

A RESOLUTION APPROPRIATING \$15,000,000 FOR THE FINANCING OF THE CONNECTICUT STUDIOS PROJECT AND AUTHORIZING THE ISSUANCE AND SALE OF NOT EXCEEDING \$15,000,000 SPECIAL OBLIGATION REVENUE BONDS OF THE TOWN OF SOUTH WINDSOR, CONNECTICUT TO MEET SAID APPROPRIATION

WHEREAS, the Town of South Windsor, Connecticut (the "Town") is a political subdivision of the State of Connecticut (the "State"); and

WHEREAS, the Town is authorized pursuant to Chapter 132, Municipal Development Projects, Sections 8-186 to 8-200b, inclusive (as amended from time to time, the "Act"), of the General Statutes of Connecticut, Revision of 1958, as amended (as amended from time to time, the "Connecticut General Statutes"), to undertake a development project for the assembly, improvement and disposition of land or buildings, or both, to be used principally for industrial or business purposes, including, but not limited to, any commercial, financial or retail enterprise, including any enterprise which promotes tourism and any property that produces income; and

WHEREAS, pursuant to the Act, the Town is authorized to and has by vote of its Town Council on September 15, 1997 designated the South Windsor Redevelopment Agency as its development agency (the "Development Agency") and is authorized to exercise through the Development Agency the powers granted to the Town under the Act; and

WHEREAS, pursuant to the Act, the Development Agency adopted a project plan entitled "I-291 Corridor District Municipal Development Project dated May 2003", on July 7, 2003 (the "Original Project Plan"); and

WHEREAS, pursuant to Section 8-189(b)(2) of the Act, in order for the Original Project Plan to remain in effect, the Town Council is required to review and reapprove, or amend the Original Project Plan, a minimum of once each ten-year period commencing from the time of the initial approval; and

WHEREAS, the Development Agency has prepared a First Amendment to Project Plan, dated October 2010 (the "First Amendment"), to comply with the provision of Section 8-189(b)(2) of the Act and to amend and supplement the Original Project Plan for the Connecticut Studios Project (defined below); and

WHEREAS, the Original Project Plan, as amended by the First Amendment (the "Project Plan"), has been submitted to the South Windsor Planning and Zoning Commission and the Capitol Region Council of Governments in accordance with the Act to determine that it is in accord with the plan of development for the Town and the region, respectively; and

WHEREAS, the Project Plan establishes a project area generally bounded by Route 5 to the west, Chapel Road to the north, Long Hill Road to the east, and Burnham Road to the south, and more particularly described in Appendix A thereto (the "Project Area"); and

WHEREAS, Connecticut Studios, LLC, a Connecticut limited liability company (the "Developer"), has requested financing for: (a) the acquisition, construction and development of a motion picture studio, including all or a portion of the following components: four (4) buildings containing nine (9) sound stages totaling approximately 161,600 square feet of space, approximately 103,200 square feet of full service finished production offices, approximately 73,500 square feet of mill and storage facilities for set and sound stage creation and storage, including 13,575 square feet of television sound stage and

3,750 square feet of commissary space, and outdoor parking, a 100-150 room business class hotel, four (4) full service restaurants, and approximately 16,000 square feet of retail space, and other facilities, roads, sewers, water lines, and other supporting infrastructure within the Project Area, as permitted by the Project Plan, (b) the funding of capitalized interest on the Series 2011 Bonds (defined herein); (c) the funding of a debt service reserve fund for the Series 2011 Bonds; and (d) the payment of certain costs of issuance, administrative expenses and credit enhancement fees, if any, with respect to the Series 2011 Bonds (collectively, the "Connecticut Studios Project"); and

WHEREAS, the Connecticut Studios Project will be located on parcels of land within the Project Area as more particularly described in Schedule A attached hereto (the "Connecticut Studios Project District"); and

WHEREAS, the Town has agreed to pledge one hundred percent (100%) of the assessed real property taxes and payments in lieu of taxes, if any, each fiscal year in excess of the real property taxes and payments in lieu of taxes, if any, which would be produced by applying the then current tax rate of the Town to the total sum of the assessed value of real property in the Connecticut Studios Project District as of July 7, 2003 (the effective date of the Original Project Plan) (the "Tax Increment Revenue"), to secure the payment of the principal or purchase price of, the redemption price and interest on, and certain administrative expenses in connection with bonds, notes, temporary notes, interim certificates, debentures or other obligations of the Town ("Bonds"), to finance the Connecticut Studios Project; and

WHEREAS, the Town has agreed to establish by ordinance (the "SSD Ordinance") a special services district within the same boundaries as the Connecticut Studios Project District to be known as the Connecticut Studios Project Special Services District (the "CSP Special Services District") pursuant to Chapter 105a, Municipal Special Services Districts, Sections 7-339m to 7-339t, inclusive (as amended from time to time, the "SSD Act"), of the Connecticut General Statutes, to promote the economic and general welfare of the Town's citizens and property owners through the preservation, enhancement, protection and development of the economic health of the Town; and

WHEREAS, the Developer and the other holders of record of a taxable interest in real property within the Connecticut Studios Project District, if any, will hold a referendum to approve the SSD Ordinance; and

WHEREAS, the CSP Special Services District will enter into a contract with the Town (the "CSP SSD Services Contract") to provide services which the Town is authorized to provide in connection with the CSP Special Services District's construction, ownership, operation and maintenance of public and common improvements which are part of the Connecticut Studios Project (the "CSP SSD Services"); and

WHEREAS, the SSD Ordinance will provide for a levy on real property within the CSP Special Services District ("CSP SSD Tax Revenue"), which shall be an obligation of the Town to impose such levy as a municipal levy, in addition to the regular municipal levy, and to collect such levy for the benefit of the District to pay for the CSP SSD Services; and

WHEREAS, the Town has agreed to utilize the CSP SSD Tax Revenue collected pursuant to the CSP SSD Services Contract to secure the payment of the principal or purchase price of, the redemption price and interest on, and certain administrative expenses in connection with Bonds, to finance the Connecticut Studios Project; and

WHEREAS, in accordance with the Act, the Town, acting by and through the Development Agency, is authorized to issue from time to time Bonds of the Town which are payable solely from and secured by (a) a pledge of and lien upon any and all of the income, proceeds and revenues of development

projects, (b) taxes or payments in lieu of taxes, or both, in whole or in part, allocated to and paid into a special fund, or (c) any combination of the methods in (a) or (b); and

WHEREAS, the Town, in order to secure the Bonds, shall allocate to and when collected, shall pay (a) the Tax Increment Revenue into the Revenue Fund established under the Trust Indenture (defined below) pursuant to the Act, and (b) the CSP SSD Tax Revenue into the Revenue Fund pursuant to the SSD Act; and

WHEREAS, the Town has determined to issue not exceeding \$15,000,000 aggregate principal amount of Bonds to be designated "Town of South Windsor, Connecticut (acting by and through the South Windsor Development Agency) Special Obligation Revenue Bonds (Connecticut Studios Project), Series 2011", or such other designation as shall be determined for such Bonds (the "Series 2011 Bonds"), to finance the Connecticut Studios Project; and

WHEREAS, the issuance of the Series 2011 Bonds and the use of the proceeds thereof will be in furtherance of the purposes of the Act, will encourage development in the Project Area, will expand the tax base of the Town over time, and will create employment opportunities in the Town;

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of South Windsor:

Section 1. In furtherance of the underlying purposes of the Act, the Town hereby appropriates not exceeding \$15,000,000 to finance the Connecticut Studios Project, grants a pledge of and a security interest in the Tax Increment Revenue and the CSP SSD Tax Revenue to secure the payment of the principal or purchase price of, the redemption price and interest on, and certain administrative expenses in connection with the Series 2011 Bonds, and authorizes the issuance of not exceeding \$15,000,000 aggregate principal amount of the Series 2011 Bonds to meet said appropriation subject to the provisions of this Resolution and a Trust Indenture (the "Trust Indenture"), by and between the Town and a state banking corporation or national banking association to be appointed by the Town Manager and the Town Treasurer to serve as trustee (the "Trustee"); provided that (a) Tax Increment Revenue and CSP SSD Tax Revenue in excess of the payment of the principal or purchase price of, the redemption price and interest on, and certain administrative expenses in connection with the Series 2011 Bonds shall be transferred to the Town on at least an annual basis, free and clear from the pledge of the Trust Indenture; and (b) Tax Increment Revenue and CSP SSD Tax Revenue collected during any period in which the principal or purchase price of, the redemption price and interest on, or certain administrative expenses in connection with the Series 2011 Bonds is financed from the proceeds of the Series 2011 Bonds shall be transferred to the Town on at least an annual basis, free and clear from the pledge of the Trust Indenture.

The Series 2011 Bonds shall be special obligations of the Town and shall be payable solely from Tax Increment Revenue, the CSP SSD Tax Revenue and other receipts and moneys pledged therefor pursuant to the Trust Indenture. The Series 2011 Bonds shall not constitute a pledge of the faith and credit of the State, the Town or the Development Agency, shall not constitute or give rise to any right on the part of any bondholder to compel the exercise of the taxing power of the State or the Town (except as otherwise specifically set forth in the Trust Indenture with respect to the Town's pledge of the Tax Increment Revenue), shall not subject the State, the Town or the Development Agency to any liability thereon (except as otherwise specifically set forth in the Trust Indenture with respect to the Town's pledge of the Tax Increment Revenue and the CSP SSD Tax Revenue), shall not be payable out of any funds or properties other than those pledged therefor under the Trust Indenture, and shall not be subject to the debt limitation prescribed by Section 7-374 of the Connecticut General Statutes.

The Series 2011 Bonds shall be of an aggregate principal amount, of such series, in such principal amounts, be dated, mature on such dates (not exceeding thirty (30) years from their date), bear interest at such fixed or variable rates, bear interest which shall be excluded or included in gross income (or any

combination thereof) for federal income tax purposes, be payable as to principal and interest at such places and in such medium of payment, be in such denominations and forms, carry such exchange or registration privileges, have such rank or priority, be executed in such manner, be subject to such terms of purchase and redemption, and contain such other provisions and particulars (collectively, the "Bond Terms and Conditions") set forth in the Trust Indenture, as shall be determined by the Town Manager and the Town Treasurer. The Series 2011 Bonds shall be executed in the name and on behalf of the Town by the manual or facsimile signature of the Town Manager and the Town Treasurer, provided at least one such signature shall be a manual signature, and shall be sealed with the Town's corporate seal or a facsimile thereof. The Town Manager and the Town Treasurer are authorized to determine the type and amount of annual administrative expenses in connection with the Series 2011 Bonds to be paid from Tax Increment Revenue and CSP SSD Tax Revenue. The Town Manager and the Town Treasurer are authorized to execute and deliver the Trust Indenture, and amendments or supplements thereto, on such terms and conditions as shall be determined by the Town Manager and the Town Treasurer to be in the best interests of the Town as evidenced by their execution of the final form of the Trust Indenture containing such provisions.

Issuance of the Series 2011 Bonds shall be subject to the satisfaction of the following conditions:

- (a) Adoption of the Project Plan (as amended by the First Amendment to Project Plan) by the Development Agency in accordance with the Act;
- (b) Approval of the Project Plan (as amended by the First Amendment to Project Plan) by the Town Council in accordance with the Act;
- (c) Establishment of the CSP Special Services District pursuant to the SSD Ordinance, including appointment of an initial board of commissioners, by the Town Council;
- (d) Approval of the SSD Ordinance by the Developer and the other holders of record of a taxable interest in real property within the Connecticut Studios Project District;
- (e) Execution and delivery of the CSP SSD Services Contract;
- (f) Delivery of a market study acceptable to the Underwriter (defined herein);
- (g) Delivery of an appraisal acceptable to the Underwriter;
- (h) There have been no changes to the scope of the Connecticut Studios Project having a material impact on the projections of Tax Increment Revenue and CSP SSD Tax Revenue, as determined by the Town Manager and the Town Treasurer;
- (i) Bond Terms and Conditions acceptable to the Underwriters;
- (j) Amendment to the Purchase and Sale Agreement, dated on or about May 18, 2009 (the "Purchase and Sale Agreement"), by and between the Developer and the South Windsor Redevelopment Agency, to provide that the Town's obligations to provide financing to the Developer pursuant to Section 8.1 of the Purchase and Sale Agreement have been satisfied, in a form acceptable to the Town Manager and the Town Treasurer; and
- (k) Satisfaction of any other terms and conditions set forth in the Trust Indenture.

Section 2. Prior to the issuance of the Series 2011 Bonds, the Town Manager and the Town Treasurer are authorized to issue Bonds in the form of notes, temporary notes, interim certificates, debentures or other obligations of the Town ("Notes") pursuant to Section 8-192 of the Act to finance the

Connecticut Studios Project. Such Notes shall be signed by the manual or facsimile signatures of the Town Manager and the Town Treasurer, have the seal of the Town or a facsimile thereof affixed, be payable at a bank or trust company designated by the Town Manager and the Town Treasurer, be approved as to their legality by Robinson & Cole LLP, bond counsel, and be certified by a bank or trust company designated by the Town Manager and the Town Treasurer. Such Notes shall be secured as provided by, and shall be issued with maturity dates which comply with, the provisions of the Act. The net interest cost on the notes, including renewals thereof, and the expense of preparing, issuing and marketing the Notes, to the extent paid from the proceeds of such renewals or Series 2011 Bonds, may be included in the cost of the Connecticut Studios Project. Upon the sale of the Series 2011 Bonds, the proceeds thereof, to the extent required, shall be applied forthwith to the payment of the principal of and the interest on any Notes then outstanding or shall be deposited with a bank or trust company in trust for such purpose.

Section 3. The Series 2011 Bonds or Notes may be sold, in the discretion of the Town Manager and Town Treasurer, in a competitive offering or by negotiation. If sold in a competitive offering, the Series 2011 Bonds or Notes shall be sold at not less than par and accrued interest, if any, on the basis of the lowest net or true interest cost to the Town. A notice of sale or a summary thereof describing the Series 2011 Bonds or Notes and setting forth the terms and conditions of the sale may be published in advance of the sale in a recognized publication carrying municipal bond notices and devoted primarily to financial news and the subject of state and municipal bonds. If sold by negotiation, the Town Manager and the Town Treasurer are authorized to appoint an underwriting firm or firms (the "Underwriter") and the Series 2011 Bonds or Notes shall be sold pursuant to the terms of a bond purchase agreement or placement agreement ("Purchase Agreement"), at such prices and upon such terms and conditions as shall be determined by the Town Manager and the Town Treasurer to be in the best interests of the Town. The Town Manager and the Town Treasurer are authorized to execute and deliver the Purchase Agreement, on such terms and conditions as shall be determined by the Town Manager and the Town Treasurer to be in the best interests of the Town as evidenced by their execution of the final form of such Purchase Agreement containing such provisions.

Section 4. The Town Manager and the Town Treasurer are authorized to prepare and distribute, or cause the preparation and distribution of, a preliminary and/or final official statement or placement memorandum containing customary information regarding the Town, the Project Area, the Connecticut Studios Project District, the Connecticut Studios Project, the Series 2011 Bonds or Notes, the security and sources of payment therefor, the plan of finance for the Connecticut Studios Project, and such other information as determined by the Town Manager and the Town Treasurer to be in the best interests of the Town in order to sell the Bonds ("Offering Memoranda"). The Town Manager and the Town Treasurer are authorized to execute and deliver Offering Memoranda containing such information as shall be determined by the Town Manager and the Town Treasurer to be in the best interests of the Town as evidenced by their execution of the final form of such Offering Memoranda containing such information.

Section 5. The Town Manager and the Town Treasurer are authorized to negotiate and approve the terms and conditions of, including necessary covenants, limitations and restrictions on the Town necessary to obtain, letters of credit, lines of credit, financial guaranty insurance policies, standby bond purchase agreements, guarantees of the Developer or third parties, surety agreements, or any similar agreements ("Credit Facilities") with one or more financial institutions or other persons providing Credit Facilities ("Credit Facility Providers") to provide additional security for and for the purchase upon tender of the Series 2011 Bonds or Notes, if any, under circumstances set forth in the Trust Indenture. The Town Manager and the Town Treasurer are authorized to execute and deliver commitments, reimbursement agreements, policies and such other documents pertaining to Credit Facilities, on such terms and conditions, including necessary covenants, limitations and restrictions on the Town necessary to enter into Credit Facilities, as shall be determined by the Town Manager and the Town Treasurer to be in the best interests of the Town as evidenced by their execution of the final form of such Credit Facilities containing such provisions.

Section 6. The Town Manager and the Town Treasurer are authorized to appoint remarketing agents, investment banking firms or other financial institutions ("Reoffering Agents") to determine the interest rate on variable rate Series 2011 Bonds or Notes. The Town Manager and the Town Treasurer are authorized to approve the terms and conditions of, including necessary covenants, limitations and restrictions on the Town necessary to enter into remarketing agreements and other agreements with the Reoffering Agents ("Reoffering Agreements"), which shall provide for, among other things, the terms and conditions for reoffering variable rate Series 2011 Bonds or Notes, the Reoffering Agents' compensation and the disclosure of the Town's financial condition. The Town Manager and the Town Treasurer are authorized to execute and deliver Reoffering Agreements, on such terms and conditions as shall be determined by the Town Manager and the Town Treasurer to be in the best interests of the Town as evidenced by their execution of the final form of such Reoffering Agreements containing such provisions.

Section 7. The interest on all or a portion of the Series 2011 Bonds or Notes may be includable in the gross income of the holders thereof under the Internal Revenue Code of 1986, as amended (the "Code"), and if includable, it is determined to be in the public interest to finance the Connecticut Studios Project.

Section 8. The Town Manager and the Town Treasurer are authorized to execute and deliver a continuing disclosure agreement, on such terms and conditions as shall be determined by the Town Manager and the Town Treasurer to be in the best interests of the Town as evidenced by their execution of the final form of such continuing disclosure agreement containing such provisions, to comply with the requirements of Section 15c2-12(b)(5) of the Securities Exchange Act of 1934, as amended.

Section 9. The Town Manager and the Town Treasurer are authorized to execute and deliver a tax regulatory agreement, on such terms and conditions as shall be determined by the Town Manager and the Town Treasurer to be in the best interests of the Town as evidenced by their execution of the final form of such tax regulatory agreement containing such provisions, to ensure that the interest on any of the Series 2011 Bonds or Notes intended to be excluded from gross income pursuant to the Code, shall be so excluded.

Section 10. The Town Manager and the Town Treasurer are authorized to execute, deliver and assign to the Trustee the CSP SSD Services Contract, a tax payment agreement, security agreements, and such other agreements with the CSP Special Services District, the Developer, the Trustee and other parties, in accordance with the Act, the SSD Act and other provisions of the Connecticut General Statutes, on such terms and conditions as shall be determined by the Town Manager and the Town Treasurer to be in the best interests of the Town as evidenced by their execution of the final form of such agreements containing such provisions.

Section 11. The Town Manager and the Town Treasurer are authorized to execute and deliver a development agreement with the Developer, if necessary, on such terms and conditions as shall be determined by the Town Manager and the Town Treasurer to be in the best interests of the Town as evidenced by their execution of the final form of such development agreement containing such provisions.

Section 12. The Town Manager and the Town Treasurer are authorized to appoint, and if any such appointment shall heretofore have been made by the Town Manager or the Town Treasurer, such appointment is hereby ratified and confirmed, the Trustee, the Underwriter and such additional firms or professionals, or substitute firms or professionals, as shall be necessary or appropriate to consummate the transactions contemplated by this Resolution and the foregoing documents.

Section 13. The Town Manager and the Town Treasurer are authorized, and if any such action shall heretofore have been taken by the Town Manager or the Town Treasurer, such action is hereby ratified and confirmed, (i) to publish such notices, hold such hearings, make such representations and agreements,

and take such other actions as shall be necessary to issue the Series 2011 Bonds or Notes authorized by this Resolution and exclude the interest on such Series 2011 Bonds or Notes from gross income for federal income tax purposes, (ii) to make, execute and deliver all such additional instruments, agreements, certificates, and documents, including, but not limited to, any tax compliance agreements, tax certificates, tax forms, investment agreements or assignments, and (iii) to do and perform such acts and to take such actions as may be necessary or required for the consummation of the transactions provided for and contemplated by this Resolution and any supplements or amendments thereto and the financing or reimbursing of the costs of the Connecticut Studios Project and related expenses.

Section 14. This Resolution shall take effect immediately; provided, however, that the authority granted hereunder for the issuance of the Series 2011 Bonds shall expire on January 1, 2012.

SCHEDULE A

Legal Description of Connecticut Studios Project District