

CITY OF HOBBS, NEW MEXICO

ORDINANCE NO. 1127

AN ORDINANCE APPROVING A REAL ESTATE PURCHASE AGREEMENT TO SELL AND CONVEY REAL PROPERTY LOCATED AT 3425 N. NORTHWEST, TO TROY AND MELISSA HUDSON FOR THE PURCHASE PRICE OF \$155,000.00.

WHEREAS, the City of Hobbs, a municipal corporation, is the owner of real property located at 3425 N. Northwest; and

WHEREAS, the Commission has determined that the public would be better served if the property is conveyed to the private sector; and

WHEREAS, unless a referendum election is held, the Ordinance authorizing the sale of this property shall be effective forty-five (45) days after its adoption.

WHEREAS, inclusive in this Ordinance are the following:

1. **Terms of Sale:** The City proposes to sell 3425 N. Northwest for the purchase price of \$155,000.00.

The Sale of the City owned Real Property must be approved by City Ordinance pursuant to NMSA Section 3-54-1 et. seq., as amended.

An Agreement for the Purchase of Real Estate concerning terms of the sale are part of the Proposed Ordinance.

2. **Appraised Value of Municipally Owned Real Property:** The property has been appraised and the proposed purchase price is within 98% of the appraisal.

3. **Schedule of Payments:** The Purchase Price is to be paid with an earnest money deposit (escrowed upon acceptance of purchase agreement) with the balance to be paid as follows:

Earnest Money Deposit:	\$ 1,500
At Closing Balance of Cash	\$153,500
Total Payments	\$155,000

4. **The Amount of Purchase Price:** \$155,000

5. **Purchaser of Property:** Troy and Melissa Hudson

6. **Purpose of Municipal Sale:** Disposition of Residential Property.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO:

(I)

That the City of Hobbs hereby approves the sale of the Property as described as follows:

LEGAL DESCRIPTION

Lot 7, Block 26, Unit 16 of Lincoln Park Addition.

Subject to the conditions and terms in Exhibit "2", Real Estate Purchase Agreement, as attached hereto and made a part of this Ordinance.

(II)

That this Ordinance has been published prior to its adoption and shall be published at least once after adoption, pursuant to Sections 3-2-1, et. seq., and 3-54-1, et. seq., NMSA 1978, as amended.

(III)

That the effective date of this Ordinance shall be forty-five (45) days after its adoption by the governing body of the City of Hobbs, unless a referendum election is held.

(IV)

That City staff and officials are hereby authorized and directed to do all acts and deeds necessary in the accomplishment of the above.

PASSED, APPROVED AND ADOPTED this 2nd day of Nov., 2020.



CITY OF HOBBS, NEW MEXICO

By 
Sam D. Cobb, Mayor

ATTEST:

By 
JAN FLETCHER, City Clerk

REAL ESTATE PURCHASE AGREEMENT
for
3425 N. Northwest

THIS REAL ESTATE PURCHASE AGREEMENT (hereinafter "Agreement"), entered into this 2nd day of November, 2019 between Troy & Melissa Hudson 3425 N. Matt Drive Hobbs, NM 88240 (hereinafter "Purchaser"); and the City of Hobbs, New Mexico, a New Mexico Municipal Corporation (hereinafter "City").

RECITALS:

The City, in consideration of the mutual covenants herein contained, agrees to sell and convey, and Purchaser agrees to purchase the real estate described below, together with all buildings and improvements and all rights, hereditaments, easements and appurtenances thereunto belonging, property located at 3425 N. Northwest, more particularly described as follows, and referred to hereinafter as "Property, " on the terms and conditions set forth herein.

LEGAL DESCRIPTION

Lot 7, Block 26, Unit 16 of the Lincoln Park Addition to City of Hobbs, Lea County, New Mexico.

NOW THEREFORE THE FOLLOWING IS AGREED BY THE PARTIES:

1. Earnest Money Deposit.

Purchaser will make an earnest money deposit with the Closing Agent in the sum of One Thousand Five Hundred dollars (\$1,500.00), within 24 hours of Commission Approval of this agreement.

2. Purchase Price.

The purchase price for the Property shall be \$ 135,000 of which the amount paid as earnest money shall be a part.

3. Closing Date.

Closing for the sale of the Property shall occur on a mutually agreeable date, at least forty-five (45) days, but not more than one hundred eighty (180) days after the adoption of the ordinance authorizing the sale by the City, unless a referendum election is held pursuant to 3541, NMSA, 1978, as amended. The parties may extend the Closing Date by mutual agreement, not to exceed 365 days following the date of the ordinance.

4. Commissions.

Seller and Buyer warrant and represent to each other that they have not employed any other real estate agent or broker relative to the sale and purchase of the Property, other than Paula Eggleton, whose six percent (6%) commission shall be paid by Seller at Closing. Each party hereby agrees to indemnify and hold harmless the other from and against any liability (including costs and reasonable attorneys' fees) incurred in the defense thereof to any other agents or brokers with whom such party may have dealt.

5. Title and Property Condition.

At closing, the City shall execute and deliver a Special Warranty Deed conveying the Property to the Purchaser and/or his assigns, in fee simple, subject to all patent reservations and to all other existing liens, encumbrances and other exceptions of record.

Purchaser has conducted a thorough inspection of the subject property, or at a minimum has been given adequate opportunity to do so and has waived the same, and agrees to purchase the property "as is\where is." By this statement, purchaser acknowledges that purchaser will forever be barred from bringing any claim against the seller associated, in any way, with any condition of the subject property, whether now known or later discovered.

6. Risk of Loss.

All risk of loss or damage to the Property will pass from the City to Purchaser at closing. In the event that material loss or damage occurs prior to closing, Purchaser may, without liability, refuse to accept the conveyance of title, in which event the earnest money deposit, if any, shall be refunded. Possession of the Property by Purchaser shall occur at closing. Before closing, Purchaser shall be solely responsible to insure Purchaser's interest in the Property if Purchaser so chooses.

7. Default and Remedy.

A. Default by City. If City defaults in the performance of this Agreement, Purchaser may terminate this Agreement and receive a refund of the earnest money deposit, if any, or may waive default, enforce performance of this contract, and seek whatever legal remedy may be provided by law.

B. Default by Purchaser. If Purchaser defaults in the performance of this Agreement prior to closing, City may terminate this Agreement and retain the earnest money deposit.

C. Notice and Demand for Performance. In the event that either party fails to perform such party's obligations hereunder (except as excused by the other's default), the party claiming default will give written notice of demand for performance. If the party to whom such notice and demand is given fails to comply with such written demand within

ten. (10) days after receipt thereof, the non-defaulting party may pursue the remedies provided in this paragraph.

8. Costs and Fees.

The closing costs shall be paid as follows:

- A. All closing costs shall be paid by the Purchaser, including title insurance premium costs up to or in excess of the purchase price.
- B. The Purchaser and City shall each pay for their respective legal fees.

9. Notice.

All notices given pursuant to or in connection with this Agreement shall be made in writing and posted by certified mail, postage prepaid, to the City, at City of Hobbs, ATTN: City Manager, 200 East Broadway, Hobbs, NM 88241; and to Purchaser, at Troy and Melissa Hudson, 8525 N. Matt Drive, Hobbs, New Mexico 88242, or to such other address as requested by either party. Notice shall be deemed to be received on the fifth day following posting.

10. Attorney's Fees and Costs.

Both parties agree that if either is found by a court to have breached this agreement, the other party may recover reasonable attorney's fees and cost of litigation, including the costs of a City Attorney as a staff person.

11. Counterparts.

This Agreement may be executed in one or more identical counterparts, and all counterparts so executed shall constitute one agreement which shall be binding on all of the parties.

12. Successors and Assigns.

This Section refers to assignability of this Purchase Agreement and not to assignability of the Property after the land purchase has been completed. This Agreement may not be assigned by Purchaser without the prior written consent of the City. Subject to the foregoing provision, this Agreement shall inure to the benefit of and be binding upon the parties to this Agreement and their respective successors and assigns; provided that upon any assignment of this Agreement by either party, the other party shall not be released from any obligation under, or liability accruing pursuant to this Agreement. Except that Purchaser is permitted, upon City approval, to assign its interest to a Partnership or Corporation in which he is the principal party. Consent shall not unreasonably be withheld by either party.

13. Compliance with New Mexico State Statutes.

The City states that it has complied with the requirements of Section 3-54-1, NMSA, 1978, as amended, and that it has authorization to sell property pursuant to the Hobbs Municipal Code, as amended.

The Buyer states that pursuant to NMSA 1978, Section 14-13-4(F), the buyer waives the disclosure requirements set out by NMSA 1978, Section 47-13-4, et seq.

14. Governing Laws.

This Agreement shall be governed by the laws of the State of New Mexico. Jurisdiction and venue relating to any litigation or dispute arising out of this Agreement shall be in the District Court of Lea County, New Mexico, only. If any part of this contract shall be deemed in violation of the laws or Constitution of New Mexico, only such part thereof shall be thereby invalidated, and all other parts hereof shall remain valid and enforceable.

15. Termination.

This agreement shall be terminated on the closing date for sale of property. All of the City's warranties, representations, certifications, and agreements contained herein shall be and remain true at the time of closing.

16. Conditions For Completing The Purchase.

The following actions must occur and be performed prior to Purchaser satisfactorily closing on the Property:

- A. The City Commission must have approved the necessary Ordinance for the Sale of the Property, subject only to the referendum election issue as specified in 3-54-1 et. seq., NMSA, as amended.
- B. There shall be no material adverse change in the condition of the Property as of closing.
- C. The representations and warranties contained in this Agreement are true and correct as of the date of closing.

17. Representations and Certifications Made By The City As A Part Of This Agreement.

The City represents and warrants to the Purchaser that the following shall be true and correct, as of the date hereof and as of the date of closing:

- A. The City owns title to the Property subject only to easements, restrictions and reservations of record.
- B. There are no public improvements which have been commenced or completed for which special real property tax assessments may be or have been levied against the Property.
- C. There are no known existing violations of applicable law with respect to the Property.
- D. There is no litigation pending or threatened against the Property which might result in a lien on the Property, or might interfere with the City's ability to sell or convey the Property, or which might have a material adverse change upon the Property.
- E. The execution and delivery of the Purchase Agreement and closing of the sale by the City will not result in the breach of any agreement, decree or order to which the City is a party or by which the Property is bound.
- F. There are no condemnation proceedings pending or threatened with respect to all or any portion of the Property.
- G. The City is not a party to any contracts relating to the Property, except for this Agreement.

18. Time of Essence.

Time is declared to be of the essence of this Agreement.

19. Additional Documents.

The parties agree to execute further documents as may be reasonably required to effectuate the purchase and sale of the Property as provided by this Agreement.


20. Entire Document.

This instrument constitutes the entire agreement between the City and the Purchaser, and there are no agreements, understandings, warranties, or representations between the Purchaser and the City except as set forth herein. This Agreement cannot be amended except in writing executed by the Purchaser and the City.


Done and approved on the date first written above.


THE CITY OF HOBBS

PURCHASER



Mayor Sam Cobb



Troy Hudson


Melissa Hudson

ATTEST:

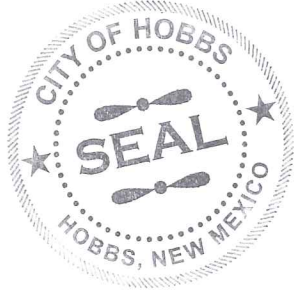
APPROVED AS TO FORM:



Jan Fletcher, City Clerk



Efren Cortez, City Attorney





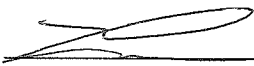
RELATED PARTY DISCLOSURE FORM

1. Are you indebted to or have a receivable from any member of the City of Hobbs Commission, administration officials, department heads, and key management supervisors with the City of Hobbs?
YES _____ NO

2. Are you an employee of the City of Hobbs or a member of your family an employee of the City of Hobbs?
YES _____ NO

3. Are you related to any member of the City of Hobbs Commission, administration officials, department heads, key management supervisors of the City of Hobbs?
YES _____ NO

The answers to the foregoing questions are correctly stated to the best of my knowledge and belief.

Signature  Date 10/29/2020

(Print Name): Troy Hudson



RELATED PARTY DISCLOSURE FORM

1. Are you indebted to or have a receivable from any member of the City of Hobbs Commission, administration officials, department heads, and key management supervisors with the City of Hobbs?

YES ___ NO

2. Are you an employee of the City of Hobbs or a member of your family an employee of the City of Hobbs?

YES ___ NO

3. Are you related to any member of the City of Hobbs Commission, administration officials, department heads, key management supervisors of the City of Hobbs?

YES ___ NO

The answers to the foregoing questions are correctly stated to the best of my knowledge and belief.

Signature  Date 10-29-2020

(Print Name): Melissa Hudson



September 3, 2020

Troy Matthew Hudson
Melissa Joan Hudson
8525 N Matt Dr
Hobbs, NM 88242

RE: Real Estate Mortgage Commitment
Subject Property: To Be Determined

Dear Troy & Melissa,

Based on our review of the preliminary credit report and information provided to us on your loan application as well as your personal financial information, you have been pre-approved for permanent conventional financing on your selected property. The credit, income information you furnished, fall within our underwriting guidelines for this transaction. This mortgage commitment with Lea County State Bank will satisfy the purchase of a home in an amount up to One Hundred Fifty-Five Thousand Dollars (\$155,000.00).

Your ability to secure this loan amount is subject to identifying a property, an approved and acceptable appraisal on the identified property, final verification of employment and income, no adverse material change in your financial status and complete satisfaction of all underwriting requirements.

No interest rate has been locked at this time.

THIS COMMITMENT WILL EXPIRE ON DECEMBER 18, 2020

Please let me know if you have any questions or need any additional information. I can be reached at (575) 397-6688.

Sincerely,



Amber Fisher
Assistant Vice President & Mortgage Loan Officer
NMLS ID 591592

