against such party in a single proceeding, the claim by the Corporation (and all expenses related thereto) shall nevertheless be deemed the subject of a separate and distinct proceeding for purposes of this Article.

(g) ***Success on Merits or Otherwise***. Notwithstanding any other provision of this Article V, the Corporation shall indemnify a party who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the party was a party because the party is or was a Director or Officer, against reasonable expenses incurred by such party in connection with the proceeding.

Section 5.03. Court-Ordered Indemnification of Directors or Officers. A Director or Officer who is or was a party to a proceeding may apply for indemnification to the court conducting the proceeding or another court of competent jurisdiction. On receipt of an application, the court, after giving any notice the court considers necessary, may order indemnification in the following manner:

(a) If it determines that the Director or Officer is entitled to mandatory indemnification under Section 5.02(g), the court shall order indemnification, in which case the court shall also order the Corporation to pay the Director's or Officer's reasonable expenses incurred to obtain court-ordered indemnification.

(b) If it determines that the Director or Officer is fairly and reasonably entitled to indemnification in view of all the relevant circumstances, whether or not the Director met the standard of conduct set forth in Section 5.02(a) or was adjudged liable in the circumstances described in Section 5.02(d), the court may order such indemnification as the court deems proper; except that the indemnification with respect to any proceeding in which liability shall have been adjudged in the circumstances described in Section 5.02(d) is limited to reasonable expenses incurred in connection with the proceeding and reasonable expenses incurred to obtain court-ordered indemnification.

Section 5.04. Prior Authorization Required.

(a) The Corporation may not indemnify a party under Section 5.02(a), (b), or (c) unless authorized in the specific case after a determination has been made that indemnification of the party is permissible in the circumstances because the party has met the standard of conduct set forth in Section 5.02(a). The Corporation shall not advance expenses to a party under Section 5.05 unless authorized in the specific case after the written affirmation and undertaking requirement by Section 5.05 are received and the determination required by Section 5.05 has been made.

(b) The determination required to be made by Section 5.04(a) shall be made:

(i) by the Board of Directors by a majority vote of those present at a meeting at which a quorum is present, and only those Directors not parties to the proceeding shall be counted in satisfying the quorum; or

(ii) if a quorum cannot be obtained, by a majority vote of a committee of the Board of Directors designated by the Board of Directors, which committee shall consist of two or more Directors not parties to the proceedings; except that

Directors who are parties to the proceeding may participate in the designation of Directors for the Committee.

(c) If the quorum cannot be obtained as contemplated in Section 5.04(b)(i), and a committee cannot be established under Section 5.04(b)(ii), or, even if a quorum is obtained or a committee is designated, if a majority of the Directors constituting such quorum or such committee so directs, the determination required to be made by Section 5.04(a) shall be made by independent legal counsel selected by a vote of the Board of Directors or the committee in the manner specified in Section 5.04(b)(i) or (ii), or, if a quorum of the full Board of Directors cannot be obtained and a committee cannot be established, by independent legal counsel selected by a majority vote of the full Board of Directors.

(d) Authorization of indemnification and advance of expenses shall be made in the same manner as the determination that indemnification or advance of expenses is permissible; except that, if the determination that indemnification or advance of expenses is permissible is made by independent legal counsel, authorization of indemnification and advance of expenses and evaluation as to reasonableness of expenses shall be made by the body that selected such counsel.

Section 5.05. Advancement of Expenses. The Corporation shall pay for or reimburse the expenses, or a portion thereof, incurred by a party in advance of the final disposition of the proceeding if: (a) the party furnishes the Corporation a written affirmation of such party's good-faith belief that he or she has met the standard of conduct described in Section 5.02(a)(i); (b) the party furnishes the Corporation a written undertaking, executed personally or on behalf of such party, to repay the advance if it is ultimately determined that the party did not meet such standard of conduct; and (c) authorization of payment and a determination that the facts then known to those making the determination would not preclude indemnification under this Article have been made in the manner provided in Section 5.04. The undertaking required by clause (b) must be an unlimited general obligation if the party, but need not be secured and may be accepted without reference to financial ability to make payment.

Section 5.06. Payment Procedures. The Corporation shall promptly act upon any request for indemnification, which request must be in writing and accompanied by the order of the court or other reasonably satisfactory evidence documenting disposition of the proceeding in the case of indemnification under Section 5.02(g) and by the written affirmation and undertaking to repay as required by Section 5.05 in the case of indemnification under such Section. The right to indemnification and advances granted by this Article shall be enforceable in any court of competent jurisdiction if the Corporation denies the claim, in whole or in part, or if no disposition of such claim is made within 90 days after written request for indemnification is made. A party's expenses incurred in connection with successfully establishing such party's right to indemnification, in whole or in part, in any such proceeding shall also be paid by the Corporation.

Section 5.07. Insurance. By action of the Board of Directors, notwithstanding any interest of the Directors in such action, the Corporation may purchase and maintain insurance in such amounts as the Board of Directors deem appropriate to protect itself and any person who is or was a Director, Officer, employee, fiduciary or agent of the Corporation, or who, while a Director, Officer, employee, fiduciary or agent of the Corporation, is or was serving at the request of the Corporation as a Director, Officer, partner, trustee, employee, fiduciary or agent of any other foreign or domestic corporation or of any partnership, joint venture, trust, other enterprise or employee benefit plan against any liability asserted against or incurred by such person in any such capacity or arising out of such person's status as such, whether or not the Corporation would have the power to indemnify such person against such liability under applicable provisions of law or this Article. Any such insurance may be procured from any insurance company designated by the Board of Directors, whether such insurance company is formed under the laws of Colorado or any other jurisdiction, including any insurance company in which the Corporation has an equity or any other interest, through stock ownership or otherwise. The Corporation may create a trust fund, grant a security interest or use other means (including, without limitation, a letter of credit) to ensure the payment of such sums as may become necessary to effect indemnification as provided herein.

Section 5.08. Right To Impose Conditions to Indemnification. The Corporation shall have the right to impose, as conditions to any indemnification provided or permitted in this Article, such reasonable requirements and conditions as may appear appropriate to the Board of Directors in each specific case and circumstances, including but not limited to any one or more of the following: (a) that any counsel representing the party to be indemnified in connection with the defense or settlement of any proceeding shall by counsel mutually agreeable to the party and to the Corporation; (b) that the Corporation shall have the right, at its option, to assume and control the defense or settlement of any claim or proceeding made, initiated or threatened against the party to be indemnified; and (c) that the Corporation shall be subrogated, to the extent of any payments made by way of indemnification, to all of the indemnified party's right of recovery, and that the party to be indemnified shall execute all writings and do everything necessary to assure such rights of subrogation to the Corporation.

Section 5.09. Other Rights and Remedies. Except as limited by law, the indemnification provided by this Article shall be in addition to any other rights which a party may have or hereafter acquire under any law, provision of the Articles of Incorporation, any other or further provision of these Bylaws, vote of the Board of Directors, agreement or otherwise.

Section 5.10. Applicability; Effect. The indemnification provided in this Article shall be applicable to acts or omissions that occurred prior to the adoption of this Article, shall continue as to any party entitled to indemnification under this Article who has ceased to be a Director, Officer or employee of the Corporation or, at the request of the Corporation, was serving as and has since ceased to be a Director, Officer, partner, trustee, employee, fiduciary or agent of any other domestic or foreign corporation, or of any partnership, joint venture, trust, other enterprise or employee benefit plan, and shall inure to the benefit of the estate and personal representatives of each such person. The repeal or amendment of this Article or of any Section or provision hereof that would have the effect of limiting, qualifying or restricting any of the powers or rights of indemnification provided or permitted in this Article shall not, solely by reason of such repeal or amendment, eliminate, restrict or otherwise affect the right or power of the Corporation to indemnify any person, or affect any right of indemnification of such person, with respect to any acts or omissions that occurred prior to such repeal or amendment. All rights to indemnification under this Article shall be deemed to be provided by a contract between the Corporation and each party covered hereby. The provisions of this Article shall not limit the Corporation's power to pay or reimburse expenses incurred by a Director in connection with an appearance as a witness in a proceeding at a time when the Director has not been made a named defendant or respondent in the proceeding.

Section 5.11. Indemnification of Agents. The Corporation shall have the right, but shall not be obligated, to indemnify any agent of the Corporation to the same extent as a Director, Officer or employee. The Corporation also shall have the right, but shall not be obligated, to indemnify an agent who is not a Director of the Corporation to the fullest extent permissible by the laws of Colorado. Unless otherwise provided in any separate indemnification arrangement, any such indemnification shall be made only as authorized in the specific case in the manner provided in Section 5.04.

Section 5.12. Savings Clause; Limitations. If this Article or any provision hereof shall be invalided by any court on any ground, then the Corporation shall nevertheless indemnify each party otherwise entitled to indemnification hereunder to the fullest extent permitted by law or any applicable provision of this Article that shall not have been invalidated. Notwithstanding any other provision of these Bylaws, the Corporation shall neither indemnify any person nor purchase any insurance in any manner or to any extent that would jeopardize or be inconsistent with the qualification of the Corporation as an entity eligible to issue tax-exempt bonds or as an entity that is not subject to federal income taxation under the Internal Revenue code, or that would otherwise result in the imposition of any liability under the Internal Revenue Code.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Account Books, Minutes, etc. The Corporation shall keep correct and complete books and records of account and shall keep Minutes of the proceedings of its Board of Directors and committees. All books and records of the Corporation may be inspected by any Director, or that Director's authorized agent or attorney, for any proper purpose at any reasonable time.

Section 6.02. External Audit and Operating Summaries. The Corporation shall obtain an external audit from a certified public accounting firm for each fiscal year.

Section 6.03. Fiscal Year. The fiscal year of the Corporation shall be as established by the Board of Directors.

Section 6.04. Conveyances and Encumbrances. Property of the Corporation may be assigned, conveyed or encumbered by such Officers of the Corporation as may be authorized to do so by the Board of Directors, and such authorized persons shall have power to execute and deliver any and all instruments of assignment, conveyance and encumbrance; however, the sale, exchange, lease or other disposition of all or substantially all of the property and assets of the Corporation shall be authorized only in the manner prescribed by applicable statute.

Section 6.05. Designated Contributions. The Corporation may accept any designated contribution, grant, bequest or devise consistent with its general tax-exempt purposes, as set forth in the Article of Incorporation. As so limited, donor-designated contributions will be accepted for special funds, purposes or uses, and such designations generally will be honored. However, the Corporation shall reserve all right, title and interest in and to and control of such contributions, as well as full discretion as to the ultimate expenditure or distribution thereof in connection with any such special fund, purpose or use. Further, the Corporation shall acquire and retain sufficient control over all donated funds (including designated contributions) to assure that such funds will be used to carry out the Corporation's tax-exempt purposes.

Section 6.06. Conflicting Interest Transactions.

(a) As used in this section, "Conflicting Interest Transaction" means a contract, transaction, or other financial relationship between the Corporation and a Director of the Corporation and a party related to a Director or between the Corporation and an entity in which a Director of the Corporation is a Director or officer or has a financial interest.

(b) No Conflicting Interest Transaction shall be void or voidable or be enjoined, set aside, or give rise to an award of damages or other sanctions in a proceeding in the right of the Corporation, solely because the Conflicting Interest Transaction involves a Director of the Corporation or a party related to a Director or an entity in which a Director of the Corporation is a Director or Officer or has a financial interest or solely because the Director is present at or participates in the meeting of the Corporation's Board of Directors or of the committee of the Board of Directors that authorizes, approves, or ratifies the Conflicting Interest Transaction or solely because the Director's vote is counted for such purpose if:

(i) the material facts as to the Director's relationship or interest and as to the Conflicting Interest Transaction are disclosed or are known to the Board of Directors or the committee, and the Board of Directors or committee in good faith authorizes, approves, or ratifies the Conflicting Interest Transaction by the affirmative vote of a majority of the disinterested Directors, even though the disinterested Directors are less than a quorum; or

(ii) the Conflicting Interest Transaction is fair as to the Corporation.

(c) Common or interest Directors may be counted in determining the presence of a quorum at a meeting of the Board of Directors or of a committee which authorizes, approves, or ratifies the Conflicting Interest Transaction.

(d) For purposes of this Section, a party related to a Director shall mean a spouse, a descendent, an ancestor, a sibling, the spouse or descendent 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, Officer, or has a financial interest.

(e) Notwithstanding any other provision of this Article VI, no contract, transaction or financial relationship between the Corporation and the Board of Trustees of Metropolitan State College of Denver, shall constitute a Conflicting Interest Transaction.

Section 6.07. Loans to Directors and Officers Prohibited. No loans shall be made by the Corporation to any of 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 Corporation for the amount of such loan until it is repaid.

Section 6.08. References to Internal Revenue Code. All references in these Bylaws to provisions of the Internal Revenue Code are to the provisions of the Internal Revenue Code of 1986, as amended, and to the corresponding provisions of any subsequent federal tax laws.

Section 6.09. Amendments. The power to alter, amend or repeal these Bylaws and adopt new Bylaws shall be vested in the Board of Directors, subject to prior written consent of the Board of Trustees of Metropolitan State College of Denver. Amendment to these Bylaws which would change the number of members of the Board of Directors or the manner of appointment described in Section 3.02 shall not be made without first receiving an opinion of counsel to the effect that such amendment will not adversely affect the Corporation's qualification under I.R.S. rules.

Section 6.10. Severability. The invalidity of any provision of these Bylaws shall not affect the other provisions hereof, and in such event these Bylaws shall be construed in all respects as if such invalid provision were omitted.

The undersigned hereby certifies that the foregoing Bylaws of HLC @ Metro, Inc., as adopted, 2010 are in full force and effect as of __________, 2010.

[SEAL]

By ______________________________________
Secretary

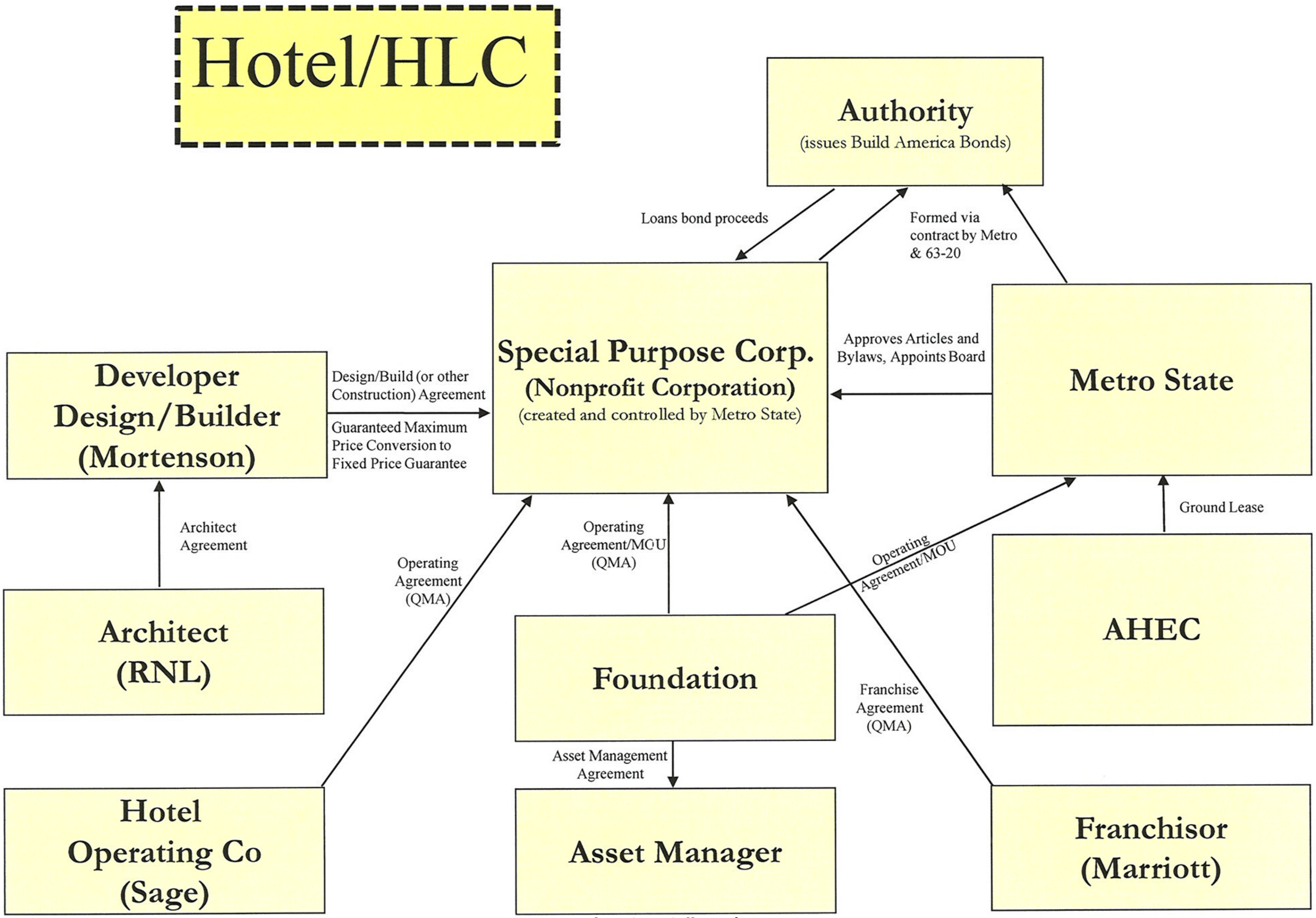
Attachment #3

Diagram of the Hotel/HLC Structure

Attachment #3

Metro State Hotel/HLC Project Structure

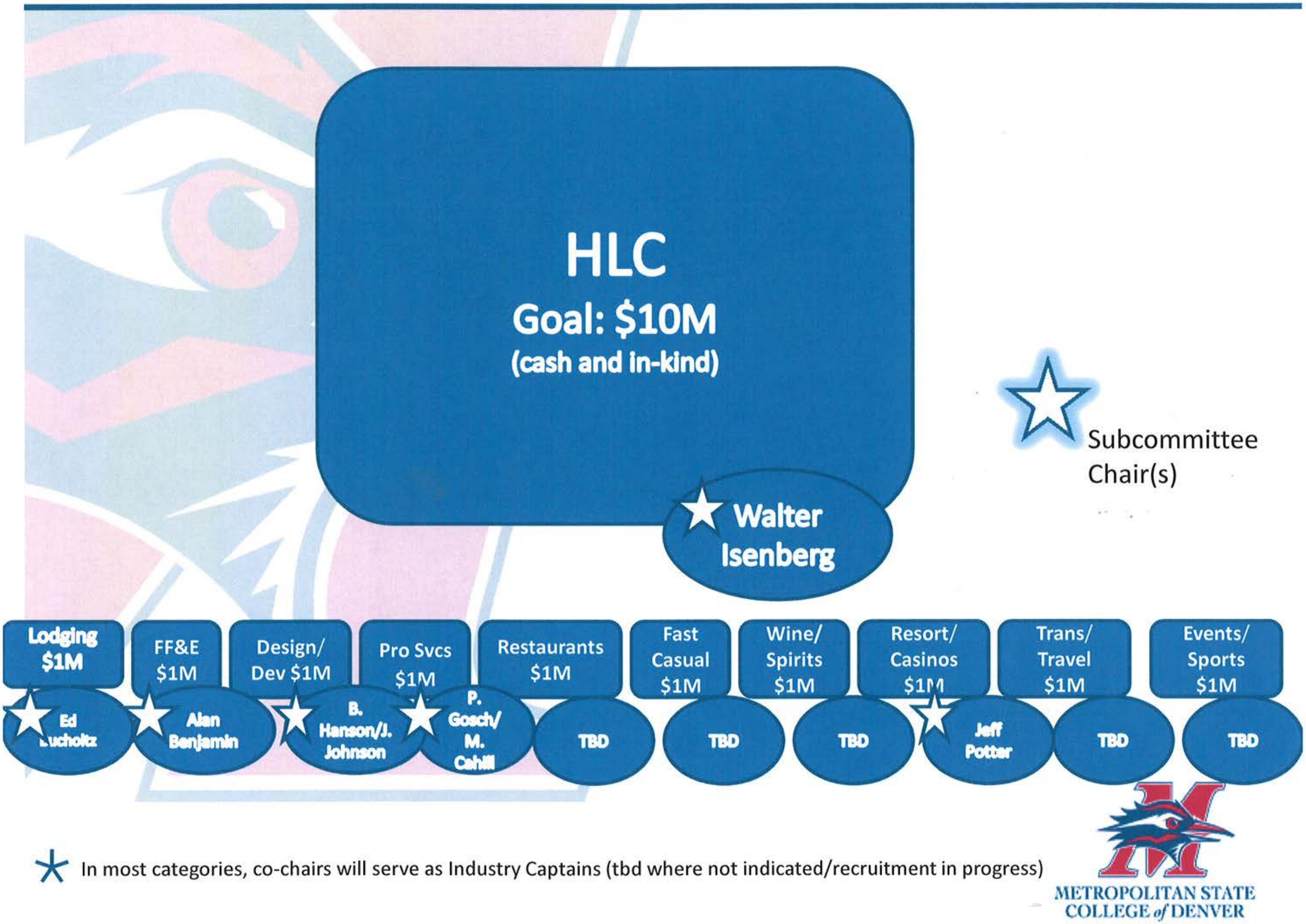
Revised 8/12/2010 nt



Attachment #4

Graphic of the HLC Fundraising Campaign.

Attachment #4


HLC
Goal: $10M
(cash and in-kind)
Walter Isenberg
Subcommittee Chair(s)
Lodging $1M
Ed
ucholtz
FF&E $1M
Alan Benjamin
Design/ Dev $1M
B. Hanson/J. Johnson
Pro Svcs $1M
P. Gosch/ M. Cahill
Restaurants $1M
TBD
Fast Casual $1M
TBD
Wine/ Spirits $1M
TBD
Resort/ Casinos $1M
Jeff Potter
Trans/ Travel $1M
TBD
Events/ Sports $1M
TBD
In most categories, co-chairs will serve as Industry Captains (tbd where not indicated/recruitment in progress)
METROPOLITAN STATE COLLEGE of DENVER

Attachment #5

Comparison sheet of 2007 and 2010 Feasibility Studies

Attachment #5

Proposed Spring Hill Suites
Auraria Campus
Denver, CO

	Original Feasibility Study Hospitality Real Estate Counselors, Inc.					Current Feasibility Study Robert Benton & Assoicates				
Projection Year	**2010**	**2011**	**2012**	**2013**	**2014**	**2013**	**2014**	**2015**	**2016**	**2017**
% of Occupancy	63%	68%	71%	71%	71%	62%	69%	72%	72%	72%
Average Daily Room Rate	$143.00	$151.00	$155.00	$159.65	$164.44	$136.50	$144.00	$149.50	$155.00	$160.00
Occupied Rooms						33,945	37,778	39,420	39,420	39,420
Estimated Inflation Rate						103%				
Available Rooms	150					150				
Revenues										
Rooms	$4,963	$5,590	$6,056	$6,238	$6,425	$4,633	$5,440	$5,893	$6,110	$6,307
Hotel Food and Beverage	416	454	491	506	521	111	128	137	141	145
Banquet Food	0	0	0	0	0	905	983	1,043	1,075	1,107
Banquet Beverage	0	0	0	0	0	136	147	156	161	166
Telephone	7	8	8	8	9	28	32	34	35	36
Parking Garage	0	0	0	0	0	222	255	274	282	291
Rentals/Other Income	109	119	127	131	135	65	74	80	82	85
Total	5,495	6,171	6,682	6,883	7,090	6,100	7,059	7,617	7,886	8,137
Departmental Expenses										
Rooms	1,278	1,355	1,427	1,470	1,515	1,093	1,246	1,326	1,375	1,419
Food and Beverage	385	409	433	446	459	893	967	1,015	1,046	1,078
Telephone	12	12	13	13	14	92	93	94	96	99
Other	58	62	66	68	70	0	0	0	0	0
Total	1,733	1,838	1,939	1,997	2,058	2,078	2,306	2,435	2,517	2,596
Total Operated Departmental Incor	3,762	4,333	4,743	4,886	5,032	4,022	4,753	5,182	5,369	5,541
Undistributed Operating Expenses										
Administrative and General	612	639	664	684	705	485	504	522	537	553
Marketing	364	401	429	442	455	423	452	473	488	503
Franchise Fee	273	307	333	343	353	139	218	295	306	315
Property Operations & Maint	182	215	250	257	265	267	285	299	313	323
Energy	194	204	212	219	225	248	256	263	271	279
Total	1,625	1,766	1,888	1,945	2,003	1,562	1,715	1,852	1,915	1,973
Income before Fixed Charges	2,137	2,567	2,855	2,941	3,029	2,460	3,038	3,330	3,454	3,568
Fixed Charges										
Management Fee	165	185	200	206	213	183	212	229	237	244
Real Estate & Prop. Taxes	327	334	347	358	368	279	287	296	304	314
Building & Contents Insurance	56	57	59	61	63	61	63	65	67	69
Total	548	576	606	625	644	523	562	590	608	627
Income before Reserves	1,589	1,991	2,249	2,316	2,385	1,937	2,476	2,741	2,847	2,941
Reserve for Replacement	110	185	267	275	284	244	282	305	315	325
Income Before Other Deds.	$1,479	$1,806	$1,981	$2,040	$2,102	$1,693	$2,194	$2,436	$2,531	$2,616

Attachment #6

Draft Feasibility Study Update by Robert S. Benton & Associates, Inc.

Attachment #6

August 4, 2010

ROBERT S. BENTON
& ASSOCIATES, INC.

Hospitality Consulting and Valuation

VIA E-MAIL
Ms. Natalie Lutes
Metro State College of Denver
PO Box 173362, Campus Box 67
Denver, CO 80217-3362

RE: Feasibility Study Update

Dear Ms. Lutes:

We have completed our research and analysis and have prepared estimates of potential occupancy and average daily rate, as well as a Statement of Estimated Annual Operating Results for a proposed hotel to be located on the Auraria Campus, in downtown Denver, Colorado. In completing our analysis, it is assumed that the hotel will be branded as a SpringHill Suites by Marriott and will offer 150 guestrooms. The hotel will also offer approximately 3,750 square feet of dedicated meeting and banquet space.

The following table summarizes our projected occupancy and average daily rate for the proposed 150-room SpringHill Suites by Marriott. For purposes of this analysis, it is assumed that the proposed hotel would open January 1, 2013.

ESTIMATED OCCUPANCY AND AVERAGE DAILY RATE
PROPOSED SPRINGHILL SUITES BY MARRIOTT
AURARIA CAMPUS - DENVER, COLORADO

Year	Occupancy	Average Daily Rate
Stabilized	72.0%	$130.00
2013	62.0%	$136.50
2014	69.0%	$144.00
2015	72.0%	$149.50
2016	72.0%	$155.00
2017	72.0%	$160.00

Occupancy rates at the proposed SpringHill Suites is projected to stabilize at approximately 72 percent by the third year of operation. The subject property's average daily rate is estimated to be $130.00 in 2010 value dollars. A discount has been reflected in the achieved average daily rate of the subject property during the first three years of the projection period in order to reflect several issues. During 2009, average daily rates at hotels in downtown Denver declined significantly reflecting weakened economic conditions.

16021 Relic Rock Terrace Parker, Colorado 80134 Telephone: (303) 840-1666 Fax: (303) 840-0158

Over the next several years, our interviews revealed that downtown hotel managers expect to recover a portion of this lost revenue as market conditions improve over the next several years. This is in addition to anticipated inflation increases. Estimated future average daily rates also reflect our expectation that it will be necessary to discount room rates in order to introduce the new product to the market, establish a base of business and build occupancy. Our final report will provide detail regarding our market research, analysis and conclusions.

A Statement of Estimated Annual Operating Results has been prepared for the proposed 150-room SpringHill Suites. The Statement of Estimated Annual Operating Results is attached as an addendum to this letter. The following paragraphs will provide insight into our revenue and expense projections.

Rooms Department

Rooms revenue is generated by the projected occupancy of the hotel multiplied by the estimated average daily rate. During the first year of operation, the subject property is estimated to achieve a 62 percent occupancy rate and a $136.50 average daily rate. Room revenue is calculated as follows:

150 rooms X 365 days =	54,750	room nights available
	X 62%	occupancy
	33,945	occupied room nights
	X $136.50	average daily rate
Total	$4,633,482	
Rounded to	$4,633,000	

Rooms department expense includes the costs associated with the front office, housekeeping, reservations, travel agent and reservation system commissions, laundry, linens and operating supplies directly associated with the rental and maintenance of the guestrooms. The cost of the complimentary breakfast is also included in the rooms department expense.

Food and Beverage Department

Based on our discussions with Sage Hospitality representatives, they are planning to offer a specialty coffee bar and evening cocktails to guests. Based on our analysis, we have estimated sales will average $3.00 per occupied room, stated in 2010 value dollars. Sales from the coffee bar and cocktail lounge will vary with occupancy at the proposed hotel.

The proposed hotel will offer approximately 3,750 square feet of meeting and event space in one room, divisible into three smaller rooms with soundproof, moveable double air walls. In addition, it is our understanding that the proposed hotel will have access to classrooms on an "as available basis," which can be utilized by groups as breakout space. Additional meeting space is available on the Auraria Campus in the Tivoli Student Union.

Revenue from the meeting and event space has been estimated based on an analysis of the potential demand emanating from in-house groups, as well as from local and regional meetings and events, including association meetings and events, educational seminars, corporate meetings and events, and social events such as weddings, birthdays and anniversaries. We have evaluated demand by month, day of week and meal period. In addition, we have estimated additional revenue generated by coffee breaks, receptions, equipment rental and room rental. The following table summarizes total projected food and beverage revenue from the meeting/banquet space at the subject property during a stabilized year. The table is stated in 2010 value dollars.

SUMMARY OF MEETING/BANQUET REVENUE DURING A STABILIZED YEAR (ESTIMATED IN 2010 DOLLARS)

Time Period	Average Check	Annual Covers	Revenue[1]
Monday-Friday Breakfast	$11.00	2,000	$22,000
Monday-Friday Lunch	$15.00	10,500	$157,500
Saturday/Sunday Lunch	$25.00	4,300	$107,500
Monday-Thursday Night	$25.00	8,700	$217,500
Friday/Saturday Night	$50.00	5,300	$265,000
Total		30,800	$769,500
Other[2]			$125,000
Total Food Revenue			$894,500
Total Beverage Revenue[3]			$134,200
Total Food and Beverage Revenue			$1,028,700

(1) Rounded to the nearest $100
(2) Includes receptions, coffee breaks, room rentals and set-up charges, equipment rentals, etc.
(3) Estimated at 15 percent of food sales

Food and beverage expenses include the cost of food and beverage consumed, labor and other costs associated with the operation of the coffee bar, as well as the banquet operation. Accounted for in this expense category are salaries and wages of the food and beverage staff, associated employee benefits, china, glassware, tableware, linen, kitchen supplies and other allocable expenses such as kitchen fuel, laundry and advertising and promotion for the food and beverage department.

Telephone Department

Telephone revenues have been estimated based on industry data and our evaluation of data from other comparable hotels. Telephone department expense consists primarily of the cost of long distance telephone calls and other related expenses. It is assumed that the front desk will operate the telephone system. Expenses in this category have increased in the last several years due to the cost of providing high speed Internet access.

Parking Department

The subject property will offer a parking garage with 75 parking spaces. Parking fees for guests have been estimated based on fees currently charged by other hotels in the downtown market. Based on our analysis, overnight self-service parking charges at the subject property is estimated to be $15.00, in 2010 value dollars. The following table summarizes our analysis of parking revenues from hotel guests for the subject's first five years of operation. Parking rates are assumed to increase at a three percent annual rate.

ESTIMATED PARKING REVENUE GENERATED BY GUESTS
BEST WESTERN INN & SUITES - DOWNTOWN DENVER

	2013	2014	2015	2016	2017
Hotel Rooms Sold	33,900	37,700	39,400	39,400	39,400
Percentage with Cars	40%	40%	40%	40%	40%
Guests with Cars	13,560	15,080	15,760	15,760	15,760
Parking Rate	$16.40	$16.89	$17.39	$17.91	$18.45
Parking Revenue	$222,384	$254,701	$274,066	$282,261	$290,772
Parking Revenue (Rounded)	$222,000	$255,000	$274,000	$282,000	$291,000

During larger events, hotel management is expected to contract with a parking company that will valet park cars. For purposes of this analysis, we have assumed that this is a break-even situation, with revenues equaling expenses.

Rentals and Other Income

Rentals and other income, which is net of expenses, has been estimated based on industry data and revenues at similar type properties, and typically varies with occupancy. Income in this category typically includes revenue from in-room movies, vending machines, guest valet and laundry services, fax charges, other service charges, interest income and other miscellaneous sources.

Administrative and General

This expense category includes the salary and wages of the general manager and administrative staff, general insurance, credit card commissions, travel and entertainment, postage, data processing, human resources, security and other expenses normally associated with this classification. We have also included the cost of operating a shuttle service into the Central Business District, which should help the subject property increase its penetration of the individual commercial traveler market segment. The shuttle will also help transport guests to area restaurants during periods of inclement weather.

Marketing

This expense category generally reflects the costs associated with the salaries and wages of the sales staff, print advertisements, sales brochures, billboards, dues and subscriptions and other costs associated with marketing the property, including the conference space. This category includes a 2.5 percent marketing assessment, which

Marriott assesses all SpringHill Suites hotels, as well as an assessment by Marriott for the cost of their frequent traveler program.

Franchise Fees
A hotel franchise royalty fee is based on guestroom revenues. According to our discussion with Sage Hospitality, we have utilized a three percent royalty in the first year of the projection period, four percent in year two and five percent each year thereafter.

Property Operations and Maintenance
Property operations and maintenance expenses includes salaries and wages paid to maintenance personnel, employee benefits, normal maintenance of the building, grounds and landscape, electrical and mechanical equipment, engineering, operating supplies, cleaning (curtains, floors, carpet and furniture), and waste removal.

Energy
This expense category includes electricity, gas, water and sewer charges.

Management Fees
Management fees have been estimated to be three percent of total revenues.

Real Estate and Personal Property Taxes
We have reflected a charge for real estate and personal property taxes, based on assessments on other comparable downtown hotels.

Building & Contents Insurance
Included in this category are insurance premiums relating to building and its contents.

Reserve For Replacement
A reserve for replacement has been deducted each year from total revenue to cover the replacement of short and long-lived building components including furniture, fixtures and equipment and other structural repairs. The reserve for replacement accounts for ongoing programs, not necessarily for major periodic property renovations. Since furniture, fixtures and equipment are exposed to heavy use and must be replaced at regular intervals, it is necessary to project this expense in an operating statement to accurately reflect the property's operating costs.

Once you have had a chance to review this letter, please contact me with any questions or comments that you may have.

Very Truly Yours,

Robert S. Benton, ISHC
President

ADDENDA A

STATEMENT OF ESTIMATED ANNUAL OPERATING RESULTS

SPRINGHILL SUITES

PROPOSED SPRINGHILL SUITES
AURARIA CAMPUS
DENVER, COLORADO

	Year	Year	Year
Projection Year	2013	2014	2015
% of Occupancy	62%	69%	72%
Average Daily Room Rate	$136.50	$144.00	$149.50
Occupied Rooms	33,945	37,778	39,420
Estimated Inflation Rate	103.0%		
Available Rooms	150		

	AMOUNT (000)	Ratio	Per Room	Per Occ Rm	AMOUNT (000)	Ratio	Per Room	Per Occ Rm	AMOUNT (000)	Ratio	Per Room	Per Occ Rm
Revenues:												
Rooms	$4,633	75.9%	$30,887	$136.49	$5,440	77.1%	$36,267	$144.00	$5,893	77.4%	$39,287	$149.49
Hotel Food & Beverage	111	1.8%	742	3.28	128	1.8%	851	3.38	137	1.8%	914	3.48
Banquet Food	905	14.8%	6,033	26.66	983	13.9%	6,553	26.02	1,043	13.7%	6,954	26.46
Banquet Beverage	136	2.2%	907	4.01	147	2.1%	980	3.89	156	2.0%	1,040	3.96
Telephone	28	0.5%	187	0.82	32	0.5%	213	0.84	34	0.4%	228	0.87
Parking Garage	222	3.6%	1,480	6.54	255	3.6%	1,700	6.75	274	3.6%	1,827	6.95
Rentals/Other Income	65	1.1%	433	1.91	74	1.1%	496	1.97	80	1.0%	533	2.03
Total	6,100	100.0%	40,669	179.71	7,059	100.0%	47,059	186.85	7,617	100.0%	50,783	193.24
Departmental Expenses: (1)												
Rooms	1,093	23.6%	7,287	32.20	1,246	22.9%	8,307	32.98	1,326	22.5%	8,840	33.64
Food and Beverage	893	77.5%	5,953	26.31	967	76.9%	6,447	25.60	1,015	76.0%	6,767	25.75
Telephone	92	327.1%	613	2.71	93	290.6%	620	2.46	94	275.0%	627	2.38
Total	2,078	34.1%	13,853	61.22	2,306	32.7%	15,373	61.04	2,435	32.0%	16,233	61.77
Total Operated Departmental Income	4,022	65.9%	26,815	118.49	4,753	67.3%	31,686	125.82	5,182	68.0%	34,549	131.46
Undistributed Operating Expenses:												
Administrative & General	485	8.0%	3,233	14.29	504	7.1%	3,362	13.35	522	6.9%	3,480	13.24
Marketing	423	6.9%	2,820	12.46	452	6.4%	3,013	11.96	473	6.2%	3,153	12.00
Franchise Fee	139	2.3%	927	4.09	218	3.1%	1,453	5.77	295	3.9%	1,967	7.48
Property Operations & Maintenance	267	4.4%	1,780	7.87	285	4.0%	1,903	7.56	299	3.9%	1,993	7.58
Energy	248	4.1%	1,653	7.31	256	3.6%	1,704	6.76	263	3.5%	1,753	6.67
Total	1,562	25.6%	10,413	46.02	1,715	24.3%	11,436	45.41	1,852	24.3%	12,347	46.98
Income Before Fixed Charges	2,460	40.3%	16,402	72.47	3,038	43.0%	20,250	80.42	3,330	43.7%	22,203	84.47
Fixed Charges												
Management Fee (2)	183	3.0%	1,220	5.39	212	3.0%	1,413	5.61	229	3.0%	1,527	5.81
Real Estate & Property Taxes	279	4.6%	1,858	8.21	287	4.1%	1,913	7.60	296	3.9%	1,973	7.51
Building & Contents Insurance	61	1.0%	407	1.80	63	0.9%	422	1.68	65	0.9%	433	1.65
Total	523	8.6%	3,484	15.40	562	8.0%	3,749	14.88	590	7.7%	3,933	14.97
Income Before Reserve	1,937	31.8%	12,918	57.07	2,476	35.1%	16,501	65.53	2,740	36.0%	18,269	69.51
Reserve For Replacement	244	4.0%	1,627	7.19	282	4.0%	1,880	7.46	305	4.0%	2,033	7.74
Income Before Other Deductions (3)	$1,693	27.8%	$11,291	$49.89	$2,194	31.1%	$14,621	$58.07	$2,435	32.0%	$16,236	$61.77

SUBJECT TO THE COMMENTS CONTAINED IN THE ATTACHED REPORT

** Slight mathematical differences may exist due to rounding.

PROPOSED SPRINGHILL SUITES
AURARIA CAMPUS
DENVER, COLORADO

	Year 2016				Year 2017			
Projection Year	2016				2017			
% of Occupancy	72%				72%			
Average Daily Room Rate	$155.00				$160.00			
Occupied Rooms	39,420				39,420			
Estimated Inflation Rate								
Available Rooms								
	AMOUNT (000)	Ratio	Per Room	Per Occ Rm	AMOUNT (000)	Ratio	Per Room	Per Occ Rm
Revenues:								
Rooms	$6,110	77.5%	$40,733	$155.00	$6,307	77.5%	$42,047	$159.99
Hotel Food & Beverage	141	1.8%	941	3.58	145	1.8%	970	3.69
Banquet Food	1,075	13.6%	7,164	27.26	1,107	13.6%	7,380	28.08
Banquet Beverage	161	2.0%	1,073	4.08	166	2.0%	1,107	4.21
Telephone	35	0.4%	233	0.89	36	0.4%	240	0.91
Parking Garage	282	3.6%	1,880	7.15	291	3.6%	1,940	7.38
Rentals/Other Income	82	1.0%	547	2.08	85	1.0%	567	2.16
Total	7,886	100.0%	52,572	200.05	8,137	100.0%	54,250	206.43
Departmental Expenses: (1)								
Rooms	1,375	22.5%	9,167	34.88	1,419	22.5%	9,460	36.00
Food and Beverage	1,046	76.0%	6,973	26.53	1,078	76.0%	7,187	27.35
Telephone	96	275.0%	640	2.44	99	275.0%	660	2.51
Total	2,517	31.9%	16,780	63.85	2,596	31.9%	17,307	65.85
Total Operated Departmental Income	5,369	68.1%	35,792	136.20	5,541	68.1%	36,943	140.56
Undistributed Operating Expenses:								
Administrative & General	537	6.8%	3,580	13.62	553	6.8%	3,687	14.03
Marketing	488	6.2%	3,253	12.38	503	6.2%	3,353	12.76
Franchise Fee	306	3.9%	2,040	7.76	315	3.9%	2,100	7.99
Property Operations & Maint.	313	4.0%	2,087	7.94	323	4.0%	2,153	8.19
Energy	271	3.4%	1,807	6.87	279	3.4%	1,860	7.08
Total	1,915	24.3%	12,767	48.58	1,973	24.2%	13,153	50.05
Income Before Fixed Charges	3,454	43.8%	23,025	87.62	3,568	43.8%	23,790	90.51
Fixed Charges								
Management Fee (2)	237	3.0%	1,580	6.01	244	3.0%	1,627	6.19
Real Estate & Property Taxes	304	3.9%	2,027	7.71	314	3.9%	2,093	7.97
Building & Contents Insurance	67	0.8%	447	1.70	69	0.8%	460	1.75
Total	608	7.7%	4,053	15.42	627	7.7%	4,180	15.91
Income Before Reserve	2,846	36.1%	18,972	72.20	2,941	36.1%	19,610	74.61
Reserve For Replacement	315	4.0%	2,100	7.99	325	4.0%	2,167	8.24
Income Before Other Deductions (3)	$2,531	32.1%	$16,872	$64.21	$2,616	32.1%	$17,443	$66.36

SUBJECT TO THE COMMENTS CONTAINED IN THE ATTACHED REPORT

** Slight mathematical differences may exist due to rounding.