CITY OF HOBBS, NEW MEXICO

ORDINANCE NO. 1145

AN ORDINANCE APPROVING A REAL ESTATE PURCHASE AGREEMENT TO SELL AND CONVEY A PARCEL OF LAND COMPRISED OF THE REPLAT OF LOT(S) 13 AND 14 OF THE HOBBS INDUSTRIAL AIRPARK SOUTH SUBDIVISION, TO SOUTHWESTERN PUBLIC SERVICE COMPANY FOR THE PURCHASE PRICE OF \$450,000.00.

WHEREAS, the City of Hobbs, a municipal corporation, is the owner of a parcel of land comprised of lot 13 and lot 14 within the Hobbs Industrial Airpark South Subdivision, in the Hobbs Industrial Air Park South Subdivision; and

WHEREAS, the HIAP industrial areas have been designated by the City of Hobbs Industrial Air Park Master Plan for commercial and industrial development; 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. <u>Terms of Sale</u>: The City proposes to sell a parcel of land comprised of lot 13 and lot 14 within the Hobbs Industrial Airpark South Subdivision, for the purchase price of \$450,000.00.

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 and Protective Covenants for the property are part of the Proposed Ordinance.

- 2. <u>Appraised Value of Municipally Owned Real Property</u>: The municipality has received a viable offer at or above the appraised value.
- 3. <u>Schedule of Payments</u>: 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: \$ 10,000 At Closing Balance of Cash \$440,000 Total Payments \$450,000 4. The Amount of Purchase Price:

\$450,000

- 5. <u>Purchaser of Property</u>: Southwestern Public Service Company.
- **6.** Purpose of Municipal Sale: Industrial and Economic Development Site acquisition for company providing Public Utility Services.

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

(l)

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

LEGAL DESCRIPTION

A parcel of land comprised of lot 13 and lot 14 within the Hobbs Industrial Airpark South Subdivision.

Subdivision Plat is attached hereto to this Ordinance as Exhibit #1, and made a part of this Ordinance. Subject to the conditions and terms in Exhibit "2", Agreement for The Purchase of Real Estate, 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.

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 6th day of September, 2022.

CITY OF HOBBS, NEW MEXICO

Sam D. Cobb, Mayor

ATTEST:

JAN FLETCHER, City Clerk

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REAL ESTATE PURCHASE AGREEMENT CITY OF HOBBS AND SOUTHWESTERN PUBLIC SERVICE COMPANY

THIS REAL ESTATE PURCHASE AGREEMENT (hereinafter "Agreement"), entered into this 26th day of July, 2022, between Southwestern Public Service Company, a New Mexico corporation, whose address is 790 S. Buchanan Street, Amarillo, TX 79101 (hereinafter "Purchaser"); and the City of Hobbs, New Mexico, a New Mexico Municipal Corporation (hereinafter "City").

RECITALS:

A. 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 in the Hobbs Industrial Airpark South Subdivision, more particularly described as follows, and referred to hereinafter as "Property," on the terms and conditions set forth herein.

PARCEL DESCRIPTION:

Replat of Lot(s) 13 and 14 of the Hobbs Industrial Airpark South Subdivision, City of Hobbs, Lea County, New Mexico. Subdivision Replat is attached hereto as Exhibit #1.

NOW THEREFORE THE FOLLOWING IS AGREED BY THE PARTIES:

1. Earnest Money Deposit.

Purchaser will make an earnest money deposit with First American Title Insurance Company, 1819 N. Turner Street, Ste. B, Hobbs, NM 88242 (the "Title Company") in the sum of TEN THOUSAND and 00/100 DOLLARS (\$10,000.00), within seven (7) working days of Commission Approval of this agreement (the "Earnest Money Deposit").

2. Purchase Price.

- A. The purchase price for the Property shall be FOUR HUNDRED FIFTY THOUSAND and 00/100 DOLLARS (\$450,000.00) (the "Purchase Price") of which the amount paid as Earnest Money Deposit shall be a part, and the Earnest Money Deposit shall be applied to the Purchase Price at Closing.
- B. The Purchase Price includes access to standard City Industrial Park infrastructure and utility services pursuant to the City Utility Service Policy as adopted November 2014.

3. Property, Survey, and Access.

A. Within sixty (60) days following the execution of this Agreement, the City will provide Purchaser with the approved and recorded replat of Lot(s) 13 and 14 of the Hobbs Industrial

Airpark South Subdivision, City of Hobbs, Lea County, New Mexico, creating a single Lot. The replat of the Property by the City in accordance with this paragraph is a requirement to Closing.

- B. Purchaser may conduct an ALTA survey of the Property at its cost.
- C. Purchaser and its employees, agents and contractors shall have the right to enter the Property during normal business hours and upon reasonable prior notice to City to inspect the same, perform surveys, environmental assessments, soil and other tests and for other investigations and activities consistent with the purposes of this Agreement. Upon completion of Purchaser's activities on the Property, Purchaser shall restore the Property to as near a condition as existed immediately prior to the entry by Purchaser as is reasonably possible, provided however, Purchaser shall not be liable for any prior environmental contamination or any other existing condition on the Property.

4. Closing.

Provided that neither Party is in default of this Agreement and that all conditions to Closing have been satisfied or waived, the consummation (herein called the "Closing") of the purchase and sale of the Property shall occur on a mutually agreeable date, but no later than December 31, 2022 (the "Closing Date"). The parties may extend the Closing Date by mutual agreement, not to exceed 365 days following the adoption of the ordinance referenced in Section 23.A.

- A. The City shall deliver the following at Closing:
 - (i) the deed described in Section 7;
 - (ii) all normal and customary documents and instruments which are necessary to (a) transfer the Property to Purchaser (subject only to the permitted exceptions), (b) evidence the authority of City, or (c) permit the Title Company to issue the title insurance policy; or as may be required of City under applicable law; and
 - (iii) City's signed settlement statement consistent with this Agreement.
- B. Purchaser shall deliver the following at Closing:
 - (i) the Purchase Price, subject to any adjustments as set forth in this Agreement; and
 - (ii) Purchaser's signed settlement statement consistent with this Agreement.

Review of Title and Documents.

A. As soon as reasonably possible following the execution of this agreement, the City shall furnish Purchaser a commitment for owner's policy of title insurance ("Commitment")

for the Property together with full copies of all exceptions set forth therein, including but not limited to covenants, conditions, restrictions, reservations, easements, rights of way, assessments, liens and other matters of record. Purchaser shall have twenty (20) days from receipt of the Commitment and copies of said exceptions within which to notify the City of Purchaser's disapproval of any exceptions shown in the Report.

The City shall have until the date for Closing to eliminate any disapproved exception(s) or patent reservations(s) from the policy of title insurance to be issued in favor of Purchaser, and if not eliminated, then the Earnest Money Deposit shall be refunded, unless Purchaser then elects to waive its prior disapproval. Failure of Purchaser to disapprove any exception(s) or patent reservation(s) within the aforementioned time limit shall be deemed an approval of such exception or patent reservation. The policy of title insurance shall be a standard coverage policy in the amount of the total Purchase Price and shall be paid for by Purchaser.

In the event this contingency or any other contingency to this contract has not been eliminated or satisfied within the time limits and pursuant to the provisions herein, and unless Purchaser elects to waive the specific contingency by written notice to the City, this Agreement shall be deemed null and void, the Earnest Money Deposit shall be returned to the Purchaser, and neither party shall have any rights or liabilities under this Agreement.

B. City, without cost to Purchaser, shall provide Purchaser with copies of all surveys, engineering studies, feasibility studies, soil and water test results, environmental studies or reports, maps, plats, contracts, documents, agreements, permits, licenses, reports and data pertaining to or affecting the Property (collectively, the "Information") in the possession or control of City. The Information shall be delivered to Purchaser on or before five (5) days after the date of this Agreement. In the event of termination of this Agreement for any reason after the date of this Agreement, Purchaser, without additional cost to City, shall promptly return to City all copies of the Information that are in the Purchaser's possession or under Purchaser's control. City agrees that following said initial submission of Information to Purchaser, throughout the term of this Agreement, City shall continue to deliver to Purchaser all Information obtained by City or within City's control promptly after City receives or obtains control over the same. The Inspection Period shall be extended for a period of five (5) additional days following Purchaser's receipt of any Information from City that City fails to deliver prior to the expiration of the Inspection Period.

6. Environmental Assessment.

Purchaser may perform a Phase I Environmental Site Assessment, at its sole cost and expense. Soil, rock, water, asbestos, and other samples found on or taken from the Property shall remain the property of City. Purchaser shall have twenty (20) business days from receipt of the Environmental Assessment Report to advise City of any disapproval of any exceptions or environmental conditions indicated in the Report. A

business day shall be any day other than a Saturday, Sunday or any other day on which banks in Hobbs, NM are required to remain closed.

7. Title.

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 except those exceptions and reservations which are disapproved by Purchaser and eliminated by the City as noted above. City shall deliver exclusive legal and actual possession of the Property to Purchaser on the Closing Date.

8. Oil and Gas Activities.

The parties acknowledge and understand City does not own any mineral interest in the property being conveyed. The extraction of any mineral interest shall be subject to all federal, state and municipal rules, regulations and Ordinances concerning such.

9. 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.

10. Default and Remedy.

- A. <u>Default by City.</u> 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. <u>Default by Purchaser.</u> If Purchaser defaults in the performance of this Agreement prior to Closing, City may terminate this Agreement and retain the Earnest Money Deposit.
- C. <u>Notice and Demand for Performance</u>. 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.

11. Closing Costs and Fees.

The closing costs shall be set forth in the settlement statement and paid as follows:

- A. The City shall pay for (i) the replat (survey), (ii) title insurance binder (Commitment) for the value of the Purchase Price, (iii) Title Company escrow, closing fees, and recording fees, and (iv) the costs of recording any documents necessary to address title objections raised by Purchaser.
- B. All other closing costs not addressed in subparagraph A. above or otherwise in this Agreement shall be paid by the Purchaser, including title insurance premium and endorsements, additional survey costs if Purchaser requests an ALTA survey in accordance with Section 3 and environmental assessment cost if Purchaser conducts a Phase I in accordance with Section 6.
- C. The Purchaser and City shall each pay for their respective legal fees.
- D. The Purchaser and City warrant and represent to each other that they have not employed or dealt with any other real estate agent or broker relative to the sale and purchase of the Property, other than Burkett-Shaw Realty, whose six percent (6%) commission shall be paid by Purchaser at Closing. Each party hereby agrees to bear their own liability incurred in the defense thereof to any other agents or brokers with whom such party may have dealt.

12. Notice.

All notices given pursuant to or in connection with this Agreement shall be made in writing and posted by certified mail, return receipt requested, postage prepaid, to the following:

if to the City:

City of Hobbs

ATTN: City Manager 200 East Broadway Hobbs, NM 88241

if to Purchaser:

Southwestern Public Service Company

ATTN: Real Estate Services 1800 Larimer Street, Ste. 900

Denver, CO 80202

with a copy to:

Xcel Energy Services Inc.

ATTN: Legal Services – Real Estate 1800 Larimer Street, Ste. 1400

Denver, CO 80202

or to such other address as requested by either party. Notice shall be deemed to be received on the fifth (5th) day following posting.

13. Attorney's Fees and Costs.

If either is found by a court to have breached this agreement, each of the Purchaser and City shall each pay for their respective legal and attorney's fees and costs.

14. 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.

15. 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\she is the principal party. Consent shall not unreasonably be withheld by either party.

16. 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.

17. 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.

18. State Permits and Licenses.

Purchaser agrees that City has no direct responsibility for Purchaser to make application and obtain required New Mexico State permits and licenses for industrial facility expansion on the Property. Purchaser agrees to indemnify and hold City harmless from and against all liability, claims, demands, damages or costs of any kind arising from or connected with any New Mexico State permit or license application for activities and uses on the property.

19. Protective Covenants.

Purchaser agrees to comply with terms and conditions as stated in the previously recorded Protective Covenants for the Property. These Protective Covenants are attached hereto as Exhibit "2", and made a part of this agreement.

20. Termination.

This agreement shall be terminated on the Closing Date for sale of property, unless either party ends the agreement prior to that date pursuant to Section 10 of this Agreement. All of the City's warranties, representations, certifications, and agreements contained herein shall be and remain true at the time of Closing.

21. City Permits.

Purchaser shall be responsible to apply for all required City permits, including a City Business Registration or License Fee and building permits.

22. Rights of the City and Conditions and Requirements of the Purchaser.

A. Right of Repurchase If Development (Permit and Site Development) Has Not Started Within twelve (12) months Period Following Closing Date.

Subject to the rights of any mortgagees under any mortgages on the Property, the City retains the right to repurchase the property, for the same price paid by the Purchaser, if Purchaser has not begun development (Issuance of a Municipal Building Permit and Site Development) within twelve (12) months of the date of Closing, or if Purchaser defaults prior to completing development within thirty (30) months following the Closing Date. Development is hereby defined as the Purchaser's completion of construction of the complete main building suitable to Purchaser's needs including on-site improvements of payed access street and parking areas, utility service lines, landscaping, and foundations, according to City Design Standards and Building Code Ordinances. Development also includes Purchaser's operation of an industrial development on site suitable to Purchaser's needs, which meets agreed upon minimum economic development goals of job creation. The Purchaser must make a good faith effort to begin and continue development. Upon compliance with the development responsibility of Purchaser and at Purchaser's request, the City shall provide a written, recordable release or certificate of compliance with this paragraph, and a waiver of its right to re-purchase. In the event that the City does not exercise any right to repurchase the Property within three years of the date of such right arises, then that right to repurchase shall lapse and expire.

B. <u>HIAP Property – Real Estate Purchase & Long Term Lease.</u> Agreement <u>Provisions:</u> To ensure creation of new jobs to Lea County, to attract new industry to Lea County and to guard against speculation, the following provisions are required by the City Commission to be incorporated into all new land purchase agreements and long term leases:

- 1) No re-sale of the Property is to be allowed for the five (5) year period following the date of Closing, except Purchaser may transfer the Property to a wholly owned corporation or entity for the specific purpose of financing improvements on the property.
- 2) Pursuant to the recorded Protective Covenants, the main building must be completed within thirty (30) months of Closing, and be equal in value to at least four times the Purchase Price of the land.
- 3) To provide security for enforcement of these covenants, purchaser agrees that a municipal lien may be filed by the City in second position, but in no case no later than six (6) months from Closing, equal to one hundred fifty percent (150%) of the Purchase Price paid to the city, until Purchaser has expended four (4) times the Purchase Price developing the industrial site. Purchaser agrees that this lien shall remain enforceable and be subject to foreclosure if the covenants and/or purchase agreement are violated at any time within the first five (5) years following the date of Closing.

C. Building and Site Development Policies:

- 1) Completion of the building and site improvements, including the main building, shall be completed and placed in service no later than thirty (30) months from date of Closing. The purpose of this requirement is to insure the property is sold to someone that intends to utilize the industrial park and create jobs and not hold the property for speculation.
- 2) Retail uses are not permitted except for a factory outlet store as a minor part of the industrial operations to sell goods manufactured on site. Residential uses are not permitted.
- 3) As the specific property in the Industrial Park is a highly visible site, appropriate landscaping shall be required which may be in excess of MC 15.40 and screening along any roadway frontage. Such that the appearance of the industrial park is enhanced in an effort of attract other HIAP users, the entirety of the frontage on both Business Park Boulevard and Millen shall be landscaped as per MC 15.40.
- D. The proposed sale is subject to approval by the City Commission.
- E. Purchaser shall be required to construct access driveway(s) to the site boundary on City right-of-way to meet applicable City regulations for property access. Typical drawings showing detail for drainage piping are available for review. An access driveway to Millen will not be allowed except for emergency access purposes and subject to the City's approval of design and location. If Purchaser desires an emergency access driveway on Millen, a separate mutually agreed deed restriction shall be filed at the Lea County Courthouse to restrict use of driveway to emergency access purposes only.

- F. Purchaser shall be responsible for acquiring all local, state and federal permits and licensing. City staff will assist purchaser in processing appropriate permits for the site. A "caliche" yard of compacted crusher fines or compacted gravel will be allowed if the area is treated to reduce blowing dust.
- G. All activities must meet all local, state and federal regulations, including those related to environmental issues.
- H. The City shall extend the times set forth in this Section 22 in the event of a delay or failure of performance caused by forces beyond the reasonable control of Purchaser, including, without limitation, strikes, work stoppages, accidents, acts of war or terrorism, civil or military disturbances, natural catastrophes or acts or God, interruption of services, epidemic or pandemic, supply chain issues, or governmental actions.
- I. Purchaser will be responsible for the extension of City sewer along Business Park Blvd. to the north boundary of the property, as part of the site development.

23. 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. In the event of a referendum petition and election, Purchaser shall hold City harmless for any and all claimed damages whatsoever.
- B. Purchaser must have received, reviewed and approved the replat (survey) prior to Closing.
- C. If a request for a Phase I Environmental Site Assessment, Purchaser must have received, reviewed and approved the Phase I Environmental Assessment Report for the Property prior to Closing. Purchaser shall have the Environmental Assessment Report for review at least thirty (30) calendar days prior to the intended date of Closing; and Purchaser shall have thirty (30) days from receipt of the Report to raise any objections with City.
- D. There shall be no material adverse change in the condition of the Property as of Closing.
- E. The representations and warranties contained in this Agreement are true and correct as of the date of Closing.
- F. If any of the conditions set forth in this Section are not satisfied to the sole discretion of the Purchaser prior to Closing, or waived by the time specified therefor, or,

if no time is specified, then by the Closing Date, then the Purchaser shall receive a refund of the Earnest Money Deposit.

24. 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 as disclosed in the title commitment.
- 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. To the best knowledge of the City as of the date hereof, the following statement is made regarding the Property:

To the best knowledge of the City, there are no past or present investigations, proceedings, litigation or regulatory hearings with respect to the Property alleging non-compliance with or violation of any federal or state law regarding environmental matters. To the City's actual knowledge, there has not now, nor have there been, any above ground or underground storage tanks located in or under the Property. To the City's actual knowledge, the Property has previously been owned by the US Government Land Office, the City of Hobbs, the US Hobbs Army Airfield, and the City of Hobbs, New Mexico. The only known prior uses of the Property are 1) open range grazing by local ranches from 1880 through the 1940's time period; and 2) use of the area as a portion of the Hobbs Army Airfield operation during W.W.II.

The complete environmental record and clean-up report of City remediation projects is available for review by the Purchaser. To the best knowledge of the City, the Property presently is not and has never been used for any other storage, manufacture, disposal, handling, transportation or use of any hazardous substances in violation of any law, other than those connected with the Hobbs Army Airfield.

H. The City is not a party to any contracts relating to the Property, except for this Agreement.

25. Representations and Certifications Made By The Purchaser As Part Of This Agreement.

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

- A. The Purchaser is a viable company with its Satellite Office in Hobbs, New Mexico.
- B. The Purchaser intends to construct an industrial complex with structures within the thirty (30) months following Closing.
- C. Purchaser shall obtain a City Building Permit and begin construction on the site no later than twelve (12) months after Closing. City shall assist Purchaser and cooperate in the issuance of the City Building Permit necessary to meet this requirement.
- D. The Purchaser agrees to all economic development goals within this Agreement for economic development in Hobbs for the five (5) year period following Closing. Purchaser has sufficient financial resources available to complete all of the above building, development and operation goals.

26. Time of Essence.

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

27. 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.

28. 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.

[signature page follows]

Done and approved on the date first written above.

CITY:

City of Hobbs, New Mexico

Sam Cobb, Mayor

ATTEST:

APPROVED AS TO FORM:

Jan Fletcher, City Clerk

Efren Cortez, City Attorney

[Purchaser signature on next page]



PURCHASER:

Southwestern Public Service Company, a New Mexico corporation

Matt Bochles

Matthew Boehlke

Sr. Director, Property and Aviation Services, Xcel Energy Services Inc., as agent for Southwestern Public Service Company

Exhibit #1 (Subdivision Replat)

[see attached]

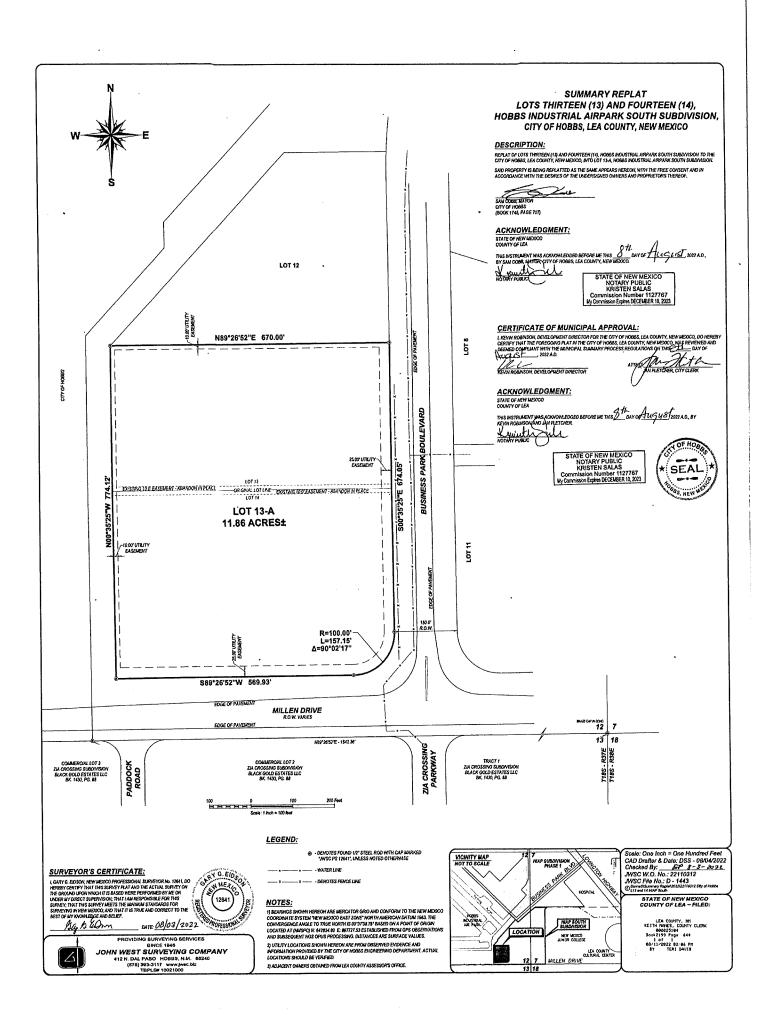


Exhibit #2 (Protective Covenants)

[see attached]

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PROTECTIVE COVENANTS AND DESIGN STANDARDS FOR THE HOBBS INDUSTRIAL AIR PARK SOUTH SUBDIVISION PROPERTY.

GENERAL CONDITIONS PART I

This Declaration, made the 11th day of July, 2011, by the City of Hobbs, hereafter referred to as "Declarant" or "City".

1. Purpose.

A. Declarant is the owner of certain real property in the within the City limits of Hobbs in the County of Lea, State of New Mexico, referred to as "HOBBS INDUSTRIAL AIRPARK SOUTH SUBDIVISION", described as follows and more particularly in "Exhibit A" which is attached hereto and by reference made a part hereof, more commonly known as a portion of the Hobbs Industrial Air Park, (hereafter referred to as the Property.)

LEGAL DESCRIPTION - "HOBBS INDUSTRIAL AIRPARK SOUTH SUBDIVISION:

THE FOREGOING SUBDIVISION OF A CERTAIN TRACT OF LAND SITUATED WITHIN THE CORPORATE BOUNDARIES OF THE CITY OF HOBBS, LEA COUNTY, NEW MEXICO, LYING IN THE SOUTHWEST QUARTER OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST AND THE SOUTHEAST QUARTER OF SECTION 12, TOWNSHIP 18 SOUTH, RANGE 37 EAST, N.M.P.M., AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A BRASS CAP IN CONCRETE FOUND FOR THE SOUTHWEST CORNER OF SAID SECTION 7 AND THE SOUTHEAST CORNER OF SAID SECTION 12, THEN N89°30'09"E ALONG THE SOUTH LINE OF SAID SECTION 7 A DISTANCE OF 629.90 FEET; THEN N00°30'49"W A DISTANCE OF 2023.59 FEET TO A BRASS CAP IN CONCRETE; THEN N00°28'47"W A DISTANCE OF 557.87 FEET TO A BRASS CAP IN CONCRETE; THEN N44°30'22"E A DISTANCE OF 141.42 FEET TO A BRASS CAP IN CONCRETE ON THE SOUTH BOUNDARY OF PHASE ONE OF THE HOBBS INDUSTRIAL AIRPARK SUBDIVISION TO THE CITY OF HOBBS; THEN S89°30'22"W ALONG SAID BOUNDARY A DISTANCE OF 581.19 FEET; THEN S49°47'57"W ALONG SAID BOUNDARY A DISTANCE OF 1044.46 FEET; THEN N45°25'39"W ALONG SAID BOUNDARY A DISTANCE OF 165.03 FEET; THEN S42°59'13"W A DISTANCE OF 1277.69 FEET; THEN S00°35'25"E A DISTANCE OF 59.36 FEET; THEN S42°59'13"W A DISTANCE OF 280.35 FEET; THEN S00°35'25"E A DISTANCE OF 943.07 FEET TO A POINT ON THE SOUTH LINE OF SAID SECTION 12, TOWNSHIP 18 SOUTH, RANGE 37 EAST; THEN N89°26'52"E ALONG THE SOUTH LINE OF SAID SECTION 12 A DISTANCE OF 1842.36 FEET TO THE POINT OF BEGINNING AND CONTAINING 116.90 ACRES MORE OR LESS.

- B. The purpose of these Protective Covenants is to establish and maintain a planned business and industrial center with certain design standards which may be in addition to those development regulations imposed by the City of Hobbs, and other governmental entities having jurisdiction over the Property.
- C. In order to establish general rules and guidelines for the improvement and development of the Property, Declarant desires to impose upon it mutual and beneficial restrictions for the benefit of all lands in the Property and for the benefit of all future

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HIAP Industrial Subdivision Protective Covenants, Page 2.

owners of lands in the Property.

2. General Provisions.

- A. Declarant, owner of the Property, hereby declares that the Property is now held, and shall be transferred, sold, leased, conveyed, and occupied subject to the Protective Covenants herein set forth, each and all of which shall inure to the benefit of and pass with each and every parcel of the Property, and apply and bind the heirs, assignees, and successors in interest of each and every owner of a parcel or parcels of the Property.
- B. Each purchaser of any parcel of the Property covenants and agrees with Declarant, its successors and assigns to use the property only in accordance with the Protective Covenants herein set forth, and to refrain from using the Property in any way inconsistent with or prohibited by the provisions of this Declaration.
- C. Each purchaser or user of any parcel of land in the Property shall comply with all applicable laws of the City of Hobbs, Lea County, the State of New Mexico and the United States of America.
- D. <u>Building and Development Performance Goals.</u> The purpose of these requirements is to insure the Property is sold to and developed by someone that intends to utilize the industrial park and create jobs and not hold the property for speculation. Each initial purchaser of any parcel of the Property directly purchasing from the Declarant covenants and agrees with Declarant, its successors and assigns to develop each parcel or property within eighteen (18) months following the date of purchase. Building construction shall be started on each parcel within six (6) months of the date of closing for all parcels. The main building on each parcel shall be completed within 18 months. For developments on multiple lots exceeding 12.0 acres total, the City Manager is authorized to consider and may grant variances to allow a time extension of the completion date to 30 months for larger buildings and complexes; or if an owner experiences unforeseen problems during the construction which cause serious and unavoidable delays.
- E. <u>Economic Development and Private Investment Performance Goals</u>. For all Real Estate Purchase & Long Term Leases in excess of 5 years in the Property, each initial Purchaser or Lessee of any parcel of the Property directly purchasing or leasing from the Declarant covenants and agrees that in order to ensure creation of new jobs to Hobbs and Lea County, to attract new industry to the area and to guard against speculation, that some or all of the following provisions may be incorporated by the City into all new land purchase agreements and long term leases:

To provide security for enforcement of these covenants, purchaser agrees that a municipal lien shall be filed by the City in second position, within six months following the purchase of the Property, in an amount equal to one hundred fifty percent (150%) of the purchase price paid to the city, until Purchaser has expended a minimum threshold of four (4) times the purchase price in developing

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the industrial site, at which time the lien shall be released by the City. Said lien shall be foreclosed should the aforesaid four (4) times threshold of capital investment is not satisfied within thirty-six (36) months of possession of a property.

- F. Land speculation and holding vacant parcels off the market is not permitted and is inconsistent with the City's goals to develop a vibrant industrial area to promote economic development of Hobbs.
- G. <u>Right of Repurchase.</u> If any owner does not comply with the above covenants, the City may exercise re-purchase powers or take other legal actions as necessary. The purchase agreements will contain re-purchase clauses if development and building has not started according to the requirements. The City shall also specify conditions regarding economic development and job creation; private investment; prohibition of land speculation; inflating future sale prices; etc. in each real estate purchase agreement.
- H. <u>Variances to Specific Requirements Herein This Section 2</u>. For good cause shown, the City Manager is authorized to consider and may grant variances to the requirements of Section 2 above, if unforeseen problems may occur on a Property.

3. Design Review Board.

- A. Declarant hereby designates the Hobbs Planning Board of not less than six (6) persons, to function as the Design Review Board, hereafter referred to as the "Board". Composition of and membership of the Hobbs Planning Board shall be determined and appointed by the City of Hobbs City Commission. Declarant shall appoint all members of the Board, and may expand the number of members, possibly including other land owners, as may be decided in the future solely by the Declarant, for purposes limited solely to HIAP Design Review Board agenda items.
- B. Declarant shall establish rules and procedures for the Board, including but not limited to procedures for the submittal and review of plans. Declarant may amend these procedures and rules, but shall publish any amendment according to Section 3-1-2, et. seq. NMSA 1978, as amended. The approval and consent of the Board shall not be unreasonably withheld on matters properly coming before the Board.
- C. The Board shall exist as long as Declarant owns any parcel or portion of the Hobbs Industrial Air Park, within which the Property is encompassed.
- D. There shall be no charge for services rendered and reviews undertaken by the Board.
- E. All decisions of the Board shall be rendered in written format to the applicant.
- F. Except with respect to land owned by the City of Hobbs, no building site or parcel of land within the Property may be divided, subdivided or fractional part thereof sold, leased or conveyed so as to create a new parcel, or combined with any building site or

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parcel of land without the prior written consent of the Board.

- G. All Site Development Plans, subdivision plats, and construction plans requiring a building permit or fence permit upon the Property shall be submitted to the Board for review and approval, prior to review by the appropriate City office and other reviewing agencies. Except that the Declarant may file subdivision plat revisions and City infrastructure plans, which are exempt from the Board's review. All Site Development Plans shall include all drainage structures, building locations, access driveways, truck loading and parking facilities and any other proposed facilities on the site. A conceptual grading and drainage plan shall be submitted to the City Engineer for review and approval at the same time the Site Development Plan is submitted. Plans submitted for review by the Board, if submittal is complete, accurate and in compliance with submission requirements of the Board, shall be deemed approved by the Board, if no action shall be taken within thirty (30) working days from the date of submittal. All plans to be submitted for review by the Board shall be submitted to the Planning Department of the City of Hobbs, at 200 E. Broadway, Hobbs, NM 88240.
- H. Decisions by the Board shall not be construed as professional expertise and no warranty or liability for construction according to such plans shall be placed on the Board or Declarant.
- I. No building permit, subdivision of land or any other type of development permit shall be approved for any parcel in the Property, unless said <u>Site Development Plan</u> submittal has first been submitted to the Hobbs Planning Department and presented to the Board for review and recommendations.
- J. For good cause shown, the Board may approve variances to these Protective Covenants, except for Section 2 above in its entirety.
- K. The City Commission may also approve variances to these protective covenants, in the exercise of its discretion to approve plans, to permit, or to consent to approve a variance from the specific requirements or effect of a particular covenant herein contained.
- L. Any aggrieved person that is affected by an administrative decision of any City Board or official may appeal that decision to the City Commission. The appeal must be presented in writing to the City within fifteen (15) days of the action causing the appeal. Appeals of the City Commission must be filed with the District Court.

4. Permitted, Regulated and Non-Permitted Uses.

A. The Board may impose any reasonable condition on activities, such as landscaping, or regulation of grading during certain months of the year, to mitigate the effects of the activity's appearance, noise, traffic, dust and similar impact(s). Any aggrieved person affected by such a decision may file an appeal with the City Commission pursuant to Section 3L above.

- B. Activities and uses on the Property shall be constructed, used or occupied to insure that there is no excess noise, vibration, toxic or noxious matter, humidity, heat or glare, liquid or solid waste, at or beyond any lot line of the parcel on which it is located. No activity or use shall emit air pollutants to such an extent that such use is classified as a "Major Stationary Source" by New Mexico Air Quality Control Regulation #707 and/or 40 CFR Part 51 of the U. S. Environmental Protection Agency.
- C. No parcel or structure on the Property shall be used for any heavy manufacturing use and the following specific uses listed below:
- ** Smelting of Ores.
- ** Glue Manufacture.
- ** Fertilizer Manufacture.
- ** Airport or Heliport.
- ** Fat Rendering.
- ** Explosive Manufacture or Storage of large quantities of explosives.
- ** Junk Yards, Salvage or Wrecking Yards.
- ** Cement, Lime, Gypsum or Plaster Manufacturing.
- ** Raw Materials Extraction.
- ** Exterior Storage of Raw Materials without sight buffers.
- ** Excavation, Grinding, or Extraction of Gravel, Road Base, Pit Run, or Operation of a Quarry.
- ** Stockyards or Slaughter of Animals.
- ** Telecommunications Towers for rental to off-site operators.
- ** Acid Manufacture or Storage of large quantities of Acid on site (In excess of 500 gallons), or those industries with large quantities of hazardous chemicals, liquid fuel, compressed elements or gases or other similar uses.
- ** Wastewater Treatment Facilities.
- ** Truck Stop.
- ** Recycling or Abatement Facilities.
- ** Dry-cleaning Establishments or Industrial Cleaning Operations.
- ** Any industry or use that generates excess noise, vibration, toxic or noxious matter, humidity, heat or glare, at or beyond any lot line of the parcel on which it is located.
- D. No on-site billboard for either off-premise or on-premise advertising, and other outdoor advertising for off-premise advertising shall be permitted on any parcels in the Hobbs Industrial Air Park.

5. Construction of Improvements.

A. After plans for construction are submitted and approved by the Board and other appropriate reviewing agencies, owner shall begin construction of buildings and improvements in a timely manner, not to exceed six (6) months after approval, unless further time for construction is requested and approved by the Board.

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- B. If any owner fails to complete construction of required and approved improvements, including but not limited to utility lines, paved streets, parking areas, landscaping, Declarant may, after giving due legal notice, construct the required improvements. The costs for Declarant's construction activities shall be recovered by Declarant in accordance with New Mexico State Statutes. After the start of construction, each project should be completed in a timely manner normally within 12 months, except for unusually large buildings, when the Board may allow additional construction time.
- C. The City is responsible for maintaining cultural resources in the Industrial Park and certain parcels on the Property may require set-a-side preservation easements.
- D. The City requires all property owners to limit grading and clearing activities on a site to the actual physical area planned for development to limit soil erosion.

6. Maintenance of Premises.

- A. All owners and other users of the Property are obligated to keep and maintain the buildings, structures, parking areas, landscaping, signs and other entities of the parcel in an orderly and well maintained condition.
- B. All landscaped areas shall be appropriately irrigated with an automated system and plants, grasses and trees shall be orderly and well maintained. Any areas of newly disturbed earth not in landscaped areas shall be planted with appropriate plant materials to reduce blowing dust. As an option, an owner may also construct and use a truck parking and storage yard area with a caliche material base or gravel base, with compaction of materials as required to support the stored vehicles.
- C. All waste, rubbish or surplus materials shall be stored in properly screened enclosures and removed regularly. No materials, supplies, equipment, finished or semi-finished products are permitted to be stored outdoors, except in areas approved on the Site Development Plan.
- D. If any owner or other user of a parcel on the Property fails to adequately maintain a building, structure, landscaping, parking lot or other premises, Declarant may, after giving appropriate legal notice, undertake maintenance of that parcel. The cost of Declarant's maintenance activities shall be recovered by Declarant in accordance with New Mexico State Statutes and City Ordinances.

7. Enforcement of Covenants.

In the event of a violation of these Protective Covenants, it shall be lawful for Declarant to prosecute proceedings at law, or in equity, according to New Mexico State Statutes and City Ordinances, against any owner or user of a parcel in the Property who is violating or attempting to violate any such restriction and covenant, either to prevent any owner or user of a parcel from so doing, or to correct such violation, or to recover damages or other relief for such violation.

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8. Severability.

Invalidation of any one or part of any one of these covenants and restrictions by court order shall in no way affect any of the other provisions or parts of provisions which shall remain in full force and effect.

DESIGN STANDARDS PART II

A. The following standards are conditions for the allowed placement, use and occupancy of parcels and structures erected on the parcels within the Property (see Exhibit A, attached) to be followed in conjunctions with the Protective Covenants, and applicable ordinances of the City of Hobbs.

These standards can only be amended or revised by the Declarant or their successors and assigns. All parcels in the Property shall meet minimum City standards for infrastructure construction, including water, waste water, streets, drainage, signs, landscaping, private utilities for natural gas, electric power and telecommunications, and other construction; building code, if applicable; subdivision regulations; and any other regulations, as required by the Hobbs Municipal Code.

B. Noise Levels:

- 1. Noise level emissions for all parcels in the Property shall not exceed New Mexico State Occupational, Health and Safety Standards and City of Hobbs standards per the City Noise Ordinance.
- 2. All owners and users of parcels in the Property are hereby notified that a private airport exists in the nearby vicinity, and that noise levels consistent with an airport, and occasional aircraft operations may exist in the vicinity of their Property. This disclosure statement shall be placed on the deed as a matter of notice for all parcels in the Hobbs Industrial Air Park.

C. Development Standards:

1. Parcel Area:

There shall be the following minimum lot area requirements for parcels in the Hobbs Industrial Air Park:

Category: Minimum Lot Size:

Commercial/All Categories 0.4 acre
Light Industrial/All Categories 1 acre
All lots fronting on major Arterials and Collectors 1 acre

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Other Uses

Minimum lot size to be determined by Board

No parcel shall have a lot depth that is greater than 4 times its width, unless specifically approved by the Board.

2. Building Setbacks:

Minimum street frontage setback from property lines for the placing of structures shall be twenty-five (25) feet. No uses shall be made of said setback except for driveways; steps and walkways; landscaping and planters; flag poles; roof overhangs, and entrance signage for larger properties. Visitor parking areas are permitted within the front setback area, except these shall have a minimum fifteen (15) foot setback from the front property line.

The setback line shall be fifteen (15) feet from all rear and side property lines. No six (6) foot height security fences or walls are to be placed within the twenty-five (25) foot front setback. The Board may approve decorative fencing not to exceed three (3) feet in height in the front setback. Regarding Business Park Boulevard and Millen Drive, there shall be a twenty-five (25) foot side yard setback on corner lot frontages for all buildings.

3. Landscaping Requirements:

A. All landscaping shall be defined per City Code. All landscaping shall be in setbacks, parking lots according to City ordinance, and other areas, as necessary. The City requires the use of plant landscaping materials and/or structural walls to buffer parcels and land uses in the Park.

Landscaping requirements for all parcels in the Hobbs Industrial Air Park shall be as required in the City Landscaping Ordinance for Industrial parcels, unless a commercial use is proposed. The City encourages that the full front setback for all parcels fronting on arterials and collectors be landscaped and permanently maintained. In addition, that portion of any building facing a side street other than the street on which the building fronts is also to be landscaped in an attractive manner. The parkway area shall be landscaped and permanently maintained, if a parkway area exists between the front set back of the parcel and the constructed street.

B. <u>Landscaping Standards For Industrial Parcels</u>: At a minimum, all general industrial parcels shall maintain landscaping in the customer service areas, front parking lots and in the front of the main site buildings.

4. Screening and Building Site Appearance.

The purpose of the screening rules is to avoid placement of trash receptacles or other unsightly equipment in the front or visible side yards of buildings. The Site Development Plan must show that all rubbish, trash, garbage, debris and other wastes, all loading

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docks and garbage collection facilities, and all other articles, goods, materials, incinerators, trash bins, storage tanks or like equipment open or exposed to public view or to a view from adjacent buildings, are stored at the side or rear of the building and the improvements with which same are associated; and these shall be screened from view. Screening materials shall be constructed and designed in such a manner so that they equal a height equal to that of the materials or equipment being stored. The screening should shield said material and equipment from both public view and view from adjacent buildings as much as possible. After construction, such screening must be maintained in a sound condition with acceptable visual appearance for so long as screening shall be required under the terms hereof. All trash and debris must be contained in enclosed containers to prevent blowing trash.

5. Signage and Lighting Standards:

A. <u>Signage Standards</u>. All temporary and permanent signs and graphics shall be of a size and nature so as to preserve the quality and atmosphere of the Property. The design, material, location and placement of all signs shall be approved as such in writing by the Board prior to their erection. Further, all temporary signs must comply substantially, in the sole judgment of the Board, with the standards and criteria therefor promulgated by the Board.

A single sign shall be permitted on the front of each facility (facing the roadway), stating only the name or identification of the occupant and street address of that facility. One company or product trademark or company logo design is also permitted but not to exceed a total of 60 square feet.

Directional Signs for parking lots, entrances, exits, etc., shall not exceed 30 inches in height and 10 square feet maximum, except for truck entrances, where the directional signs shall be allowed up to 48□ in height and 32 square feet maximum.

Free standing signs will be permitted only upon written approval of the Board, and only for Commercial Land Uses. Signs located other than on the main building (gateways, concrete or masonry yard enclosures) shall be subject to the written approval of the Board, but are encouraged in landscaped setback areas for larger industrial and commercial parcels.

Indirect lighting of signs may be permitted, subject to approval by the Board. All indirect lighting shall be constructed so that illumination is at the top of the sign, to reduce reflected light emitted into the atmosphere. Except as may be approved in writing by the Board, no sign shall be painted on any building wall or placed on any building so as to extend above the top of the roof or parapet wall, whichever is higher. Painted corporate logos or trademarks may be approved by the Board, based on size and designs submitted.

Real estate broker signs advertising any premises shall be permitted, with the following exceptions: 1) there shall be only one (1) sign per parcel; 2) there shall be no off premise

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real estate signs; 3) for parcels less than 10 acres in size, the maximum size shall be 8 square feet; 4) for parcels greater than 10 acres, the maximum size shall be 32 square feet; and 5) the height of all real estate signs shall not exceed 7 feet.

The City as owner and developer of the Industrial Park Property may erect a sign or signs identifying, describing or advertising the Hobbs Industrial Air Park or any of its available land or buildings, including listings of individual lessees and owners, subject to approval of the Board.

B. Illumination Standards.

- 1) Exterior illumination, if such is to be provided, shall be designed to light only buildings, parking areas and walkways and shall not produce glare on adjacent streets or building sites. All floodlighting fixtures shall be depressed ground level or screened from public view in a manner approved by the Board. Parking area lighting units, arcade lighting and other illumination of a "Pedestrian Scale" shall be in a style approved in writing by the Board. Flood light fixtures mounted on the building to shine away from the building are prohibited.
- 2) Flood light fixtures mounted on the building to shine away from the building are not permitted unless wall pack lighting fixtures are installed with appropriate glare shields. 400 Watt lighting and greater wattage bulbs are not permitted. All parcels must comply with the New Mexico Night Sky Act.

6. Off-Street Parking and Loading.

Off-street parking shall be required according to the City of Hobbs Municipal Code or Building Code, as applicable. No truck loading or unloading area shall be located on a building wall fronting on a major arterial or collector, or in the front setback of the parcel.

7. Utility Construction.

All Utilities to be constructed in the Hobbs Industrial Air Park, including telephone, electric and cable TV, shall be constructed underground, unless approved in writing by the Board.

D. Architectural Guidelines:

Site and Building Design Guidelines.

In general terms, the Board's overall goal for building and site standards is to achieve a unified site and building design concept which will be an asset to the Industrial Park. At the same time, the building must function in an efficient manner for its intended purpose; the design should be cost effective; and the facility will help improve the economy of Hobbs. The Board does not impose specific building or site details and enhancements, leaving specifics up to the owner/builder. However, some of the possible design improvements and architectural details available to consider are:

The site plan including landscaping placement and materials should present "a unified site and building concept" in such a manner that the overall site appearance is consistent with the Hobbs Industrial Air Park development guidelines. For all parcels on HIAP Entrance Road, the intent is for design and use of an industrial design and uses on the frontage of HIAP Entrance Road. The front of the building and the portion of the side exterior walls adjoining the front that will be easily visible from HIAP Entrance Road shall contain design and architectural features meeting these design standards.

Architectural details such as screening or parapet walls; contrasting color trim areas for trim areas, roof canopies, exterior doors; etc. should be utilized. Building trim and design features such as orientation to the visible side of the site for the building(s), with these areas allowed to be constructed of a pre-finished color metal should be considered. The exterior building color(s) and roof color should blend with the natural environment, with bright and shiny materials discouraged. Parapet or screening walls are encouraged to screen roof or ground mounted equipment easily visible from the street. The use of highly reflective roofing material is not acceptable unless screened from view by parapet walls.

For any specific sife development, the building entryway should be visible with architectural accents from the street. Design features should be oriented to the visible side of the site. The visible side of the structures should be addressed with refinements constructed of a pre-finished color metal exterior material(s) or stucco or masonry with landscaping enhancements or screening walls encouraged along to shield any stand alone metal equipment buildings, transformers or trash dumpsters which are visible from the perimeter streets. Truck loading areas and employee parking areas greater than 10 parking spaces should be located on the least visible side if possible. Landscaping is not required in truck parking and storage areas.

2. Standards for Construction on Major Arterials and Collectors Streets.

The front of all buildings located on parcels on and fronting on a major arterial or a collector street, as defined by the Circulation Plan, shall be of brick, masonry, stone, stucco or a pre-finished color metal or other material approved by the Board.

3. Standards for Construction on Minor Streets.

The front of all buildings-that is, the side facing the street on which the building is deemed to front-shall be faced with concrete or brick masonry, stone, or other material approved by the Board. The facing shall be to a minimum height of four (4) feet and extend across the full front of the building. That portion of any building facing a side street other than the street on which the building fronts shall be finished in an attractive manner in keeping with the accepted standards used for industrial buildings, but need not be finished in a like manner as that portion of the building referred to as the front. It is the intent of this provision that all structures shall be designed and constructed in such a manner as to provide an aesthetically pleasing and harmonious overall development of the industrial park. Except as otherwise provided herein, the sides and rear of all buildings shall be

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finished in an attractive manner in keeping with the accepted standards used for industrial buildings subject to the approval of the Board.

3. Height of Buildings.

Buildings shall normally not exceed 50 feet in height, except in airport height zoning areas. The Board may consider reasonable requests for height variances, depending on the need of the particular industrial application or building requirement.

4. Exceptions.

Exceptions to the above construction standards shall be made for parcels serving the agri-business light industrial (green houses) and for airplane hangers to be constructed on Air Oriented Parcels.

5. Temporary Structures.

No temporary building or structure other than construction offices and structures for related purposes during the construction period shall be installed or maintained on any Building Site without the prior written approval of the Board. All temporary structures used for construction purposes must receive approval by the Board with regard to location and appearance, and must be removed promptly upon completion of construction and that portion of the Building Site from which same are removed, restored to its original condition or to such condition as is otherwise required by this Declaration.

6. FAA Regulations.

All construction must comply with Federal Airport Authority regulations.

E. Submission Requirements For Plan Submission.

The Site Development Plan shall include:

Parcel boundaries:

North Arrow:

Graphic scale:

Existing topography at one- foot contour intervals;

Proposed building locations, identities, drawings and square footages;

Locations of walls and fences;

Location of screening or buffering and type;

Parking location, arrangement, aisles, number or spaces;

Driveways, entrances, and exits;

Grading plan (proposed topography and drainage courses);

Streets (Right of Way, pavement widths) if any proposed;

Sidewalk and paths;

Existing and proposed utilities;

Existing and proposed easements:

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Landscaped areas outlined with general description Type of plant materials and irrigation system proposed; Drainage Plans as required by the City Engineer; and Traffic Plans or Study, if deemed necessary by the City Engineer.

F. Design Standards for Specific Land Use Categories

1. Industrial - General

A. <u>Land Use</u>: Most common light industrial and manufacturing activities permitted in the City of Hobbs Industrial Air Park. As applicable, the City of Hobbs HIAP Industrial Park may specify additional parameters. The following uses are permitted, including but not limited to the following:

Oil Field Services; Assembly of Electronic or Mechanical Parts and Equipment; Electrical Construction and Electrical Service Facilities; Fabrication Shop; Freighthouse or Truck Terminal; Warehouse; Laboratory; Manufacturing of Consumer Goods to include but not be limited to appliances, garments, and similar products; furniture manufacturing, including finishing of furniture products; packaging of consumer goods as follows, but not limited to food products, cosmetics, pharmaceuticals, toiletries, etc.; processing and manufacture of food products to include bakery goods, candy, beverages, etc.; storage of products including but not limited to merchandise, domestic goods, raw materials, etc.; warehousing or wholesale distribution of goods; metal work and machine shops; heavy equipment sales, service and repair; telecommunications towers and structure, except that these shall only be located within areas that do not conflict with Airport Zoning Regulations and for on-site communication use only - no rental tower facilities are allowed; newspaper, printing shop and distribution of printed materials; sign construction and sales; and plant nursery; and all other types of light industry and warehousing.

Commercial uses may be allowed by the Board, however, each industrial parcel and activity may contain up to twenty percent (20%) of the gross floor area of the building to be used for associated commercial purposes to the specific industrial use. These uses could include, but are not limited to a sales office; factory outlet store; commercial sales of products manufactured or housed on the industrial site.

Residential uses are not permitted. All other uses or activities not specifically listed herein must be approved by the Board.

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THE CITY OF HOBBS

Lany Hor Kagan MAYOR GARY DON REAGAN

ATTEST:

APPROVED AS TO FORM:

JAN FLETCHER, City Clerk

Mike H. Stone, City Attorney

STATE OF NEW MEXICO

, SS.

COUNTY OF LEA

The foregoing instrument was acknowledged before me on this day of UII, 2011, by Gary Don Reagan, as Mayor, of the City of Hobbs, to me personally known, who being by me duly sworn did say that he is the duly elected Mayor and signing officer of the City of Hobbs, and that said instrument was signed on behalf of said City, and Gary Don Reagan acknowledged said instrument, and acknowledged that he executed the same as his free act and deed and on behalf of the City.

In Testimony Whereof, I have hereunto set my hand and affixed my official seal in the County and State aforesaid and year first written above.

Notary Public

Boltshausr

My Commission Expires

OFFICIAL SEAL

Sandra Boltshauser

NOTARY PUBLIC
STATE OF NEW MEXICO

Obsion Expires: 10131113

STATE OF NEW MEXICO COUNTY OF LEA FILED

SEP 21 2011

at 10:48 o'clock A M and recorded in Book Page Pat Chappelle, Lea County Clerk C.S. Dante

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