

THE OFFERING

NEW MEXICO STUDIO OPPORTUNITY @TRADITIONS



Proposed Rendering

±50 Acres

A Unique Development Opportunity in one of the best media markets in the country

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the Owner), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and Broker. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and opportunity to inspect the Property is available to all prospective purchasers. In this Memorandum, certain documents, including surveys, studies, reports, zoning, and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full writings referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner. Neither the Owner or Broker nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property. The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived. By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or Broker.

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EXECUTIVE SUMMARY

Situated in the country's newest and most exciting media hub, New Mexico, this special property offers a unique opportunity to acquire a site positioned for multiple state of the art film and production studios and facilities. Traditions is geographically located equal distance between Albuquerque and Santa Fe, the two main media centers in the Southwest . With all the appropriate zoning in place for sound stages and other media construct, the property currently is able to provide an extensive working infrastructure on site allowing for multiple immediate revenue streams. With the proposed creative and technical additions, this site can be a self contained fully functional production facility.

The current tax incentives and investment opportunities being provided by the state, county

and local entities will allow the Traditions property to take shape and expand. Traditions has the ability to capitalize on all forms of financial incentives presently provided.

As the statewide incentives and opportunities continue to take shape and expand, Traditions is perfectly located to provide the perfect mix of facility, background and labor pool options that New Mexico offers. With the over 200% rise in film applications due to newly enacted tax incentives for media projects, the demand far outweighs the sound stage, studio, and post production inventory currently available in the state. Traditions is positioned to capitalize on this ever growing demand for strategic expansion of services, infrastructure and technology for any filmed entertainment use or otherwise.



INVESTMENT HIGHLIGHTS

The Property Details

Consisting of +/-49.6 acres of pristine open environment, the subject property is located mid-way between Albuquerque and Santa Fe, accessible by the main freeway thoroughfare (I-25), drawing from New Mexico's two largest labor pools.

Notable existing improvements include:

- 7.2 KV electrical capacity
- Potable water from a 550' deep well rated at 50 gallons per minute
- 100,000 gallon water holding tank connected to well
- On site sequence batch reactor waste treatment facility
- Storm drains and retention pond
- Natural gas service
- T-1 communications
- 166,000 square feet of existing buildings
- 1,120 paved parking spaces
- Mature landscaping with park areas and common space

PROPERTY HIGHLIGHTS

The subject property can accommodate all elements required for a modern film production facility*:

150,000 SF

of Modern Sound Stages

157,482 SF

of Existing Buildings

57,000 SF

of Support Facilities

70,000 SF

of Mill Space

OTHER HIGHLIGHTS INCLUDE:

Secured perimeter location

Separate truck entrance

Sweeping Mountain Views

Back Lot Streets & Exteriors flexibility

Additionally, amongst the existing property and buildings are two separate and fully functional food service opportunities, fully entitled and operational for commissary or restaurant use.

*All to be independently verified by any prospective buyer

LOCATION OVERVIEW

Traditions is easily accessible and highly visible from both Albuquerque and Santa Fe via I-25 at Exit 257. The site is served by its own exit with both north and southbound on/off ramps. The subject property is geographically equidistant to Albuquerque and Santa Fe located 30 minutes to either city center and all airports.

Flights to and from the Los Angeles area are approximately one hour and forty five minutes to either Albuquerque (ABQ) or Santa Fe (SAF). Albuquerque International is the closest commercial airport to the Traditions site and is served by eleven national and regional airlines with non-stop destinations to other major national cities such as Los Angeles, New York City, Atlanta, Chicago, Dallas, Austin and San Francisco.

General Aviation and air charter services are available at both Albuquerque International (ABQ) and Santa Fe (SAF) municipal airport. Cutter Aviation Services located in Albuquerque is a fixed base operator with a full service general aviation facility. Santa Fe's fixed base operator is Santa Fe Air and it is also a full service air charter and concierge provider.

The Rail Runner Express, a light rail commuter system, serves these metro areas, from Albuquerque in the south to the town of Santa Fe in the north. Rail Runner stops in Sandoval County and Santa Fe can service commuters to Traditions.





Commissary

Commissary

49.6
Acres of Land

2
Working Food Facilities

1,000
Parking Spaces

RESOURCES

The site is positioned to draw from the high concentration of film related labor and talent. Reaching into the 30 mile radius zone of highly skilled and experienced labor pools from the metropolitan areas of Albuquerque and Santa Fe, there is no designated labor requirements for overnight costs of all Union Labor.

Resources

The Albuquerque and Santa Fe areas contain a high concentration of film related labor and talent. The state not only provides financial incentives for film production, but is also engaged as an active business facilitator that fosters lasting government-business relationships. Local communities and Sandoval County (where the site is located) are film friendly. There is an increased level of production support companies throughout New Mexico offering sophisticated post production options as well as digital and multimedia services complimenting the everchanging entertainment landscape.

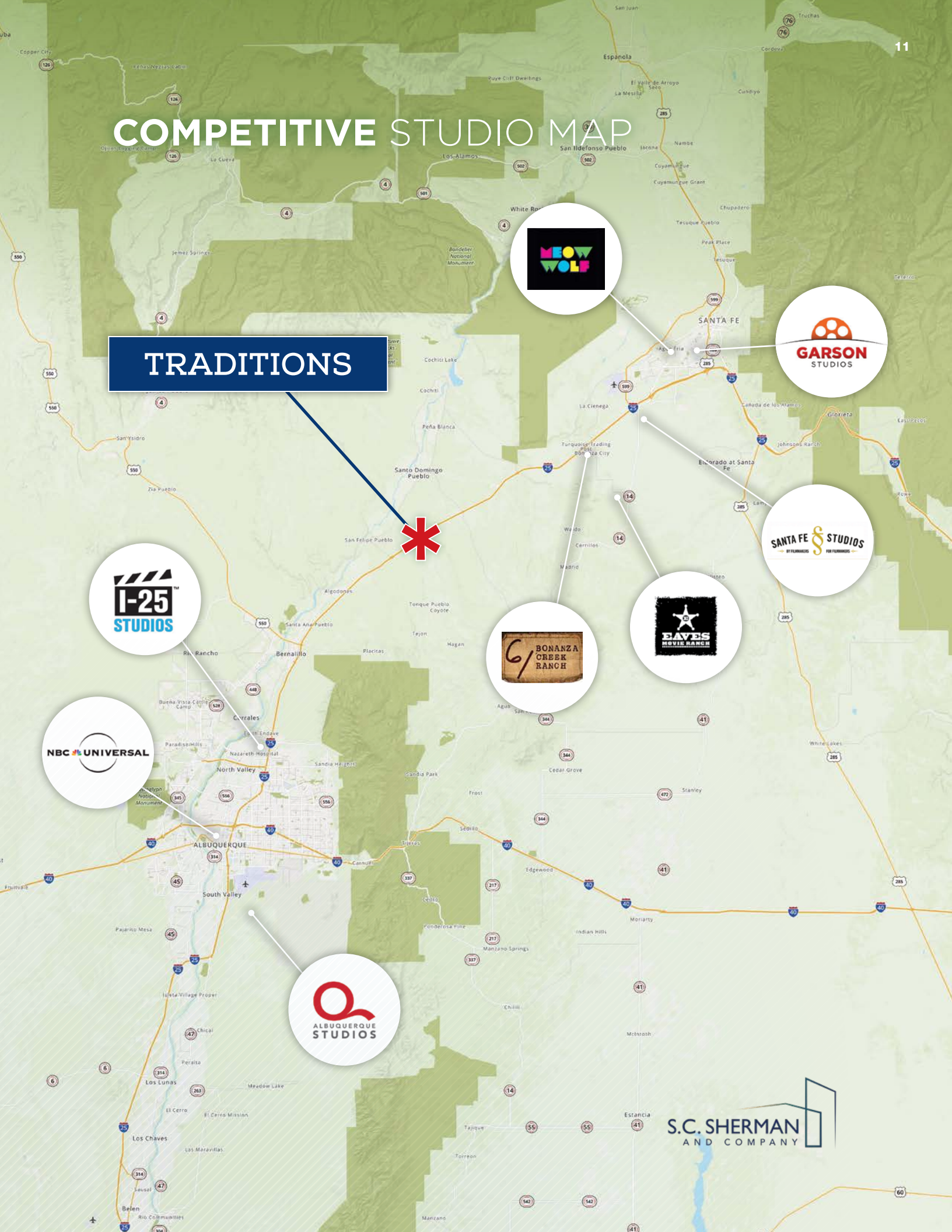
New Mexico provides a high-skilled manufacturing worker with Production support services available in the Albuquerque and Santa Fe area which include:

- Camera Rentals
- Lighting and GRIP
- Sound and Video Services
- Set Construction
- Security
- Catering
- Truck Rentals
- Truck and Trailer Hookups
- Catering
- Tax incentives advisory and filing services
- Wardrobe
- Prop Rentals
- Standing Sets
- Financial Services



COMPETITIVE STUDIO MAP

TRADITIONS



NEW MEXICO FILM INCENTIVES

New Mexico continues to offer one of the most competitive incentives package in the industry which includes a 25% or 30% Refundable Film Production Tax Credit and the Film Crew Advancement Program.

Post-production services rendered in New Mexico also qualify for the 25% Refundable Tax Credit even if the project is shot elsewhere (“Stand-Alone Post”). On top of the 25%, this additional 5% applies to qualifying productions dependent on their NM budget for tv series,

The refund amount is 25% as applied to each total qualifying expenditure, however there is an extra 5% available for certain qualifying projects dependent on their NM budgets:

- 1. T.V. Series with an order of six episodes based on a minimum of \$50k per episode**
- 2. For Projects that are deemed a “stand alone pilot” intended for series in New Mexico**
- 3. Projects that utilize the premises of a qualifying facility or stages**

Senate Bill 2 raised the annual payout to \$110 Million and created a \$100 Million cap on how much unpaid liability the state can accrue beyond the annual cash payout.

The rebates are just a fraction what the industry has spent in New Mexico since the state passed its initial film incentives law in 2003 and since then the film and television industry has spent \$3.5 Billion in the state.



NEW MEXICO FILM INCENTIVES CON'T

In Fiscal year 2019, industry spending in New Mexico was \$525 million with applications for filming increasing by 200% with the expectation (and now implemented) new incentives to see increases in that increasing number.

The New Film Production Credit Act which went into effect July 1, 2019 not only authorized all back payments but also:

- More than doubled annual payout to \$110 Million per year for qualified expenditures
- Established an extra 5% incentive for productions outside the Santa Fe-Albuquerque corridor
- Established an exemption for partnership production studios that agree to purchase or lease a facility in the state for at least 10 years. The work done by these partners is exempt from the cap.
- The credit ranges from 25% to 30%, depending on location and whether it is a recurring television production or film with an additional 5% for those productions outside the Rio Grande corridor.
- Requires quarterly reporting allowing for greater transparency and cooperation between the Film Office, Economic Development Department and Taxation and Revenue Department.

Please Reference the following Links to additional informational websites for the New Mexico Film Office, resources and related media:

<https://nmfilm.com/>

<https://variety.com/2018/digital/news/netflix-albuquerque-studios-deal-terms-30-million-1202981274/>

<https://www.abqjournal.com/1328383/nbcuniversal-to-bring-production-venture-to-abq.html>

http://www.tax.newmexico.gov/uploads/PressRelease/e19f5d4c8b014c6d870f8073d673341b/State_Clears_Pending_Film_Credit_Claims.pdf

The state offers awe-inspiring locations, while Albuquerque has long facilitated urban and suburban backdrops. A scalable studio investment can meet the increased demand of local production in the market-scarcity of sound stages, production facilities and post production offerings. Traditions is a truly unique development opportunity and a well positioned core asset for continued growth.

Local professional crews will assist you in making a cost-effective foray of any sized high-quality project.



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