

March 29, 2006

Molly Miller Winter
Director of Management Division and Parking Services
City Of Boulder
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Boulder, Colorado 80302
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2229 Broadway
Boulder, Colorado 80302
303-443-3933
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www.hvsinternational.com

Re: Proposed Hotel and Convention Center
Boulder, Colorado

Dear Mrs. Winter:

Pursuant to your request, we are pleased to enclose a proposal for our services pertaining to the above-captioned property. The proposal sets forth a description of the objectives and scope of the assignment, along with a detailed description of the methodology to be employed, an estimate of the time requirements, and a schedule of professional fees. The proposal also includes a list of requested information we would require for completing the study.

Additionally, for your convenience we have enclosed two copies of the confirmation letter detailing this proposal. If the proposal meets your acceptance, please sign and return one copy of the accompanying confirmation, together with your retainer check; the second copy is for your files. If you have any questions regarding the contents of the proposal, please do not hesitate to contact me. We look forward to working with you on this assignment.

Very truly yours,
HVS INTERNATIONAL
Division of H&R Valuation Services, Inc.



Gregory P. Hartmann, MAI, CHA
Managing Director

GP:lc

enclosures

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Specialists in Hotel Consulting
and Appraisal Worldwide



CONFIRMATION

Client: Molly Miller Winter
City Of Boulder
Date: March 29, 2006

Your signature beneath the words "Agreed to and Accepted" signifies your agreement to employ the HVS International division of H&R Valuation Services, Inc. for the services described in the accompanying proposal titled " Proposal for a Market Overview". A summary of the proposal's salient data is as follows:

Type of Assignment:	Market Overview
Property Name:	Proposed Hotel and Convention Center
Property Location:	Boulder, Colorado
Total Timing (Phases I, II, III):	15 to 20 days
Total Fee (Phases I, II, III):	\$2,500
Number of Final Copies:	3
Retainer:	

In order to schedule our assignments and perform your study in accordance with the timing set forth above, we ask that you return an executed copy of this agreement by April 14, 2006.

Payment must be made in U.S. dollars, using either a check drawn on a U.S. bank or a wire transfer of funds to the account of H&R Valuation Services, Inc. In the event that after completing the fieldwork phase of this assignment it becomes necessary to alter the parameters of the study, such as the property description, financial, management or ownership structure, or any other factor which could change the final projections, the HVS International division of H&R Valuation Services, Inc. will be entitled to charge an additional fee based on our current per diem rates and the time required to incorporate the necessary changes into our analysis and reports. In addition, the estimate of timing will be extended by an amount equal to the added work. Notwithstanding the fee payment schedule set forth above, if, at any time while performing this assignment, it becomes necessary to suspend work for a period of 30 days or more, then the HVS International division of H&R Valuation Services, Inc. will be entitled to bill for the portion of the assignment completed up to the suspension (less any retainer paid) at its current per diem rates.

It is agreed that the liability of the HVS International division of H&R Valuation Services, Inc., its employees and anyone else associated with this assignment is limited to the amount of the fee paid as liquidated damages. You acknowledge that any opinions, recommendations, and conclusions expressed during this assignment will be rendered by the staff of H&R Valuation Services, Inc. acting solely as employees and not as individuals. Any responsibility of HVS International is limited to the client, and use of our product by third parties shall be solely at the risk of the client and/or third parties. The study described in this proposal will be made subject to certain assumptions and limiting conditions. A copy of our normal assumptions and limiting conditions will be provided upon request.

HVS INTERNATIONAL
Division of H&R Valuation Services, Inc.

Gregory P. Hartmann, MAI
Managing Director

AGREED TO AND ACCEPTED: Molly Miller Winter, City Of Boulder

By: _____ Date: _____



Proposal for a Market Overview

Proposed Hotel and Convention Center

Boulder, Colorado

Submitted to:

Molly Miller Winter
Director of Management Division and Parking Services
City Of Boulder
1500 Pearl Street
Suite 302
Boulder, Colorado 80302
(303) 413-7317
(303) 413-7301 FAX
winterm@ci.boulder.co.us

Prepared by:

HVS INTERNATIONAL
Division of H&R Valuation Services, Inc.
2229 Broadway
Boulder, Colorado 80302
(303) 443-3933
(303) 443-4186 FAX

March 29, 2006



Proposal for a Market Overview

Pursuant to our conversation, we are pleased to submit this proposal for services of the HVS International division of H&R Valuation Services, Inc. in connection with the Proposed Hotel and Convention Center, Boulder, Colorado. This letter sets forth a description of the objectives and scope of the assignment, along with the methodology to be employed, an estimate of the time requirements, and a schedule of professional fees.

Objective	The objective of this assignment is to perform a market overview for the purpose of evaluating the market demand, analyzing the economics, reviewing the market wide hotel performance and describe the current environment for hotel development in the City of Boulder, Colorado. Documentation of our findings will be set forth in a brief letter overview of regarding the Boulder Hotel Market.
HVS Software	All of our analyses will be made using HVS Software, a sophisticated computerized package of programs developed for the Appraisal Institute by HVS International.
Personalized Support	Upon submission of our study, members of HVS International will be available to meet with you and/or any third party to go over our analysis and conclusions. This personalized support enhances the credibility of our findings and assists you in achieving your objectives.
Unique Qualification Consulting	Your assignment will be performed by HVS associates who specialize exclusively in hospitality-related consulting. All possess a unique combination of actual industry operating experience and real estate valuation cross training. Most have degrees from leading hotel management schools.
Timing	We anticipate that all phases will be completed within approximately 15 to 20 days from the date we receive the signed proposal.
Professional Fees	Our fee for the fieldwork, analysis and preparation of the market study report will be \$2,500, payable prior to delivery of the market overview in its

final, signed format. It is our normal policy to provide a draft copy of our final letter for your review. Upon your approval of this draft letter, we will commence printing the final letter, which will be delivered to you when our invoice for services has been paid in full.

Restrictions on Use of Unpaid Draft Reports

Until the time that all of our professional fees and other charges have been paid in full, the draft report, which is provided to you as a professional courtesy, remains the intellectual property of HVS International and shall not be utilized in attempting

- a) to obtain financial capital (whether debt or equity);
- b) to further any litigation, mediation, or arbitration processes; or
- c) to assist the client in any cause, action, or endeavor.

If HVS International has not been paid in full for its outstanding professional fees and other charges, and the draft report is used in violation of this agreement, HVS International will be entitled to seek injunctive relief, monetary damages, and the cost of attorney fees and collection expenses.

Payment Due Dates

If payment for professional fees and out-of-pocket travel and related expenses is not received within thirty (30) days of the billing date, HVS International reserves the right to suspend all work until payment is made and apply a service charge of 1.5 percent per month or fraction thereof to the total unpaid sum. It is further agreed that in the event any type of action becomes necessary to enforce collection of bills rendered, you will be responsible for all collection costs, including but not limited to court costs and reasonable legal fees. It is understood that HVS International may extend the time for payment on any part of billings rendered without affecting the understanding outlined above.

Collection of Outstanding Professional Fees

The parties to this contract agree that any disputes regarding professional fees and/or other charges owed to HVS International will be resolved in accordance with Colorado law. The parties to this contract further agree that a) any legal action regarding money owed to HVS International will take place in Colorado; b) Colorado courts have exclusive jurisdiction for resolution of disputes; and c) the plaintiff will have the choice of venue in any county in the State of Colorado.

Limitations of Liability

It is agreed that the liability of HVS International, its employees and anyone else associated with this assignment is limited to the amount of the fee paid as liquidated damages. You acknowledge that any opinions, recommendations and conclusions expressed during this assignment will be rendered by the staff of the Boulder office of HVS International acting solely as employees and not as individuals. Any responsibility of HVS International is limited to the client, and use of our product by third parties shall be solely at the risk of the client and/or third parties.

The study described in this proposal will be made subject to certain assumptions and limiting conditions. A copy of our normal assumptions and limiting conditions will be provided upon request.

If the foregoing proposal meets with your acceptance, please sign and return one copy of the accompanying confirmation. Your signature beneath the words "Agreed to and Accepted" signifies your agreement to employ the HVS International division of H&R Valuation Services, Inc. for these services.

In order to schedule our assignments and perform your study in accordance with the timing set forth above, we ask that you return an executed copy of this agreement by April 14, 2006.

We appreciate the opportunity of submitting this proposal and look forward to working with you.

Very truly yours,
HVS INTERNATIONAL
A Division of H&R Valuation Services, Inc.



Gregory P. Hartmann, MAI
Managing Director

GP:lc