



**Hobbs City Commission**  
Regular Meeting  
City Hall, City Commission Chamber  
200 E. Broadway, 1st Floor Annex, Hobbs, New Mexico

**Monday, December 15, 2025 - 6:00 PM**

R. Finn Smith  
Commissioner - District 1  
Joseph D. Calderón  
Commissioner - District 4

Sam D. Cobb, Mayor  
Christopher R. Mills  
Commissioner - District 2  
Dwayne Penick  
Commissioner - District 5

Larron B. Fields  
Commissioner - District 3  
Don R. Gerth  
Commissioner - District 6

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**AGENDA**

City Commission Meetings are  
Broadcast Live on KHBX FM 90.7 Radio and  
View Online at [www.hobbsnm.org](http://www.hobbsnm.org)

**CALL TO ORDER AND ROLL CALL**

**INVOCATION AND PLEDGE OF ALLEGIANCE**

**APPROVAL OF MINUTES**

1. Minutes of the December 1, 2025, Regular Commission Meeting (*Jan Fletcher, City Clerk*)

**PROCLAMATIONS AND AWARDS OF MERIT**

2. Recognition of City Employees - Milestone Service Awards for the Month of December, 2025 (*Todd Randall, Assistant City Manager*)
  - 10 years - Shannon Arguello, Municipal Court
  - 10 years - Dustyn Wright, Hobbs Police Department
  - 15 years - Ryan Inman, Hobbs Fire Department

- 15 years - Christopher Maynard - Utilities Department
- 25 years - Tim Woomer, Utilities Department

**PUBLIC COMMENTS** (Citizens who wish to speak must sign the Public Comment Registration Form located in the Commission Chamber prior to the beginning of the meeting.)

**CONSENT AGENDA** (The consent agenda is approved by a single motion. Any member of the Commission may request an item to be transferred to the regular agenda from the consent agenda without discussion or vote.)

3. Resolution No. 7711 - Authorizing Execution of a Grant Agreement with New Mexico Environment Department for Capital Outlay Project SAP 25-J2400-GF and Repealing Resolution No. 7694 (*Todd Randall, Assistant City Manager*)

## **DISCUSSION**

4. Update on Improvements in Downtown Hobbs (*Lorena Chavarria, Executive Director of the Downtown Improvement Association of Hobbs*)

## **ACTION ITEMS** (Ordinances, Resolutions, Public Hearings)

5. Resolution No. 7712 - Authorizing the Mayor to Execute a Memorandum of Agreement Between Lea County, New Mexico and the City of Hobbs for Construction Improvements at the Animal Adoption Center (*Ayana Estrada, Deputy City Attorney*)
6. PUBLICATION: Proposed Ordinance Authorizing the Exchange of Real Property Between the City of Hobbs and The GEO Group, Inc., (“GEO”), Including Conveyance of Approximately 66.64 Acres of City-Owned Land to GEO and Acceptance of Approximately 68.15 Acres of GEO-Owned Land, Together with an Equalization Payment to the City (*Todd Randall, Assistant City Manager*)
7. Resolution No. 7713 - Accepting an Intergovernmental Agreement with the New Mexico Department of Workforce Solutions for an Affordable Housing Grant (*Todd Randall, Assistant City Manager*)
8. Resolution No. 7714 - Authorizing the Mayor to Execute a Letter of Financial Support and Conditional Approval for Chelsea Investment Corporation – Landmark Redevelopment Project (*Todd Randall, Assistant City Manager*)
9. Resolution No. 7715 - Rescinding Condemnation on Certain Property that has

Previously Been Determined to be Ruined, Damaged, Dilapidated and a Menace to Public Comfort Health and Safety Located at 1620 1/2 East Dunn Street (*Amber Leija, Assistant City Attorney, Jessica Silva, Community Services Superintendent*)

## **COMMENTS BY CITY COMMISSIONERS, CITY MANAGER**

10. Next Meeting Dates:

### **City Commission Regular Meetings**

- Monday, Monday, January 5, 2026, at 6:00 p.m
- Tuesday, January 20, 2026, at 6:00 p.m.
- Monday, February 2, 2026, at 6:00 p.m.
- Tuesday, February 17, 2026, at 6:00 p.m.

## **ADJOURNMENT**

If you are an individual with a disability who needs a reader, amplifier, qualified sign language interpreter, or any other form of auxiliary aid or service to attend or participate in the above meeting, please contact the City Clerk's Office at (575) 397-9200 at least 72 hours prior to the meeting or as soon as possible. Public documents, including the agenda and minutes, can be provided in various accessible formats. Please contact the City Clerk's Office if a summary or other type of accessible format is needed.



**CITY OF HOBBS**  
STAFF SUMMARY FORM

MEETING DATE:  
**December 15, 2025**

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**SUBJECT:** Minutes of the December 1, 2025, Regular Commission Meeting

**DEPT OF ORIGIN:** City Clerk

**DATE SUBMITTED:** 12/4/2025

**SUBMITTED BY:** Jan Fletcher, City Clerk

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**Summary:**

Minutes of the regular Commission meeting held on July 21, 2025.

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**Fiscal Impact:**

N/A

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**Attachments:**

December 1, 2025 - Minutes

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**Recommendation:**

Motion to approve the minutes.

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**Approved By:**

Jan Fletcher, City Clerk                      12/05/2025

Manny Gomez, City Manager              12/05/2025

Minutes of the regular meeting of the Hobbs City Commission held on Monday, December 1, 2025, in the City Commission Chamber, 200 East Broadway, 1<sup>st</sup> Floor Annex, Hobbs, New Mexico. This meeting was also broadcast via Livestream on the City's website at [www.hobbsnm.org](http://www.hobbsnm.org).

### **Call to Order and Roll Call**

Mayor Cobb called the meeting to order at 6:00 p.m. and welcomed everyone to the meeting. The City Clerk called the roll and the following answered present:

Mayor Sam D. Cobb  
Commissioner R. Finn Smith  
Commissioner Chris Mills (*via phone*)  
Commissioner Larron B. Fields  
Commissioner Joseph D. Calderón  
Commissioner Dwayne Penick  
Commissioner Don Gerth

Also present:

Todd Randall, Assistant City Manager  
Medjine Desrosiers-Douyon, Deputy City Attorney  
Ayana Estrada, Deputy City Attorney  
August Fons, Police Chief  
Wade Lyons, Deputy Police Chief  
Marina Barrientes, Police Captain  
Ricky Guerrero, Police Captain  
Seth Ford, Police Sergeant  
Jessica Silva, Code Enforcement Superintendent  
Mark Doport, Fire Chief  
Adam Marinovich, Deputy Fire Chief  
Shawn Williams, Fire Marshal  
Chad Littlejohn, Marketing Coordinator  
Bryan Wagner, Parks and Open Spaces Director  
Doug McDaniel, Recreation Director  
Nichole Lawless, Library Director  
Toby Spears, Finance Director  
Nicholas Goulet, Human Resources Director  
Tracy South, Assistant Human Resources Director  
Selena Estrada, Risk Management  
Christa Belyeu, I.T. Director  
Julie Nymeyer, Executive Assistant  
Jan Fletcher, City Clerk  
Rose Galavez, Deputy City Clerk  
Alyxandra Salas, Assistant Deputy City Clerk  
4 citizens

### **Invocation and Pledge of Allegiance**

Commissioner Fields delivered the invocation and Commissioner Smith led the Pledge of Allegiance.

### **Approval of Minutes**

Commissioner Calderón moved the minutes of the regular meeting and the work session of November 17, 2025 be approved as written. Commissioner Gerth seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried.

### **Proclamations and Awards of Merit**

None.

### **Public Comments**

None.

### **Consent Agenda**

Mayor Cobb explained the process for the consent agenda which is reserved for items which are routine when the agenda is lengthy. He stated any member of the Commission may request an item to be transferred to the regular agenda from the consent agenda without discussion or vote.

Commissioner Calderón moved for approval of the following Consent Agenda item(s):

*Resolution No. 7709 - Authorizing the Deletion of One (1) KIP 7170 Wide-Format Scanner from the City's Public Inventory*

*Resolution No. 7710 - Approving the FY 2025 Capital Asset Inventory*

Commissioner Fields seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. Copies of the resolutions and supporting documentation are attached and made a part of these minutes.

### **Discussion**

None.

## **Action Items**

### **Consideration of Approval of Change Order No. 1 with Entrench, Inc., for the Phase 12 Waterline Replacement Project**

Mr. Anthony Henry, City Engineer, requested approval of Change Order No. 1 with Entrench, Inc., for the Phase 12 Waterline Replacement Project in the amount of \$151,609.72. He noted the change order includes several adjustments, particularly along Corbett and Lea Street, and revises construction quantities for additional waterline installation and connections along Jefferson, specifically on the west side of Jefferson, located a half block north and south of Llano.

Mr. Henry explained most of the cost in Change Order No. 1 is associated with reconstruction of two city blocks of Corbett Street, from Fowler to Turner, due to the poor condition of the existing surface treatment. The proposed improvements include processing, placing, and compacting the existing asphalt and base course, followed by resurfacing with new hot-mix asphalt. The change order also reduces quantities for work originally planned in the east-west alley between Clinton and Scarbauer, as that work was ultimately not required.

Mr. Henry stated the City Commission awarded Bid No. 1618-25 to Entrench, Inc. on May 5, 2025, for a total contract amount of \$4,055,100.60, including NMGRT. The project includes furnishing and installing approximately 15,929 linear feet of 6-inch C900 PVC waterline, 77 linear feet of 8-inch C900 PVC waterline, 776 linear feet of 12-inch C900 PVC waterline, water service lines, gate valves, and related appurtenances. The primary purpose of the project is to remove and replace undersized and aging waterline infrastructure at multiple locations throughout the City.

Additionally, Mr. Henry stated the project includes installation of one new 24-inch water valve and replacement of an existing 24-inch valve along the east side of Lovington Highway between W. Bender and W. Coal. Construction of the project began on June 9, 2025, with final completion scheduled for February 4, 2026.

In response to Mayor Cobb's inquiry regarding the source of funding, Mr. Henry stated the project is funded 100% through the Enterprise Fund and includes a \$1.5 million capital outlay allocation.

In response to Commissioner Mills' inquiry, Mr. Henry confirmed Jefferson Street will be reduced to one lane, with southbound traffic diverted. He noted the goal is to complete this work over the Christmas break; however, due to the challenges of working around numerous utilities, he emphasized the importance of ensuring a solid plan is in place before any excavation begins so the team can complete the work efficiently.

There being no further discussion, Commissioner Penick moved to approve Change Order No. 1 with Entrench, Inc., as presented. Commissioner Fields seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. A copy of the supporting documentation is attached.

*Authorizing the Sole Source Purchase of Three (3) Flygt Submersible Pumps from James, Cooke and Hobson in the Amount of \$186,539.00*

Mr. Todd Randall, Assistant City Manager, explained the current internal recycle submersible pumps are obsolete and no longer repairable. He noted the MLE treatment process depends on these pumps for wastewater nitrate removal, as required by the NMED WWRF Discharge Permit. He stated this will be a sole source purchase because Flygt utilizes a geographical distribution system for municipal sales, with James, Cooke, and Hobson serving as the sole regional distributor. He stated the cost of the project is \$186,539.00 (NMGRT not applicable) and funding for this purchase is fully allocated within the Utilities Enterprise Fund for FY 2025–2026.

There being no discussion, Commissioner Penick moved to approve the sole source purchase of three Flygt Submersible Pumps from James, Cooke and Hobson in the amount of \$186,539.00 as presented. Commissioner Gerth seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. A copy of supporting documentation is attached.

*Consideration of Approval of the Purchase of 6,700 Digital Verizon Cellular Registers with an Extended 11-Year Warranty Utilizing GSA Contract #50-0000-24-00019 with Water Meters of New Mexico*

Mr. Todd Randall, Assistant City Manager, stated the City of Hobbs Utilities Department is advancing a major infrastructure modernization initiative by upgrading its water metering system to advanced smart meter technology. This upgrade utilizes the Verizon cellular network to deliver a more efficient, reliable, and data-driven system. He stated approximately 6,720 Verizon Metron Smart Meters have been successfully installed citywide, establishing a strong foundation for enhanced water management. Furthermore, to fully realize the benefits of this system and complete the citywide project, the Utilities Department plans to procure and install an additional 6,700 registers. The transition from traditional meters to the Metron smart meter system provides several significant advantages for both the City and its residents:

- **Improved Accuracy and Efficiency:** Real-time, minute-by-minute usage data eliminates the inaccuracies and labor costs associated with manual meter readings.

- **Proactive Leak Detection:** Advanced analytics monitor flow patterns and send immediate alerts for potential leaks or unusual usage, enabling quicker intervention and preventing water waste or property damage.
- **Enhanced Customer Service and Transparency:** Residents have access to their consumption data through an online portal or mobile app, promoting billing transparency and empowering informed water-use decisions.
- **Operational Savings:** Automated data collection reduces non-revenue water loss and allows staff to be reassigned to other essential infrastructure and maintenance needs.

Mr. Randall noted this upgrade represents a strategic investment in the city's long-term sustainability, aiming to optimize water distribution, reduce operational costs, and strengthen overall system resilience. He stated the purchase includes a 10-year prepaid Verizon cellular service plan, along with a battery expected to last between 10-12 years. The total cost for this phase of the project is \$1,641,500.00.

In response to Commissioner Gerth's inquiry, Mr. Randall explained it is still a manual valve and the system does not have the capability to shut the meter off.

Mayor Cobb reiterated when a leak is detected, the customer is promptly notified there is an issue with their water usage rather than waiting 30 days to find out.

Mr. Randall stated with this system, customers can receive instantaneous alerts notifying them of continuous, daily water usage that may indicate a problem.

There being no further discussion, Commissioner Smith moved to approve the purchase of 6,700 Digital Verizon Cellular Registers with Water Meters of New Mexico as presented. Commissioner Calderón seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. A copy of the supporting documentation is attached.

#### **COMMENTS BY CITY COMMISSIONERS, CITY MANAGER**

Mr. Manny Gomez, City Manager, stated the City will presents its Capital Outlay requests tomorrow at the CORE at 10:00 a.m. to the legislative delegation. These presentations are intended to help secure the necessary funding for upcoming projects. He identified the projects as follows:

- Turner St. & Dal Paso Roadway Improvements – Request: \$2,000,000.00
- Trunk Line F Sanitary Sewer Line Replacement – Request: \$2,000,000.00

- Jefferson Sports Complex Artificial Turf Improvements – Request: \$1,800,000.00
- Hobbs Police Department Emergency Response Training Facility – Request: \$250,000.00

Mr. Gomez noted that projects included in the ICIP (Infrastructure Capital Improvements Plan) are generally planned for long-term completion. In total, these projects represent a \$2.5 million investment.

Mr. Gomez delivered a heartfelt message honoring Mayor Cobb, noting that he has served eight of his thirteen years alongside him as Mayor. He stated Mayor Cobb's leadership during the pandemic was a key factor in the City's ability to navigate those challenging times. Mr. Gomez thanked Mayor Cobb for his leadership, vision, and trust, highlighting his support through both difficult and successful moments with staff. He expressed gratitude for the Mayor's efforts to protect all employees and remarked that under his leadership, Hobbs is now more united and vibrant than ever before.

Mayor Cobb stated it has been a pleasure to take part in, and contribute to, the transformation of this community. He emphasized the accomplishments achieved are the result of the hard work of all City employees and the strength of the partnerships that support them, noting that no one succeeds alone. With the leadership of the current Commission and the incoming Mayor, he hopes this spirit of collaboration and partnership will continue. He urged everyone to leave their egos at the door and keep politics out of the community's administration, believing that doing so will help the community come together and leave it better than they found it. He concluded by thanking Mr. Gomez for his kind words.

Commissioner Fields reported he had spoken with the City Manager regarding the ongoing animal control issue, specifically dogs running at large. He noted a resident was recently bitten on the leg by a dog that had been roaming freely throughout the City.

Commissioner Penick stated he hoped everyone enjoyed a wonderful Thanksgiving and noted how fantastic the weather had been. He said he loves driving around Hobbs during this time of year, seeing the lights and decorations, and getting into the Christmas spirit. He stated the festive atmosphere truly reflects the love and unity within the community. Commissioner Penick also stated that he has had the pleasure and honor of working with Mayor Cobb and fully agrees with all of Mr. Gomez's comments about him.

**ADJOURNMENT**

There being no further business or comments, Commissioner Calderón moved the meeting adjourn. Commissioner Gerth seconded the motion and the vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried and the meeting adjourned at 6:30 p.m.

\_\_\_\_\_  
SAM COBB, Mayor

ATTEST:

\_\_\_\_\_  
JAN FLETCHER, City Clerk

# December Milestones 2025

## **10 Years**

|                  |                                      |            |
|------------------|--------------------------------------|------------|
| Shannon Arguello | Director of Municipal Court Services | 12/30/2015 |
| Dustyn Wright    | Detention Shift Supervisor           | 12/30/2015 |

## **15 Years**

|                     |                               |            |
|---------------------|-------------------------------|------------|
| Ryan Inman          | Fire Captain                  | 12/27/2005 |
| Christopher Maynard | Utility Production Supervisor | 12/27/2005 |

## **25 Years**

|            |                    |            |
|------------|--------------------|------------|
| Tim Woomer | Utilities Director | 12/31/2000 |
|------------|--------------------|------------|



**CITY OF HOBBS**  
STAFF SUMMARY FORM

MEETING DATE:  
**December 15, 2025**

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**SUBJECT:** Resolution No. 7711 - Authorizing Execution of a Grant Agreement with New Mexico Environment Department for Capital Outlay Project SAP 25-J2400-GF and Repealing Resolution No. 7694

**DEPT OF ORIGIN:** Engineering

**DATE SUBMITTED:** 12/4/2025

**SUBMITTED BY:** Anthony Henry, City Engineer

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**Summary:**

The New Mexico Environment Department (NMED) has awarded Capital Outlay Project SAP 25-J2400-GF to the City of Hobbs in the amount of \$1,500,000 under the 2025 State Appropriations Act. The project provides funding to replace a water main and to plan, design, and construct water system improvements within the Hobbs municipal water network. The grant carries a reversion date of June 30, 2029, and requires compliance with all state procurement and reporting provisions.

The attached Grant Agreement outlines the terms, disbursement procedures, and administrative requirements associated with the project. Execution of this agreement allows the City to begin project planning, engineering design, and procurement activities in coordination with NMED Construction Programs Bureau. The Commission previously approved Resolution No. 7694 in support of the grant agreement on October 20, 2025. However, Resolution No. 7694 does not include some required language required by the grant and should be repealed and replaced with the attached revised resolution.

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**Fiscal Impact:**

Revenue and Expense are included in the FY2026 budget (BAR #1) as follows:

- Revenue: 219999-30701-00094 (\$1,500,000)
- Expense: 214021-44901-00094 \$1,500,000

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**Attachments:**

RESO - SAP 25-J2400-GF  
2025-8-25 WPD CPB GA City of Hobbs 25-J2400-GF

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**Recommendation:**

Motion to approve the resolution.

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**Approved By:**

|   |            |
|---|------------|
| Anthony Henry, City Engineer                    | 12/04/2025 |
| Toby Spears, Finance Director                   | 12/04/2025 |
| Medjine Desrosiers-Douyon, Deputy City Attorney | 12/04/2025 |
| Manny Gomez, City Manager                       | 12/08/2025 |

CITY OF HOBBS

RESOLUTION NO. 7711

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A  
GRANT AGREEMENT WITH THE NEW MEXICO ENVIRONMENT DEPARTMENT  
FOR CAPITAL OUTLAY PROJECT SAP 25-J2400-GF, ASSIGNING AUTHORIZED  
OFFICERS AND AGENTS, AND REPEALING RESOLUTION NO. 7694**

WHEREAS, the State of New Mexico, through the New Mexico Environment Department (NMED), has awarded Capital Appropriation Project SAP 25-J2400-GF to the City of Hobbs in the amount of One Million Five Hundred Thousand Dollars (\$1,500,000) to replace a water main and to plan, design, and construct water-system improvements in Hobbs, Lea County, with a reversion date of June 30, 2029;

WHEREAS, the City of Hobbs desires to enter into the Grant Agreement with NMED for this project and to designate authorized representatives to act on behalf of the City in all matters pertaining thereto;

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BOARD OF THE CITY OF HOBBS, NEW MEXICO, that

1. Resolution No. 7694 is hereby repealed and replaced with this Resolution, and
2. Mayor Sam D. Cobb, or successor is authorized to sign the Grant Agreement for this project, and
3. Todd Randall, Assistant City Manager and Toby Spears, Finance Director, or successors are the OFFICIAL REPRESENTATIVES who are authorized to sign all other documents necessary to fulfill the Grant Agreement and the requirements (Project Description, Disbursements and to act as the project contact, and
4. Anthony Henry, City Engineer, or successor is the DFA Database contact who is designated to update the database quarterly per Article VIII. A. of the Intergovernmental Grant Agreement.
5. Toby Spears, Finance Director, or successor is the CONTACT who is designated to receive Notice of Obligations (NOO's).

PASSED, ADOPTED AND APPROVED this 15<sup>th</sup> day of December, 2025.

\_\_\_\_\_  
SAM D. COBB, Mayor

ATTEST:

\_\_\_\_\_  
JAN FLETCHER, City Clerk

**NEW MEXICO CAPITAL OUTLAY GRANT AGREEMENT  
CAPITAL APPROPRIATION PROJECT**

**THIS AGREEMENT** is made and entered into by and between the State of New Mexico, New Mexico Environment Department, (“**Department**”) and City of Hobbs, (“**Grantee**”) (individually “**Party**” and collectively “**Parties**”). This Agreement shall be effective as of the date the Department executes it (“**Effective Date**”).

**WITNESSETH**

**WHEREAS**, in the Laws of 2025, Chapter 159, Section 28, Subsection 49, the Legislature made an appropriation to the Department, funds from which the Department is making available to the Grantee pursuant to this Agreement; and

**WHEREAS**, the Department is granting to Grantee, and the Grantee is accepting the grant of funds from this appropriation, in accordance with the terms and conditions of this Agreement;

**NOW, THEREFORE**, in consideration of the mutual covenants and obligations contained herein, the parties hereby mutually agree as follows:

**AGREEMENT**

**I. PROJECT DESCRIPTION, GRANT AMOUNT, AND REVERSION**

- A. SAP 25-J2400-GF (“**Project**”) **June 30, 2029** (“**Reversion Date**”). Laws of 2025, Chapter 159, Section 28, Subsection 49, One Million Five Hundred Thousand Dollars, (\$1,500,000.00), to replace a water main and to plan, design and construct water system improvements in Hobbs in Lea county;.
- B. Grantee’s total reimbursements shall not exceed One Million Five Hundred Thousand Dollars \$1,500,000.00 (“**Appropriation Amount**”) minus the allocation for Art in Public Places (“**AIPP amount**”), if applicable, No Dollars, \$0.00, which equals One Million Five Hundred Thousand Dollars, \$1,500,000.00 (“**Adjusted Appropriation Amount**”).
- C. In the event of a conflict among the Appropriation Amount, the Reversion Date, as defined herein and/or the purpose of the Project, as set forth in this Agreement, and the corresponding appropriation language in the laws cited above in this Article I, the language of the laws cited herein shall control.

The information contained in Article I is referred to collectively as the “**Project Description**.”

**II. DISBURSEMENT LIMITATION**

- A. Upon the Effective Date, the Grantee shall submit to the Department a comprehensive procurement plan and expenditure plan, detailing a Project timeline with milestones, required procurements, and identifying expected expenditures per milestone (collectively, “**Project Budget**”). The Department shall review and approve the Project Budget by approving a Notice of Department’s Obligation (“**Notice of Obligation**”), in accordance with the Project Description, a sample of which is attached hereto as **Exhibit B** and incorporated herein by reference. After receipt of approved Notice of Obligation, the Grantee may be reimbursed for allowable costs up to the Adjusted Appropriation Amount. This Agreement and any reimbursements up to the Adjusted Appropriation Amount are expressly conditioned upon the following:
  - a. Irrespective of any Notice of Obligation, Grantee’s expenditures shall be made in accordance with the Project Budget, on or before the Reversion Date and/or, if applicable, any Early Termination Date; and

- b. The total amount received by Grantee shall not exceed the lesser of:
    - i. the Adjusted Appropriation Amount identified in Article I (B) herein; or
    - ii. the total of all amounts stated in the Notice(s) of Obligation evidencing the Department has received and accepted Grantee's Third Party Obligation(s); and
  - c. Grantee's expenditures are made and accounted for pursuant to the State Procurement Code, State's Model Accounting Practices, and execution of binding written obligations or purchase orders with third-party contractors or vendors for the provision of services, including professional services, or the purchase of tangible personal property and real property for the Project ("**Third Party Obligations**"); and
  - d. Grantee's submittal of timely Requests for Payment and supporting documentation in accordance with the procedures set forth in this Agreement; and
  - e. In the event capital assets acquired with Project funds are to be sold, leased, or licensed to or operated by a private entity, the sale, lease, license, or operating agreement:
    - i. must be approved by the applicable oversight entity (if any) in accordance with §§ 13-6-2, 13-6-2.1, and 13-6-3; or
    - ii. If no oversight entity is required to approve the transaction, the Department of Finance and Administration's Infrastructure Planning Development Division (IPDD) must approve it as complying with the law.
- B. Prior to the sale, lease, license, or operating agreement being approved pursuant to Articles II(A)(e) (i) or (ii) herein, the Department may, in its sole and absolute discretion, unless inconsistent with State Board of Finance imposed conditions, reimburse Grantee for necessary expenditures incurred to develop the Project sufficiently to make the sale, lease, license, or operating agreement commercially feasible, limited to planning and design expenditures; and
- C. Grantee's submission of documentation of all Third Party Obligations and amendments thereto (including terminations) to the Department and the Department's issuance of a Notice of Obligation for a particular amount in accordance with the terms of this Agreement shall be governed by the following:
- a. Grantee is authorized to budget the particular amount set forth in the Notice of Obligation, execute the Third Party Obligation, and request the Third Party to begin work after issuance of a Notice of Obligation by the Department.
  - b. Grantee acknowledges and agrees that any Third Party Obligations agreed to prior to receiving a Notice of Obligation are its sole responsibility.
  - c. Grantee shall submit to the Department one copy of all Third Party Obligations and amendments thereto (including terminations) as soon as possible after execution by the Third Party but prior to execution by the Grantee.
  - d. Department may, in its sole and absolute discretion, issue a Notice of Obligation for the particular amount of a Third Party Obligation that only obligates the Department to reimburse Grantee's expenditures made on or before the Reversion Date or an Early Termination Date. The current Notice of Obligation form is incorporated herein and attached hereto as **Exhibit B**.
- D. Grantee shall provide all necessary qualified personnel, materials, and facilities to implement the Project. The Grantee shall finance its share (if any) of the costs of the Project, including all Project overruns.
- E. Prior to entering into this Agreement, the Department conducted a risk assessment on the Grantee and a project readiness review for the Project. In accordance with State Model Accounting Practices, FIN 9.2, if the Department determines that the expenditure of Project funds by the Grantee requires special conditions, those conditions are identified and listed in **Exhibit C**, which is attached and incorporated by reference. The Parties agree that, to the extent the Department, in its sole and absolute discretion, determines additional special conditions are necessary or that existing special conditions are no longer

required, it may update **Exhibit C** from time to time without the need for a formal amendment of this Agreement.

- F. Project funds shall not be used for purposes other than those authorized by the Department in accordance with the Project Description.
- G. Project funds cannot be used to reimburse the Grantee for indirect Project costs unless specifically allowed by law.

### III. NOTICES

The following provisions shall apply whenever written notices, including written decisions, are to be given or received related to this Agreement.

- A. The Grantee designates the person(s) listed below, or their successor, as their official representative(s) concerning all matters related to this Agreement:

|  |
|--|
| Grantee: <b>City of Hobbs</b>                    |
| Name: <b>Tim Woomer</b>                          |
| Title: <b>Utilities Director</b>                 |
| Address: <b>200 E. Broadway, Hobbs, NM 88240</b> |
| Email: <b>twoomer@hobbsnm.org</b>                |
| Telephone: <b>575-397-9315</b>                   |

- B. The Grantee designates the person(s) listed below, or their successor, as their Fiscal Officer or Fiscal Agent concerning all matters related to this Agreement:

|  |
|--|
| Grantee: <b>City of Hobbs</b>                    |
| Name: <b>Toby Spears</b>                         |
| Title: <b>Finance Director</b>                   |
| Address: <b>200 E. Broadway, Hobbs, NM 88240</b> |
| Email: <b>tspears@hobbsnm.org</b>                |
| Telephone: <b>575-397-9235</b>                   |

- C. The Department designates the persons listed below, or their successors, as the Points of Contact for matters related to this Agreement.

|  |
|--|
| Environment Department   |
| Name: Barbara Romero   |
| Program Administrator  |
| <a href="mailto:NMENV-cpbsap@state.nm.us">NMENV-cpbsap@state.nm.us</a> or <a href="mailto:barbara.romero@env.nm.gov">barbara.romero@env.nm.gov</a> |
| Telephone: 505-670-3615  |

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|---|
| Environment Department  |
| Name: Brandon Kalinowski  |
| Project Manager   |
| Email: <a href="mailto:brandon.kalinowski@env.nm.gov">brandon.kalinowski@env.nm.gov</a> |
| Telephone: 505-670-3571   |

|                        |
|------------------------|
| Environment Department |
|------------------------|

|                           |
|---------------------------|
| Sara Rhoton               |
| Technical Section Manager |
| Sara.rhoton@env.nm.gov    |
| Telephone: 505-469-2687   |

The Parties agree that all notices, including written decisions, related to this Agreement shall be sent to the persons named above by email or regular mail. For mailings, notices shall be deemed to have been given and received upon the date of the receiving party's actual receipt or five (5) calendar days after mailing, whichever shall first occur. In the case of email transmissions, the notice shall be deemed to have been given and received on the date reflected on the delivery receipt of the email.

#### **IV. TERM & DEADLINE TO EXPEND FUNDS**

- A. The term of this Agreement shall begin on the Effective Date and terminate on the 30<sup>th</sup> day of June during the calendar year of the Reversion Date unless Terminated Before Reversion Date ("**Early Termination**") pursuant to Article V herein (collectively "**Term**").
- B. The Project's funds must be expended on or before the Reversion Date and, if applicable, the Early Termination Date of this Agreement.
  - a. For purposes of this Agreement, it is not sufficient for the Grantee to encumber the Project funds on its books on or before the Reversion Date or Early Termination Date.
  - b. For purposes of this Agreement, an expenditure of funds has occurred on the date the particular quantity of goods is delivered to and received by the Grantee, title to the goods is transferred to the Grantee, and/or as of the date particular services are rendered to and accepted by the Grantee.
  - c. For purposes of this Agreement, an encumbrance of funds pursuant to a contract or purchase order with a third party does not qualify as an expenditure.

#### **V. EARLY TERMINATION**

- A. General Provision. The Department may terminate this Agreement before the Reversion Date based on the Completion of the Project, Complete Expenditure of the Adjusted Appropriation, and/or Violation of this Agreement. Early Termination hereunder includes:
  - a. Termination due to completion of the Project before the Reversion Date;
  - b. Termination due to complete expenditure of the Adjusted Appropriation Amount before the Reversion Date;
  - c. Termination for violation of the terms of this Agreement; or
  - d. Termination for suspected mishandling of public funds, including but not limited to fraud, waste, abuse, and conflicts of interest.
- B. Non-appropriation. This Agreement is expressly contingent upon the New Mexico State Legislature making sufficient appropriations and authorizations for the Project Description.
  - a. If the Legislature does not appropriate the Appropriation Amount, this Agreement shall terminate upon the Department giving the Grantee written notice of such termination. Such termination shall be effective as of the effective date of the law making the non-appropriation.
    - i. The Department's decision as to whether sufficient appropriations or authorizations are available shall be final. Grantee hereby waives any rights to assert an impairment of

contract claim against the State of New Mexico in the event of Early Termination of this Agreement.

- b. As used herein, “non-appropriate” or “non-appropriation” includes the following actions by the New Mexico Legislature:
  - i. Deauthorization, reauthorization, or revocation of a prior authorization.

C. Grant Disbursements in the Event of Early Termination. In the event of Early Termination, the Department’s sole and absolute obligation to reimburse the Grantee is expressly conditioned upon the limitations set forth in Article II above.

D. Notice. Either Party may terminate this Agreement prior to the Reversion Date by providing the other Party with a minimum of fifteen (15) days advance written notice of the Early Termination. Grantee hereby waives any rights to assert an impairment of contract claim against the State of New Mexico in the event of Early Termination of this Agreement by the Department.

## **VI. SUSPENSION OF NEW OR FURTHER OBLIGATIONS**

A. Department, in its sole and absolute discretion, may provide written notice to Grantee to suspend entering into further obligations. Upon the receipt of such written notice by the Grantee:

- a. Grantee shall immediately suspend entering into new or further written obligations with third parties;
- b. Department will suspend the issuance of any new or further Notice of Obligation under this Agreement; and
- c. Department may direct the Grantee to implement a corrective action plan in accordance with Article VI (D) herein.

B. In the event of Suspension of this Agreement, the Department’s sole and absolute obligation to reimburse the Grantee is expressly conditioned upon the limitations set forth in Article II herein.

C. A suspension of new or further obligations under this Agreement shall remain in effect unless or until the date the Grantee receives written notice given by the Department informing the Grantee that the Suspension has been lifted or that the Agreement has been Early Terminated in accordance with Article V herein. If the Suspension is lifted, the Department will consider further requests for a Notice of Obligation.

D. Corrective Action Plan in the Event of Suspension. Where the Department, in its sole and absolute discretion, directs Grantee to suspend entering into new or further written obligations with third parties pursuant to Article VI(A), the Department may, but is not obligated to, require the Grantee to develop and implement a written corrective action plan to remedy the grounds for the Suspension.

- a. Such a corrective action plan must be approved by the Department and be signed by the Grantee.
- b. Failure to sign a corrective action plan or meet the terms and deadlines set forth in the signed corrective action plan is hereby deemed a violation of the terms of this Agreement for purposes of Early Termination, Article V(A)(c).
- c. A corrective action plan shall be in addition to, and not in lieu of, any other equitable or legal remedy authorized hereunder or at law, including but not limited to Early Termination.

## **VII. AMENDMENTS**

Unless expressly stated otherwise herein, this Agreement shall not be altered, changed, or amended except by an instrument in writing duly executed by both parties hereto with the same formalities as this agreement.

## VIII. REPORTING

### A. Database Reporting

- a. Grantee shall provide the Department with quarterly reports of Project activity, entering the required Project information directly into a database required by the Department.
- b. Additionally, Grantee shall certify on each Request for Payment form, attached hereto as **Exhibit A** and incorporated herein, that all information provided in the database is true and accurate, updates to the database have been maintained, and all Project activity complies with applicable law and the terms of this Agreement.
- c. Grantee hereby acknowledges that failure to perform and/or certify updates to the database will jeopardize the reimbursement of funds. The Department shall give Grantee a minimum of fourteen (14) days' advance written notice of any changes to the information the Grantee is required to report.
- d. At the Department's discretion, all reports required hereunder may be directed to and facilitated through an electronic database.
- e. Quarterly reports shall be due on the last day of the month, that is, 30 days prior to the end of the quarter following the execution of this Agreement by the Department and ending during the quarter of the submission of the final request for reimbursement for the Project, or the following quarter.

### B. Requests for Additional Information/Project Inspection

During the term of this Agreement and during the period of time during which the Grantee must maintain records pursuant to Article VIII, the Department may:

- i. request such additional information regarding the Project as it deems necessary; and
- ii. conduct, at reasonable times and upon reasonable notice, onsite inspections of the Project.

Grantee shall respond to such requests for additional information within a reasonable period of time, as established by the Department.

### B. Requests for Additional Information/Project Inspection

- a. During the term of this Agreement and the Record Retention Period, the Department may:
  - i. Request additional information regarding the Project as it deems necessary and
  - ii. Conduct on-site inspections of the Project at reasonable times and upon reasonable notice.
- b. Grantee shall respond to such requests for additional information within the time established by the Department.

## IX. REQUEST FOR PAYMENT PROCEDURES

A. Grantee shall request payment by submitting the form attached hereto as **Exhibit A**. Payment requests are subject to the following procedures:

- a. Each Request for Payment must be in accordance with the Project Budget and contain proof of payment by the Grantee or liabilities incurred by the Grantee.
  - i. Proof of payment must demonstrate the validity of an expenditure or liabilities incurred by Grantee.

- ii. However, Grantee may be reimbursed for unpaid liabilities only if the Department, in its sole and absolute discretion, agrees to do so and in accordance with any special conditions imposed by the Department.
  - iii. The Grantee shall make payment to those contractors or vendors within five (5) business days from the date of receiving reimbursement from the Department or in a shorter period than the Department may prescribe in writing.
  - iv. The Department reserves the right to make such payments directly to the contractors or vendors as a special condition under this Agreement.
  - v. The Grantee is required to certify to the Department proof of payment to the third-party contractor or vendor within five (5) business days from the date the Department reimburses the Grantee.
- B. Until the Project is fully planned, designed, and all necessary procurements identified in the Project Budget are completed, Grantee's reimbursements will be limited to the planning, design, and procurement costs outlined in the Project Budget. Once the planning, designing, and procuring stages are complete, the Grantee must obligate at least ten percent (10%) of the Adjusted Appropriation Amount within one (1) year and must have utilized at least eighty-five percent (85%) of the Adjusted Appropriation Amount six (6) months before the reversion date.
- C. Deadlines. Grantee shall submit requests for Payments to the Department on the earlier of:
  - a. Immediately as Grantee receives them, but at a maximum of thirty (30) days from when Grantee incurred the expenditure or liability; or
  - b. Twenty (20) days from the date of Early Termination or Reversion Date for expenditures or liabilities incurred before the Early Termination date or Reversion Date.
- D. Grantee's failure to abide by the requirements set forth in Article II and Article IX herein may result in the denial of its Request for Payment. Department reserves the right to reject a payment request for the Project unless and until it is satisfied that the expenditures or liabilities are for permissible purposes within the meaning of the Project Description, identified within the Project Budget, and that the Grantee is otherwise in compliance with this Agreement.
  - a. Department's authority to reject any Request for Payment is in addition to, and not in lieu of, any other legal or equitable remedy available to the Department under this Agreement, at law, or in equity.

## **X. PROJECT CONDITIONS AND RESTRICTIONS**

- A. The following general conditions and restrictions shall apply to the Project:
  - a. The Project's funds must be spent in accordance with all applicable state laws, regulations, policies, and guidelines, including, but not limited to, the State Procurement Code.
  - b. The Project's expenditures and liabilities must be accounted for in accordance with the State's Model Accounting Practices, as amended from time to time.
  - c. The Project must be implemented in accordance with the New Mexico Public Works Minimum Wage Act, Section 13-4-10 through 13-4-17 NMSA 1978, as applicable.
  - d. The Project must provide a public benefit above and beyond any incidental benefit to private entities in accordance with applicable law, including, but not limited to, Article IX, Section 14 of the Constitution of the State of New Mexico.

- e. Without prior written approval from the Department and State Board of Finance, for the useful life of any asset purchased under this Agreement, Grantee shall not convert any property acquired, built, renovated, repaired, designed, or developed with Project funds to uses other than those specified in the Project Description.
  - i. In addition to other remedies available at law or in equity, any disposal or conversion of property acquired, built, renovated, repaired, designed, or developed with Project funds without the Department's and the Board of Finance's express written approval will trigger the Department's right to reimbursement from Grantee of the Appropriated Amount, transfer proceeds from any disposition of property to the State, or otherwise provide consideration to the State for the Appropriated Amounts.
- f. Grantee shall comply with all applicable federal and state laws, rules, and regulations pertaining to civil rights and equal employment opportunity.
  - i. In accordance with all such laws, rules, and regulations, the Grantee agrees to assure that no person shall, on the grounds of race, color, national origin, sex, sexual preference, age, or handicap, be excluded from participation in the Project, use of the Project, employment with Grantee, or otherwise be denied benefits/subject to discrimination for any activity performed under this Agreement.
- g. Where the Department, in its sole and absolute discretion, determines Grantee has failed to comply with the above conditions and restriction, Grantee agrees to take appropriate steps to correct any deficiencies immediately. The Grantee's failure to implement such appropriate steps within a reasonable time, but no longer than thirty (30) days after notice from the Department, constitutes a breach of this Agreement and grounds for Early Termination.

## **XI. REPRESENTATIONS AND WARRANTIES**

### **A. Reliance by Department.**

- a. Grantee expressly acknowledges that the Department relies on the representations and warranties made by Grantee in this Agreement. Grantee acknowledges that such representations and warranties are a material inducement for the Department to enter into this Agreement and provide the Appropriated Amount.
- b. Grantee shall ensure all representations and warranties provided herein are true, accurate, and complete as of the date of the Effective Date and shall remain so throughout the Term of this Agreement. Grantee is responsible for promptly notifying the Department in writing of any changes or inaccuracies in the representations and warranties contained herein.

### **B. Grantee hereby represents and warrants the following:**

- a. Grantee has taken all necessary steps to attain the legal authority to receive and expend the Project's funds.
- b. Grantee has duly authorized this Agreement, and the person executing it has authority to do so. Once executed by Grantee, this Agreement shall constitute a binding obligation of Grantee, enforceable according to its terms.
- c. Grantee's obligations hereunder do not conflict with any law, ordinance, or resolution applicable to Grantee, Grantee's charter (if applicable), or any judgment or decree to which Grantee is subject.
- d. Grantee has independently confirmed that the Project Description, including, but not limited to, the Appropriated Amount and Reversion Date, is consistent with the underlying appropriation in law.
- e. Grantee's governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the person identified as the official representative of the Grantee to sign and submit Requests for Payment on behalf of Grantee.

- f. Grantee will abide by New Mexico laws regarding conflicts of interest, governmental conduct, and whistleblower protection.
  - i. Grantee agrees explicitly none of its officers or employees or its designees or agents, no member of the governing body, and no other public official of Grantee who exercises any function or responsibility with respect to this Agreement, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for the Project.
  - ii. Further, Grantee will require all of its contractors to incorporate the language set forth in this paragraph prohibiting conflicts of interest in all subcontracts.
- g. No funds have been paid or will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of the State, any agency, or body in connection with the awarding of any Third Party Obligation.
  - i. Grantee will require certifying language prohibiting lobbying to be included in the award documents for all subawards, including subcontracts, loans, and cooperative agreements.

C. Consequences of False or Misleading Representations. If any representation or warranty made by Grantee is found to be false or misleading, the Department shall have the right to exercise any or all of the following remedies:

- a. **Termination of Agreement:** Department may terminate this Agreement immediately upon written notice to the Grantee.
- b. **Repayment of Grant Funds:** Grantee shall repay all Appropriated Amounts disbursed under this Agreement, upon demand by the Department.
- c. **Other Remedies:** Department may pursue any other remedies available at law or in equity.

D. Survival of Representations and Warranties. The representations and warranties made by the Grantee shall survive the Early Termination or expiration of this Agreement.

## XII. PROJECT RECORDS

- A. Grantee shall be strictly accountable for receipts and disbursements relating to the Project's funds. The Grantee shall follow generally accepted accounting principles and the State's Model Accounting Practices and, if feasible, maintain a separate bank account or fund with a separate organizational code to ensure separate budgeting and accounting of the funds.
- B. For six (6) years following the Project's completion ("**Record Retention Period**"), Grantee shall maintain all Project-related records, including, but not limited to, all financial records, requests for proposals, invitations to bid, selection and award criteria, contracts and subcontracts, advertisements, minutes of pertinent meetings, as well as records sufficient to fully account for the amount and disposition of the Appropriated Amount from all sources budgeted for the Project, the purpose for which such funds were used, and such other records as the Department may prescribe.
- C. Grantee shall make all Project records available to the Department, the Department's Independent Public Accountant, and the New Mexico State Auditor upon request. With respect to the funds that are the subject of this Agreement, if the State Auditor or the Department finds any funds were improperly expended, Grantee shall be required to reimburse the State all amounts found to be improperly expended.

## XIII. IMPROPERLY REIMBURSED FUNDS

If the Department determines part or all of the Appropriation Amount was improperly reimbursed to Grantee, including but not limited to funds reimbursed to Grantee based upon fraud, mismanagement, misrepresentation,

misuse, violation of law by the Grantee, after ten (10) days' notice to Grantee and the opportunity to return such funds to the Department, the Department may offset any funds due to Grantee from the State, until the Appropriation Amount is fully repaid.

#### **XIV. LIABILITY**

Neither Party shall be responsible for liability incurred as a result of the other Party's acts or omissions in connection with this Agreement. Any liability incurred in connection with this Agreement is subject to immunities and limitations of the New Mexico Tort Claims Act.

#### **XV. SCOPE OF AGREEMENT**

This Agreement constitutes the entire and exclusive agreement between the Parties concerning the subject matter hereof. The Agreement supersedes all prior or contemporaneous agreements, understandings, discussions, communications, and representations, written or verbal.

#### **XVI. REQUIRED NON-APPROPRIATIONS CLAUSE**

- A. Grantee acknowledges and agrees to include a "non-appropriations" clause in all contracts between it and other parties that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement that states:
  - a. "The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of the State of New Mexico ("**Legislature**") for the performance of this Agreement.
  - b. If the Legislature does not make sufficient appropriations and authorization, [Grantee's name] may immediately terminate this Agreement by giving Contractor written notice of such termination.
  - c. [Grantee's name]'s decision as to whether sufficient appropriations are available shall be final and accepted by the Contractor. Contractor hereby waives any rights to assert an impairment of contract claim against the [Grantee's name] or the State of New Mexico in the event of immediate or Early Termination of this Agreement by the [Grantee's name] or the State Department of Finance and Administration."

#### **XVII. REQUIRED TERMINATION CLAUSE**

- A. Grantee acknowledges and agrees to include the following termination clause in all contracts that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement:
  - a. "This contract is funded in whole or in part by funds made available by the State of New Mexico ("**State**"). Should the State terminate its Agreement with [Grantee's name], [Grantee's name] may terminate this contract immediately by providing Contractor written notice of such termination.
  - b. In the event of termination pursuant to this paragraph, [Grantee's name] only liability to Contractor shall be for goods and services delivered and accepted prior to the termination date."

#### **XVIII. COMPLIANCE WITH UNIFORM FUNDING CRITERIA**

- A. Throughout the term of this Agreement, Grantee shall:
  - a. Submit all reports of annual audits and agreed-upon procedures required by § 12-6-3(A)-(B), NMSA 1978 by the due dates established in § 2.2.2 NMAC, reports of which must be a public

record pursuant to § 12-6-5(A), NMSA 1978 within forty-five (45) days of delivery to the State Auditor;

- b. Have a duly adopted budget for the current fiscal year approved by its budgetary oversight agency (if any);
- c. Timely submit all required financial reports to its budgetary oversight agency (if any); and
- d. Use accounting methods and procedures consistent with Generally Accepted Accounting Principles and the State's Model Accounting Principals to expend the Appropriated Amount in accordance with applicable law and account for and safeguard Project funds and assets acquired with Project funds.

B. In the event Grantee fails to comply with the requirements of subparagraph A of this Article XVIII, Department may take one or more of the following actions:

- a. Suspend new or further obligations pursuant to Article VI(A) of this Agreement;
- b. Require the Grantee to develop and implement a written corrective action plan pursuant to Article VI(D) of this Agreement to remedy the non-compliance;
- c. Impose special conditions to address the non-compliance by giving Grantee notice of such special conditions in accordance with Article III of this Agreement;
  - i. The Parties agree that any special conditions imposed to address non-compliance shall be incorporated into this Agreement, through **Exhibit C**, upon notice to Grantee, without need for formal amendment of this Agreement;
  - ii. Special conditions shall be binding and effective on the date that notice is deemed to have been given pursuant to Article III or
- d. Terminate this Agreement pursuant to Article V(A) of this Agreement.

## **XIX. SEVERANCE TAX AND GENERAL OBLIGATION BONDS**

A. Grantee acknowledges and agrees that the underlying appropriation for the Project may originate from the issuance of tax-exempt severance tax bonds or general obligation bonds by the State. Proceeds from such bonds are administered by the New Mexico State Board of Finance ("**SBOF**"), an entity separate and distinct from the Department.

- a. Grantee acknowledges and agrees:
  - i. It is Grantee's responsibility to determine through SBOF what (if any) conditions are currently imposed on the Project;
  - ii. Department's failure to inform Grantee of an SBOF-imposed condition does not affect the validity or enforceability of the condition;
  - iii. The SBOF may in the future impose further or different conditions upon the Project;
  - iv. All SBOF conditions are attached to the Project and Appropriation Amount without the need for formal amendment of this Agreement;
  - v. All applicable SBOF conditions must be satisfied before the SBOF will release to the Department funds subject to the condition(s) and
  - vi. The Department's obligation to reimburse Grantee from the Project is expressly contingent upon the satisfaction of the then-current SBOF conditions.

B. Grantee acknowledges and agrees SBOF may, at its sole and absolute discretion, require reimbursement or remove eligibility for bond proceeds for the Project if the Project doesn't proceed sufficiently.

- a. Grantee must comply with the requirement to encumber five percent (5%) of Project funds within six months of bond issuance as certified by Grantee in the Bond Questionnaire and Certification documents submitted to the SBOF.

- b. Failure to comply may result in the reassignment of the bond proceeds. Upon reassignment of bond proceeds, this Agreement will be suspended until the entity has demonstrated readiness as determined by the SBOF and the Department.
- C. Grantee acknowledges and agrees that this Agreement is subject to the SBOF's Bond Project Disbursements rule, § 2.61.6, NMAC, as may be amended from time to time or re-codified.

## **XX. GENERAL PROVISIONS**

- A. Assignment: Grantee's rights and obligations under this Agreement are personal and may not be transferred or assigned without the prior written consent of the State. Any attempt at assignment or transfer without such consent shall be void. Any assignment or transfer of Grantee's rights and obligations approved by the State shall be subject to the provisions of this Agreement.
- B. Subcontractors: Grantee shall not enter any subgrant or subcontract in connection with its obligations under this Agreement without the prior written approval of the State. Upon request, Grantee shall submit to the Department a copy of each such subgrant or subcontract.
- C. Binding Effect: Except as otherwise provided, all provisions of this Agreement, including the benefits and burdens, shall extend to and be binding upon the Parties' respective successors and assigns.
- D. Authority: Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such Party's obligations have been duly authorized.
- E. Captions and References: The captions and headings in this Agreement are for the convenience of reference only and shall not be used to interpret, define, or limit its provisions. All references in this Agreement to sections (whether spelled out or using the § symbol), subsections, exhibits, or other attachments are references to sections, subsections, exhibits, or other attachments contained herein or incorporated as a part hereof, unless otherwise noted.
- F. Counterparts: This Agreement may be executed in multiple, identical, original counterparts, each of which shall be deemed to be an original, but all of which, taken together, shall constitute the same agreement.
- G. Digital Signatures: If any signatory signs this agreement using a digital signature in accordance with the State Policies regarding the use of digital signatures, then any agreement or consent to use digital signatures within the electronic system through which that signatory signed shall be incorporated into this Agreement by reference.
- H. Modification: Except as otherwise provided in this Agreement, any modification to this Agreement shall only be effective if agreed to in a formal amendment, properly executed and approved in accordance with applicable New Mexico law and State fiscal policies and rules. Modifications permitted under this Agreement, other than Agreement amendments, shall conform to the policies issued by the State.
- I. Statutes, Regulations, Fiscal Rules, and Other Authority: Any reference in this Agreement to a statute, regulation, policy, or other authority shall be interpreted to refer to such authority then current, as may have been changed or amended after the Effective Date of this Agreement.
- J. External Terms and Conditions: Notwithstanding anything to the contrary herein, the State shall not be subject to any provision included in any terms, conditions, or agreements appearing on Grantee's or a subcontractor's website or any provision incorporated into any click-through or online agreements related to the Work unless that provision is specifically referenced in this Agreement.
- K. Severability: The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement, which shall remain in full force and

effect, provided that the Parties can continue to perform their obligations under this Agreement in accordance with its intent.

- L. **Survival of Certain Agreement Terms:** Any provision of this Agreement that imposes an obligation on a Party after the termination or expiration of this Agreement shall survive the termination or expiration of this Agreement and shall be enforceable by the other Party.
- M. **Third Party Beneficiaries:** Except for the Parties' respective successors and assigns described in this Agreement, it does not and is not intended to confer any rights or remedies upon any person or entity other than the Parties. Enforcement of this Agreement and all rights and obligations hereunder are reserved solely to the Parties. Any services or benefits that third parties receive as a result of this Agreement are incidental to this Agreement and do not create any rights for such third parties.
- N. **Waiver:** A Party's failure or delay in exercising any right, power, or privilege under this Agreement, whether explicit or by lack of enforcement, shall not operate as a waiver, nor shall any single or partial exercise of any right, power, or privilege preclude any other or further exercise of such right, power, or privilege.
- O. **Standard and Manner of Performance:** Grantee shall perform its obligations under this Agreement in accordance with the highest standards of care, skill, and diligence in Grantee's industry, trade, or profession.
- P. **Licenses, Permits, and Other Authorizations:** Grantee shall secure, prior to the Effective Date, and maintain at all times during the term of this Agreement, at its sole expense, all licenses, certifications, permits, and other authorizations required to perform its obligations under this Agreement and shall ensure that all employees, agents, and subcontractors secure and maintain at all times during the term of their employment, agency or subcontractor, all license, certifications, permits and other authorizations required to perform their obligations in relation to this Agreement.
- Q. **Publicity:** Any Publicity regarding the subject matter of this Agreement may not be released without prior written approval from the Department. For purposes of this agreement, "**Publicity**" means notices, informational pamphlets, press releases, email responses, research, reports, signs, and similar public notices prepared by or for the Grantee or jointly with others.
  - a. Grantee shall obtain written approval prior to issuing any press release or making any public announcement regarding this agreement. Grantee agrees to obtain approval of the Department in advance with respect to all Public Relations, all communications with media, or all communications with any other member of the public with respect to this agreement, except to acknowledge that an agreement does exist.
  - b. For purposes of this agreement, "Public Relations" includes community relations and means those activities dedicated to maintaining the Department's image or maintaining or promoting understanding and favorable relations with the community or public at large or any segment of the public.
  - c. Violations of either Article XX (Q)(a) or (b) shall constitute a material Breach of Agreement.
- R. **Data Sharing:** The State intends to secure and collate specific data generated by Grantee under this Agreement to use in support of the State's organizational, policy-making, and management of public resource functions. State, in accordance with **Exhibit E**, attached hereto and incorporated herein by reference, reserves the right to require Grantee and/or its subcontractors to provide specific data relevant to the above-listed functions. Data provided by Grantee may be incorporated into existing or future

developed State integrated analysis tools or databases, including but not limited to geographic information system (GIS) networks and databases accessible by the public. Dissemination of data collected may include historical data and projections based on such historical data.

- a. To the extent any data transferred as part of this Agreement is legally determined to be the property of Subrecipient or its subcontractors, Subrecipient and/or its subcontractors grants State a nonexclusive, fully paid-up right and license to reproduce, use, distribute, do derivative works based on, and archive data transferred as part of this Agreement.

S. Venue and Choice of Law: This Agreement shall be governed by and construed in accordance with the laws of the State of New Mexico, without regard to any conflict of law provisions. Any legal suit, action, or proceeding arising out of or related to this Agreement shall be instituted exclusively in the district courts located in Santa Fe, New Mexico. The Parties hereby irrevocably submit to the exclusive jurisdiction and venue of such courts in any such suit, action, or proceeding. The Parties waive any objection to the laying of the venue of any such suit, action, or proceeding in the district courts of Santa Fe, New Mexico, and irrevocably waive and agree not to plead or claim in any such court that any such suit, action, or proceeding brought in any such court has been brought in an inconvenient forum.

[SIGNATURE PAGE AND EXHIBITS FOLLOW]  
[THIS SPACE LEFT BLANK INTENTIONALLY]

**IN WITNESS WHEREOF**, the parties have duly executed this Agreement as of the Department's date of execution.

**APPROVED BY GRANTEE:**

\_\_\_\_\_  
Entity Name

**Official with Authority to Bind Grantee:**

\_\_\_\_\_  
Signature

**Sam Cobb**  
\_\_\_\_\_  
(Print Name)

**October 21th, 2025**  
\_\_\_\_\_  
Date

**Mayor**  
\_\_\_\_\_  
(Title)

**Fiscal Officer or Chief Financial Officer: (OPTIONAL)**

\_\_\_\_\_  
Signature

**Toby Spears**  
\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Date

**Finance Director**  
\_\_\_\_\_  
(Title)

**Legal Counsel: (OPTIONAL)**

\_\_\_\_\_  
Signature

**Medjine Desrosiers-Douyon**  
\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
Date

**Deputy City Attorney**  
\_\_\_\_\_  
(Title)

**APPROVED BY DEPARTMENT:**

**New Mexico Environment Department**

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Dennis Romero, P.E., Bureau Chief, NMED Construction Programs Bureau

Signed pursuant to the June 23, 2025, Secretary of Environment Delegation Order



**EXHIBIT B**

**NOTICE OF OBLIGATION TO REIMBURSE GRANTEE  
EXHIBIT B**

Notice of Obligation to Reimburse Grantee # \_\_\_\_\_

DATE: \_\_\_\_\_

TO: Department Representative: \_\_\_\_\_, Grant Manager

FROM: Grantee Entity: \_\_\_\_\_  
Grantee Official Representative: \_\_\_\_\_

SUBJECT: Notice of Obligation to Reimburse Grantee  
Grant Number: \_\_\_\_\_  
Grant Termination Date: \_\_\_\_\_

As the designated representative of the Department for Grant Agreement number \_\_\_\_\_ entered into between Grantee and the Department, I certify that the Grantee has submitted to the Department the following third party obligation executed, in writing, by the third party's authorized representative:

Vendor or Contractor: \_\_\_\_\_

Third Party Obligation Amount: \_\_\_\_\_

Vendor or Contractor: \_\_\_\_\_

Third Party Obligation Amount: \_\_\_\_\_

I certify that the State is issuing this Notice of Obligation to Reimburse Grantee for permissible purposes within the scope of the project description, subject to all the terms and conditions of the above referenced Grant Agreement.

Grant Amount (Minus AIPP if applicable): \_\_\_\_\_

The Amount of this Notice of Obligation: \_\_\_\_\_

The Total Amount of all Previously Issued Notices of Obligation: \_\_\_\_\_

The Total Amount of all Notices of Obligation to Date: \$ 0.00

*Note: Contract amounts may exceed the total grant amount, but the invoices paid by the grant will not exceed the grant amount.*

Department Rep. Approver: \_\_\_\_\_

Title: Grant Manager

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

<sup>1</sup> Administrative and/or Indirect Cost – generally, the legislation authorizing the issuance of bonds prohibits the use of its proceeds for indirect expenses (e.g. penalty fees or damages other than pay for work performed, attorney fees, and administrative fees). Such use of bond proceeds shall not be allowed unless specifically authorized by statute.

## **EXHIBIT E**

### Data Sharing Provisions

#### Data Sharing Provisions for New Mexico Capital Outlay Agreements

##### **I. Introduction:**

This Data Sharing Provisions Exhibit (“Exhibit”) is incorporated into the New Mexico Capital Outlay Agreements (“Agreements”) between the State of New Mexico (“State”) and [Insert Partner Name] (“Partner”). This Exhibit outlines the terms and conditions under which data will be shared between the Parties to ensure compliance with New Mexico state laws and regulations, focusing on data privacy, security, and compliance.

##### **II. Definitions:**

- a. **Authorized User:** An employee, agent, assign, representative, independent contractor, or other person or entity authorized by Partner or State to access, use, or disclose information through this exhibit.
- b. **Confidential Information:** All data or information shared in confidence, with the expectation that it will not be disclosed in an identifiable form. This includes data that is exempt from public disclosure under the New Mexico Inspection of Public Records Act (§ 14-2-1 et seq. NMSA 1978) or other relevant laws.
- c. **Data Storage:** Electronic media that hold recorded information.
- d. **Data Transmission:** The process of moving information over a network from its source to one or more destinations.
- e. **Direct Identifier:** Records or data containing personal identifiers such as names, addresses, and social security numbers.
- f. **Disclosure:** Permission to access, release, transfer, or otherwise communicate confidential information by any means to any third party, except as authorized by the Party that controls the record.
- g. **Encryption** involves using algorithms to encode data, rendering it unreadable without a specific key. It may be necessary during data transmission and/or storage.
- h. **Information:** Any data, figures, statistics, or other facts provided or learned about someone or something, including Confidential Information, that may be legally transmitted under this Exhibit.
- i. **Limited Dataset:** A data file that omits Direct Identifiers.
- j. **Protected Personally Identifiable Information:** Sensitive personal details such as social security numbers and financial account numbers, with specific exclusions as outlined in the Agreements.

##### **III. Purpose:**

The purpose of this exhibit is to promote transparency, facilitate information sharing between the parties, support better policy and decision-making, and enhance public services through collaborative data analysis from various sources.

**IV. Use of Information:**

- a. Use of Information obtained or created under this exhibit shall be strictly limited to the purposes stated herein and in the agreements. The parties agree not to sell Information to third parties or use it for commercial, solicitation, or political purposes.
- b. Each Party shall serve as the custodian of the Information and comply with all conditions for its use, including security measures to prevent unauthorized access.
- c. The Parties shall follow all relevant federal and state laws and regulations governing the use of such Information.

**V. Safeguarding Information:**

- a. Confidentiality: Access to Confidential Information shall be limited to the minimum necessary to accomplish the purposes of this Exhibit. Authorized Users must adhere to the confidentiality requirements.
- b. Security: Security practices shall comply with the requirements of the New Mexico Department of Information Technology Act and related regulations. The Parties agree to notify each other within three business days of any suspected or actual security breach.
- c. Information Storage and Transmission: Data Storage and Transmission shall take place on an encrypted server with appropriate security controls.

**VI. Re-Disclosure of Information:**

The Parties agree not to disclose Information except as required by law or with prior written approval of the other Party. If there is a public records request, the Party receiving it shall notify the other Party within three business days.

**VII. Ownership of Information:**

Legal title to Information shall remain with the provider. The Partner grants the State a royalty-free, non-exclusive, non-transferable license to use the Information in furtherance of the purposes outlined in this Exhibit.

Capital Appropriations Certification Document

Article IX. A. (ii) and (iii)

(City of Hobbs SAP 25-J2400-GF)

Payment Request No \_\_\_\_\_

I certify that payment to all vendors on the above referenced payment request were paid no more than ten (10) days after receiving reimbursement from NMED.

---

Official Representative, Signed Name, Printed Name, Date

**ATTACHMENT A**

**NEW MEXICO ENVIRONMENT DEPARTMENT  
CONSTRUCTION PROGRAMS BUREAU**

**PROJECT BUDGET**

**GRANTEE:** City of Hobbs

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**PROJECT NO:** SAP 25-J2400-GF

---

Please provide a comprehensive procurement plan and expenditure plan, detailing a Project timeline with milestones, required procurements, and identifying expected expenditures per milestone, referred to collectively as the "Project Budget." While it can be difficult to estimate costs and timelines, setting a plan for these can help keep realistic expectations and goals to keep a project moving forward to achieve the project scope and objectives. Contact your NMED-CPB Project Manager with questions.

**1) Expenditure Plan.** Indicate what expenses funding will be used.

| <b>Detailed Expenditure Plan</b> |                     |                    |
|----------------------------------|---------------------|--------------------|
| <b>USES OF FUNDS</b>             | <b>NMED PROGRAM</b> | <b>OTHER FUNDS</b> |
| <b>Engineer Fees</b>             |                     |                    |
| <b>Other Professional</b>        |                     |                    |
| <b>Service Fees</b>              |                     |                    |
| <b>Inspection Fees</b>           |                     |                    |
| <b>Property Acquisition</b>      |                     |                    |
| <b>Construction Cost</b>         |                     |                    |
| <b>Planning Cost</b>             |                     |                    |
| <b>Equipment</b>                 |                     |                    |
| <b>Other Costs (specify)</b>     |                     |                    |
| <b>Contingencies</b>             |                     |                    |
| <b>TOTAL</b>                     | \$ -                | \$ -               |

- 2) **Procurement Plan.** Describe how engineering or professional services, construction contractors, equipment, or other goods or services will be procured.

**Chief Procurement Officer**

All Public Bodies are required by 13-1-95.2 NMSA 1978 to have a Chief Procurement Officer to conduct all procurement activities.

Who is your Chief Procurement Officer (CPO)? \_\_\_\_\_

Describe how you will secure CPO services, if you currently do not have a CPO. \_\_\_\_\_

\_\_\_\_\_

**Professional Services**

Have engineering or professional services already been procured and contracted? \_\_\_\_\_

If not, describe how you will procure engineering or professional services \_\_\_\_\_

Reminders:

- COSTS ABOVE \$60,000, require solicitation of services via a Request for Proposal (RFP).
- COSTS BELOW \$60,000 must adhere to 13-1-125 NMSA 1978 and procurements cannot be artificially divided into smaller units to circumvent legal requirements, such as formal solicitation.
- MULTI-TERM CONTRACTS can be renewed for up to four years 13-1-150 NMSA 1978. Monitor the remaining time on your contracts and plan for renewal in advance.

**Construction**

Contractors must be hired using a public bidding process for any project over \$60,000 (13-1-125 NMSA 1978) and procurements cannot be artificially divided into smaller units to circumvent legal requirements, such as formal solicitation.

**Equipment Purchase**

Equipment purchase must follow proper procurement code. Please see Chapter 13 Public Purchase and Property NMSA 1978.

- 3) **Project Timeline.** Setting a timeline can help keep a project on track to meet required expenditure deadlines. *(An example schedule is provided below.)*

**Project Timeline:**

| <i>OVERALL – MILESTONES</i> |  | <i>EXPECTED EXPENDITURE PER MILESTONE</i> |
|-----------------------------|--|---|
| <b>ESTIMATED START DATE</b> |  |   |
| <b>5% FUNDS OBLIGATED*</b>  |  |   |
| <b>ESTIMATED END DATE</b>   |  |   |
| <i>DETAILED – PHASES</i>    |  |   |
|                             |  |   |
|                             |  |   |
|                             |  |   |
|                             |  |   |
|                             |  |   |
|                             |  |   |
| <b>TOTAL</b>                |  | \$  |

**\*Disclaimer:** You have accepted grant funds on the condition that 5% of these funds are to be obligated in a Notice of Obligation within 6 months of bond issuance in accordance with XIX.B.(STB’s only) and at least 10% within one (1) year in accordance with IX.B (all projects).

You can obligate funds by entering into a contract with an engineer or contractor. State Procurement Code must be followed for the purchase of all goods and services.

Your NMED-CPB project manager will be happy to help you navigate these requirements, so that your grant money can be spent, and your project successfully completed.

**Example Timeline:**

| <b>OVERALL – MILESTONES</b>   |   | <b>EXPECTED EXPENDITURE PER MILESTONE</b> |
|---|---|---|
| <b>ESTIMATED START DATE</b>   | Month 0                                     |   |
| <b>5% FUNDS OBLIGATED*</b>  | + 6 months from start date<br>=<br>Month 6  | \$100,000                                 |
| <b>ESTIMATED END DATE</b>   | Use detailed schedule below. 2.5- 3 years   |   |
| <b>DETAILED – PHASES</b>  |   |   |
| <b>HIRE AN ENGINEER</b>   | 4 months                                    |   |
| <b>PLANNING DOCUMENT</b>  | 6 months                                    | \$25,000                                  |
| <b>DESIGN, PERMIT</b>   | 9 months                                    | \$60,000                                  |
| <b>ADVERTISE FOR BID, AWARD PROJECT</b>   | 6 months (allow for rebid)                  |   |
| <b>CONSTRUCTION AND ENGINEERING CONSTRUCTION PHASE SERVICES (START TO FINISH)</b> | Varies widely. 6 months to a year, or more. | \$750,000 and \$15,000                    |
| <b>CLOSEOUT CONSTRUCTION/ FUNDS</b>   | 1 month at end of construction schedule.    |   |
| <b>TOTAL</b>  |   | \$850,000                                 |

- 4) **Additional Information.** Please use this space below to provide any additional details about your project you would like to share to show your project plan and readiness.

---

**Grantee Signatory Authority**

---

**Print Name**

ATTACHMENT B  
TECHNICAL REQUIREMENTS  
NEW MEXICO ENVIRONMENT DEPARTMENT  
CAPITAL OUTLAY

ARTICLE 1 REVIEW

Upon execution of the grant agreement, the Grantee will follow the procedures listed below unless waived in writing by the New Mexico Environment Department (NMED) (payment may be withheld if any of these procedures are not followed by the Grantee).

- A. The Grantee must submit copies to NMED of all unexecuted contracts or quotes the Grantee intends to enter in that are related to the project for the creation of a notice of obligation. Only approved eligible expenditures incurred after the effective date of the Grant Agreement shall be reimbursed or paid from these funds.
- B. If grant funds are used for construction, a site certificate must be submitted prior to project bid advertisement that certifies all necessary easements, rights-of-way, and/or property upon or through which the project is being constructed have been obtained. The Site Certificate must be signed by an attorney, engineer, surveyor, or title abstractor.
- C. If grant funds are used for meter installation, the Grantee must follow the NMED Guidelines for Meter Upgrade Projects. Meters must be installed before payment can be made. Request a copy of the Guidelines from your NMED Project Manager.
- D. If grant funds are used for construction, the Grantee will submit notice of the award and a copy of the executed construction contract documents.
- E. The Grantee will provide a full-time construction inspector during construction of the project unless NMED determines that part time inspection is adequate for the project. This must be requested and approved by NMED prior to the start of construction.
- F. All daily construction inspection reports shall be made available to the NMED upon request.
- G. Notwithstanding the inspections performed by the Grantee and its engineer, NMED will have the right to examine all installations comprising the project, including materials delivered and stored on-site for use on the project. Such examinations will not be considered an inspection for compliance with contract plans but will be a general NMED review as described in Article 2 below.

ARTICLE 2 NMED OVERSIGHT

NMED oversight is only for purposes of compliance with applicable state grant requirements, procedures, statutes, and regulations. NMED approval will not be interpreted as a warranty or guarantee of any kind. Responsibility for the design of the project will lie solely with the engineer of record. All defects and their correction will be the responsibility of the Grantee and its contractors and engineers or consultants. Any questions raised by NMED during its inspections and reviews shall be resolved exclusively by the Grantee. The Grantee and its contractors and engineers or consultants will remain responsible for the completion and success of the project. No action by NMED shall relieve the owner, engineer, or contractor of legal responsibilities for the overall integrity of the project, adequacy of the design, safety, or compliance with all applicable regulations.

ARTICLE 3 CLOSEOUT

- A. The project will not be considered complete until the work as defined in this agreement has been fully performed, and finally and unconditionally accepted by the Grantee and the engineer of record.

- B. If the grant funds are used for purchase of equipment, final payment will be made after receipt of the equipment and equipment title, if applicable. Appraisal reports are required for the purchase of used equipment.
- C. If the grant funds are used for construction, final payment will be made after the following items, unless waived by NMED, have been provided to NMED, and have been reviewed and approved by NMED:
- i. A certificate of substantial completion including punch list items.
  - ii. A final certified construction pay request prepared by the Grantee's project engineer and approved by the Grantee.
  - iii. A written consent of the surety, if any, to final payment.
  - iv. Complete and legally effective releases or waivers (satisfactory to the Grantee) of all liens arising out of the contract documents and the labor services performed and the materials and equipment furnished there under. In lieu thereof and as approved by the Grantee, contractor(s) may furnish receipts or releases in full; an affidavit of contractor that the releases and receipts include labor, services, materials, and equipment for which a lien could be filed and that all payrolls, material and equipment bills, and other indebtedness connected with the work for which the Grantee or its property might in any way be responsible, have been paid or otherwise satisfied.
  - v. Certification letter by the Grantee and contractor that the Labor Standards Contract Provisions have been met.
  - vi. Certification letter of project acceptance by the Grantee and the Grantee's project engineer stating that work has been satisfactorily completed and the construction contractor has fulfilled all of the obligations required under the contract documents with the Grantee, or if payment and materials performance bonds are "called", an acceptance close-out settlement to the Grantee and contractors will be submitted to NMED.
  - vii. Certification letter from the Grantee confirming receipt and acceptance of the record drawings and operation and maintenance manuals.

A RESOLUTION AUTHORIZING PROJECT SAP 25-J2400-GF AS DESCRIBED IN ATTACHMENT A, AND THE ASSIGNMENT OF AUTHORIZED OFFICER(S) AND AGENT(S)

Resolution Number

Whereas, the **Board of Directors / Council / Commission** of **Community / Utility** of **County Name** County of the State of New Mexico shall enter into a Grant Agreement with the State of New Mexico Environment Department, and

Whereas, the Agreement is identified as **Project Number SAP** SAP 25-J2400-GF

**NOW THEREFORE, BE IT RESOLVED by the named applicant that:**

**(Name), Mayor/ Chairperson / Director / Officer**, or successor is authorized to sign the Grant Agreement for this project, and

**(Authorized Office Name), (Authorized Officer Title)**, (may have more than one) or successor is the OFFICAL REPRESENTATIVE(S) who is authorized to sign all other documents necessary to fulfill the Grant Agreement and the requirements (Project Description, Disbursements and to act as the project contact, and

**(Designated Agent or Employee Name), (Title)**, or successor is the DFA Database contact who is designated to update the database quarterly per Article VIII. A. of the Intergovernmental Grant Agreement.

**(Designated Agen or Employee Name, (Title)**, (may have more than one) or successors is the CONTACT who is designated to receive Notice of Obligations (NOO'S).

**PASSED, APPROVED, AND ADOPTED: \_\_\_\_\_.**

**Name, Mayor / Chairperson / Director / Officer, Title, Community / Utility**

\_\_\_\_\_  
**(Signature)**

\_\_\_\_\_  
**Date**

**(SEAL)**

**ATTEST:**

\_\_\_\_\_  
**(Municipal Clerk)**

Name of Grantee: City of Hobbs Project Number: SAP 25-J2400-GF

**Current Authorized Signatures** (submit with Signature Resolution, update when necessary)

| <b>Authorized to Sign Agreement</b>  |                       |           |                       |
|--|-----------------------|-----------|-----------------------|
| Name   |                       | Name      |                       |
| Title  |                       | Title     |                       |
| Signature  |                       | Signature |                       |
| Address  |                       | Address   |                       |
|  |                       |           |                       |
| Email  |                       | Email     |                       |
| Phone  |                       | Phone     |                       |
| <b>Official Representatives authorized to sign Disbursement Requests and all other documents.</b>                                |                       |           |                       |
| Name   |                       | Name      |                       |
| Title  |                       | Title     |                       |
| Signature  |                       | Signature |                       |
| Address  |                       | Address   |                       |
|  |                       |           |                       |
| Email  |                       | Email     |                       |
| Phone  |                       | Phone     |                       |
| <b>Alternate Official Representative, to sign Disbursement Requests and all other documents and act as the Point of Contact.</b> |                       |           |                       |
| Name   |                       | Name      |                       |
| Title  |                       | Title     |                       |
| Signature  |                       | Signature |                       |
| Address  |                       | Address   |                       |
|  |                       |           |                       |
| Email  |                       | Email     |                       |
| Phone  |                       | Phone     |                       |
| <b>Designated Agent or Employee that will make DFA database updates</b>  |                       |           |                       |
| Name   |                       | Name      |                       |
| Title  |                       | Title     |                       |
| Signature  |                       | Signature |                       |
| Address  |                       | Address   |                       |
|  |                       |           |                       |
| Email  |                       | Email     |                       |
| Phone  |                       | Phone     |                       |
| <b>Notice of Obligations</b>   |                       |           |                       |
| Name   |                       | Name      |                       |
| Title  |                       | Title     |                       |
| Signature  | No Signature Required | Signature | No Signature Required |
| Address  |                       | Address   |                       |
|  |                       |           |                       |
| Email  |                       | Email     |                       |
| Phone  |                       | Phone     |                       |



**CITY OF HOBBS**  
STAFF SUMMARY FORM

MEETING DATE:  
**December 15, 2025**

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**SUBJECT:** Resolution No. 7712 - Authorizing the Mayor to Execute a Memorandum of Agreement Between Lea County, New Mexico and the City of Hobbs for Construction Improvements at the Animal Adoption Center

**DEPT OF ORIGIN:** Legal

**DATE SUBMITTED:** 12/4/2025

**SUBMITTED BY:** Ayana Estrada, Deputy City Attorney

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**Summary:**

This resolution authorizes the Mayor to execute a Memorandum of Agreement between the City of Hobbs and Lea County for construction improvements at the Animal Adoption Center. Lea County has resolved to award one hundred and fifty thousand (\$150,000.00) dollars in discretionary funds to the City of Hobbs for construction upgrades to the Center's animal exercise area, including: metal canopies for cover and shade, new fencing, artificial turf, waterlines, and hose bibs.

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**Fiscal Impact:**

A Revenue and Expense Budget in the amount of one hundred and fifty thousand (\$150,000.00) dollars will be added to the FY2026 budget in a future budget adjustment.

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**Attachments:**

RESOLUTION - Authorizing Mayor Execute MOA Construction Improvements Animal Adoption Center  
MOA Lea County Hobbs Discretionary Funds D3 \$150k Animal Adoption Center  
25-NOV-279R Lea County Resolution

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**Recommendation:**

Approve the Resolution.

---

**Approved By:**

Medjine Desrosiers-Douyon, Deputy City Attorney 12/04/2025

Toby Spears, Finance Director 12/04/2025

Manny Gomez, City Manager 12/05/2025

CITY OF HOBBS

RESOLUTION NO. 7712

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A MEMORANDUM OF AGREEMENT BETWEEN LEA COUNTY, NEW MEXICO AND THE CITY OF HOBBS FOR CONSTRUCTION IMPROVEMENTS AT THE ANIMAL ADOPTION CENTER**

**WHEREAS**, the City of Hobbs and Lea County desire to enter into a Memorandum of Agreement to fund the following construction upgrades to the Animal Adoption Center's animal exercise area: metal canopies for cover and shade, new fencing, artificial turf, waterlines, and hose bibs; and

**WHEREAS**, the Board of County Commissioners of Lea County has resolved to award one hundred and fifty thousand (\$150,000.00) dollars in discretionary funds to the City of Hobbs for construction upgrades to the Animal Adoption Center; and

**WHEREAS**, the City of Hobbs recognizes the importance of community partnerships and improvements to quality of life, education, and safety.

**NOW, THEREFORE, BE IT RESOLVED** by the City Commission, the governing body of the City of Hobbs, New Mexico, the Mayor be and hereby is, authorized and directed to effectuate this resolution and specifically to execute, on behalf of the City of Hobbs, a Memorandum of Agreement with Lea County, New Mexico, a copy of which is attached hereto and incorporated herein.

**PASSED, ADOPTED AND APPROVED** this the 15<sup>th</sup> day of December, 2025.

\_\_\_\_\_  
**SAM D. COBB**, Mayor

**ATTEST:**

\_\_\_\_\_  
**JAN FLETCHER**, City Clerk

**MEMORANDUM OF AGREEMENT BETWEEN  
LEA COUNTY, NEW MEXICO, AND THE CITY OF HOBBS  
FOR CONSTRUCTION IMPROVEMENTS AT THE ANIMAL ADOPTION  
CENTER**

This Memorandum of Agreement is made this 20th day of November, 2025, by and between Lea County, New Mexico, (hereinafter "County") and the City of Hobbs (hereinafter "City").

The City has 24 months from the date of this agreement to utilize the funds. The City agrees to submit progress reports to the County on June 15 and December 15 each year, detailing how the funds have been used.

Upon completion of the project for which the funds were allocated, the City must provide a Letter of Completion to the County. If any funds remain after the completion of the initial project, the City must submit a Request Letter to the County for approval before utilizing the remaining funds for a different project.

By signing below, both parties agree to the terms outlined in this agreement.

LEA COUNTY, NEW MEXICO

BY:  Date: 11/20/2025  
Gary G. Eidson  
Lea County Chair

CITY OF HOBBS, NEW MEXICO

BY: \_\_\_\_\_ Date: \_\_\_\_\_  
Sam Cobb,  
Mayor

STATE OF NEW MEXICO  
COUNTY OF LEA  
RESOLUTION NO. 25-NOV-279R

**A RESOLUTION APPROVING A \$150,000 APPROPRIATION FROM DISTRICT 3 FISCAL YEAR 2025-2026 DISCRETIONARY FUNDING TO THE CITY OF HOBBS TO ASSIST IN CONSTRUCTION AT THE ANIMAL ADOPTION CENTER**

**WHEREAS**, Lea County wishes to partner with local governmental entities and school districts on projects to improve the quality of life, education, and safety in Lea County; *and*

**WHEREAS**, funds are budgeted for each of the five County Commissioners for the purpose of community partnerships and improvements; *and*

**WHEREAS**, the City of Hobbs has entered into a Memorandum of Agreement with Lea County to fund the following construction upgrades to the Animal Adoption Center's animal exercise area: metal canopies for cover and shade, new fencing, artificial turf, waterlines, and hose bibs; *and*

**WHEREAS**, District Three (3) County Commissioner Gary Eidson wishes to use a portion (\$150,000) of his budgeted discretionary funds to partner with the City of Hobbs on construction upgrades at the Animal Adoption Center.

**NOW, THEREFORE, BE IT HEREBY RESOLVED** by the Board of County Commissioners of Lea County that an appropriation of \$150,000 be awarded to the City of Hobbs.

**BE IT FURTHER RESOLVED** that the Commission Chair and/or County Manager may finalize and sign any documents consistent with the terms of this resolution.

**PASSED, APPROVED, AND ADOPTED** on this 20<sup>th</sup> day of November 2025 by the Lea County Board of County Commissioners in an open meeting in Lovington, New Mexico.

**LEA COUNTY BOARD OF COUNTY COMMISSIONERS**



Gary G. Eidson (District 3), Chair  
Voted:  Yes No Abstain



Brad Weber (District 2), Vice Chair  
Voted:  Yes No Abstain



Dee Ann Kimbro (District 1), Member  
Voted:  Yes No Abstain



Tyson Pierce (District 4), Member  
Voted:  Yes No Abstain



Pat Sims (District 5), Member  
Voted:  Yes No Abstain

ATTEST: Carrie Sandoval  
Lea County Clerk

APPROVED AS TO FORM:

By: Cynthia Ramirez  
Cynthia Ramirez, Deputy Clerk

[Signature]  
John W. Caldwell, County Attorney





**CITY OF HOBBS**  
STAFF SUMMARY FORM

MEETING DATE:  
**December 15, 2025**

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**SUBJECT:**                    **PUBLICATION:** Proposed Ordinance Authorizing the Exchange of Real Property Between the City of Hobbs and The GEO Group, Inc., (“GEO”), Including Conveyance of Approximately 66.64 Acres of City-Owned Land to GEO and Acceptance of Approximately 68.15 Acres of GEO-Owned Land, Together with an Equalization Payment to the City

**DEPT OF ORIGIN:**    Planning  
**DATE SUBMITTED:**    12/4/2025  
**SUBMITTED BY:**      Todd Randall, Assistant City Manager

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**Summary:**

The City of Hobbs owns approximately **66.64 acres** located north of the former Lea County Correctional Facility site. GEO owns approximately **68.15 acres** of adjacent property. GEO also owns the improvements (former correctional buildings) located on the City Property.

To resolve outstanding issues regarding facility ownership interests and to support future redevelopment of the HIAP area, City staff and GEO have negotiated a Real Estate Purchase and Exchange Agreement (REPA). The proposed exchange results in the City receiving slightly more acreage and a **\$125,000 equalization payment** based on independent appraisals establishing:

- **City Property Appraised Value:** \$600,000
- **GEO Property Appraised Value:** \$475,000

Under NMSA 1978, § 3-54-1, any municipal conveyance or exchange of real property must be approved by ordinance. The attached ordinance authorizes the execution of the REPA, approves the exchange of real property, and permits the City Manager to complete all documentation required for closing.

Closing may occur only after:

- (1) adoption and publication of the ordinance,
- (2) expiration of **the** 45-day referendum period, and
- (3) satisfaction of all conditions in the REPA, including the delivery of a quitclaim deed from Lea County and completion of title and environmental review.

---

**Fiscal Impact:**

The City will receive a \$125,000 payment at closing in addition to acquiring approximately 68.15 acres of land that will directly benefit development of the HIAP properties. GEO is responsible for all appraisal, title, environmental, survey, closing, and recording costs.

---

**Attachments:**

Ordinance - GEO Hobbs 12-11-25

Final Survey - Rev. 11.30. 2022 - Lea County Correctional - GEO \_802951\_1

Location Map - Landswap v2

REPA - Geo City - GEO Edits 12-10-25 final (002)

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**Recommendation:**

Motion to approve the ordinance publication

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**Approved By:**

Todd Randall, Assistant City Manager 12/08/2025

Toby Spears, Finance Director 12/08/2025

Medjine Desrosiers-Douyon, Deputy City Attorney 12/08/2025

Manny Gomez, City Manager 12/08/2025

**CITY OF HOBBS, NEW MEXICO**

**ORDINANCE NO. \_\_\_\_\_**

**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 \_\_\_\_\_ day of \_\_\_\_\_, 2025.

CITY OF HOBBS, NEW MEXICO

\_\_\_\_\_  
SAM D. COBB, 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)

TRACT AREA

66.64 ± Acres  
2902944 ± Square Feet

ADDRESS

6900 West Millen Drive, Hobbs, NM  
88240

# ALTA/NSPS LAND TITLE SURVEY OF LEA COUNTY CORRECTIONAL FACILITY

LOCATED IN THE W1/2 OF SECTION 11, T18S, R37E, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO

### SURVEY NOTES

- The subject property shown on the survey is the same property as is described in the title report issued by First American Title Insurance Company, identified as Commitment No. 14412-2730171 with an effective date of August 4, 2022.
- The subject property shows encroachments as per Schedule B identified in title report issued by First American Title Insurance Company, identified as Commitment No. 14412-2730171 with an effective date of August 4, 2022.
- At the time of this survey, there was no observed evidence of recent earth moving work, building construction, or building additions observed.
- At the time of this survey, there were no changes in street right-of-way lines either completed or proposed.
- Distance from nearest intersecting street (W Millen Drive) is 115 ft.
- Parking spaces provided: 205 total spaces, 8 marked handicap spaces.
- Property has access to a named public right-of-way, that being W. Millen Drive.
- Property description contains no gaps, gores or hiatuses.
- Benchmarks for building heights were determined from nearby ground elevations.
- At the time of Survey there were no observed Encroachments.

### ZONING INFORMATION

There is no Zoning Ordinance in the City of Hobbs, New Mexico, per Global Zoning American National Zoning Compliance Report, Global Zoning Job # GZ 20266

### CERTIFICATION NOTE

ALTA/NSPS Table A item 10 is not applicable to this survey.

### BASIS OF BEARING

The basis of bearing for this survey is Grid North based on the New Mexico State Plane Coordinate System, East Zone, as determined by GPS/GNSS observations. Ground coordinates were obtained by applying a combined grid to ground scale factor of 1.0001175664592 at control point located at N32°45'43.31127", W103°13.21.33075". True North can be obtained by applying a convergence angle of 0°05'20" at this point.

### RECORD DESCRIPTION

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.

### FLOOD INFORMATION

According to the Federal Emergency Mapping Agency, Flood Insurance Rate Map, Community Panel No. 35025C1165D, which bears an effective date of December 16, 2008, this property lies within Zones "AO" and "X".

Zone AO area is determined to be a special flood hazard area with a base flood depth of 1 ft.

Zone X (no hatch) area is determined to be outside the 0.2% annual chance flood.

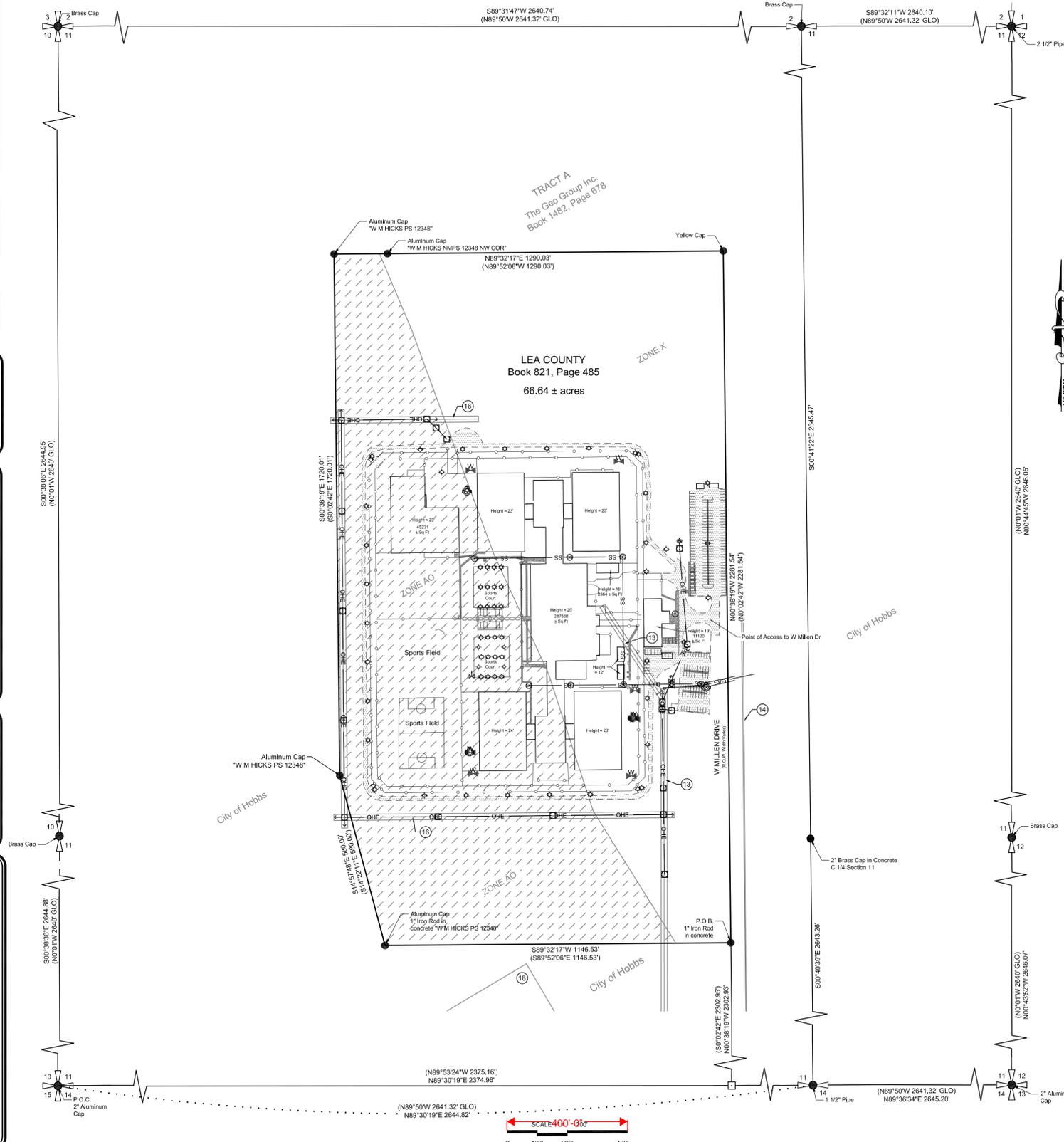
### ALTA/NSPS LAND TITLE SURVEY

#### SURVEYOR'S CERTIFICATE:

To: The GEO Group, Inc., CPT Operating Partnership, L.P., Municipal Corrections Finance, L.P., Correctional Services Corporation, LLC, WBP Leasing, LLC, Correctional Properties, LLC, Community Education Centers, Inc., Alter Domus Products Corp., a Delaware corporation, as administrative agent, its successors and/or assigns, Ankura Trust Company, LLC, a New Hampshire limited liability company, together with its successors and/or assigns as Second Lien Collateral Trustee:

This is to certify that this map or plat and the survey on which it is based were made in accordance with the 2021 Minimum Standard Detail Requirements for ALTA/NSPS Land Title Surveys, jointly established and adopted by ALTA and NSPS, and includes Items 1, 2, 3, 4, 6a, 7a, 7b1, 7c, 8, 9, 10, 11, 13, 14, 16, 17, 18, and 19 of Table A thereof. The fieldwork was completed on 08/11/2022.

Richard L. Mulliken, PS 16873  
Date of Plat or Map: 11/28/2022



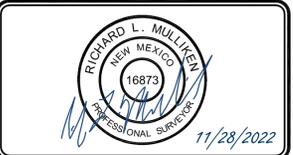
### SCHEDULE B SECTION II EXCEPTIONS

PER FIRST AMERICAN TITLE INSURANCE COMPANY TITLE COMMITMENT FILE NO. 14412-2730171 WITH AN EFFECTIVE DATE OF AUGUST 4, 2022.

- Rights or claims of parties in possession not shown by the public records. (not a survey related item)
- Easements, or claims of easements, not shown by the public records. (not a survey related item)
- Encroachments, overlaps, conflicts in boundary lines, shortages in area, or other matters which would be disclosed by an accurate survey and inspection of the premises. (not a survey related item)
- Any lien, claim or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records. (not a survey related item)
- Community property, survivorship, or homestead rights, if any, of any spouse of the insured (or vestee in a leasehold or loan policy). (not a survey related item)
- Water rights, claims or title to water. (not a survey related item)
- Taxes for the Year 2022 and thereafter. (not a survey related item)
- Defects, liens, encumbrances, adverse claims or other matters, if any, created, first appearing in the public records or attaching subsequent to the effective date hereof but prior to the date the proposed insured acquires for value of record the estate or interest or mortgage thereon covered by this commitment. (not a survey related item)
- Reservations contained in Patent from United States of America recorded in Book 109, Page 388, Patent, records of Lea County, New Mexico. (not a survey related item, instrument affects and is blanket in nature)
- Minerals of whatsoever kind, subsurface and surface substances, including but not limited to coal, lignite, oil, gas, uranium, clay, rock, sand and gravel in, on, under and that may be produced from the Land, together with all rights, privileges, and immunities relating thereto, whether appearing in the Public Records, or listed in Schedule B. The Company makes no representation as to the present ownership of any such interests. There may be leases, grants, exceptions or reservations of interests that are not listed. (not a survey related item, instrument affects and is blanket in nature)
- Covenants, conditions and restrictions as contained in that certain Quit Claim Deed, filed December 27, 1948, in Book 109, Page 388, and Amended in that certain Deed of Release filed November 22, 1961, in Book 260, Page 200, and further amended in that certain Deed of Release filed January 7, 1964, in Book 279, Page 422, Dead Records, Lea County, New Mexico. Said documents executed by the United States of America to City of Hobbs. (not a survey related item, instrument affects and is blanket in nature)
- Reservations, Restrictions and Covenants as contained in that certain Special Warranty Deed, filed September 10, 1997, recorded in Book 821, Page 485, Records, Lea County, New Mexico, executed by City of Hobbs, New Mexico to County of Lea, a Political Subdivision. (blanket in nature)
- Non-Exclusive Utility Easement contained in Southwestern Public Service Company Utility Easement, filed March 2, 1998, recorded in Book 858, Page 94, Records, Lea County, New Mexico, executed by Lea County to Southwestern Public Service Company. (affects, plotted as shown)
- Non-Exclusive Easement for roadway purposes and any storm drainage or utility facilities contained in that certain Right of Way Easement, filed September 10, 1998, recorded in Book 904, Page 477, Records, Lea County, New Mexico, executed by City of Hobbs to County of Lea; Amended Right of Way Easement filed October 30, 1998 in Book 915, Page 147, records of Lea County, New Mexico, executed by City of Hobbs to County of Lea. (affects, plotted as shown)
- Intentionally Omitted.
- Non-Exclusive Utility Easement contained in Southwestern Public Service Company Utility Easement, filed May 3, 1999, recorded in Book 953, Page 353, Records, Lea County, New Mexico, executed by Lea County to Southwestern Public Service Company. (affects, plotted as shown)
- Terms and provisions as contained in that certain Lease Agreement dated December 2, 1997 by and between Lea County, New Mexico, a Political Subdivision, as Lessor, and First Security Bank, National Association not individually but solely as Owner Trustee under Wackenhut Corrections Trust 1997-1, as Lessee, recorded April 17, 1998, in Book 873, Page 646, as amended in that certain Amended and Restated Lease Agreement recorded October 26, 1998, in Book 913, Page 432, and Re-recorded November 2, 1998, in Book 915, Page 546, and further assigned in that certain Assignment and Conveyance of Leasehold Interest Under 98 Year Lease dated October 30, 1998, executed by and between First Security Bank, National Association, not individually but solely as Owner Trustee under the Wackenhut Corrections Trust 1997-1, as Assignor and CPT Operating Partnership L.P., as Assignee and recorded November 2, 1998, in Book 915, Page 575, all in Lea County Records, Lea County, New Mexico. (not a survey related item, instrument affects and is blanket in nature)
- Encroachment of the Safety Easement executed by and between City of Hobbs, New Mexico, a municipal corporation and Hobbs Gun Club, Inc., a non-profit corporation and recorded in Book 569, Page 750, Miscellaneous Records, Lea County, New Mexico. (does not affect)
- Covenants, conditions and restrictions contained in Notice of Right of First Refusal Agreement filed November 2, 1998, in Book 915, Page 557, Lea County Records, Lea County, New Mexico. Executed by and between Lea County, New Mexico, Wackenhut Corrections Corporation and First Security Bank, National Association, not individually but solely as Owner Trustee under the Wackenhut Corrections Trust 1997-1. (not a survey related item, instrument affects and is blanket in nature)
- Master Agreement to Lease between CPT Operating Partnership L.P., as Landlord, and The GEO Group, Inc. (f.k.a. Wackenhut Corrections Corporation), as Tenant, dated April 28, 1998, as supplemented by that certain Lease Agreement between CPT Operating Partnership L.P., as Landlord, and The GEO Group, Inc. (f.k.a. Wackenhut Corrections Corporation), as Tenant, dated June 20, 2008, and as further amended by that certain Third Amendment to Lease Agreement between CPT Operating Partnership L.P., as Landlord, and The GEO Group, Inc. (f.k.a. Wackenhut Corrections Corporation), as Tenant, dated December 1, 2008, as subordinated to the Insured Mortgage pursuant to that certain Subordination and Assignment Agreement dated December 2, 2010 and recorded on December 3, 2010 in Book 1707, Page 16 in the Official Records of Lea County, New Mexico. (not a survey related item, instrument affects and is blanket in nature)



100 E. Navajo, Suite 100 Hobbs New Mexico 88240  
T 575 393 9827 F 575 393 1543  
Pettigrew.us



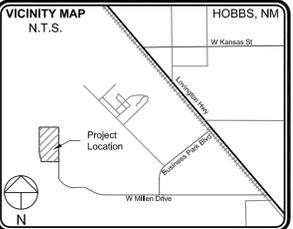
PROJECT SURVEYOR: R. MULLIKEN  
DRAWN BY: V. MUNOZ

| LEGEND |   |
|--------|---|
|        | Found monument as noted                 |
|        | Fire hydrant                            |
|        | Sewer manhole                           |
|        | Gas valve / riser                       |
|        | Irrigation valve                        |
|        | Water valve                             |
|        | Light pole                              |
|        | Edge of pavement                        |
|        | Property line                           |
|        | Section line                            |
|        | Building                                |
|        | Chain link fence with razor wire on top |
|        | OHE Overhead electric line              |
|        | W Underground water line                |
|        | SS Sanitary sewer line                  |
|        | GS Underground gas line                 |
|        | Flood zone "AO"                         |
|        | Concrete                                |
|        | Measured bearing and distance           |
|        | Record bearing and distance             |

### INDEXING INFORMATION FOR COUNTY CLERK

OWNER:  
LEA COUNTY

LOCATION:  
W1/2 OF SECTION 11,  
T18S, R38E, N.M.P.M.,  
CITY OF HOBBS,  
LEA COUNTY, NEW MEXICO



ALTA/NSPS LAND TITLE  
SURVEY  
OF  
LEA COUNTY  
CORRECTIONAL  
FACILITY  
FOR  
The Geo Group Inc.

PROJECT NUMBER:  
2022.1137

SHEET:  
1 of 2  
SU - 101

002

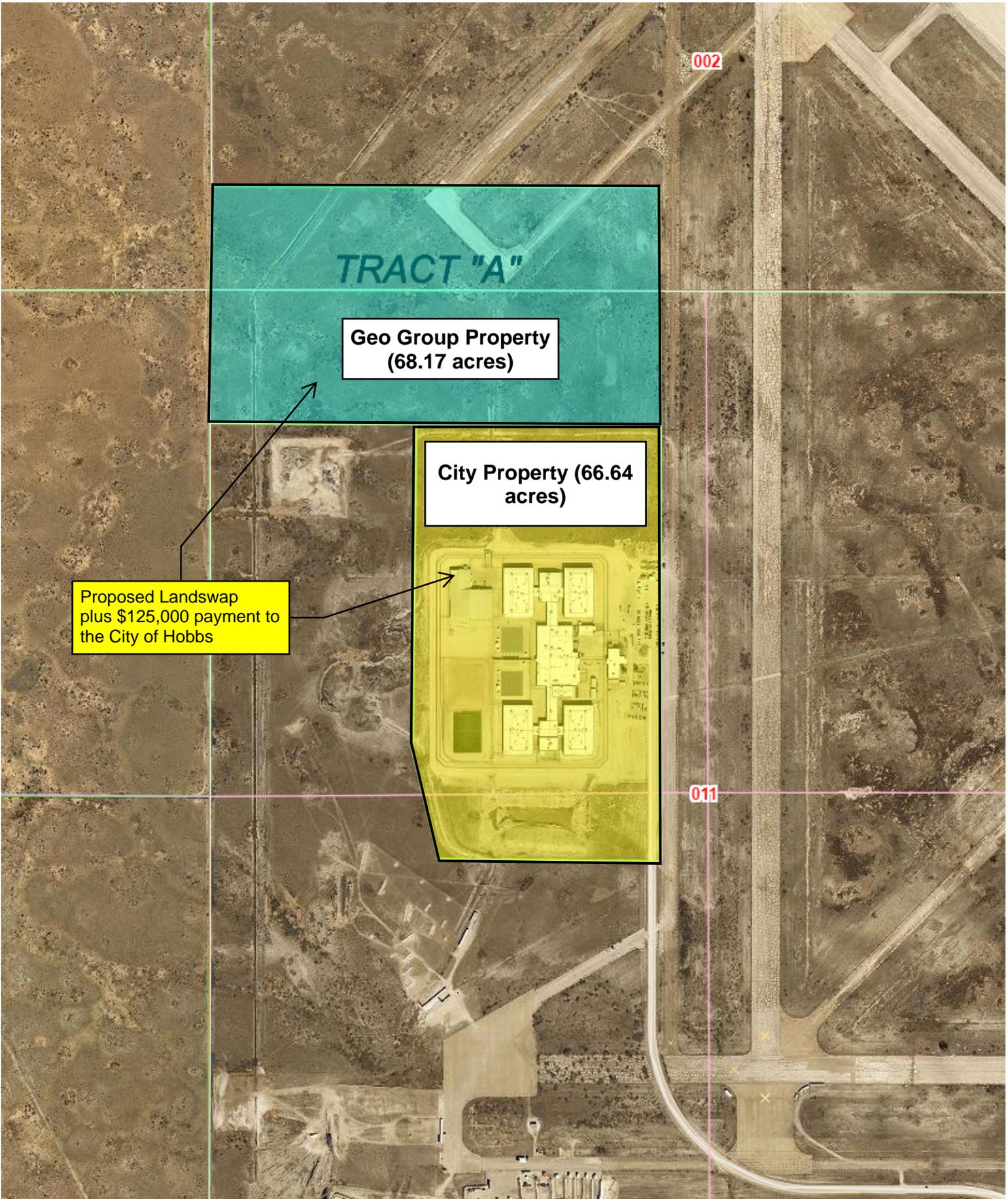
*TRACT "A"*

**Geo Group Property  
(68.17 acres)**

**City Property (66.64  
acres)**

**Proposed Landswap  
plus \$125,000 payment to  
the City of Hobbs**

011



**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 \_\_\_\_ day of \_\_\_\_\_, 2025 ("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.

\_\_\_\_\_  
Mayor Sam Cobb

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

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

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

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

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

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Jan Fletcher, City Clerk

\_\_\_\_\_  
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  $S0^{\circ}02'42''E$ , a distance of 2302.95 feet and  $N89^{\circ}53'24''W$ , a distance of 2375.16 feet; THENCE  $N0^{\circ}02'42''W$  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  $N89^{\circ}52'06''W$  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  $S0^{\circ}02'42''E$  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  $S14^{\circ}22'11''E$ , a distance of 580.00 feet to a 1/2" rebar with an aluminum cap which is the southwest corner of this survey; THENCE  $S89^{\circ}52'06''E$ , 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**

\_\_\_\_\_  
SAM D. COBB, Mayor

**ATTEST:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
JAN FLETCHER, City Clerk

\_\_\_\_\_  
MEDJINE DESROSIERS-DOUYON,  
Deputy City Attorney



**CITY OF HOBBS**  
STAFF SUMMARY FORM

MEETING DATE:  
**December 15, 2025**

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**SUBJECT:** Resolution No. 7713 - Accepting an Intergovernmental Agreement with the New Mexico Department of Workforce Solutions for an Affordable Housing Grant

**DEPT OF ORIGIN:** Planning  
**DATE SUBMITTED:** 12/4/2025  
**SUBMITTED BY:**

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**Summary:**

To consider approval of a resolution accepting an Intergovernmental Agreement from the New Mexico Department of Workforce Solutions (DWS) in the amount of \$860,000 for the Habitat for Humanity West Copper Street Development, and to establish a 15-year affordability period consistent with Chapter 3.14 of the Hobbs Municipal Code. The resolution also requires that the Sub-Recipient Agreement with Habitat for Humanity be returned to the City Commission for approval.

The State of New Mexico, through House Bill 2 (2025), awarded the City of Hobbs funding to support the development of affordable housing units. DWS has provided an Intergovernmental Agreement (IGA) allocating \$860,000 to assist in the construction of fourteen (14) Habitat for Humanity homes on West Copper Street.

Under the City's Affordable Housing Ordinance (Chapter 3.14), affordability requirements are tied to the value of the housing assistance per unit. The estimated per-unit subsidy of approximately \$61,429 places the project within the \$40,000–\$100,000 tier, which requires a minimum affordability period of fifteen (15) years.

A Sub-Recipient Agreement between the City and Habitat is required under the IGA, which will be presented to the City Commission for consideration at a future meeting.

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**Fiscal Impact:**

Expense and revenue will be added to our budget in a future BAR.  
All expenses are grant funding and no local match required.

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**Attachments:**

RESOLUTION - Grant Agreement - Habitat  
Intergovernmental-Agreement- Hobbs (DWS 2025-12-02)-4

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**Recommendation:**

Motion to approve the resolution.

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**Approved By:**

|   |            |
|---|------------|
| Todd Randall, Assistant City Manager            | 12/05/2025 |
| Toby Spears, Finance Director                   | 12/05/2025 |
| Medjine Desrosiers-Douyon, Deputy City Attorney | 12/05/2025 |
| Manny Gomez, City Manager                       | 12/08/2025 |

CITY OF HOBBS

RESOLUTION NO. 7713

A RESOLUTION ACCEPTING AN INTERGOVERNMENTAL AGREEMENT WITH THE NEW MEXICO DEPARTMENT OF WORKFORCE SOLUTIONS FOR AN AFFORDABLE HOUSING GRANT AND ESTABLISHING A FIFTEEN (15) YEAR AFFORDABILITY PERIOD FOR THE HABITAT FOR HUMANITY WEST COPPER STREET DEVELOPMENT, WITH THE SUB-RECIPIENT AGREEMENT TO BE APPROVED BY THE CITY COMMISSION

**WHEREAS**, the City of Hobbs has been awarded \$860,000 through an Intergovernmental Agreement with the New Mexico Department of Workforce Solutions (DWS) to support construction of fourteen (14) affordable single-family homes by Habitat for Humanity; and

**WHEREAS**, Chapter 3.14 of the Hobbs Municipal Code requires the affordability period to be based on the value of assistance provided, and the estimated per-unit subsidy of approximately \$61,429 requires a minimum fifteen (15) year affordability period; and

**WHEREAS**, the Intergovernmental Agreement requires the City to enter into a Sub-Recipient Agreement with Habitat for Humanity for project implementation.

**NOW, THEREFORE, BE IT RESOLVED** by the Hobbs City Commission that:

1. The City hereby accepts the Intergovernmental Agreement with DWS for funding in the amount of \$860,000.
2. The project shall be subject to a minimum fifteen (15) year affordability period as required by the City's Affordable Housing Ordinance.
3. A Sub-Recipient Agreement with Habitat for Humanity shall be prepared and brought before the City Commission for approval prior to execution.
4. The Mayor, or designee, is authorized to execute the Intergovernmental Agreement and necessary administrative documents.

**PASSED, ADOPTED AND APPROVED** this 15th day of December, 2025.

\_\_\_\_\_  
SAM D. COBB, Mayor

ATTEST:

\_\_\_\_\_  
JAN FLETCHER, City Clerk

STATE OF NEW MEXICO  
INTERGOVERNMENTAL AGREEMENT  
AGREEMENT No. 26-631-1111-00030

THIS INTERGOVERNMENTAL AGREEMENT (“**Agreement**”) is effective on the date executed by the Department of Workforce Solutions (“**Effective Date**”) and is made and entered into by and between the State of New Mexico, Department of Workforce Solutions (“**Department**”) and the City of Hobbs (“**Contractor**”) (individually “**Party**” and collectively “**Parties**”).

WITNESSETH

**WHEREAS**, the Department is an agency of the State of New Mexico, created under § 9-26-1 et seq., NMSA 1978; and

**WHEREAS**, Contractor is a public body politic and corporate, separate and apart from the State; and

**WHEREAS**, Contractor holds the technical expertise and capacity to perform services necessary to administer an appropriation assigned to the Department; and

**WHEREAS**, Department is retaining the Contractor to provide its skill and expertise in housing and affordable housing;

**NOW, THEREFORE**, in consideration of the mutual covenants and obligations contained herein and other good and valuable consideration, the receipt of which is hereby acknowledged, the Parties agree to the following terms:

1. **Scope of Work.**

The Contractor shall perform the Scope of Work attached as “**Exhibit A.**” The Parties agree that the Department, in accordance with the total annual budget stated herein, and after consultation and acceptance by the Contractor, requires the Contractor to fund specific activities and/or programs identified in **Exhibit A** at levels deemed appropriate by the Department. The Parties agree that **Exhibit A** may be updated and amended from time to time to incorporate any exercise of the Department’s discretion identified above without the need for formal amendment of this Agreement.

2. **Compensation.**

- a. Department shall fund certain projects, and the Department shall pay Contractor the specific costs tied to services satisfactorily completed pursuant to **Exhibit A**. The total budget amount payable under this Agreement shall not exceed Eight Hundred Sixty Thousand Dollars and No Cents (\$860,000.00). This amount is a maximum and not a guarantee that work assigned to be performed under this Agreement shall equal the amount stated herein.
- b. The Parties do not intend for Contractor to continue to provide services without compensation when the total compensation amount is reached. Contractor is responsible for notifying Department when the services provided under this Agreement reach the total compensation amount. In no event shall Contractor be paid for services provided in excess of the total compensation amount without this

Agreement being amended in writing prior to those services in excess of the total compensation amount being provided.

- c. Payment beyond Fiscal Year 2026 is subject to the availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Exhibit A, Scope of Work. All invoices not received by Department within fifteen (15) days preceding the state fiscal year in which the services were delivered. Invoices received after such date **SHALL NOT BE PAID**.
- d. Contractor shall submit a detailed statement accounting for all services performed and expenses incurred. If the Department finds that the Contractor's services are unacceptable or contractor's statements accounting for services are not acceptable, within thirty (30) days after the date of receipt of written notice from the Contractor that payment is requested, the Department shall provide the Contractor a letter of exception explaining the defect or objection to the services and outlining steps the Contractor may take to provide remedial action. Upon certification by the Department that the services have been received and accepted, payment shall be tendered to the Contractor within thirty (30) days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, the Department shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

**3. Term.**

This Agreement shall be effective upon complete execution of the Parties and continue, unless otherwise terminated hereunder, through June 30, 2026, with the option to extend this Agreement for three (3) additional one-year terms, as determined by Department and subject to the mutual agreement of the Parties. In accordance with NMSA 1978, § 13-1-150, no contract term for a professional services contract, including extensions and renewals, shall exceed four (4) years, except as set forth in NMSA 1978, § 13-1-150. Upon termination of this Agreement, or after the services provided for herein have been rendered, surplus money, if any, shall be returned by the Contractor to the Department.

**4. Termination.**

- a. Grounds. The Department may terminate this Agreement for convenience or cause.
- b. Contractor may terminate this Agreement based upon the Department's uncured, material breach of this Agreement or with ninety (90) days' written notice to the Department
- c. Notice to Agency Regarding Opportunity to Cure.
  - i. Except as otherwise provided in Paragraph (4)(c)(3), the Department shall give Contractor written notice of termination at least thirty (30) days prior to the intended date of termination.

- ii. Contractor shall give Department written notice of termination at least thirty (30) days prior to the intended date of termination for uncured material breaches, which notice shall (i) identify all the Department's material breaches of this Agreement upon which the termination is based and (ii) state what Department needs to do to cure such material breaches. Contractor's notice of termination shall only be effective (i) if Department does not cure all material breaches within the thirty (30) day notice period or (ii) in the case of material breaches that cannot be cured within thirty (30) days, the Department does not, within the thirty (30) day notice period, notify Contractor of its intent to cure and begin with due diligence to cure the material breach.
  - iii. In all other instances, Contractor shall give Department written notice of termination at least ninety (90) days prior to the intended date of termination.
  - iv. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to Contractor (i) if Contractor becomes unable to perform the services contracted for, as determined by Department; or (ii) the Agreement is terminated pursuant to Paragraph 5, "Appropriations," of this Agreement.
- d. Liability. Except as otherwise expressly allowed or provided under this Agreement, Department's sole liability upon termination shall be to pay for acceptable work performed prior to Contractor's receipt or issuance of a notice of termination, provided, however, that a notice of termination shall not nullify or otherwise affect either Party's liability for pre-termination defaults under or breaches of this Agreement. Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. **THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE DEPARTMENT'S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY CONTRACTOR'S DEFAULT/BREACH OF THIS AGREEMENT.**
- e. Termination Management. Immediately upon receipt by either of the Parties of notice of termination of this Agreement, Contractor shall:
- i. not incur any further obligations for salaries, services, or any other expenditure of funds under this Agreement without the written approval of Department;
  - ii. comply with all directives issued by Department in the notice of termination as to the performance of work under this Agreement; and
  - iii. take such action as Department shall direct for the protection, preservation, retention, or transfer of all property titled to Department and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by Contractor with contract funds shall become the property of Department upon termination and shall be submitted to the agency as soon as practicable.

## 5. Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If the Legislature does not make sufficient appropriations and authorization, this Agreement shall terminate

immediately upon written notice being given by Department. Contractor shall accept Department's decision as to whether sufficient appropriations are available and shall be final. If Department proposes an amendment to the Agreement to reduce funding unilaterally, Contractor shall have the option to terminate the Agreement or to agree to the reduced funding within thirty (30) days of receipt of the proposed amendment.

**6. Assignment.**

Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of Department.

**7. Subcontracting.**

Contractor may subcontract any portion of the services to be performed under this Agreement without the Department's prior written approval. No such subcontract shall relieve Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from Department. Contractor shall ensure that all subcontracts are awarded and issued in accordance with applicable procurement laws, regulations, and policies.

**8. Release.**

Final payment of the amounts due under this Agreement shall operate as a release of Department, its officers and employees, and the State of New Mexico from all liabilities, claims, and obligations whatsoever arising from or under this Agreement.

**9. Confidentiality.**

Any confidential information provided to or developed by Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by Contractor without the prior written approval of Department, except as required by Contractor's Requests to Inspect Documents Policy or to NMSA 1978, Chapter 14, Article 2, Inspection of Public Records Act.

**10. Product of Service - Copyright.**

All materials developed or acquired by Contractor under this Agreement shall become the property of the State of New Mexico and shall be delivered to Department no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of Contractor.

**11. Conflict of Interest; Governmental Conduct Act.**

- a. Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any direct or indirect interest that would conflict in any manner or degree with the performance or services required under the Agreement.
- b. Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, shall continue to comply with, and that this Agreement

complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in any way limiting the generality of the foregoing,

- c. Contractor specifically represents and warrants that:
- i. in accordance with NMSA 1978, § 10-16-4.3, Contractor does not employ, has not employed, and shall not employ during the term of this Agreement any Department employee while such employee was or is employed by Department and participating directly or indirectly in Department's contracting process;
  - ii. this Agreement complies with NMSA 1978, § 10-16-7(A) because (i) Contractor is not a public officer or employee of the State; (ii) Contractor is not a member of the family of a public officer or employee of the State; (iii) Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if Contractor is a public officer or employee of the State, a member of the family of a public officer or employee of the State, or a business in which a public officer or employee of the State or the family of a public officer or employee of the State has a substantial interest, public notice was given as required by NMSA 1978, § 10-16-7(A).
  - iii. in accordance with NMSA 1978, § 10-16-8(A), (i) Contractor is not, and has not been represented by, a person who has been a public officer or employee of the State within the preceding year and whose official act directly resulted in this Agreement and (ii) Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the State whose official act, while in State employment, directly resulted in the Department's making this Agreement;
  - iv. this Agreement complies with NMSA 1978, § 10-16-9(A) because (i) Contractor is not a legislator; (ii) Contractor is not a member of a legislator's family; (iii) Contractor is not a business in which a legislator or a legislator's family has a substantial interest; or (iv) if Contractor is a legislator, a member of a legislator's family, or a business in which a legislator or a legislator's family has a substantial interest, disclosure has been made as required by NMSA 1978, § 10-16-7(A), this Agreement is not a sole source or small purchase contract, and this Agreement was awarded in accordance with the provisions of the Procurement Code;
  - v. in accordance with NMSA 1978, § 10-16-13, Contractor has not directly participated in the preparation of specifications, qualifications, or evaluation criteria for this Agreement or any procurement related to this Agreement; and
  - vi. in accordance with NMSA 1978, § 10-16-3 and § 10-16-13.3, Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of Department.

- d. Contractor's representations and warranties in Paragraphs A and B of this Article 11 are material representations of fact upon which Department has relied as the Parties enter into this Agreement. Contractor shall provide immediate written notice to Department if, at any time during the term of this Agreement, Contractor learns that Contractor's representations and warranties in Paragraphs A and B of this Article 11 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor's representations and warranties in Paragraphs A and B of this Article 11 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to Department and notwithstanding anything in the Agreement to the contrary, Department may immediately terminate the Agreement.
- e. All terms defined in the Governmental Conduct Act have the same meaning in Article 11(B).

12. Required Federal Provisions.

To the extent any funding provided to Contractor is received from the Federal Government, contractor agrees to comply with the following requirements:

- a. Lobbying. Contractor shall not use funds from this agreement to conduct lobbying activities or hire lobbyists at any government level, as defined by the Lobbyist Regulation Act, NMSA 1978, § 2-11-1, et. seq., and applicable federal law. No federally appropriated funds shall be paid to influence any officer or employee of any department or member of Congress concerning federal agreements, grants, loans, or cooperative agreements. If any funds other than federal appropriated funds are used to influence any officer or employee in relation to applicable federal agreements, the Contractor shall submit Standard Form LLL, "Disclosure Form to Report Lobbying," as instructed.
- b. Suspension and Debarment. For agreements that involve the expenditure of federal funds, each party represents that neither it nor any of its management, employees, or independent contractors who will be involved in the services or products supplied under this agreement have been excluded from participation in any government healthcare program, debarred from, or under any other federal program (including but not limited to debarment under the Generic Drug Enforcement Act), or convicted of any offense defined in 42 U.S.C. Section 1320a-7. Furthermore, each party represents that it, its employees, and independent contractors are not otherwise ineligible for participation in federal healthcare or education programs. Additionally, each party represents that it is not aware of any such pending action(s) (including criminal actions) against it or its employees or independent contractors. Each party shall notify the other party immediately upon becoming aware of any pending or final action in any of these areas.
- c. Fiscal and Administrative Standards. Contractor shall adhere to all local, state and federal regulations as applicable to their operations. Contractors shall adhere to the following fiscal and administrative standards in accordance with:

**Agreement No. 26-631-1111-00030**

- i. Title 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) [Federal Awards Only];
  - ii. State of New Mexico Manual of Model Accounting Practices (MAPs);
  - iii. The State of New Mexico State Auditor, State Audit Rule;
  - iv. Title 2 CFR, Chapter 1, Part 170, Reporting Sub-award and Executive Compensation Information [Federal Awards Only];
  - v. U.S. General Accounting Office, Government Auditing Standards;
- d. Political Activity. No funds hereunder shall be used for any partisan political activity or to further the election or defeat of any candidate for public office.
- e. Grantor and Contractor Information. If applicable, funding under this agreement is from the Catalog of Federal Domestic Assistance (CFDA) Program:
- i. CFDA Number – N/A  
Program Title – N/A  
AGENCY/OFFICE – N/A  
GRANT NUMBER – N/A  
CONTRACTOR'S Dun and Bradstreet Data Universal Numbering System Number (DUNS Number) - N/A
- f. Contractor Employee Whistleblower Rights and Requirement to Inform Employees of Whistleblower Rights (Sept. 2013).
- g. This agreement and employees working on this agreement shall be subject to the whistleblower rights and remedies in the pilot program on Contractor employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub. L.112-239) and FAR 3.908.
- h. Contractor shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C. 4712, as described in section 3.908 of the Federal Acquisition Regulation.
- i. The Contractor shall insert the substance of this clause, including this paragraph (3), in all subcontracts over the simplified acquisition threshold.
- j. For agreements and subgrants that involve the expenditure of federal funds for amounts in excess of \$150,000, requires the Contractor to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water.
- k. Pollution Control Act as amended (33 U.S.C. 1251-1387). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).

- I. Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) — For agreements that involve the expenditure of federal funds, Contractors that apply or bid for an agreement exceeding \$100,000 shall file the required certification. Each tier certifies to the tier above that it shall not and has not used federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any federal agreement, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose any lobbying with non-federal funds that takes place in connection with obtaining any federal award. Such disclosures are forwarded from tier to tier up to the non-federal award.
  
- m. For agreements that involve the expenditure of federal funds, Contractor shall comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

**13. Amendment.**

This Agreement shall not be altered, changed, or amended except by an instrument in writing executed by the Parties hereto and all other required signatories. If the Department proposes an amendment to the Agreement to reduce funding due to budget or other considerations unilaterally, Contractor shall, within thirty (30) days of receipt of the proposed Amendment, have the option to terminate the Agreement, pursuant to the termination provisions as set forth in Article 4 herein, or to agree to the reduced funding.

**14. Merger.**

This Agreement incorporates all the agreements, covenants, and understandings between the Parties hereto concerning the subject matter hereof, and all such covenants, Agreements, and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

**15. Penalties for Violation of Law.**

The Procurement Code, NMSA 1978 §§ 13-1-28 through 13-1-199, imposes civil and criminal penalties for its violation. In addition, New Mexico's criminal statutes impose felony penalties for illegal bribes, gratuities, and kickbacks.

**16. Equal Opportunity Compliance.**

Contractor agrees to abide by all federal and state laws, rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or severe medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to comply with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

**17. Applicable Law.**

The laws of the State of New Mexico shall govern this Agreement without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with NMSA 1978, § 38-3-1 (G). By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any lawsuits arising under or out of any term of this Agreement.

**18. Workers' Compensation.**

Contractor agrees to comply with state laws and rules applicable to workers' compensation benefits for its employees. If Contractor fails to comply with the Workers Compensation Act and applicable rules when required to do so, Department may terminate this Agreement.

**19. Records and Financial Audit.**

The Contractor shall maintain detailed time and expenditure records that indicate the date, time, nature, and cost of services rendered during the Agreement's term and effect and retain them for three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by Department, its Divisions, and the State Auditor. The Department shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the Department to recover excessive or illegal payments.

**20. Invalid Term or Condition.**

If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

**21. Enforcement of Agreement.**

A Party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that Party's right thereafter to demand strict compliance with that or any other provision. No waiver by a Party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a Party of any of its rights shall be effective to waive any other rights.

**22. Notices.**

Any notice required to be given to either Party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:

To Department:

Sarita Nair, Cabinet Secretary  
Department of Workforce Solutions  
401 Broadway NE, Albuquerque, New Mexico 87102  
[Sarita.Nair@dws.nm.gov](mailto:Sarita.Nair@dws.nm.gov)

With copy to General Counsel, Department of Workforce Solutions  
401 Broadway NE, Albuquerque, New Mexico 87102

To Contractor:

**23. Authority.**

If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represent and warrant that he or she has the power and authority to bind Contractor and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

**[SIGNATURE PAGE AND EXHIBITS FOLLOW]**

**IN WITNESS WHEREOF**, the Agency and the Contractor have caused this Agreement to be executed, said Agreement to become effective as of the date set forth below upon which it is executed by the Department Secretary or Designee.

**Contractor – City of Hobbs**

\_\_\_\_\_  
[name, title]

Date: \_\_\_\_\_

\_\_\_\_\_  
[name], City Attorney

Date: \_\_\_\_\_

**Department -New Mexico Department of Workforce Solutions**

\_\_\_\_\_  
Sarita Nair, Cabinet Secretary

Date: \_\_\_\_\_

\_\_\_\_\_  
Steve Riggs, Chief Financial Officer

Date: \_\_\_\_\_

**Approved as to legal form and sufficiency.**

\_\_\_\_\_  
Gregory Lauer, General Counsel

Date: \_\_\_\_\_

**Exhibit A – Scope of Work**  
**CITY OF HOBBS**

**I. Purpose:**

HB2 (2025) appropriated state general fund money, “To support housing, affordable housing, transitional housing and the expansion of housing services providers that facilitate behavioral health services and substance abuse recovery, homelessness assistance and prevention for persons with behavioral health needs.”

The purpose of this Agreement is to fund the following housing projects, in accordance with the appropriation language set forth above. For the purposes of this agreement, the term “affordable” has the meaning provided in the table below and does not refer to the Affordable Housing Act.

**II. Projects**

The Contractor shall fund the following project (the “**Funded Project**”):

| <b>Project Name</b>                                 | <b>Funding Amount</b> | <b>Affordable Units</b> | <b>Affordability Threshold</b> | <b>Period of Affordability</b> |
|---|-----------------------|-------------------------|--------------------------------|--------------------------------|
| Habitat for Humanity West Copper Street Development | \$860,000.00          | 14                      | 60% AMI                        | 15 years                       |

**III. Performance Measures:**

1. Number of new affordable housing units for which construction has commenced
2. Number of new affordable housing units acquired or completed with funding

**IV. Activities:**

1. Within 30 days of the date of this Agreement, the Contractor shall collaborate with the Funded Project to develop a disbursement schedule outlining construction milestones and anticipated fund release dates, and shall provide copies to the Department.
2. The Contractor shall certify that all funds distributed to the Funded Project are used for purposes in alignment with the appropriation language set forth above.
3. The Contractor shall enter into an agreement with the Funded Project, and deliver copies to the Department. Each agreement shall include:
  - A. An obligation to keep the units within the affordability threshold for the specific period of affordability, all as set forth in the table above.
  - B. An obligation to designate a representative to a group of Department funding recipients who shall meet periodically to discuss progress and challenges.
  - C. An obligation for the grantee to share all press releases and similar public communication regarding the State of New Mexico’s role in funding the projects, no less than 48 hours prior to issuance.

- D. An obligation to recognize the State of New Mexico’s funding contributions using language mutually agreeable to the Parties.
4. The Contractor shall grant access to and data from the Funded Project for purposes of any survey or evaluation that the Department conducts or commissions.
  5. The Contractor recognizes that the Department is assembling data, photographs, and narratives regarding the Funded Project, and Contractor shall deliver such materials regarding each project to the Department upon request.
  6. The Contractor shall coordinate with other governmental entities to facilitate the timely inspection and permitting of all funded projects.
  7. The Contractor shall share all press releases and similar public communication regarding the State of New Mexico’s role in funding the project, no less than 48 hours prior to issuance.
  8. The Contractor is solely responsible for compliance with all applicable federal, state, and local laws, including but not limited to procurement rules, the Anti-Donation Clause of the New Mexico Constitution, and the Affordable Housing Act (if applicable).
  9. The Contractor is solely responsible for coordinating with other funders of the Funded Project and obtaining adequate and appropriate security interests in the Funded Project to secure the project developers’ duties.

Deliverables (including due dates):

| Deadline                        | Deliverable   |
|---------------------------------|---|
| No less frequently than monthly | Submit Request for Payment Form, in the form attached as <u>Exhibit B</u>                       |
| March 31, 2026                  | Notify the Department if any Funded Project is not on schedule to receive all allocated funding |
| May 31, 2026                    | Submit Final Report Form, in the form attached as Exhibit C.                                    |

**The total amount payable to the Contractor under this Agreement shall not exceed Eight Hundred Sixty Thousand Dollars and No Cents (\$860,000.00) including expenses and applicable gross receipts tax.**

The Department shall pay to the Contractor in full payment for services satisfactorily performed pursuant to the Scope of Work periodically, based on receipt of requests for payment and deliverables, such compensation not to exceed the amount stated herein.

Reimbursable expenses, if any, shall be limited to the below listed items, and reimbursed at actual cost: None

**Exhibit B  
HB2 Housing Appropriation  
Request for Payment Form**

|   |  |   |     |
|---|--|---|-----|
| I. Contractor Information<br>(Make sure information is complete & accurate) |  | II. Payment Computation   |     |
| A. Contractor:  |  | A. Payment Request No.  |     |
| B. Address:   |  | B. Grant Amount:  |     |
| C. Contact Name and Phone:  |  | C. AIPP Amount  | N/A |
| D. Grant No.  |  | D. Funds Requested to Date  |     |
| E. Project Title:   |  | E. Amount Requested in This Payment   |     |
| F. Grant Expiration Date:   |  | F. Reversion Amount   | N/A |
|   |  | G. Grant Balance  |     |
|   |  | H. <input checked="" type="checkbox"/> GF <input type="checkbox"/> GOB <input type="checkbox"/> STB |     |
|   |  | I. <input type="checkbox"/> Final Request for Funding   |     |

III. Fiscal Year: 2026 (July 1, 2025 – June 30, 2026)

IV. Under penalty of law, I hereby certify to the best of my knowledge and belief: the above information is correct; expenditures are properly documented, and are valid expenditures or actual receipts; that the Contractor has complied with the Intergovernmental Agreement in all respects since the date of the last Request for Payment; and that the grant activity is in full compliance with Article IX. Sec 14 of the New Mexico Constitution known as the "anti-donation" clause.

\_\_\_\_\_  
Contractor Fiscal Officer  
or Fiscal Agent (if applicable)

\_\_\_\_\_  
Contractor Representative

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Printed Name

Date: \_\_\_\_\_

Date: \_\_\_\_\_

(State Agency Use Only)

Vendor Code: \_\_\_\_\_ Fund No.: \_\_\_\_\_ Loc. No.: \_\_\_\_\_

I certify that the State Agency financial and vendor file information agree with the above submitted information.

Exhibit C  
STATE OF NEW MEXICO  
HB2 Housing Final Report Form

**Appropriation Recipient:**

**Appropriation Number:**

| Use of Appropriation Funds                   | Amount |
|--|--------|
| Capital Expenses                             |        |
| Other  |        |
|  |        |
|  |        |
| Total Amount of Appropriation Funds Expended |        |

**Narrative**

*Describe the outcomes, results, benefit and/or uses of the appropriation funds.*



**CITY OF HOBBS**  
STAFF SUMMARY FORM

MEETING DATE:  
**December 15, 2025**

**SUBJECT:** Resolution No. 7714 - Authorizing the Mayor to Execute a Letter of Financial Support and Conditional Approval for Chelsea Investment Corporation – Landmark Redevelopment Project

**DEPT OF ORIGIN:** Planning

**DATE SUBMITTED:** 12/5/2025

**SUBMITTED BY:** Todd Randall, Assistant City Manager

**Summary:**

Chelsea Investment Corporation submitted a proposal dated December 3, 2025, seeking financial support from the City of Hobbs to assist in redeveloping the Landmark property located at 200 S. Linam Street. The proposed project consists of a 90-unit affordable multifamily housing development serving households at 30%, 60%, and 80% of Area Median Income (AMI). The development is intended to support downtown revitalization and address long-term housing needs in Hobbs.

Chelsea is requesting \$2,000,000 from the City of Hobbs in the form of a forgivable loan, which would be layered with Low-Income Housing Tax Credits (LIHTC), tax-exempt bonds, private financing, \$4 million contribution from the Maddox Foundation. The current gap in funding is \$7.5M and with the City's contribution of \$2M an additional \$5.5M is needed. In addition, the project must obtain approval from the New Mexico Mortgage Finance Authority (MFA) as part of the 4% LIHTC and tax-exempt bond process.

The proposed City contribution is:

- \$2,000,000 Forgivable Loan
- Structured under the Affordable Housing Incentive Program (AHIP)
- Contingent on full compliance with the New Mexico Affordable Housing Act and City ordinance requirements
- Funding is not disbursed until all required agreements are executed and MFA approvals are secured and per the terms of the development agreement.

Staff recommends requiring a minimum 40-year affordability period. All 90 units must remain income-restricted during the affordability period and operate in accordance with LIHTC limitations, AMI levels, and compliance reporting requirements, except units designated for management staff.

**Fiscal Impact:**

Up to \$2,000,000 in City AHIP funds, subject to future Commission approval of agreements and conditions. No funds are obligated by approval of this Resolution. The primary funding source will be the Lea County Housing grant funding (224022-44901-00387), which

currently has an available balance of \$2,420,295.35.

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**Attachments:**

- RESOLUTION - Chelsea Finance Support
  - L25 12-11 Financial Letter of Support
  - Cover Letter City of Hobbs Proposal 12-3-25 with attachments
- 

**Recommendation:**

Motion to approve the resolution.

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**Approved By:**

|   |            |
|---|------------|
| Todd Randall, Assistant City Manager            | 12/05/2025 |
| Toby Spears, Finance Director                   | 12/05/2025 |
| Medjine Desrosiers-Douyon, Deputy City Attorney | 12/05/2025 |
| Manny Gomez, City Manager                       | 12/08/2025 |

CITY OF HOBBS

RESOLUTION NO. 7714

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LETTER OF FINANCIAL SUPPORT AND CONDITIONAL APPROVAL FOR CHELSEA INVESTMENT CORPORATION'S LANDMARK REDEVELOPMENT PROJECT UNDER THE CITY OF HOBBS AFFORDABLE HOUSING INCENTIVE PROGRAM**

**WHEREAS**, the City of Hobbs has adopted an Affordable Housing Incentive Program ("AHIP") pursuant to the New Mexico Affordable Housing Act; and

**WHEREAS**, Chelsea Investment Corporation proposes to redevelop the Landmark property at 200 S. Linam Street into a 90-unit affordable housing community serving households at 30%, 60%, and 80% AMI, not including those units reserved for management staff; and

**WHEREAS**, Chelsea has requested City financial support in the amount of Two Million Dollars (\$2,000,000) in the form of a forgivable loan to assist with project financing; and

**WHEREAS**, the City Commission finds the project consistent with AHIP goals, downtown revitalization efforts, and the need for long-term affordable housing; and

**WHEREAS**, the Commission further finds a minimum 40-year affordability period appropriate for a project utilizing LIHTC, tax-exempt bonds, and local gap funding.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF HOBBS, NEW MEXICO:**

The Mayor is authorized to execute a Letter of Financial Support and Conditional Approval for Chelsea Investment Corporation's Landmark Redevelopment Project, consistent with the draft letter presented. City's proposed financial participation shall be a \$2,000,000 forgivable loan, subject to full compliance with AHIP requirements and final approval of all required agreements by the City Commission.

Conditions of approval shall include:

1. Execution of an Affordable Housing Agreement and Forgivable Loan Agreement;
2. A minimum 40-year affordability period for all units, except unit(s) for management staff;
3. Verification of all project financing sources, including MFA approvals;
4. Submittal and approval of final development plans consistent with Chelsea's proposal.

This Letter is non-binding and does not obligate City funds until all required agreements are executed and approved by the City Commission.

**PASSED, APPROVED, AND ADOPTED** this 15th day of December, 2025.

\_\_\_\_\_  
SAM D. COBB, Mayor

ATTEST:

\_\_\_\_\_  
JAN FLETCHER, City Clerk



## OFFICE OF THE MAYOR OF HOBBS, NM

---

200 E. Broadway  
Hobbs, NM 88240

575-397-9206 bus

December 15, 2025

Dan Foster, Sr. Development Manager  
Chelsea Investment Corporation  
6339 Paseo Del Lago  
Carlsbad, CA 92011

email: [dfoster@chelseainvestco.com](mailto:dfoster@chelseainvestco.com)  
Phone: 505-401-8542

### **Re: Letter of Financial Support and Conditional Approval – Landmark Redevelopment**

Dear Mr. Foster:

Thank you for submitting the redevelopment proposal for the Landmark site located at 200 S. Linam Street. The City of Hobbs recognizes the significance of this 90-unit affordable housing development and its alignment with our goals for downtown revitalization, improved housing access, and long-term community stability.

Following review of the material provided, and contingent upon authorization by the Hobbs City Commission, the City is prepared to issue this Letter of Financial Support and Conditional Approval for Chelsea Investment Corporation's Affordable Housing Incentive Program application.

#### **City Financial Support**

The City supports providing **\$2,000,000** in the form of a **forgivable loan** to assist with project financing. This financial support is contingent upon full compliance with all City and State requirements and the successful execution of the agreements described below.

#### **Conditions of Approval**

This conditional approval is subject to the following:

1. Compliance with the City of Hobbs Affordable Housing Incentive Program and the New Mexico Affordable Housing Act.
2. Approval and execution of an Affordable Housing Agreement and a Forgivable Loan Agreement, both requiring City Commission approval, except a unit for management staff.
3. A minimum 40-year affordability period, during which all units must remain income-restricted in accordance with the unit mix and AMI levels proposed
4. Verification of all project financing sources, including MFA approvals, tax-exempt bond financing, and LIHTC commitments.
5. Submittal and approval of final design documents consistent with the development description and commitments provided.

#### **Non-Binding Nature**

This letter expresses the City's support and conditional approval of the project but does not constitute a binding financial obligation until all conditions are satisfied and formally approved by the Hobbs City Commission.

The City appreciates Chelsea Investment Corporation's commitment to high-quality, energy-efficient affordable housing and looks forward to continued collaboration as this redevelopment moves forward.

Sincerely,  
**THE CITY OF HOBBS**

---

Sam D. Cobb, Mayor



Finance  
Development  
Management

6339 Paseo Del Lago  
Carlsbad, CA 92011  
Tel (760) 456-6000  
Fax (760) 456-6001  
[www.chelseainvestco.com](http://www.chelseainvestco.com)

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December 3, 2025

Honorable Sam D. Cobb, Mayor  
City of Hobbs  
201 East Broadway St.  
Hobbs, NM 88240

**Re: Landmark Site Redevelopment Proposal**

Dear Mayor Cobb,

Thank you for your interest in supporting our efforts to redevelop the Landmark site in downtown Hobbs. This project represents a transformative opportunity to deliver high-quality housing and revitalize the heart of the community. Working in partnership with The Maddox Foundation and the City's broader revitalization initiatives, we aim to create a development that enhances livability, stimulates economic growth, and strengthens the downtown area.

The Landmark site is located at 200 S Linam St., just two blocks south of Hobbs City Hall and the city's main downtown thoroughfare, home to a variety of small shops, businesses, and commercial office spaces. The site is currently occupied by a dilapidated building that has become a blight on the neighborhood.

We envision the redeveloped Landmark site as a 90-unit residential community, with the existing building scraped and replaced by a high-quality newly constructed development. The planned unit mix includes 24 one-bedroom units, 46 two-bedroom units, and 20 three-bedroom units, for a total of 90 units set-aside for households with incomes of 30% of Area Median Income (AMI), 60% AMI and 80% AMI.

The development will include a preference for individuals and families with children as well as active and retired military, and it will be non-smoking. The main open gathering space for residents will include shaded seating areas, picnic tables, BBQ grills, and age-appropriate playgrounds and will be located in open-ended courtyards surrounded by, and highly visible from, residential buildings. It will be landscaped with thoughtful arrangement of drought tolerant native plants. The community building will include a management office, a service coordinator office, a mail and package storage area, a computer room, a laundry center, and a storage/maintenance room.

The total development cost for the proposed redevelopment of the Landmark site is projected to be approximately \$35,072,936. The hard construction costs are based on the actual bid pricing from our West Mesa Ridge A project in Albuquerque which will be closing in January, and which is the basis of design for the reenvisioned Landmark site (architectural renderings attached). Costs that are unique to the redevelopment site include the acquisition price of the property (\$2m) and the cost for demolition (estimated at \$745,000).



Finance  
Development  
Management

6339 Paseo Del Lago  
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Tel (760) 456-6000  
Fax (760) 456-6001  
www.chelseainvestco.com

The funding requested from the City of Hobbs is \$2m in the form of a forgivable loan. A financial summary of the project is attached for your review. Note that while we have reduced costs overall by approximately \$500,000 since our October budget, low-income housing tax credit (LIHTC) pricing also decreased, reflecting current market conditions.

The current funding gap, excluding City and County funding but including a \$4m contribution from The Maddox Foundation, is \$7.5m. This gap already includes a deferral of \$2,429,885 of the LIHTC developer fee, which is, due to tax regulations, about the maximum amount typically allowed by LIHTC equity investors.

The anticipated development timeline is outlined below. Note that while the funding cycle for 4% low-income housing tax credits is open, Housing NM / MFA implemented a new rule restricting developers to a single active 4% LIHTC application in process at a time. We do not anticipate this impacting the overall development timeline for the Landmark site, but we will not be able to submit the LIHTC 4% application or bond financing package until after we close on our West Mesa Ridge B project in June 2026.

- Site Control Secured: December 2025
- Design & Entitlements: June 2025 – March 2026
- Local Funding Commitments Secured: November 2025 – February 2026
- Housing NM / MFA Funding Commitments Secured: February 2026 – August 2026
- Construction Start: Q1 2027
- Completion: Q3 2028
- Lease-Up Begins: Q3 2028

Our market research and stakeholder engagement confirm the urgent need for quality housing in Lea County. This project will not only address that need but also catalyze downtown revitalization, attract new businesses, and create a stronger sense of community. Given financial support from the City of Hobbs and Lea County, we are confident in our ability to deliver the quality housing the Hobbs community deserves.

Thank you again for your partnership and commitment to this development.

Sincerely,

A handwritten signature in blue ink, appearing to read "Dan Foster", is written over a light blue rectangular background.

Dan Foster  
Sr. Development Manager

Enclosures: Project Financial  
Summary Architectural Renderings

**PROJECT SUMMARY**

Revision Date: 12/2/2025

**Landmark Site Hobbs Lea County**

Landmark Site  
Hobbs  
Lea

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*\*Preliminary Projections. Subject to Revision\**



**DEVELOPMENT COSTS & SOURCES**

|   |                       |                   |
|---|-----------------------|-------------------|
| <b>Development Costs:</b>                     |                       |                   |
| Land (including existing improvements)        | \$22,500/unit         | 2,025,000         |
| Direct Construction Costs (inc Contingency)   | \$250,140/unit        | 22,512,625        |
| Development Impact Fees                       | \$1,000/unit          | 90,000            |
| A&E   | \$7,222/unit          | 650,000           |
| Financing Fees and Interest                   | \$27,471/unit         | 2,472,349         |
| Developer Fee                                 | \$47,178/unit         | 4,246,046         |
| Other Soft Costs                              | \$34,188/unit         | 3,076,916         |
| <b>Total Development Costs</b>                | <b>\$389,699/unit</b> | <b>35,072,936</b> |
| <b>Sources:</b>                               |                       |                   |
| Federal LIHTC Equity                          | \$138,437/unit        | 12,459,351        |
| State LIHTC / Solar / Other Tax Credit Equity | \$0/unit              | 0                 |
| Permanent Loans                               | \$74,000/unit         | 6,660,000         |
| Priority Deferred Developer Fee               | \$26,999/unit         | 2,429,885         |
| Acquisition Value Loan                        | \$0/unit              | 0                 |
| Subordinate Deferred Developer Fee            | \$0/unit              | 0                 |
| <b>Local Funds: City</b>                      | <b>\$22,222/unit</b>  | <b>2,000,000</b>  |
| State Funds NHTF HOME Other                   | \$17,778/unit         | 1,600,000         |
| <b>Local Funds: Maddox</b>                    | <b>\$44,444/unit</b>  | <b>4,000,000</b>  |
| Soft Loan Interest                            | \$4,708/unit          | 423,700           |
| Other   | \$61,111/unit         | 5,500,000         |
| <b>Total Sources</b>                          | <b>\$389,699/unit</b> | <b>35,072,936</b> |

**DEAL STRUCTURE AND ASSUMPTIONS**

|  |            |
|--|------------|
| LIHTC Tax Credit Rate                          | 4.00%      |
| 10 Yr Federal Tax Credits                      | 15,195,850 |
| State Tax Credit Total                         | 0          |
| Federal Tax Credit Price                       | \$ 0.8200  |
| State Tax Credit Price                         | \$ 0.5000  |
| Other Tax Credit Price                         | \$ -       |
| DDA/QCT Boost                                  | Y          |
| Opr. Exp./Unit/Year                            | 5,037      |
| Replacement Reserves/Unit/Year                 | 300        |
| Vacancy Rate                                   | 5.00%      |
| DCR  | 1.20       |
| Perm Loan Amort                                | 40         |
| Interest Rate - Permanent Loan                 | 6.50%      |
| Interest Rate - Construction Loan (TE)         | 6.75%      |
| Interest Rate - Construction Loan (Taxable)    | 7.25%      |
| TIEBREAKER                                     | 0.00%      |
| Total Bank Construction Loan 4% Project        | 11,799,148 |
| Taxable Tail Construction                      | 2,699,148  |
| Tax Exempt Bonds - Construction - Recycled     | 0          |
| Private Placement Jr. Bond - Volume Cap        | 0          |
| Tax- Exempt Bonds - Construction Volume Cap    | 4,440,000  |
| Tax- Exempt Bonds - Construction/Perm Volume C | 4,660,000  |
| 50% Test                                       | 29.12%     |
| Prevailing Wage:                               | None       |

**PROJECT UNIT & INCOME MIX**

| AMI           | Studio   | 1BR       | 2BR       | 3BR       | 4BR      | Totals    |
|---------------|----------|-----------|-----------|-----------|----------|-----------|
|               | 0.00%    | 0.00%     | 100.00%   | 0.00%     | 0.00%    |           |
| Net SF        | 500      | 583       | 742       | 938       | 1,250    |           |
| <b>100%</b>   | 0        | 0         | 0         | 0         | 0        | <b>0</b>  |
| <b>80%</b>    | 0        | 3         | 9         | 3         | 0        | <b>15</b> |
| <b>70%</b>    | 0        | 0         | 0         | 0         | 0        | <b>0</b>  |
| <b>60%</b>    | 0        | 15        | 31        | 18        | 0        | <b>64</b> |
| <b>50%</b>    | 0        | 0         | 0         | 0         | 0        | <b>0</b>  |
| <b>40%</b>    | 0        | 0         | 0         | 0         | 0        | <b>0</b>  |
| <b>30%</b>    | 0        | 2         | 5         | 3         | 0        | <b>10</b> |
| <b>Mgr.</b>   | 0        | 0         | 1         | 0         | 0        | <b>1</b>  |
| <b>Totals</b> | <b>0</b> | <b>20</b> | <b>46</b> | <b>24</b> | <b>0</b> | <b>90</b> |

**PROJECT TIMING AND CREDIT DELIVERY**

|                                      |             |
|--------------------------------------|-------------|
| Tax Credit Allocation                | August-26   |
| Construction Begin - Initial Closing | February-27 |
| Construction Complete                | November-28 |
| Lease Up Complete                    | February-29 |
| Conversion/Stabilization             | May-29      |
| 8609                                 | November-29 |
| Estimated 1st Year Credit Delivery   | 126,619     |
| Estimated 2nd Year Credit Delivery   | 1,519,433   |
| Estimated 3rd Year Credit Delivery   | 1,519,433   |



# JEEBS & ZUZU, LLC.

**Architecture  
Construction  
Design-Build**

5924 ANAHEIM AVENUE NE SUITE A  
ALBUQUERQUE, NM 87113  
P: 505-797-1318  
www.jeebsandzuzu.com



**job no:** -  
**drawn:** Author  
**checked:** Checker  
**date:** Sep. 25, 2025

## **West Mesa Ridge - Phase B**

701 COORS BLVD NW ALBUQUERQUE NM  
87121

Renderings

sheet no:

17



**JEEBS & ZUZU, LLC.**

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**checked:** J&Z  
**date:** Sep. 25, 2025

**West Mesa Ridge - Phase B**

701 COORS BLVD NW ALBUQUERQUE NM  
87121

Renderings

sheet no:

**15**



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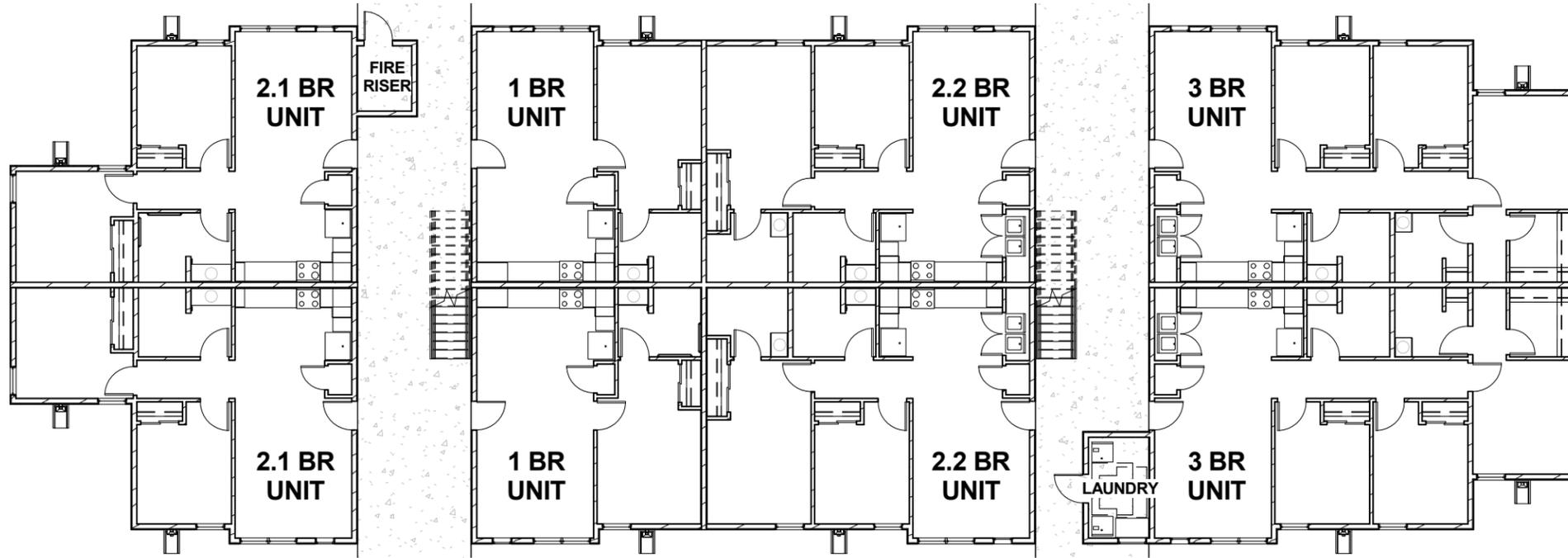
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**checked:** J&Z  
**date:** Sep. 25, 2025

**West Mesa Ridge - Phase B**

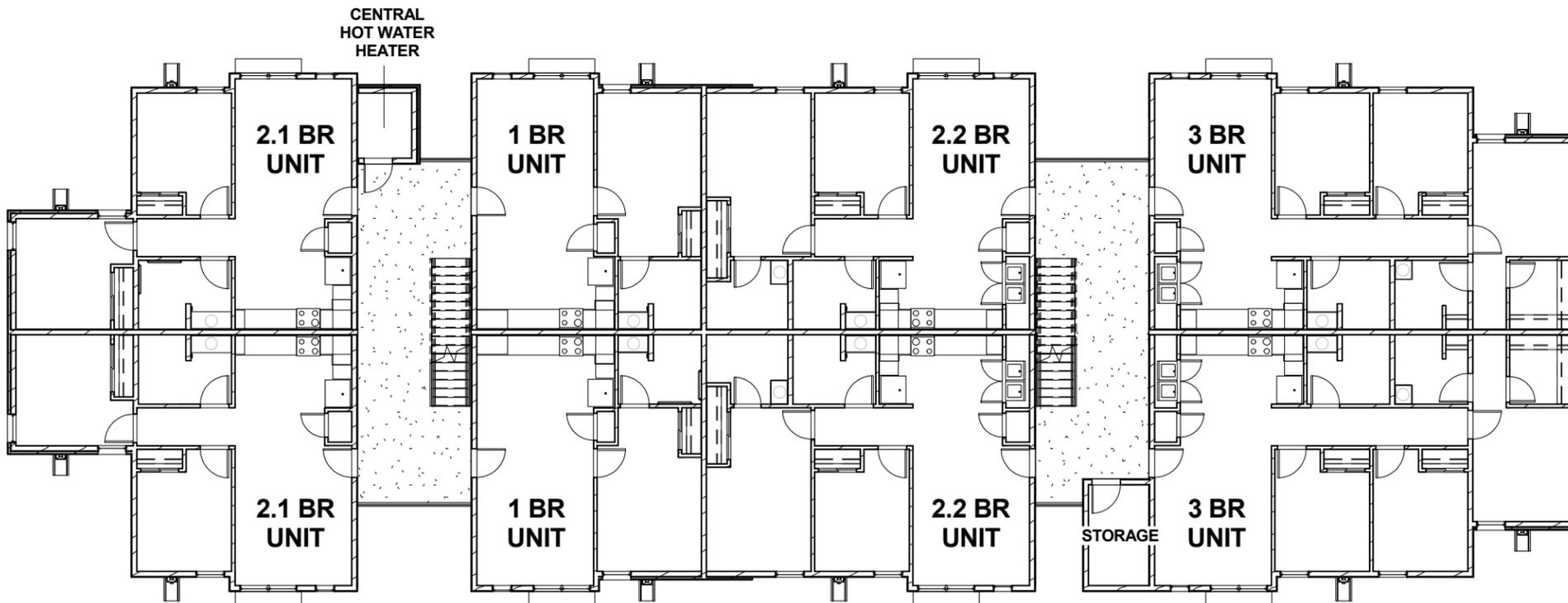
701 COORS BLVD NW ALBUQUERQUE NM  
 87121

Renderings

sheet no:



① Building 1 - Level 1  
1/16" = 1'-0"



② Building 1 - Levels 2 & 3  
1/16" = 1'-0"

**NEW CONSTRUCTION:**

1. All hot water lines to be insulated per ASHRAE and 2021 IBC.
2. All ductwork to be air sealed & located within thermal envelope.
3. All heating & cooling systems to be sized per ACCA manuals.
4. All interior paints & primers VOC levels shall be less Low or NO VOC
5. Toilet fixtures to be 1.28 gpf or less.
6. Showerheads to be 2.0 gpm or less.
7. Kitchen faucet to be 1.2 gpm or less.
8. Bathroom faucet to be 1.0 gpm or less.
9. All bedrooms, living areas, kitchens, and bathrooms to have permanent fixed lighting.
10. All kitchens to have range hoods that vent to the exterior.
11. All bathrooms to have exhaust fans that vent to the exterior.
12. All water heaters to be Energy Star with an EF of .67 or greater.
13. All lighting to be Energy Star rated.
14. All Appliances to be Energy Star rated.
15. Units shall be individually marked w/ visible identifiable signage and shall be illuminated and made visible from dusk until dawn.
16. Roofs to have R-38 min. insulation.
17. Walls to have R-19 min. insulation with additional continuous rigid insulation as required by building code.
18. All unit entry doors to have single lever deadbolts & eye viewers.
19. Provide arc fault receptacles at all bedrooms and GFI devices in kitchens, baths, and exterior. All sleeping rooms to have smoke detectors.
20. Install kitchen cabinetry and countertops free of ureaformaldehyde. Install vanity cabinet (free of ureaformaldehyde) with cultured marble top.
21. Walls and ceilings to be painted gyp board. Floors to be Luxury Vinyl Plank.
22. Complete comprehensive sealant package to ensure required target infiltration reduction goals are met.
23. Install gaskets behind all switch and cover plates.
24. Complete final HERS testing to ensure unit meets minimum HERS target of 55.
25. Walls, floors, and joints shall be sealed with low-VOC and nontoxic sealing caulk to prevent pest entry and promote air sealing.
26. Sites and units shall include wired to allow for high speed broadband internet, telephone, and cable / satellite television.

**JEEBS & ZUZU, LLC.**

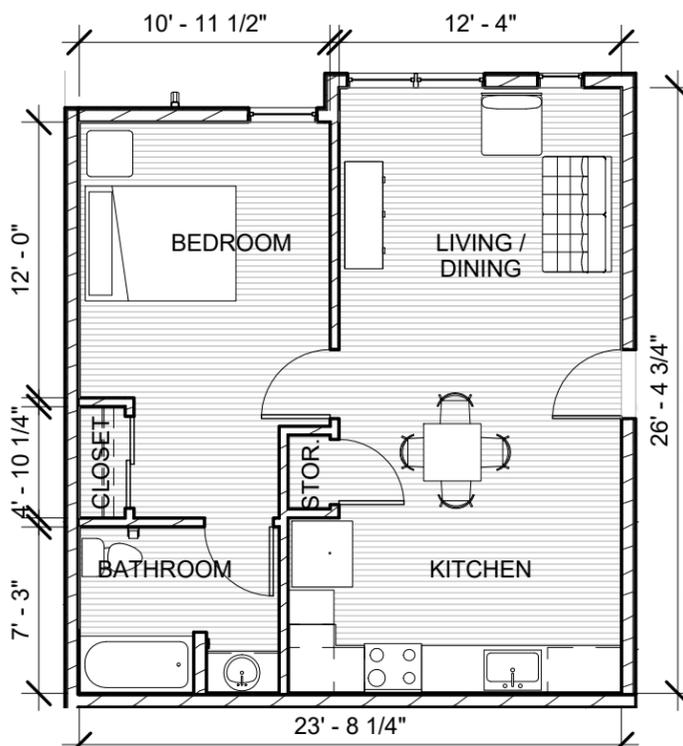
**Architecture  
Construction  
Design-Build**



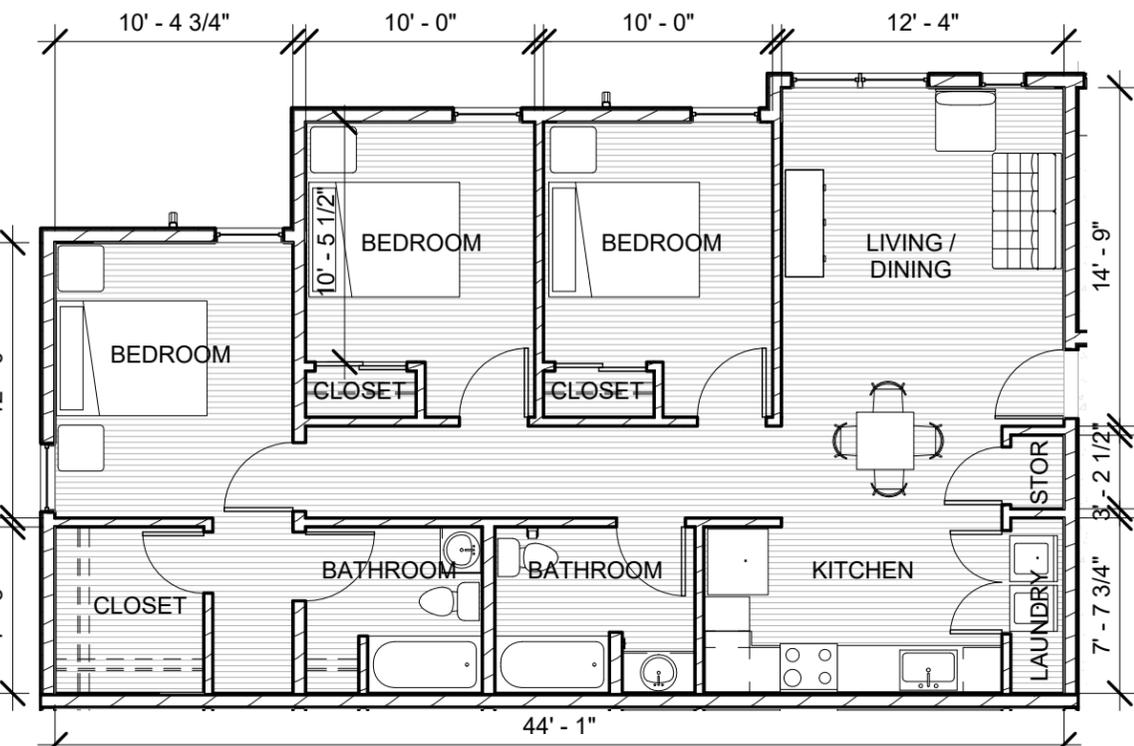
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drawn: J&Z  
checked: J&Z  
date: Sep. 25, 2025

Building Typ. 1 - Building Plans  
**West Mesa Ridge - Phase B**  
701 COORS BLVD NW ALBUQUERQUE NM  
87121  
sheet no: 9

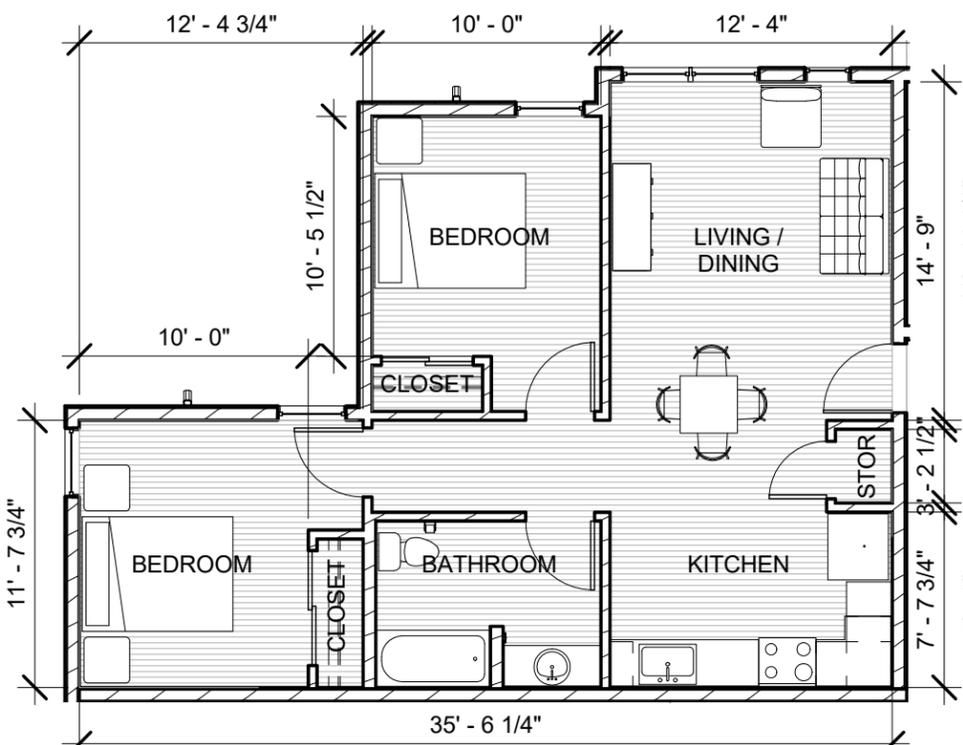
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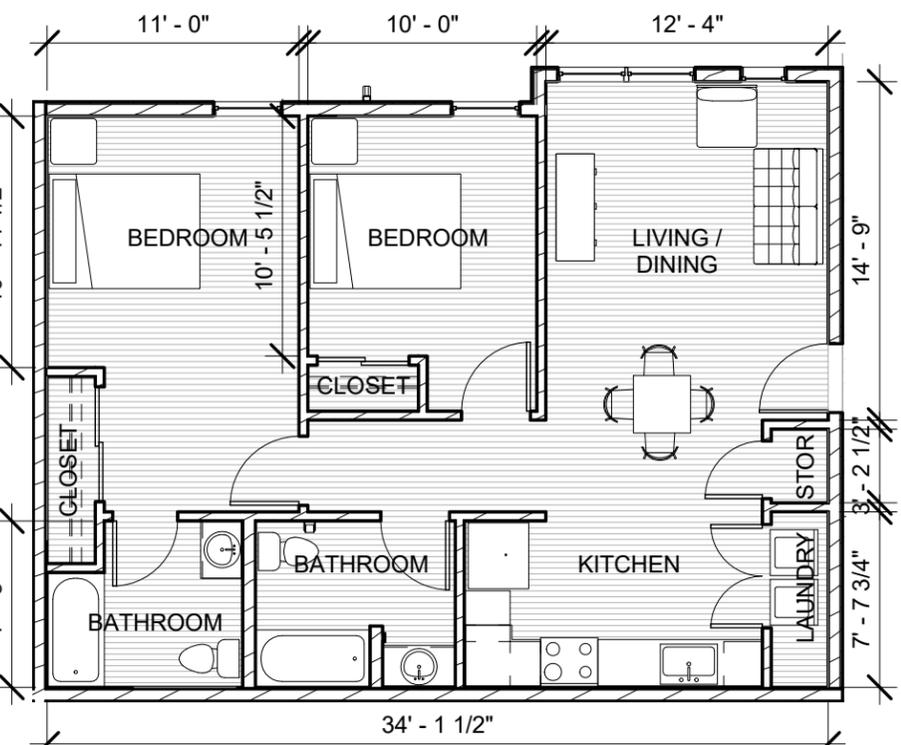
① 1 Bedroom Unit - Floor Plan  
1/8" = 1'-0"



④ 3 Bedroom Unit - Floor Plan  
1/8" = 1'-0"



② 2.1 Bedroom Unit - Floor Plan  
1/8" = 1'-0"



③ 2.2 Bedroom Unit - Floor Plan  
1/8" = 1'-0"

**UNIT SCOPE OF WORK:**

1. Type A "accessible" units and Hearing Impaired units shall be provided at the numbers and locations as depicted on the Site Plan.
2. All remaining ground floor units which are not depicted to be Type A units shall be constructed as Type B "adaptable" units.
3. Units shall be constructed and tested to achieve a maximum 55 HERS rating.
4. Units shall be constructed and documented to be certified LEED-H Silver.
5. All appliances shall be Energy Star certified.
6. High efficiency atmospheric heat pumps to be installed for heating and air conditioning within the units.
7. Heat pump water heaters to be provided for domestic hot water heating.
8. Whole house ventilation systems to be provided to meet LEED-H requirements.
9. All bathroom and range hood vents shall vent to the exterior.
10. All lights to be LED. Fixed light fixtures to be provided in all rooms within the units.
11. All plumbing fixtures shall be Water Sense certified and meet the very low flow requirements of the MFA Mandatory Design Standards. Advanced air sealing and caulking measures to be employed to achieve these very stringent requirements.
12. Building Envelope shall be constructed to meet 3 Air Changes per Hour, be weather and airtight, and shall include high-efficient windows and doors.
13. All interior finishes shall be low or no VOC and easily cleanable and durable.
14. Flooring to be luxury vinyl plank throughout.
15. Interior cabinetry to be architectural grade with European style hinges. Cabinets in Type A units shall be set at accessible heights and include the required clear spaces and workspaces.
16. Interior walls and ceilings to be textured and painted gypsum board with sound isolating metal furring strips. Units shall be designed to achieve an STC (Sound Transmission Classification) and IIC (Impact Isolation Classification) of not less than 50.
17. GFI's and Arc Fault receptacles shall be provided in all locations required by Code.
18. Smoke detectors shall be provided in all sleeping rooms and in all hallways leading to sleeping rooms and on each level of the unit.
19. To increase safety and increase crime prevention exterior unit entry doors to be equipped with spring hinge closers, peep holes, doorbells, and weatherstripping.
20. Not less than one of the Type A units provided shall be fitted with a roll-in shower.
21. Every room intended for human occupancy shall be equipped with hard-wired light fixtures.

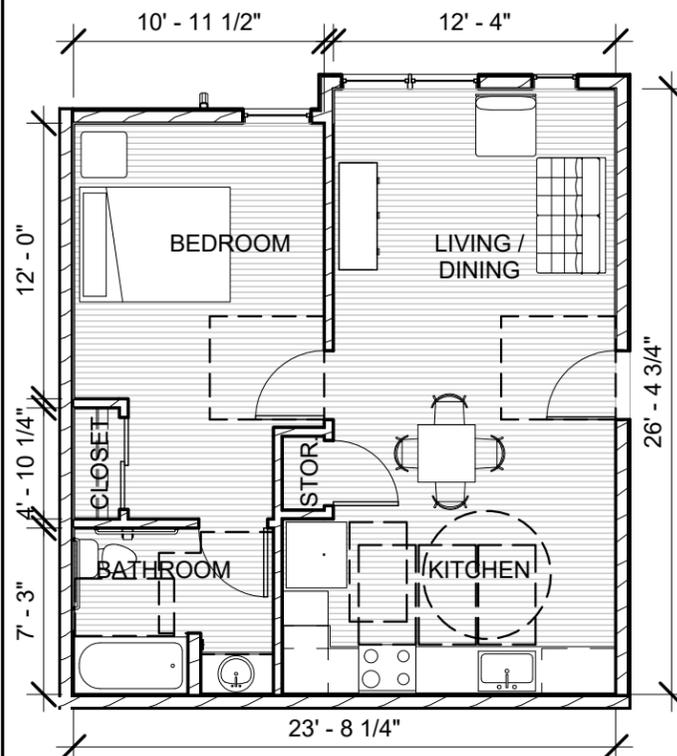
**JEEBS & ZUZU, LLC.**  
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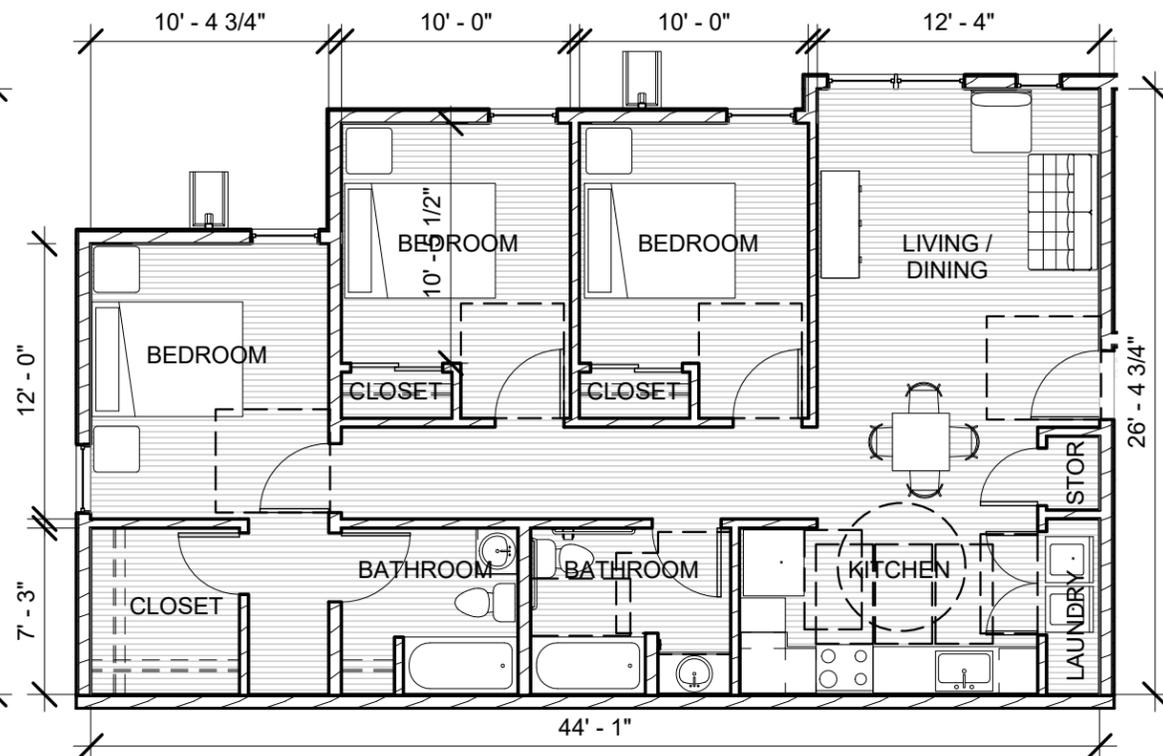


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 drawn: J&Z  
 checked: J&Z  
 date: Sep. 25, 2025

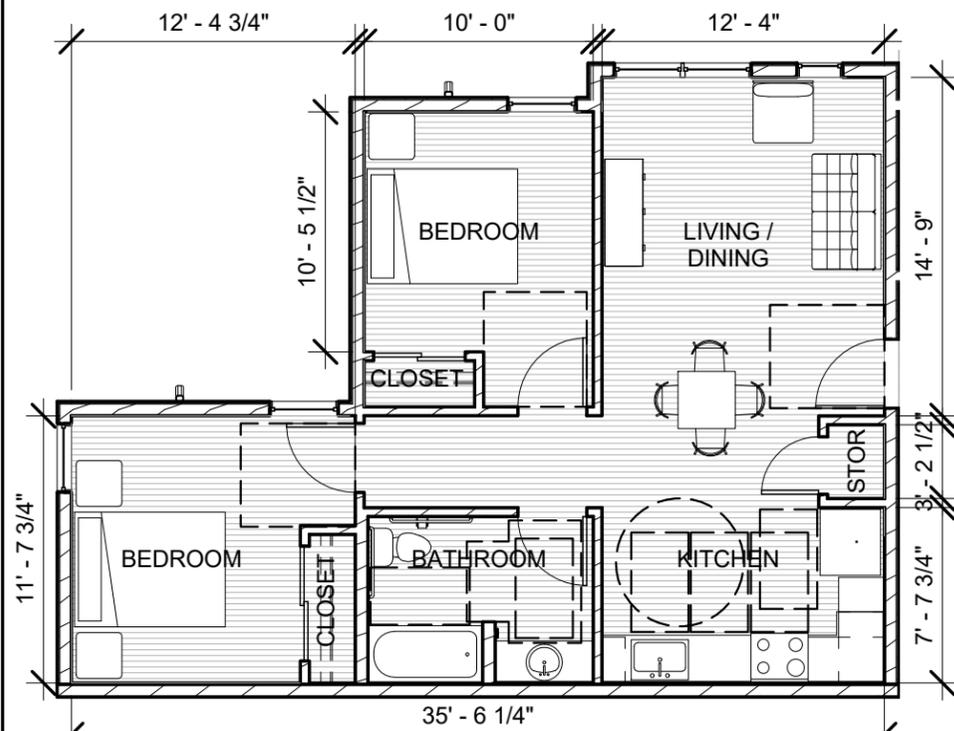
Standard Unit Floor Plans  
**West Mesa Ridge - Phase B**  
 701 COORS BLVD NW ALBUQUERQUE NM  
 87121



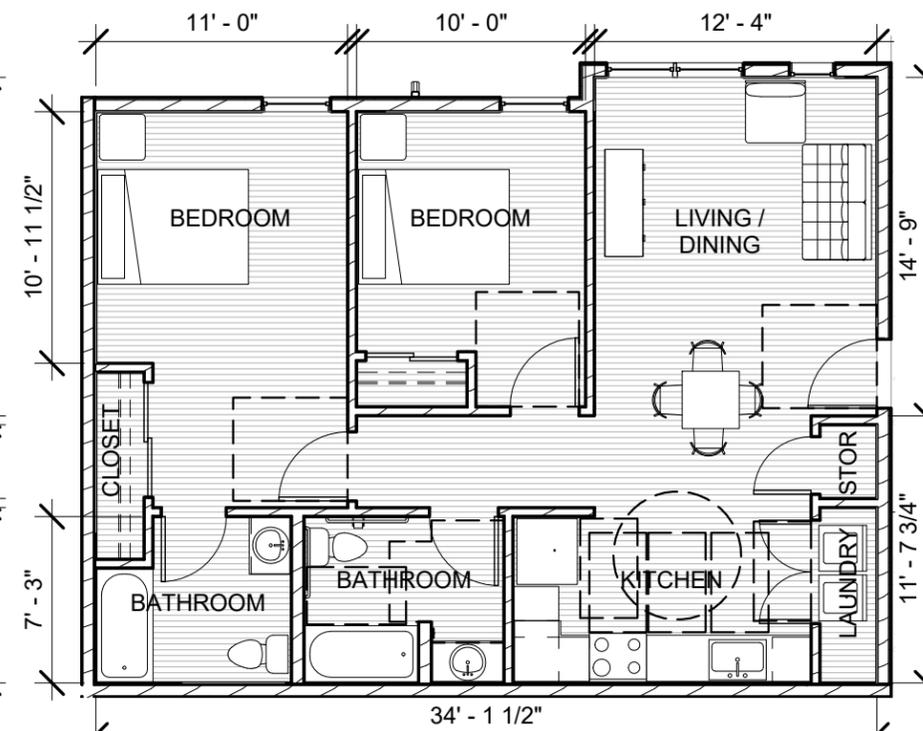
① 1 Bedroom Unit ADA - Floor Plan  
1/8" = 1'-0"



④ 3 Bedroom Unit ADA - Floor Plan  
1/8" = 1'-0"



② 2.1 Bedroom Unit ADA - Floor Plan  
1/8" = 1'-0"



③ 2.2 Bedroom Unit ADA - Floor Plan  
1/8" = 1'-0"

**UNIT SCOPE OF WORK:**

1. Type A "accessible" units and Hearing Impaired units shall be provided at the numbers and locations as depicted on the Site Plan.
2. All remaining ground floor units which are not depicted to be Type A units shall be constructed as Type B "adaptable" units.
3. Units shall be constructed and tested to achieve a maximum 55 HERS rating.
4. Units shall be constructed and documented to be certified LEED-H Silver.
5. All appliances shall be Energy Star certified.
6. High efficiency atmospheric heat pumps to be installed for heating and air conditioning within the units.
7. Heat pump water heaters to be provided for domestic hot water heating.
8. Whole house ventilation systems to be provided to meet LEED-H requirements.
9. All bathroom and range hood vents shall vent to the exterior.
10. All lights to be LED. Fixed light fixtures to be provided in all rooms within the units.
11. All plumbing fixtures shall be Water Sense certified and meet the very low flow requirements of the MFA Mandatory Design Standards. Advanced air sealing and caulking measures to be employed to achieve these very stringent requirements.
12. Building Envelope shall be constructed to meet 3 Air Changes per Hour, be weather and airtight, and shall include high-efficient windows and doors.
13. All interior finishes shall be low or no VOC and easily cleanable and durable.
14. Flooring to be luxury vinyl plank throughout.
15. Interior cabinetry to be architectural grade with European style hinges. Cabinets in Type A units shall be set at accessible heights and include the required clear spaces and workspaces.
16. Interior walls and ceilings to be textured and painted gypsum board with sound isolating metal furring strips. Units shall be designed to achieve an STC (Sound Transmission Classification) and IIC (Impact Isolation Classification) of not less than 50.
17. GFI's and Arc Fault receptacles shall be provided in all locations required by Code.
18. Smoke detectors shall be provided in all sleeping rooms and in all hallways leading to sleeping rooms and on each level of the unit.
19. To increase safety and increase crime prevention exterior unit entry doors to be equipped with spring hinge closers, peep holes, doorbells, and weatherstripping.
20. Not less than one of the Type A units provided shall be fitted with a roll-in shower.
21. Every room intended for human occupancy shall be equipped with hard-wired light fixtures.

**GENERAL NOTES:**

- A. DASHED LINES IN PLANS DENOTE REQUIRED CLEARANCES AND CLEAR SPACES FOR COMPLIANCE WITH ADA AND ANSI A117.1 STANDARD REQUIREMENTS.



|          |               |
|----------|---------------|
| job no:  | -             |
| drawn:   | J&Z           |
| checked: | J&Z           |
| date:    | Sep. 25, 2025 |



**CITY OF HOBBS**  
STAFF SUMMARY FORM

MEETING DATE:  
**December 15, 2025**

---

**SUBJECT:** Resolution No. 7715 - Rescinding Condemnation on Certain Property that has Previously Been Determined to be Ruined, Damaged, Dilapidated and a Menace to Public Comfort Health and Safety Located at 1620 1/2 East Dunn Street

**DEPT OF ORIGIN:** Police

**DATE SUBMITTED:** 12/8/2025

**SUBMITTED BY:** Jessica Silva, Community Services Superintendent

---

**Summary:**

The City of Hobbs is proposing a Resolution to rescind condemnation of certain properties. This property was previously condemned, but is no longer ruined, damaged, dilapidated and a menace to public comfort, health and safety. Pursuant to Section 8.24.010 of the Hobbs Municipal Code, the City of Hobbs may condemn a property if it is determined ruined, damaged, dilapidated and a menace to public comfort, health and safety and require such property to be removed. The property listed in attachment "A" have all been demolished or renovated, therefore, rendering the properties in compliance with the Hobbs Municipal Code. This Resolution will rescind the condemnation designation from the property described in attachment "A", for they are no longer ruined, damaged, dilapidated, or a menace to public comfort, health and safety.

---

**Fiscal Impact:**

There is no fiscal impact for this proposed resolution.

---

**Attachments:**

Resolution -Rescinding condemnation

ATTACHMENT A FOR COMMISSION SUBMITTAL 12-1-2025-(1620.5 DUNN Rescind)

Consideration to rescind condemnations Powerpoint format 12-1-2025

---

**Recommendation:**

The Commission should adopt the resolution.

---

**Approved By:**

August Fons, Police Chief 12/09/2025

Toby Spears, Finance Director 12/09/2025

Medjine Desrosiers-Douyon, Deputy City Attorney 12/09/2025

Manny Gomez, City Manager 12/09/2025

CITY OF HOBBS

RESOLUTION NO. 7715

A RESOLUTION RESCINDING CONDEMNATION ON CERTAIN PROPERTIES THAT  
HAVE PREVIOUSLY BEEN DETERMINED TO BE RUINED, DAMAGED,  
DILAPIDATED AND A MENACE TO PUBLIC COMFORT, HEALTH AND SAFETY

WHEREAS, pursuant to Section 8.24.010 of the Hobbs Municipal Code, and NMSA 1978, § 3-18-5, the City may condemn a property if the property is determined to be ruined, damaged, dilapidated and a menace to public comfort, health and safety and required such property to be removed; and

WHEREAS, the City has inspected the properties described in Attachment "A", which have been previously condemned by this commission; and

WHEREAS, the City finds the properties in Attachment "A" to be in compliance with the Hobbs Municipal Code; and

WHEREAS, the City Commission desires to rescind the condemnation of the properties listed in Attachment "A" as the properties are no longer ruined, damaged, dilapidated, or a menace to the public comfort, health and safety.

NOW, THEREFORE, BE IT RESOLVED by the governing body of the City of Hobbs that the condemnation of the properties listed in Attachment "A" is hereby rescinded.

PASSED, ADOPTED AND APPROVED this 15<sup>th</sup> day of December, 2025.

---

SAM D. COBB, Mayor

ATTEST:

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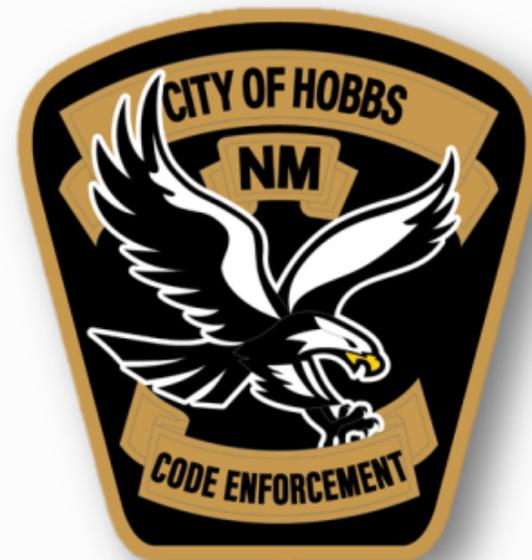
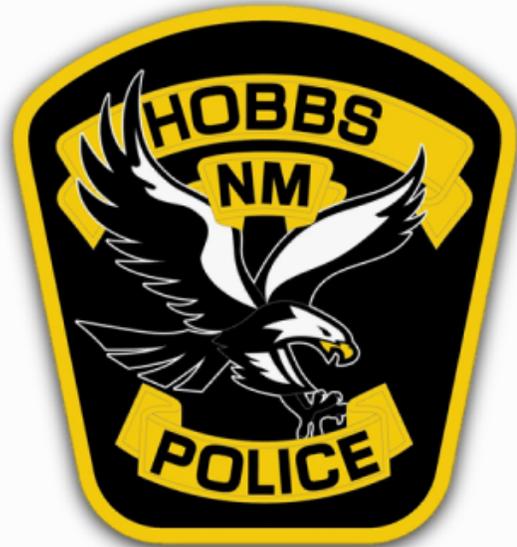
JAN FLETCHER, City Clerk

**Attachment A**

|   | <b>Address</b>  | <b>Owner</b>    | <b>Owner's Address</b>             | <b>Status</b>          |
|---|---|-----------------|------------------------------------|------------------------|
| 1 | 1620 ½ E. Dunn<br>Hobbs, Lea County,<br>NM, 88240<br><br>*Lot Twenty-five (25),<br>Block Six (6) of the<br>Morningside Heights<br>Addition to the City of<br>Hobbs, Lea County,<br>New Mexico, as<br>referenced on that<br>certain Plat filed<br>September 7, 1948. | Heckard, Vivian | 1620 ½ E. Dunn<br>Hobbs, NM, 88240 | Abated by<br>the owner |

# Consideration to Rescind Condemnations

December 15, 2025



# 1620 ½ E. Dunn

---



# QUESTIONS?

