

BYLAWS of the Board of Trustees Metropolitan State University of Denver

ARTICLE I

AUTHORITY AND POWERS

Colorado law vests the supervision and control of Metropolitan State University of Denver in the Board of Trustees. The University is a body corporate of the State of Colorado.

A. Authority and Powers

As provided by section 23-54-101, C.R.S., *et seq.*, the Board has full authority and responsibility for the governance of the University. The Board has such powers, rights, and privileges as are granted to it by Colorado law, including, but not limited to, suing and being sued; taking and holding personal property and real estate; contracting and being contracted with; selling, leasing, or exchanging real property; controlling and directing all monies received by it; authorizing revenue bonds and other lawful financial transactions to raise money; and determining personnel matters.

B. Delegation

Except for powers that are legislative or judicial in nature, the Board may delegate authority to perform such duties as the Board deems proper and necessary.

ARTICLE II

BOARD MEMBERSHIP

The Board includes eleven statutory members, consisting of nine voting members and two non-voting advisory members, who shall have such qualifications, and subscribe to the oath, as prescribed by law. In addition, pursuant to Board policy, the Board includes one alumni representative who serves as a non-voting advisory member.

A. Voting Members

The voting members are appointed by the Governor of the State of Colorado, with the consent of the State Senate, for terms of up to four years expiring on December 31 of the third calendar year following the calendar year in which the voting member is appointed. A vacancy in the unexpired term of a voting member shall be filled by appointment of the Governor for the unexpired term.

B. Advisory Members

Advisory members shall not vote on matters before the Board, nor shall they attend executive sessions of the Board. Advisory members shall include one full-time member of the University's teaching faculty at large, elected by the faculty at large; one full-time

junior or senior University student, who has been a Colorado resident for at least three years immediately prior to election by the student body at large; and one alumnus of the University, who shall serve as an alumni representative. A vacancy in an unexpired term of an advisory member shall be filled by election for the unexpired term. Advisory members shall serve for a term of one year expiring June 30.

ARTICLE III

OFFICERS

The officers of the Board include the Chair, Vice Chair, Treasurer, and Secretary. Such officers shall be elected by a majority of a duly constituted quorum of the Board.

A. Election

Election of officers shall take place at the annual Board meeting. The Chair and Vice Chair shall hold office for a period of two calendar years until their successors are elected. The Secretary and Treasurer shall hold office at the pleasure of the Board.

B. Removal

The Board may remove any of its officers whenever in its judgment the best interests of the Board will be served thereby.

C. Chair

The Chair shall be a member of the Board. The Chair shall preside at meetings of the Board and shall sign contracts and documents required to be executed by the Board. The Chair shall appoint members of the Board to committees and as representatives to other bodies. The Chair shall also perform such additional tasks as may be necessary to implement actions approved or taken by the Board. The Chair also shall serve as Past Chair for one year after the term has ended to facilitate the transition to new Board leadership.

D. Vice Chair

The Vice Chair shall be a member of the Board. The Vice Chair shall, in the absence of the Chair, perform the duties of the Chair. The Vice Chair shall also serve as the Chair of the Presidential Evaluation Committee.

E. Secretary

The Secretary shall not be a member of the Board. The Secretary shall make certifications on behalf of the Board and perform such other duties as are normally performed by the Secretary of a public entity, and those which may be assigned by the Board. The Secretary shall cause all notices to be sent that may be required by these Bylaws and the law. The Secretary shall also cause a record to be kept and maintained of all actions, proceedings, and policies of the Board.

F. Treasurer

The Treasurer shall not be a member of the Board. The Treasurer shall cause statements of the financial condition of the Board and other such other financial documents as may be requested by the Board to be prepared, compiled, and provided to the Board.

G. Assistants

The Board may appoint such assistants as it deems necessary to accomplish the duties of the officers of the Board.

H. Vacancies

In the event of a vacancy in any office of the Board, a successor shall be elected by a majority of a duly constituted quorum of the Board to serve for the period of the unexpired term.

ARTICLE IV

MEETINGS

A. Annual Meeting

The annual meeting of the Board shall be held in December of each year or at such time and place as may be designated by the Board by resolution. The annual meeting shall be for the purpose of electing officers and the transaction of other business.

B. Regular Meetings

Regular meetings of the Board shall be held at such time and place as established yearly by resolution of the Board.

C. Special Meetings

The Board Chair may call special meetings of the Board at any time, and shall do so upon the written request of a majority of the Board.

D. Committee Meetings

A Committee Chair may call meetings at such time and place as is necessary to discharge committee duties.

E. Notices

Notice of the time, place, and agenda of all meetings of the Board and any of its committees shall be given in accordance with the Colorado Open Meetings Law.

F. Agendas

No less than five days before the annual meeting or any regular meeting, an agenda setting forth the matters to be considered at the meeting shall be sent to Board members. An agenda

for any special meeting or committee meeting shall be sent to Board members as early as is practicable.

G. Records of Meetings

In accordance with the Colorado Open Meetings Law, a recording and minutes shall be kept of all Board and committee meetings, with the exception of certain matters discussed in executive session.

H. Presence of Members at Meetings

Board members may attend meetings by telephone. Meetings may be held by telephone, video conferencing, or other forms of electronic communication.

I. Motions and Seconding

All members of the Board may make and second motions.

J. Voting

Only voting members of the Board may vote on actions before the Board. Only members of a committee may vote on actions before committees. In extraordinary circumstances, a Board member who is unable to attend may vote by written proxy as to a specific question.

K. Executive Session

Upon a two-thirds vote of the voting members, an executive session may be held to discuss matters as permitted by the Colorado Open Meetings Law.

L. Adjournment

Any meeting may be adjourned and its business continued to an appointed day by a vote of the majority of the voting members present even though there may be less than a quorum.

M. Rules of Procedure

To the extent a meeting procedure is not addressed by these Bylaws or the law, the Board and its committees may consult ROBERT'S RULES OF ORDER for guidance.

ARTICLE V

EXERCISE OF POWERS

Official action of the Board or recommendations of any committee shall occur only in open session at meetings duly called and held at which a quorum is present. Matters coming before the Board or its committees at meetings shall be determined by a majority of the voting members who are present.

ARTICLE VI

QUORUM

A quorum of the Board shall be a majority of its voting members. A quorum of any committee of the Board shall be a majority of its voting members.

ARTICLE VII

COMMITTEES AND OTHER BODIES

The Board shall have the committees described in these Bylaws and may create ad hoc committees as needed. Formal actions of all committees shall be limited to recommendations made to the entire Board and shall in no way bind the Board. Standing committees of the Board include:

A. Academic and Student Affairs Committee

The purpose of the Academic and Student Affairs Committee is to review and make recommendations to the Board regarding academic and student issues, including but not limited to the addition of new academic requirements, programs, degrees, majors, and fees, significant changes in policies, and other areas essential to the academic endeavor of the University and the welfare of its students. A committee charter further details the purposes of the committee and is incorporated by reference herein. The Provost and Vice President for Academic Affairs shall serve as staff to the committee.

B. Finance Committee

The purpose of the Finance Committee is to review and make recommendations regarding the University's finances and budget and significant changes thereto, including but not limited to setting annual budget parameters, tuition rates, salary rates, financial aid, parameters for issuance of debt, and other areas essential to the fiscal soundness of the University. The Finance Committee also serves as the Board's audit committee and shall review annually and report to the Board any material issues or findings pertaining to the University's annual audit or any significant interim audit or risk management issues. The Vice President for Administration, Finance and Facilities shall serve as staff to the committee.

C. Governance Committee

The purpose of the Governance Committee is to review and make recommendations to the Board regarding Board operations and institutional governance, including but not limited to Board policies, these Bylaws, Board meetings, retreats and orientation, the Board budget, nomination of prospective Board members and other policy matters essential to effective operation of the Board. The General Counsel/Secretary shall serve as staff to the committee.

D. Executive Committee

The purpose of the Executive Committee is to take necessary actions when the Board is not in session, review the President's performance per the requirements of the employment contract and Board policies, report its findings to the Board, and make recommendations to the Board regarding the terms and conditions of the President's employment and compensation. The Committee may evaluate other appointees or individuals as needed. The Committee shall have the full power of the Board in between meetings of the Board except for the hiring or termination of the President and shall report its actions to the Board at its next meeting. The membership of the Committee shall be the Chair, Vice-Chair, Past Chair and up to two of the Chairs of the standing committees of the Board as designated by the Chair of the Board. The President and General Counsel/Secretary shall serve as staff to the committee.

In addition to serving on committees, Board members also serve on the governing boards of other bodies. These other bodies include:

A. Auraria Higher Education Center

The purpose of this enterprise is to support the University, Community College of Denver, and the University of Colorado Denver and to facilitate the achievement of their goals and objectives on the Auraria campus.

B. Metropolitan State University of Denver Foundation, Inc.

The purpose of this nonprofit, direct-support corporation is to promote the development and general welfare of the University by receiving, investing, and administering private support.

C. HLC@Metro, Inc.

The purpose this special purpose corporation is to own the hotel and hospitality learning center and provide for its financing, construction, operation, and management.

D. MSCD Roadrunner Recovery and Reinvestment Act Finance Authority

The purpose of this finance authority is to issue bonds necessary to finance the hotel and hospitality learning center project and loan the proceeds to HLC@Metro, Inc. This finance authority is also available for the financing of future projects.

ARTICLE VIII

CONFLICT OF INTEREST

University trustees commonly have a range of professional and personal associations with and interests in other entities. To assure the University's many constituents of the integrity of its endeavors, trustees should avoid situations in which such associations or interests could compromise or reasonably appear to compromise important academic values or the University's business decisions. Accordingly, it is the policy of the University that trustees shall act in a manner

consistent with their responsibilities to the University and avoid circumstances in which their financial or other ties to outside entities could present an actual, potential or apparent conflict of interest or impair the University's reputation.

No policy statement can address specifically every conceivable situation that might entail a conflict of interest. As a general principle, trustees should avoid any actions or situations that might result in or create the appearance of using their association with the University for private gain, according unwarranted preferential treatment to any outside individual or organization, losing independence or impartiality, or adversely affecting the University's reputation or public confidence in its integrity.

A. Presumed Conflicts of Interest

For purposes of this policy, a conflict of interest is presumed to arise when the University has or is considering a transaction or other business relationship with a trustee or a trustee's family member (defined to include a spouse, child or household member) or with an outside entity in which the trustee or family member has a material financial interest. A financial interest is presumed to be material if it entails:

- Any ownership or investment interest (including stock, options, a partnership interest or any other ownership or investment interest) valued at more than \$10,000, except equity in a publicly traded company amounting to less than a 5 percent ownership interest in the company;
- Receipt of non-dividend compensation (including salary, consulting fees, royalty payments or other remuneration) of more than \$10,000 in any 12-month period in the past three years, or the expectation of such compensation in the future;
- Real property, personal property, intellectual property or any other interest valued at \$10,000 or more;
- A position of real or apparent authority in an outside entity, such as director, officer, trustee, or partner.
- Notwithstanding the foregoing, if a Board member believes he or she has a conflict of interest even if the amount in question is less than \$10,000, he or she shall notify the Governance Committee, which shall review the matter pursuant to this Article VIII.

A trustee is not deemed to have a material financial interest in a publicly traded entity by reason of an investment in that entity by another publicly traded entity, such as through a mutual fund, of which the trustee does not control investment decisions.

A conflict of interest may also arise when a trustee or family member has or is considering an investment in an entity, such as a fund or partnership, that is not publicly traded and in which the University has or is considering an investment. Because such parallel investments may create at least an appearance that the trustee is benefiting from the

University's participation in the entity, trustees should promptly disclose to the board any material financial interest in any such entity in which the trustee otherwise knows the University has or is considering an investment. Ordinarily, the trustee should not participate in any decision of the board or of any board committee regarding such investment by the University; such participation may, however, be permitted upon a finding, by vote of two-thirds of the trustees present at a duly constituted board meeting, that the interests of the University fully warrant such participation.

B. Disclosure of Financial Interests

A trustee who has a known material financial interest in a pending or proposed transaction or business arrangement involving the University shall promptly disclose to the board the existence of the interest and other material information that the trustee may have regarding the transaction or arrangement. In addition, each trustee shall annually sign and submit to the secretary of the University a statement disclosing all material financial interests, known to the trustee, of the trustee or a family member, in any outside entity with which the trustee knows the University has or is considering a transaction or other business relationship, or affirming that the trustee knows of no such interests.

C. Determination Whether Conflict of Interest Exists

The secretary shall review annual disclosure statements to determine whether a material financial interest has been disclosed. If a material financial interest has been disclosed, the secretary shall promptly submit to the chair of the board Governance Committee or, if the interests involve the chair of the Governance Committee, another member of the Governance Committee, such disclosure forms together with any additional information about the current or proposed transaction or business relationship that may give rise to a conflict of interest that the secretary in consultation with the Governance Committee believes may be informative.

The Governance Committee shall review the matter and determine whether there is a conflict of interest. If the interests being reviewed involve a member of the Governance Committee, the member shall not participate in or be present during the committee's consideration of the matter except as requested by the committee to answer questions or provide information. The Governance Committee may review such information as it deems pertinent, including posing questions to the interested trustee involved. If the Governance Committee determines that there is a conflict of interest, it shall so advise the interested trustee, who shall have an opportunity to address the matter with the Governance Committee. If the Governance Committee or the trustee involved believes that to do so is indicated, the matter may be referred to the board.

If a conflict of interest determination is referred to the board, either following review by the Governance Committee or if disclosure is made in the first instance to the board (for

example, where a trustee becomes aware of a possible conflict of interest during or just before a meeting of the board), unless the trustee elects recusal, the board shall decide whether a conflict of interest exists. The board may question the interested trustee, and the trustee shall have an opportunity to address to the board whether there is a conflict. The interested trustee shall leave the board meeting while the disinterested members of the board determine, by majority vote, whether the financial interest gives rise to a conflict of interest. If it is determined that no conflict of interest exists, the interested trustee may rejoin the meeting and participate fully in the discussion of and vote on the proposed transaction or arrangement.

D. Consideration of Matters Involving Conflict of Interest

If the board determines that a trustee has a conflict of interest in a matter before the board, the board may permit the interested trustee to make a presentation regarding the matter, but the interested trustee shall be required to leave the meeting prior to the discussion of, and the vote on, the proposed transaction or arrangement. The board shall approve the transaction or arrangement only upon a finding, by a majority vote of the disinterested trustees, that the transaction or arrangement is in the University's best interest, is for the University's benefit, and is fair and reasonable to the University. The board may engage such consultants as it deems necessary or useful to assist its determination of these issues.

E. Record of Proceedings

Whenever the board holds a meeting at which a trustee's financial interest in a matter is disclosed, a determination regarding the existence of a conflict of interest is made, or a transaction or arrangement with respect to which a trustee has a conflict of interest is considered, the board's consideration of these issues shall be reflected in the minutes of the meeting.

F. Gifts

Trustees shall not encourage or accept gifts, favors or gratuities, for themselves or family members, from any individual or entity that to the trustee's knowledge has, or seeks to have, a business relationship with the University.

G. Appropriation of University Opportunities

If a trustee becomes aware of a business, investment or other potentially valuable opportunity that rightfully belongs to the University, and not to the trustee individually or another entity with which the trustee is affiliated, the trustee shall bring the opportunity to the attention of the board.

H. Confidentiality

Trustees may not use confidential information acquired as a result of service to the University for any purpose unrelated to University business, or provide such information to any third party, without the consent of the board. Wrongful use of University information includes, but is not limited to, use or disclosure of information to engage, invest or otherwise participate in any business, project, venture or transaction other than through the University.

I. Actions Not Void or Voidable

No transaction or action undertaken by the University shall be void or voidable, or may be challenged as such by an outside party, by reason of having been undertaken in violation of this policy or the principles set forth herein.

ARTICLE IX

INDEMNIFICATION

The University shall indemnify any Board member who is a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of service as a Board member against expenses and judgments if the person acted in good faith and in a manner reasonably believed to be in or not opposed to the interests of the University, and with respect to any criminal action or proceedings, had no reasonable cause to believe the conduct was unlawful.

ARTICLE X

EXPENSE REIMBURSEMENT

Board members may be reimbursed for reasonable and necessary expenses incurred in the performance of Board duties.

ARTICLE XI

NECESSARY POLICIES AND PROCEDURES

The Board has the responsibility and authority to promulgate Board policy by resolution or otherwise.

ARTICLE XII

AMENDMENT AND REPEAL OF BYLAWS

These Bylaws may be amended or repealed, consistent with the law, at any meeting of the Board by majority vote, so long as written notice is given to each Board member prior to the meeting at which such amendment or repeal is to be considered.