

SANTA FE COUNTY
RESOLUTION 2016 - 116

A RESOLUTION REQUESTING AUTHORIZATION TO MAKE THE BUDGET ADJUSTMENT DETAILED ON THIS FORM

Whereas, the Board of County Commissioners meeting in regular session on _____, did request the following budget adjustment:

Department/ Division: Growth Mgmt/Economic Develop. Fund Name: Economic Development Fund (224)

Budget Adjustment Type: Budget Increase Fiscal Year: 2017 (July 1, 2016 - June 30, 2017)

BUDGETED REVENUES: (use continuation sheet, if necessary)

FUND CODE XXX	DEPARTMENT/ DIVISION XXXX	ACTIVITY BASIC/SUB XXX	ELEMENT/ OBJECT XXXX	REVENUE NAME	INCREASE AMOUNT	DECREASE AMOUNT
224	0546	371	22-00	State Grants / NM Economic Development	\$ 100,000	
TOTAL (IF SUBTOTAL, check here) →					\$ 100,000	\$

BUDGETED EXPENDITURES: (use continuation sheet, if necessary)

FUND CODE XXX	DEPARTMENT/ DIVISION XXXX	ACTIVITY BASIC/SUB XXX	ELEMENT/ OBJECT XXXX	CATEGORY/LINE ITEM NAME	INCREASE AMOUNT	DECREASE AMOUNT
224	0546	436	5003	Contractual / Professional	\$ 100,000	
TOTAL (IF SUBTOTAL, check here) →					\$ 100,000	\$

Requesting Department Approval: Carole Tava Miller Title: Finance Director Date: 9-29-16
 Finance Department Approval: Carole Tava Miller Date: 9/29/16 Entered by: _____ Date: _____
 County Manager Approval: Katherine Lopez Date: 10-11-16 Updated by: _____ Date: _____

SANTA FE COUNTY

RESOLUTION 2016 - 116

ATTACH ADDITIONAL SHEETS IF NECESSARY

DEPARTMENT CONTACT:

Name: Carole Jaramillo Dept/Div: CMO/Finance for GMD Phone No: 986-6375

DETAILED JUSTIFICATION FOR REQUESTING BUDGET ADJUSTMENT (If applicable, cite the following authority: State Statute, grant name and award date, other laws, regulations, etc.):

1) Please summarize the request and its purpose

The State of New Mexico awarded STAR Cryoelectronics \$100,000 to expand its existing operations to allow for thin-film device fabrication, including sensors, custom foundry service, and detectors for spectrometer systems. Santa Fe County adopted Ordinance 2016-6, approving the \$100,000 from the State Economic Development Department for the STAR Cryoelectronics LEDA expansion.

a) Employee Actions:

Line Item	Action (Add/Delete Position, Reclass, Overtime)	Position Type (permanent, term)	Position Title

b) Professional Services (50-xx) and Capital Category (80-xx) detail:

Line Item	Detail (what specific things, contracts, or services are being added or deleted)	Amount
224-0546-436-5003	LEDA Project Participation Agreement for Star Cryoelectronics	\$ 100,000

2) Is the budget action for RECURRING expense _____ or for NON-RECURRING (one-time only) expense X

SANTA FE COUNTY

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ATTACH ADDITIONAL SHEETS IF NECESSARY

DEPARTMENT CONTACT:

Name: Carole Jaramillo Dept/Div: CMO / Finance Phone No: 986-6375

DETAILED JUSTIFICATION FOR REQUESTING BUDGET ADJUSTMENT (If applicable, cite the following authority: State Statute, grant name and award date, other laws, regulations, etc.):

3) Does this request impact a revenue source? If so, please identify (I.E. General Fund, State Funds, Federal Funds, etc.), and address the following:

a) If this is a state special appropriation, Yes No X
If YES, cite statute and attach copy.

b) Does this BAR include state or federal funds? Yes X No
If YES, please cite and attach copy of statute, if a special appropriation, or include grant name, number, award date and amount, and a copy of a award letter and proposed budget.

c) Is this request a result of Commission action? Yes X No
If YES, please cite and attach a copy of supporting documentation (i.e. Minutes, Resolution, Ordinance, etc.).

Ordinance #2016-6

Ordinance Name: THE STAR CRYOELECTRONICS LOCAL ECONOMIC DEVELOPMENT ACT (LEDA) PROJECT ORDINANCE

Executed Date: September 13, 2016

Amount: \$100,000

d) Please identify other funding sources used to match this request.

There are no other funding sources to match this request.

RESOLUTION 2016 - 116

NOW, THEREFORE, BE IT RESOLVED by the Board Of County Commissioners of Santa Fe County that the Local Government Division of the Department of Finance and Administration is hereby requested to grant authority to adjust budgets as detailed above.

Approved, Adopted, and Passed This 11th Day of October 2016

Santa Fe Board of County Commissioners

Miguel M. Chavez
Miguel M. Chavez, Chairperson

ATTEST:

Geraldine Salazar
Geraldine Salazar, County Clerk



COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss
BCC RESOLUTIONS
PAGES: 18
I Herby Certify That This Instrument Was Filed for
Record On The 12TH Day Of October, 2016 at 09:30:34 AM
and Was Duly Recorded as Instrument # 1806830
Of The Records Of Santa Fe County

Witness My Hand And Seal Of Office
Geraldine Salazar
Deputy *Gina Harrell* County Clerk, Santa Fe, NM



THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY

ORDINANCE NO. 2016- 6

**THE STAR CRYOELECTRONICS
LOCAL ECONOMIC DEVELOPMENT ACT (LEDA) PROJECT ORDINANCE**

IT IS HEREBY ORDAINED by the Board of County Commissioners of Santa Fe County as follows:

1. **SHORT TITLE.** This Ordinance shall be cited as the "The STAR Cryoelectronics LEDA Project Ordinance" and shall be referred to herein as "the Ordinance" or "this Ordinance."

2. **AUTHORITY.** This Ordinance is enacted pursuant to N.M. Const., art. IX, Section 14(D), LEDA, and the Santa Fe County Economic Development Ordinance, Ordinance No. 2014-7.

3. **DEFINITIONS.**

- a. "Board" means the Board of County Commissioners of the County.
- b. "County" means Santa Fe County.
- c. "EDD" means the New Mexico Economic Development Department.
- d. "LEDA" means the Local Economic Development Act, NMSA 1978, Chapter 5, Article 10.
- e. "PPA" or "Project Participation Agreement" means the Project Participation Agreement between the County and STAR concerning the economic assistance to be provided by the County for the Project.
- f. "Project" means the plan, design, construction, and equipping of a modular clean room at the Property, to include a chilled water supply, power upgrade and electrical services, and a new sewer line or such other capital expenditures for buildings and infrastructure at or for the Property as may be approved by EDD and the County Manager in writing.
- g. "Property" means the real property at which STAR Cryoelectronics is located: 25-A/B/C, Bisbee Court, Santa Fe, NM 87508.
- h. "STAR" means STAR Cryoelectronics, a New Mexico corporation.

4. **FINDINGS.**

- a. STAR has submitted an application for economic assistance pursuant to Section V(C) of the Santa Fe County Economic Development Ordinance, Ordinance No. 2014-7.
- b. The Board has reviewed the application and hereby determines that the Project warrants the economic assistance set forth in this Ordinance and the PPA based upon the following, among other, factors:

i. STAR is a qualifying entity under LEDA, in that it is “an industry for the manufacturing, processing or assembling of agricultural or manufactured products” (NMSA 1978, § 5-10-3(I)(1));

ii. STAR is an expanding business in Santa Fe County that proposes to create 11 permanent jobs by July 1, 2021;

iii. The economic benefits of the Project, including the permanent jobs, represent adequate return on the public investment of \$100,000 in the Project; and

iv. The economic assistance to be provided under this Ordinance and PPA is permissible under LEDA, in that it represents the provision of a grant for buildings and/or infrastructure. NMSA 1978, § 5-10-3(D) (defining “economic development project” as, among other things, “the provision of direct loans or grants for land, buildings or infrastructure”).

5. APPROVAL OF PROJECT AND PROJECT PARTICIPATION AGREEMENT. Subject to the contingencies set forth in Section 7 of this Ordinance, the Board hereby approves of the Project and the PPA.

6. ECONOMIC ASSISTANCE TO BE PROVIDED. Subject to the provisions of this Ordinance and the PPA, the County shall grant to STAR \$100,000 for the Project.

7. CONTINGENCIES. The economic assistance to be provided under this Ordinance and the PPA are contingent upon the following:

a. EDD’s approval of the County’s application for a \$100,000 LEDA grant for the Project;

b. EDD and the County entering into an Intergovernmental Agreement, pursuant to which EDD grants \$100,000 to the County for the Project;

c. STAR:

i. granting the County a mortgage on one or more of the units comprising the Property, the value of which is determined by EDD to be adequate to secure repayment of the economic assistance to be provided and other amounts that may become due under this Ordinance and the PPA, based upon one or more appraisals paid for by STAR and performed by an appraiser mutually acceptable to STAR and the County or other methodology approved by EDD in writing; or

ii. providing the County with such other security for the repayment of the economic assistance to be provided and other amounts that may become due under this Ordinance and PPA as is acceptable to EDD and the County Manager;

d. The Project receiving all necessary development permits and approvals under the Santa Fe County Sustainable Land Development Code; and

e. The PPA being fully executed by both parties.

These contingencies must be met by December 31, 2016, or the County’s approval of the Project and PPA is void.

8. DELEGATION OF AUTHORITY TO THE COUNTY MANAGER. The Board hereby delegates to the County Manager the authority to:

a. sign on behalf of the County all applications and other documents required to be submitted to EDD for purposes of applying for a LEDA grant for the Project;

b. execute on behalf of the County an Intergovernmental Agreement between the County and EDD pursuant to which EDD grants \$100,000 to the County for the Project;

c. execute on behalf of the County the PPA; provided, however, that the County Manager may negotiate changes to the PPA so long as the changes do not (i) change the job creation requirements for the Project; (ii) extend the deadline by which jobs must be created; or (iii) commit the County to providing any more economic assistance for the Project; and

d. negotiate and execute on behalf of the County the mortgage or other security to be provided by STAR to secure repayment of the economic assistance and other amounts that may become due under this Ordinance and the PPA.

9. **PROJECT ACCOUNT.** The County Manager shall cause to be established the STAR Cryoelectronics LEDA Project Account, into which shall be deposited \$100,000 and which shall account for all expenditures for the Project.

10. **SEVERABILITY.** If a provision of this Ordinance or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Ordinance that can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are severable.

11. **NO EFFECT ON DEVELOPMENT APPLICATIONS.** The adoption of this Ordinance does not obligate the Board, any County committee, or County staff to approve any application for or issue any development approval or development permit under the Santa Fe County Sustainable Land Development Code. Each such application shall be evaluated on its merits without regard to this Ordinance.

12. **EFFECTIVE DATE.** This Ordinance shall become effective thirty (30) days after it is recorded in the Office of the County Clerk.

PASSED, APPROVED AND ADOPTED THIS 13th DAY OF SEPTEMBER, 2016.

**THE BOARD OF COUNTY COMMISSIONERS
OF SANTA FE COUNTY**

By: Miguel M. Chavez
Miguel M. Chavez, Chairperson

ATTEST:
Geraldine Salazar
Geraldine Salazar
County Clerk



APPROVED AS TO FORM:
Gregory S. Shaffer
Gregory S. Shaffer
County Attorney

**LEDA PROJECT PARTICIPATION
AGREEMENT FOR
THE STAR CRYOELECTRONICS**

This Project Participation Agreement (“Agreement” or “PPA”) is entered into by and between Santa Fe County, New Mexico (“the County”) and STAR, a New Mexico corporation (“the Project Party” or “STAR”), as of the date it is signed by both parties.

1. Recitals.

A. Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the STAR Cryoelectronics LEDA Project Ordinance.

B. Pursuant to LEDA, the County adopted the Santa Fe County Economic Development Ordinance, Ordinance No. 2014-7, authorizing the County to consider applications for economic assistance.

C. The Project Party has submitted an application to the County for economic assistance under the Santa Fe County Economic Development Ordinance. (Attachment 1.) In the application, the Project Party has requested funding for the Project.

D. The County has adopted The STAR Cryoelectronics LEDA Project Ordinance, finding, among other things, that the Project Party is a qualifying entity as defined in Section 5-10-3(I)(1) NMSA 1978 and approving this Agreement.

2. Economic Assistance to be Provided. The County shall grant \$100,000 to STAR for the Project.

3. Substantive Contribution of the Project Party. Per the LEDA application submitted to the County and in accordance with NMSA 1978, § 5-10-10(B), the Project Party agrees to provide the following substantive contribution in exchange for the economic development assistance set forth in Paragraph 2:

- By July 1, 2021, the Project shall employ a total of ____ permanent, full time employees, as documented in biannual reports to the County as well as required filings with the New Mexico Department of Workforce Solutions. This represents an increase of eleven (11) employees over the number of employees employed by STAR as of the date of this Agreement. The eleven (11) new jobs to be created shall be technician and engineer jobs paying a minimum of \$25/hour.

4. General Terms and Conditions. The economic assistance to be provided under this Agreement is expressly conditioned upon the following general terms and conditions:

a. The Project must obtain all required Development Permits and approvals under the Santa Fe County Sustainable Land Development Code, as applicable;

b. The Project Party must obtain and continuously maintain any necessary permits and other approvals from the State and any other regulatory body necessary for the Project, including a County business license;

c. All conditions set forth in the Intergovernmental Agreement between the County and the EDD concerning the LEDA grant for the Project must be complied with. Without limiting the generality of the foregoing, all expenses for which the Project Party seeks

reimbursement under this Agreement must be capital expenditures for the plan, design, and construction of the Project that are properly reimbursable under the Intergovernmental Agreement and appropriation providing funds for the LEDA grant from EDD to the County;

d. Expenditures for which SFBC seeks reimbursement under this Agreement must be made by the earlier of the date set forth in the Intergovernmental Agreement between the County and EDD or the end of the expenditure period set forth in law for the appropriation providing funds for the LEDA grant from EDD to the County; and

e. The Project Party must be current on all federal, State, and local taxes, including, but not limited to, property taxes to the County.

5. Events of Default; Recovery of Proportionate Share of Economic Development Assistance.

a. The following are Events of Default (i) entitling the County to terminate this Agreement; (ii) causing the amounts set forth in subparagraph b of this Section 5 to be immediately due and payable; and (iii) entitling the County to execute its rights under the mortgage or other agreement securing repayment of amounts due under the Ordinance and this PPA:

i. The failure of STAR to create 11 new permanent, full time technician and engineer jobs by July 1, 2021, that each pay a minimum of \$25/hour;

ii. The failure of STAR to pay when due all federal, State, and local taxes, including property taxes and gross receipts taxes;

iii. The failure of STAR to annually maintain a County business license;

iv. Breach of any covenant or agreement or warranty by STAR to the County, whether such covenant, agreement, or warranty is set forth in this Agreement, the mortgage, or other security agreement;

v. Any attempt by STAR to sell, transfer, or otherwise encumber the Property, without first obtaining written consent of the County Manager;

vi. Abandonment of the Property by STAR;

vii. Development or use of the Property in violation of the Santa Fe County Sustainable Land Development Code;

viii. The filing, execution or occurrence of:

a) A petition in bankruptcy by or against STAR, its lessee, or operator of the Project which remains undismissed or unstayed for sixty (60) calendar days;

b) A petition or answer seeking a reorganization, composition, readjustment, liquidation, dissolution of STAR or other relief of the same or different kind under any provision of the federal Bankruptcy Code, 11 U.S.C., which remains undismissed or unstayed for sixty (60) calendar days;

c) Adjudication of STAR as a bankrupt or insolvent, or insolvency in the bankruptcy equity sense which remains undischarged or unstayed for sixty (60) calendar days;

d) An assignment by STAR for the benefit of creditors, whether by trust, mortgage or otherwise;

e) A petition or other proceeding by or against STAR for the appointment of a trustee, receiver, guardian, conservator or liquidator with respect to all or substantially all of STAR's property which remains undischarged or unstayed for sixty (60) calendar days; or

f) STAR's dissolution or liquidation, or the taking of possession of STAR's property by any governmental authority in connection with dissolution or liquidation; or

viii. A reasonable determination by the County that the property subject to the mortgage described in Paragraph 6 is inadequate or in danger of being impaired or threatened from any cause whatsoever.

b. Should an Event of Default occur and should STAR have not fully met its substantive contribution under Section 3 of this Agreement as of the date of the Event of Default, the following amounts shall be immediately due and payable from STAR to the County:

i. a proportionate share of the economic assistance provided through the date of the Event of Default, calculated as follows: the amount due shall equal (i) the amount of economic assistance provided through the date of the Event of Default multiplied by (ii) the recovery percentage, where the recovery percentage is equal to 1 minus the quotient derived by dividing the number of new full time jobs actually created as of the date of the Event of Default or 11, whichever is less, by 11. By way of example, if \$100,000 of economic assistance had been provided to STAR as of the date of the Event of Default and STAR had created 10 new, full time jobs as of the date of the Event of Default, the amount immediately due and payable from STAR to the County would be \$ 90,909.09; that is, $\$100,000 \times (1 - (10/11))$;

ii. interest on the amount due under Section 5(b)(i) from the date of the Event of Default through the date of payment by STAR at the prime rate on the date of the Event of Default as published by the Wall Street Journal; and

iii. any and all costs and fees incurred by the County in enforcing this Agreement, the mortgage, or other security agreement or collecting amounts due from STAR under this Agreement or the Mortgage, including reasonable attorney's fees.

6. Security Provided by STAR.

a. Prior to receiving any funds from the County, STAR shall execute and deliver to the County a mortgage in a form approved by the County Manager that:

i. Gives the County a security interest acceptable to EDD in one or more of the units comprising the Property, the appraised value of which is determined by EDD to be adequate to secure repayment of the economic assistance to be provided and other amounts that may become due under the STAR Cryoelectronics LEDA Project Ordinance and the PPA, based upon one or more appraisals paid for by STAR and performed by an appraiser mutually acceptable to STAR and the County or other methodology acceptable to EDD, the costs of which shall be borne by STAR. Such units in which a security interest is granted is referred to throughout the remainder of this Agreement as the "Mortgaged Property";

ii. Secures to the County the payment of all amounts due to the County under this Agreement, the Mortgage, and the STAR Cryoelectronics LEDA Project Ordinance; and

iii. Remains in effect until STAR has met its job creation goals, the amounts due to the County under this Agreement, the Mortgage, and the STAR Cryoelectronics LEDA

Project Ordinance have been paid, or the Mortgage has been foreclosed upon, is released due to the County's acceptance of a substitute standby letter of credit provided in accordance with Section 6(b) of this Agreement, or is released in accordance with Section 6(c) of this Agreement due to STAR having achieved the employment requirements set forth in Section 3 of this Agreement.

b. In the event STAR desires to sell, transfer, mortgage or develop the Mortgaged Property prior to the release of the security interest through satisfaction of the employment requirements set forth in Section 3 of this Agreement, STAR shall have the right to substitute a standby letter of credit for the security interest in the Mortgaged Property. The standby letter of credit shall be for the amount secured by the mortgage and issued by a federally insured financial institution reasonably acceptable to the County in a form acceptable to the County. In such event, the mortgage in favor of the County shall be released and proper documents shall be signed, substituting the standby letter of credit for the security interest in the Mortgaged Property.

c. At such time as STAR has satisfied the employment requirements set forth in Section 3 of this Agreement, STAR shall provide written notification to the County that such employment requirements have been satisfied, together with a proposed form release of mortgage. Upon receipt of such notice, the County may require additional information or documentation and may audit the records of STAR to determine whether the employment requirements have been satisfied; provided, however, that STAR has the burden of proving that the employment requirements have been satisfied. Within 60 days after receiving the notice, the County shall determine in writing whether STAR has satisfied its employment requirements. The County shall execute a release of mortgage releasing the Mortgaged Property from the mortgage if:

- i. The County determines that STAR has satisfied the employment requirements; or
- ii. The County fails to timely make its written determination.

d. In lieu of the mortgage described in Section 6(a) of this Agreement, EDD and the County Manager may authorize STAR to provide alternative security. The terms of any such alternative security must be documented in an amendment to this Agreement.

7. Requests for Reimbursement. This section governs STAR's requests for reimbursement for Project costs.

a. STAR shall submit Requests for Reimbursement to the County's Economic Development Manager.

b. STAR may seek reimbursement of costs no more frequently than once per month.

c. STAR may only seek reimbursement of costs that it has already paid, as evidenced by cashed checks or other proof of payment satisfactory to the County.

d. All requests for reimbursement must be made on forms provided by the County, be submitted in accordance with procedures developed by the County, and be supported by such documentation as the County may reasonably require.

e. Submission of a request for reimbursement constitutes STAR's express representation and warranty that all conditions precedent to its reimbursement have been met and that there exists no Event of Default, as defined in Section 5 of this Agreement.

f. The County shall complete the requisite review of each request for reimbursement within fifteen days of receipt of each request. When additional documentation is necessary to support the request for reimbursement, the County shall notify STAR of the need in writing within the fifteen day review period. The County shall have an additional fifteen days to review any additional documentation supplied by STAR.

g. If the County rejects a request for reimbursement, the County shall notify STAR of the rejection and the reasons therefore. If the County approves of the request for reimbursement, reimbursement shall be mailed to STAR within thirty days of approval.

8. Term; Early Termination; Limitation on Damages.

a. This Agreement shall be effective upon the date it is executed by both parties. It shall terminate on July 1, 2021, unless the County terminates the agreement early:

- i. Due to an Event of Default as defined in Section 5 of this Agreement; or
- ii. Due to STAR having met its substantive contribution by creating 11 new full time jobs prior to July 1, 2021.

The County shall provide written notice of early termination to the Project Party in accordance with Sections 15 of this Agreement.

b. In the event of early termination, the County's sole liability shall be to reimburse the Project Party for expenditures made prior to the effective date of termination that are properly reimbursable under this Agreement and the Intergovernmental Agreement between EDD and the County for the LEDA grant. WITHOUT IN ANY WAY LIMITING THE GENERALITY OF THE FOREGOING, IN NO EVENT SHALL THE COUNTY BE LIABLE TO THE PROJECT PARTY FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, OR PUNITIVE DAMAGES OF ANY KIND OR NATURE, WHETHER LIABILITY FOR SUCH DAMAGES IS ASSERTED ON THE BASIS OF CONTRACT, TORT, OR OTHER THEORY, AND REGARDLESS OF WHETHER THE COUNTY HAD BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES PRIOR TO EXECUTION OF THIS AGREEMENT.

9. Reporting and Review; Books and Records; Inspection and Audit.

a. By May 15 and November 15 of each year during the term of this Agreement, the Project Party will submit to the County a project report in such format and containing such information and supporting documentation as the County may reasonably require. At a minimum, each project report shall include the following: a 1-page narrative on project progress and a jobs spreadsheet listing all employees, their titles, and salaries as of the last day of the month preceding the project report. Project reports must be supported by any reports and documentation from the New Mexico Department of Workforce Solutions, including form ES-903, demonstrating the headcount of the operation.

- b. In addition, the Project Party shall:
- i. maintain detailed employment records and Project expenditure records;
 - ii. permit the County to examine and audit its books and records at all reasonable times;
 - iii. furnish such additional information and statements, lists of assets and liabilities, agings of receivables and payables, inventory schedules, budgets, forecasts, tax

returns, and other reports with respect to Project Party's financial condition and business operations as the County may request from time to time; and

iv. provide such additional information and reports as may be necessary for the County to comply with its reporting requirements to EDD.

10. Ratification. The County and the Project Party hereby ratify all actions consistent with this Agreement that the County or the Project Party or their respective agents may have taken in furtherance of the Project.

11. Miscellaneous. This Agreement binds and inures to the benefit of the County and the Project Party and their respective successors and assigns. This Agreement may be amended or modified, and the performance by any party of its obligations hereunder may be waived, only in a written instrument duly executed by the parties. This Agreement may be executed in any number of counterparts, each of which is an original and all of which taken together constitute one instrument. This Agreement is governed by and is to be construed in accordance with the substantive laws of the State of New Mexico, without giving effect to its choice-of-law principles.

12. Merger and Integration Clause. This Agreement contains the entire agreement of the parties with respect to the subject matter hereof. This Agreement supersedes any prior agreements, understandings, or negotiations, whether written or oral.

13. Written Amendments Required. This Agreement may only be amended in writing, which written amendment must be duly executed by all parties.

14. Representations and Warranties of STAR. STAR hereby represents and warrants as follows:

a. STAR is a New Mexico corporation, duly organized and in good standing;

b. The person signing this Agreement has the authority to bind STAR to the terms hereof;

c. This Agreement and the actions contemplated hereunder do not conflict with STAR's Articles of Incorporation, Bylaws, any agreement to which STAR is a party, any law or regulation applicable to STAR, or any court order to which STAR is bound; and

d. Once duly executed by all parties, this Agreement shall be valid and enforceable against STAR according to its terms.

15. Notices. All notices required to given in writing shall be sent by facsimile or regular mail, addresses as follows:

If to County:

County Manager
102 Grant Avenue
PO Box 276
Santa Fe NM 87504-0276
Facsimile: (505) 995-2740

with a copy to

County Economic Development Manager

102 Grant Avenue
PO Box 276
Santa Fe NM 87504-0276
Facsimile: (505) 820-1394

If to STAR:

In the case of mailings, notices shall be deemed to have been given and received upon the date of the receiving party's actual receipt or five calendar days after mailing, whichever shall first occur. In the case of facsimile transmissions, the notice shall be deemed to have been given and received on the date reflected on the facsimile confirmation indicating a successful transmission of all pages included in the writing.

A party may change the person or address to which notice shall be sent by giving the other party written notice of such change in accordance with this paragraph.

16. Termination Clauses Related to Intergovernmental Agreement and LEDA Grant.

a. The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Legislature, the County may immediately terminate this Agreement by giving the Project Party written notice of such termination. The County's decision as to whether sufficient appropriations are available shall be accepted by the Project Party and shall be final. The Project Party hereby waives any rights to assert an impairment of contract claim against the County or EDD or the State of New Mexico in the event of immediate or Early Termination of this Agreement by the County or EDD.

b. This Agreement is funded in whole or in part by funds made available under an EDD Grant Agreement. Should EDD early terminate the grant agreement, the County may early terminate this Agreement by providing the Project Party written notice of such termination. In the event of termination pursuant to this paragraph, the County's only liability shall be to pay the Project Party for acceptable goods delivered and services rendered before the termination date.

17. No Commitment of County Funds. Project Party acknowledges and agrees that the LEDA grant from EDD to the County is the sole and exclusive source of reimbursement for expenditures it occurs for the Project. In no event shall the County be obligated to reimburse the Project Party unless it receives LEDA grant funds from EDD with which to do so.

[THIS SPACE LEFT BLANK INTENTIONALLY]

ATTACHMENT NO. 1 TO PPA

SANTA FE COUNTY LOCAL ECONOMIC DEVELOPMENT ACT (LEDA)
APPLICATION FORM
(IN ACCORDANCE WITH LEDA AS PER ORDINANCE 2014-7)

SFC CLERK RECORDED 10/12/2016
SFC CLERK RECORDED 09/15/2016

Project Requirements for Financial Solvency:

A. History and Background:

1. Applicant name and contact info:
STAR Cryoelectronics, Robin Cantor, President, 505-424-6454
2. Description of project:
Expansion of clean room facilities to support thin-film device manufacturing.
3. Description of specific LEDA request of Santa Fe County:
Requesting \$100,000 to support the costs to acquire a modular clean room, upgrade electrical power to 600A/208V three-phase, install central chilled water unit for cooling water, and add a sewer line connection at the rear of the building for waste water.
4. Description of applicant's experience with the industry in which this project would best fit:
STAR Cryoelectronics has been in business over 17 years, and is a recognized leading supplier of superconducting devices, control electronics, and cryogenic systems.
5. NAICS code: 334516 - Analytical Laboratory Instrument Manufacturing
6. Disclosures including any conflicts of interest or involvement with governmental entities or their officials (explain in writing):
None
7. Is the applicant current with all property taxes due to SF County?
Yes
8. Has the applicant or any of its officers ever filed for bankruptcy? If yes, provide details:
No
9. Has the applicant or any of its officers ever defaulted on any loans or financial obligations? If yes, provide details:
No
10. Does the applicant have any loans or other financial obligations on which payments are not current? If yes, provide details:
No

B. Funding Sources for Project and timeline:

1. Aside from LEDA support from SF County, what other funding sources (public or private) is applicant pursuing?
Private (company) funding of \$25,000.
2. What is the total estimated value of assistance requested by the County?
\$100,000
3. Is a bond issuance requested, and if so, what percentage of the total project cost does the bond amount request represent? No

ATTACHMENT NO. 1 TO PPA

SANTA FE COUNTY LOCAL ECONOMIC DEVELOPMENT ACT (LEDA)
APPLICATION FORM
(IN ACCORDANCE WITH LEDA AS PER ORDINANCE 2014-7)

4. What is the equity investment for applicant?
\$25,000
5. Describe the security that will be provided to Santa Fe County by the applicant in return for public support (lien, mortgage, or other indenture)
Mortgage
6. Describe the schedule for project development and completion, including measurable goals and time limits for those goals.
Year 1: Complete clean room expansion and set up; one new hire
Year 2: Complete ISO certification; three new hires
Year 3: Three new hires
Year 4: Two new hires
Year 5: Two new hires

C. Business Finance Info- please provide the following:

1. Financial statements with independent audits if available, or tax returns for the past three years:
Audited financial statements for 2012, 2013, 2014 attached.
2. List type of business (C-corporation, S corporation, LLC, Partnership, etc) and attach bylaws, articles of incorporation and any other relevant documents
LLC, Certificate of Organization and Articles of Organization attached.
3. Federal tax number, NM Taxation and Revenue number and County business license number if applicable:
EIN: 85-0460916, NMCRS: 02-395842-00-1
4. Three year projected income statements:
Year 1: \$3.0M
Year 2: \$3.5M
Year 3: \$4.0M
5. Business plan complete with detailed assumptions for business and proposed project; Include pro-forma cash flow analysis:
6. Any other document or record that pertains to the financial solvency of the qualified entity that the County deems necessary:

Cost Benefit Analysis and Community Commitment

All qualified entities seeking LEDA support from Santa Fe County will show as a part of their application how the proposed project will benefit Santa Fe County in relation to the relative costs of the project. Please provide an analysis, with both tangible and intangible costs and benefits, and include at a minimum the following:

1. What are the number and types of jobs to be created by the entity?
11 new positions within five years
2. What is the proposed pay scale and payroll proposed by the entity?

ATTACHMENT NO. 1 TO PPA

SANTA FE COUNTY LOCAL ECONOMIC DEVELOPMENT ACT (LEDA)
APPLICATION FORM
(IN ACCORDANCE WITH LEDA AS PER ORDINANCE 2014-7)

\$25/hr to \$45/hr for technician and engineering positions, respectively.

Current Payroll, 2016: \$716k/year

Projected payroll, 2021: \$1.32M

3. Describe efforts made or to be made by the entity to provide employment opportunities to people within the local employment pool:
Most recent new-hire is a veteran and long-time resident of Moriarity.
4. Describe any plans for job/workforce training and/or career development for employees:
Ongoing employee training to improve production efficiency, productivity, and reduce costs.
5. Detail estimated impacts to the local tax base:
This project will add 11 or more new high-wage jobs over the next five years. We anticipate that most of these new hires will live in the county and support the local tax base.
6. Detail any need for additional services from the Sheriff department and Fire department as a result of this project:
None
7. Describe efforts made or to be made by the entity to procure materials and services from local (Santa Fe) providers:
The company currently does business with several Santa Fe businesses and retailers; expenditures in 2015 totaled almost \$56,000. The company paid over \$2,000 in gross receipts taxes on the taxable purchases of these expenditures in 2015.

COUNTY OF SANTA FE)
STATE OF NEW MEXICO) ss

BCC ORDINANCE
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I Hereby Certify That This Instrument Was Filed for
Record On The 15TH Day Of September, 2016 at 02:36:31 PM
and Was Duly Recorded as Instrument # 1804570
of The Records Of Santa Fe County

Deputy *Laura Hernandez* Witness My Hand And Seal Of Office
Geraldine Salazar
County Clerk, Santa Fe, NM

