

CITY OF HOBBS

ORDINANCE NO. 1168

**AN ORDINANCE AUTHORIZING A REAL ESTATE EXCHANGE BETWEEN THE CITY OF HOBBS AND THE GEO GROUP, INC., INCLUDING THE CONVEYANCE OF CERTAIN CITY-OWNED PROPERTY AND THE ACCEPTANCE OF CERTAIN PROPERTY OWNED BY GEO GROUP, INC.**

**WHEREAS**, the City of Hobbs ("City") is the owner of approximately 66.64 acres of real property located in Hobbs, Lea County, New Mexico, as more particularly described in Exhibit 1 in the PSA ("City Property"); and

**WHEREAS**, The GEO Group, Inc. ("GEO") is the owner of approximately 68.15 acres of real property located in Hobbs, Lea County, New Mexico, as more particularly described in Exhibit 2 in the PSA ("GEO Property"); and

**WHEREAS**, the City and GEO have negotiated a Real Estate Purchase and Exchange Agreement ("REPA"), attached as Exhibit 3, setting forth the terms under which the City will convey the City Property to GEO and GEO will convey the GEO Property to the City, including an equalization payment to the City; and

**WHEREAS**, pursuant to NMSA 1978, Section 3-54-1, and applicable provisions of the Hobbs Municipal Code, the sale or exchange of municipal real property must be approved by ordinance adopted by the governing body; and

**WHEREAS**, the governing body finds that the proposed exchange of land is in the best interest of the City and its residents and that the terms negotiated under the REPA are fair, reasonable, and beneficial to the City.

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

**1. TERM OF SALE.**

The City proposes to convey the 66.64-acre City Property to GEO and to accept the 68.15-acre GEO Property from GEO pursuant to the Real Estate Purchase and Exchange Agreement attached as Exhibit 3. The transaction includes an equalization payment from GEO to the City and shall be completed in accordance with the terms of the REPA.

**2. APPRAISED VALUE OF PROPERTY.**

- a. City Property Appraised Value: \$600,000
  - i. Size: 66.64 acres
  - ii. Value per acre (approx.): \$9,000/ac

- b. GEO Property Appraised Value: \$475,000
- c. Size: 68.15 acres
- d. Value per acre (approx.): \$6,970/ac

These appraised values reflect the fair market value of each parcel as determined by a certified appraiser.

3. SCHEDULE OF PAYMENTS:

The equalization payment associated with the exchange shall be paid as follows:

- a. Earnest Money Deposit: \$0 (not required for exchange)
- b. Equalization Payment Due at Closing: \$125,000
- c. Total Amount Paid by GEO to the City: \$125,000

4. PURCHASE PRICE. The monetary consideration to be paid to the City as part of the land exchange is \$125,000. This reflects the difference between the appraised values of the two properties.

5. NAME OF PURCHASER. The GEO Group, Inc., 4955 Technology Way, Boca Raton, FL 33431

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

**Section 1.** Approval of Real Estate Purchase and Exchange Agreement. The Real Estate Purchase and Exchange Agreement between the City of Hobbs and The GEO Group, Inc., attached hereto as Exhibit 3, is hereby approved. The Mayor is authorized to execute the REPA on behalf of the City.

**Section 2.** Upon the effective date of this Ordinance, the Mayor or City Manager is authorized to:

- A. Convey the 66.64-acre City Property to GEO by Special Warranty Deed;
- B. Accept the 68.15-acre GEO Property from GEO by Special Warranty Deed;
- C. Accept a Quitclaim Deed from Lea County relinquishing any interest it holds in the City Property;
- D. Execute closing documents, settlement statements, affidavits, and any other instruments necessary to effectuate the exchange of property.

**Section 3.** No conveyance, acceptance, or payment shall occur unless and until:

- 1. This Ordinance is adopted and published;

2. The 45-day referendum period expires without suspension;
3. The Ordinance becomes effective; and
4. All conditions in the REPA have been satisfied.

**Section 4. Effective Date.** This Ordinance shall become effective forty-five (45) days after publication, unless a referendum petition is properly filed.

**Section 5. Severability.** If any portion of this Ordinance is held invalid, the remainder shall remain in full force and effect.

**PASSED, ADOPTED AND APPROVED** this 5<sup>th</sup> day of January, 2026.

  
JONATHAN SENA, Mayor

ATTEST:

  
JAN FLETCHER, City Clerk



**EXHIBITS**

- Exhibit 1: Legal Description of City (66.64-acre) Property
- Exhibit 2: Legal Description of GEO (68.15-acre) Property
- Exhibit 3: Real Estate Purchase and Exchange Agreement (REPA)

**REAL ESTATE PURCHASE AND EXCHANGE AGREEMENT  
CITY OF HOBBS AND THE GEO GROUP, INC.**

This Real Estate Purchase and Exchange Agreement ("Agreement") is entered into this 5 day of Januray, 2026 ("Effective Date"), by and between the **City of Hobbs**, a New Mexico municipal corporation ("City"), and **The GEO Group, Inc.**, a Florida corporation ("GEO"). The City and GEO are collectively referred to herein as the "Parties."

**RECITALS**

**A.** The City owns certain real property located in Hobbs, Lea County, New Mexico, described in **Exhibit 1** ("City Property"), which was conveyed from the City, as grantor, to Lea County, New Mexico ("County"), as grantee, pursuant to a Special Warranty Deed filed of record on September 10, 1997 in Book 81, Page 485 of the real property records of Lea County, New Mexico ("Original Deed").

**B.** The City Property was subsequently leased by the County to GEO's affiliate CPT Operating Partnership L.P. ("CPT") (successor in interest to First Security Bank, National Association, not individually, but solely as Owner Trustee under the Wackenhut Corrections Trust 1997-1) pursuant to that certain Amended and Restated Lease Agreement dated October 19, 1998 (as amended, modified, assigned, restated, or supplemented from time to time, collectively, the "Lease").

**C.** The Original Deed contains a reversionary clause ("Reversionary Clause"), stating in relevant part that "[t]his conveyance is made upon the conditions that ... ownership of the acreage will revert to the [City] ... at such late time as the property ceases to be used as a county jail or state penitentiary."

**D.** GEO owns real property adjacent to the City Property, described in Exhibit 2 ("GEO Property"), which the City desires.

**E.** Closing on the property exchange described in this Agreement is expressly conditioned upon: (1) the County's execution of a quitclaim deed surrendering any and all right, title and interest it holds in the City Property; (2) adoption and publication of an ordinance in accordance with NMSA 1978, § 3-54-1 and all applicable provisions of the Hobbs Municipal Code ("Ordinance") by the Hobbs City Commission approving this Agreement; (3) expiration of the forty-five (45) day statutory referendum period ("Referendum Period"); and (4) the ordinance becoming effective.

**NOW THEREFORE**, in consideration of the terms herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

**1. PROPERTY**

The City shall convey to GEO the City Property, and GEO shall convey GEO Property subject to the terms, conditions, and contingencies set forth herein.

**2. PAYMENT**

At closing ("Closing"), GEO shall pay to the City, in immediately available funds, the sum of **One Hundred Twenty-Five Thousand Dollars (\$125,000.00)** as compensation for the difference in appraisal value between the GEO Property and the City Property set forth in that certain Appraisal Report for Lea County Correctional Facility Land

dated September 29, 2025 and that certain Appraisal Report for Northwest Hobbs Land dated September 29, 2025, each prepared by Valbridge Property Advisors ("Equalization Payment").

### **3. TITLE MATTERS; SURVEY**

#### **A. Title Commitment**

First American Title Insurance Company ("Title Company") shall issue commitments for title insurance in the standard printed form of an owner's title insurance policy, together with legible copies of, or usable links to, all documents creating any exceptions referred to in such commitments (collectively referred to herein as "Commitment"), and a tax search certificate, paid for by GEO, showing the status of the taxes related to the City Property and the GEO Property.

#### **B. Title Objections and Cure**

Each Party shall have ten (10) business days after the Effective Date (the "Objection Period") to review the Commitment and any exceptions identified therein. During the Objection Period, either Party (the "Objecting Party") may deliver to the other Party and Title Company a written list of objections to title ("Title Objections").

##### **1. Cure Period**

The Party responsible for conveying the affected property ("Curing Party") shall have fifteen (15) business days following receipt of the Title Objections ("Cure Period") to cure, remove, or insure over the Title Objections in a manner reasonably acceptable to the Objecting Party. The Cure Period may be extended by an additional fifteen (15) business days if the Curing Party is diligently working to resolve one or more Title Objections.

##### **2. Notice of Cure**

Before expiration of the Cure Period, the Curing Party shall notify the Objecting Party in writing specifying the manner in which each Title Objection has been cured, removed, or insured over.

##### **3. Failure to Cure; Objecting Party's Options**

If the Curing Party (i) fails to deliver a notice of cure before the expiration of the Cure Period, or (ii) elects not to cure one or more Title Objections, then the Objecting Party shall have the unilateral right to: (a) waive the uncured Title Objection(s) and proceed to Closing; or (b) terminate this Agreement by written notice, in which event this Agreement shall be null and void, and neither Party shall have any further liability or obligation hereunder.

##### **4. Permitted Exceptions**

The specific title exceptions in the Commitment that (i) are expressly accepted in writing by the Objecting Party, (ii) are waived by the Objecting Party, or (iii) that the Title Company has not agreed to insure over or remove, shall be deemed "Permitted Exceptions."

##### **5. Liens on City Property**

Subject to the Cure Period above, any lien, claim of lien, mechanic's lien, materialman's lien, tax lien, judgment lien, or other monetary encumbrance recorded against the City Property (the property presently owned by the City and to be conveyed to GEO at Closing) that:

- i. arises out of or relates to GEO's ownership, maintenance, repair, improvement, or operation of improvements located on the City Property; or
- ii. is caused, filed, or asserted by any contractor, subcontractor, supplier, vendor, or consultant hired or engaged by GEO, directly or indirectly; or
- iii. arises from any action, inaction, debt, obligation, or contractual relationship of GEO relating to its use or operation of improvements situated on the City Property

shall not constitute a Permitted Exception, regardless of whether GEO objects to such lien. GEO shall, at its sole cost and expense, cause any such lien to be fully released, removed, bonded over, or insured over (in a manner reasonably acceptable to the City and the Title Company) prior to Closing. Failure by GEO to cure any such lien shall give the City, in its sole discretion, the

right to (i) waive the uncured lien and proceed to Closing, or (ii) terminate this Agreement by written notice to GEO, in which event this Agreement shall be null and void with no liability to either Party.

**C. Survey**

GEO shall provide all affidavits required by the Title Company to issue the Title Policy and remove survey-related exceptions. The City shall provide a survey affidavit for the City Property, if necessary.

**D. Title Policy**

At Closing, title shall be insured by a Standard Coverage Owner's Policy of Title Insurance issued by the Title Company in the full amount of the value of the City Property and any improvements thereon ("Insured Amount") insuring fee simple title to GEO, subject only to the Permitted Exceptions ("Title Policy"). GEO shall pay for the premium for the Title Policy. The Title Policy shall contain Extended Coverage Owner's Policy of Title Insurance to the Title Policy at GEO's sole cost and expense. Notwithstanding anything to the contrary herein, GEO's procurement of an Extended Coverage Owner's Policy of Title Insurance shall not be a condition precedent to Closing.

**4. RESTRICTIVE COVENANTS**

**A. Restrictions on GEO Property**

The City agrees to the following restrictions, which shall be included in the deed conveying the GEO Property to the City and shall run with the land:

1. The City shall agree to a building setback of not less than seventy-five feet (75') from the boundary line of the GEO Property. Notwithstanding the foregoing, nothing in this Agreement shall prevent the City from installing or maintaining utilities, drainage, roadways, trails, sidewalks, or landscaping within such area.
2. The City shall not develop any of the following on the GEO Property for so long as GEO (or its successor) operates a correctional facility, jail, detention facility, rehabilitative facility, or facility used for similar detention-related purposes on the City Property: (i) correctional facility; (ii) jail; (iii) detention facility; (iv) rehabilitation facility; or (v) facility used for similar detention-related purposes.
3. The City shall not sell, convey, transfer, or lease the GEO Property to any party other than GEO for the purpose of operating any type of correctional facility, jail, detention facility, rehabilitative facility, or facility used for similar detention-related purposes on the GEO Property. Nothing herein shall prohibit the City from using or conveying the GEO Property for any other lawful public purpose consistent with the City development and land use regulations.

**5. CLOSING**

**A. Location**

Closing shall occur at the offices of the Title Company, which are located at 1819 N. Turner St., Suite B, Hobbs, NM 88240, or by electronic means acceptable to the Parties, or at such other time and place as the Parties may mutually agree in writing.

**B. Closing Deliverables**

1. Prior to Closing, the Parties shall execute and deliver the following:
  - i. a **Quitclaim Deed** conveying to the City any and all of the County's right, title and interest in and to the City Property, including any and all improvements thereon, and releasing any interest it holds in the City Property ("County Quitclaim Deed");
  - ii. a **Special Warranty Deed** conveying the City Property to GEO or its designated entity, CPT, any and all of the City's right title and interest in and to the City Property, including

- any and all improvements thereon, free and clear of the Reversionary Clause and subject to all lawful permitting and development codes of the City ("GEO Special Warranty Deed");
- iii. a **Special Warranty Deed**, conveying to the City any and all of GEO's right, title and interest in and to the GEO Property, including any and all improvements thereon, and subject only to Permitted Exceptions ("City Special Warranty Deed");
  - iv. GEO and the County shall deliver a termination of the Lease for recording in the public records;
  - v. any additional documents reasonably required for the conveyance of the City Property from the City to GEO or its designated entity, CPT, and for the conveyance of the GEO Property to the City, which shall specifically address the Reversionary Clause;
  - vi. a settlement statement provided by the Title Company itemizing all Closing costs and adjustments;
  - vii. Seller's affidavits and any other documents necessary for the Title Company to issue the title insurance policies contemplated herein;
  - viii. real property transfer declarations as required by New Mexico law; and
  - ix. any other documents reasonably necessary to effectuate the transfers of property contemplated in this Agreement.
2. The County Quitclaim Deed, City Special Warranty Deed, and GEO Special Warranty Deed shall be recorded in Lea County's real property records at Closing upon the completion, by Title Company, of an updated title search, to ensure that no encumbrances have been filed prior to Closing.
  3. Possession of each property shall transfer to the receiving Party at Closing.

#### **C. Contingent Closing**

1. Closing shall occur no earlier than forty-five (45) days after adoption and publication of the Ordinance approving this Agreement, which is the earliest date on which the ordinance may become effective following the Referendum Period. In the event a valid referendum petition is filed challenging the Ordinance approving this Agreement, and the Ordinance is repealed or nullified as a result of such referendum election, then upon the repealing or nullification of the Ordinance, this Agreement shall automatically be void and of no effect, and no Party shall have any further rights or obligations hereunder.
2. Closing shall occur on or before ten (10) days from the expiration of the Referendum Period, unless extended by mutual written agreement.
3. The Reversionary Clause shall be terminated, and any additional documents reasonably required for the termination of the Reversionary Clause shall include provisions that address each of the following to the satisfaction of GEO and the Title Company, all of which below shall be included in the City Special Warranty Deed and run with the land:
  - i. explicitly extinguish any reversionary interest that may exist;
  - ii. The City confirms that, as of the Effective Date, the City Property may be used for any lawful purpose permitted under the Municipal Development Code, the HIAP Restrictive Covenants (to the extent applicable), attached hereto as **Exhibit 6**, and other development, subdivision, and building regulations in effect as of the Effective Date, which include, without limitation, use as a correctional facility, jail, detention facility, rehabilitative facility, or similar lawful detention-related purposes, subject to applicable permitting requirements.
  - iii. The City confirms that, as of the Effective Date, the City Property is not subject to any protective covenants, restrictive covenants, or development standards other than those of record and those expressly referenced in this Agreement. The City further agrees that it shall not adopt or apply any new regulation, ordinance, covenant, development

standard, or other requirement that is targeted specifically at preventing or restricting GEO's lawful use or development of the City Property; provided, however, that nothing herein shall restrict or impair the City's general governmental, legislative, regulatory, or police powers, and all generally applicable development codes, building regulations, subdivision requirements, engineering standards, or other rules adopted after the Effective Date shall apply to the City Property in the same manner as they apply to similarly situated properties within the City.

- iv. The Parties acknowledge that, upon Closing and recordation of the Special Warranty Deed releasing and extinguishing the Reversionary Clause, the City and the County waive any right to assert or enforce the Reversionary Clause against GEO or any future use of the City Property.
4. The obligations of the City to convey the City Property and to perform its covenants under this Agreement are expressly conditioned upon the satisfaction or waiver of the following conditions precedent:
- i. the City's receipt and review of a **Phase I Environmental Site Assessment** for the GEO Property, reasonably acceptable to the City.
  - ii. the commitment of the Title Company to issue the Title Policy, insuring GEO in the Insured Amount that title to the City Property is vested of record in GEO on the date of Closing subject only to (a) the printed conditions and exceptions of such policy, and (b) the Permitted Exceptions;
  - iii. the transfer to GEO of City's interest in all warranties and guaranties made by or received from any person with respect to any building, component, structure, fixture, machinery, equipment or material constituting any part of the City Property that is owned by the City; and
  - iv. City's performance or tender of performance of all material obligations under this Agreement, and the material truth and accuracy of City's representations and warranties as of the date of Closing.

## **6. CLOSING COSTS**

### **A. GEO's Costs**

GEO shall pay all of the following:

- 1. one-half of the appraisal costs;
- 2. all costs associated with the GEO Property, including, without limitation, title and recording fees, survey costs, title insurance policy costs, and Phase I Environmental Site Assessment costs;
- 3. all costs associated with the City Property, including, without limitation, title and recording fees, survey costs, title insurance policy cost, and environmental site assessment costs;
- 4. all of GEO's attorneys' fees and Title Company charges related to the Closing, including the preparation and recordation of conveyance documents associated with the same;
- 5. any taxes, fees, or assessments triggered by the Closing; and
- 6. the Equalization Payment.

### **B. City's Costs**

The City shall pay one-half of the appraisal costs, the City's own legal fees, the costs incurred in the City's Commission approval process, and no other costs.

### **C. County's Costs**



Any recording fees, documentary transfer taxes, or other governmental fees associated with the recording of the County Quitclaim Deed.

## **7. "AS-IS" PURCHASE**

The City Property and the GEO Property shall be transferred in their respective "AS-IS" "WHERE IS" "with all faults" conditions, with no representations or warranties regarding the physical condition of the City Property or the GEO Property.

## **8. DEFAULT**

### **A. GEO Default**

If GEO defaults under this Agreement, the City may terminate this Agreement and resume the declaratory action.

### **B. City Default**

If the City defaults after the Effective Date, GEO may terminate this Agreement, and GEO shall have no claim for damages in connection with this Agreement.

## **9. CITY'S AFFIRMATIVE COVENANTS**

The City covenants and agrees that, from the Effective Date through the date of Closing or earlier termination of this Agreement, City shall not cause or permit any mortgage, deed of trust, lien, encumbrance, covenant, condition, restriction, assessment, easement, right-of-way, obligation, encroachment or liability whatsoever to be placed of record or otherwise exist, excepting, however, such other title exceptions as are specifically permitted under this Agreement and those which have been specifically approved in writing by GEO.

## **10. REPRESENTATIONS AND WARRANTIES OF CITY WITH RESPECT TO CITY PROPERTY**

The City represents and warrants to GEO solely as follows:

(a) The City is a New Mexico municipal corporation duly organized, validly existing, and in good standing under the laws of the State of New Mexico.

(b) The City has full right, power, and authority to enter into this Agreement and, subject to the adoption and effectiveness of an ordinance approved in accordance with NMSA 1978, § 3-54-1, to convey the City Property to GEO in accordance with the terms of this Agreement.

(c) Upon adoption and effectiveness of such ordinance, this Agreement will constitute a valid and binding obligation of the City, enforceable in accordance with its terms, subject to applicable laws governing municipalities.

(d) The individual executing this Agreement on behalf of the City is duly authorized to do so.

(e) Except for the ordinance required under NMSA 1978, § 3-54-1, no additional municipal approvals are required for the City to enter into this Agreement, other than those required by law as part of the normal municipal legislative process.

(f) Except as expressly stated in this Section 10, the City makes no other representations or warranties, express or implied, including but not limited to any warranty regarding the condition of the City Property, suitability for GEO's intended use, or compliance with any federal, state, or local laws.

(g) There is no pending or, to City's actual knowledge, threatened condemnation or similar proceeding affecting the City Property or any portion thereof, nor has City actual knowledge that any such action is presently contemplated.

All representations of the City set forth in this Section 10 shall be deemed effective only as of the date the ordinance approving this Agreement becomes effective following expiration of the referendum period required under New Mexico law.

## **11. EFFECTIVENESS OF AGREEMENT; TERMINATION RIGHT; EFFECT OF TERMINATION**

### **A. Effectiveness of Agreement**

This Agreement shall not become effective, nor shall it be binding on the City, unless and until all requirements set forth in this Agreement have been satisfied.

### **B. Termination**

The City may, by written notice to all Parties, terminate this Agreement prior to Closing and prior to the recordation of any deed if: (i) the Hobbs City Commission fails to adopt or ratify the Ordinance; (ii) the required environmental assessments are not completed or are unsatisfactory to the City in its reasonable discretion; or (iii) a valid referendum petition is filed and the Ordinance is otherwise stayed, enjoined, or invalidated.

### **C. Effect of Termination**

In the event of a termination under this Agreement, this Agreement shall be null and void as to the City, and the Parties shall have no further rights or obligations hereunder.

## **12. GOVERNING LAW AND VENUE**

This Agreement shall be governed by the laws of the State of New Mexico. Venue for all disputes shall lie exclusively in the Fifth Judicial District Court, Lea County, New Mexico.

## **13. NOTICES**

Except as otherwise set forth in this Agreement, any communication, notice or demand of any kind whatsoever which either Party may be required or may desire to give or to serve upon the other will be in writing and delivered by: (i) personal service to the address listed below; (ii) overnight courier (e.g., FedEx) to the address listed below; (iii) U.S. certified mail, postage prepaid, return receipt request, addressed as follows; or (iv) email to the email address listed below:

If to City:                      City of Hobbs  
   200 E. Broadway St.  
   Hobbs, NM 88240  
   Attn: Legal Department  
   Email: mdesrosiers-douyon@hobbsnm.org

If to GEO:                      The GEO Group, Inc.  
   4955 Technology Way  
   Boca Raton, Florida 33431  
   Attn: Beth Crews, Esq.  
   Email: beth.crews@geogroup.com

With a copy to:              Holland & Hart LLP  
   110 N. Guadalupe St #1

Santa Fe, New Mexico 87501  
Attn: Larry Montano, Esq.  
lmontano@hollandhart.com

If to Title Company: First American Title Insurance Company  
1819 N Turner St., Suite B  
Hobbs, New Mexico 88240  
Attn: Keren Marti  
Email: kmarti@firstam.com

A notice sent via personal delivery shall be effective on the date of personal delivery, if personally delivered on a business day by 5:00 p.m. (local time); otherwise, it shall be effective on the next business day following personal delivery. A notice sent via certified, U.S. Mail, return receipt requested with postage prepaid shall be effective two (2) days after the date of the postmark. A notice sent via overnight delivery shall be effective on the date it is delivered, if received on a business day by 5:00 p.m. (local time); otherwise, it shall be effective on the next business day. A notice sent via email shall be effective on the date the email is sent, if the email is received on a business day by 5:00 p.m. (local time); otherwise, it shall be effective on the next business day. Any Party may update its notice address or email pursuant to the terms of this Section.

#### **14. EXHIBITS**

The following exhibits are attached to and incorporated into this Agreement:

- **Exhibit 1** – Legal Description of City Property
- **Exhibit 2** – Legal Description of GEO Property
- **Exhibit 3** – Form of County Quitclaim Deed
- **Exhibit 4** – Form of City Special Warranty Deed
- **Exhibit 5** – Form of GEO Special Warranty Deed
- **Exhibit 6** - HIAP Restrictive Covenants

#### **15. SEVERABILITY**

If any provision of this Agreement or the application thereof to any person or circumstances shall be invalid, illegal or unenforceable to any extent, the remainder of this Agreement and the application thereof shall not be affected and shall be enforceable to the fullest extent permitted by law.

#### **16. ENTIRE AGREEMENT**

This Agreement represents the entire agreement between the Parties regarding the exchange of real property described herein. Any amendment must be approved by ordinance (for the City) and executed in writing by both Parties.

#### **17. COUNTERPARTS**

This Agreement may be executed in separate counterparts, each of which when so executed and delivered shall be deemed an original and all of which when taken together shall constitute one and the same instrument. Facsimile or electronic copies shall be deemed originals.

[Signatures on following page.]

IN WITNESS WHEREOF, the Parties execute this Agreement effective as of the date first written above.

**CITY:**  
THE CITY OF HOBBS

The GEO Group, Inc.

  
Jonathan Sena, Mayor

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_


Address: \_\_\_\_\_

Phone: \_\_\_\_\_

**ATTEST:**

  
Jan Fletcher, City Clerk

**APPROVED AS TO FORM:**

  
Medjine Desrosiers-Douyon  
Deputy City Attorney



## EXHIBIT 1

### The City Property

#### For Surface Title Only:

A tract of land located in part of the West Half (W1/2) of Section 11, Township 18 South, Range 37 East, being a part of tract conveyed to the County of Lea, a political Subdivision of the State of New Mexico as recorded in Book 821, Page 485 of the Lea County Records, and being more particularly described as follows:

Beginning at a point on the east line of said County tract, from whence the southwest corner of said County tract, which is also the southwest corner of said Section 11, bears S0°02'42"E, a distance of 2302.95 feet and N89°53'24"W, a distance of 2375.16 feet; THENCE N0°02'42"W along the east line of said County tract, a distance of 2281.54 feet to a found 1/2" rebar with a plastic cap which is the northeast corner of said County tract and the northeast corner of this survey; THENCE N89°52'06"W along the north line of said County tract, a distance of 1290.03 feet to a 1/2" rebar with an aluminum cap for the northwest corner of this survey; THENCE S0°02'42"E parallel with the east line of said County tract, a distance of 1720.01 feet to a 1/2" rebar with an aluminum cap, which is an angle point on the west line of this survey; THENCE S14°22'11"E, a distance of 580.00 feet to a 1/2" rebar with an aluminum cap which is the southwest corner of this survey; THENCE S89°52'06"E, parallel with the north line of said County tract, a distance of 1146.53 feet to the point of beginning.

## EXHIBIT 2

### GEO Property

#### FOR SURFACE TITLE ONLY:

A tract of land located in part of the Northwest Quarter (NW/4) of Section 11 and part of the Southwest Quarter (SW/4) of Section 2, Township 18 South, Range 37 East, N.M.P.M., Lea County, New Mexico, and being more particularly described as follows:

Beginning at a point, a found rebar with aluminum cap marked Hicks NMPS 12348, on the West line of the said Northwest Quarter of Section 11, and being the Northwest corner of Tract Two of the Prison Tract Summary Subdivision filed in Book 921, Page 858 of the Lea County Records and from whence the Northwest corner of said Section 11, a found brass cap, bears N0°38'13"W, 704.55 feet; thence N0°38'13"W, a distance of 704.55 feet along the West line of said Section 11 to the Northwest corner of Section 11 a found brass cap in concrete; thence N0°37'16"W, a distance of 545.45 feet along the West line of said Section 2 to a point; thence N89°32'13"E, a distance of 2374.88 feet to a point; thence S0°38'23"E, at a distance of 544.96 feet cross the South line of Section 2 and continuing a total distance of 1250.00 feet to a found rebar with aluminum cap marked Hicks NMPS 12348 and being the Northeast corner of Tract One of Prison Tract Summary Subdivision; thence S89°32'13"W, along the North line of the Prison Tract Summary Subdivision a distance of 2375.09 feet to the point of beginning.

Subject to reservations, restrictions and easements appearing of record

**EXHIBIT 3**

**Form of County Quitclaim Deed**



**EXHIBIT 4**

**Form of City Special Warranty Deed**

**EXHIBIT 5**

**Form of GEO Special Warranty Deed**

**EXHIBIT 6**

**HIAP Restrictive Covenants**

**Protective Covenants and Design Standards  
Property at Hobbs Industrial Air Park**

This Declaration, made the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, by the City of Hobbs ("Declarant" or "City"), establishes Protective Covenants and Design Standards applicable to the real property described in *Exhibit A* attached hereto ("Property").

**1. Purpose**

- A. The City owns the Property located within the Hobbs Industrial Air Park ("HIAP") in Lea County, New Mexico. These Protective Covenants are intended to:
- B. Maintain a planned industrial and business area that supports economic development;
- C. Ensure compatibility of uses, protection of public infrastructure investments, and orderly long-term development; and
- D. Establish predictable, consistent development requirements unique to the HIAP.
- E. Airport Notice:  
The Property is located near an active private airport within the HIAP. Owners and occupants acknowledge that aircraft operations, noise, and aviation-related activity will occur. This disclosure shall be included in all deeds and leases.

**2. General Provisions**

- A. The Property shall be transferred, sold, leased, conveyed, and occupied subject to these Protective Covenants, which run with the land and bind all successors, heirs, and assigns.
- B. Purchasers and users agree to use the Property only in accordance with these Covenants and all applicable laws of the City of Hobbs, Lea County, the State of New Mexico, and the United States.
- C. Enforcement:  
These Covenants may be enforced by the City or by any owner of a parcel within the Property through legal or equitable action.

**3. Permitted, Regulated, and Prohibited Uses**

**A. Permitted Uses**

- 1. Industrial, manufacturing, assembly, warehousing, and similar uses typical of the HIAP.
- 2. Private or Public commercial detention or correctional facilities and associated support functions.
- 3. Rehabilitation Facility and support functions.
- 4. Associated commercial uses not exceeding 20% of gross floor area.

**B. Regulated Uses**

- 1. Uses may not emit noise, vibration, dust, odors, or waste beyond parcel boundaries.
- 2. Air emissions: No use shall be classified as a Major Stationary Source under New Mexico Air Quality Control Regulation 707 or 40 CFR Part 51.
- 3. Hazardous materials must comply with federal, state, and local laws.

### C. Prohibited Uses

- Heavy manufacturing including acid, fertilizer, cement, lime, or plaster manufacturing.
- Smelting, glue manufacturing, fat rendering.
- Explosive or acid storage in large quantities.
- Junk, salvage, wrecking, or abatement yards.
- Raw material extraction; stockyards or slaughter uses.
- Off-premise billboards or outdoor advertising.
- Wastewater treatment facilities or truck stops.

### 4. Enforcement

- A. The City or any parcel owner may enforce these Covenants through legal or equitable action, including injunction, abatement, or recovery of damages.

### 5. Severability

- A. If any provision is invalidated by a court, the remaining provisions shall remain in full force and effect.

### 6. Amendments

- A. These Covenants may only be amended by written instrument executed by the City of Hobbs and Property Owner, and recorded in the Lea County Clerk's Office.

### THE CITY OF HOBBS


  
JONATHAN SENA, Mayor

### ATTEST:

  
JAN FLETCHER, City Clerk



### APPROVED AS TO FORM:

  
MEDUINE DESROSIERS-DOUYON,  
Deputy City Attorney