

RECORD OF PROCEEDINGS

Golden, Colorado
March 20, 2009

The Board of Trustees met in special session on March 20, 2009 in the Coors Board Room.

Present (via teleconference): Trustees Cowart, DeFilippo, Fox, Hutson, Nyikos, Spaanstra, Tschatschula; Faculty Trustee Dorgan, Student Trustee Dubetz.

Also in attendance: President Scoggins (via teleconference), Senior Vice President Volpi, Ms. Carol Chapman, Ms. Stephanie Chichester, North Slope Capital Advisors (via teleconference), Mr. Fred Marienthal, Kutak Rock (via teleconference).

Trustee Nyikos presided.

Special Meeting. The Trustees convened in special session at 3:00 p.m. Trustee Spaanstra indicated he would need to depart the meeting early and gave his proxy, if needed, to Trustee Nyikos. Trustee Hutson reported that the Finance and Audit Committee met on March 19, 2009 to finalize their consideration and approval of the proposed bond refinancing.

Discussion of Property Conveyance. Ms. Volpi provided background information on the conveyance of properties currently owned by the CSM Foundation and the CSM Development Corporation as part of the proposed bond refinancing. In regard to two properties currently owned by the CSM Foundation and leased by the School (at 1301 19th Street, Golden, Colorado and 1920 Jones Road, Golden, Colorado) the School would like to incorporate in the upcoming bond financing the lease purchase option in the amount of \$4,285,000, in order to take advantage of low long term bond interest rates. In regard to the property owned by the CSM Development Corporation and leased by the School (the General Research Laboratory building), the School would like to refinance the CSM Development Corporation debt of \$9,520,000 as part of the upcoming bond financing. In order to save funds, the Development Corporation debt and the School's debt will be refinanced in one issue creating a single debt structure under the School. The proposed resolution regarding the bond financing incorporates these proposed property conveyances. Ms. Volpi reported that the CSM Development Corporation met on March 19, 2009 and approved the conveyance of the General Research Laboratory property.

Bond Financing. Trustee Hutson reported that the Finance and Audit Committee looked at a number of models regarding bond refinancing, with a goal of adhering to the Board's debt policies and minimizing any impact on the School's cash flow. Trustee Hutson provided an overview of the School's current debt, which is composed of fixed rate debt, variable rate debt, and synthetic fixed rate debt, as well as notes payable to the CSM Foundation. In order to achieve the long-range target goal of 70% fixed instruments and 30% variable instruments, the Committee has been assessing the bond market to determine the right timing to shift some variable rate and synthetic fixed rate debt to fixed debt, thereby reducing the School's risk exposure. As a result of its analysis, the Committee recommends financing \$21,520,000 of synthetic fixed and variable rate demand bonds and converting a \$4,285,000 note payable held with the CSM Foundation into a long-term fixed rate mode. In response to a question from Faculty Trustee Dorgan, Trustee Hutson indicated

that the proposed refinancing is cost neutral to the School. He also clarified that it would not be prudent to move more debt from synthetic fixed to fixed rate at this time due to the swap termination fees which would negatively impact the School's budget. The Finance and Audit Committee, working in conjunction with Senior Vice President Volpi, will continue to monitor the market to identify future opportunities to move additional debt to a fixed rate.

At this point, Trustee Spaanstra departed the meeting at 3:22 p.m., giving his proxy to Trustee Nyikos.

Trustee DeFilippo pointed out a typographical error in exhibit A, which will be corrected. He also asked Ms. Volpi to provide a listing of all current bonds and their associated costs.

Trustee Hutson made a motion, seconded by Trustee Cowart, to approve the *Fifth Supplemental Resolution Authorizing the Issuance of the Following Bonds Pursuant to the Master Enterprise Bond Resolution*, which is appended to these minutes. Motion carried with Trustee Tschatschula abstaining.

Trustee Hutson made a motion, seconded by Trustee Cowart, to adjourn the meeting. Motion carried. Meeting adjourned at 3:40 p.m.

Secretary