

THE VILLAGE OF TAOS SKI VALLEY
AMENDED AND RESTATED RESOLUTION NO. 2015-275

AMENDING AND RESTATING RESOLUTION NO. 2015-275 APPROVING THE PETITION AND APPLICATION OF TAOS SKI VALLEY, INC., A NEW MEXICO CORPORATION AS AGENT FOR TWINING DEVELOPMENT LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND SANTANDER HOLDINGS, LLC, A DELAWARE LIMITED LIABILITY COMPANY, TOGETHER WITH TWINING, LLC AND TSV, INC. AND THEIR RESPECTIVE SUCCESSORS, ASSIGNS AND DESIGNEES, FOR FORMATION OF THE TAX INCREMENT DEVELOPMENT DISTRICT (THE "TIDD") PURSUANT TO THE TAX INCREMENT FOR DEVELOPMENT ACT, SECTIONS 5-15-1 THROUGH 5-15-28, NMSA 1978; DETERMINING THAT THERE IS A NEED FOR THE TIDD TO FINANCE PUBLIC INFRASTRUCTURE NECESSARY TO SUPPORT CURRENT AND FUTURE DEVELOPMENT OF THE VILLAGE; MAKING FINDINGS IN CONNECTION WITH THE PETITION AND SUPPORTING DOCUMENTATION REQUESTING APPROVAL OF THE FORMATION OF THE DISTRICT; DETERMINING THE REAL PROPERTY TO BE INCLUDED WITHIN THE DISTRICT AND THE PURPOSES FOR WHICH THE DISTRICT IS BEING FORMED; APPROVING THE APPLICATION, PETITION, AND FEASIBILITY STUDY AND MASTER DEVELOPMENT AGREEMENT FOR IMPLEMENTATION OF THE DISTRICT; RATIFYING THE TAX INCREMENT DEVELOPMENT PLAN APPROVED FOR CONSIDERATION IN CONNECTION WITH THE FORMATION OF THE DISTRICT; DEDICATING 75% OF CERTAIN GROSS RECEIPTS TAX INCREMENT REVENUE GENERATED WITHIN THE DISTRICT AND 75% OF THE *AD VALOREM* PROPERTY TAX INCREMENT REVENUE GENERATED WITHIN THE DISTRICT FOR THE FINANCING OF PUBLIC INFRASTRUCTURE FOR THE DISTRICT, AS PROVIDED IN THE DEVELOPMENT AGREEMENT; RATIFYING THE SUBMITTAL OF AN APPLICATION TO THE STATE BOARD OF FINANCE FOR A DEDICATION OF 75% OF THE STATE GROSS RECEIPTS TAX INCREMENT REVENUE GENERATED WITHIN THE DISTRICT; ESTABLISHING PARAMETERS FOR THE ISSUANCE OF TAX INCREMENT BONDS BY THE DISTRICT; PROVIDING FOR GOVERNANCE OF THE DISTRICT THROUGH THE APPOINTMENT OF MEMBERS OF THE GOVERNING BODY OF THE DISTRICT; PROVIDING THAT TAX INCREMENT REVENUE BONDS OF THE DISTRICT AND OTHER OBLIGATIONS OF THE DISTRICT SHALL NOT BE OBLIGATIONS OF THE VILLAGE OF TAOS SKI VILLAGE; CALLING FOR AN ELECTION ON THE QUESTION WHETHER THE DISTRICT SHOULD BE FORMED AND THE QUESTION WHETHER PROPERTY TAX INCREMENT BONDS SHOULD BE ISSUED; APPROVING FORMS OF NOTICE OF AND PROCEDURES FOR HOLDING THE ELECTION; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTIONS INCONSISTENT WITH THIS RESOLUTION.

WHEREAS, the Legislature of the State has enacted the Tax Increment for Development Act, Sections 5-15-1 through 5-15-28 NMSA 1978, as amended (the "TIDD Act"), pursuant to which the governing body of a municipality may adopt a resolution

authorizing the formation of a tax increment development district (a "TIDD") following a public hearing and based upon certain findings required pursuant to Section 5-15-7 of the TIDD Act.; and

WHEREAS, pursuant to Section 5-15-4(B) of the TIDD Act, the Village Council may, upon its own motion, adopt a resolution declaring its intent to form a tax increment development district based on its finding that a need exists for the formation of a TIDD; and

WHEREAS, pursuant to Section 5-15-6 of the TIDD Act, upon adoption of a resolution indicating an intent to form a TIDD, the governing body of a municipality shall set a date no sooner than 30 days and no later than 60 days after the adoption of the resolution for a public hearing regarding the formation of the TIDD; and

WHEREAS, Taos Ski Valley, Inc., a New Mexico Corporation ("TSV, Inc., as agent for Twining Development LLC, a Delaware limited liability company ("Twining"), and Santander Holdings, LLC, a Delaware limited liability company ("Santander" and together with Twining, LLC and TSV, Inc. and their respective successors, assigns and designees, "TSVI") have submitted to the Village of Taos Ski Valley (the "Village") a plan for the revitalization of the Village through the redevelopment of portions thereof, the construction of roadway, pedestrian, river crossing, water, wastewater and other utility improvements and upgrades necessary to support future development of the Village as a world-class, four-season resort destination (the "Revitalization Project"); and

WHEREAS, TSVI has submitted to the Village a petition and application for the formation of the TIDD (the "TIDD Application"), in conjunction with which the Village will apply to the State Board of Finance for a dedication of 75% of the State Gross Receipts Tax Increment Revenue generated within the tax increment development district; and

WHEREAS, the Application includes a proposed tax increment development plan for the TIDD, including a map of the TIDD (the "TIDD Plan") pursuant to Section 5-15-5 of the Act, which TIDD Plan has been updated with a revised Plan of Finance (attached as Exhibit 2 to the TIDD Plan) and, as amended, has been filed with the Village Clerk; and

WHEREAS, the Application includes the analysis of the feasibility, the financing and the estimated costs of improvements, services and benefits to result from the formation of the proposed TIDD (the "Feasibility Study"); and

WHEREAS, the proposed boundaries of the TIDD encompass the land within the Village on which commercial, retail, construction and other tax-generating activities are expected to occur and increase as a result of the Revitalization Project, and excludes land within the Village on which such activities are not expected to occur; and

WHEREAS, the Village shall consider formation of the TIDD for purposes of financing of public infrastructure serving the TIDD and the Village as a whole (the "Public Infrastructure Project"), including, without limitation, the following improvements to the core Village, Amizette (natural gas improvements), and Kachina areas of the Village: relocation and improvement of the Visitor Drop-Off Facilities currently located at the entrance to the Taos Ski

Valley resort, public plaza improvements, upgrades to existing public parking areas and recreational vehicle parking, river walkway and stream protection and restoration improvements ("Public Space Improvements"), water, water storage, sanitary sewer and storm sewer improvements ("Water and Wastewater Improvements"), road, river crossing and intersection crossing improvements, consisting of bridge construction on Parcel D-G, Sutton Place Crossing, West Burroughs Crossing, Strawberry Hill Crossing, upgrades to Ernie Blake Road and Thunderbird Road, paving improvements to Twining Road and the main road to the Kachina area of the Village, improvements to Strawberry Hill Access Road, improvement of Highway 150 at Village entry, street lights and signage ("Road Improvements"); electric, natural gas and telecommunication utility improvements, including trenching and installation of transmission and distribution lines from the terminal point location in Arroyo Seco to locations within the Village ("Offsite Utility Improvements"); and

WHEREAS, the Applicant has informed the Village that it intends to apply for the formation of the Taos Ski Valley Public Improvement District (the "PID") pursuant to Sections 5-11-1 through 5-11-27 NMSA 1978, as amended (the "PID Act"), for the purpose of financing portions of the Public Infrastructure Project which will not be financed by the TIDD; and

WHEREAS, the Public Infrastructure Project will enable the development of, among other uses, hotel, condominium and vacation rental units subject to the Lodgers' Tax imposed by the Village pursuant to Section 3-38-15 NMSA 1978 at the rate of 5% of the gross taxable rent generated within the Village, of which sixty percent (60%) of the incremental proceeds of may be used, as provided in Section 3-38-21 NMSA 1978 by the Village; and

WHEREAS, the Village and TSVI anticipate that a portion of the Project Infrastructure will be financed by the TIDD's issuance of tax increment revenue bonds, in one or more series, as provided in the Act (the "TIDD Bonds"), payable from gross receipts tax increment revenue (including, the incremental revenue of both Village-enacted Gross Receipts Taxes, the State-shared Gross Receipts Tax and, dedicated by the State, the State Gross Receipts Tax) and *ad valorem* property tax revenue generated within the TIDD (collectively, "Tax Increment Revenue"); and

WHEREAS, the Village and TSVI anticipate that, upon formation, the TIDD will be responsible for notifying the State Taxation and Revenue Department and Taos County as provided in the Act and the TIDD Plan, and that the cost of administering the TIDD, including any required reimbursements to the Taos County Treasurer, will be an operating cost of the TIDD, which may be eligible for reimbursement from Tax Increment Revenue, and that Tax Increment Revenue amounts in excess of the debt service payments on the TIDD Bonds will be used to finance Project Infrastructure and the costs associated with formation of the TIDD, to the extent permitted by law; and

WHEREAS, the areas to be included within the TIDD, as proposed, are described in the TIDD Plan which was filed with the Village Clerk and presented in connection with a resolution of intent considered by the Village Council on December 2, 2014; and

WHEREAS, on December 2, 2014 the Village Council, on its own motion as authorized by Section 5-15-4(B) NMSA 1978, adopted Resolution No. 2015-272 declaring its intent to form the TIDD; and

WHEREAS, on January 6, 2015 the Village Council conducted a public hearing as provided by Sections 5-15-6 and 5-15-7 of the Act, and determined that the formation of the TIDD promotes the interests, convenience or necessity of the owners and residents of the TIDD and citizens of the Village, and approved formation of the TIDD and the supporting Formation Documents as to general form, subject to final approval, to occur not later than January 14, 2015, of the supporting Formation Documents and certain other details concerning TIDD governance; and

WHEREAS, modified forms of the Master Development Agreement and Plan of Finance have been presented to the Village Council in connection with this Amended and Restated Formation Resolution.

NOW THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE VILLAGE OF TAOS SKI VALLEY:

Section 1. Definitions. The following terms shall have the meanings assigned as provided in this Section 1 unless the context clearly requires otherwise. In addition, capitalized terms not defined herein shall have the meanings assigned to such terms in the Master Development Agreement.

"Act" or "TIDD Act") means the Tax Increment For Development Act, Sections 5-15-1 through 5-15-28 NMSA 1978, as amended from time to time.

"Applicant" means Taos Ski Valley, Inc., a New Mexico Corporation ("TSV, Inc., as agent for Twining Development LLC, a Delaware limited liability company ("Twining")), and Santander Holdings, LLC, a Delaware limited liability company ("Santander" and together with Twining, LLC and TSV, Inc. and their respective successors, assigns and designees and any Related Party or Related Parties, "TSVI").

"Application" means the documents submitted in support of the application and petition for formation of the Village of Taos Ski Valley Tax Increment Development District and documentation incorporated by reference in the application and petition and submitted to the Village pursuant to the Act.

"Bond Election" means the election to determine whether the TIDD shall be authorized to issue Property Tax Increment Revenue Bonds, to be held pursuant to the Act.

"Bond Resolution" means a resolution authorizing issuance of TIDD Bonds in an aggregate principal amount not to exceed the costs of Public Infrastructure serving the TIDD, for the purpose of financing the TIDD Infrastructure and containing certain provisions set forth in Section 6 of this Formation Resolution.

"Bonds" or "TIDD Bonds" means tax increment revenue bonds issued by the TIDD, collectively or individually in accordance with the Act, which Bonds may be secured by Municipal GRT Increment revenue, Property Tax Increment revenue and, if applicable, State GRT Increment revenue.

"Clerk" means the Clerk of the Village of Taos Ski Valley, New Mexico.

"Core Village Improvements" means the Visitor Drop-Off Facilities, the Plaza Improvements, the Parking Improvements, the RV Improvements, the Pedestrian Improvements, the Water/Wastewater Improvements and the Road Improvements.

"County" means Taos County, New Mexico.

"County GRT Increment" means the portion of gross receipts tax increment dedicated by the County, as shall be provided, if applicable, in a resolution of the Board of County Commissioners.

"County Property Tax Increment" means the portion of County Property Tax increment dedicated by the County, as shall be provided, if applicable, in a resolution of the Board of County Commissioners.

"Date of Formation" means the date on which it has been officially determined that a majority of votes were cast at the Formation Election in favor of the formation of the District, as evidenced by an executed certificate of canvass or a certificate of Election results.

"Developer" means Taos Ski Valley, Inc., a New Mexico Corporation ("TSV, Inc."), as agent for Twining Development LLC, a Delaware limited liability company ("Twining") and Santander Holdings, LLC, a Delaware limited liability company ("Santander" and together with Twining, LLC and TSV, Inc. and their respective successors, assigns and designees, "TSVI").

"District" means, as the context requires, the Taos Ski Valley Public Improvement District or the Village of Taos Ski Valley Tax Increment Development District.

"Election" means the Bond Election and/or the Formation Election.

"Expenses" means the Village's costs of reviewing the Petition and Application and other documentation related to the Application, including legal fees, financial advisory fees and any other costs and expenses reasonably related to the review of the Application.

"Feasibility Study" means the study of the estimated costs and financing methods of the Project Infrastructure submitted by the Applicant in connection with its Petition for formation of the Village of Taos Ski Valley Tax Increment Development District.

"Formation Documents" means, as the context requires, the PID Formation Documents or the TIDD Formation Documents.

"Formation Resolution" means this resolution adopted by the Village in connection with its approval of the formation of the District.

"Formation Election" means the election to be held to determine whether the TIDD shall be formed pursuant to the TIDD Act.

"Governing Body" means the Village Council and the Mayor of the Village, unless the context requires otherwise (i.e. unless in reference to the directors of the TIDD).

"Gross Receipts Tax Increment" means, collectively, the Village GRT Increment, if and when dedicated by the State, State GRT Increment, and if and when dedicated by the County, County GRT Increment.

"Kachina Improvements" means water, wastewater, roadway and other Eligible Infrastructure to be constructed in the Kachina area of the Village.

"Landowner" means an owner of a fee simple interest in one or more taxable parcels land within the TIDD.

"Legislature" means the Legislature of the State.

"Master Development Agreement" means the Master Development Agreement by and between the Applicant, the Village, the Taos Ski Valley Public Improvement District upon its formation, and the Village of Taos Ski Valley Tax Increment Development District upon its formation.

"Offsite Utility Improvements" means electric, gas and fiber optic utility improvements, including trenching from the terminal point location in Arroyo Seco to locations within the Village, which may include both transmission and distribution lines and improvements.

"Petition" means the application and petition for formation of the TIDD submitted pursuant to the Act.

"Parking Improvements" means the relocation, upgrading and improvement of existing public motor vehicle parking areas.

"Pedestrian Improvements" means the construction and improvement of pedestrian walkways, including river walkway improvements within the Village.

"Plaza Improvements" means the relocation, reconstruction, improvement and upgrading of the public pedestrian areas within the Village.

"PID" means the Taos Ski Valley Public Improvement District.

"Project Infrastructure" means the public and private infrastructure necessary or desirable to redevelop the core area of the Village, to serve new, planned development of commercial, retail and residential uses within the Village, to enhance the viability and visibility of the Village and the Taos Ski Valley as a year-round destination resort, which will promote

tourism and economic development from sources outside the State, and job creation and revenue enhancement at the local level.

"Property Tax Increment" means 75% of the *ad valorem* Village property tax generated within the TIDD, which property tax is currently imposed by the Village at the rate of \$7.65 per \$1,000 of taxable property value within the Village.

"Public Infrastructure Project" means the public infrastructure improvements eligible for financing by the PID and/or the TIDD, which specifically includes the Core Village Improvements, the Kachina Improvements, the Offsite Utility Improvements and Related Costs.

"Real Property" means the real property described in the TIDD Boundary Map.

"Reimbursable Costs" means all items of expense directly relating to the cost of the acquisition and construction of Eligible Infrastructure components and the incidental costs and expenses relating thereto including, but not limited to: engineering expenses, legal expenses, printing, posting, publication and mailing expenses, fees and expenses incurred in making surveys, studies and estimates of costs, testing expenses, construction management expenses, and such other costs and expenses eligible for payment from the proceeds of bonds issued by the PID under the PID Act or the TIDD under the TIDD Act and the Indenture related to the District issuing the bonds, and to pay all incidental expenses related to the construction and acquisition of the Eligible Infrastructure components, including Related Costs.

"Related Costs" means, without limitation, costs incurred in the formation of a District, planning, design, engineering, surveying, testing, environmental compliance, construction, construction contingencies, pre-completion stabilization, maintenance and inspections, construction management not to exceed ten percent (10%) of the contract price, permit and inspection fees, gross receipts taxes or acquisition of such infrastructure, plus amounts to be used to fund debt service reserves, capitalized interest, credit enhancement, costs of issuance and sale, and other costs normally associated with the issuance of bonds.

"Related Party" or "Related Parties" means, in connection with TSVI, Twining, Santander, and any other party wholly owned by the same entity that owns TSVI and that TSVI designates as a Related Party in writing delivered to the other Parties to the Master Development Agreement.

"Resident Qualified Elector" means a person who resides within the boundaries of the TIDD and who is qualified to vote in the general elections held in the state pursuant to Section 1-1-4 NMSA 1978.

"Road Improvements" means improvements to existing roads, construction of new roadway improvements and acquisition of land necessary or convenient for the improvement of traffic circulation, snow removal and snow storage capacity of the Village necessary or convenient for compliance with Village ordinances and regulations and enhancement of health and safety, river crossing and intersection crossing improvements, consisting of bridge construction on Parcel D-G, Sutton Place Crossing, West Burroughs Crossing, Strawberry Hill

Crossing, upgrades to Ernie Blake Road and Thunderbird Road, paving improvements to Twining Road, improvement of the Strawberry Hill Access Road, improvement of Highway 150 at Village entry, street lights and signage within the Village.

"RV Improvements" means the upgrading and improvement of existing recreational vehicle parking within the Village.

"State" means the State of New Mexico.

"State GRT Increment" means 75% of the incremental revenues of the State Gross Receipts Tax, which State Gross Receipts Tax is currently imposed at the rate of 5.125% of the taxable gross receipts in the TIDD.

"TIDD" means the Village of Taos Ski Valley Tax Increment Development District.

"TIDD Bonds" means the Tax Increment Revenue Bonds payable from Village GRT Increment, State GRT Increment, or Property Tax Increment.

"TIDD-Eligible Infrastructure" means Public Infrastructure Project components eligible for financing or reimbursement from proceeds of TIDD Bonds or, to the extent permitted by applicable law, Tax Increment Revenues.

"TIDD Formation Documents" means this Village Resolution No. 2015-275 approving the formation of the TIDD and the documents and exhibits approved in connection therewith including, without limitation, the TIDD Plan, this Agreement, the Resolution of the Village calling for a Formation and Bond Election and the Certificate of Canvass of the Election and, if applicable, the State Gross Receipts Tax Increment Dedication Documents.

"TIDD Plan" means the tax increment development plan for the TIDD, as amended, including a map depicting the boundaries of the TIDD, as required by Section 5-15-5 of the Act.

"TSVI" means Taos Ski Valley, Inc., a New Mexico Corporation ("TSV, Inc."), as agent for Twining Development LLC, a Delaware limited liability company ("Twining"), and Santander Holdings, LLC, a Delaware limited liability company ("Santander"), together with their respective successors, assigns and designees, and any Related Parties.

"Village" means the Village of Taos Ski Valley, a New Mexico municipality.

"Village GRT Increment" means 75% of the incremental revenues of the following gross receipts taxes enacted (or, the case of the State-shared gross receipts tax described in subparagraph (ee) of this definition, received) by the Village:

(aa) the general purposes municipal gross receipts taxes referenced in §5-15-15(B)(1) of the TIDD Act (the "General Purposes GRT"), currently imposed at the rate of 1.50% of the taxable gross receipts in the TIDD;

(bb) the municipal environmental services gross receipts tax referenced in Section 5-15-B(2) (the "Environmental GRT"), currently imposed at the rate of 0.0625% of the taxable gross receipts in the TIDD;

(cc) the municipal infrastructure gross receipts taxes referenced in §5-15-15(B)(3) of the TIDD Act (the "Municipal Infrastructure GRT") currently imposed at the rate of 0.25% of the taxable gross receipts in the TIDD;

(dd) the municipal capital outlay gross receipts taxes referenced in §5-15-15(B)(4) of the TIDD Act (the "Municipal Capital Outlay GRT") currently imposed at the rate of 0.25% of the taxable gross receipts in the TIDD; and

(ee) the State-shared gross receipts taxes distributed to the Village pursuant to §7-1-6.4 NMSA 1978, as provided in §5-15-15(B)(6) of the Act, currently imposed at the rate of 1.225% of the taxable gross receipts in the TIDD which, together with the General Purposes GRT, the Municipal Infrastructure GRT and the Municipal Capital Outlay GRT, is equal to an aggregate 3.2875% of the taxable gross receipts in the TIDD.

"Visitor Drop-Off Facilities" means the improved area to serve as a drop-off or pick-up station for visitors utilizing shuttle service from parking areas within the Village or locations outside the Village, which area is currently located at the entrance to the Taos Ski Valley resort.

"Water/Wastewater Improvements" means the construction, rehabilitation, upgrading and improvement of water, water storage, water and/or wastewater treatment, sanitary sewer and storm sewer improvements within the Village (certain of which may be located in the Kachina area of the Village, notwithstanding that the Water/Wastewater Improvements are generally defined as being included with the Core Village Improvements), which may include certain offsite improvements located outside the TIDD.

Section 2. Findings. The Village hereby declares that it has considered the Application, including the Petition and all other relevant information and data, and hereby makes the following findings:

A. TIDD Bonds proposed to be issued by the TIDD will be the obligations solely of the TIDD, and will not be backed by the faith, credit, general funds or resources of the Village in any manner, and will not impair any outstanding obligations of the Village.

B. The TIDD Plan reasonably protects the interests of the Village in meeting its goals to support: (i) job creation, (ii) economic development, (iii) the long-term sustainability of public infrastructure serving the Village.

C. The TIDD Plan demonstrates elements of innovative planning techniques, including mixed-use, transit-oriented development, traditional neighborhood design or sustainable development techniques that are deemed by the Village to benefit community development, as follows:

(1) The TIDD Plan will assist in the implementation of the Master Plan for the Village Core. Implementation of the Master Plan will create a significantly more comprehensive and integrated development than incremental and piecemeal approach that has occurred in the past.

(2) The Master Plan sets a priority on redevelopment and infill, saving precious natural resources and allocating more land to open space and a network of green infrastructure. Density transfers will promote the preservation of open space, shared parking ratios for mixed-use developments, and underground parking structures to create a "park once" experience and to encourage walking throughout the Village core.

(3) The connections between the riverwalk, plaza and new river crossings will all contribute to much better pedestrian access and experience.

D. The TIDD Plan incorporates the following sustainable development considerations:

(1) There will be major riparian area restoration to include native plants, with nature/riverwalk trails. The TIDD will also incorporate alternative energy where possible for heating of public spaces and snow removal.

(2) The shuttle service from the Town of Taos to the Village will be expanded through private investment in shuttle service within the Village, between Town of Taos and the Village, and the Sunport and Taos Regional Airport and the Village, which will all assist in reducing vehicle traffic, pollution, dust, and noise, and contribute to more sustainable energy consumption.

E. As described in Subsections C(1) and (2) of this Section 2, the TIDD Plan conforms to the general or long-term planning of the Village.

F. The financing of the Project Infrastructure is feasible and, based upon the Feasibility Study, will not impose an undue burden on the future owners of property located within the TIDD or served by the Project Infrastructure.

G. The financing of the Project Infrastructure will enable the TIDD to construct those improvements in a cost-effective manner.

H. The TIDD is planned and will be implemented in a manner which provides for the Expenses to be paid by the TIDD.

I. The TIDD shall not impose an operating tax levy which would otherwise be authorized by Section 5-15-13 of the TIDD Act.

Section 3. Approval of Application and Formation Documents; Conditional Formation of District.

A. TIDD Formation. The TIDD is hereby formed, subject to the approval of a majority of votes cast in favor of formation at the Election, which shall be held as provided in Section 9 of this Resolution.

B. Application and Petition. The Application and Petition are hereby accepted and approved.

C. TIDD Plan and Development Agreement.

(i) The TIDD Plan, which was previously approved for purposes of Section 5-15-4(C) of the Act and subject to further proceedings of and necessary approvals by the Village, is hereby approved, as revised as of January 12, 2015 to incorporate a water storage tank in the Kachina area of the Village as an component of the Public Infrastructure Project. The TIDD shall include the Real Property as shown in the TIDD Boundary Map attached to the TIDD Plan and incorporated by reference in this Formation Resolution.

(ii) The Feasibility Study is hereby accepted and approved.

(iii) The Master Development Agreement is hereby accepted and approved. The Mayor is authorized and directed to execute the Master Development Agreement on behalf of the Village, with such changes as are consistent with the provisions of this Formation Resolution.

(iv) The TIDD shall have the powers necessary and convenient to finance, construct, purchase, or reimburse the Applicant for the cost of the TIDD Infrastructure Improvements as provided in the TIDD Plan, Feasibility Study, Master Development Agreement, as those documents may be amended or modified with the approval of the Village. The Applicant, TIDD and the Village shall be bound by the terms thereof.

D. TIDD Purpose. The purpose of the TIDD shall be to provide financing of the TIDD-eligible Infrastructure set forth in the TIDD Plan and the Master Development Agreement.

E. Maximum Authorized Amount and Interest Rates of Bond Financing.

(i) The maximum aggregate principal amount of TIDD Bonds issued by the TIDD shall not exceed the lesser of (i) Reimbursable Costs, plus amounts to be used to fund debt service reserves, capitalized interest, credit enhancement, costs of issuance and sale, and other costs normally associated with the issuance of TIDD Bonds as permitted by the Act, or (ii) \$40,000,000, plus the amount determined as the increase in the cost of constructing public infrastructure improvements by applying the Construction Cost Index applicable to the Albuquerque region published in ENR.com by the McGraw-Hill Companies (or, in the event such index is no longer published at the applicable time, such other index of construction costs as the TIDD and the Village Administrator or successor in function mutually determine is acceptable for purposes of this Agreement and the Formation Documents).

(ii) As required by the Act, prior to the issuance of TIDD Bonds by the TIDD, the Applicant or its designee shall have contributed at least 20% of the initial estimated cost of the TIDD-Eligible Infrastructure to be reimbursed from proceeds of the TIDD Bonds, which contribution may be reimbursed from the proceeds of TIDD Bonds, as permitted by the Act.

H. Additional Documents. The officers, agents and employees of the Village are hereby authorized and empowered to take all actions necessary and to execute and deliver all documents relating to or requested by the TIDD to carry out and comply with the provisions of the Formation Documents.

I. TIDD Board Initial Meeting. The TIDD Board shall hold a public meeting within 60 days following the Date of Formation. At that meeting, the TIDD Board shall adopt an open meetings policy pursuant to the Open Meetings Act, Sections 10-15-1 through 10-15-4, NMSA 1978 and Bylaws for the TIDD, shall enter into the Master Development Agreement by authorizing its execution and delivery by the Chair of the TIDD Board, and shall take such other action, toward or in connection with the issuance of Bonds by that TIDD, as authorized by this Formation Resolution.

Section 4. Dedication of Village GRT Increment. The Village hereby approves the dedication of the Village GRT Increment, which dedication shall be effective on the Date of Formation.

Section 5. Dedication of *Ad Valorem* Property Tax Increment. The Village hereby approves the dedication of the Property Tax Increment, which dedication shall be effective on the Date of Formation.

Section 6. Request for Dedication of State GRT Increment; Pledge of Increment. The Village hereby ratifies the application to the State Board of Finance, on behalf of the TIDD, for a dedication of the State GRT Increment. The TIDD shall be authorized to pledge the State GRT Increment for payment of TIDD Bonds, as provided in the approval by the State Board of Finance of the dedication and the appropriation by the Legislature of the State GRT Increment.

Section 7. Issuance of Tax Increment Revenue Bonds. For the purpose of reimbursing the Applicant for Reimbursable Costs of TIDD-eligible Infrastructure, the eligible costs of the Public Infrastructure Project actually incurred by the Applicant, the TIDD shall be authorized to issue multiple series of revenue bonds secured by the Village GRT Increment, the Village Property Tax Increment and, to the extent available, the State GRT Increment (collectively, "Tax Increment Revenue Bonds"). The TIDD may issue short-term Tax Increment Revenue Bonds, which shall mature not less than 1 day nor more than 30 days following issuance, on a periodic basis secured by non-recurring Village GRT Increment and, if dedicated, State GRT Increment generated by construction within or allocated to the TIDD. The TIDD may issue longer-term Tax Increment Revenue Bonds at such times that recurring Tax Increment Revenues are sufficient to secure the payment of debt service thereon. The issuance of TIDD Bonds pursuant to the Formation Documents remains subject to the requirements and limitations of the TIDD Act.

Section 8. TIDD Governance.

A. The TIDD's Board shall initially be five directors, composed of 2 members of the Village Council, Richard Duffy as an at-large resident of the Village, one representative of TSVI, and the fifth member of the five-member board is the Secretary of Finance and Administration of the State of New Mexico or the Secretary's designee (the "DFA Director").

B. Tom Wittman and Chaz Rockey shall serve 6-year terms.

C. Neal King and Richard Duffy shall serve 4-year terms.

D. The DFA Director shall be a permanent director and in the event that any specific person filling the DFA Director position shall die, resign or otherwise vacate the board position, the TIDD shall apply to the Secretary of Finance and Administration for the designation of a new director to fill the DFA Director position. If a vacancy occurs on the board because of the death, resignation or inability of the director to discharge the duties of the director, the Village Council shall appoint a director to fill the vacancy, and the director shall hold office for the remainder of the unexpired term until a successor is appointed or elected. At the end of the initial term of any director other than the DFA Director, the TIDD either shall hold an election of new directors by majority vote of owners and qualified resident electors in accordance with the Act, or governance of the TIDD shall revert to the Village.

E. Pursuant to Section 5-15-11 of the TIDD Act, the Village of Taos Ski Valley Clerk, currently Ann Marie Wooldridge, is appointed clerk of the TIDD.

F. The Village Finance Director and a designee of TSVI shall be appointed as co-treasurers of the TIDD. The co-treasurers shall collaborate to establish a general ledger and other accounting books and records appropriate to a special purpose governmental entity subject to New Mexico law. The signature of each co-treasurer or its designee shall be required in connection with the disbursement of an moneys of the TIDD.

Section 9. Formation and Bond Election Procedures.

A. Votes by Landowners. As provided in Section 5-15-8(M) NMSA 1978, each Landowner shall have the right to cast the number of votes or portion of votes equal to the number of acres or portion of acres rounded upward to the nearest one-fifth of an acre owned in the TIDD by that Landowner on each question on the ballot in the Election. A Landowner with a fractional undivided interest in a parcel of land (e.g. community property or joint tenancy) shall share the number of votes or portions of votes equal to the number of acres or portions of acres rounded upward to the nearest one-fifth of an acre, in proportion to that Landowner's fractional undivided interest in the parcel. A Landowner who is also a Resident Qualified Elector shall vote only as a Landowner. The following examples are provided for illustration purposes:

(1) Landowner A owns 20.3 acres. Landowner A may cast 20.4 votes (1 vote per acre x 20 acres, plus .3 acres rounded up to the nearest 1/5 acre = 0.4 acres).

(2) Married couple B owns 1 acre as community property. Each spouse has an undivided 50% ownership interest in the property and each may therefore cast 0.5 votes.

(3) Owner C owns a condominium in a 10-unit condominium complex located on 1.5 acres. All 10 condominium units are the same size. 1.5 acres rounded to the nearest 1/5 acre = 1.6 acres, or 1.6 votes. Owner C may cast 0.16 votes (1.6 votes / 10).

B. Votes by Resident Qualified Electors. A Resident Qualified Elector shall have the right to cast one vote on each question on the ballot in the Election.

C. Call and Notice for Formation and Bond Election. The Village Clerk shall provide a call for Formation and Bond Election by notice to be posted in at least three (3) public places within the TIDD and published in full once a week for at least two (2) consecutive weeks before the date of the Election in the *Albuquerque Journal* and *Taos News* or another newspaper of general circulation within the TIDD. The Notice of Formation and Bond Election shall be in substantially the following form:

(Form of Notice of Formation and Bond Election)

NOTICE OF FORMATION AND BOND ELECTION

**VILLAGE OF TAOS SKI VALLEY
TAX INCREMENT DEVELOPMENT DISTRICT
FORMATION AND BOND ELECTION**

ELECTION DATE: JANUARY 30, 2015

LOCATION OF THE ELECTION: OFFICE OF THE VILLAGE CLERK, 7 FIREHOUSE ROAD, VILLAGE TAOS SKI VALLEY, NEW MEXICO 87525

SUBMITTAL OF BALLOTS: BALLOTS MAY BE DELIVERED BY HAND TO THE OFFICE OF THE VILLAGE CLERK DURING REGULAR BUSINESS HOURS (8 A.M.-5.P.M. MST MONDAY THROUGH FRIDAY) BEGINNING JANUARY 20, 2015 UNTIL JANUARY 30, 2015. BALLOTS MAY BE RETURNED BY U.S. MAIL AT THE ADDRESS LISTED ABOVE, BALLOTS MUST BE RECEIVED NO LATER THAN 7:00 P.M. MST ON THE DATE OF THE ELECTION, JANUARY 30, 2015.

PURPOSE OF THE VILLAGE OF TAOS SKI VALLEY TAX INCREMENT DEVELOPMENT DISTRICT: The Village of Taos Ski Valley Tax Increment Development District ("TIDD") is part of a plan for the revitalization of the Village through the redevelopment of portions thereof, the construction of roadway, pedestrian, river crossing, water, wastewater and other utility improvements and upgrades necessary to support future development of the Village as a world-class, four-season resort destination.

PURPOSES FOR WHICH BONDS WILL BE ISSUED: The TIDD shall issue bonds for purposes of financing of public infrastructure serving the TIDD, including, without limitation, relocation and improvement of the Mountain Park Entrance area, public plaza improvements,

upgrades to existing public parking areas and recreational vehicle parking, river walkway and stream protection and restoration improvements, water, sanitary sewer and storm sewer improvements, road, snow storage and removal, river crossing and intersection crossing improvements, consisting of bridge construction on Parcel D-G, Sutton Place Crossing, West Burroughs Crossing, Strawberry Hill Crossing, upgrades to Ernie Blake Road and Thunderbird Road, paving improvements to Twining Road and the main road to the Kachina area of the Village, improvements to Strawberry Hill Access Road, improvement of Highway 150 at Village entry, street lights and signage; electric, natural gas and telecommunication utility improvements, including trenching and installation of transmission and distribution lines from the terminal point location in Arroyo Seco to locations within the Village.

**MAXIMUM AMOUNT OF TAX INCREMENT REVENUE BONDS TO BE ISSUED:
\$40,000,000.**

VILLAGE OF TAOS SKI VALLEY TAX INCREMENT DEVELOPMENT DISTRICT PLAN AND BOUNDARIES: The approved TIDD Plan is on file with the Village Clerk. The boundaries of the TIDD are set forth in the map attached to the TIDD Plan on file with the Village.

FOR PURPOSES OF VOTING, YOU MAY OBTAIN PARCEL IDENTIFICATION AND ACREAGE INFORMATION ON YOUR MOST RECENTLY RECEIVED PROPERTY TAX BILL FROM THE TAOS COUNTY TREASURER'S OFFICE.

You may also contact the Taos County Assessor's Office, 105 Albright Street, Taos, New Mexico 87571, Tel. (575) 737-6360 or the Village of Taos Ski Valley, Tel. (575) 776-8220, Ext. 3#

ADDITIONAL CONTACT INFORMATION FOR THE VILLAGE CLERK: Village Clerk, Village of Taos Ski Valley, 7 Firehouse Road, Taos Ski Valley New Mexico 87525, Tel. (575) 776-8220, Ext. 3#

(End of Form)

A. Date of Election. The date of the Election shall be January 30, 2015 from 8 a.m. to 7 p.m. MST.

B. Request to County Assessor. The Village Clerk shall request that the County Assessor provide to the Village Clerk a list of the names and addresses of the owners of real property in the District on the current property tax assessment roll.

C. List of Registered Electors. The Village Clerk shall prepare a voter list of registered electors residing within the TIDD and owners of property within the TIDD from the lists provided by the County Clerk and County Assessor.

D. Ballot. The Village Clerk shall prepare and provide a form of ballot containing an impartial description of the TIDD PLAN and a brief description of arguments for and against

the formation of the tax increment development district. The ballot shall be in substantially the following form:

(Form of Ballot)

BALLOT

**VILLAGE OF TAOS SKI VALLEY TAX INCREMENT DEVELOPMENT DISTRICT
FORMATION AND BOND ELECTION**

Each owner of real property located in the Village of Taos Ski Valley Tax Increment Development District ("TIDD"), located in the Village of Taos Ski Valley, New Mexico and each resident qualified elector, if any, residing in the TIDD (collectively, the "Voters") may vote for formation of the TIDD. Completed ballots, including mailed ballots, will be accepted at the Office of the Village Clerk, 7 Firehouse Road, Taos Ski Valley, New Mexico 87525. Ballots may be delivered by U.S. mail or by hand, and will be accepted in person during regular business hours (8 a.m.-5 p.m. MST Monday-Friday) beginning January 20, 2015. Ballots must be received by 7:00 p.m. MST on January 30, 2015.

PURPOSE OF THE VILLAGE OF TAOS SKI VALLEY TAX INCREMENT DEVELOPMENT DISTRICT: The Village of Taos Ski Valley Tax Increment Development District ("TIDD") is part of a plan for the revitalization of the Village through the redevelopment of portions thereof, the construction of roadway, pedestrian, river crossing, water, wastewater and other utility improvements and upgrades necessary to support future development of the Village as a world-class, four-season resort destination.

PURPOSES FOR WHICH BONDS WILL BE ISSUED: The TIDD shall issue gross receipts tax increment revenue and/or property tax increment revenue bonds for purposes of financing of public infrastructure serving the TIDD, including, without limitation, relocation and improvement of the Mountain Park Entrance area, public plaza improvements, upgrades to existing public parking areas and recreational vehicle parking, river walkway and stream protection and restoration improvements, water, sanitary sewer and storm sewer improvements, road, river crossing and intersection crossing improvements, consisting of bridge construction on Parcel D-G, Sutton Place Crossing, West Burroughs Crossing, Strawberry Hill Crossing, upgrades to Ernie Blake Road and Thunderbird Road, paving improvements to Twining Road, improvements to Strawberry Hill Access Road, improvement of Highway 150 at Village entry, street lights and signage; electric, natural gas and telecommunication utility improvements, including trenching from the terminal point location in Arroyo Seco to locations within the Village.

The formation of the TIDD will not result in the imposition of any new property taxes or gross receipts taxes within the Village of Taos Ski Valley. If formed, the TIDD will issue revenue bonds secured by gross receipts tax increment revenue, which is gross receipts tax revenue generated in excess of the gross receipts tax revenue generated within the Village in the calendar year prior to the year in which the TIDD is formed.

If property tax increment revenue bonds are approved at the Election, such bonds will be payable from property tax increment revenue, which property tax revenue generated in excess of the property tax revenue generated within the Village in the calendar year prior to the year in which the TIDD is formed.

FOR PURPOSES OF VOTING, YOU MAY OBTAIN PARCEL IDENTIFICATION AND ACREAGE INFORMATION ON YOUR MOST RECENTLY RECEIVED PROPERTY TAX BILL FROM THE TAOS COUNTY TREASURER'S OFFICE.

You may also contact the Taos County Assessor's Office, 105 Albright Street, Taos, New Mexico 87571, Tel. (575) 737-6360 or the Village of Taos Ski Valley, Tel. (575) 776-8220, Ext. 3#

FORMATION ELECTION QUESTION SUBMITTED:

Shall the Village of Taos Ski Valley Tax Increment Development District be formed?

DISTRICT: _____[YES] _____[NO]

BOND QUESTION SUBMITTED:

Shall the Village of Taos Ski Valley Tax Increment Development District be authorized to issue Property Tax Increment Bonds in a principal amount not to exceed \$40,000,000?

BONDS: _____[YES] _____[NO]

(End of Form)

E. Voter Affidavit. Any person casting a ballot by mail or in person as a resident qualified elector or property owner shall sign an affidavit that the person is an elector of the TIDD. The affidavit shall be on a form that contains in substance the following:

(Form of Affidavit)

AFFIDAVIT OF ELECTOR

**VILLAGE OF TAOS SKI VALLEY TAX INCREMENT DEVELOPMENT DISTRICT
FORMATION AND BOND ELECTION**

_____ (printed name) does hereby declare and warrant that (s)he is either (1) the owner of record title of _____ acres of real property located in the proposed Village of Taos Ski Valley Tax Increment Development District as lot(s)/tracts _____, located in _____ Subdivision, within the proposed Village of Taos Ski Valley Tax Increment Development District *[additional page(s) may be attached to provide the above-requested ownership information if desired]*

or (2) is a resident qualified elector (i.e. a person who resides within the boundaries of the proposed Village of Taos Ski Valley Tax Increment Development District and who is

H. Request for Ballot; Provisional Ballot. The Village shall mail ballots to all known owners of real property and all known resident qualified electors in the Village. Ballots may also be requested by contacting the Village Clerk, who shall make ballots available both by mail and at the Office of the Village Clerk to persons appearing on the voter list. The Village Clerk shall make a provisional ballot available both by mail and at the Office of the Village Clerk to any person who does not appear on the voter list, but who claims eligibility to vote as either a qualified resident elector or owner of property within the TIDD, as provided in Section 5-15-8(G) NMSA 1978.

I. Precinct and Election Judges. The Village shall constitute a single precinct for the Election. The Village Clerk is hereby appointed the election judge for the Election.

J. Absentee Ballots and Election Returns. Ballots from voters may be accepted by the Village Clerk by mail, and by hand beginning on January 20, 2015 until 7 p.m. MST on January 30, 2015 and the Village Clerk shall determine the number of ballots not received and execute the certificate of unreceived ballots.

K. Canvassing Results and Certificate of Canvassing. The Village Clerk shall canvass the returns within thirty days after the Formation and Bond Election, determining the number of votes properly cast by owners and resident qualified electors. A majority of the votes cast at the Election shall be required. The canvass may be continued for an additional period not to exceed thirty days at the Formation and Bond Election of the Village or district board for the purpose of completing the canvass. Failure of a majority to vote in favor of the matter submitted shall not prejudice the submission of the same or similar matters at a later election; provided that an election on the same question shall not be held within one year of the failure of a majority to vote in favor of that question.

Section 10. Amendments. This Formation Resolution may be amended or supplemented by ordinance or resolution adopted by the Village in accordance with the laws of the Village and the State.

Section 11. Repealer. All ordinances or resolutions, or parts thereof in conflict with the provisions of this Formation Resolution, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed to revive any ordinance or resolution, or part thereof, heretofore repealed.

Section 12. Severability. If any section, paragraph, clause or provision of this Formation Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall in no manner affect any remaining provisions of this Formation Resolution.

Section 13. Publication of Notice of Adoption of Formation Resolution.

A. The Clerk is hereby directed to publish a notice of this Formation Resolution, in substantially the following form:

VILLAGE OF TAOS SKI VALLEY, NEW MEXICO
NOTICE OF ADOPTION OF AMENDED AND RESTATED FORMATION RESOLUTION

Notice is hereby given of the title and of a general summary of the subject matter contained in a resolution duly adopted and approved by the Village Council of the Village of Taos Ski Valley on January 14, 2015 at 5 p.m. MST at the Looking Glass Room, Tenderfoot Katie's Taos Ski Valley Resort Center, Taos Ski Valley, New Mexico, which is a regular meeting place of the Village. The title of the resolution is as follows:

AMENDING AND RESTATING RESOLUTION NO. 2015-275 APPROVING THE PETITION AND APPLICATION OF TAOS SKI VALLEY, INC., A NEW MEXICO CORPORATION AS AGENT FOR TWINING DEVELOPMENT LLC, A DELAWARE LIMITED LIABILITY COMPANY, AND SANTANDER HOLDINGS, LLC, A DELAWARE LIMITED LIABILITY COMPANY, TOGETHER WITH TWINING, LLC AND TSV, INC. AND THEIR RESPECTIVE SUCCESSORS, ASSIGNS AND DESIGNEES, FOR FORMATION OF THE TAX INCREMENT DEVELOPMENT DISTRICT (THE "TIDD") PURSUANT TO THE TAX INCREMENT FOR DEVELOPMENT ACT, SECTIONS 5-15-1 THROUGH 5-15-28, NMSA 1978; DETERMINING THAT THERE IS A NEED FOR THE TIDD TO FINANCE PUBLIC INFRASTRUCTURE NECESSARY TO SUPPORT CURRENT AND FUTURE DEVELOPMENT OF THE VILLAGE; MAKING FINDINGS IN CONNECTION WITH THE PETITION AND SUPPORTING DOCUMENTATION REQUESTING APPROVAL OF THE FORMATION OF THE DISTRICT; DETERMINING THE REAL PROPERTY TO BE INCLUDED WITHIN THE DISTRICT AND THE PURPOSES FOR WHICH THE DISTRICT IS BEING FORMED; APPROVING THE APPLICATION, PETITION, AND FEASIBILITY STUDY AND MASTER DEVELOPMENT AGREEMENT FOR IMPLEMENTATION OF THE DISTRICT; RATIFYING THE TAX INCREMENT DEVELOPMENT PLAN APPROVED FOR CONSIDERATION IN CONNECTION WITH THE FORMATION OF THE DISTRICT; DEDICATING 75% OF CERTAIN GROSS RECEIPTS TAX INCREMENT REVENUE GENERATED WITHIN THE DISTRICT AND 75% OF THE *AD VALOREM* PROPERTY TAX INCREMENT REVENUE GENERATED WITHIN THE DISTRICT FOR THE FINANCING OF PUBLIC INFRASTRUCTURE FOR THE DISTRICT, AS PROVIDED IN THE DEVELOPMENT AGREEMENT; RATIFYING THE SUBMITTAL OF AN APPLICATION TO THE STATE BOARD OF FINANCE FOR A DEDICATION OF 75% OF THE STATE GROSS RECEIPTS TAX INCREMENT REVENUE GENERATED WITHIN THE DISTRICT; ESTABLISHING PARAMETERS FOR THE ISSUANCE OF TAX INCREMENT BONDS BY THE DISTRICT; PROVIDING FOR GOVERNANCE OF THE DISTRICT THROUGH THE APPOINTMENT OF MEMBERS OF THE GOVERNING BODY OF THE DISTRICT; PROVIDING THAT TAX INCREMENT REVENUE BONDS OF THE DISTRICT AND OTHER OBLIGATIONS OF THE DISTRICT SHALL NOT BE OBLIGATIONS OF THE VILLAGE OF TAOS SKI VILLAGE; CALLING FOR AN ELECTION ON THE QUESTION WHETHER THE DISTRICT SHOULD BE FORMED AND THE QUESTION WHETHER PROPERTY TAX INCREMENT BONDS SHOULD BE ISSUED; APPROVING FORMS OF NOTICE OF AND PROCEDURES FOR HOLDING THE ELECTION; RATIFYING CERTAIN ACTIONS HERETOFORE TAKEN; REPEALING ALL ACTIONS INCONSISTENT WITH THIS RESOLUTION.

Complete copies of the resolution are on file in the Office of the Village of Taos Ski Valley at the address stated above and are available for inspection during regular office hours.

(End of Form of Summary of Resolution for Publication)

ADOPTED THIS 13th DAY OF JANUARY, 2015.

Neal King
Neal King, Mayor

January 13, 2015
Date

ATTEST:

Ann M. Wooldridge
Ann Marie Wooldridge, Village Clerk

