SFC CLERK RECORDED 06/18/2008

THE BOARD OF COUNTY COMMISSIONERS OF
SANTA FE COUNTY, NEW MEXICO

RESOLUTION NO. 2008-91

DECLARING THE INTENT OF SANTA FE COUNTY, NEW MEXICO, SUBJECT TO THE SATISFACTION OF CERTAIN CONDITIONS, TO ISSUE TAXABLE INDUSTRIAL REVENUE BONDS PURSUANT TO SECTIONS 4-59-1 TO 4-59-16 NMSA 1978 IN AN AMOUNT NOT TO EXCEED $40,000,000, TO BE SECURED SOLELY BY REVENUES GENERATED IN CONNECTION WITH THE PROPOSED PROJECT LOCATED WITHIN THE BOUNDARIES OF SANTA FE COUNTY, NEW MEXICO, FOR THE PURPOSE OF FINANCING THE CONSTRUCTION AND OPERATION OF A FILM AND MULTI-MEDIA PRODUCTION STUDIO IN THE MANNER SET FORTH IN THE PROJECT PLAN PRESENTED TO THE COUNTY.

WHEREAS, Santa Fe County (the "County") is a political subdivision of the State of New Mexico (the "State"); and

WHEREAS, the Board of County Commissioners (the "Board") is the governing body of the County; and

WHEREAS, the New Mexico Legislature has enacted the Industrial Revenue Bond Act (the "Act"), Sections 4-59-1 to 4-59-16 NMSA 1978, which authorizes the County to issue industrial revenue bonds and to acquire projects as defined in the Act; and the County desires to promote industry and develop trade or other economic activity to secure and maintain a balanced and stable economy in the County and to promote public health, welfare, safety, convenience and prosperity; and

WHEREAS, La Luz Holdings, LLC, a New Mexico limited liability company (the "Buyer") and Santa Fe Film and Media Studios Inc., a New Mexico corporation (the "Qualifying Entity") have presented to the County a proposal (the "Project Plan") whereby the County will acquire improved real property located in the County for the purpose of financing the construction and operation of a film and multi-media production studio (the "Project") as defined in the Act; and

WHEREAS, the Project Plan proposes the issuance by the County of its Taxable Industrial Revenue Bonds (Santa Fe Studios Project), Series 2008 (the "Series 2008 Bonds") pursuant to the Act in an aggregate principal amount not to exceed $40,000,000 to finance all or part of the costs of acquisition and installation of the Project and certain costs in connection with the authorization, issuance and sale of the Series 2008 Bonds; and

WHEREAS, the issuance of the Series 2008 Bonds by the County to finance the Project is an inducement for the Project; and

WHEREAS, concurrently with the issuance of the Series 2008 Bonds, the Buyer and the Qualifying Entity will enter into a lease or other financing agreement with the County providing for the payment of lease rentals or payments on the property sufficient to pay the debt service on the Series 2008 Bonds, subject to the prior approval of the Board; and

WHEREAS, the principal of and interest on the Series 2008 Bonds shall be payable solely from lease rentals or payments on the property and shall not be payable from any other funds or revenues of the County; and

WHEREAS, the County desires to indicate its intent, subject to the conditions provided in Section 7 below, to proceed with the issuance of the Series 2008 Bonds for the financing of the Project pursuant to the terms of an ordinance (the "Bond Ordinance"); and

WHEREAS, the County, the Buyer and the Qualifying Entity understand that the adoption of this Resolution shall not obligate the County to issue the Series 2008 Bonds except in full compliance with the terms of the Bond Ordinance adopted by the County prior to the issuance of the Series 2008 Bonds and acceptance and approval of related bond documents in form satisfactory to the County.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS, THE GOVERNING BODY OF SANTA FE COUNTY, NEW MEXICO:

Section 1. Ratification. All actions (not inconsistent with the provisions hereof) heretofore taken by the Board and the officers of the County, related to the purposes of this Resolution be and the same hereby are ratified, approved and confirmed.

Section 2. Project. The Board has been informed that:

A. The Project will consist of land and improvements developed, subleased to and used as film and multi-media production studio facilities by the Buyer and the Qualifying Entity.

B. The maximum aggregate face amount of the obligations to be issued with respect to the Project is $40,000,000.

C. The developers of the Project will be the Buyer and the Qualifying Entity.

D. The location of the Project is Pt. NW4SE4, Pt. NE4SW4, Pt. NW4SW4, Pt. SW4SW4, Pt. SE4SW4, and Pt. SW4SE4, of Section 36, Township 16

North, Range 8 East, N.M.P.M., Santa Fe County, New Mexico, containing 65.58 acres, more or less.

Section 3. Interest on Bonds to be Taxable. The County understands that the Buyer and the Qualifying Entity do not intend that interest on the Series 2008 Bonds be excludable from the gross income of the holders of the Series 2008 Bonds under the Internal Revenue Code of 1986, as amended.

Section 4. Intent to Issue Bonds. In order to promote the local health and general welfare, safety, convenience and prosperity of the inhabitants of the County, it is the intent of the Board to take all necessary and advisable steps to effect the issuance of the Series 2008 Bonds, in a principal amount not to exceed $40,000,000 in order to defray part or all of the costs of the acquisition and installation of the Project, provided that this expression of intent is conditioned upon the issuance of the Series 2008 Bonds on or before one year after the date of the adoption of this Resolution, and further provided that issuance of the Series 2008 Bonds is subject to the conditions described in Section 7 hereof.

Section 5. Limited Obligations. The Series 2008 Bonds shall be special limited obligations of the County, payable solely from the revenues of the Project, and shall not constitute a debt or indebtedness of the County within the meaning of any provision or limitation of the Constitution or statutes of the State and shall not constitute or give rise to a pecuniary liability of the County. Nothing contained in this Resolution or in any other instrument shall be construed as obligating the County to any pecuniary liability or a charge upon the general credit of the County or against its taxing power, it being understood that no costs are to be borne by the County and that all costs incurred by the County in connection with the Series 2008 Bonds are to be promptly reimbursed by the Buyer and the Qualifying Entity.

Section 6. State Tax Matters. The County intends to acquire the Project in its name, and for such acquisition, intends that the Buyer and the Qualifying Entity act as agents for the County in the procurement of construction services, other services, tangible personal property which becomes an ingredient or component part of the Project and other personal property necessary for constructing and equipping the facilities comprising the Project, and for such acquisitions the County will, consistent with New Mexico Taxation and Revenue Department Regulation 3.2.212.22 NMAC and New Mexico state law, deliver the necessary Type 9 Nontaxable Transaction Certificates (the "Certificates") to the Buyer and the Qualifying Entity for delivery to vendors as may be applicable under the New Mexico Gross Receipts and Compensating Tax Act.

Section 7. Issuance of Bonds Conditioned upon Full Review and Approval. The issuance of the Series 2008 Bonds and the execution and delivery of any documents to which the County is a party in connection therewith shall be subject to, and specifically conditioned upon, a review of the Project and a Project Plan by the County in the normal course. Issuance of the Series 2008 Bonds will be subject to the approval and authorization by the Board pursuant to the Bond Ordinance and approval by the Board of

County Commissioners of any documents related to the Bonds. The County Clerk is hereby authorized to cause to be published notice of intent to adopt a Bond Ordinance substantially in the form of Exhibit "A" attached hereto and made a part hereof at least fourteen (14) days prior to the public meeting at which the Board will consider the Bond Ordinance, such public notice is to specify the time, date and location of the Board's meeting. In connection with this Resolution, the Board has been informed that the Buyer and the Qualifying Entity have expressed their understanding that a failure or refusal of the Board, however arising, to adopt the Bond Ordinance will have the effect of voiding any benefits of the Buyer and the Qualifying Entity under the Act, including voiding the Certificates issued to the Buyer and the Qualifying Entity for capital equipment purchases and making such purchases subject to whatever tax would be due if such Certificates had not been issued.

Section 8. Further Steps. The County Manager and other appropriate County officials are hereby authorized and empowered to take such steps and to do such things as may be necessary to achieve the purposes of this Resolution.

Section 9. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of that section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 10. Repealer. All orders and resolutions, or parts thereof, in conflict with this Resolution are repealed; this repealer shall not be construed to revive any order, resolution, or part thereof, heretofore repealed.

Section 11. Effective Date. This Resolution shall take effect immediately upon its adoption and approval by the Board.

ADOPTED AND APPROVED this 10th day of June, 2008.

THE BOARD OF COUNTY COMMISSIONERS OF SANTA FE COUNTY, NEW MEXICO

By ______________________________
Jack Sullivan, Chairman
Board of County Commissioners

[SEAL]

______________________________ VT
Valerie Espinoza, County Clerk

Approved as to form:

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Stephen C. Ross, County Attorney

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC RESOLUTIONS
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I Hereby Certify That This Instrument Was Filed for Record On The 18TH Day Of June, A.D., 2008 at 10:14 And Was Duly Recorded as Instrument # 1529323 Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Valerie Espinoza
Deputy ______________ County Clerk, Santa Fe, NM

SFC CLERK RECORDED 06/18/2008

<u>**EXHIBIT "A"**</u>

FORM OF NOTICE OF INTENT TO ADOPT INDUSTRIAL REVENUE BOND ORDINANCE FOR PUBLICATION

Santa Fe County, New Mexico
Notice of Intent to Adopt Industrial Revenue Bond Ordinance

Notice is hereby given of the title and general subject matter contained in an ordinance which the Board of County Commissioners of Santa Fe County, New Mexico, the governing body of the County, intends to adopt at a regular meeting on June 24, 2008 at the hour of 10:00 a.m. in the Commission Chambers, 102 Grant Avenue, Santa Fe, New Mexico relating to the authorization, issuance and sale by Santa Fe County, New Mexico of its industrial revenue bonds.

The title of the proposed Ordinance is:

ORDINANCE

AUTHORIZING THE ISSUANCE AND SALE, PURSUANT TO SECTIONS 4-59-1 TO 4-59-16 NMSA 1978, OF THE SANTA FE COUNTY, NEW MEXICO TAXABLE INDUSTRIAL REVENUE BONDS (SANTA FE STUDIOS PROJECT), SERIES 2008 IN A PRINCIPAL AMOUNT NOT TO EXCEED $40,000,000 TO PROVIDE FUNDS TO FINANCE THE CONSTRUCTION AND OPERATION OF FILM AND MULTI-MEDIA PRODUCTION STUDIO FACILITIES IN THE COUNTY; PROVIDING THAT THE BONDS SHALL BE PAYABLE SOLELY FROM RENTS OR PAYMENTS FROM THE PROPERTY AND NOT FROM COUNTY FUNDS OR REVENUES; AUTHORIZING THE EXECUTION AND DELIVERY OF A LEASE AGREEMENT FOR THE PROJECT AND AN INDENTURE OF TRUST IN CONNECTION WITH THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT AND OTHER AGREEMENTS AND CERTIFICATES IN CONNECTION WITH THE BONDS AND THE PROJECT; MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO THE BONDS AND THE PROJECT; RATIFYING CERTAIN ACTIONS TAKEN PREVIOUSLY; AND REPEALING ALL ACTIONS INCONSISTENT WITH THIS ORDINANCE.

As proposed in the Ordinance: (i) the Bonds will be issued under the authority of the New Mexico County Industrial Revenue Bond Act, Chapter 4, Article 59, NMSA 1978, as amended; (ii) the proceeds of the Bonds will finance the acquisition of real property through the acquisition of title to land located in the County, for the purpose of developing and constructing film and multi-media production studio facilities which will constitute an industrial development project (the " Project") for use by La Luz Holdings, LLC, a New Mexico limited liability company (the "Buyer") and Santa Fe Film and Media Studios Inc., a New Mexico corporation (the "Qualifying Entity"); and (iii) the Project will be leased to the Buyer and the Qualifying Entity, on behalf of themselves, their successors and assigns.

Under the terms of a proposed Lease and Purchase Agreement (the "Lease Agreement") between the County, the Buyer and the Qualifying Entity, the Buyer and the Qualifying Entity will be obligated to pay rent for the Project sufficient to pay, when due, the principal of, interest on and redemption price, if any, of the Bonds and to make certain other payments as provided in the Lease Agreement. The Bonds will be issued pursuant to an Indenture (the "Indenture") among the County and a trust depositary. The Bonds will be sold to the Purchasers pursuant to the terms of a proposed Bond Purchase Agreement.

THE PRINCIPAL OF, INTEREST ON AND REDEMPTION PRICE OF THE BONDS WILL NEVER CONSTITUTE AN INDEBTEDNESS OF THE COUNTY WITHIN THE MEANING OF ANY PROVISION OR LIMITATION OF THE CONSTITUTION OR LAWS OF THE STATE OF NEW MEXICO. THE BONDS WILL NEVER CONSTITUTE NOR GIVE RISE TO A PECUNIARY LIABILITY OF THE COUNTY OR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWERS.

The Bonds will mature, bear interest, be subject to prior redemption and contain other terms and provisions all in accordance with the Indenture and the Ordinance.

A copy of the Ordinance in draft form is on file in the office of the County Clerk at 102 Grant Avenue, Santa Fe, New Mexico, and will be available for inspection during normal business hours. All members of the public are invited to attend the hearing, and will be provided opportunity to ask questions about, and to express their opinions concerning, the proposed Ordinance.

This notice is given pursuant to Section 4-37-7, NMSA 1978.

Dated: ____________________

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Santa Fe County Clerk