

**RESOLUTION OF THE BOARD OF DIRECTORS
of the
DENVER UNION STATION PROJECT AUTHORITY**

**AUTHORIZING ITS PROSPECTIVE INTENT TO UNDERTAKE AN ECONOMIC
DEVELOPMENT AGREEMENT OR OTHER FORM OF AGREEMENT FOR THE
ANNUAL CAPTURE AND USE OF CERTAIN LODGERS' TAX REVENUES
ASSOCIATED WITH ANY HOTEL PROJECT THAT MAY BE DEVELOPED AS
PART OF THE DENVER UNION STATION PROJECT WITHIN THE BOUNDARIES
OF THE DENVER UNION STATION PLAN AREA AND PLEDGING SUCH
REVENUES AS "PLEDGED REVENUES" PURSUANT TO THE MASTER
INDENTURE**

WHEREAS, the Denver Union Station Project Authority (the "Authority") is a nonprofit corporation and instrumentality of the City created as a constituted authority for the purposes of, among other things, financing, equipping, designing, constructing, renovating, maintaining and taking such other action as necessary with respect to the DUS Project; and

WHEREAS, the Denver Downtown Development Authority (the "DDA") is a body corporate and has been duly created, organized, established and authorized by the City and County of Denver (the "City") to transact business and exercise its powers as a downtown development authority, all under and pursuant to the Downtown Development Authority Act, C.R.S. 31-25-801, *et seq.* (the "DDA Act"), the Denver Union Station Plan of Development dated November 25, 2008 ("the "DUS Plan") and the City/DDA Cooperation Agreement dated as of May 5, 2009; and

WHEREAS, the Board of Directors (the "Board") of DUSPA has determined that it is in the best interests of the Authority that the Authority enter into an indenture (the "Master Indenture") to provide for the issuance or incurrence of obligations to finance or refinance the acquisition, construction, equipping or improvement of the DUS Project; and

WHEREAS, the City adopted the DUS Plan under and pursuant to the DDA Act; and

WHEREAS, in accordance with the DUS Plan and the DDA Act, the DDA is authorized to undertake development and redevelopment projects and activities within the boundaries of the DUS Plan Area and to finance such projects and activities in part by utilization of certain Incremental Property Tax Revenues and Incremental Sales Tax Revenues; and

WHEREAS, revenues generated by the City's excise tax imposed on the sale of lodging (the "Lodgers' Tax"), are not designated by the DDA Act to be part of the incremental revenue stream that makes up the Incremental Property Tax Revenues and Incremental Sales Tax Revenues as defined in the Master Indenture; and

WHEREAS, the proposed private redevelopment connected with the DUS Project contemplates the construction and operation of an up-scale, urban hotel (the "Hotel") within the boundaries of the DUS Plan; and

WHEREAS, it also is foreseeable that other hotels could be constructed and operated within the boundaries of the DUS Plan Area; and

WHEREAS, at such time as the Hotel project becomes suitable for development, or any other hotel project in the DUS Plan Area is being developed, in order to assure any future economic benefits to be received by the Authority in connection with the Hotel or other hotels within the boundaries of the DUS Plan Area, the Board desires to set forth in this Resolution its intention to pursue a course of action with the City and the DDA, wherein the parties would negotiate and enter into an economic development agreement or some other form of agreement regarding imposition, collection, remittance and application of the Lodgers' Tax on any such hotel; and

WHEREAS, at such time and upon such demand as is necessary for the approval and construction of any hotel within the boundaries of the DUS Plan Area, the Authority will request the City Council to dedicate to the DUS Project, subject to the City Council's annual appropriation, a percentage of the revenue to be generated by the imposition, collection, remittance and application of the Lodgers' Tax within the boundaries of the Plan Area, at the then-current rate, or by any payment in lieu of such Lodgers' Tax; and

WHEREAS, the Authority also will request the DDA to consent, on an annual basis, to deem the portion of the revenue generated by the Lodgers' Tax that the City has dedicated, on an annual basis, to the DUS Project, to be part of the Pledged Revenues and treated as set forth in the Master Indenture; and

WHEREAS, the Board wishes to delegate to the President and the Vice President of the Board, the authority to negotiate, execute and deliver an agreement with respect to the dedication of such portion of the Lodgers' Tax;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Authority as follows:

1. The President and the Vice President of the Board, working with the Finance Committee of the Board, are hereby authorized to take such steps as they deem necessary to assure that the DUS Project is the beneficiary of any Lodgers' Tax revenue generated within the boundaries of the DUS Plan Area, including requesting the City Council to dedicate to the DUS Project, subject to the City Council's annual appropriation thereof, a percentage of the revenue generated by the imposition, collection, remittance and application of the Lodgers' Tax at the then-current rate, all in accordance with the DDA Act, the Authority's Articles of Incorporation and the Ordinance, as amended from time to time, including working with the City, the DDA and other parties necessary to prepare the essential agreements with respect to the Lodgers' Tax collection and use as the parties determine appropriate, and taking such other and further steps as they shall deem necessary and appropriate, so long as the Board is kept fully apprised of such activities and is in agreement with the actions taken in accordance with paragraph 3 herein.

2. The President and the Vice President of the Board are hereby severally authorized, empowered and directed to do all acts and things required or provided for in connection with the negotiation of the Lodgers' Tax, its imposition, collection, remittance and

application in part to the DUS Project, and to execute and deliver all such additional certificates, instruments, agreements and documents, pay all such fees, charges and expenses and to do all such further acts and things as may be necessary, or in the reasonable discretion of the person acting, desirable and proper, to effect the purposes of this resolution and to cause compliance by the Authority with all the terms, covenants and provisions of any such Lodgers' Tax agreements that may be binding upon the Authority, so long as the Board is kept fully apprised of such activities and is in agreement with the actions taken in accordance with paragraph 3 herein.

3. The Finance Committee shall report to the Board regularly as to the status and activities undertaken with regard to the Lodgers' Tax and the various agreements contemplated by this Resolution. The Board shall, at the time any such report is rendered, provide its consensus of agreement regarding the actions to be taken, which actions are necessary in order to secure the imposition, collection, remittance, and application of the Lodgers' Tax for any hotel project undertaken within the boundaries of the DUS Plan Area, including the Hotel project. The actions to be taken by the President, the Vice President, and the Finance Committee shall be contingent upon the Board's consensus regarding such actions.

4. Any revenue generated by the imposition, collection, remittance and application of a portion of the Lodgers' Tax at the then-current rate that is dedicated annually to the DUS Project (as set forth in paragraph 1, above) shall be designated as "Pledged Revenue" and pledged to the payment of "Obligations" as such terms are defined and as such requirement is set forth in the Master Indenture.

5. All covenants, stipulations, promises, agreements and obligations of the Authority contained in this Resolution shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any director, member, officer or employee of the Authority in his or her individual capacity, and no recourse shall be had for the payment of the principal or interest on the Loans or any other obligations of the Authority or for any claim based thereon or on this resolution, either jointly or severally, against any director, member, officer or employee of the Authority.

RESOLVED by the Board of Directors of the Denver Union Station Project Authority, at a regular meeting this [1st day of April] 2010.

**DENVER UNION STATION
PROJECT AUTHORITY**

By: _____
President, Board of Directors

ATTEST:

By: _____
Secretary

