



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

Monday, September 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

AGENDA

City Commission Meetings are
Broadcast Live on KHBX FM 90.7 Radio and
View Online at www.hobbsnm.org

CALL TO ORDER AND ROLL CALL

INVOCATION AND PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

1. Minutes of the September 2, 2025, Regular Commission Meeting (*Jan Fletcher, City Clerk*)

PROCLAMATIONS AND AWARDS OF MERIT

2. Proclamation Proclaiming September 16, 2025, as "NATIONAL IT PROFESSIONALS DAY" in the City of Hobbs (*Joseph D. Calderón, Mayor Pro Tem*)
3. Proclamation Proclaiming September 26, 2025, as "HUMAN RESOURCES DAY" in the City of Hobbs (*Joseph D. Calderón, Mayor Pro Tem*)

4. Recognition of City Employees - Milestone Service Awards for the Month of September, 2025 (*Manny Gomez, City Manager*)

- 5 years - Luis Espinoza, Hobbs Police Department
- 5 years - Meghan Van Ham, Hobbs Police Department
- 10 years - Carri Downing, Hobbs Fire Department
- 10 years - David Torres, Hobbs Police 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.)

5. Resolution No. 7674 - Authorizing the Mayor to Execute a Grant Agreement Amendment No. 2 with the State of New Mexico Department of Transportation for CN: LP20037 (*Todd Randall, Assistant City Manager*)

DISCUSSION

ACTION ITEMS (Ordinances, Resolutions, Public Hearings)

6. PUBLIC HEARING: Resolution No. 7675 - Regarding the Transfer of Location of Restaurant "A" Liquor License No. RES-000180 Owned by Kui Liu, LLC, d/b/a Kobe Japanese Steakhouse & Sushi Bar from 915 East Bender Blvd. to 1015 Joe Harvey Blvd. in Hobbs, New Mexico (*Medjine Desrosiers-Douyon, Deputy City Attorney*)
7. Resolution No. 7676 - Authorizing the City of Hobbs to Submit a Grant Application to the State of New Mexico, Department of Transportation, for the Hobbs Express Public Transportation Program for FY 26-27 Under Section 5311 of the Federal Transit Act (*Jan Fletcher, City Clerk*)
8. Consideration of Award of Bid 1621-25; Rehabilitation of the 600,000-Gallon Concrete Water Storage Tank Located at the HIAP Booster Pump Station (BPS) (*Tim Woomer, Utilities Director*)
9. Consideration of Award of Bid 1622-25; Rehabilitation of the 2,000,000-Gallon Concrete Water Storage Tank Located at the Jefferson Booster Pump Station (BPS) (*Tim Woomer, Utilities Director*)

10. Resolution No. 7677 - Authorizing the Expenditure of Funds to be Used for the Purchase of Playground Equipment and Improvements to Taylor Elementary School Park (*Medjine Desrosiers-Douyon, Deputy City Attorney*)
11. Resolution No. 7678 - Memorandum of Understanding (MOU) between Hobbs Municipal Schools, Hobbs Police Department and Lea County Sheriff's Office (*August Fons, Police Chief*)
12. FINAL ADOPTION: Ordinance No. 1164 - Authorizing the Sale and Conveyance of Certain City-Owned Land Located within the Hobbs Industrial Airpark to Stag Amazon, LLC (*Todd Randall, Assistant City Manager*)

COMMENTS BY CITY COMMISSIONERS, CITY MANAGER

13. Next Meeting Dates:

City Commission Regular Meetings

- Monday, October 6, 2025, at 6:00 p.m.
- Monday, October 20, 2025, 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:
September 15, 2025

SUBJECT: Minutes of the September 2, 2025, Regular Commission Meeting

DEPT OF ORIGIN: City Clerk

DATE SUBMITTED: 9/5/2025

SUBMITTED BY: Jan Fletcher, City Clerk

Summary:

Minutes of the regular Commission meeting held on September 2, 2025.

Fiscal Impact:

N/A

Attachments:

September 2, 2025 - Minutes

Recommendation:

Motion to approve the minutes.

Approved By:

Jan Fletcher, City Clerk 09/08/2025

Manny Gomez, City Manager 09/08/2025

Minutes of the regular meeting of the Hobbs City Commission held on Monday, September 2, 2025, in the City Commission Chamber, 200 East Broadway, 1st Floor Annex, Hobbs, New Mexico. This meeting was also broadcast via Livestream on the City's website at 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 (*arrived at 6:03 p.m.*)
Commissioner Larron B. Fields
Commissioner Joseph Calderón
Commissioner Dwayne Penick - absent
Commissioner Don Gerth

Also present:

Manny Gomez, City Manager
Todd Randall, Assistant City Manager
Medjine Desrosiers-Douyon, Deputy City Attorney
Mark Doporto, Fire Chief
Ryan Herrera, Deputy Fire Chief
Adam Marinovich, Deputy Fire Chief
Shawn Williams, Fire Marshal
Hayden Able, Fire Inspector
Tony Alarcon, Fire Inspector
August Fons, Police Chief
Marina Barrientes, Police Captain
Evelyn Nunez, Event Coordinator
Shannon Arguello, Municipal Court Administrator
Bryan Wagner, Parks and Open Spaces Director
Matt Hughes, Rockwind Superintendent
Lou Maldonado, Parks Superintendent
Shelia Baker, General Services Director
Nichole Lawless, Library Director
Tim Woomer, Utilities Director
Deborah Corral, Assistant 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
6 citizens

Invocation and Pledge of Allegiance

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

Approval of Minutes

Commissioner Calderón moved the minutes of the regular meeting of August 25, 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, Gerth yes, Cobb yes. The motion carried.

Proclamations and Awards of Merit

Mayor Cobb proclaimed the month of September 2025 as "Hobbs Clean Up Month" in the City of Hobbs. This proclamation is part of the ongoing "Keep Hobbs Beautiful" initiative, which aims to promote a well-maintained community, strengthen civic pride, and encourage environmental stewardship. He emphasized that the City of Hobbs has grown into what it is today because of its strong sense of Hometown Pride. He encouraged all residents to participate in Clean Up Hobbs Month by picking up litter while walking through their neighborhoods or by joining local public cleanup events. He presented the proclamation to Ms. Evelyn Nunez, City of Hobbs Event Coordinator.

Ms. Evelyn Nunez thanked Mayor Cobb for the proclamation and shared details about the upcoming community clean-up events planned for September. She announced that there will be three community clean-ups this month:

1. Saturday, September 6, 2025 – at the intersection of Clinton and Eastern
2. Saturday, September 13, 2025 – at Humble Park
3. Saturday, September 20, 2025 – in honor of National Clean Up Day, meeting at City Park

All clean-ups will begin at 9:00 a.m., and supplies will be provided for all participants. Ms. Nunez expressed her gratitude to the City of Hobbs and the New Mexico Clean and Beautiful Grant for enabling her to pursue a cause she is deeply passionate about. She highlighted how the grant has not only provided resources for supplies and youth education, but also fostered collaboration with various city departments, dedicated residents, and local businesses that genuinely care about the community. She concluded by sharing her hope that the month of September will serve as an opportunity for the entire community to come together and celebrate Hobbs by keeping it clean and beautiful.

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. 7669 - Authorizing a Contribution of \$25,000.00 for FY 2025-2026 to the Eddy-Lea Energy Alliance LLC

Resolution No. 7670 - Authorizing the City of Hobbs to Apply for \$250,000.00 from the 2026 New Mexico Regional Recreation Centers and Quality of Life Grant Funding for the Heizer Park Design and Master Plan

Resolution No. 7671 - Authorizing the City of Hobbs to Apply for \$750,000.00 in Funding from the 2026 New Mexico Regional Recreation Centers and Quality of Life Grant for the Downtown Shipp Street Venue

Commissioner Fields seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón, 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 HGAC Contract EE11-24 with MES for the Purchase of 85 Vision C5 Facepieces and 73 E-Z Flo C5 Quick Connect Hoses

Mr. Mark Doporto, Fire Chief, stated the Hobbs Fire Department is requesting approval to purchase 85 Vision C5 Facepieces and 73 E-Z Flo C5 Quick-Connect Regulators from Municipal Emergency Services utilizing the HGAC cooperative purchasing contract. Chief Doporto noted the department's current facepieces and regulators were purchased 12 years ago, have performed reliably, and have served their intended purpose. However, many of these units are now out of warranty and in poor condition. The Vision C5 Facepieces are critical pieces of safety equipment, used by firefighters when entering Immediately Dangerous to Life and Health (IDLH) environments, providing clean, breathable air during high-risk operations. The purchase of the new facepieces and regulators will ensure that all breathing apparatuses meet current NFPA standards, improving safety and operational

readiness for the department. He stated the total cost of the purchase is \$183,792.38, and funding has already been allocated in the Fire Protection Fund for this fiscal year specifically for this purpose.

Mayor Cobb commented on the importance of effective communication during emergency responses. He noted that firefighters operating outside of a structure can communicate quickly and clearly with those inside the structure. If outside personnel observe any hazards or changes in conditions, they can immediately alert those inside to evacuate or act, potentially preventing injury or saving lives.

Chief Doporto explained that the new facepieces come equipped with bone conduction headphones, an automated voice prompt, and an integrated volume switch. These advanced features allow personnel outside the structure to activate a button, triggering both visual and audible alerts for the firefighters inside. This system ensures that firefighters receive a clear, immediate signal when it is time to exit the structure.

Mayor Cobb emphasized this is an important enhancement, noting the current masks used by the Hobbs Fire Department do not offer the same level of communication capability.

Chief Doporto agreed, stating that the department's current masks lack both the visual and audio alert capabilities featured in the new models. He added the existing equipment is outdated and no longer functioning at optimal performance, further reinforcing the need for this critical upgrade to ensure firefighter safety and operational effectiveness.

There being no further discussion, Commissioner Mills moved to approve the HGAC Contract EE11-24 with MES for the Purchase of 85 Vision C5 Facepieces and 73 E-Z Flo C5 Quick Connect Hoses as presented. Commissioner Mills seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Gerth yes, Cobb yes. The motion carried. A copy of the supporting documentation is attached.

Resolution No. 7672 - Approving the Submission of the FY 2026 Fire Protection Grant Council Application

Mr. Mark Doporto, Fire Chief, stated the City of Hobbs Fire Department is eligible to apply for the FY 26 Fire Protection Grant Council Grant. This competitive grant provides funding to a single applicant, with awards not exceeding the maximum amount designated for each specific category by the granting agency. The Hobbs Fire Department intends to use this opportunity to request \$497,250.00 to fund the purchase of fire simulator training props. There is no local match is required for this grant. Chief Doporto outlined some of the key training props included in the request, such as a hazmat rollover tanker simulator, a flammable liquids and gas trainer, and

an SUV vehicle fire simulator. He further explained the functionality of these simulators and their value in enhancing firefighter training. These advanced props will provide realistic, hands-on training scenarios, better preparing personnel to respond to a wide range of hazardous situations safely and effectively.

There being no discussion, Commissioner Smith moved to approve Resolution No. 7672 as presented. Commissioner Gerth seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Gerth yes, Cobb yes. The motion carried. A copy of the resolution and supporting documentation are attached.

Consideration of Approval of the Purchase of a Heavy Rescue/Hazardous Material Vehicle from Pierce Manufacturing, Inc., Utilizing NM GSA Contract # 10-00000-21-00101AK2024

Mr. Mark Doporto, Fire Chief, stated a State of New Mexico 2024 Legislative Capital Appropriation Project in the amount of \$1,500,000.00 has been awarded to the City of Hobbs Fire Department to purchase and equip heavy rescue hazardous material vehicles. This project will address the need to replace two existing apparatus that are reaching the end of operation capability. This project allows the department to continue the high level of service expected and currently provided throughout the community. The Hobbs Fire Department wishes to purchase one Pierce Pumper Fire Apparatus in the amount of \$923,373.00. The purchase will be made utilizing a New Mexico State Contract in order to expend the appropriated funds. This will leave \$576,627.00 for the Hazmat vehicle that is needed in addition to the Hazmat Vehicle they currently have in fleet.

In response to Mayor Cobb's inquiry, Chief Doporto stated the apparatus will be ready by March of 2026.

In response to Commissioner Smith's inquiry regarding where the Oshkosh trucks can be serviced, Chief Doporto stated the department has entered into a contract with Siddons-Martin, a certified fire truck maintenance dealer. Siddons-Martin technicians have been servicing the trucks on-site at the department as needed for maintenance and repair work. As for the nearest facility where a truck could be delivered for service, he noted he does not have that information available at this time but will provide it in the near future.

Mayor Cobb added as the department becomes better equipped and trained, all of its efforts contribute to improving the City's fire safety rating. A higher rating can lead to lower insurance premiums for everyone in the community.

Chief Doporto stated the City currently holds an ISO rating of 2. He noted that factors such as equipment purchases, staffing levels, and training all contribute to this rating.

He emphasized that the acquisition of both the pumper truck and the hazmat vehicle are critical components in maintaining and potentially improving the City's ISO rating.

There being no further discussion, Commissioner Fields moved to approve the purchase of a Heavy Rescue/Hazardous Material Vehicle from Pierce Manufacturing, Inc. as presented. Commissioner Gerth seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Gerth yes, Cobb yes. The motion carried. A copy of the supporting documentation is attached.

Resolution No. 7673 - Approving a Development Agreement with Stuard Homes LLC, Concerning the Development of Market Rate Single-Family Housing

Mr. Todd Randall, Assistant City Manager, presented an overview of the history of affordable and market rate single-family housing developments in the City of Hobbs. He noted that nearly 2,752 housing units have been constructed since 2012 with nearly \$31 million in the form of development agreements and funding commitments from the City of Hobbs.

Mr. Randall stated Stuard Homes, LLC, has submitted a request for a Development Agreement related to a proposed single-family housing project within the city limits. The developer plans to build market rate single-family homes and is seeking \$300,000.00 in infrastructure incentives and the request aligns with the City's incentive policy. Mr. Randall also presented a map showing the proposed location of the development.

There being no discussion, Commissioner Calderón moved to approve Resolution No. 7673 as presented. Commissioner Mills seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Gerth yes, Cobb yes. The motion carried. A copy of the resolution and supporting documentation are attached.

COMMENTS BY CITY COMMISSIONERS, CITY MANAGER

Mr. Gomez expressed his gratitude to Ms. Evelyn Nunez for her dedication and passion in organizing the community clean-up events. He stated that three scheduled clean-up days offer a valuable opportunity for residents to make a meaningful difference in the community and to demonstrate pride in the City of Hobbs.

Mr. Gomez also reminded the public about the upcoming Dog Daze event, hosted by the Recreation Department. The event will take place on Saturday, September 6, 2025, from 1:00 to 3:00 p.m. at Del Norte Pool, immediately following the first community clean-up of the month. He encouraged residents to volunteer in the morning clean-up and then head to the pool to cool off and enjoy the fun at Dog Daze.

Commissioner Fields shared his positive experience at the recent Hobbs August Nites event held over the past weekend. He said he thoroughly enjoyed seeing the community come together, with residents having a great time and enjoying themselves in the City of Hobbs. He also took a moment to thank the Hobbs Fire Department for their continued hard work and dedication, especially in actively seeking and pursuing grant opportunities that support the department's mission and enhance public safety.

Mayor Cobb expressed his hope that everyone had a wonderful Labor Day weekend and extended his well wishes for safe travels to those who will be traveling in the upcoming weekend.

ADJOURNMENT

There being no further business or comments, Commissioner Calderón moved that the meeting adjourn. Commissioner Gerth seconded the motion and the vote was recorded as follows: Smith yes, Mills yes, Calderón yes, Fields 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

Office of the Mayor
Hobbs, New Mexico

PROCLAMATION

WHEREAS, the City of Hobbs recognizes the indispensable role of the Information Technology Department in maintaining the digital infrastructure that supports our municipal operations, public services, and community engagement; and

WHEREAS, our dedicated IT team works diligently behind the scenes to ensure the security, reliability, and efficiency of systems that serve our residents from emergency communications and public safety networks to administrative platforms and citizen services; and

WHEREAS, our IT professionals demonstrate exceptional dedication, often working beyond regular hours to resolve issues, implement innovations, and safeguard sensitive data, all while adapting to the ever-evolving landscape of technology; and

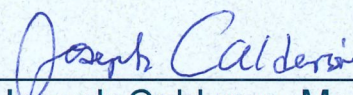
WHEREAS, National IT Professionals Day, observed annually on the third Tuesday of September, provides a meaningful opportunity to honor the contributions of these unsung champions of technology who keep our city connected and protected;

NOW, THEREFORE, I, Joseph Calderon, Mayor Pro Tem of the City of Hobbs, New Mexico, do hereby proclaim Tuesday, September 16, 2025, as

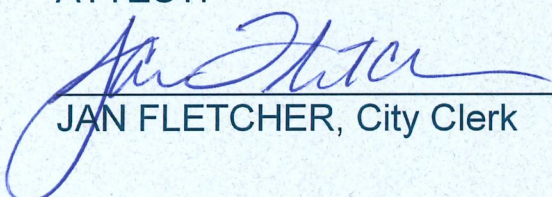
“NATIONAL IT PROFESSIONALS DAY”

in the City of Hobbs, New Mexico, and encourage all residents and city departments to join in expressing appreciation for the skill, service, and innovation of our IT professionals.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Hobbs to be affixed this **15th day of September, 2025**.


Joseph Calderon, Mayor Pro Tem

ATTEST:


JAN FLETCHER, City Clerk



Office of the Mayor
Hobbs, New Mexico

PROCLAMATION

WHEREAS, Human Resources professionals play a vital role in every organization by recruiting and retaining top talent, cultivating inclusive and respectful workplaces, managing employee relations, and ensuring compliance with ever-evolving labor laws; and

WHEREAS, HR professionals are instrumental in shaping workplace culture, supporting leadership development, promoting employee well-being, and driving strategic organizational success through people-first policies and practices; and

WHEREAS, the work of HR is often done behind the scenes, yet it is essential to the growth, morale, and performance of every team member across departments and industries; and

WHEREAS, in an era of rapid change and growing workplace complexity, the dedication and adaptability of HR professionals have never been more important; and

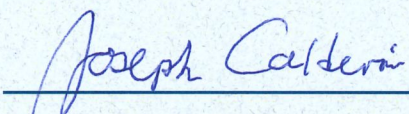
WHEREAS, it is fitting that we take this opportunity to recognize and celebrate the contributions of HR professionals who serve with integrity, compassion, and professionalism;

NOW, THEREFORE, I, Joseph Calderon, Mayor Pro Tem of the City of Hobbs, New Mexico, do hereby proclaim **Friday, September 26, 2025**, as

“HUMAN RESOURCES DAY”

and encourage all employees, leaders, and community members to recognize the critical role HR Professionals play in supporting the success and well-being of our workforce and to express appreciation for their commitment, service, and leadership.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the seal of the City of Hobbs to be affixed this **15th day of September, 2025**.


JOSEPH CALDERON, Mayor Pro Tem

ATTEST:


JAN FLETCHER, City Clerk



September Milestones 2025

5 Years

Luis Espinoza	Police Service Aide	09/08/2020
Meghan Van Ham	Crime Scene Tech	09/14/2020

10 Years

Carri Downing	EMT Superintendent	09/04/2015
David Torres	Police Sergeant	09/23/2015



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
September 15, 2025

SUBJECT: Resolution No. 7674 - Authorizing the Mayor to Execute a Grant Agreement Amendment No. 2 with the State of New Mexico Department of Transportation for CN: LP20037

DEPT OF ORIGIN: Engineering

DATE SUBMITTED: 9/4/2025

SUBMITTED BY: Anthony Henry, City Engineer

Summary:

A grant application to NMDOT was submitted on April 4, 2022. The City executed the grant agreement in November 2022 for \$1,000,000 (\$950,000 NMDOT / \$50,000 City Match) for SR 208, Navajo & SR 218 Improvements-Roadway Maintenance Chip Sealing and striping SR 208 (US62/180 to SR 18), Navajo (Grimes St. to US 62/180), and SR 218 (E. Bender) work to include signage, pavement markings, and signal improvements.

The grant agreement will expire on December 31, 2025, and attached is a resolution for Amendment No. 2 to the grant agreement to extend the termination to December 31, 2026. Staff anticipates utilizing an existing CES or Statewide Price Agreement to complete this maintenance work during the summer of 2026, depending on contractor availability.

Fiscal Impact:

Grant Amount:	\$1,000,000
Local Match:	\$50,000
State Match:	\$950,000
Budget Line:	48-4048-44901-00358
Budget Available:	\$1,200,000

Attachments:

Hobbs- LP20037 Grant Agreement 2- Reso
LP20037 City of Hobbs_2nd amendment

Recommendation:

Consider and approve the Resolution for the Mayor to execute resolution and grant amendment

Approved By:

Anthony Henry, City Engineer

09/04/2025

Toby Spears, Finance Director	09/04/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	09/04/2025
Manny Gomez, City Manager	09/05/2025

CITY OF HOBBS

RESOLUTION NO. 7674

**A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A
GRANT AGREEMENT AMENDMENT NO. 2 WITH THE STATE OF NEW MEXICO
DEPARTMENT OF TRANSPORTATION FOR CN: LP20037**

BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be and hereby is, authorized and directed to execute on behalf of the City of Hobbs Grant Agreement Amendment No. 2 with the State of New Mexico Department of Transportation for Control No. LP20037; in the amount of **\$1,000,000.00 (95%/5% share)** and any certification or supporting documentation for the implementation of the grant agreement requirements. The scope of the work includes surface treatment, striping, signage replacement and traffic signal equipment replacement along SR208 (West County Rd.), Navajo Rd. and SR218 (East Bender). The Grant Agreement Amendment No. 2 revises the expiration of the grant to December 31, 2026. A copy of the Grant Agreement Amendment No. 2 is attached hereto and made a part hereof by reference.

PASSED, ADOPTED AND APPROVED this 18th day of September, 2025.

JOSEPH D. CALDERÓN, Mayor Pro Tem

ATTEST:

JAN FLETCHER, City Clerk

Contract No.	
Vendor No.	0000054339
Control No.	LP20037

SECOND AMENDMENT TO TRANSPORTATION PROJECT FUND

This Amendment is to the Agreement entered into between the New Mexico Department of Transportation (Department) and the City of Hobbs (Public Entity). This Amendment is effective as of the date of the last party to sign on the signature page.

RECITALS

Whereas, the Department and the Public Entity entered into an Agreement, Contract No. D19658 , on 12/5/2022 and,

Whereas, Section 19 allows for modification of the Agreement by an instrument in writing executed by the parties; and,

Whereas, the Department and the Public Entity want to extend the term of the Agreement to allow for Project completion; and,

Whereas, the parties agree to modify this Agreement.

Now, therefore, the Department and the Public Entity agree as follows:

1. Section 6 Term, is deleted and replaced by the following:

6. Term

This Agreement becomes effective upon signature of all parties. The effective date is the date when the last party signed the Agreement on the signature page below. This Agreement terminates on the earliest of the following dates: (a) Department receipt of the Certification of Completion or (b) **December 31, 2026**. In the event an extension to the term is needed, the Public Entity shall provide written notice along with detailed justification to the Department sixty (60) days prior to the expiration date to ensure timely processing of an Amendment. Neither party shall have any obligation after said date except as stated in Sections 2e, 4l, 4n and 7.

All other obligations set forth in the Original Agreement shall remain in full force and effect unless expressly amended or modified by this Amendment.

Witness Whereof, each party is signing this Agreement on the date stated opposite that party's signature.

New Mexico Department of Transportation

By: _____
Cabinet Secretary or Designee

Date: _____

Approved as to form and legal sufficiency by the New Mexico Department of Transportation's Office of General Counsel

By: _____
Assistant General Counsel

Date: _____

City of Hobbs

By: _____

Date: _____

Name: _____

Title: _____

ATTEST:

By: _____
City of Hobbs Clerk

Date: _____



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
September 15, 2025

SUBJECT: PUBLIC HEARING: Resolution No. 7675 - Regarding the Transfer of Location of Restaurant "A" Liquor License No. RES-000180 Owned by Kui Liu, LLC, d/b/a Kobe Japanese Steakhouse & Sushi Bar from 915 East Bender Blvd. to 1015 Joe Harvey Blvd. in Hobbs, New Mexico

DEPT OF ORIGIN: City Clerk
DATE SUBMITTED: 9/5/2025
SUBMITTED BY: Jan Fletcher, City Clerk

Summary:

Kui Liu, LLC, currently d/b/a as Tokyo Japanese Steak House & Sushi Bar, has applied to the State of New Mexico Regulation and Licensing Department (NMRLD), Alcoholic Beverage Control Division, and received preliminary approval for the transfer of location of Restaurant "A" Liquor License No. RES-000180 from 915 East Bender Blvd. to 1015 Joe Harvey Blvd, Hobbs, New Mexico, for the sale of beer and wine. The applicant's proposed DBA name will be Kobe Japanese Steakhouse & Sushi Bar. The application was received by the City Clerk's Office on August 11, 2025, and a public hearing must be held by the City within forty-five (45) days from receipt of such notice. The City has duly published notice of the hearing in the *Hobbs News-Sun* and properly notified the applicant of this hearing by email and certified mail.

Fiscal Impact:

The applicant has paid the required \$250.00 administrative fee to the City for processing this application.

Attachments:

Resolution - Kui Liu LLC dba Kobe Japanese Steakhouse
Application Packet - Kobe Japanese Steakhouse
Affidavit of Publication - Kobe Japanese Steakhouse
Kobe Japanese Steakhouse Buffer Map for 1015 W Joe Harvey Blvd Rev0 (8-20-25)

Recommendation:

Motion to approve the resolution.

Approved By:

Jan Fletcher, City Clerk

09/05/2025

Toby Spears, Finance Director	09/08/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	09/08/2025
Manny Gomez, City Manager	09/08/2025

CITY OF HOBBS

RESOLUTION NO. 7675

A RESOLUTION REGARDING THE TRANSFER OF LOCATION OF
RESTAURANT "A" LIQUOR LICENSE NO. RES-000180
OWNED BY KUI LIU, LLC, D/B/A KOBE JAPANESE STEAKHOUSE & SUSHI BAR
FROM 915 EAST BENDER BLVD. TO 1015 JOE HARVEY BLVD. IN HOBBS, NEW MEXICO

WHEREAS, the City of Hobbs has received the following application for transfer of location of Liquor License No. RES-000180:

Owner of Existing License:	KUI LIU, LLC
Current D/B/A Name:	Tokyo Japanese Steak House & Sushi Bar
Premises Address:	915 East Bender Blvd. Hobbs, NM 88240

Applicant Name:	KUI LIU, LLC
Applicant D/B/A Name:	Kobe Japanese Steakhouse & Sushi Bar
Premises Address:	1015 Joe Harvey Blvd. Hobbs, NM 88240

WHEREAS, the State of New Mexico Regulation and Licensing Department, Alcoholic Beverage Control, has granted preliminary approval to the application for transfer of location of the restaurant liquor license as requested and a duly advertised public hearing is being held by the governing body of the City of Hobbs on September 15, 2025, on the question of whether or not the proposed transfer of location of the license should be granted.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the transfer of location of Liquor License No. RES-000180 from Kui Liu, LLC, d/b/a Tokyo Japanese Steak House & Sushi Bar, 915 East Bender Blvd., to Kui Liu, LLC, d/b/a Kobe Japanese Steakhouse & Sushi Bar, 1015 Joe Harvey Blvd., Hobbs, New Mexico, be and is hereby _____ (approved or disapproved).

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

JOSEPH D. CALDERÓN, Mayor Pro Tem

ATTEST:

JAN FLETCHER, City Clerk

August 6, 2025

Certified Mail No.: 7021 2720 0001 2204 5739

City of Hobbs

Attn: Jan Fletcher
200 East Broadway
Hobbs, NM 88240

RECEIVED

AUG 11 2025

OFFICE OF THE CITY CLERK
HOBBS, NEW MEXICO

Lic. No. /Appl. No.: License No. RES-000180 | BLA-10151

Name of Applicant: Kui Liu, LLC

Doing Business As: Kobe Japanese Steakhouse & Sushi Bar

Proposed Location: 1015 S. Joe Harvey Blvd., Hobbs, New Mexico 88240

The Director of the Alcoholic Beverage Control Division (ABC) has reviewed the referenced Application and granted **Preliminary Approval**. It is being forwarded to you for Local Option District approval or disapproval of the Liquor License Application.

Notice of the Public Hearing required by the Liquor Control Act **shall be given by the governing body by publishing a notice** of the date, time, and place of the hearing **twice during the 30 days prior to the hearing** in a newspaper of general circulation within the territorial limits of the governing body. **The first notice must be published at least thirty (30) days before the hearing. Both publications must occur before a hearing can be conducted.** The notice shall include:

- (A) Name and address of the Applicant/Licensee;
- (B) The action proposed to be taken;
- (C) The location of the licensed premises.

In addition, if the Local Option District has a website, **the Notice shall also be published on the website.**

While the law states that “within forty-five (45) days after receipt of a Notice from the Alcoholic Beverage Control, the governing body shall hold a Public Hearing in the question of whether the department should approve the proposed issuance or transfer”, we recognize the potential for conflict between the requirement for publication of 30 day notice and the 45 day hearing requirement.

With that in mind, when a local governing body receives a liquor license application from ABC, that governing body has a couple of options:

- 1) Hold a hearing on the license application within the statutory time frame of forty-five (45) days, as required by the Liquor Control Act, and comply with all other statutory and regulatory procedures and notify ABC of your decision within thirty (30) days of the hearing;
- 2) Request from ABC an extension of time, past the forty-five (45) days, designating how much additional time will be needed to conduct the hearing in compliance with all statutory and regulatory procedures. After the extension is granted and the hearing is held, notify ABC of your decision within thirty (30) days of the hearing;

ABC has no preference in the option you choose.

The governing body is required to send notice by certified mail to the Applicant of the date, time, and place of the Public Hearing. The governing body may designate a Hearing Officer to conduct the hearing. **A record shall be made** of the hearing.

THE APPLICANT IS SEEKING A TRANSFER OF LOCATION OF RESTAURANT LIQUOR LICENSE NO. RES-000180 WITH ON PREMISES CONSUMPTION ONLY

Within thirty (30) days after the Public Hearing, the governing body shall notify ABC of their decision to approve or disapprove the issuance or transfer of the license by signing the enclosed original Page 1 of the Application. The original Page 1 of the Application must be returned together with the notices of publication. **If the Governing Body fails to either approve or disapprove the issuance or transfer of the license within thirty days after the Public Hearing, the Director may issue the license.**

If the Governing Body disapproves the issuance or transfer of the license, it shall notify ABC within thirty (30) days setting forth the reasons for the disapproval. A copy of the Minutes of the Public Hearing shall be submitted to ABC with the Notice of Disapproval (*Page 1 of the Application, noting disapproval*).

Respectfully,



Charmaine Martinez

Admin Law Judge | Hearing Officer

NM Regulation & Licensing Department

Alcoholic Beverage Control Division

Phone: (505) 795-4942 Fax: (505) 476-4595

Email: Charmaine.Martinez2@rld.nm.gov

Enclosures:

1. Page 1 – Business Information (*must be signed and returned w/notices of publication*)
2. Page 2 and 3 – Premises Information
3. Copy of the Zoning Statement
4. Copy of the Floor Plan



Alcoholic Beverage Control Division
Alcohol Location Transfer Intake Application
Application Number: BLA-0000010151



Business Information

Business Information

Business Name: KUI LIU, LLC
Business Structure: Limited Liability Company
State Tax ID Number: XX-XXXXX1-00-8
Business Email: 736774244@qq.com

Type of Business: Alcohol
FEIN: XX-XXX8500

Business Phone: 8064413785

Contact Person Information

Contact Person Name: Jerry Liu
Contact Person Email: jerryliu812@gmail.com

Contact Person Phone: 3255138686

Business Mailing Address

Mailing Street: 530 E Zia Dr
Mailing State: NM
Mailing Country: US

Mailing City: Hobbs
Mailing Zip Code: 88240

Local Option District Use Only: Local Governing Body of _____ City, County, Village

Public Hearing held on _____ 20_____. Please check one: ☐ Approved ☐ Disapproved

Signature of City/County Official: _____ Title: _____

Alcoholic Beverage Control Division Use Only: ☐ Approved ☐ Disapproved _____

Signed by Director: _____ Date: _____



Alcoholic Beverage Control Division
Alcohol Location Transfer Intake Application
Application Number: BLA-0000010151



Premises Information

License Information

License Number: RES-000180	License Type: Restaurant A
License Expiration Date: 10/31/25	Current License Owner: KUI LIU, LLC
Current DBA Name: TOKYO JAPANESE STEAK HOUSE & SUSHI BAR	Current Lessee:

Current Premises Address

Physical Street: 915 EAST BENDER	Physical City: Hobbs
Physical State: NM	Physical Zip Code: 88240
Physical County: Lea	Local Option District: Hobbs

Proposed DBA Name

Do you want to change the license DBA Name? Yes
Requested DBA Name: Kobe Japanese Steakhouse & Sushi Bar

Proposed Premises Physical Address

Physical Street: 1015 Joe Harvey Blvd	Physical City: Hobbs
Physical Zip Code: 88240	Physical State: New Mexico
Physical County: Lea	

Ownership

The land and building which is proposed to be the licensed premises is: Owned by Applicant
The following information is required to ensure the issuance of a license to this location will not result in the violation of a county or municipal ordinance.

Zoning

Is the proposed premises location zoned? No
You will be required to upload "Copy of Zoning Statement" issued by the local municipality or county. If not applicable, you will be required to upload "Copy of Zoning Statement" or Letter from local government to indicate that there is no zoning for the proposed location.

Distance from nearest School

Name of School: Stone Elementary School	School Street: 1015 W Calle Sur St
School City: Hobbs	School State: New Mexico
School Zip Code: 88240	School Country: United States
School Distance (in feet): More than 1000	

Specify the shortest direct line distance from the nearest point of the proposed premises to the nearest point of the property line of the school.



Alcoholic Beverage Control Division
Alcohol Location Transfer Intake Application
Application Number: BLA-0000010151



Distance from nearest Church

Name of Church: The Church of Jesus Christ of Latter-day Saints Church Street: 3720 N Grimes St
Church City: Hobbs Church State: New Mexico
Church Zip Code: 88240 Church Country: United States
Church Distance (in feet): More than 1000

Specify the shortest direct line distance from the nearest point of the proposed premises to the nearest point of the property line of the church.

Premises Information 2

Please specify the appropriate option for the premises that you have specified in the application?

- ☒ A license has never been issued to the location of the proposed premises.
- ☐ A license was once issued to the location of the proposed premises but is no longer being operated at the location.
- ☐ Alcohol operations are currently being performed at the proposed premises by the applicant business.
- ☐ Alcohol operations are currently being performed at the proposed premises by a business other than the applicant business.

Questions

Has the applicant business ever had a liquor license denied, suspended, revoked, surrendered, or had any other form of discipline or disciplinary action by a licensing agency in another state or jurisdiction?	No
Has the structure and/or ownership disclosure for the applicant business changed since last reported to the department?	No
Does the applicant business own any (direct/indirect) interest in a liquor license?	No



Alcoholic Beverage Control Division
Alcohol Location Transfer Intake Application
Application Number: BLA-0000010151



Payment

Fee Name	Fee Amount
Transfer of Location	200.00
Total Fee Amount:	200.00

Attestation/Oath

Under penalty of perjury, I hereby depose and state that I am the person identified in this application and the information given by me is true and complete to the best of my knowledge and belief. I understand that any information contained in this application may be investigated and any false or dishonest answer to any question in this application may be grounds for denial or revocation of my license.

Attestation Signature: Kevin Liu

Date: 05/10/2025



January 8, 2025

**Jerry Liu
Kobe Japanese Steakhouse
1015 Joe Harvey Blvd
Hobbs, NM 88240**

**RE: Zoning Certification for Kobe Japanese Steakhouse located at 1015 Joe Harvey Blvd,
Hobbs, NM 88240.**

Dear Jerry Liu,

Pursuant to your request for a Restaurant establishment (Kobe Japanese Steakhouse) located 1015 Joe Harvey Blvd in Hobbs, NM 88240, please be advised that the City of Hobbs has not adopted a zoning ordinance to regulate land uses and locations of different types of development or specific business uses throughout the City. Consequently, the City of Hobbs has no current regulations which govern zoning districts and/or land uses, use of buildings, or use of vacant land. Therefore, the current land use as referred to herein, including a Restaurant establishment (Kobe Japanese Steakhouse) located 1015 Joe Harvey Blvd in Hobbs, NM 88240 is considered a use by right as of this date of January 8, 2025. The proposed use is in conformance with applicable zoning law as of this date.

Please note that the City does have a Major Thoroughfare Plan, Subdivision Regulations, Flood Zone, Fire Zone, Landscaping Regulations, Building Code, Business Registration, Liquor License, Cannabis License and other development regulations that must be followed for improvements and changes in building occupancy types, including building setback requirements. This letter is in regards to that portion of the above referenced real property that exists within the corporate limits of the City of Hobbs, NM on January 8, 2025.

If you have any questions or need further information, please contact me at (575) 397-9232.

Sincerely,

CITY OF HOBBS, NEW MEXICO

Kristalyn Seepersad
Digitally signed by Kristalyn Seepersad
DN: C=US, E=kristalyn.seepersad@hobbsnm.org,
O=City of Hobbs, OU=Planning Department,
CN=Kristalyn Seepersad
Date: 2025.01.08 11:30:49-07'00'

Kristalyn Seepersad – Planning Department



Joe Harvey Blvd

54 ft

32 ft BREEZE WAY

VESTIBULE

FOYER

WINE STOR

DINING-1

Access Road

96 ft

WAITER STATION

SUSHI BAR

BAR

DINING-2

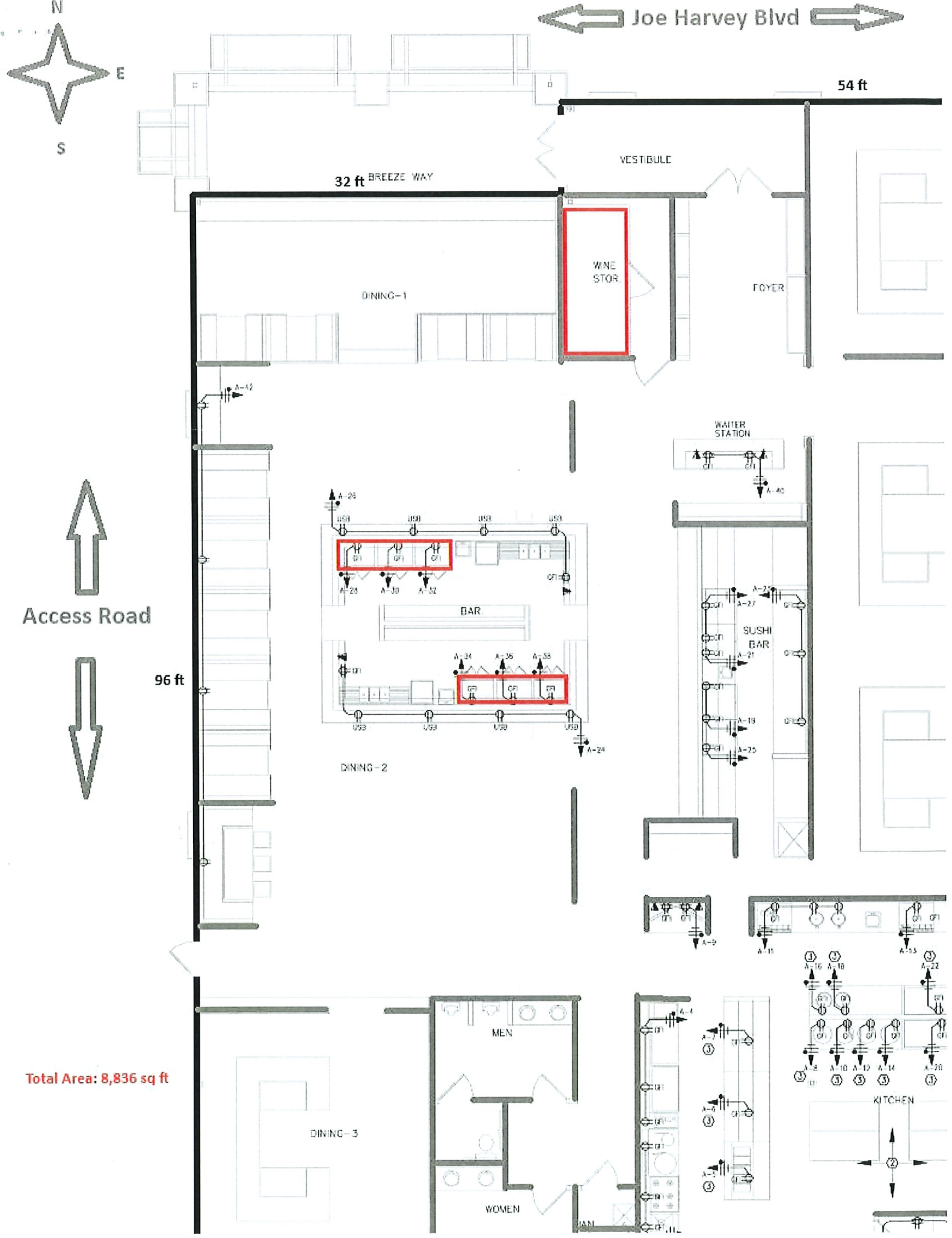
MEN

WOMEN

DINING-3

KITCHEN

Total Area: 8,836 sq ft



Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 2 issue(s).

Beginning with the issue dated
August 14, 2025
and ending with the issue dated
August 28, 2025.



Publisher

Sworn and subscribed to before me this
28th day of August 2025.



Business Manager

My commission expires
January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL	LEGAL
LEGAL NOTICE August 14 and 28, 2025	
NOTICE OF PUBLIC HEARING	
NOTICE is hereby given that the City Commission of the City of Hobbs, New Mexico, will hold a public hearing on Monday, September 15, 2025, at 6:00 p.m. , in the City Commission Chamber at City Hall, First Floor Annex, 200 East Broadway, Hobbs, New Mexico. The purpose of the hearing will be to consider whether the State of New Mexico Regulation and Licensing Department, Alcohol Beverage Control Division, should approve or disapprove the following liquor license application. Protests and objections may be made by any interested persons at the time, date and place of hearing.	
NOTICE TO PERSONS WITH DISABILITIES: If you have a disability and require special assistance to participate in the hearing, please contact Jan Fletcher at least three days before the hearing date at (575) 397-9207.	
APPLICATION FOR TRANSFER OF LOCATION OF RESTAURANT "A" LICENSE NO. RES-000180 FOR THE SALE OF BEER AND WINE	
Current DBA Name: Tokyo Japanese Steak House & Sushi Bar	
Current Owner: Kui Liu, LLC	
Current Address: 915 East Bender Blvd., Hobbs, NM	
Proposed DBA Name: Kobe Japanese Steakhouse & Sushi Bar	
Proposed Address: 1015 Joe Harvey Blvd., Hobbs, NM	
DATED this 12th day of August, 2025.	
/s/ Sam D. Cobb SAM D. COBB, Mayor	
#00303522	

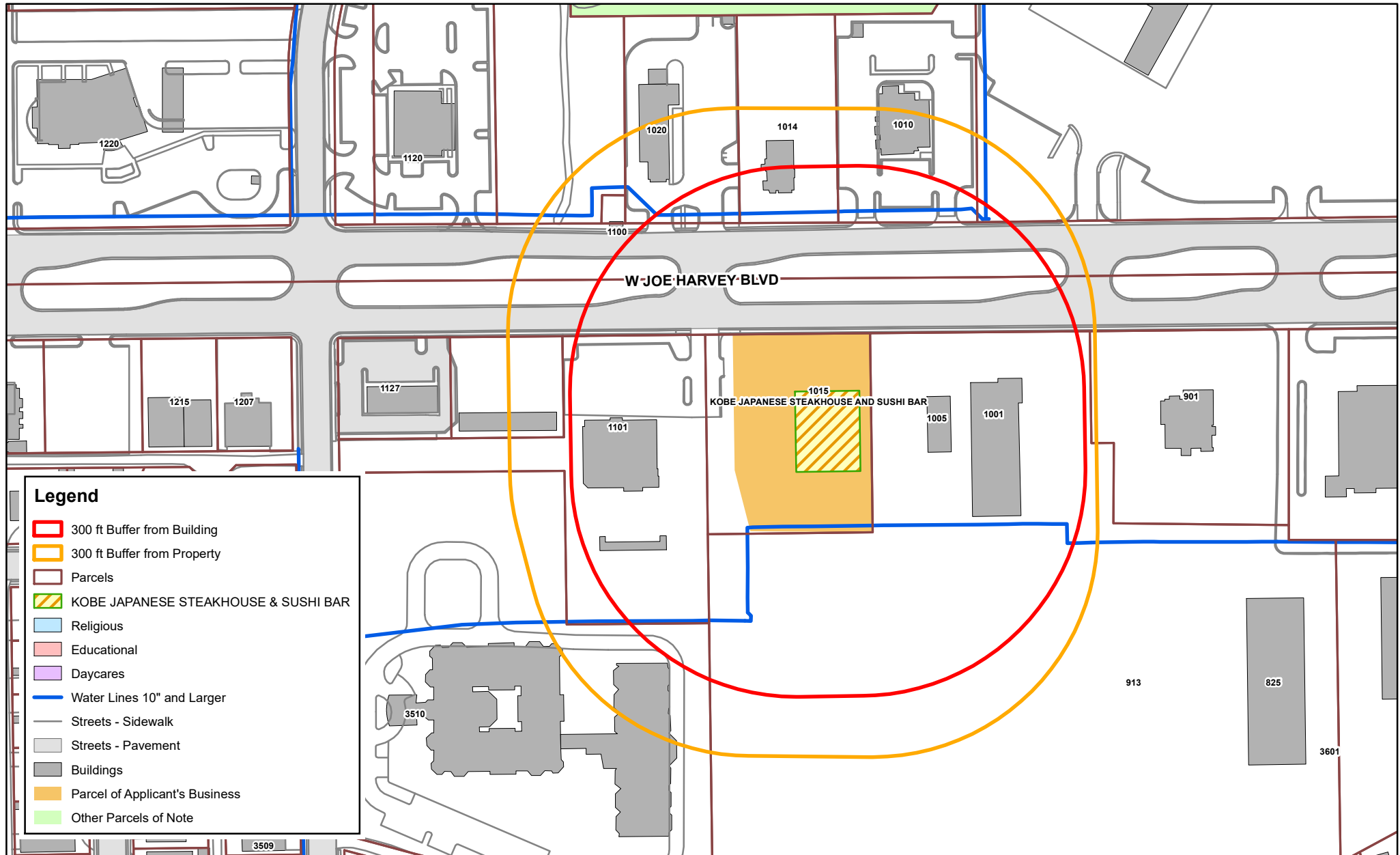
67108146

00303522

CITY OF HOBBS FINANCE DEPT
200 E. BROADWAY ST
HOBBS, NM 88240

Kobe Japanese Steakhouse & Sushi Bar

300 ft Buffer Zone Map for Liquor License for 1015 W. Joe Harvey Blvd.



0 87.5 175 350 525 Feet

City of Hobbs GIS Division

SY

Date: 8/20/2025

1 inch = 175 feet

Time: 4:58:50 PM

DISCLAIMER: THE CITY OF HOBBS MAKES NO WARRANTY, REPRESENTATION OR GUARANTEE OF ANY KIND REGARDING ANY GIS DATA PROVIDED HEREIN OR THE SOURCES OF SUCH DATA. THE CITY OF HOBBS SPECIFICALLY DISCLAIMS ALL REPRESENTATIONS OR WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. DATA CONTAINED WITHIN THIS PRODUCT IS PROVIDED BY THE CITY OF HOBBS FOR INFORMATIONAL PURPOSES ONLY AND NOT IN COMPLIANCE WITH ANY LEGAL REQUIRED SURVEYING STANDARD.



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
September 15, 2025


SUBJECT: Resolution No. 7676 - Authorizing the City of Hobbs to Submit a Grant Application to the State of New Mexico, Department of Transportation, for the Hobbs Express Public Transportation Program for FY 26-27 Under Section 5311 of the Federal Transit Act

DEPT OF ORIGIN: City Clerk
DATE SUBMITTED: 9/2/2025
SUBMITTED BY: Jan Fletcher, City Clerk

Summary:

The City of Hobbs operates the Hobbs Express Public Transportation Program under a Section 5311 Grant through the Federal Transit Act (FTA) administered by the New Mexico Department of Transportation (NMDOT), Transit and Rail Division. The program has been in continuous operation by the City under this format since 1989. The annual grant application requires that each applicant submit a resolution of support from the municipality served by the project which is attached for consideration by the Commission.

This is a formulary grant for Federal FY 26-27 and the grant application is summarized as follows:



	Total	Federal Share	Local Share
Administrative (80/20)	\$110,550.00	\$88,440.00	\$22,110.00
Operating (50/50)	\$1,327,050.00	\$663,525.00	\$663,525.00
Capital (80/20)	\$250,000.00	\$200,000.00	\$50,000.00
TOTAL	\$1,687,600.00	\$951,965.00	\$735,635.00

Fiscal Impact:

The City's portion of the funding is provided by the City's General Fund. Fares are being charged to all riders. Upon approval of the grant application by the NMDOT, a project agreement will be presented to the Commission for formal consideration at a later date.

Attachments:

Resolution - Hobbs Express Grant Application 26-27
FY 26-27 Grant Summary
Letters of Support

Recommendation:

Motion to approve the resolution.

Approved By:

Jan Fletcher, City Clerk	09/05/2025
Toby Spears, Finance Director	09/08/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	09/08/2025
Manny Gomez, City Manager	09/08/2025

CITY OF HOBBS

RESOLUTION NO. 7676

A RESOLUTION AUTHORIZING THE CITY OF HOBBS
TO SUBMIT A GRANT APPLICATION TO THE STATE OF NEW MEXICO,
DEPARTMENT OF TRANSPORTATION, FOR THE
HOBBS EXPRESS PUBLIC TRANSPORTATION PROGRAM
FOR FY 26-27 UNDER SECTION 5311 OF THE FEDERAL TRANSIT ACT

WHEREAS, the City of Hobbs seeks to continue to offer public transportation to residents and visitors in the City of Hobbs; and

WHEREAS, the State of New Mexico, under Section 5311 of the Federal Transit Act, is requesting applications for grant funding to assist local communities with public transportation needs; and

WHEREAS, the City of Hobbs hereby acknowledges and supports submission of an application for FTA Section 5311 Rural Transportation Grant Funding which provides funding to offset the administrative, operating and capital costs of operating public transportation services in rural areas; and

WHEREAS, the City of Hobbs continues to support the transit program and commits to provide the minimum required local matching funds in the proposed amount of **\$735,635.00**.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the City Manager be, and he hereby is, authorized and directed to take all necessary and appropriate action to effectuate this resolution and specifically to submit a grant application for FTA Section 5311 Rural Transportation Grant Funding for FY 26-27 to the State of New Mexico, Department of Transportation, for operation of the Hobbs Express public transportation program.

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

JOSEPH D. CALDERÓN, Mayor Pro Tem

ATTEST:

JAN FLETCHER, City Clerk

Project(s)

Attach

Description	Line Item	Year	Description	Stimulus	Net Project Cost
Remove	111204	2027	Buy Replacement < 30 Ft Bus (80/20).		\$250,000.00
Remove	117900	2027	Project Administration - Project Administration		\$110,550.00
Remove	300901	2027	Operating Assistance up to 50% Federal Share-Rural		\$1,327,050.00

Budget Request Summary

Budget Category	Net Project Cost	Total FTA Portion of Net Project Cost (max. allowed)	Total Minimum Required Local Match	Additional Local Funds
Administration Less 20.00% Local Match	\$110,550.00	\$88,440.00	\$22,110.00	\$0.00
Capital Less 20.00% Local Match	\$250,000.00	\$200,000.00	\$50,000.00	\$0.00
Operating Less 50.00% Local Match	\$1,327,050.00	\$663,525.00	\$663,525.00	\$0.00
Total	\$1,687,600.00	\$951,965.00	\$735,635.00	\$0.00

Budget Summary

Expense**Capital Expenses**

3-01-00 Capital Cost \$250,000.00

Communications

1-03-05 Fax Machine \$0.00
 1-03-10 Internet Subscriber Services \$0.00
 1-03-15 Postage \$0.00
 1-03-20 Telephone \$0.00
 1-03-25 Cell Phone \$0.00
 1-03-30 Radio \$0.00
 1-03-35 Repeater Fees \$0.00
 1-03-95 Other \$0.00
 2-03-05 Cell Phone \$4,800.00
 2-03-10 Telephone \$8,000.00

2-03-15	Radio Repeater	\$0.00
2-03-20	Mobile Radio	\$3,000.00
2-03-25	Radio	\$0.00
2-03-95	Other	\$0.00

Contractual Services

1-04-05	Audit	\$0.00
1-04-10	Advertising	\$18,000.00
1-04-15	Equipment Rental/Lease	\$0.00
1-04-20	Contractual Services - Other	\$0.00
1-04-25	Contractual Services - Janitorial	\$0.00
1-04-26	Temporary Employment Services	\$0.00
1-04-27	Accounting	\$0.00
1-04-28	Consulting Services	\$0.00
1-04-30	Indirect Costs	\$0.00
1-04-95	Other	\$0.00
2-04-05	Maintenance - Machinery	\$0.00
2-04-06	Maintenance - Equipment	\$0.00
2-04-10	Equipment Rental/Lease	\$0.00
2-04-15	Contractual Services - Other	\$19,000.00
2-04-20	Transit Services	\$0.00
2-04-25	Software Lease	\$0.00
2-04-30	Indirect Cost Rate	\$0.00
2-04-95	Other	\$0.00

Dues and Subscriptions

1-05-05	NMTA	\$500.00
1-05-10	SWTA	\$350.00
1-05-15	Transit Publications	\$0.00
1-05-20	CTAA	\$650.00
1-05-21	Business Registration Fees	\$0.00
1-05-95	Other	\$0.00

Equipment

1-06-10	Equipment Repair	\$0.00
---------	------------------	--------

1-06-15	Computer Purchase	\$0.00
1-06-20	Software Purchase	\$0.00
1-06-25	Software Lease	\$0.00
1-06-95	Other	\$0.00
2-05-10	Assigned Vehicle Use	\$0.00
2-05-25	Equipment Repair	\$0.00
2-05-95	Other	\$0.00

Fringe Benefits

1-02-05	FICA	\$3,500.00
1-02-10	PERA Retirement	\$4,100.00
1-02-15	Health Insurance	\$8,000.00
1-02-20	Unemployment Insurance	\$0.00
1-02-25	Workmen's Compensation	\$0.00
1-02-30	Other Fringe Benefits	\$0.00
1-02-95	Other	\$450.00
2-02-05	FICA	\$47,000.00
2-02-10	PERA Retirement	\$80,000.00
2-02-15	Health Insurance	\$185,000.00
2-02-20	Unemployment Insurance	\$0.00
2-02-25	Worker's Compensation	\$25,000.00
2-02-95	Other	\$70,000.00

Insurance

1-07-05	Buildings and Contents	\$3,000.00
1-07-10	General & Employee Liability Insurance	\$0.00
1-07-15	Surety and Fidelity Bonds	\$0.00
1-07-20	Claims Deductible	\$0.00
1-07-25	Vehicle Insurance	\$9,000.00
1-07-95	Other	\$0.00

Occupancy Costs

1-08-05	Office Rent	\$0.00
1-08-10	Utilities	\$0.00
1-08-20	Building Maintenance	\$0.00

1-08-95	Other	\$0.00
2-06-05	Building Maintenance	\$5,000.00
2-06-10	Operational Rent	\$0.00
2-06-15	Utilities	\$20,000.00
2-06-20	Building Insurance	\$6,500.00
2-06-25	Building and Grounds	\$6,000.00
2-06-30	Pest Control	\$0.00
2-06-35	Landscaping services	\$0.00
2-06-95	Other	\$0.00

Personnel Costs

1-09-10	Physicals	\$0.00
1-09-12	Drug Screens	\$0.00
1-09-15	Vaccinations	\$0.00
1-09-95	Other	\$0.00
2-07-03	Uniform Laundry Services	\$0.00
2-07-05	Uniform Purchase	\$7,000.00
2-07-06	Background Checks	\$0.00
2-07-10	Vaccinations	\$0.00
2-07-12	Drug Screens	\$0.00
2-07-15	Physicals	\$0.00
2-07-95	Other	\$0.00

Printing/Copying Costs

1-10-05	Printing	\$3,000.00
1-10-10	Copying	\$1,500.00
1-10-95	Other	\$0.00

Salaries and Wages

1-01-05	Director	\$55,000.00
1-01-10	Managers	\$0.00
1-01-12	Financial Manager	\$0.00
1-01-15	Clerical Support Staff	\$0.00
1-01-20	Accounting Staff	\$0.00
1-01-25	Administrative Assistant	\$0.00

1-01-30	Village Administrator	\$0.00
1-01-35	CFO	\$0.00
1-01-40	Salary Adjustments	\$0.00
1-01-45	Chief Executive Officer	\$0.00
1-01-50	Transportation Coordinator	\$0.00
1-01-55	Public Works Director	\$0.00
1-01-60	Janitor	\$0.00
1-01-65	Temporary	\$0.00
1-01-95	Other	\$0.00
2-01-05	Supervisor	\$90,000.00
2-01-10	Drivers	\$525,000.00
2-01-15	Mechanics	\$0.00
2-01-20	Dispatcher	\$42,000.00
2-01-25	Janitor	\$0.00
2-01-30	Salary Adjustment	\$0.00
2-01-35	Overtime	\$0.00
2-01-40	Mechanic Supervisor	\$0.00
2-01-45	Auto Parts Clerk	\$0.00
2-01-50	Maintainer	\$0.00
2-01-55	Accountant	\$0.00
2-01-60	Laborer	\$0.00
2-01-95	Other	\$0.00

Supplies

1-11-05	Office Supplies	\$2,000.00
1-11-10	Furniture under \$1,000	\$0.00
1-11-12	Equipment under \$1,000	\$0.00
1-11-20	Janitorial Supplies	\$0.00
1-11-95	Other	\$0.00
2-08-05	Shop Supplies	\$7,500.00
2-08-10	Furniture & Equipment under \$500	\$0.00
2-08-15	Printing	\$0.00
2-08-95	Other	\$0.00

Training

1-12-05	Training	\$0.00
1-12-95	Other	\$0.00
2-09-05	Training	\$10,000.00
2-09-95	Other	\$0.00

Travel

1-13-05	Mileage	\$0.00
1-13-10	Public Transport Fares	\$0.00
1-13-15	Per Diem	\$0.00
1-13-20	Registration Fees	\$500.00
1-13-25	Lodging and Meals	\$1,000.00
1-13-30	Other	\$0.00
2-10-05	Mileage	\$0.00
2-10-10	Public Transport Fares	\$0.00
2-10-15	Per Diem	\$0.00
2-10-20	Registration Fees	\$0.00
2-10-25	Lodging & Meals	\$3,000.00
2-10-30	Other	\$0.00

Vehicle Costs

2-11-05	Fuel	\$120,000.00
2-11-10	License & Fees	\$750.00
2-11-15	Oil & Lubricants	\$6,500.00
2-11-20	Replacement Parts	\$26,000.00
2-11-25	Tires	\$10,000.00
2-11-30	Vehicle Maintenance	\$30,000.00
2-11-35	Vehicle Painting	\$0.00
2-11-40	Vehicle Interior Maintenance	\$0.00
2-11-45	Freight	\$0.00
2-11-50	Vehicle Repair	\$0.00
2-11-60	Vehicle Insurance	\$0.00
2-11-95	Other	\$0.00

Revenue**Passenger Fares**

2-11-55	Passenger Fares	\$30,000.00
Revenue (Non-Calculated)		
Advertising		
	Advertising	\$0.00
Contracting		
	Contracting	\$0.00
Total Expenses		\$1,717,600.00
Total Revenue		\$30,000.00
Net Project Cost		\$1,687,600.00



Your Safe Space
1124 E Humble St.
Hobbs, NM 88240
575-391-9564

To Whom It May Concern:

At Your Safe Space (YSS), we are committed to providing resources, support, and hope to residents of Southeastern Hobbs. Our work focuses on helping families and individuals access vital services, whether it be food, healthcare, social service enrollment, or simply a safe environment where neighbors can connect and find encouragement.

One of the most significant challenges faced by residents in SE Hobbs, especially those living in low-income apartments and underserved neighborhoods, is transportation. Many community members struggle to reach doctor's appointments, employment opportunities, grocery stores, and even the programs we offer at YSS.

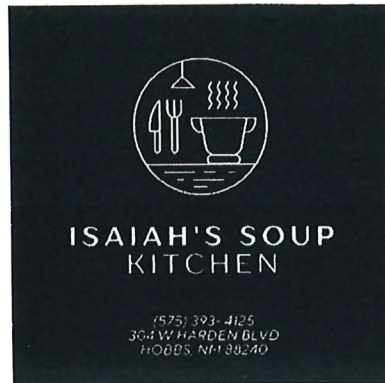
That is why the Hobbs Public Express system is such a vital asset. This service provides affordable and reliable transportation that helps our neighbors overcome barriers of distance and mobility. With the Express system in place, residents can access healthcare, education, and employment with greater ease, while also connecting to the broader community. For many, it is not simply a bus—it is a lifeline.

We deeply value the positive impact Hobbs Public Express has on our residents and believe that expanding and sustaining this system is key to building a healthier, more connected, and more equitable community.

Thank you for supporting solutions that make a real difference in the lives of Southeastern Hobbs families. Together, we can continue planting seeds of resilience and opportunity.

Sincerely,

Joseph Cotton --CEO
Evelyn Rising -- President



July 29, 2025

To whom it may concern,

Isaiah's Soup Kitchen is a non-profit organization that provides meals to those in need in our community. The individuals who visit our soup kitchen utilize the Hobbs Express transport bus on a daily basis. We are very appreciative for the City of Hobbs Transportation Department for establishing this service. This program assists Hobbs residents coming to and from our facilities. This is a great mode of transportation that is offered to the community for residents who may have no other means of transportation assistance.

The mission of Hobbs Express, "to deliver safe and dependable and affordable transportation services" is beneficial to our entire community. It is our hope that Hobbs Express will continue to serve our community for many more years.

Sincerely,

Tabitha Franklin



NEW MEXICO JUNIOR COLLEGE

Office of the President

July 25, 2025

To Whom It May Concern:

New Mexico Junior College relies on the Hobbs Express transport bus daily and is deeply appreciative of the City of Hobbs Transportation Department for establishing and maintaining this valuable service. Hobbs Express plays a vital role in helping residents travel to and from our campus, especially those who may not have access to other forms of transportation.

The mission of Hobbs Express—to *deliver safe, dependable, and affordable transportation services*—greatly benefits our entire community. We sincerely hope this essential service continues to operate and support Hobbs residents for many years to come.

Sincerely,

Cathy Mitchell
Interim President
New Mexico Junior College



Guidance Center of Lea County, Inc.

PO Box 907

Hobbs, NM 88241

(575) 393-3168

July 24, 2025

City of Hobbs – Hobbs Express
Office of Public Transportation
424 W. Broadway
Hobbs, NM 88240

To Whom It May Concern:

The Guidance Center of Lea County, Inc. wholeheartedly supports the City of Hobbs – Hobbs Express public transportation services. Continuation of these transportation services is vital to our community, as many of our clients utilize the service for transportation, not only to our agency for mental health services, but also to local medical, grocery, food and other retail establishments. Without transportation services provided, many of our citizens would not otherwise be able to access needed services.

If I can be of further assistance, please do not hesitate to contact me at (575) 393-3168, extension 1249.

Sincerely,

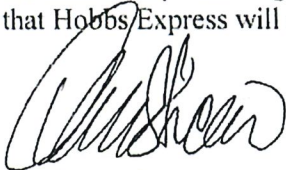
Diana Jimenez

Diana Jimenez
Executive Assistant
Guidance Center of Lea County, Inc.

7/15/25

ATTN: To Whom It May Concern:

The patients of Nor-Lea Hospital District utilize the Hobbs Express transport bus on a daily basis. Here at Nor-Lea we are very appreciative that the City of Hobbs established this service for the residents of Lea County. This is a great mode of transportation that is offered to the community who might not have other transportation options. Here at Nor-Lea, it is our hope that Hobbs Express will continue to service our community for years to come.



Kind regards,
David Shaw
Nor-Lea Hospital District
CEO/Administrator

July 14, 2025

To whom it may concern:

Covenant Health Hobbs Hospital utilizes the Hobbs Express transport bus on a daily basis and is very appreciative the City of Hobbs Transportation Department for establishing this service. This program assists Hobbs residents coming to and from our facilities. This is a great mode of transportation that is offered to the community for residents who may have no other means of transportation assistance.

The mission of Hobbs Express, "to deliver safe and dependable and affordable transportation services" is beneficial to our entire community. It is our hope that Hobbs Express will continue to serve our community for many more years.

Sincerely,



Derrick Jones

Chief Administrative Officer



**BOYS & GIRLS CLUB
OF HOBBS**

Boys & Girls Club
Of Hobbs, Inc.
301 E. Broadway
Hobbs, NM 88240
Tel 575-393-7905 (Club)
Tel 575-397-4446 (Office)
Fax 575-433-0020
bgchkid@leaco.net
www.bgchobbs.org

July 11, 2025

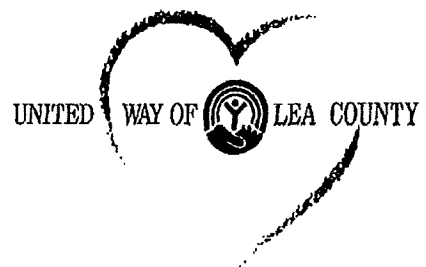
To whom it may concern:

The Boys & Girls Club of Hobbs utilizes the Hobbs Express transport bus on a daily basis during the school year. Hobbs Express picks children up from four local schools and brings them to the Boys & Girls Club for our after-school program. Without this service many children in Hobbs would not be able to attend our program. We are very appreciative of the City of Hobbs Transportation Department for establishing this service.

It is our hope that Hobbs Express will continue to serve our community for many more years.

Sincerely,

Misty Funk
Director of Operations





Hobbs Municipal Schools

... aspires to be a community that equips ALL Learners for their unique futures

September 2025

Student-Centered

*Every
Decision
impacts
students
experiences
positively*

Service

*Meet the
need*

Capacity

Building

*Growing
others and
ourselves*

Innovation

*Willingness
to adapt in
the best
interest of all
learners*

Sustainable

High

Performance

*A reflective
commitment
to excellence*



To Whom It May Concern:

Hobbs Municipal Schools is a strong advocate and supporter of the services Hobbs Express provides to our community and district. Their service is crucial to the success of our programs and our community. Without their assistance there would be community members and programs that would be unable to participate in enriching and engaging opportunities within our community.

It is our hope that Hobbs Schools is able to enjoy the continued relationship with Hobbs Express for many years to come.

Respectfully,

Gene Strickland
Superintendent

Provide a safe learning environment that ignites and fosters passion so that all learners are provided with high-quality education that opens doors to endless opportunities – HMS Mission

1515 E Sanger, Hobbs NM 88240

575.433.0100

www.hobbsschools.net



Hobbs Municipal Schools



@Hobbs_Schools



hobbs_municipal_schools



Hobbs Municipal Schools



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
September 15, 2025

SUBJECT: Consideration of Award of Bid 1621-25; Rehabilitation of the 600,000-Gallon Concrete Water Storage Tank Located at the HIAP Booster Pump Station (BPS)

DEPT OF ORIGIN: Utilities

DATE SUBMITTED: 8/26/2025

SUBMITTED BY: Tim Woomer, Utilities Director

Summary:

This Project includes the complete rehabilitation of the 600,000-gallon Concrete Water Storage Tank located at the HIAP Booster Pump Station. Specifically, the repair, repainting, lining, and cleaning/disinfection of the HIAP water storage tank on all interior surfaces. The complete repair, cleaning, and repainting of all exterior surfaces. The Project includes any other miscellaneous repairs and incidental items encountered. Work is anticipated to start no earlier than November 1, 2025.

Two qualified bids were received for this Project:

Viking Industrial Painting, LLC, La Vista, NE	\$430,100.00
TMI Coatings, LLC, St. Paul MN	\$847,200.00

Fiscal Impact:

\$430,100.00 (Not Including NMGR)

Funds for this work are budgeted in the Utilities Joint Construction budget, 614061-44901 project 00139.

Attachments:

- bid 1621-25 HIAP
- Bid Tabulation - HIAP Concrete Tank
- Viking Industrial Painting LLC
- TMI Coatings LLC

Recommendation:

Award Bid 1621-25, HIAP Water Storage Tank Rehabilitation Project to Viking Industrial Painting LLC, located in La Vista, NE, in the amount of \$430,100.00

Approved By:

Tim Woomer, Utilities Director

08/26/2025

Toby Spears, Finance Director

08/27/2025

Medjine Desrosiers-Douyon, Deputy City Attorney 08/27/2025

Manny Gomez, City Manager 09/05/2025

BID SUMMARY

BID/PROPOSAL NO. 11621-25

FURNISH HIAP Tank Repair

BIDDER	Udiney Painting LLC	TMI Coatings		
NM CONTRACTORS LICENSE	✓	✓		
BID BOND	✓	✓		
ADDENDUMS	✓	✓		
BID FORM	✓	✓		
SUBCONTRACTORS LIST	✓	✓		
RESIDENT BIDDERS PREFERENCE NO.	✓	✓		
VETERANS PREFERENCE	✓	✓		
CAMPAIGN CONTRIBUTION FORM	✓	✓		
NON-COLLUSION AFFIDAVIT	✓	✓		
RELATED PARTY DISCLOSURE FORM	✓	✓		
CERTIFICATION REGARDING DEBARMENT	✓	✓		
BASE BID TOTAL				
ALTERNATE 1				
ALTERNATE 2				
ALTERNATE 3				
ALTERNATE 4				
TOTAL	430,100 ⁰⁰	847,200 ⁰⁰		

BID TABULATION
August 27, 2025

Repairing and Repainting of
HIAP Concrete Tank
Hobbs, New Mexico

TANK INDUSTRY CONSULTANTS
24.140.S634.009

Viking Painting
La Vista, NE

TMI Coatings
St. Paul, MN

Bid Item	Estimated Quantities	Unit Price	Bid Amount
1 - Base Bid Lump Sum	1	N.A.	\$349,500.00
2 - Exterior Concrete Crack Repair Linear Foot	1000	\$11.00	\$11,000.00
3 - Concrete Spall Repair Per Square Foot	100	\$86.00	\$8,600.00
4 - Concrete Floor Crack Repair Linear Foot	500	\$34.00	\$17,000.00
5 - Interior Vertical Concrete Crack Repair Linear Foot	500	\$34.00	\$17,000.00
6 - Cleaning and Coating Exposed Steel Reinforcement Linear Foot	20	\$665.00	\$13,300.00
7 - Filler and Surfacers Gallon	4	\$525.00	\$2,100.00
8 - Additional Work Per Man-Hour	80	\$145.00	\$11,600.00

Unit Price	Bid Amount
N.A.	\$713,000.00
\$30.00	\$30,000.00
\$240.00	\$24,000.00
\$30.00	\$15,000.00
\$90.00	\$45,000.00
\$220.00	\$4,400.00
\$950.00	\$3,800.00
\$150.00	\$12,000.00

TOTAL AMOUNT BID
(Items 1-8, Inclusive)

\$430,100.00

\$847,200.00

BID FORM**VIKING PAINTING LLC**

PROJECT IDENTIFICATION: Repairing and Repainting of One 600,000 Gallon Partially Buried Concrete Ground Storage Tank, "HIAP Concrete Tank," in Hobbs, New Mexico. The BIDDER is referred to the following Detailed Technical Specifications for the complete Scope of Work.

CONTRACT IDENTIFICATION AND NUMBER: 1621-25

THIS BID IS SUBMITTED TO: City of Hobbs
Finance Director
City Hall
200 East Broadway
Hobbs, New Mexico 88240

ATTENTION: Finance Director

- 1.01 The undersigned BIDDER proposes and agrees, if this Bid is accepted, to enter into an agreement with OWNER in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices indicated in this Bid and within the times indicated in the Contract Agreement and in accordance with the other terms and conditions of the Bidding Documents.
- 2.01 BIDDER accepts all of the terms and conditions of the Notice to Bidders, and Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. This Bid will remain subject to acceptance for 60 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of OWNER.
- 3.01 In submitting this Bid, BIDDER represents, as more fully set forth in the Agreement, that:
- A. BIDDER has examined and carefully studied the Bidding Documents, the other related data identified in the Bidding Documents, and the following Addenda, receipt of all which is hereby acknowledged.

<u>Addendum Number</u>	<u>Addendum Date</u>
1	07/09/2025

- B. Bidder has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
- C. Bidder is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.
- D. BIDDER has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except

00300-1

Underground Facilities) which have been identified in the Supplementary Conditions as provided in paragraph 5.03 of the General Conditions, and (2) reports and drawings of a Hazardous Environmental Condition, if any, which has been identified in the Supplementary Conditions as provided in paragraph 5.06 of the General Conditions.

- E. BIDDER has obtained and carefully studied (or assumes responsibility for having done so) all additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the work or which relate to any aspect of the means, methods, techniques, sequences, and procedures or construction to be employed by Bidder, including applying the specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents to be employed by Bidder, and safety precautions and programs incident thereto.
 - F. Bidder does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price(s) bid and within the times and in accordance with the other terms and conditions of the Bidding Documents.
 - G. Bidder is aware of the general nature of work to be performed by OWNER and others at the Site that relates to the Work as indicated in the Bidding Documents.
 - H. Bidder has correlated the information known to Bidder, information and observations obtained from visits to the Site, reports and drawings identified in the Bidding Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Bidding Documents.
 - I. Bidder has given ENGINEER written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and the written resolution thereof by ENGINEER is acceptable to Bidder.
 - J. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance of the Work for which this Bid is submitted.
- 4.01 Bidder further represents that this Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid; Bidder has not solicited or induced any individual or entity to refrain from bidding; and Bidder has not sought by collusion to obtain for itself any advantage over any other Bidder or over OWNER.

5.01 In submitting this bid, BIDDER provides the following history of BIDDER company experience.

A. What year did the Bidder start operating under its present name? 2018

B. What similar public works projects has your organization completed?

CONTRACT AMOUNT	CLASS OF WORK	WHEN COMPLETED	NAME, ADDRESS & PHONE # OF OWNER
See attached			

C. What similar public works projects is your organization now in process of construction?

CONTRACT AMOUNT	CLASS OF WORK	WHEN COMPLETED	NAME, ADDRESS & PHONE # OF OWNER
See attached			

D. Have you ever failed to complete any work awarded to you? N/A

If so, where and why? _____

E. List references from private firms for which you have performed similar work.

N/A

6.01 BIDDER will supply sufficient and detailed information to the following statements and questions on the pages supplied.

A. Explain your plan or layout for performing proposed work. Describe crew size and equipment necessary to complete project in required time.

Viking will have a project manager in charge of this project to handle all logistics of this project. There will also be a on site foreman that will manage a crew of 3-4 laborers. The foreman communicate with our project manager, regarding day to day activities, progress, quality assurance etc. The project manager will be in constant contact with the engineer and owner and keep every update date on the progress of the project.

00300-4

TIC 24.140.S634.009

"HIAP Concrete Tank," Hobbs, New Mexico

05-May-25

- B. If you intend to sublet any portion of the Work, state the name and address of each Subcontractor, equipment to be used by the Subcontractor, and whether you expect to require a performance bond.

Classic Industrial Services - 10203 S. 152nd Street | Omaha, NE 68138

00300-5

TIC 24.140.S634.009

"HIAP Concrete Tank," Hobbs, New Mexico

05-May-25

C. What equipment do you intend to use for the proposed project?

See attached documents

00300-6

TIC 24.140.S634.009

"HIAP Concrete Tank," Hobbs, New Mexico

05-May-25

- D. Have you made contracts or received offers for all materials within prices used in preparing your proposal?

(CIRCLE ONE)

YES

NO

- 7.01 Attachment of BIDDER'S most recent twelve-month financial statement is mandatory. Any bid submitted without said financial statement as required shall thereby be rendered invalid. The financial statement provided hereunder to the governing body awarding the contract must be specific enough in detail so that said governing body can make a proper determination of the BIDDER'S capability for completing the project if awarded.
- 8.01 Bidder will complete the Work for the following listed Work items for the prices listed on the BIDDER'S PROPOSAL:

Bid Item 1: (Base Bid for 600,000 Gallon Partially Buried Concrete Ground Storage Tank)
(Lump Sum)

The complete cleaning and repainting of the tank on the interior surfaces, the complete cleaning and repainting of the exterior surfaces, and including other miscellaneous repairs and incidental items. All of this Work shall be in accordance with the **Detailed Technical Specifications**.

Bid Item 2: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Exterior Concrete Crack Repair: Any exterior cracks in the surfaces of the concrete greater than 1/16 in. wide shall be prepared according to the specifications of the concrete crack repair material manufacturer. These areas to be repaired shall be prepared by blast cleaning to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. The cracks in the exterior concrete shall then be repaired by routing out the crack to a minimum depth of 1/4 in. (and to the lesser of maximum depth to avoid damaging reinforcing steel, approximately 3/8 in. depth, or as recommended by the patching compound product data sheets) and repairing with a latex-based patching compound. The cracks in the concrete shall then be filled with the crack repair material. **The number of linear feet of exterior concrete crack repair shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

Bid Item 3: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Concrete Spall Repair: Any areas of unsound or deteriorated concrete or shotcrete or other failed areas of concrete indicated by the FIELD OBSERVER shall be chipped to sound concrete and prepared according to the specifications of the concrete repair material manufacturer. These areas to be repaired shall be prepared by wet blast cleaning

00300-7

to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. A concrete-based patching material shall be placed in the deteriorated area and shaped to the original contour of the concrete. Suitable formwork shall be provided to form the face of the concrete. **The number of square feet of concrete spall repair (based on an average depth of 3 in.) shall be paid for by the unit price per square foot listed on the BIDDER'S PROPOSAL.**

Bid Item 4: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Concrete Floor Crack Repair: Any cracks in the floor greater than 1/16 in. wide shall be prepared according to the specifications of the concrete crack repair material manufacturer. These areas to be repaired shall be prepared by wet blast cleaning to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. The cracks in the concrete shall then be repaired by routing out the crack to a minimum depth of 1 in. (with a minimum 90° angle from the surface) and repairing with a cement-based patching compound. **The number of linear feet of concrete floor crack repair shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

Bid Item 5: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Interior Vertical Concrete Crack Repair: Any interior cracks in the vertical surfaces of the concrete greater than 1/16 in. wide shall be prepared according to the specifications of the concrete crack repair material manufacturer. These areas to be repaired shall be prepared by wet blast cleaning to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. The cracks in the concrete shall then be filled by injection with a high strength, 100% solids, low viscosity, rapid setting material. **The number of linear feet of vertical concrete crack repair shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

Bid Item 6: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Cleaning and Coating Exposed Steel Reinforcement: After removing the deteriorated concrete, any corroded reinforcing steel shall be abrasive blast cleaned to the equivalent of an SSPC-SP 10, Near-White Blast Cleaning (modified) and coated prior to concrete repair. The anti-corrosion coating to be applied to the exposed reinforcing steel shall be Sika Armatec 110 Epochem or equal recommended by concrete repair material manufacturer and approved in writing by ENGINEER. **The number of linear feet of reinforcing steel abrasive blast cleaned and coated shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

Bid Item 7: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Filler and Surfacers: After the specified surface preparation, bug holes, voids, and other surface imperfections defined for filling or surfacing by the CONTRACTOR and confirmed with the FIELD OBSERVER shall be filled with solventless polyamide epoxy seam sealer of the type recommended by the supplier of the interior coating system. The epoxy seam sealer shall be applied neatly and smoothly to the surfaces and any rough areas of the seam sealer shall be sanded smooth prior to the application of the coating system. Costs for all labor, equipment, supplies, rigging, and other associated costs for application of the solventless polyamide epoxy seam sealer shall be included in the unit price per gallon. **The number of gallons of filler and surfacer shall be paid for by the unit price per gallon listed on the BIDDER'S PROPOSAL.**

Bid Item 8: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Additional Work: It is felt that the **Detailed Technical Specifications** adequately describe the work to be performed; however, in the event that during the course of the work it is found that additional work is required and it is authorized in writing by the ENGINEER and the OWNER, this work shall be paid for at the following price per single man-hour, including all welding, equipment, normal rigging, labor, supplies, overhead, insurance, and profit. **The number of unanticipated additional work man-hours shall be paid for by the unit price per man-hour listed on the BIDDER'S PROPOSAL.**

Note: The BIDDER shall use either black or blue ink or typewriter (black ribbon) in completing the Proposal Form. Each line item amount must be given. Failure to do so will result in disqualification of BIDDER.

BIDDERS are reminded that they must bid on the issued plans and specifications, as amended. Any deviation, conditions or attachments made by the BIDDER himself thereto may render the Bid nonresponsive and be cause for its rejection.

Bid Security to be based on the **TOTAL AMOUNT BID** and shall be the percentage indicated in the Instructions to Bidders.

BIDDER'S PROPOSAL

**Repairing and Repainting of
One 600,000 Gallon Partially Buried Concrete Ground Storage Tank
"HIAP Concrete Tank"
Hobbs, New Mexico**

Statement of Estimated Quantities and Proposal Prices

Item No.	Item Description	Est. Qnty.	Unit	Unit Price	Bid Amount
1	Base Bid	1	Lump Sum	N.A.	\$ 349,500.00
2	Exterior Concrete Crack Repair <u>If Required</u>	1,000	linear foot	\$ 11.00	\$ 11,000.00
3	Concrete Spall Repair <u>If Required</u>	100	square foot	\$ 86.00	\$ 8,600.00
4	Concrete Floor Crack Repair <u>If Required</u>	500	linear foot	\$ 34.00	\$ 17,000.00
5	Interior Vertical Concrete Crack Repair <u>If Required</u>	500	linear foot	\$ 34.00	\$ 17,000.00
6	Cleaning and Coating Exposed Steel Reinforcement <u>If Required</u>	20	linear foot	\$ 665.00	\$ 13,300.00
7	Filler and Surfacer <u>If Required</u>	4	gallon	\$ 525.00	\$ 2,100.00
8	Additional Work <u>If Required</u>	80	man-hour	\$ 145.00	\$ 11,600.00

TOTAL AMOUNT BID

(Items 1 through 8 inclusive)

\$ 430,100.00

TOTAL AMOUNT BID

Four Hundred Thirty Thousand One Hundred Dollars and Zero Cents

(written in words)

Unit Prices have been computed in accordance with paragraph 13.03.C of the General Conditions.

Bidder acknowledges that estimated quantities are not guaranteed, and are solely for the purpose of comparison of Bids, and final payment for all Unit Price Bid items will be based on actual quantities provided, determined as provided in the Contract Documents.

00300-10

TIC 24.140.S634.009

"HIAP Concrete Tank," Hobbs, New Mexico

05-May-25

The proposed REPAIR SUBCONTRACTOR is:

N/A

name

street

city

state

zip

The proposed DISPOSAL SUBCONTRACTOR is:

N/A

name

street

city

state

zip

- 9.01 Bidder agrees that the Work will be substantially completed, and completed and ready for final payment in accordance with paragraph 15.06 of the General Conditions on or before the dates and within the number of calendar days indicated in the Agreement.
- 10.01 Bidder accepts the provisions of the Agreement as to liquidated damages in the event of failure to complete the Work within the time specified in the Agreement.
- 11.01 The following documents are attached and made part of this Bid:
- A. Required Bid security in the form of a Bid Bond issued by a surety meeting the requirements of Paragraph 6.01 of the General Conditions, or in the form of a certified or bank check. Bid security shall list New Mexico Agent for Service of Process;
 - B. Required Letter from Surety;
 - C. A tabulation of Subcontractors, Suppliers and other individuals and entities required to be identified in this Bid;
 - D. Required BIDDER'S most recent twelve-month financial statement;
 - E. Campaign Contribution Disclosure Form;
 - F. Resident Veterans Preference Certification;
 - G. Non-Collusion Affidavit;

00300-11

- H. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion;
- I. Related Party Disclosure Form;
- J. Proposed cleaning and painting methods;
- K. Name(s) of the CONTRACTOR'S COMPETENT PERSON(S);
- L. All items and questions in this Bid Form shall be answered completely and accurately prior to submitting this Bid. Failure to provide the information requested in this Bid Form may entitle the OWNER to reject the Bid.

12.01 Communications concerning this Bid shall be addressed to:

Tank Industry Consultants
7740 West New York Street
Indianapolis, Indiana 46214
FAX 317/271-3300
Attention: Mr. Patrick J. Brown, or Mr. Gregory R. "Chip" Stein, P.E.

13.01 The terms used in this Bid with initial capital letters have the meanings indicated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

SUBMITTED on August 19th, 2025

State Contractor License No. 417510. (If applicable)

If Bidder is:

An Individual

Name (typed or printed): _____

By: _____ (SEAL)
(Individual's signature)

Doing Business as: _____


Business Address: _____

Phone No.: _____ FAX No.: _____

00300-12

A Partnership

Partnership Name: Viking Painting, LLC (SEAL)

By: 
(Signature of general partner – attach evidence of authority to sign)

Name (typed or printed): Rory Sudbeck

Business Address: 10905 Harrison St., La Vista, NE 68128

Phone No.: 833-847-8265 FAX No.: _____

A Corporation

Corporation Name: _____ (SEAL)

State of Incorporation: _____

Type (General Business, Professional, Service, Limited Liability): _____

By: _____ (SEAL)
(Signature – attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____ (CORPORATE SEAL)

Attest: _____
(Signature of Corporate Secretary)

Business Address: _____

Phone No.: _____ FAX No.: _____

Date of Qualification to do business is _____

00300-13

BID FORM

TMI COATINGS LLC

PROJECT IDENTIFICATION: Repairing and Repainting of One 600,000 Gallon Partially Buried Concrete Ground Storage Tank, "HIAP Concrete Tank," in Hobbs, New Mexico. The BIDDER is referred to the following Detailed Technical Specifications for the complete Scope of Work.

CONTRACT IDENTIFICATION AND NUMBER: 1621-25

THIS BID IS SUBMITTED TO: City of Hobbs
Finance Director
City Hall
200 East Broadway
Hobbs, New Mexico 88240

ATTENTION: Finance Director

1.01 The undersigned BIDDER proposes and agrees, if this Bid is accepted, to enter into an agreement with OWNER in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices indicated in this Bid and within the times indicated in the Contract Agreement and in accordance with the other terms and conditions of the Bidding Documents.

2.01 BIDDER accepts all of the terms and conditions of the Notice to Bidders, and Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. This Bid will remain subject to acceptance for 60 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of OWNER.

3.1 In submitting this Bid, BIDDER represents, as more fully set forth in the Agreement, that:

A. BIDDER has examined and carefully studied the Bidding Documents, the other related data identified in the Bidding Documents, and the following Addenda, receipt of all which is hereby acknowledged.

<u>Addendum Number</u>	<u>Addendum Date</u>
#1	07/09/2025
_____	_____
_____	_____
_____	_____

B. Bidder has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. Bidder is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.

D. BIDDER has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except

00300-1

Underground Facilities) which have been identified in the Supplementary Conditions as provided in paragraph 5.03 of the General Conditions, and (2) reports and drawings of a Hazardous Environmental Condition, if any, which has been identified in the Supplementary Conditions as provided in paragraph 5.06 of the General Conditions.

- E. BIDDER has obtained and carefully studied (or assumes responsibility for having done so) all additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the work or which relate to any aspect of the means, methods, techniques, sequences, and procedures or construction to be employed by Bidder, including applying the specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents to be employed by Bidder, and safety precautions and programs incident thereto.
- F. Bidder does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price(s) bid and within the times and in accordance with the other terms and conditions of the Bidding Documents.
- G. Bidder is aware of the general nature of work to be performed by OWNER and others at the Site that relates to the Work as indicated in the Bidding Documents.
- H. Bidder has correlated the information known to Bidder, information and observations obtained from visits to the Site, reports and drawings identified in the Bidding Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Bidding Documents.
- I. Bidder has given ENGINEER written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and the written resolution thereof by ENGINEER is acceptable to Bidder.
- J. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance of the Work for which this Bid is submitted.

4.01 Bidder further represents that this Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid; Bidder has not solicited or induced any individual or entity to refrain from bidding; and Bidder has not sought by collusion to obtain for itself any advantage over any other Bidder or over OWNER.

5.1 In submitting this bid, BIDDER provides the following history of BIDDER company experience.

A. What year did the Bidder start operating under its present name? 1985

B. What similar public works projects has your organization completed?

CONTRACT AMOUNT	CLASS OF WORK	WHEN COMPLETED	NAME, ADDRESS & PHONE # OF OWNER
See attached tank reference list			

C. What similar public works projects is your organization now in process of construction?

CONTRACT AMOUNT	CLASS OF WORK	WHEN COMPLETED	NAME, ADDRESS & PHONE # OF OWNER
See attached current commitments list			

D. Have you ever failed to complete any work awarded to you? No

If so, where and why? _____

E. List references from private firms for which you have performed similar work.

See attached tank reference list

6.1 BIDDER will supply sufficient and detailed information to the following statements and questions on the pages supplied.

A. Explain your plan or layout for performing proposed work. Describe crew size and equipment necessary to complete project in required time.

See attached project approach document.

- B. If you intend to sublet any portion of the Work, state the name and address of each Subcontractor, equipment to be used by the Subcontractor, and whether you expect to require a performance bond.

TMI Coatings will not be subcontracting any portion of this work.

C. What equipment do you intend to use for the proposed project?

See attached Major Equipment List & Project Approach Document.

00300-6

TIC 24.140.S634.009

"HIAP Concrete Tank," Hobbs, New Mexico

05-May-25

- D. Have you made contracts or received offers for all materials within prices used in preparing your proposal?

(CIRCLE ONE) YES

NO

7.01 Attachment of BIDDER'S most recent twelve-month financial statement is mandatory. Any bid submitted without said financial statement as required shall thereby be rendered invalid. The financial statement provided hereunder to the governing body awarding the contract must be specific enough in detail so that said governing body can make a proper determination of the BIDDER'S capability for completing the project if awarded.

8.01 Bidder will complete the Work for the following listed Work items for the prices listed on the BIDDER'S PROPOSAL:

Bid Item 1: (Base Bid for 600,000 Gallon Partially Buried Concrete Ground Storage Tank)
(Lump Sum)

The complete cleaning and repainting of the tank on the interior surfaces, the complete cleaning and repainting of the exterior surfaces, and including other miscellaneous repairs and incidental items. All of this Work shall be in accordance with the **Detailed Technical Specifications**.

Bid Item 2: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Exterior Concrete Crack Repair: Any exterior cracks in the surfaces of the concrete greater than 1/16 in. wide shall be prepared according to the specifications of the concrete crack repair material manufacturer. These areas to be repaired shall be prepared by blast cleaning to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. The cracks in the exterior concrete shall then be repaired by routing out the crack to a minimum depth of 1/4 in. (and to the lesser of maximum depth to avoid damaging reinforcing steel, approximately 3/8 in. depth, or as recommended by the patching compound product data sheets) and repairing with a latex-based patching compound. The cracks in the concrete shall then be filled with the crack repair material. **The number of linear feet of exterior concrete crack repair shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

Bid Item 3: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Concrete Spall Repair: Any areas of unsound or deteriorated concrete or shotcrete or other failed areas of concrete indicated by the FIELD OBSERVER shall be chipped to sound concrete and prepared according to the specifications of the concrete repair material manufacturer. These areas to be repaired shall be prepared by wet blast cleaning

00300-7

to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. A concrete-based patching material shall be placed in the deteriorated area and shaped to the original contour of the concrete. Suitable formwork shall be provided to form the face of the concrete. **The number of square feet of concrete spall repair (based on an average depth of 3 in.) shall be paid for by the unit price per square foot listed on the BIDDER'S PROPOSAL.**

Bid Item 4: (Unit Price)
(Add or Deduct from the Total Amount Bid)

Concrete Floor Crack Repair: Any cracks in the floor greater than 1/16 in. wide shall be prepared according to the specifications of the concrete crack repair material manufacturer. These areas to be repaired shall be prepared by wet blast cleaning to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. The cracks in the concrete shall then be repaired by routing out the crack to a minimum depth of 1 in. (with a minimum 90° angle from the surface) and repairing with a cement-based patching compound. **The number of linear feet of concrete floor crack repair shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

Bid Item 5: (Unit Price)
(Add or Deduct from the Total Amount Bid)

Interior Vertical Concrete Crack Repair: Any interior cracks in the vertical surfaces of the concrete greater than 1/16 in. wide shall be prepared according to the specifications of the concrete crack repair material manufacturer. These areas to be repaired shall be prepared by wet blast cleaning to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. The cracks in the concrete shall then be filled by injection with a high strength, 100% solids, low viscosity, rapid setting material. **The number of linear feet of vertical concrete crack repair shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

Bid Item 6: (Unit Price)
(Add or Deduct from the Total Amount Bid)

Cleaning and Coating Exposed Steel Reinforcement: After removing the deteriorated concrete, any corroded reinforcing steel shall be abrasive blast cleaned to the equivalent of an SSPC-SP 10, Near-White Blast Cleaning (modified) and coated prior to concrete repair. The anti-corrosion coating to be applied to the exposed reinforcing steel shall be Sika Armatec 110 Epochem or equal recommended by concrete repair material manufacturer and approved in writing by ENGINEER. **The number of linear feet of reinforcing steel abrasive blast cleaned and coated shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

Bid Item 7: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Filler and Surfacers: After the specified surface preparation, bug holes, voids, and other surface imperfections defined for filling or surfacing by the CONTRACTOR and confirmed with the FIELD OBSERVER shall be filled with solventless polyamide epoxy seam sealer of the type recommended by the supplier of the interior coating system. The epoxy seam sealer shall be applied neatly and smoothly to the surfaces and any rough areas of the seam sealer shall be sanded smooth prior to the application of the coating system. Costs for all labor, equipment, supplies, rigging, and other associated costs for application of the solventless polyamide epoxy seam sealer shall be included in the unit price per gallon. **The number of gallons of filler and surfacer shall be paid for by the unit price per gallon listed on the BIDDER'S PROPOSAL.**

Bid Item 8: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Additional Work: It is felt that the **Detailed Technical Specifications** adequately describe the work to be performed; however, in the event that during the course of the work it is found that additional work is required and it is authorized in writing by the ENGINEER and the OWNER, this work shall be paid for at the following price per single man-hour, including all welding, equipment, normal rigging, labor, supplies, overhead, insurance, and profit. **The number of unanticipated additional work man-hours shall be paid for by the unit price per man-hour listed on the BIDDER'S PROPOSAL.**

Note: The BIDDER shall use either black or blue ink or typewriter (black ribbon) in completing the Proposal Form. Each line item amount must be given. Failure to do so will result in disqualification of BIDDER.

BIDDERS are reminded that they must bid on the issued plans and specifications, as amended. Any deviation, conditions or attachments made by the BIDDER himself thereto may render the Bid nonresponsive and be cause for its rejection.

Bid Security to be based on the **TOTAL AMOUNT BID** and shall be the percentage indicated in the Instructions to Bidders.

00300-9

BIDDER'S PROPOSAL

Repairing and Repainting of
One 600,000 Gallon Partially Buried Concrete Ground Storage Tank
"HIAP Concrete Tank"
Hobbs, New Mexico

Statement of Estimated Quantities and Proposal Prices

Item No.	Item Description	Est. Qnty.	Unit	Unit Price	Bid Amount
1	Base Bid	1	Lump Sum	N.A.	\$ 713,000
2	Exterior Concrete Crack Repair <u>If Required</u>	1,000	linear foot	\$ 30	\$ 30,000
3	Concrete Spall Repair <u>If Required</u>	100	square foot	\$ 240	\$ 24,000
4	Concrete Floor Crack Repair <u>If Required</u>	500	linear foot	\$ 30	\$ 15,000
5	Interior Vertical Concrete Crack Repair <u>If Required</u>	500	linear foot	\$ 90	\$ 45,000
6	Cleaning and Coating Exposed Steel Reinforcement <u>If Required</u>	20	linear foot	\$ 220	\$ 4,400
7	Filler and Surfacers <u>If Required</u>	4	gallon	\$ 950	\$ 3,800
8	Additional Work <u>If Required</u>	80	man-hour	\$ 150	\$ 12,000

TOTAL AMOUNT BID

(Items 1 through 8 inclusive)

\$ 847,200

TOTAL AMOUNT BID Eight Hundred Forty Seven Thousand Two Hundred Dollars

(written in words)

Unit Prices have been computed in accordance with paragraph 13.03.C of the General Conditions.

Bidder acknowledges that estimated quantities are not guaranteed, and are solely for the purpose of comparison of Bids, and final payment for all Unit Price Bid items will be based on actual quantities provided, determined as provided in the Contract Documents.

00300-10

TIC 24.140.S634.009

"HIAP Concrete Tank," Hobbs, New Mexico

05-May-25

The proposed REPAIR SUBCONTRACTOR is:

TMI Coatings will self perform the repair work

name

street

city

state

zip

The proposed DISPOSAL SUBCONTRACTOR is:

Waste Disposal will be coordinated with a local waste management company certified to hand the environmental requirements of the project.

name

street

city

state

zip

9.01 Bidder agrees that the Work will be substantially completed, and completed and ready for final payment in accordance with paragraph 15.06 of the General Conditions on or before the dates and within the number of calendar days indicated in the Agreement.

10.01 Bidder accepts the provisions of the Agreement as to liquidated damages in the event of failure to complete the Work within the time specified in the Agreement.

11.1 The following documents are attached and made part of this Bid:

- A. Required Bid security in the form of a Bid Bond issued by a surety meeting the requirements of Paragraph 6.01 of the General Conditions, or in the form of a certified or bank check. Bid security shall list New Mexico Agent for Service of Process;
- B. Required Letter from Surety;
- C. A tabulation of Subcontractors, Suppliers and other individuals and entities required to be identified in this Bid;
- D. Required BIDDER'S most recent twelve-month financial statement;
- E. Campaign Contribution Disclosure Form;
- F. Resident Veterans Preference Certification;
- G. Non-Collusion Affidavit;

00300-11

- H. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion;
- I. Related Party Disclosure Form;
- J. Proposed cleaning and painting methods;
- K. Name(s) of the CONTRACTOR'S COMPETENT PERSON(S);
- L. All items and questions in this Bid Form shall be answered completely and accurately prior to submitting this Bid. Failure to provide the information requested in this Bid Form may entitle the OWNER to reject the Bid.

12.01 Communications concerning this Bid shall be addressed to:

Tank Industry Consultants
7740 West New York Street
Indianapolis, Indiana 46214
FAX 317/271-3300
Attention: Mr. Patrick J. Brown, or Mr. Gregory R. "Chip" Stein, P.E.

13.01 The terms used in this Bid with initial capital letters have the meanings indicated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

SUBMITTED on August 19, 2025

State Contractor License No. 381262. (If applicable)

If Bidder is:

An Individual

Name (typed or printed): _____

By: _____ (SEAL)
(Individual's signature)

Doing Business as: _____

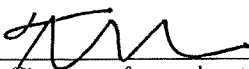
Business Address: _____

Phone No.: _____ FAX No.: _____

00300-12

A Partnership

Partnership Name: TMI Coatings, LLC (SEAL)

By: 
(Signature of general partner – attach evidence of authority to sign)

Name (typed or printed): Tracy Gllori

Business Address: 3291 Terminal Drive
St. Paul, MN 55121

Phone No.: 651-452-6100 FAX No.: NA

A Corporation

Corporation Name: _____ (SEAL)

State of Incorporation: _____

Type (General Business, Professional, Service, Limited Liability): _____

By: _____ (SEAL)
(Signature – attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____ (CORPORATE SEAL)

Attest: _____
(Signature of Corporate Secretary)

Business Address: _____

Phone No.: _____ FAX No.: _____

Date of Qualification to do business is _____

00300-13



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
September 15, 2025

SUBJECT: Consideration of Award of Bid 1622-25; Rehabilitation of the 2,000,000-Gallon Concrete Water Storage Tank Located at the Jefferson Booster Pump Station (BPS)

DEPT OF ORIGIN: Utilities

DATE SUBMITTED: 8/26/2025

SUBMITTED BY: Tim Woomer, Utilities Director

Summary:

This Project includes the complete rehabilitation of the 2,000,000-gallon Concrete Water Storage Tank located at the Jefferson Booster Pump Station. Specifically, the repair, repainting, lining, and cleaning/disinfection of the Jefferson water storage tank on all the interior surfaces. The complete repair, cleaning and repainting of the exterior surfaces. Including any other miscellaneous repairs and incidental items encountered. Work is anticipated to start no earlier than November 1, 2025.

Two qualified bids were received for the Project:

Viking Industrial Painting, LLC, La Vista, NE	\$ 778,880.00
TMI Coatings, LLC, St. Paul MN	\$1,386,000.00

Fiscal Impact:

\$778,880.00 (Not Including NMGRT)

Funds for this work are budgeted in the Utilities Joint Construction budget, 614061-44901 project 00139.

Attachments:

- bid 1622-25 JEFFERSON TANK
- Bid Tabulation - Jefferson Tank
- Viking Industrial Painting LLC Jefferson
- TMI Coatings LLC Jefferson

Recommendation:

Award Bid 1622-25, Jefferson Water Tank Rehabilitation Project to Viking Industrial Painting LLC, located in La Vista, NE, in the amount of \$778,880.00

Approved By:

Tim Woomer, Utilities Director	08/26/2025
Toby Spears, Finance Director	08/27/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	08/27/2025

BID SUMMARY

BID/PROPOSAL NO. 11622-25

FURNISH Jefferson Tank Repair

BIDDER	Viking Painting LLC	TMI Coatings Inc		
NM CONTRACTORS LICENSE	✓	✓		
BID BOND	✓	✓		
ADDENDUMS	✓	✓		
BID FORM	✓	✓		
SUBCONTRACTORS LIST	✓	✓		
RESIDENT BIDDERS PREFERENCE NO.	✓	✓		
VETERANS PREFERENCE	✓	✓		
CAMPAIGN CONTRIBUTION FORM	✓	✓		
NON-COLLUSION AFFIDAVIT	✓	✓		
RELATED PARTY DISCLOSURE FORM	✓	✓		
CERTIFICATION REGARDING DEBARMENT	✓	✓		
BASE BID TOTAL				
ALTERNATE 1				
ALTERNATE 2				
ALTERNATE 3				
ALTERNATE 4				
TOTAL	778,880 ⁰⁰	1,386,000 ⁰⁰		

BID TABULATION
August 27, 2025

Repairing and Repainting of
Jefferson Tank
Hobbs, New Mexico

TANK INDUSTRY CONSULTANTS
24.140.S634.012

Viking Painting
La Vista, NE

TMI Coatings
St. Paul, MN

Bid Item	Estimated Quantities	Unit Price	Bid Amount
1 - Base Bid Lump Sum	1	N.A.	\$675,800.00
2 - Exterior Concrete Crack Repair Linear Foot	1000	\$25.00	\$25,000.00
3 - Concrete Spall Repair Per Square Foot	100	\$99.00	\$9,900.00
4 - Concrete Floor Crack Repair Linear Foot	800	\$22.00	\$17,600.00
5 - Interior Overhead and Vertical Concrete Crack Repair Linear Foot	800	\$22.00	\$17,600.00
6 - Cleaning and Coating Exposed Steel Reinforcement Linear Foot	20	\$845.00	\$16,900.00
7 - Filler and Surfacers Gallon	8	\$550.00	\$4,400.00
8 - Additional Work Per Man-Hour	80	\$146.00	\$11,680.00
TOTAL AMOUNT BID (Items 1-8, Inclusive)			\$778,880.00

Unit Price	Bid Amount
N.A.	\$1,211,000.00
\$35.00	\$35,000.00
\$220.00	\$22,000.00
\$40.00	\$32,000.00
\$80.00	\$64,000.00
\$180.00	\$3,600.00
\$800.00	\$6,400.00
\$150.00	\$12,000.00
	\$1,386,000.00

BID FORM**VIKING PAINTING, LLC**

PROJECT IDENTIFICATION: Repairing and Repainting of One 2,000,000 Gallon Partially Buried Concrete Ground Storage Tank, "Jefferson Tank," in Hobbs, New Mexico. The BIDDER is referred to the following Detailed Technical Specifications for the complete Scope of Work.

CONTRACT IDENTIFICATION AND NUMBER: 1622-25

THIS BID IS SUBMITTED TO: City of Hobbs
Finance Director
City Hall
200 East Broadway
Hobbs, New Mexico 88240

ATTENTION: Finance Director

- 1.01 The undersigned BIDDER proposes and agrees, if this Bid is accepted, to enter into an agreement with OWNER in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices indicated in this Bid and within the times indicated in the Contract Agreement and in accordance with the other terms and conditions of the Bidding Documents.
- 2.01 BIDDER accepts all of the terms and conditions of the Notice to Bidders, and Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. This Bid will remain subject to acceptance for 60 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of OWNER.
- 3.01 In submitting this Bid, BIDDER represents, as more fully set forth in the Agreement, that:
- A. BIDDER has examined and carefully studied the Bidding Documents, the other related data identified in the Bidding Documents, and the following Addenda, receipt of all which is hereby acknowledged.

<u>Addendum Number</u>	<u>Addendum Date</u>
1	07/09/2025

- B. Bidder has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.
- C. Bidder is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.
- D. BIDDER has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except

00300-1

Underground Facilities) which have been identified in the Supplementary Conditions as provided in paragraph 5.03 of the General Conditions, and (2) reports and drawings of a Hazardous Environmental Condition, if any, which has been identified in the Supplementary Conditions as provided in paragraph 5.06 of the General Conditions.

- E. BIDDER has obtained and carefully studied (or assumes responsibility for having done so) all additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the work or which relate to any aspect of the means, methods, techniques, sequences, and procedures or construction to be employed by Bidder, including applying the specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents to be employed by Bidder, and safety precautions and programs incident thereto.
 - F. Bidder does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price(s) bid and within the times and in accordance with the other terms and conditions of the Bidding Documents.
 - G. Bidder is aware of the general nature of work to be performed by OWNER and others at the Site that relates to the Work as indicated in the Bidding Documents.
 - H. Bidder has correlated the information known to Bidder, information and observations obtained from visits to the Site, reports and drawings identified in the Bidding Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Bidding Documents.
 - I. Bidder has given ENGINEER written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and the written resolution thereof by ENGINEER is acceptable to Bidder.
 - J. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance of the Work for which this Bid is submitted.
- 4.01 Bidder further represents that this Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid; Bidder has not solicited or induced any individual or entity to refrain from bidding; and Bidder has not sought by collusion to obtain for itself any advantage over any other Bidder or over OWNER.

5.01 In submitting this bid, BIDDER provides the following history of BIDDER company experience.

A. What year did the Bidder start operating under its present name? 2018

B. What similar public works projects has your organization completed?

CONTRACT AMOUNT	CLASS OF WORK	WHEN COMPLETED	NAME, ADDRESS & PHONE # OF OWNER
See attached			

C. What similar public works projects is your organization now in process of construction?

CONTRACT AMOUNT	CLASS OF WORK	WHEN COMPLETED	NAME, ADDRESS & PHONE # OF OWNER
See attached			

D. Have you ever failed to complete any work awarded to you? N/A

If so, where and why? _____

E. List references from private firms for which you have performed similar work.

N/A

6.01 BIDDER will supply sufficient and detailed information to the following statements and questions on the pages supplied.

A. Explain your plan or layout for performing proposed work. Describe crew size and equipment necessary to complete project in required time.

Viking will have a project manager in charge of this project to handle all logistics of this project. There will also be a on site foreman that will manage a crew of 3-4 laborers. The foreman communicate with our project manager, regarding day to day activities, progress, quality assurance etc. The project manager will be in constant contact with the engineer and owner and keep every update date on the progress of the project.

00300-4

TIC 24.140.S634.012

"Jefferson Tank," Hobbs, New Mexico

05-May-25

- B. If you intend to sublet any portion of the Work, state the name and address of each Subcontractor, equipment to be used by the Subcontractor, and whether you expect to require a performance bond.

Classic Industrial Services - 10203 S. 152nd Street | Omaha, NE 68138

00300-5

TIC 24.140.S634.012

"Jefferson Tank," Hobbs, New Mexico

05-May-25

C. What equipment do you intend to use for the proposed project?

See attached documents

00300-6

TIC 24.140.S634.012

"Jefferson Tank," Hobbs, New Mexico

05-May-25

- D. Have you made contracts or received offers for all materials within prices used in preparing your proposal?

(CIRCLE ONE) ☒ YES ☐ NO

7.01 Attachment of BIDDER'S most recent twelve-month financial statement is mandatory. Any bid submitted without said financial statement as required shall thereby be rendered invalid. The financial statement provided hereunder to the governing body awarding the contract must be specific enough in detail so that said governing body can make a proper determination of the BIDDER'S capability for completing the project if awarded.

8.01 Bidder will complete the Work for the following listed Work items for the prices listed on the BIDDER'S PROPOSAL:

Bid Item 1: (Base Bid for 2,000,000 Gallon Partially Buried Concrete Ground Storage Tank)
(Lump Sum)

The complete cleaning and repainting of the tank on the interior surfaces, the complete cleaning and repainting of the exterior surfaces, and including other miscellaneous repairs and incidental items. All of this Work shall be in accordance with the **Detailed Technical Specifications**.

Bid Item 2: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Exterior Concrete Crack Repair: Any exterior cracks in the surfaces of the concrete greater than 1/16 in. wide shall be prepared according to the specifications of the concrete crack repair material manufacturer. These areas to be repaired shall be prepared by blast cleaning to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. The cracks in the exterior concrete shall then be repaired by routing out the crack to a minimum depth of 1/4 in. (and to the lesser of maximum depth to avoid damaging reinforcing steel, approximately 3/8 in. depth, or as recommended by the patching compound product data sheets) and repairing with a latex-based patching compound. The cracks in the concrete shall then be filled with the crack repair material. **The number of linear feet of exterior concrete crack repair shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

Bid Item 3: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Concrete Spall Repair: Any areas of unsound or deteriorated concrete or shotcrete or other failed areas of concrete indicated by the FIELD OBSERVER shall be chipped to sound concrete and prepared according to the specifications of the concrete repair material manufacturer. These areas to be repaired shall be prepared by wet blast cleaning

00300-7

to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. A concrete-based patching material shall be placed in the deteriorated area and shaped to the original contour of the concrete. Suitable formwork shall be provided to form the face of the concrete. **The number of square feet of concrete spall repair (based on an average depth of 3 in.) shall be paid for by the unit price per square foot listed on the BIDDER'S PROPOSAL.**

Bid Item 4: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Concrete Floor Crack Repair: Any cracks in the floor greater than 1/16 in. wide shall be prepared according to the specifications of the concrete crack repair material manufacturer. These areas to be repaired shall be prepared by wet blast cleaning to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. The cracks in the concrete shall then be repaired by routing out the crack to a minimum depth of 1 in. (with a minimum 90° angle from the surface) and repairing with a cement-based patching compound. **The number of linear feet of concrete floor crack repair shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

Bid Item 5: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Interior Overhead and Vertical Concrete Crack Repair: Any interior cracks in the overhead and/or vertical surfaces of the concrete greater than 1/16 in. wide shall be prepared according to the specifications of the concrete crack repair material manufacturer. These areas to be repaired shall be prepared by wet blast cleaning to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. The cracks in the concrete shall then be filled by injection with a high strength, 100% solids, low viscosity, rapid setting material. **The number of linear feet of overhead and vertical concrete crack repair shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

Bid Item 6: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Cleaning and Coating Exposed Steel Reinforcement: After removing the deteriorated concrete, any corroded reinforcing steel shall be abrasive blast cleaned to the equivalent of an SSPC-SP 10, Near-White Blast Cleaning (modified) and coated prior to concrete repair. The anti-corrosion coating to be applied to the exposed reinforcing steel shall be Sika Armatec 110 Epochem or equal recommended by concrete repair material manufacturer and approved in writing by ENGINEER. **The number of linear feet of reinforcing steel abrasive blast cleaned and coated shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

00300-8

Bid Item 7: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Filler and Surfacer: After the specified surface preparation, bug holes, voids, and other surface imperfections defined for filling or surfacing by the CONTRACTOR and confirmed with the FIELD OBSERVER shall be filled with solventless polyamide epoxy seam sealer of the type recommended by the supplier of the interior coating system. The epoxy seam sealer shall be applied neatly and smoothly to the surfaces and any rough areas of the seam sealer shall be sanded smooth prior to the application of the coating system. Costs for all labor, equipment, supplies, rigging, and other associated costs for application of the solventless polyamide epoxy seam sealer shall be included in the unit price per gallon. **The number of gallons of filler and surfacer shall be paid for by the unit price per gallon listed on the BIDDER'S PROPOSAL.**

Bid Item 8: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Additional Work: It is felt that the **Detailed Technical Specifications** adequately describe the work to be performed; however, in the event that during the course of the work it is found that additional work is required and it is authorized in writing by the ENGINEER and the OWNER, this work shall be paid for at the following price per single man-hour, including all welding, equipment, normal rigging, labor, supplies, overhead, insurance, and profit. **The number of unanticipated additional work man-hours shall be paid for by the unit price per man-hour listed on the BIDDER'S PROPOSAL.**

Note: The BIDDER shall use either black or blue ink or typewriter (black ribbon) in completing the Proposal Form. Each line item amount must be given. Failure to do so will result in disqualification of BIDDER.

BIDDERS are reminded that they must bid on the issued plans and specifications, as amended. Any deviation, conditions or attachments made by the BIDDER himself thereto may render the Bid nonresponsive and be cause for its rejection.

Bid Security to be based on the **TOTAL AMOUNT BID** and shall be the percentage indicated in the Instructions to Bidders.

BIDDER'S PROPOSAL

**Repairing and Repainting of
One 2,000,000 Gallon Partially Buried Concrete Ground Storage Tank
"Jefferson Tank"
Hobbs, New Mexico**

Statement of Estimated Quantities and Proposal Prices

Item No.	Item Description	Est. Qnty.	Unit	Unit Price	Bid Amount
1	Base Bid	1	Lump Sum	N.A.	\$
2	Exterior Concrete Crack Repair <u>If Required</u>	1,000	linear foot	\$	\$
3	Concrete Spall Repair <u>If Required</u>	100	square foot	\$	\$
4	Concrete Floor Crack Repair <u>If Required</u>	800	linear foot	\$	\$
5	Interior Overhead and Vertical Concrete Crack Repair <u>If Required</u>	800	linear foot	\$	\$
6	Cleaning and Coating Exposed Steel Reinforcement <u>If Required</u>	20	linear foot	\$	\$
7	Filler and Surfacers <u>If Required</u>	8	gallon	\$	\$
8	Additional Work <u>If Required</u>	80	man-hour	\$	\$

TOTAL AMOUNT BID

(Items 1 through 8 inclusive)

\$ _____

TOTAL AMOUNT BID

_____ (written in words)

Unit Prices have been computed in accordance with paragraph 13.03.C of the General Conditions.

Bidder acknowledges that estimated quantities are not guaranteed, and are solely for the purpose of comparison of Bids, and final payment for all Unit Price Bid items will be based on actual quantities provided, determined as provided in the Contract Documents.

00300-10

TIC 24.140.S634.012

"Jefferson Tank," Hobbs, New Mexico

05-May-25

BIDDER'S PROPOSAL

**Repairing and Repainting of
One 2,000,000 Gallon Partially Buried Concrete Ground Storage Tank
"Jefferson Tank"
Hobbs, New Mexico**

Statement of Estimated Quantities and Proposal Prices

Item No.	Item Description	Est. Qnty.	Unit	Unit Price	Bid Amount
1	Base Bid	1	Lump Sum	N.A.	\$ 675,800.00
2	Exterior Concrete Crack Repair <u>If Required</u>	1,000	linear foot	\$ 25.00	\$ 25,000.00
3	Concrete Spall Repair <u>If Required</u>	100	square foot	\$ 99.00	\$ 9,900.00
4	Concrete Floor Crack Repair <u>If Required</u>	800	linear foot	\$ 22.00	\$ 17,600.00
5	Interior Overhead and Vertical Concrete Crack Repair <u>If Required</u>	800	linear foot	\$ 22.00	\$ 17,600.00
6	Cleaning and Coating Exposed Steel Reinforcement <u>If Required</u>	20	linear foot	\$ 845.00	\$ 16,900.00
7	Filler and Surfacer <u>If Required</u>	8	gallon	\$ 550.00	\$ 4,400.00
8	Additional Work <u>If Required</u>	80	man-hour	\$ 146.00	\$ 11,680.00

TOTAL AMOUNT BID

(Items 1 through 8 inclusive)

\$ 778,880.00

TOTAL AMOUNT BID

Seven Hundred Seventy-Eight Thousand Eight Hundred Eighty Dollars & zero cent

(written in words)

Unit Prices have been computed in accordance with paragraph 13.03.C of the General Conditions.

Bidder acknowledges that estimated quantities are not guaranteed, and are solely for the purpose of comparison of Bids, and final payment for all Unit Price Bid items will be based on actual quantities provided, determined as provided in the Contract Documents.

00300-10

TIC 24.140.S634.012

"Jefferson Tank," Hobbs, New Mexico

05-May-25

The proposed REPAIR SUBCONTRACTOR is:

N/A

name

street

city

state

zip

The proposed DISPOSAL SUBCONTRACTOR is:

N/A

name

street

city

state

zip

- 9.01 Bidder agrees that the Work will be substantially completed, and completed and ready for final payment in accordance with paragraph 15.06 of the General Conditions on or before the dates and within the number of calendar days indicated in the Agreement.
- 10.01 Bidder accepts the provisions of the Agreement as to liquidated damages in the event of failure to complete the Work within the time specified in the Agreement.
- 11.01 The following documents are attached and made part of this Bid:
- A. Required Bid security in the form of a Bid Bond issued by a surety meeting the requirements of Paragraph 6.01 of the General Conditions, or in the form of a certified or bank check. Bid security shall list New Mexico Agent for Service of Process;
 - B. Required Letter from Surety;
 - C. A tabulation of Subcontractors, Suppliers and other individuals and entities required to be identified in this Bid;
 - D. Required BIDDER'S most recent twelve-month financial statement;
 - E. Campaign Contribution Disclosure Form;
 - F. Resident Veterans Preference Certification;
 - G. Non-Collusion Affidavit;

00300-11

- H. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion;
- I. Related Party Disclosure Form;
- J. Proposed cleaning and painting methods;
- K. Name(s) of the CONTRACTOR'S COMPETENT PERSON(S);
- L. All items and questions in this Bid Form shall be answered completely and accurately prior to submitting this Bid. Failure to provide the information requested in this Bid Form may entitle the OWNER to reject the Bid.

12.01 Communications concerning this Bid shall be addressed to:

Tank Industry Consultants
7740 West New York Street
Indianapolis, Indiana 46214
FAX 317/271-3300
Attention: Mr. Patrick J. Brown, or Mr. Gregory R. "Chip" Stein, P.E.

13.01 The terms used in this Bid with initial capital letters have the meanings indicated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

SUBMITTED on August 15th, 20 25

State Contractor License No. 417510. (If applicable)

If Bidder is:

An Individual

Name (typed or printed): _____

By: _____ (SEAL)
(Individual's signature)

Doing Business as: _____

Business Address: _____

Phone No.: _____ FAX No.: _____

00300-12

A Partnership

Partnership Name: Viking Painting, LLC (SEAL)

By: 
(Signature of general partner – attach evidence of authority to sign)

Name (typed or printed): Rory Sudbeck

Business Address: 10905 Harrison St., La Vista, NE 68128

Phone No.: 833-847-8265 FAX No.: _____

A Corporation

Corporation Name: _____ (SEAL)

State of Incorporation: _____

Type (General Business, Professional, Service, Limited Liability): _____

By: _____ (SEAL)
(Signature – attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____ (CORPORATE SEAL)

Attest: _____
(Signature of Corporate Secretary)

Business Address: _____

Phone No.: _____ FAX No.: _____

Date of Qualification to do business is _____

00300-13

BID FORM

TMI COATINGS LLC

PROJECT IDENTIFICATION: Repairing and Repainting of One 2,000,000 Gallon Partially Buried Concrete Ground Storage Tank, "Jefferson Tank," in Hobbs, New Mexico. The BIDDER is referred to the following Detailed Technical Specifications for the complete Scope of Work.

CONTRACT IDENTIFICATION AND NUMBER: Bid Number 1622-25

THIS BID IS SUBMITTED TO: City of Hobbs
Finance Director
City Hall
200 East Broadway
Hobbs, New Mexico 88240

ATTENTION: Finance Director

1.01 The undersigned BIDDER proposes and agrees, if this Bid is accepted, to enter into an agreement with OWNER in the form included in the Bidding Documents to perform all Work as specified or indicated in the Bidding Documents for the prices indicated in this Bid and within the times indicated in the Contract Agreement and in accordance with the other terms and conditions of the Bidding Documents.

2.01 BIDDER accepts all of the terms and conditions of the Notice to Bidders, and Instructions to Bidders, including without limitation those dealing with the disposition of Bid security. This Bid will remain subject to acceptance for 60 days after the Bid opening, or for such longer period of time that Bidder may agree to in writing upon request of OWNER.

3.01 In submitting this Bid, BIDDER represents, as more fully set forth in the Agreement, that:

A. BIDDER has examined and carefully studied the Bidding Documents, the other related data identified in the Bidding Documents, and the following Addenda, receipt of all which is hereby acknowledged.

<u>Addendum Number</u>	<u>Addendum Date</u>
#1	07/09/2025

B. Bidder has visited the Site and become familiar with and is satisfied as to the general, local, and Site conditions that may affect cost, progress, and performance of the Work.

C. Bidder is familiar with and is satisfied as to all federal, state, and local Laws and Regulations that may affect cost, progress, and performance of the Work.

D. BIDDER has carefully studied all: (1) reports of explorations and tests of subsurface conditions at or contiguous to the Site and all drawings of physical conditions in or relating to existing surface or subsurface structures at or contiguous to the Site (except

00300-1

Underground Facilities) which have been identified in the Supplementary Conditions as provided in paragraph 5.03 of the General Conditions, and (2) reports and drawings of a Hazardous Environmental Condition, if any, which has been identified in the Supplementary Conditions as provided in paragraph 5.06 of the General Conditions.

- E. BIDDER has obtained and carefully studied (or assumes responsibility for having done so) all additional or supplementary examinations, investigations, explorations, tests, studies, and data concerning conditions (surface, subsurface, and Underground Facilities) at or contiguous to the Site which may affect cost, progress, or performance of the work or which relate to any aspect of the means, methods, techniques, sequences, and procedures or construction to be employed by Bidder, including applying the specific means, methods, techniques, sequences, and procedures of construction expressly required by the Bidding Documents to be employed by Bidder, and safety precautions and programs incident thereto.
 - F. Bidder does not consider that any further examinations, investigations, explorations, tests, studies, or data are necessary for the determination of this Bid for performance of the Work at the price(s) bid and within the times and in accordance with the other terms and conditions of the Bidding Documents.
 - G. Bidder is aware of the general nature of work to be performed by OWNER and others at the Site that relates to the Work as indicated in the Bidding Documents.
 - H. Bidder has correlated the information known to Bidder, information and observations obtained from visits to the Site, reports and drawings identified in the Bidding Documents, and all additional examinations, investigations, explorations, tests, studies, and data with the Bidding Documents.
 - I. Bidder has given ENGINEER written notice of all conflicts, errors, ambiguities, or discrepancies that Bidder has discovered in the Bidding Documents, and the written resolution thereof by ENGINEER is acceptable to Bidder.
 - J. The Bidding Documents are generally sufficient to indicate and convey understanding of all terms and conditions for the performance of the Work for which this Bid is submitted.
- 4.01 Bidder further represents that this Bid is genuine and not made in the interest of or on behalf of any undisclosed individual or entity and is not submitted in conformity with any agreement or rules of any group, association, organization or corporation; Bidder has not directly or indirectly induced or solicited any other Bidder to submit a false or sham Bid; Bidder has not solicited or induced any individual or entity to refrain from bidding; and Bidder has not sought by collusion to obtain for itself any advantage over any other Bidder or over OWNER.

5.01 In submitting this bid, BIDDER provides the following history of BIDDER company experience.

A. What year did the Bidder start operating under its present name? 1985

B. What similar public works projects has your organization completed?

CONTRACT AMOUNT	CLASS OF WORK	WHEN COMPLETED	NAME, ADDRESS & PHONE # OF OWNER
See attached tank reference list			

C. What similar public works projects is your organization now in process of construction?

CONTRACT AMOUNT	CLASS OF WORK	WHEN COMPLETED	NAME, ADDRESS & PHONE # OF OWNER
See attached Current Commitments list			

D. Have you ever failed to complete any work awarded to you? No

If so, where and why? _____

E. List references from private firms for which you have performed similar work.

See attached Tank Reference List

6.01 BIDDER will supply sufficient and detailed information to the following statements and questions on the pages supplied.

A. Explain your plan or layout for performing proposed work. Describe crew size and equipment necessary to complete project in required time.

See attached Project Approach document.

- B. If you intend to sublet any portion of the Work, state the name and address of each Subcontractor, equipment to be used by the Subcontractor, and whether you expect to require a performance bond.

TMI Coatings will not be subcontracting any portion of this work.

00300-5

TIC 24.140.S634.012

"Jefferson Tank," Hobbs, New Mexico

05-May-25

C. What equipment do you intend to use for the proposed project?

Please see the attached Major Equipment List & Project Approach.

00300-6

TIC 24.140.S634.012

"Jefferson Tank," Hobbs, New Mexico

05-May-25

- D. Have you made contracts or received offers for all materials within prices used in preparing your proposal?

(CIRCLE ONE) YES NO

- 7.01 Attachment of BIDDER'S most recent twelve-month financial statement is mandatory. Any bid submitted without said financial statement as required shall thereby be rendered invalid. The financial statement provided hereunder to the governing body awarding the contract must be specific enough in detail so that said governing body can make a proper determination of the BIDDER'S capability for completing the project if awarded. **See attached Financial Statement**
- 8.01 Bidder will complete the Work for the following listed Work items for the prices listed on the BIDDER'S PROPOSAL:

Bid Item 1: (Base Bid for 2,000,000 Gallon Partially Buried Concrete Ground Storage Tank)
(Lump Sum)

The complete cleaning and repainting of the tank on the interior surfaces, the complete cleaning and repainting of the exterior surfaces, and including other miscellaneous repairs and incidental items. All of this Work shall be in accordance with the **Detailed Technical Specifications**.

Bid Item 2: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Exterior Concrete Crack Repair: Any exterior cracks in the surfaces of the concrete greater than 1/16 in. wide shall be prepared according to the specifications of the concrete crack repair material manufacturer. These areas to be repaired shall be prepared by blast cleaning to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. The cracks in the exterior concrete shall then be repaired by routing out the crack to a minimum depth of 1/4 in. (and to the lesser of maximum depth to avoid damaging reinforcing steel, approximately 3/8 in. depth, or as recommended by the patching compound product data sheets) and repairing with a latex-based patching compound. The cracks in the concrete shall then be filled with the crack repair material. **The number of linear feet of exterior concrete crack repair shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

Bid Item 3: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Concrete Spall Repair: Any areas of unsound or deteriorated concrete or shotcrete or other failed areas of concrete indicated by the FIELD OBSERVER shall be chipped to sound concrete and prepared according to the specifications of the concrete repair material manufacturer. These areas to be repaired shall be prepared by wet blast cleaning

00300-7

to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. A concrete-based patching material shall be placed in the deteriorated area and shaped to the original contour of the concrete. Suitable formwork shall be provided to form the face of the concrete. **The number of square feet of concrete spall repair (based on an average depth of 3 in.) shall be paid for by the unit price per square foot listed on the BIDDER'S PROPOSAL.**

Bid Item 4: (Unit Price)
(Add or Deduct from the Total Amount Bid)

Concrete Floor Crack Repair: Any cracks in the floor greater than 1/16 in. wide shall be prepared according to the specifications of the concrete crack repair material manufacturer. These areas to be repaired shall be prepared by wet blast cleaning to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. The cracks in the concrete shall then be repaired by routing out the crack to a minimum depth of 1 in. (with a minimum 90° angle from the surface) and repairing with a cement-based patching compound. **The number of linear feet of concrete floor crack repair shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

Bid Item 5: (Unit Price)
(Add or Deduct from the Total Amount Bid)

Interior Overhead and Vertical Concrete Crack Repair: Any interior cracks in the overhead and/or vertical surfaces of the concrete greater than 1/16 in. wide shall be prepared according to the specifications of the concrete crack repair material manufacturer. These areas to be repaired shall be prepared by wet blast cleaning to remove dust, laitance, grease, or other bond inhibiting materials and blown off with high pressure air. The cracks in the concrete shall then be filled by injection with a high strength, 100% solids, low viscosity, rapid setting material. **The number of linear feet of overhead and vertical concrete crack repair shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

Bid Item 6: (Unit Price)
(Add or Deduct from the Total Amount Bid)

Cleaning and Coating Exposed Steel Reinforcement: After removing the deteriorated concrete, any corroded reinforcing steel shall be abrasive blast cleaned to the equivalent of an SSPC-SP 10, Near-White Blast Cleaning (modified) and coated prior to concrete repair. The anti-corrosion coating to be applied to the exposed reinforcing steel shall be Sika Armatec 110 Epochem or equal recommended by concrete repair material manufacturer and approved in writing by ENGINEER. **The number of linear feet of reinforcing steel abrasive blast cleaned and coated shall be paid for by the unit price per linear foot listed on the BIDDER'S PROPOSAL.**

00300-8

Bid Item 7: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Filler and Surfacers: After the specified surface preparation, bug holes, voids, and other surface imperfections defined for filling or surfacing by the CONTRACTOR and confirmed with the FIELD OBSERVER shall be filled with solventless polyamide epoxy seam sealer of the type recommended by the supplier of the interior coating system. The epoxy seam sealer shall be applied neatly and smoothly to the surfaces and any rough areas of the seam sealer shall be sanded smooth prior to the application of the coating system. Costs for all labor, equipment, supplies, rigging, and other associated costs for application of the solventless polyamide epoxy seam sealer shall be included in the unit price per gallon. **The number of gallons of filler and surfacer shall be paid for by the unit price per gallon listed on the BIDDER'S PROPOSAL.**

Bid Item 8: (Unit Price)
(Add or Deduct from the **Total Amount Bid**)

Additional Work: It is felt that the **Detailed Technical Specifications** adequately describe the work to be performed; however, in the event that during the course of the work it is found that additional work is required and it is authorized in writing by the ENGINEER and the OWNER, this work shall be paid for at the following price per single man-hour, including all welding, equipment, normal rigging, labor, supplies, overhead, insurance, and profit. **The number of unanticipated additional work man-hours shall be paid for by the unit price per man-hour listed on the BIDDER'S PROPOSAL.**

Note: The BIDDER shall use either black or blue ink or typewriter (black ribbon) in completing the Proposal Form. Each line item amount must be given. Failure to do so will result in disqualification of BIDDER.

BIDDERS are reminded that they must bid on the issued plans and specifications, as amended. Any deviation, conditions or attachments made by the BIDDER himself thereto may render the Bid nonresponsive and be cause for its rejection.

Bid Security to be based on the **TOTAL AMOUNT BID** and shall be the percentage indicated in the Instructions to Bidders.

BIDDER'S PROPOSAL

Repairing and Repainting of
One 2,000,000 Gallon Partially Buried Concrete Ground Storage Tank
"Jefferson Tank"
Hobbs, New Mexico

Statement of Estimated Quantities and Proposal Prices

Item No.	Item Description	Est. Qnty.	Unit	Unit Price	Bid Amount
1	Base Bid	1	Lump Sum	N.A.	\$ 1,211,000
2	Exterior Concrete Crack Repair <u>If Required</u>	1,000	linear foot	\$ 35	\$ 35,000
3	Concrete Spall Repair <u>If Required</u>	100	square foot	\$ 220	\$ 22,000
4	Concrete Floor Crack Repair <u>If Required</u>	800	linear foot	\$ 40	\$ 32,000
5	Interior Overhead and Vertical Concrete Crack Repair <u>If Required</u>	800	linear foot	\$ 80	\$ 64,000
6	Cleaning and Coating Exposed Steel Reinforcement <u>If Required</u>	20	linear foot	\$ 180	\$ 3,600
7	Filler and Surfacer <u>If Required</u>	8	gallon	\$ 800	\$ 6,400
8	Additional Work <u>If Required</u>	80	man-hour	\$ 150	\$ 12,000

TOTAL AMOUNT BID

(Items 1 through 8 inclusive)

\$ 1,386,000

TOTAL AMOUNT BID One Million Three Hundred Eighty Six Thousand Dollars

(written in words)

Unit Prices have been computed in accordance with paragraph 13.03.C of the General Conditions.

Bidder acknowledges that estimated quantities are not guaranteed, and are solely for the purpose of comparison of Bids, and final payment for all Unit Price Bid items will be based on actual quantities provided, determined as provided in the Contract Documents.

00300-10

TIC 24.140.S634.012

"Jefferson Tank," Hobbs, New Mexico

05-May-25

The proposed REPAIR SUBCONTRACTOR is:

TMI Coatings will self perform the repair work

name

street

city

state

zip

The proposed DISPOSAL SUBCONTRACTOR is:

Waste Disposal will be coordinated with a local waste management company certified to hand the enviromental requirements of the project.

name

street

city

state

zip

9.01 Bidder agrees that the Work will be substantially completed, and completed and ready for final payment in accordance with paragraph 15.06 of the General Conditions on or before the dates and within the number of calendar days indicated in the Agreement.

10.01 Bidder accepts the provisions of the Agreement as to liquidated damages in the event of failure to complete the Work within the time specified in the Agreement.

11.01 The following documents are attached and made part of this Bid:

- A. Required Bid security in the form of a Bid Bond issued by a surety meeting the requirements of Paragraph 6.01 of the General Conditions, or in the form of a certified or bank check. Bid security shall list New Mexico Agent for Service of Process;
- B. Required Letter from Surety;
- C. A tabulation of Subcontractors, Suppliers and other individuals and entities required to be identified in this Bid;
- D. Required BIDDER'S most recent twelve-month financial statement;
- E. Campaign Contribution Disclosure Form;
- F. Resident Veterans Preference Certification;
- G. Non-Collusion Affidavit;

00300-11

- H. Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion;
- I. Related Party Disclosure Form;
- J. Proposed cleaning and painting methods;
- K. Name(s) of the CONTRACTOR'S COMPETENT PERSON(S);
- L. All items and questions in this Bid Form shall be answered completely and accurately prior to submitting this Bid. Failure to provide the information requested in this Bid Form may entitle the OWNER to reject the Bid.

12.01 Communications concerning this Bid shall be addressed to:

Tank Industry Consultants
7740 West New York Street
Indianapolis, Indiana 46214
FAX 317/271-3300

Attention: Mr. Patrick J. Brown, or Mr. Gregory R. "Chip" Stein, P.E.

13.01 The terms used in this Bid with initial capital letters have the meanings indicated in the Instructions to Bidders, the General Conditions, and the Supplementary Conditions.

SUBMITTED on August 19th, 2025

State Contractor License No. 381262. (If applicable)

If Bidder is:

An Individual

Name (typed or printed): _____

By: _____ (SEAL)
(Individual's signature)

Doing Business as: _____

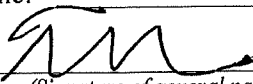
Business Address: _____

Phone No.: _____ FAX No.: _____

00300-12

A Partnership

Partnership Name: TMI Coatings, LLC (SEAL)

By: 
(Signature of general partner – attach evidence of authority to sign)

Name (typed or printed): Tracy Giori

Business Address: 3291 Terminal Drive

St. Paul, MN 55121

Phone No.: 651-452-6100 FAX No.: NA

A Corporation

Corporation Name: _____ (SEAL)

State of Incorporation: _____

Type (General Business, Professional, Service, Limited Liability): _____

By: _____ (SEAL)
(Signature – attach evidence of authority to sign)

Name (typed or printed): _____

Title: _____ (CORPORATE SEAL)

Attest: _____
(Signature of Corporate Secretary)

Business Address: _____

Phone No.: _____ FAX No.: _____

Date of Qualification to do business is _____

00300-13



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
September 15, 2025

SUBJECT: Resolution No. 7677 - Authorizing the Expenditure of Funds to be Used for the Purchase of Playground Equipment and Improvements to Taylor Elementary School Park

DEPT OF ORIGIN: Legal

DATE SUBMITTED: 9/4/2025

SUBMITTED BY: Medjine Desrosiers-Douyon, Deputy City Attorney

Summary:

This resolution authorizes City staff to expend funds toward new playground equipment and improvements to Taylor Elementary School Park, a Hobbs Municipal School located at 1520 N. Breckon Dr., Hobbs, New Mexico. Attached is a map of the park's location and a rendering of the proposed improvements. The estimated budget for the upgraded design and improvements is \$161,245.00. This fiscal expenditure comes from Commissioner Larron Fields' discretionary funds and will be classified as a capital improvement of public property expenditure.

Fiscal Impact:

The use of Commissioner Fields' discretionary funds in the amount of \$161,245.00 will be deducted from line 010100-44901-00317 in Special Projects District 3 for FY25-26.

Attachments:

RESOLUTION -Taylor elementary School park (04.2.25)

MOA City and Schools for Taylor Elementary School playgroup equipment and repair

02.26.25 COMMISSION SPECIAL PROJECT REQ

PROPOSAL

TAYLOR SCHOOL PARK_11X17-01

Recommendation:

The Commission should consider approval of the Resolution.

Approved By:

Medjine Desrosiers-Douyon, Deputy City Attorney 09/04/2025

Toby Spears, Finance Director 09/05/2025

Medjine Desrosiers-Douyon, Deputy City Attorney 09/05/2025

Manny Gomez, City Manager 09/05/2025

CITY OF HOBBS

RESOLUTION NO. 7677

A RESOLUTION AUTHORIZING THE EXPENDITURE OF FUNDS TO BE USED FOR
THE PURCHASE OF PLAYGROUND EQUIPMENT AND
IMPROVEMENTS TO TAYLOR ELEMENTARY SCHOOL PARK

WHEREAS, District 3 City Commissioner Larron Fields seeks to utilize \$161,245.00 of his discretionary funds for FY 25-26, via a Memorandum of Agreement (“MOA”) with the Hobbs Municipal Schools (“HMS”), for new playground equipment and improvements to Taylor Elementary School park, a Hobbs Municipal School located at 1520 N. Breckon Dr. Hobbs, New Mexico; and

WHEREAS, the expenditure of discretionary funds for this project will constitute a capital improvement of public property and thus qualify for the spending of discretionary funds; and

WHEREAS, under the terms of the MOA, HMS shall use the grant funds by May 31, 2027, and any unused grant funds shall be returned to the City of Hobbs by June 30, 2027; and

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO that the Mayor and City Manager be and are hereby directed to execute any and all paperwork necessary to accomplish the purchase of equipment and improvements to the Taylor Elementary School park located at 1520 N. Breckon Dr. Hobbs, New Mexico up to the amount of \$161,245.00.

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

JOSEPH D. CALDERÓN, Mayor Pro Tem

ATTEST:

JAN FLETCHER, City Clerk

**MEMORANDUM OF AGREEMENT BETWEEN
CITY OF HOBBS AND HOBBS MUNICIPAL SCHOOLS**

This Memorandum of Agreement is made on the date of the signatures below by and between City of Hobbs (hereinafter “City”) and the Hobbs Municipal Schools (hereinafter “Schools”).

PURPOSE

The purpose of this Memorandum of Agreement is to memorialize the terms and agreement, including changes thereto, between City and Schools regarding City’s grant of \$161,245.00 for new playground equipment and improvements to Taylor Elementary School park, a Hobbs Municipal School located at 1520 N. Breckon Dr. Hobbs, New Mexico;

WHEREAS, at its regular meeting on September 15, 2025, the City of Hobbs City Commission approved the request of City Commissioner Larron Fields; and

WHEREAS, the Schools wishes to accept the funds for new playground equipment and improvements to Taylor Elementary School park.

AGREEMENT

1. The City will provide a grant up to \$161,245.00 to the Schools.
2. The Schools will use the grant funds for new playground equipment and improvements to Taylor Elementary School park, a Hobbs Municipal School located at 1520 N. Breckon Dr. Hobbs, New Mexico;
3. The Schools will use the grant funds by May 31, 2027.
4. The Schools will return any unused portion of the grant funds to the City by June 30, 2027.

SOVEREIGN IMMUNITY

City and Schools and their public employees (as defined in the New Mexico Tort Claims Act) do not waive sovereign immunity, do not waive any defense(s), and/or do not waive any limitation(s) pursuant to the New Mexico Tort Claims Act. No provision in this Memorandum of Agreement modifies and/or waives any provision of the New Mexico Tort Claims Act as it relates to City and Schools and their public employees.

LIABILITY

Each party agrees to bear liability and responsibility for the negligent, reckless or deliberate acts or omissions of their own officers and employees, as limited by the New Mexico Tort Claims Act.

THIRD PARTY BENEFICIARIES

It is specifically agreed between the parties executing the Memorandum of Agreement that it is not intended by any of the provisions of any part of the Memorandum of Agreement to create in the public or any member thereof, a third party beneficiary, or to authorize anyone not a party to the Memorandum of Agreement to maintain, pursuant to the provisions of the Memorandum of Agreement, a suit of any nature, including but not limited to suits alleging wrongful death, bodily and/or personal injury to person(s), damages to property(ies), and/or any cause of action.

INSURANCE

Both City and Schools shall maintain liability insurance or qualify as a self-insured entity, as required by law.

TERM

This Memorandum of Agreement shall remain in full force and effect until the grant funds have been fully utilized or by June 30th, 2027, whichever occurs first.

SEVERABILITY

If any provision of this Memorandum of Agreement is found to be invalid or unenforceable for any reason, the remaining provisions will continue to be valid and enforceable. If a court finds that any provision of this Memorandum of Agreement is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision will be deemed to be written, construed, and enforced as so limited.

NO ORAL MODIFICATION

The foregoing constitutes the entire agreement between the City and the Schools and may be modified only in writing, signed by both the City and the Schools. Amendments and alterations to this Memorandum of Agreement after execution may only be made in writing signed by both City and Schools.

GOVERNING LAW

This Memorandum of Agreement shall be construed in accordance with the laws of the State of New Mexico.

EFFECTIVE DATE

This Memorandum of Agreement shall be in full force and effect upon execution and approval of the parties hereto.

ATTEST:

HOBBS MUNICIPAL SCHOOLS

BY: _____
Gene Strickland,
Superintendent

Date: _____

ATTEST:

CITY OF HOBBS

BY: _____
Sam Cobb,
Mayor

Date: _____

Approved as to Form:

By: _____
Medjine Desrosiers-Douyon
Deputy City Attorney

Date: _____

By: _____
Attorney for Schools

Date: _____



COMMISSION SPECIAL PROJECT
REQUEST

DATE:

2/26/25

TOTAL AMOUNT OF REQUEST

\$161,245 (CHECK TAX)

COMMISSIONER:

FIELDS

PROJECT NAME:

PLAYGROUND EQUIPMENT

LOCATION:

TAYLOR SCHOOL

PURPOSE OF EXPENDITURE

ELEMENTARY SCHOOL EQUIPMENT

CLASSIFICATION: (circle one)

Government Entity (Hobbs Schools, NMJC, other)

Capital Improvement of public property (parks, streets, right of ways, etc)

Equipment to be owned or maintained by the City of Hobbs

Beautification project of City owned property (examples: clean-up supplies, advertising, tipping fees, etc)

Amendments to EDC airline subsidy

Animal Adoption Programs (spay & neuter programs)

City sponsored promotions (advertising, etc)

VENDORS TO BE USED:

Exemplary

SEE ATTACHED QUOTE

SIGNED

Larren A. Fields



Proposal

Q007285

Please Issue Purchase Order to:
Cooperative Educational Services
PO Box 81045
Albuquerque, NM 87198
Contract 2023-16-C116-ALL

Proposal Date	Salesperson
2/10/2025	Jeffrey Talley 806-670-4006 jeff@exerplay.com

Hobbs Municipal Schools-Taylor Elementary School
CES - 2023-16-C116-ALL

Quantity	Item Code	Description	Unit Price	DISC.	Total Extended
1.00	LSI	LANDSCAPE STRUCTURES, INC. Smart Play (5-12 years) Design 003888B	75,935.00	4%	72,897.60
1.00	FREIGHT	Includes Welcome Sign Freight/shipping charges (150-25-131)	8,450.00		8,450.00
1.00	RGH-INSTALL	Installation of Playground Equipment (639)	30,550.00		30,550.00
1.00	SURFACING	SAFETY SURFACING FLO5-PB/Elements Xenon-Turf, 2790 SF, price includes SafetyFoam Pro 2" Padding and Perimeter Board	27,090.00	4%	26,006.40
1.00	FREIGHT	Freight/shipping charges (3243)	4,353.00		4,353.00
1.00	INSTALL	Installation of Surfacing (3243)	18,988.00		18,988.00

THIS PROPOSAL IS SUBJECT TO THE ATTACHED TERMS AND CONDITIONS
Taxes subject to change

Subtotal	161,245.00
Tax Total:	0.00
Total	161,245.00

Proposal prepared by: Jeri Call

Accepted by:
Print Name: _____

Signature: _____

Date: _____



Proposal

Q007285

General Terms and Conditions:

Pricing for all listed items is good for 30 days from date of quote. ExerPlay reserves the right to revise pricing if any quote approvals are received after the 30-day timeframe, or if any portion of the quote is changed or removed. This may result in a delay in ordering materials for this project.

Pricing is for the listed items only and unless specifically shown on the quote, does not include freight, installation, engineering, offloading, storage, security, site preparation, permitting, security/temporary fencing, hard dig conditions, saw cutting, core drilling, field painting, electrical, concrete slabs, masonry work, ABC compaction, curbing, hand digging, excavation, spoil & waste removal, certification classes, background checks/badging, private line locating, or any applicable taxes or bonds. To obtain a performance/payment bond, please add 3.5% of the total to this quote.

Any necessary permits (federal, state, and/or local building) or special inspections are the responsibility of the General Contractor or End Owner.

Any applicable taxes shown on the quote are calculated based on state, city or county rates and project-specific requirements. Any Requests to remove taxes are subject to approval and MUST include an applicable tax-exempt certificate.

Please provide a signed quote, Purchase Order, or Contract to request an order. Further information such as shipping, colors, contact info, etc., may be needed before an order can be placed. Contract terms are subject to review and approval.

Notwithstanding anything to the contrary in any Contract Documents, ExerPlay shall have no duty to defend or indemnify Owner, Customer, or any other party for that portion of any claim arising out of the sole negligence of the indemnified party.

Billing and Payment Terms:

Current Customers: Unless otherwise negotiated and agreed upon, ExerPlay's payment terms are Net 30 from the date of the invoice, with approved credit; and Net 45 for contracted projects. ExerPlay's process is to bill the customer when the equipment ships. Surfacing and installation are billed upon completion. Bonds are billed when ordered. Late payments may be subject to finance fees and/or legal action.

New Customers: New customers may be required to pay a deposit on equipment at time of order. Deposit amount to be determined, based on credit. The remainder of that equipment, including freight, will be billed when it ships. Surfacing and installation are billed upon completion. Bonds are billed when ordered.

If paying by credit card, there will be a 3.5% fee added to the invoice.



Installation Terms:

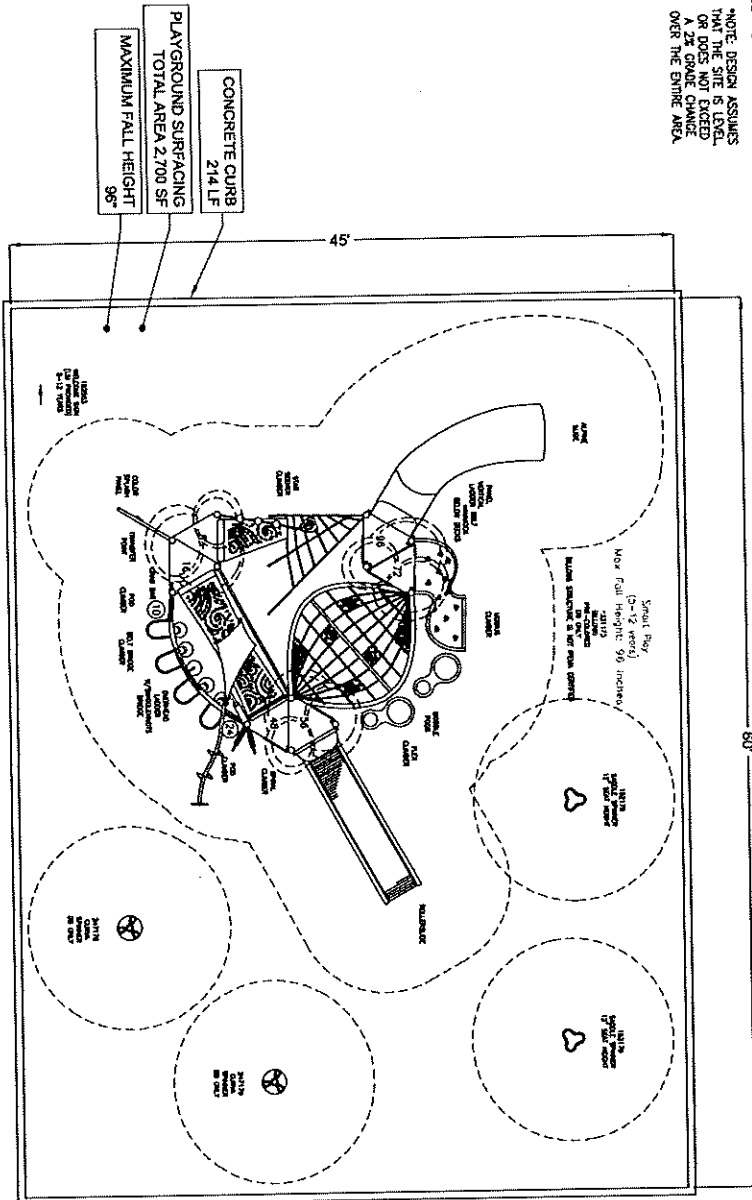
If installation is included on the quote, the following guidelines must be followed:

1. It is recommended that any Landscape Structures Equipment be installed by a certified Landscape Structures installer, and that all other equipment be installed by a CPSI Certified installer. ExerPlay reserves the right to request proof of certification.
2. Playground equipment MUST be installed over ADA compliant wood fiber or rubber surfacing. This area is not ADA compliant without surfacing and an accessible route up to and into the playground area. Please contact us for more information.
3. Installation price does NOT include prevailing wages, Davis-Bacon wages, or TERO wages unless otherwise specified. Any changes in wage requirements at time of order are subject to updated pricing.
4. Installation price is based on normal soil conditions. Unusual or hard dig soil conditions that require the use of a jack hammer, or other such equipment, will incur additional charges by reason of such conditions and supervisory fee, and for an extension of the time of completion. Installation price does not include removal of anything which may hinder installation of equipment, unless otherwise specified on our quote.
5. If Hard Dig conditions are known, please advise so we can quote accordingly to avoid any delays or additional fees. Hard Dig conditions will be considered anything that cannot be excavated with a standard Bobcat mounted hydraulic auger. Hard Dig conditions will require a change order at a Time & Material rate. If an auger truck is required to complete digging, it will be at the expense of the General Contractor or Owner, if a spoil report is not provided at the time of quoting.
6. Finish grade is to be provided by others prior to arrival of installer.
7. Installer must have free and clear access to the install location(s). The installer is not responsible for damage done to existing surfacing/landscaping that may occur when equipment & vehicles are being used in the normal course of construction. Reasonable access to the job site for a Bobcat is assumed as a part of this quote.
8. Line-item pricing is for informational purposes only and is based upon being awarded the total project. All items are to be installed concurrently if specific areas are not ready for installation, and an additional mobilization fee will be required via Change order unless otherwise specified on the quote.
9. If any materials need to be unloaded on site by the installer, unloading must be coordinated at the same time as the installation. If special arrangements need to be made, an additional trip charge for unloading may apply.
10. Our installation team will call 811 to conduct a line location service; however, often-times they do not mark lines on the actual property where the installation will be done. The owner is responsible for blue-staking the job site and staking out any underground utilities prior to installation. Owner is responsible should damage occur.
11. Neither ExerPlay nor Installers are responsible for vandalism, theft of equipment or subsequent repairs or replacement. Security fencing can be provided upon request and added to the quote.
12. The job site MUST be ready, and area leveled, when the installer arrives to begin the job, unless specifically noted on the quote. Any downtime or site delays caused by Owner or General Contractor will incur additional fees.
13. If equipment is to be shipped to the installer's yard, it will be held for a maximum of 6 months from delivery, with intent to install in that time frame; otherwise, storage fees may occur.

General Contractor is responsible for:

1. Adequate storage and layout area as well as security of equipment while on site.
2. Water, power, sanitary facilities, and trash container on site.
3. Free and clear vehicle access to site and all areas under the scope of work.
4. Movement of any utilities conflicting with the installation of the equipment (installer is not responsible for landscape irrigation).
5. Once the installers are on site, any delays or additional work incurred by the installation crew and caused by others (owners or other contractors) will be charged on a cost-plus basis.
6. Any additional costs, i.e. demolition, relocation, excavation, surfacing materials, and labor due to abnormal soil conditions, are not included in price.
7. Please notify ExerPlay of any changes immediately. If any changes are made which we are not aware of, and which alter the installation, then all additional costs will be passed on to the GC.

•NOTE: DESIGN ASSUMES
THAT THE SITE IS LEVEL,
OR DOES NOT EXCEED
A 2% GRADE CHANGE
OVER THE ENTIRE AREA



ALL ELEVATED PLAY COMPONENTS	8	REQUIRED	0
ALL ELEVATED COMPONENTS ACCESSIBLE BY RAMP	0	REQUIRED	0
ALL ELEVATED COMPONENTS ACCESSIBLE BY TRANSFER	5	REQUIRED	4
ALL ELEVATED COMPONENTS SHOWN	8	REQUIRED	3
ALL ACCESSIBLE GROUND LEVEL COMPONENTS	6	REQUIRED	5
ALL DIFFERENT TYPES OF GROUND LEVEL COMPONENTS	6	REQUIRED	5



**Playground Renovation
Taylor Elementary
Hobbs, NM**

ExerPlay, Inc.
Jeff Talley

SYSTEM TYPE:
SmartPlay



STU

17725 K. MONT

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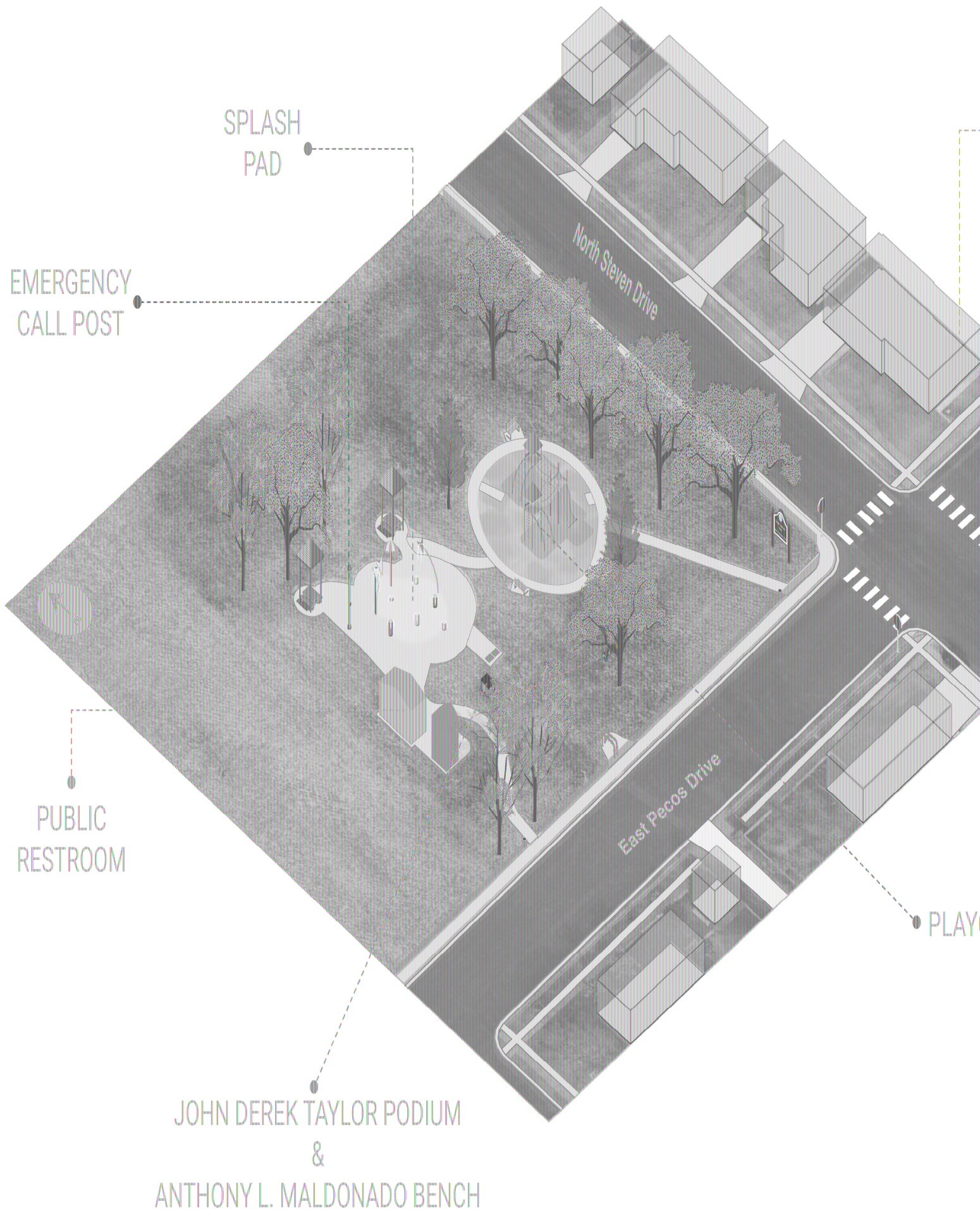
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2017-2018

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SPLASH
PAD

EMERGENCY
CALL POST

PUBLIC
RESTROOM

JOHN DEREK TAYLOR PODIUM
&
ANTHONY L. MALDONADO BENCH

PLAY



CITY OF HOBBS
STAFF SUMMARY FORM

MEETING DATE:
September 15, 2025

SUBJECT: Resolution No. 7678 - Memorandum of Understanding (MOU)
between Hobbs Municipal Schools, Hobbs Police Department and
Lea County Sheriff's Office

DEPT OF ORIGIN: Police

DATE SUBMITTED: 9/5/2025

SUBMITTED BY: August Fons, Police Chief

Summary:

This Memorandum of Understanding formalizes the assignment and presence of certified uniformed School Resource Officers (SROs) employed by the Hobbs Police Department and the Lea County Sheriff's Office on Hobbs School Campuses. The mission is to promote a safe learning environment through law enforcement, mentoring, education, relationship building and collaboration with school staff.

Fiscal Impact:

Annual Revenue \$30,000

Attachments:

HHS LEA RESOLUTION-1

MOU_07.07.25 with LEA

Recommendation:

Motion to approve the resolution.

Approved By:

August Fons, Police Chief	09/05/2025
Toby Spears, Finance Director	09/08/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	09/08/2025
Manny Gomez, City Manager	09/08/2025

CITY OF HOBBS

RESOLUTION NO. 7678

A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING
BETWEEN THE HOBBS MUNICIPAL SCHOOLS, THE CITY OF HOBBS/HOBBS
POLICE DEPARTMENT AND THE LEA COUNTY SHERIFF'S OFFICE FOR THE
ASSIGNMENT OF SCHOOL RESOURCE OFFICER(S)

WHEREAS, the City and Schools have previously entered into agreements for the
assignment of School Resource Officer(s); and

WHEREAS, the Schools desire to continue the assignment of School Resource
Officer(s) on Hobbs School campuses; and

WHEREAS, it is deemed that this memorandum of understanding is for the
common good of the schools, students, staff, and general public.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE
CITY OF HOBBS, NEW MEXICO that the Mayor, or designee, is hereby directed to
execute a Memorandum of Understanding with Hobbs Municipal Schools, City of Hobbs
and Lea County Sheriff's Office.

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

JOSEPH D. CALDERÓN, Mayor Pro Tem

ATTEST:

JAN FLETCHER, City Clerk

MEMORANDUM OF UNDERSTANDING

Between

Hobbs Municipal Schools ("School")

Hobbs Police Department ("HPD")

Lea County Sheriff's Office ("LCSO")

Effective Date: _____, 2025

Review Date: Annually thereafter

1. Purpose & Mission

This MOU formalizes the assignment and presence of certified uniformed School Resource Officers (SROs) employed by HPD and LCSO on school campuses. The mission is to promote a safe learning environment through law enforcement, mentoring, education, relationship building and, collaboration with school staff.

2. Definitions

- **SRO:** Certified law enforcement officer assigned by HPD or LCSO to Hobbs Municipal Schools.
- **Parties:** The School, HPD, and LCSO.

3. Program Structure

- SROs remain employees of HPD or LCSO and under their training, supervision, and personnel policies.
- Selection jointly involves law enforcement and school representatives; final appointment rests with HPD Chief or Sheriff.
- Quantity of assigned officers/deputies will be determined in partnership with HMS Director of Student Safety and School Security, HPD and LCSO.

4. Duties & Role

4.1 Law Enforcement

- Enforce criminal laws, investigate crimes on campus, and make arrests when appropriate.
- SROs do *not* handle routine school disciplinary actions—those remain school responsibility—but may assist in emergencies.

4.2 Educational & Mentoring

- Provide classroom instruction (e.g., law-related topics, drug prevention), mentor students, and serve as a trusted resource.

4.3 Crime Prevention & Community Liaison

- Conduct crime prevention through patrols, being highly visible on school campuses, and advise on school security.
- Participate in events, threat-assessment teams, and collaborate with community services.

5. Working Hours

- SRO hours align with school hours; court appearances count as work hours. Coverage of school-based activities and events. Emergency reassignments to city or county duties may adjust service coverage.

6. Training & Qualifications

- SROs hold current law enforcement officer certification and meet departmental standards.
- Receive specialized training: juvenile development, crisis intervention, anti-bias policing, FERPA, search & seizure, etc.
- School to provide registration and lodging expenses for attendance and participation in NASRO and other local, regional or state school related opportunities.

7. Chain of Command & Coordination

- HMS Director of School Safety and Security to coordinate and liaise with SRO's and command staff of HPD & LCSO
- SROs report to HPD/LCSO supervisors; coordinate daily with school principals or designees.
- Annual goal-setting and periodic meetings assess program effectiveness.

8. Data, Reporting & Accountability

- Monthly or quarterly reports listing incidents, referrals, and educational activities submitted to school and law enforcement leadership.

9. Searches & Student Privacy

- SROs conduct searches based only on probable cause for criminal violations; no strip or body-cavity searches.
- Comply with FERPA, state law, and guidelines governing interviews, arrests, and access to student records.

10. Use of Force & Weapons

- SROs may carry duty weapons and use force only as allowed by law and departmental rules.
- Discipline remains school's domain; law enforcement actions defer to criminal standards.

11. Facilities & Equipment

- The School provides office space, desk phone, computer and district radio. HPD/LCSO supplies police equipment, uniforms, and department radios.

12. Term, Compensation & Termination

- Term: Effective upon execution, to be in effect for three (3) years from date of execution.
- Hobbs Schools to compensate each department \$30,000 per year to offset department expenses.
- Either party may terminate with 60 days' written notice.

13. Amendment & Review

- This MOU is reviewed annually, with input from school staff and law enforcement
- Amendments require mutual written agreement.

Signatory Section

Entity	Name	Title	Date
Hobbs Municipal Schools	_____	Superintendent	_____
Hobbs Police Department	_____	Chief of Police	_____
Lea County Sheriff's Office	_____	Sheriff	_____



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
September 15, 2025

SUBJECT: FINAL ADOPTION: Ordinance No. 1164 - Authorizing the Sale and Conveyance of Certain City-Owned Land Located within the Hobbs Industrial Airpark to Stag Amazon, LLC

DEPT OF ORIGIN: Planning

DATE SUBMITTED: 9/8/2025

SUBMITTED BY: Todd Randall, Assistant City Manager

Summary:

The City of Hobbs is the owner of certain real property, containing 6.83 acres, located adjacent to Industrial St. Covenant Health Hobbs has expressed its intent to assign its option to purchase the subject land to Stag Amazon, LLC, and the City has negotiated the terms of a Real Estate Purchase Agreement ("REPA") with Stag Amazon, LLC for the direct purchase of said property. Pursuant to NMSA 1978, Section 3-54-1, and applicable provisions of the Hobbs Municipal Code, the City is authorized to sell or lease real property through ordinance adopted by the governing body after notice and public hearing.

1. APPRAISED VALUE OF PROPERTY. The appraised Fee Simple Market Value of the land only was determined to be \$565,000 for the 6.83 acres.
2. PURCHASE PRICE. \$730,000
3. PURPOSE OF PURCHASE. The building on the property currently owned by Covenant Health Hobbs is utilized for an Amazon warehouse.

Fiscal Impact:

The revenue from the sale will be booked against the Land Acquisition Fund.

Attachments:

ORDINANCE No. COVENANT - AMAZON PURCHASE 08-07-25
REPA - COVENANT - STAG - Final with edits 8-7-25
EXHIBIT 1 - Leased Boundary Description
EXHIBIT 2 - ASSIGNMENT OF OPTION TO PURCHASE - 8-7-25
EXHIBIT 3 - Estoppel
EXHIBIT 4 - Ord No. 1161 - First Amendment and original ground lease
Affidavit of Publication- Stag Amazon LLC

Recommendation:

Consideration of the Final Approval to adopt the Ordinance for the sale of property

Approved By:

Todd Randall, Assistant City Manager	09/08/2025
Toby Spears, Finance Director	09/08/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	09/08/2025
Manny Gomez, City Manager	09/08/2025

CITY OF HOBBS, NEW MEXICO

ORDINANCE NO. 1164

AN ORDINANCE AUTHORIZING THE SALE AND CONVEYANCE OF CERTAIN CITY-OWNED LAND LOCATED WITHIN THE HOBBS INDUSTRIAL AIRPARK TO STAG AMAZON, LLC AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY TO COMPLETE THE TRANSACTION.

WHEREAS, the City of Hobbs ("City") is the owner of certain real property, containing 6.83 acres, located within the corporate limits of the City of Hobbs, Lea County, New Mexico, currently leased to Covenant Health Hobbs under a Ground Lease authorized by Ordinance No. 957, as amended; and

WHEREAS, Covenant Health Hobbs has expressed its intent to assign its option to purchase the subject land to **Stag Amazon, LLC**, and the City has negotiated the terms of a Real Estate Purchase Agreement ("REPA") with **Stag Amazon, LLC** for the direct purchase of said property; and

WHEREAS, pursuant to NMSA 1978, Section 3-54-1, and applicable provisions of the Hobbs Municipal Code, the City is authorized to sell or lease real property through ordinance adopted by the governing body after notice and public hearing; and

WHEREAS, the governing body finds that the sale of the subject property is in the best interest of the City and its residents and that the terms of sale are fair, reasonable, and consistent with the appraised value of the land; and

WHEREAS, inclusive in this Ordinance are the following:

1. TERM OF SALE.

- a. The City proposes to sell a parcel of land comprised of 6.83 acres for purchase price of \$730,000.00.
- b. An Agreement for the Purchase of the Real Estate concerning terms of the sale for the property are part of the Proposed Ordinance, based on negotiation between the City and Stag Amazon, LLC.

2. APPRAISED VALUE OF PROPERTY. The appraised Fee Simple Market Value of the land only was determined to be \$565,000 for the 6.83 acres.

3. SCHEDULE OF PAYMENTS: The Purchase Price is to be paid with an earnest money deposit with the balance to be paid as follows:

- | | |
|------------------------------------|-----------|
| a. Earnest Money Deposit: | \$10,000 |
| b. At Closing the Balance of Cash: | \$720,000 |
| c. Total Payments: | \$730,000 |

4. PURCHASE PRICE. \$730,000
5. NAME OF PURCHASER. Stag Amazon, LLC, Attn: Steven Willis, 6905 82nd Street, Suite 300, Lubbock, Texas, 79424
6. PURPOSE OF PURCHASE. The building on the property and currently owned by Covenant Health Hobbs is utilized for an Amazon warehouse.

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

Section 1. The City of Hobbs is hereby authorized to sell the City-owned property as described in Exhibit 1 (Leased Boundary Survey) to **Stag Amazon, LLC** for the purchase price of \$730,000.00, as set forth in the Real Estate Purchase Agreement.

Section 2. The Mayor is hereby authorized to execute the Real Estate Purchase Agreement, the Assignment of Option to Purchase, the Special Warranty Deed, closing documents, and any other instruments necessary to effectuate the sale of the property to **Stag Amazon, LLC**.

Section 3. The subject property is to be subdivided prior to closing, and the final legal description shall conform to the recorded plat, which shall be prepared based on the existing Leased Boundary Survey and recorded prior to closing.

Section 4. The sale shall be subject to all applicable covenants, restrictions, easements, and matters of record, including those previously established under Ordinance No. 957 and any applicable City and State regulations.

Section 5. This Ordinance shall become effective five (5) days after publication by title and general summary in accordance with NMSA 1978, Section 3-17-5, unless a valid referendum petition is filed within thirty (30) days following its adoption, in which case the Ordinance shall be suspended pending further action by the governing body or electorate.

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

JOSEPH D. CALDERON, Mayor Pro Tem

ATTEST:

JAN FLETCHER, City Clerk

**REAL ESTATE PURCHASE AGREEMENT
CITY OF HOBBS AND STAG AMAZON, LLC**

This Real Estate Purchase Agreement ("**Agreement**") is entered into this ____ day of _____, 2025, by and between the City of Hobbs, a New Mexico municipal corporation ("**City**"), and Stag Amazon, LLC, a Texas limited liability company ("**Purchaser**").

RECITALS:

A. The City is the owner of certain real property located in Hobbs, New Mexico, described as:

A portion of the premises currently leased to Covenant Health Hobbs under the Ground Lease (as defined below), as generally described by the existing "Leased Boundary Description" attached hereto as Exhibit 1 and incorporated herein by reference (the "**Property**"). A final recorded plat and legal description will be completed and recorded prior to Closing (as defined below).

B. The Property is currently subject to a Ground Lease dated December 4, 2006, as amended by the First Amendment dated September 16, 2024 (collectively, the "**Ground Lease**"), originally entered into between the City and Lea Regional Medical Center, and the leasehold interest created thereby was subsequently assigned to Covenant Health Hobbs ("**Covenant**").

C. The Ground Lease includes an option to purchase the Property at market value. As contemplated by that certain Purchase and Sale Agreement dated July 3, 2025 between Covenant, as seller, and Purchaser, as buyer (the "**Covenant-Purchaser PSA**"), Covenant desires to assign the Ground Lease to Purchaser, including, without limitation, Covenant's right to purchase the Property under the Ground Lease, pursuant to that certain Assignment and Assumption of Ground Lease ("**Ground Lease Assignment**"). The City agrees to such assignment and to convey the Property to Purchaser pursuant to this Agreement.

NOW THEREFORE, the parties agree as follows:

1. Purchase and Sale.

The City agrees to sell and convey, and Purchaser agrees to purchase, the Property on the terms and conditions set forth herein.

2. Purchase Price.

The purchase price shall be \$730,000.00 (the "**Purchase Price**"), based on a recent appraisal prepared by JPM Valuation Services dated May 14, 2025. City and Purchaser agree and acknowledge that this Purchase Price described herein is the market value, as contemplated in the Ground Lease.

3. Earnest Money.

Purchaser shall deposit \$10,000.00 with the closing agent within fourteen (14) business days following Commission approval of this Agreement.

4. Closing.

Closing shall occur on or before 180 days from Commission approval and adoption of the ordinance authorizing this Agreement (the “**Closing**”), unless extended by mutual written agreement. Possession transfers at Closing.

5. Title and Deed.

a. City shall convey the Property to Purchaser by Special Warranty Deed (the “**Deed**”), free and clear of all liens except those of record. The conveyance shall be subject to all covenants, easements, restrictions, and matters of record, including those referenced in the Building Purchase Agreement approved under City Ordinance No. 957, to the extent they remain applicable and enforceable.

b. City shall provide a title commitment (“**Title Report**”) and owner’s title insurance policy, at City’s cost. The legal description in the Deed shall conform to the final recorded plat to be completed prior to Closing. Upon the issuance of the Title Report and delivery of same to Purchaser, together with copies of the documents and instruments upon which the exceptions contained therein are based, Purchaser shall have ten (10) days from the date of Purchaser’s receipt of the Title Report to object in writing to any exception to title set forth in the Title Report (except for all monetary liens which are hereby objected to and shall be removed by City on or before the Closing Date (collectively, the “**Disapproved Items**”). In the event that Purchaser does not timely provide City with written notice of an objection to any exception to title in accordance with this Section 5.b, Purchaser shall be deemed to have approved such exception to title. In the event that Purchaser provides written objections to any exception to title, City shall have ten (10) days to provide notice to Purchaser that: (a) City will remove the Disapproved Items (or commit to have the Disapproved Items removed as of the Closing); or (b) provide affirmative title insurance coverage therefor; or (c) City cannot or is unwilling to remove the Disapproved Items. If City notifies Purchaser that it will remove the Disapproved Items, City shall use commercially reasonable efforts to remove or provide affirmative title insurance coverage for the Disapproved Items. In the event that City shall provide Purchaser with written notice within such ten (10) day period that City cannot or is unwilling to remove or provide affirmative title insurance coverage for the Disapproved Items, Purchaser may elect, at any time prior to Closing, in its sole and absolute discretion, to either terminate this Agreement in accordance with Section 10 by providing City written notice of such termination, or waive its objections to the Disapproved Items that City cannot or is unwilling to remove or provide affirmative title insurance coverage for and proceed to Closing. In the event that City does not respond to Purchaser’s objections in writing within such ten (10) day period, City shall be deemed to have given notice that City cannot or is unwilling to remove or provide affirmative title insurance coverage for the Disapproved Items.

6. Assignment of Ground Lease

City acknowledges and consents to the Ground Lease Assignment from Covenant to Purchaser, which approved form is attached as Exhibit 2. Notwithstanding anything to the contrary, if Purchaser terminates this Agreement to purchase the Property, City's foregoing consent to the Ground Lease Assignment shall not be revoked and Covenant right to assign the Ground Lease to Purchaser shall continue in full force and effect. City and Purchaser agree that upon full execution of the Ground Lease Assignment and the closing of the sale transaction contemplated by the Covenant-Purchaser PSA, Covenant shall be released in full from any and all obligations and liability with respect to the Ground Lease. This section shall survive the Closing or sooner termination of this Agreement.

7. Survey.

The City shall provide the existing Leased Boundary Description, attached hereto as Exhibit 1, for reference. A final recorded plat creating the parcel to be conveyed shall be completed and recorded by the City prior to Closing.

8. Environmental.

Purchaser has received and accepted all existing environmental reports. No further environmental contingencies apply.

9. Closing Costs.

City shall pay for title commitment and recording. Purchaser shall pay title premium, legal fees, and all other closing costs. The cost of the platting process shall be borne by the City.

10. Termination and Default.

If either party defaults under this Agreement, the non-defaulting party shall provide written notice of such default and the defaulting party shall have thirty (30) days to cure the default. If the default is not cured within such time, the non-defaulting party may terminate this Agreement by written notice and pursue any remedies available at law or equity.

If the City terminates this Agreement due to Purchaser's uncured default, the City shall retain the Earnest Money as liquidated damages.

If the Agreement is terminated due to (i) City's failure or inability to cure Purchaser's title objections, (ii) the non-occurrence of any other condition on Purchaser's obligation to close, (iii) any other reason except for Purchaser's default, then the Earnest Money shall be promptly refunded to Purchaser.

This Agreement shall automatically terminate and be of no further force or effect if the Closing has not occurred within twelve (12) months of the date of Commission approval, unless extended by mutual written agreement.

11. Conditions to Purchaser's Obligation to Close. Purchaser shall not be obligated to close the purchase of the Property unless on or prior to the Closing Date, Purchaser shall have acquired the leasehold interest in the Ground Lease pursuant to the Ground Lease

Assignment. Notwithstanding anything to the contrary, the acquisition of the leasehold interest in the Ground Lease shall be at Purchaser's sole cost and the failure of this condition to be satisfied shall not be City's default.

12. Miscellaneous.

- Governing Law: New Mexico law applies. Venue shall be in Lea County.
- Ordinance Requirement: This Agreement is contingent upon the adoption of an ordinance by the City Commission.

13. Exhibits.

- Exhibit 1: Leased Boundary Survey
- Exhibit 2: Ground Lease Assignment
- Exhibit 3: Consent Estoppel and Recognition Agreement
- Exhibit 4: Ordinance 1161 – First Amendment to Ground Lease Agreement with Covenant Hospital Hobbs at 5625 N. Lovington Hwy.

13. Entire Document.

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

[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

PURCHASER:

STAG AMAZON, LLC,
a Texas limited liability company

Mayor Sam Cobb

By: _____
Name: _____
Title: _____
Address: _____
Phone: _____

ATTEST:

Jan Fletcher, City Clerk

APPROVED AS TO FORM:

Medjine Desrosiers-Douyon
Deputy City Attorney

Joinder:

By signing below, Covenant acknowledges and agrees as to the terms and conditions in Section 6 above only.

COVENANT:

COVENANT HOSPITAL HOBBS,
a Texas nonprofit corporation

By: _____
Name: _____
Its: _____

EXHIBIT 1
LEASED BOUNDARY DESCRIPTION

A TRACT OF LAND SITUATED IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR A POINT ON THE WEST RIGHT OF WAY LINE OF INDUSTRIAL ROAD FROM WHICH A BRASS CAP IN CONCRETE FOUND FOR THE SOUTHEAST CORNER OF SAID SECTION 7 BEARS N49-49'41"E 80.00 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF THE TEXAS/NEW MEXICO RAILROAD AND S40°10'19"E ALONG THE SAID RAILROAD RIGHT OF WAY UNE 2539.19 FEET AND S00°40'41"E ALONG THE EAST LINE OF SAID SECTION 7 A DISTANCE OF 1207.74 FEET;

THEN S49D49'41"W 414.94 FEET TO A 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR THE MOST SOUTHERLY CORNER OF THIS TRACT;

THEN N40D10'19"W 351.06 FEET TO A 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR AN INTERIOR CORNER OF THIS TRACT;

THEN S49D49'41"W 75.00 FEET TO A 1/2" REBAR WITH CAP MARKED "JWSC PSI2641" SET FOR A CORNER OF THIS TRACT;

THEN N40D10'19"W 309.80 FEET TO 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR THE MOST WESTERLY CORNER OF THIS TRACT;

THEN N49D49'41"E 489.94 FEET TO A 1/2" REBAR FOUND FOR THE MOST NORTHERLY CORNER OF THIS TRACT AND A POINT ON THE WEST RIGHT OF WAY LINE OF INDUSTRIAL ROAD;

THEN S40D10'19"E ALONG SAID WEST LINE OF INDUSTRIAL ROAD 660.86 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED TRACT OF LAND CONTAINS 297,451.34 SQUARE FEET AND 6.83 ACRES MORE OR LESS.

Exhibit 2
Assignment of Option to Purchase

This Assignment of Option to Purchase ("Assignment") is made and entered into as of the ____ day of _____, 2025, by and among **Covenant Health Hobbs** ("Assignor"), **Stag Amazon, LLC** ("Assignee"), and the City of Hobbs ("City").

RECITALS:

A. Assignor is the current lessee under that certain Ground Lease dated December 4, 2006, as amended, between the City and Assignor, which includes an option to purchase the real property described in Exhibit 3 attached hereto ("Option").

B. Assignor desires to assign its rights under the Option to Assignee, and Assignee desires to assume such rights, subject to the City's consent.

C. The City consents to this Assignment and acknowledges that the Option may be exercised by Assignee pursuant to the terms of the Ground Lease.

NOW, THEREFORE, in consideration of the mutual promises herein, the parties agree:

1. Assignment.

Assignor hereby assigns to Assignee all of its rights, title, and interests in and to the Option to Purchase.

2. Assumption.

Assignee accepts such assignment and assumes all obligations related to the Option.

3. Consent.

The City consents to this Assignment and affirms that Assignee may exercise the Option subject to the terms of the Ground Lease.

4. Binding Effect.

This Assignment shall be binding on and inure to the benefit of the parties and their respective successors and assigns.

IN WITNESS WHEREOF, the parties have executed this Assignment as of the date first above written.

ASSIGNOR:
COVENANT HEALTH HOBBS

By: _____

Name: _____

Title: _____

Address: _____

Phone: _____

ASSIGNEE:
Stag Amazon, LLC

By: _____

Name: Steven Willis

Title: _____

Address: 6905 82nd St. Suite 300

Email: steven@rebuscap.com

THE CITY OF HOBBS

Sam D. Cobb, Mayor

ATTEST:

Jan Fletcher, City Clerk

APPROVED AS TO FORM:

Medjine Desrosiers-Douyon
Deputy City Attorney

EXHIBIT 3
ESTOPPEL CERTIFICATE

This Estoppel Certificate ("Certificate") is made as of the ____ day of _____, 2025 (the "Effective Date"), by the City of Hobbs, a New Mexico municipal corporation ("Ground Lessor"), in favor of Stag Amazon, LLC, a Texas limited liability company ("Assignee"), and any current or prospective purchaser, assignee, lender, or title company in connection with the transaction described below.

RECITALS

A. Ground Lessor is the owner of the land commonly known as **6.83 acres of land located in the Hobbs Industrial Airpark**, particularly described in Exhibit 1 attached hereto ("Lease Boundary Description") and the owner of the Ground Lessor's interest in the ground lease identified in Recital B below ("Ground Lease").

B. Reference is hereby made to that certain Ground Lease dated December 4, 2006, between Ground Lessor and Covenant Health Hobbs ("Ground Lessee"), as amended by the First Amendment dated September 16, 2024 (collectively, the "Ground Lease").

C. Ground Lessee has entered into an agreement to assign all leasehold interests and the option to purchase to Stag Amazon, LLC, and Ground Lessor consents to the assignment (the "Transaction").

NOW THEREFORE, Ground Lessor hereby certifies and represents as follows, to the best of Ground Lessor's knowledge as of the Effective Date:

1. **Consent; Lease Effective.** Ground Lessor consents to the Transaction. The Ground Lease has been duly executed and delivered by the parties thereto and, subject to the terms and conditions thereof, is in full force and effect. The obligations of Ground Lessee thereunder are valid and binding, and there have been no modifications or additions to the Ground Lease, written or oral, other than the First Amendment dated September 16, 2024. Ground Lessee is in possession of the premises demised under the Ground Lease.
2. **No Default.** (a) To the best of Ground Lessor's knowledge, there exists no breach, default, or condition which, with the giving of notice or passage of time or both, would constitute a default by Ground Lessee or Ground Lessor. (b) Neither Ground Lessor nor Ground Lessee has any existing claims, defenses, or offsets against rental due or to become due.
3. **Entire Agreement.** The Ground Lease constitutes the entire agreement between Ground Lessor and Ground Lessee with respect to the Property. Ground Lessee claims no rights other than as set forth in the Ground Lease.
4. **Minimum Rent.** The annual minimum rent under the Lease is \$1,000.00 for the first year (during building improvements), \$44,627.22 for the second year, and shall increase by 3% annually thereafter, due on December 15th of each year.
5. **Commencement Date.** The term of the Ground Lease commenced on December 4, 2006.
6. **Expiration Date.** The term of the Ground Lease will expire on December 15, 2081.

7. **No Deposits or Prepaid Rent.** No deposits or prepayments of rent have been made.
8. **No Other Assignment.** Ground Lessee has received no notice, and is not aware of, any other assignment of Ground Lessor's interest.
9. **Consent to Transaction.** Ground Lessor hereby consents to the Transaction.
10. **Use and Compliance.** The premises are used as a commercial warehouse by Amazon, consistent with the Ground Lease and City regulations. All required permits for the use have been obtained.
11. **Purchase Option or Refusal Rights.** The Ground Lease includes an option to purchase at market value. Ground Lessor consents to assignment of the option to Stag Amazon, LLC.
12. **Reliance and Binding Effect.** This Certificate may be relied upon by Assignee, successors, lenders, and title companies. This Certificate does not modify the Ground Lease. In the event of conflict, the Ground Lease controls.
13. **Release of Assignor.** Upon execution of the assignment, Ground Lessor acknowledges that Covenant Health Hobbs shall be released from obligations arising after the assignment, but remains responsible for any prior defaults.

IN WITNESS WHEREOF, Ground Lessor has executed this Agreement this _____
day of _____, 20____.

GROUND LESSOR:
CITY OF HOBBS
A New Mexico municipal corporation

Sam D. Cobb, Mayor

ATTEST:

Jan Fletcher, City Clerk

APPROVED AS TO FORM:

Medjine Desrosiers-Douyon, Deputy City Attorney

CITY OF HOBBS

ORDINANCE NO. 1161

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A FIRST AMENDMENT TO GROUND LEASE AGREEMENT WITH COVENANT HOSPITAL HOBBS AT 5625 N LOVINGTON HWY.

WHEREAS, the City of Hobbs, a municipal corporation, is the owner of a 6.83 acre tract of land situated in the Hobbs Industrial Air Park;

WHEREAS, the City of Hobbs is currently leasing the property to Covenant Hospital Hobbs;

WHEREAS, Covenant Hospital Hobbs requests to sublease the Property to Amazon.com Services, LLC; and


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

WHEREAS, inclusive in this Ordinance are the following:

1. TERM OF LEASE. No change to the term of lease, which began December 4, 2006 and the expiration date of such term is December 3, 2081.
2. ESTIMATED VALUE OF PROPERTY. \$446,272.00
3. LEASE PAYMENTS. Covenant Hospital Hobbs will pay annual rental to the City of Hobbs in the amount of \$1,000 for the first year, while building improvements are made, \$44,627.22 for the second year, and thereafter the payment shall increase 3% annually and be paid on December 15th of each year.
4. NAME OF LESSEE. Covenant Hospital Hobbs
5. NAME OF SUBLESSEE. Amazon.com Service, LLC
6. PURPOSE OF LEASE. The Lessee will sublease the entire Leasehold Property to Amazon.com Services, LLC for an Amazon warehouse.

NOW, THEREFORE, BE IT ORDAINED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be and hereby is authorized and directed to execute on behalf of the City of Hobbs, a First Amendment to Ground Lease Agreement with Covenant Hospital Hobbs, for proposed Amazon Warehouse at 5625 N Lovington Hwy, Hobbs, New Mexico 88240. A copy of said First Amendment to Ground Lease Agreement is attached hereto and incorporated herein by reference.

PASSED, ADOPTED AND APPROVED this 16th day of September, 2024.



SAM D. COBB, Mayor

ATTEST:



JAN FLETCHER, City Clerk



FIRST AMENDMENT TO GROUND LEASE

THIS FIRST AMENDMENT TO GROUND LEASE (this “**Amendment**”) is made as of _____, 2024 (“**Effective Date**”) between CITY OF HOBBS, a New Mexico municipal corporation (“**Ground Lessor**”) and COVENANT HOSPITAL HOBBS, a Texas nonprofit corporation (“**Ground Lessee**”).

RECITALS

- A. Ground Lessor and Ground Lessee (as successor-in-interest to Lea Regional Hospital, L.L.C.) are parties to that certain Ground Lease dated December 4, 2006 (the “**Ground Lease**”), respecting the Leasehold Property located at 5625 N. Industrial Drive, Hobbs, NM 88240, as more particularly described in the Ground Lease. A true and correct copy of the Ground Lease is attached to this Amendment as **Exhibit A**.
- B. Ground Lessee desires to lease the entire Leasehold Property to Amazon.com Services LLC (“**Tenant**”) pursuant to that certain Lease Agreement dated _____, 2024 (“**Amazon Lease**”).
- C. In connection with the Amazon Lease, Ground Lessor and Ground Lessee desire to amend the Ground Lease to, among other things, (i) approve the proposed permitted use of Tenant, and (ii) revise the rent paid by Ground Lessee to Ground Lessor pursuant to the Ground Lease.

AMENDMENT

- 1. Recitals; Defined Terms. The recitals above are incorporated as if set forth below. Capitalized terms used herein but not otherwise defined shall have the definitions given in the Ground Lease.
- 2. Permitted Use. Tenant intends to use the Leasehold Property for an Amazon warehouse as more particularly described in the Amazon Lease. Notwithstanding anything to the contrary in the Ground Lease, including, without limitation, Section 4 of the Ground Lease, the Permitted Uses (as defined in the Amazon Lease) are hereby approved by the Ground Lessor.
- 3. Amendments.
 - a) Section 1.B of the Ground Lease is deleted in its entirety and replaced with the following:

B. *[Intentionally Deleted]*
 - b) Section 2(A), (B), and (C) of the Ground Lease are hereby deleted in their entirety and replaced with the following:

A. *Commencing on December 15, 2024, Ground Lessee shall pay Ground Lessor the annual rent as set forth below (the “**Rent**”):*

Year 1 (December 15, 2024)	\$1,000.00 per year
Year 2 (December 15, 2025)	\$44,627.22 per year
Year 3 (December 15, 2026)	\$45,519.76 per year

B. Thereafter, starting on December 15, 2027 and continuing regularly each year thereafter without notice from the City throughout the Lease Term, the Rent shall increase 3% annually and be paid on December 15 of each year.

C. [Intentionally Deleted.]

4. Ground Lessor Consent. In accordance with Section 9 of the Ground Lease, Ground Lessor hereby consents to the lease of the Leasehold Property by Ground Lessee to Tenant pursuant to the terms and conditions of the Amazon Lease.

5. Notice. Section 15 of the Ground Lease is amended to include the following updated notice address for Ground Lessee:

Ground Lessee:

Covenant Health
Attn: Real Estate
3615 19th Street
Lubbock, Texas 79410

With a copy to:

Alston, Courtnage & Bassetti LLP
Attn: Adam Coady
600 University Street, Suite 2310
Seattle, WA 98101

6. Effect of Amendment; Complete Agreement. Except as expressly set forth herein, all other terms and conditions of the Ground Lease shall continue in full force and effect. In the event of a conflict in the terms of this Amendment and the Ground Lease, the terms of this Amendment shall control. The Ground Lease, as amended by this Amendment, contains the entire agreement between the parties and supersedes any and all prior written and/or oral agreements.

7. Authority and Liability. Each party warrants to the other that this Amendment has been duly authorized, executed and delivered by it, and it has the requisite power and authority to enter into this Ground Lease and perform its obligations hereunder. Each party covenants to provide the other with evidence of its authority and the authorization of this Amendment upon request.

8. Ground Lessee Representations. Ground Lessee represents and warrants to Ground Lessor that as of the Effective Date, Ground Lessor has performed all obligations required of Ground Lessor under the Ground Lease and that there are no offsets, counterclaims or defenses of Ground Lessee existing against Ground Lessor. Ground Lessee further acknowledges and agrees that no events have occurred that, with the passage of time or the giving of notice, or both, would constitute a basis for an offset, counterclaim, or defense against Ground Lessor, and that the Ground Lease is in full force and effect.

9. Ground Lessor Representations. Ground Lessor represents and warrants to Ground Lessee that as of the Effective Date, Ground Lessee has performed all obligations required of Ground Lessee under the Ground Lease and that there are no offsets, counterclaims or defenses of Ground Lessor existing against Ground Lessee. Ground Lessor further acknowledges and agrees that no events have occurred that, with the passage of time or the giving of notice, or both, would constitute a basis for an offset, counterclaim, or defense against Ground Lessee, and that the Ground Lease is in full force and effect.

10. Counterparts. This Amendment may be executed in counterparts, each of which shall be deemed an original, but which when taken together shall constitute one and the same instrument.


11. Partial Invalidity. If any term, covenant or condition of this Amendment or the application thereof to any person or circumstance is, to any extent, invalid or unenforceable, the remainder of this Amendment, or the application of such term, covenant or condition to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each other term, covenant or condition of this Amendment shall be valid and be enforced to the fullest extent permitted by law.

[Signatures on following page.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment the day and year first above written.

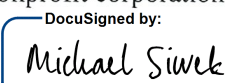
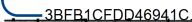
GROUND LESSOR:

CITY OF HOBBS,
a New Mexico municipal corporation

By: 
Name: SAM D. LOBB
Its: MAYOR

GROUND LESSEE:

COVENANT HOSPITAL HOBBS,
a Texas nonprofit corporation

DocuSigned by:

By: 
Name: MICHAEL SIWEK
Its: EXECUTIVE DIRECTOR - RESO

By signing below, the Economic Development Corporation of Lea County ("EDC") hereby acknowledges and agrees as to the change in Permitted Use as set forth in Section 2 above.

ECONOMIC DEVELOPMENT
CORPORATION OF LEA COUNTY


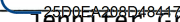
DocuSigned by:

By: 
Name: JENNIFER GRASSHAM
Its: PRESIDENT & CEO

EXHIBIT A

Ground Lease

[Attached.]

CITY OF HOBBS

ORDINANCE NO. 957

AN ORDINANCE APPROVING A BUILDING PURCHASE AGREEMENT TO SELL THE INCUBATOR BUILDING AND APPROVING A GROUND LEASE TO LEASE A \pm 6.83 ACRES REAL PROPERTY OF MUNICIPALLY-OWNED LAND LOCATED IN SECTION 7, T18S, R38E, NMPM IN LEA COUNTY IN THE HOBBS INDUSTRIAL AIR PARK TO THE LEA REGIONAL HOSPITAL, LLC.

WHEREAS, the City of Hobbs, a municipal corporation, is the owner of a building and site improvements located at 5625 N. Lovington Highway, formerly known as the Incubator Building and listed on the City of Hobbs Asset List as the "Incubator Site," and hereinafter referred to as the "Building;" and

WHEREAS, the City of Hobbs, a municipal corporation, is the owner of a \pm 6.83 acres tract of land situated in the Hobbs Industrial Air Park (HIAP), and hereinafter referred to as the "Leasehold Property;" and

WHEREAS, the HIAP industrial and commercial areas have been designated by the City of Hobbs Industrial Air Park Master Plan for commercial and industrial development; and

WHEREAS, an appraisal of value has been completed and the land value was determined to be \$147,000, the value of the building was determined to be \$399,000, and the combined value was determined to be \$546,000; and

WHEREAS, this issue was reviewed by the HIAP Board at the August 16, and September 25, 2006 meetings; and

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

WHEREAS, inclusive in this Ordinance are the following:

A. The Building Purchase Agreement:

1. Terms of Building Purchase Agreement: The City proposes to sell the Building for the negotiated purchase price of \$546,000.

The sale of the City-owned real property improvement must be approved by City Ordinance, pursuant to Section 3-54-1, NMSA 1978, as amended.

The Building Purchase Agreement containing the terms of the purchase is a part of this Ordinance, is attached hereto and is incorporated herein by reference.

2. Appraised Value of Municipally-owned Improvement Asset: The appraised value of the Building was determined to be \$399,000.
3. Schedule of Payments: The purchase price of \$546,000 is to be made at closing.
4. Purchaser of Building: Lea Regional Hospital, LLC, 5419 N. Lovington Highway, Hobbs, NM 88240.
5. Purpose of Municipal Sale: Regional Medical Facility and Economic Development - Site acquisition for expansion to Lea Regional Medical Center.

B. The Ground Lease.

1. Terms of Ground Lease: The City proposes to lease the Leasehold Property for a 75 year period with the negotiated annual rent set at \$1,000 per year for the first five years of the Lease.

The lease of the City-owned real property must be approved by City Ordinance pursuant to Section 3-54-1 NMSA 1978, as amended.

The Ground Lease containing the terms of the lease and Protective Covenants for the real property is part of this Ordinance, is attached hereto and is incorporated herein by reference.

2. Appraised Value of Municipally-owned Real Property: The appraised value of the real property was determined to be \$147,000 for the 6.83 acre tract.
3. Schedule of Payments: The Annual Rent is to be paid in the amount of \$1,000 per year with the payment to be made on the Commencement Date or the anniversary thereof.
4. Option to Purchase: The Lessee is granted the Option to Purchase the Leasehold Property at any time during the Term of the Lease with the

purchase price to be set at market value at the time of the intended purchase.

5. Lessee of Property: Lea Regional Hospital, LLC, 5419 N. Lovington Highway, Hobbs, NM 88240.
6. Purpose of Municipal Lease: Regional Medical Facility and Economic Development - Site acquisition for expansion to Lea Regional Medical Center.

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

(I)

That the City of Hobbs hereby approves the Building Purchase Agreement, subject to the conditions and terms contained therein.

(II)

That the City of Hobbs hereby approves the Ground Lease, subject to the conditions and terms contained therein.

(III)

That this Ordinance has been published prior to its adoption and shall be published at least once after adoption, pursuant to Sections 3-17-3, 3-17-5 and 3-54-1 NMSA 1978, as amended.

(IV)


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

(V)

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

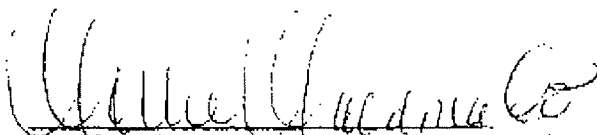
PASSED, APPROVED AND ADOPTED this 4th day of December, 2006.

CITY OF HOBBS, NEW MEXICO



MONTY D. NEWMAN, Mayor

ATTEST:



HOLIE MALDONADO, Deputy City Clerk



BUILDING PURCHASE AGREEMENT

THIS BUILDING PURCHASE AGREEMENT (hereinafter "Agreement"), entered into this 4th day of December, 2006, between Lea Regional Hospital, LLC, a Delaware limited liability company, 5419 North Lovington Highway, Hobbs, NM 88240 (hereinafter "Purchaser"); and the City of Hobbs, New Mexico, a New Mexico Municipal Corporation (hereinafter "City").

RECITALS:

A. The City is the owner of a certain building and site improvements known as the former EDC Incubator Building located at 8625 N. Lovington Highway, comprising 50,350 square feet, together with all other above ground improvements, structures and fixtures, and as listed on the City of Hobbs Asset List as the "Incubator Site", such property is referred to hereafter as the "Building".

B. The Building is located on a tract of land more particularly described in Exhibit A, attached hereto and made a part hereof, and hereinafter referred to as the "Leasehold Property."

C. Purchaser and the City have negotiated and approved a Ground Lease for the Leasehold Property.

D. The City entered into a certain Lease dated August 23, 1973 (the "1973 Ground Lease") with the Industrial Development Corporation of Lea County, predecessor in interest to the Economic Development Corporation of Lea County (the "EDC") wherein the City leased to the EDC certain real property more particularly described therein and containing the Leasehold Property.

E. The City entered into a certain Lease dated May 2, 1983 (the "1983 Ground Lease") with the EDC wherein the City leased to the EDC certain real property more particularly described therein and containing the Leasehold Property.

F. The interests of the EDC in the 1973 Ground Lease and the 1983 Ground Lease with respect to the Leasehold Property have been, or will be prior to the Closing Date, terminated; and EDC has, or will prior to the Closing Date, disclaim any and all interest it may have in the Building.

G. An appraisal of the site and the building was conducted, with the building being valued at \$399,000 and the entire site including the real property at \$546,000. The appraisal valued the land at \$147,000.

H. This Purchase Agreement proposes that the Purchaser be allowed to purchase the Building in exchange for the sum of \$546,000.

I. City, in consideration of the mutual covenants herein contained, agrees to sell and convey, and Purchaser agrees to purchase the Building as described below, together with all improvements and all rights, titles, powers, privileges, licenses, rights-of-way, hereditaments, easements and appurtenances thereunto belonging, located on the Leasehold Property.

DESCRIPTION OF BUILDING:

The former EDC Incubator Building and Site Improvements located at 3625 N. Lovington Highway, comprising 50,350 square feet, together with all other above ground improvements, structures and fixtures, and as listed on the City of Hobbs Asset List as the "Incubator Site", except that no land or real property is included.

NOW THEREFORE THE FOLLOWING IS AGREED BY THE PARTIES:

1. Purchase Price.

A. The purchase price for the Building shall be Five Hundred Forty Six Thousand Dollars (\$546,000.00) plus other valuable considerations. The purchase price shall be paid in cash or equivalent at closing.

B. The Purchase Price includes standard City Industrial Park infrastructure and utility services pursuant to the City Utility Service Policy as adopted January 2003, including existing water and sewer mains and service connections constructed on the Building prior to the date of this Agreement. Any additional infrastructure shall be subject to separate negotiations between the parties hereto.

C. The Purchase Price does not include any new extensions of City utilities or other new infrastructure.

2. Closing Date.

Closing for the sale of the Building shall occur on a mutually agreeable date, at least forty-five (45) days, but not more than one hundred twenty (120) days after the adoption of the ordinance authorizing the sale by the City, unless a referendum election is held pursuant to 3-54-1, NMSA, 1978, as amended (the "Closing Date"). The parties may extend the Closing Date by mutual agreement, not to exceed 365 days following the date of the ordinance.

3. Review of Title.

As soon as reasonably possible following the execution of this Agreement, the City shall furnish Purchaser a commitment for owner's policy of title insurance ("Commitment") for the Building and a leasehold policy of title insurance with respect to the Leasehold Property together with full copies of all exceptions set forth therein, including but not limited to covenants, conditions, restrictions, reservations, easements, rights of way, assessments, liens and other matters of record. Purchaser shall have fifteen (15) days from receipt of the Commitment and copies of said exceptions within which to notify the City of Purchaser's disapproval of any exceptions shown in the Report.

The City shall have until the Closing Date to eliminate any disapproved exception(s) or patent reservations(s) from the policy of title insurance to be issued in favor of Purchaser, and if not eliminated, then the earnest money deposit shall be refunded, unless Purchaser then elects to waive its prior disapproval. Failure of Purchaser to disapprove any exception(s) or patent reservation(s) within the aforementioned time

limit shall be deemed an approval of such exception or patent reservation. The policy of title insurance shall be a standard coverage policy in the amount of the total purchase price and shall be paid for by Purchaser.

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

4. Title.

At closing, the City shall execute and deliver a Special Warranty Deed (herein so called) conveying the Building to the Purchaser and/or his assigns, in fee simple, subject to all patent reservations and to all other existing liens, encumbrances and other exceptions of record except those exceptions and reservations which are disapproved by Purchaser and eliminated by the City pursuant to this Agreement.

5. Risk of Loss.

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

6. Default and Remedy.

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

B. Default by Purchaser. If Purchaser defaults in the performance of this Agreement prior to closing, City may terminate this Agreement and retain the earnest money deposit, if any, or may waive default, enforce performance of this contract, and seek such other relief as may be provided by law.

C. Notice and Demand for Performance. In the event that either party fails to perform such party's obligations hereunder (except as excused by the other's default), the party claiming default will give written notice of demand for performance. If the party to whom such notice and demand is given fails to comply with such written demand within ten (10) days after receipt thereof, the non-defaulting party may pursue the remedies provided in this paragraph.

7. Costs and Fees.

Closing costs shall be paid as follows:

A. All closing costs shall be paid by the Purchaser, including title insurance premium costs, title company closing fees, recording fees, additional survey costs, if

Purchaser requests an ALTA survey, and environmental assessment cost, if an environmental assessment is to be completed prior to closing.

B. The Purchaser and City shall each pay for their respective legal fees.

C. The parties agree that no realtors are involved in the sale of the Building and no real estate commission will be owing in connection with this transaction.

8. Notice.

All notices given pursuant to or in connection with this Agreement shall be made in writing and posted by certified mail, postage prepaid, to the City, at City of Hobbs, ATTN: Joe Dearing, 300 N. Turner, Hobbs, NM 88240; and to Purchaser, at Lea Regional Hospital, LLC, 5419 North Lovington Highway, Hobbs, NM 88240, Attention: Chief Executive Officer, Facsimile: 505/492-5505; With a copy to: Triad Hospitals, Inc., 5800 Tennyson Parkway, Plano, Texas 75024, Attention: Vice President-Real Estate Development, Facsimile: 214/473-7162; and With a copy to: Liechty & McGinnis, P.C., 7502 Greenville Avenue, Suite 750 Dallas, Texas 75231, Attention: Emmett W. Berryman, Esq., Facsimile: 214/265-0615, or to such other address as requested by either party. Notice shall be deemed to be received on the earlier of (i) actual receipt or (ii) the fifth day following posting. The mailing may also be completed by other acceptable forms of legal mail, as may occur in the future.

9. Attorney's Fees and Costs.

Both parties agree that if either is found by a court to have breached this Agreement, the other party may recover reasonable attorney's fees and cost of litigation.

10. Counterparts.

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

11. Successors and Assigns.

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

12. Compliance with New Mexico State Statutes.

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

13. Governing Laws.

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

14. State Permits and Licenses.

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

15. Protective Covenants, Permitted Use and Other Site Requirements.

A. Purchaser agrees to comply with the terms and conditions as stated in (i) the EDA Declaration (hereinafter defined) to be recorded prior to the Special Warranty Deed, and (ii) the Protective Covenants and Use Requirements for the Lea Regional Hospital, LLC Property in the form set forth on Exhibit "D" attached hereto (the "City Declaration") to be recorded prior to the Special Warranty Deed and encumbering the Building and the Leasehold Property.

B. According to the requirements of the Economic Development Corporation of Lea County, a New Mexico corporation (EDC), the following covenants shall be contained in the City Declaration and are therefore to be hereby agreed for all activities in the Building and on the Leasehold Property:

"Purchaser hereby acknowledges and agrees that use of the Property shall be limited to the development, construction, maintenance and operation of a medical office building, hospital or other healthcare facility which provides healthcare services through licensed physicians and support services related thereto, including, without limitation, materials management functions and medical records storage ("Permitted Uses"). Purchaser shall not extend, modify, amend, change, terminate or otherwise in any manner change the use ("use Change") without the prior express written consent of EDC, which consent will not be unreasonably withheld, so long as such use Change (i) is for Permitted Uses and (ii) contains the requirement of EDC's consent to any further use Change."

C. Other healthcare related commercial operations and activities are to be permitted if they are consistent with the type of traffic, noise and other impacts

associated with the use of the areas surrounding the Property. All proposed uses other than those listed in this Lease must be reviewed and approved by the City in writing. The City may condition such consent upon requiring other conditions before consenting to another use, such as 1) details of the proposed use and operations on the site; 2) conditions affecting the environment; and/or 3) pursuant to any protective covenants or other use regulations and/or obtaining additional information on the proposed use.

D. According to the requirements of the US Department of Commerce Economic Development Administration, the following covenants will be contained in the Declaration of Covenants – Release of Property Management Agreement – Covenant of Use (the "EDA Declaration"), pursuant to Federal Law 13 CFR Subpart D §314.10 to be executed and recorded by City and the US Economic Development Administration concurrently with the Special Warranty Deed, and are therefore to be hereby agreed for all activities on the Leasehold Property. The EDA Declaration is attached hereto and made a part of this Agreement as Exhibit "B".

16. Termination.

This Agreement shall be terminated on the Closing Date for the sale of the Building, unless either party ends the Agreement prior to that date pursuant to Section 9 of this Agreement, except that any provision calling for obligations continuing after the Closing Date shall survive. All of the City's warranties, representations, certifications, and agreements contained herein shall be and remain true at the time of closing.

17. City Permits.

The zoning designation of the Leasehold Property will be Planned Unit Development at such time that the City adopts a Zoning Ordinance. The Protective Covenants have been completed according to the needs of the Purchaser by the City. Purchaser must be responsible to apply for other City permits, including a City Business Registration or License Fee.

18. Conditions For Completing The Purchase.

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

A. The City Commission must have approved the necessary Ordinance for the Sale of the Property, subject only to the referendum election as specified in 3-84-1 et. seq., NMSA, as amended. In addition, the City HLAP Board should have reviewed and made recommendation on the purchase proposal.

B. Purchaser must have received, reviewed and approved the survey legal description and survey plat prior to Closing Date. Purchaser shall have survey documents for review at least twenty (20) calendar days prior to intended date of Closing. Purchaser shall have until the date of closing to raise any objections with City, or request changes on the survey.

C. There shall be no material adverse change in the condition of the Building as of the Closing Date.

D. The representations and warranties contained in this Agreement are true and correct as of the date of this Agreement.

E. Purchaser shall have received partial terminations of the 1973 Ground Lease and the 1983 Ground Lease executed by the City and EDC with respect to the Property and sufficient to allow the title company to remove any exception related to the 1973 Ground Lease or the 1983 Ground Lease from the policy of title insurance to be issued to Purchaser at Closing.

F. If any of the conditions set forth in this section are not satisfied to the sole discretion of the Purchaser prior to closing, or waived by the time specified therefor, or, if no time is specified, then by the closing date, then the Purchaser shall receive a refund of the earnest money deposit plus interest earned.

G. At closing, the City will prepare and record those easements to be recorded with the Special Warranty Deed pursuant to Section 20 hereof.

19. Representations and Certifications Made As A Part Of This Agreement.

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

A. The City owns title to the Building and Leasehold Property subject only to easements, restrictions and reservations of record as disclosed in the title commitment.

B. There are no public improvements which have been commenced or completed for which special real property tax assessments may be or have been levied against the Building or the Leasehold Property.

C. There are no known existing violations of applicable law with respect to the Building or the Leasehold Property.

D. There is no litigation pending or threatened against the Building and Leasehold Property which might result in a lien on either the Building or the Leasehold Property, or might interfere with the City's ability to sell or convey the Building or lease the Leasehold Property, or which might have a material adverse change upon the Building or the Leasehold Property.

E. The execution and delivery of the Purchase Agreement and closing of the sale by the City will not result in the breach of any agreement, decree or order to which the City is a party or by which the Building is bound.

F. There are no condemnation proceedings pending or threatened with respect to all or any portion of the Building or the Leasehold Property.

G. To the best knowledge of the City as of the date hereof, the following statement is made regarding the Building or the Leasehold Property:

To the City's actual knowledge, there has been no release of any hazardous substances in, on or about the Building or the Leasehold Property. The City has not received notice from any governmental authority of the release or

presence of any hazardous substances. To the best knowledge of the City, neither the Building nor the Leasehold Property presently is or has ever been used for the storage, manufacture, disposal, handling, transportation or use of any hazardous substances in violation of any law. To the best knowledge of the City, there are no past or present investigations, proceedings, litigation or regulatory hearings with respect to the Building or the Leasehold Property alleging non-compliance with or violation of any federal or state law regarding environmental matters. To the City's actual knowledge, there has not now, nor have there been, any above ground or underground storage tanks located in or under the Building or the Leasehold Property. To the City's actual knowledge, the Leasehold Property has previously been owned by the US Government Land Office, the City of Hobbs, the US Hobbs Army Airfield, and the City of Hobbs, New Mexico. The only known prior uses of the Leasehold Property are 1) open range grazing by local ranches from 1880 through the 1940's time period; 2) use of the area as a vacant portion of for the Hobbs Army Airfield operation during W.W.II; and industrial operations in the EDC Incubator Building since 1973, originally designed and built as a denim jeans manufacturing plant and thereafter for a variety of other light industrial operations.

H. The City is not a party to any contracts relating to the Leasehold Property, except for this Agreement, and the 1973 Ground Lease and the 1983 Ground Lease referred to above.

20. City Easements to be Retained on the Leasehold Property.

The City retains the following utilities and easements on the Leasehold Property, as shown on Exhibit #C. These utility corridors may be defined further as easements and recorded in the Lea County Clerk's Records:

A. A sewer main corridor 35 feet in width on the southeast with a total length of approximately 720 linear feet boundary including several manholes.

B. A water main corridor 25 feet in width on the southwest and northwest boundaries approximately 1,125 feet in total length including fire hydrants.

C. An access corridor on the parking areas with right of access to enter the above easements.

D. The Legal descriptions for those easements are more particularly described in Exhibit "C" which is attached hereto and made a part of this Agreement. At closing, the City will prepare and record those easements to be recorded with the Special Warranty Deed.

E. The City may require additional reasonable easements on the Leasehold Property for City infrastructure and City utilities and for other public utility companies, which easements shall be shown on the Survey. Such restrictions as reflected on the Survey and as referred to in the Commitment or any updated Commitment shall be subject to Purchaser's approval or disapproval in the manner specified herein.

LEA REGIONAL HOSPITAL LLC Building Purchase Agreement, Page 9.

21. Time of Essence.

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

22. Additional Documents.

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

23. Entire Document.

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

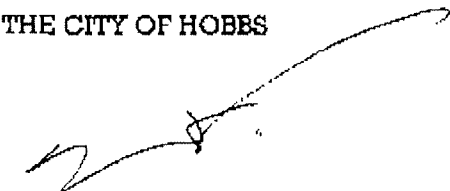
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LEA REGIONAL HOSPITAL LLC Building Purchase Agreement, Page 10.

Done and approved on the date first written above.

SELLER


THE CITY OF HOBBS



Mayor Monty D. Newman


PURCHASER

LEA REGIONAL HOSPITAL, LLC
A Delaware Limited Liability Company


By: _____ Tom Frazier

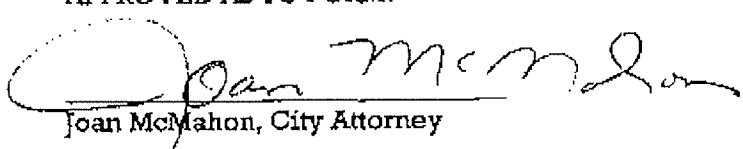
Title: Senior Vice President

ATTEST:



MOLLIE MALDONADO,
Deputy City Clerk

APPROVED AS TO FORM:



Joan McMahon, City Attorney



EXHIBIT "A"

LEGAL DESCRIPTION - LEASEHOLD PROPERTY

A TRACT OF LAND SITUATED IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR A POINT ON THE WEST RIGHT OF WAY LINE OF INDUSTRIAL ROAD FROM WHICH A BRASS CAP IN CONCRETE FOUND FOR THE SOUTHEAST CORNER OF SAID SECTION 7 BEARS N49°49'41"E 80.00 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF THE TEXAS/NEW MEXICO RAILROAD AND S40°10'19"E ALONG THE SAID RAILROAD RIGHT OF WAY LINE 2539.19 FEET AND S00°40'41"E ALONG THE EAST LINE OF SAID SECTION 7 A DISTANCE OF 1207.74 FEET;

THEN S49°49'41"W 414.94 FEET TO A 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR THE MOST SOUTHERLY CORNER OF THIS TRACT;

THEN N40°10'19"W 351.06 FEET TO A 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR AN INTERIOR CORNER OF THIS TRACT;

THEN S49°49'41"W 75.00 FEET TO A 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR A CORNER OF THIS TRACT;

THEN N40°10'19"W 309.80 FEET TO 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR THE MOST WESTERLY CORNER OF THIS TRACT;

THEN N49°49'41"E 489.94 FEET TO A 1/2" REBAR FOUND FOR THE MOST NORTHERLY CORNER OF THIS TRACT AND A POINT ON THE WEST RIGHT OF WAY LINE OF INDUSTRIAL ROAD;

THEN S40°10'19"E ALONG SAID WEST LINE OF INDUSTRIAL ROAD 660.86 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED TRACT OF LAND CONTAINS 297,451.34 SQUARE FEET AND 6.83 ACRES MORE OR LESS.

LEA REGIONAL HOSPITAL LLC Building Purchase Agreement, Page 12.

EXHIBIT "B"

EDA DECLARATION

EXHIBIT "C" (Page 1)

LEGAL DESCRIPTION OF EASEMENTS

DESCRIPTION WATER LINE 1

A STRIP OF LAND 25.0 FEET WIDE SITUATED IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO AND BEING 12.5 FEET RIGHT AND 12.5 FEET LEFT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT ON THE SOUTHEASTERLY BOUNDARY LINE OF A 6.83 ACRE TRACT OF LAND IN SAID SECTION WHICH LIES N35°29'36"W 3474.95 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION; THEN N39°42'04"W 383.14 FEET; THEN S49°28'49"W 88.35 FEET TO A POINT ON THE SOUTHWESTERLY BOUNDARY LINE OF SAID 6.83 ACRES TRACT WHICH LIES N37°13'39"W 3858.88 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION.

TOTAL LENGTH EQUALS 471.49 FEET OR 28.58 RODS

DESCRIPTION WATER LINE 2

A STRIP OF LAND 25.0 FEET WIDE SITUATED IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO AND BEING 12.5 FEET RIGHT AND 12.5 FEET LEFT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT ON THE NORTHWESTERLY BOUNDARY LINE OF A 6.83 ACRE TRACT OF LAND IN SAID SECTION WHICH LIES N36°14'52"W 4141.76 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION; THEN S40°10'13"E 159.10 FEET; THEN S51°37'09"W 61.59 FEET; THEN S40°10'13"E 120.95 FEET TO A POINT ON AN EXISTING WATER LINE SITUATED IN SAID 6.83 ACRE TRACT OF LAND IN SAID SECTION WHICH LIES N36°52'11"W 3860.34 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION.

TOTAL LENGTH EQUALS 341.64 FEET OR 20.71 RODS

DESCRIPTION WATER LINE 3

A STRIP OF LAND 25.0 FEET WIDE SITUATED IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO AND BEING 12.5 FEET RIGHT AND 12.5 FEET LEFT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT ON AN EXISTING WATER LINE SITUATED IN A 6.83 ACRE TRACT OF LAND IN SAID SECTION WHICH LIES N36°10'09"E 4060.46 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION; THEN N49°45'32"E 300.62 FEET TO A POINT IN SAID 6.83 ACRE TRACT WHICH LIES N31°58'03"W 4092.81 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION.

Exhibit "C" (Page 2)

TOTAL LENGTH EQUALS 300.62 FEET OR 18.22 RODS

DESCRIPTION SEWER LINE 1

A STRIP OF LAND 35.0 FEET WIDE SITUATED IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO AND BEING 17.5 FEET RIGHT AND 17.5 FEET LEFT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT ON THE NORTHEASTERLY BOUNDARY LINE OF A 6.83 ACRE TRACT OF LAND IN SAID SECTION WHICH LIES N29°05'42"W 3581.84 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION; THEN N62°51'08"W 23.52 FEET; THEN S28°43'10"W 5.71 FEET; THEN N67°00'33"W 210.41 FEET TO A POINT IN SAID 6.83 ACRE TRACT WHICH LIES N31°20'03"W 3767.22 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION.

TOTAL LENGTH EQUALS 239.64 FEET OR 14.52 RODS

DESCRIPTION SEWER LINE 2

A STRIP OF LAND 35.0 FEET WIDE SITUATED IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO AND BEING 17.5 FEET RIGHT AND 17.5 FEET LEFT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT ON THE NORTHEASTERLY BOUNDARY LINE OF A 6.83 ACRE TRACT OF LAND IN SAID SECTION WHICH LIES N28°59'16"W 3547.88 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION; THEN S49°47'08"W 330.64 FEET; THEN S75°04'21"W 93.20 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF SAID 6.83 ACRE TRACT WHICH LIES N35°44'01"W 3530.59 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION.

TOTAL LENGTH EQUALS 423.84 FEET OR 25.69 RODS

EXHIBIT "D"

CITY DECLARATION

35156

GROUND LEASE

THIS GROUND LEASE (this "Lease"), is made and entered into this 4th day of December 2006, by and between the CITY OF HOBBS, a municipal corporation in the State of New Mexico, (hereinafter called "City") and LEA REGIONAL HOSPITAL, L.L.C., a Delaware limited liability company, hereafter called "Lessee").

RECITALS:

A. The City is the owner of certain real property, referred to hereafter as the "Leasehold Property", within the City Limits of Hobbs within Lea County, State of New Mexico, as specifically described in Exhibit "1" attached hereto, and as follows:

Leasehold Property Description: A TRACT OF LAND SITUATED IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR A POINT ON THE WEST RIGHT OF WAY LINE OF INDUSTRIAL ROAD FROM WHICH A BRASS CAP IN CONCRETE FOUND FOR THE SOUTHEAST CORNER OF SAID SECTION 7 BEARS N49°49'41"E 80.00 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF THE TEXAS/NEW MEXICO RAILROAD AND S40°10'19"E ALONG THE SAID RAILROAD RIGHT OF WAY LINE 2539.19 FEET AND S00°40'41"E ALONG THE EAST LINE OF SAID SECTION 7 A DISTANCE OF 1207.74 FEET;

THEN S49°49'41"W 414.94 FEET TO A 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR THE MOST SOUTHERLY CORNER OF THIS TRACT;

THEN N40°10'19"W 351.06 FEET TO A 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR AN INTERIOR CORNER OF THIS TRACT;

THEN S49°49'41"W 75.00 FEET TO A 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR A CORNER OF THIS TRACT;

THEN N40°10'19"W 309.80 FEET TO 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR THE MOST WESTERLY CORNER OF THIS TRACT;

THEN N49°49'41"E 489.94 FEET TO A 1/2" REBAR FOUND FOR THE MOST NORTHERLY CORNER OF THIS TRACT AND A POINT ON THE WEST RIGHT OF WAY LINE OF INDUSTRIAL ROAD;

THEN S40°10'19"E ALONG SAID WEST LINE OF INDUSTRIAL ROAD 660.86 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED TRACT OF LAND CONTAINS 297,451.34 SQUARE FEET AND 6.83 ACRES MORE OR LESS.

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 2.

B. City and Lessee desire to enter into a lease of the Leasehold Property for the purpose of allowing Lessee to operate a multi-purpose commercial medical center facility on the site to include buildings, parking, loading, as desired by Lessee.

C. The City entered into a Lease dated August 23, 1973 (the "1973 Ground Lease") with the Industrial Development Corporation of Lea County, predecessor in interest to the Economic Development Corporation of Lea County (the "EDC") wherein the City leased to the EDC certain real property more particularly described therein and containing the Leasehold Property.

D. The City entered into a Lease dated May 2, 1983 (the "1983 Ground Lease") with the EDC wherein the City leased to the EDC certain real property more particularly described therein and containing the Leasehold Property.

E. The interests of the EDC in the 1973 Ground Lease and the 1982 Ground Lease with respect to the Leasehold Property have been, or will be, terminated prior to the Commencement Date of this Lease.

F. Lessee owns, or will own, prior to the Commencement Date, certain improvements on the Leasehold Property and may construct additional improvements upon the Leasehold Property.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, City hereby leases to Lessee, the Leasehold Property, together with all appurtenant easements, rights and privileges, attached hereto and made a part of this Lease, under the terms and conditions of this Lease:

1. **Leasehold Term, Rent Adjustments, Commencement Date And Possession.**

A. The term of this Lease shall be seventy-five (75) years (hereinafter "Lease Term") commencing on the "Commencement Date," as hereinafter defined, and terminating on the Seventy-fifth (75th) anniversary of the Commencement Date. The Commencement Date shall be _____, 2007, based on the final approval by the Hobbs City Commission on December 4, 2006, unless a referendum election is held pursuant to Section 3-54-1 NMSA, as amended. Possession of the Leasehold Property shall be on the Commencement Date.

B. The rent shall be adjusted every fifth year based on the change in the percentage amount equal to the five year overall increase in the US Consumer Price Index (All Urban Consumers - U.S. All Items Index) during the preceding five (5) years. The Rent shall then be adjusted at the start of each and every fifth year thereafter during the Lease Term. As an alternative and if agreed to by the parties hereto, the

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 3.

City may provide a written market analysis of comparable commercial property in Hobbs from an independent qualified appraiser hired by the City as a basis for the rent adjustment.

- C. Lessee shall and may peaceably and quietly have, hold and enjoy the Leasehold Property for the Lease Term, as long as Lessee is in compliance with the terms of the Lease Agreement, subject to all applicable notice and cure periods.
- D. Lessee acknowledges that it has fully inspected the Leasehold Property and Lessee hereby accepts the Leasehold Property, buildings and improvements, if any and each appurtenance thereto as is, in their present state and condition, as suitable for the purpose for which the same are leased and will allow for changes in such condition occurring by reasonable deterioration, normal wear and tear excepted.
- E. If Lessee should remain in possession of the Leasehold Property after the expiration or termination of this Lease, without the execution by City and Lessee of a new Lease, the Lessee shall be deemed to be occupying the Leasehold Property as a tenant-at-sufferance, subject to all the covenants and obligations of this Lease, and shall pay as rent an amount equal to the monthly base rent, as adjusted immediately prior to the termination.
- F. After the Lease Commencement Date, but prior to the approval of any building permit application for permanent building structures, City may require Lessee to provide at Lessee's expense a Drainage Study prepared by a licensed New Mexico Professional Engineer to the City Engineer of the Leasehold Property with respect to the portion of the Leasehold Property in the 100 Year Special Flood Hazard Zone. If required, the report must address that the Leasehold Property development will not be endangered by the 100 year flood hazard, or that the development of the Leasehold Property will not adversely impact the adjacent properties. The City Engineer must approve the study prior to issuance of any building permits for buildings.

2. **Rent Payments.**

- A. Beginning on the Commencement Date, the Lessee shall pay the City a fixed annual rental ("Rent"). The amount of the annual rent payment shall be One Thousand Dollars (\$1,000.00) per year for each of the first five (5) years of the Lease Term.
- B. The first year rent shall be paid as follows:

Earnest Money Deposit	None Required
Commencement Date	\$1,000.00

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 4.

- C. Thereafter starting in the year 2007 and continuing regularly each year thereafter without notice from the City throughout the Lease Term, annual rent payments shall be paid on the following dates:

Annual Payment	December 15
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- D. In exchange for payment of the rent, possession of the Leasehold Property will be granted on the Commencement Date of the Lease.

- E. The Rent does not include the following, and Lessee shall be solely responsible for the following infrastructure extensions to the Leasehold Property:

1) City utilities infrastructure of water systems providing adequate fire flow volume and pressure for fire suppression; City waste water treatment services; and existing infrastructure in the Hobbs Industrial Air Park (the "HIAP").

2) Water and Sewer Meter Assessments, Service Charges, Hook-up Charges and Monthly Maintenance Fees are not included in the Rent and must be paid separately. There are no water development charges for fire suppression water meters.

3) Telephone service is provided to the Industrial Park by Valor Telecom or LEACO. The Rent does not include the cost, if any, for telephone cable hook-up and service, both to the site and on site and within the building, with these costs to be paid by the Lessee.

4) Electric Power is provided to the Industrial Park by Xcel Energy Company. The Rent does not include the cost, if any, for telephone cable hook-up and service, both to the site and on site and within the building, with these costs to be paid by the Lessee. Lessee shall be responsible for all line extensions to the Leasehold Property and on the site. Lessee will be responsible for cost share of any required extensions to the site; and construction of primary conduit to City right-of-way, transformer pad, and all secondary conduit and wire extensions on the site.

- F. Lessee will pay all charges made against said Leasehold Property, including but not limited to, on-going monthly utility fees for water, waste water, natural gas, electricity, telecommunications, or any other utility furnished to the Leasehold Property during the continuance of this Lease, as the same shall become due. Lessee shall be responsible for paying or putting up any bonds or deposits required by any entity furnishing utility services to the Leasehold Property which is the subject matter of this Lease. City shall not be liable in damages or otherwise for failure, stoppage or interruption of any such service, nor shall the same be

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 5.

construed as an eviction of Lessee, or work as an abatement of rent, or relieve Lessee from the operation of any covenant or agreement; but in the event of any failure, stoppage or interruption thereof, Lessee shall use reasonable diligence to resume service promptly.

3. Option To Purchase.

- A. For valuable consideration, City grants to Lessee the exclusive option to purchase (the "Purchase Option") the Leasehold Property as described above with the purchase price to be set at Fair Market Value (hereinafter defined) following Lessee's exercise of the Purchase Option at any time during the Lease Term, subject to the terms and conditions which follow in this Agreement.
- B. Terms and conditions regarding this Option and the Leasehold Property purchase are as follows:
1. The "Fair Market Value" of the Leasehold Property will be determined in the following manner: The City, at the City's sole cost and expense shall designate a professional, qualified appraiser who is engaged in the business of appraising commercial real estate located in Lea County, New Mexico and surrounding areas of New Mexico and Texas (an "Appraiser"), and shall notify Lessee of the Appraiser so selected within fifteen (15) days following the City's receipt of the Purchase Notice (hereinafter defined). Any appraisal performed in pursuant to the terms hereof will establish a value of only the 6.83 acre Leasehold Property, and shall not include the value of any assets located on the Leasehold Property owned by Lessee. If Lessee disputes the value established by the City's Appraiser, Lessee shall have the right to designate an Appraiser and shall notify the City of the Appraiser so selected within fifteen (15) days following receipt of the appraisal from the City's Appraiser, who shall perform an appraisal pursuant to the terms and conditions hereof, at Lessee's sole cost and expense. In the event that the two Appraisers cannot agree on a determination of the Fair Market Value of the Leasehold Property within ten (10) days following delivery of the appraisal by Lessee's Appraiser, the Fair Market Value shall be determined by taking the average of the two appraisals, unless the difference between the two appraisals is greater than twenty percent (20%) of the higher appraised value, in which case either party may elect to have the two (2) Appraisers select a third (3rd) Appraiser who is similarly qualified within ten (10) days after the expiration of such ten (10) day period. The cost of the third (3rd) Appraiser, if necessary, will be split evenly between the parties. In the event a third (3rd) Appraiser is selected, the Fair Market Value shall be that value determined by the majority of Appraisers, or if a majority cannot agree, then that determined by averaging the two (2) highest appraisals. The

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 6.

Appraisers shall notify each party of their determination in writing. Both Lessor and Lessee shall be bound by the determination of the Appraisers in accordance with the provisions of this Section 4.B.1 and the determination shall be enforceable against each party. All appraisers selected for the above appraisal process shall be credentialed as professional members of M.A.I., engaged in the business of appraising commercial real estate located in Lea County, New Mexico and surrounding areas of New Mexico and Texas.

2. All closing costs for the purchase of the Leasehold Property will be paid by Lessee, in addition to the any other costs necessary to complete the real property transaction.
3. Lessee agrees to comply with terms and conditions contained in that certain Protective Covenants and Use Requirements for the Lea Regional Hospital, LLC Property (the "City Declaration") and are therefore agreed for all activities on the Leasehold Property which shall be filed on or prior to the Commencement Date in the Real Property Records of Lea County and encumber the Leasehold Property. Those covenants shall be referred to in the Deed (hereinafter defined).
4. Lessee must be responsible to provide the current survey of the Leasehold Property prepared by a surveyor licensed in the State of New Mexico prior to closing, and the survey must be approved by the City.
5. Upon establishment of the purchase price pursuant to Section 4.B.1 above, a binding Purchase Agreement will be prepared by the City and negotiated with the Lessee to complete the purchase. The Purchase Agreement shall contain the Permitted Uses and Requirements, Additional Site and Building Requirements and Enforcement of Building Design Standards which are contained in the Protective Covenants on the Leasehold Property and other conditions which may be specified by the City and the Lessee. The purchase must comply with all relevant New Mexico Statutes in effect at the time of the purchase.
6. If Lessee wishes to exercise the option to purchase the Leasehold Property, Lessee must notify the City in writing at least one hundred eighty (180) days prior to the date of the intended purchase (the "Purchase Notice").
7. If Lessee exercises its option to purchase, City will execute and deliver a Special Warranty Deed (the "Deed") conveying in fee simple title to the Leasehold Property to Lessee with good and indefeasible title to the Leasehold Property, free of liens and encumbrances, subject only to all patent reservations and to all other existing exceptions of record except

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 7.

those exceptions and reservations which are disapproved by Lessee and eliminated by the City pursuant to terms of the agreement for final terms of closing and purchase.

4. Permitted Uses and Requirements

A. According to the requirements of the EDC, the following covenants shall be contained in the City Declaration to be executed and recorded by City concurrently with the execution of this Lease on or prior to the Commencement Date, and are therefore to be hereby agreed for all activities on the Leasehold Property:

"Lessee hereby acknowledges and agrees that use of the Leasehold Property shall be limited to the development, construction, maintenance and operation of a medical office building, hospital or other healthcare facility which provides healthcare services through licensed physicians and support services related thereto, including, without limitation, materials management functions and medical records storage ("Permitted Uses"). Lessee shall not extend, modify, amend, change, terminate or otherwise in any manner change the Lease ("Lease Change") without the prior express written consent of EDC, which consent will not be unreasonably withheld, so long as such Lease Change (i) is for Permitted Uses and (ii) contains the requirement of EDC's consent to any further Lease Change.

B. Other healthcare related commercial operations and activities including may be considered if they are consistent with the type of traffic, noise and other impacts associated with the use of the areas surrounding the Leasehold Property. All proposed uses other than those listed in this Lease must be reviewed and approved by the City in writing. The City may condition such consent upon requiring other conditions before consenting to another use, such as 1) details of the proposed use and operations on the site; 2) conditions affecting the environment; and/or 3) pursuant to any protective covenants or other use regulations and/or obtaining additional information on the proposed use.

5. Additional Use Provisions and Requirements

A. According to the requirements of the US Department of Commerce Economic Development Administration ("EDA"), the following covenants will be contained in the Declaration of Covenants - Release of Property Management Agreement - Covenant of Use (the "EDA Declaration"), pursuant to Federal Law 13 CFR Subpart D §314.10 to be executed and recorded by City and the US Economic Development Administration concurrently with the execution of this Lease, and are therefore to be hereby agreed for all activities on the Leasehold Property.

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 8.

6. Lessee's Warranties.

- A. Lessee shall maintain the Leasehold Property and any improvements, fixtures or equipment on the Leasehold Property in a manner which is reasonably satisfactory to City. Reasonable maintenance and repairs to structures on the Leasehold Property will be performed by Lessee at its sole cost.
- B. For any new construction or development on the Leasehold Property following the approval of this Lease, Lessee must meet minimum City of Hobbs Design Standards For Construction Regulations for building and infrastructure construction, including water, sewer, gas, streets, drainage, signs, landscaping, use and subdivision regulations and building codes, etc.
- C. Where the slope and terrain is such that active soil erosion may occur or result from soil disturbance, erosion control practices must be carried out by Lessee, as determined necessary by City to control any excessive storm-water run-off and prevent erosion.
- D. No hazardous waste or solid waste as defined by the New Mexico Environment Department shall be permitted to be disposed of on the Leasehold Property.
- E. At the end of the Lease Term and any Extended Term, or at the date of any relinquishment, sublease or assignment, Lessee shall furnish to City a Phase I Site Environmental Assessment Report on the Leasehold Property, prepared by a licensed New Mexico Professional Engineer or Geologist. The environmental assessment shall include but not be limited to research of previous activities that may present potential hazards, examination of potential groundwater contamination, and other related activities. The environmental assessment will not include soil boring and soil analysis, unless a written request is received from City requesting soil boring and soil analysis to be conducted as further study. The cost of the Phase I Environmental Assessment will be the responsibility of the Lessee. If any pollutants or soil contaminants are found to be present on the Leasehold Property, Lessee shall be responsible for removal and clean-up of these pollutants and contaminants, prior to the end of the Lease Term or the Extended Term. If any soil boring is required by the City, the City shall pay for these costs. The City will not extend the term of the lease until a clean Phase I Environmental Assessment is received. If Lessee refuses to provide such Environmental Assessment Report, the City has the right to complete the Environmental Assessment and assess reasonable costs to Lessee.

7. Insurance.

Lessee shall maintain general public liability and casualty insurance insuring against such claims, and shall annually furnish to the City a certificate or other evidence and proof of

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 9.

maintenance of such comprehensive public liability insurance, including a copy of the policy, with the City named as an additional insured, which insurance shall have minimum limits of at least the sum of One Million and No/100 Dollars (\$1,000,000.00) for general liability and casualty coverage arising out of a single occurrence. Such insurance shall be with a company licensed and authorized to do business in the State of New Mexico and to provide general liability and casualty coverage of the type required herein, which policy shall include fire and extended coverage liability. Lessee shall provide the City with notice of any change thereof, and shall furnish to the City evidence of acquirement of a substitute therefor, and payment of the premium thereof.

8. Construction And Ownership Of Improvements.

- A. During the Lease Term or the Extended Term of this Lease, title to all improvements constructed upon the Leasehold Property by Lessee is and shall be vested in Lessee. Lessee's existing improvements on the Leasehold Property are described in Exhibit "1" attached hereto and made a part of this Lease, and these improvements are not owned by the City. If at any time during the Lease Term, all Rent then due and owing has been fully paid and Lessee is not in default under this Lease, Lessee may remove these improvements from the Leasehold Property.
- B. At the expiration or termination of this Lease, Lessee shall have the right to remove or dispose of all buildings and other improvements remaining on the Leasehold Property. All buildings and/or improvements remaining on the Leasehold Property after the termination date will become the property of the City. The City shall not pay any compensation to the Lessee for any buildings or improvements remaining on the Leasehold Property after the termination date.

9. Assignment And Sublease.

- A. Lessee may not assign or sublease the Leasehold Property granted by this Lease or the improvements on the Leasehold Property without the prior written consent of the City, which consent shall not be unreasonably withheld. The City may condition its consent of a sublease or assignment of the entire property upon an adjustment of the Rent, and may require other conditions before consenting to an assignment or sublease, such as 1) those conditions noted above; 2) review and approval of financial and other background information on the proposed sub-Lessee; and/or 3) the sale of Lessee's entire assets in the Hobbs Industrial Air Park to the same user as assignee; provided, that with respect to any sublease of the Leasehold Property by Lessee to a third party developer for the purposes of constructing, maintaining and operating a medical office building in accordance the City Declaration, the EDA Declaration and the terms of this Lease (an "MOB Developer"), the City may not condition its consent to such sublease only on subpart 2) above and may not condition its consent on an adjustment in Rent or a sale of Lessee's entire assets in the Hobbs Industrial Air Park, notwithstanding

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 10.

any provision to the contrary contained herein. The annual rent for any additional user of the Leasehold Property will be negotiated with the City, prior to any use by another user. Such additional Rent, conditions or covenants shall not be unreasonable but shall be in accord with the proper administration of the Leasehold Property granted by this Lease. The City Commission is the final authority to grant final approval to any assignment subject to the purposes of the Lease.

- B. Notwithstanding the prohibition against assignment and subleasing contained in Section 10(A) above, Lessee shall be permitted to assign its rights under this Lease, without the consent of City, to (i) any subsidiary or other entity owned at least fifty-one percent (51%), directly or indirectly, by Triad Hospitals, Inc. ("Triad"), (ii) to any person, firm or corporation who is the purchaser of all or substantially all of the assets of Lessee or Triad or is the successor to the assets and business of Lessee or Triad by virtue of a corporate merger or consolidation of, with or into Lessee or Triad, or (iii) the purchaser of all or substantially all of the assets of Lea Regional Medical Center located in Hobbs, New Mexico. Each such assignee shall be liable for the performance and observance of all of the covenants and agreements of Lessee under this Lease arising after such assignment. Lessee and any assignee will be jointly and severally primarily liable for payment and performance under this Lease; provided, in the case of any assignment described in clauses (i), (ii) or (iii) above, Lessee shall be released from all further liability for Rent or any other sums becoming due and payable under this Lease after assignment if the assignee under any such assignment has a net worth comparable to that of Lessee, and has a Standard and Poor's rating of BB or better (or, if such rating system is no longer used by Standard and Poor's, such rating as is then comparable to a BB rating as of the date of this Sublease, or if Standard and Poor's no longer publishes comparable ratings, such other rating as is most closely comparable thereto). Consent shall not unreasonably be withheld by either party.
- C. Upon a valid assignment of this Lease, the Lessee shall be relieved of all obligations and liabilities arising from this Lease effective as of the date of the assignment, except for liability and obligations regarding any environmental contamination or damage which occurred on the Leasehold Property during the Lease Term.
- D. Lessee can not assign the Lease prior to the Commencement Date.
- E. On any assignment or sublease, the access to the Leasehold Property must be through the primary access on Industrial Street (Lovington Highway), unless a separate legal access is provided to the south or west boundary of the Leasehold Property from Lessee's contiguous property.

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 11.

10. Default And Cancellation.

- A. The violation by Lessee of any of the terms, conditions or covenants of this Lease or the nonpayment by Lessee of any rent due under this Lease shall be considered a default and may cause this Lease to be cancelled and terminated at the City's sole discretion, following at least one hundred twenty (120) days advance written notice of such default from City to Lessee; provided, however, said cancellation shall not be made if, within the one hundred twenty (120) day notice period, Lessee cures or remedies said default or otherwise complies with any demand contained within such written notice which cures or remedies the default.
- B. If City defaults in the performance of this Lease prior to the Commencement Date, Lessee may terminate this Lease and receive a refund of the earnest money deposit, if any, or may waive default and seek whatever legal remedy may be provided by law.
- C. If Lessee defaults in the performance of this Lease prior to the Commencement Date, City may terminate this Lease and retain the earnest money deposit, if any, or may waive default, enforce performance of this contract, and seek such other relief as may be provided by law.

11. Relinquishment.

At any time, upon one hundred twenty (120) days prior written notice, provided all rents then due and owing have been fully paid and Lessee is not in default under this Lease, Lessee may cancel and relinquish the Leasehold Property to the City whereupon Lessee shall be relieved of any further liabilities and obligations under this Lease. Section 9 of this Lease shall apply with respect to removal of improvements upon such termination. Lessee shall not be entitled to a refund of any rent paid. The parties may mutually agree in writing that this lease may be terminated within one hundred twenty (120) days after said mutual agreement is signed.

12. Obligations and Other Commitments Made By City.

The following schedule provides a summary of the commitments made by the City in this Lease:

- A. The Leasehold Property Survey has been completed by Lessee and is attached hereto. The City has approved the Survey.

13. Additional Site and Building Requirements.

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 12.

In addition to the requirements of the City Building Code, and the EDA Declaration, or Zoning Design Standards which may be adopted for the Leasehold Property in the future, the City shall record in the City Declaration to be executed and recorded by City concurrently with the execution of this Lease, and are therefore to be hereby agreed for all activities on the Leasehold Property. These covenants specify requirements for Site and Building Design and Construction Standards, and the enforcement of those standards by the City.

14. City Utilities and Easements on the Leasehold Property.

The City retains the following utilities and easements on the Leasehold Property, as shown on Exhibit #1. These utility corridors will be defined further as easements and recorded in the Lea County Clerk's Records:

- A. A sewer main corridor 35 feet in width on the southeast with a total length of approximately 720 linear feet boundary including several manholes.
- B. A water main corridor 25 feet in width on the southwest and northwest boundaries approximately 1,125 feet in total length including fire hydrants.
- C. An access corridor on the parking areas with right of access to enter the above easements.

15. Notice.

All notices given pursuant to or in connection with this Lease shall be made in writing and posted by regular mail, postage prepaid, to the following:

City of Hobbs,
ATTN: City Manager,
Hobbs City Hall,
Hobbs, NM 88240; and to Lessee at

Lea Regional Hospital, LLC
Hobbs, NM 88240
Attention: Chief Executive Officer
Facsimile: 505/492-5505

With a copy to: Triad Hospitals, Inc.
5800 Tennyson Parkway
Plano, Texas 75024
Attention: Vice President-Real Estate Development
Facsimile: 214/473-7162

With a copy to: Liechty & McGinnis, P.C.

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 13.

7502 Greenville Avenue, Suite 750
Dallas, Texas 75231
Attention: Emmett W. Berryman, Esq.
Facsimile: 214/265-0615

or to such other address as requested by either party. Notice shall be deemed to be received on the earlier of (i) actual receipt or (ii) the fifth day following posting. The mailing may also be completed by other acceptable forms of legal mail, as may occur in the future.

16. Attorney's Fees and Costs.

If either party is found by a court to have breached this Lease, the other party may recover reasonable attorney's fees and cost of litigation. Prior to the institution of any litigation, the parties have the contractual duty to in good faith attempt to resolve any controversy hereunder at the least possible expense.

17. Counterparts.

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

18. Compliance with Statutes.

The City states that it has complied with the requirements of State of New Mexico Statutes and the City of Hobbs, New Mexico Municipal Code and has authorization to lease the property.

19. Governing Laws.

This Lease shall be subject to the laws of the State of New Mexico.

20. Indemnification.

Lessee shall save and hold harmless, indemnify and defend the City of Hobbs, New Mexico, its elected officials, employees and agents, in their official and individual capacities, of and from any and all liabilities, claims, losses, or damages arising out of or alleged to arise out of or indirectly connected with the negligent operations of Lessee under this Lease, or arising out of the presence on the Leasehold Property of any agent, contractor or subcontractor of Lessee.

21. Amendment.

This Lease shall not be altered, changed or amended except by written instrument in writing executed by the City and Lessee.

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 14.

22. Waiver.

No waiver of any breach or default by Lessee of any of the terms, conditions or covenants of this Lease shall be held to be a waiver of any subsequent breach. No waiver shall be valid or binding unless the same is in writing and signed by City.

23. Survey of Leasehold Property.

The Lessee has completed a current survey of the Leasehold Property prepared by a surveyor licensed in the State of New Mexico, prior to the commencement of the Lease. The City has approved the Survey which is attached hereto as Exhibit #1 and made a part of this Lease.

24. Termination.

This agreement shall be terminated on the termination date of the Lease Term, or by mutual agreement as provided under Section 12 Relinquishment herein.

25. Permits.

The use terms of this Lease for the Leasehold Property have been written according to the needs of Lessee. Lessee is responsible at its expense to apply for other City permits, including if necessary a City Building Permit, City Business Registration or License Fee. Lessee is also responsible at its expense to apply for other necessary permits from the State of New Mexico.

26. Conditions Precedent.

The City Commission must have approved the Lease as specified in NMSA 1978 Section 3-54-1 et. seq., as amended, prior to Lessee having any liability pursuant to the Lease.

27. Representations and Certifications Made As A Part Of This Lease.

A. The City represents and warrants to Lessee that the following shall be true and correct, as of the date hereof and as of the date of commencement:

1) The City is the owner of the Leasehold Property subject only to easements, restrictions and reservations of record as disclosed in the title commitment, and subject to the covenants as stated in this Lease.

2) There are no public improvements which have been commenced or completed for which special leasehold property tax assessments may be or have been levied against the Leasehold Property.

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 15.

- 3) There are no known existing violations of applicable law with respect to the Leasehold Property.
- 4) There is no litigation pending or threatened against the Leasehold Property which might result in a lien on the Leasehold Property, or might interfere with the City's ability to sell or convey the Leasehold Property, or which might have a material adverse change upon the Leasehold Property.
- 5) The execution and delivery of the Lease and commencement of the Lease by the City will not result in the breach of any agreement, decree or order to which the City is a party or by which the Leasehold Property is bound.
- 6). There are no condemnation proceedings pending or threatened with respect to all or any portion of the Leasehold Property.
- 7) To the best knowledge of the City as of the date hereof, the following statements are made regarding the Leasehold Property:
 - a) There has been no release of any hazardous substances in, on or about the Leasehold Property. The City has not received notice from any governmental authority of the release or presence of any hazardous substances. To the best knowledge of the City, the Leasehold Property presently is not and has never been used for the storage, manufacture, disposal, handling, transportation or use of any hazardous substances in violation of any law. To the best knowledge of the City, there are no past or present investigations, proceedings, litigation or regulatory hearings with respect to the Leasehold Property alleging non-compliance with or violation of any federal or state law regarding environmental matters. To the City's actual knowledge, there has not now, nor have there been, any above ground or underground storage tanks located in or under the Leasehold Property.
 - b) The Leasehold Property has previously been owned by the US Government Land Office, the City of Hobbs and the US Army Airfield Division.
 - c) The only known prior uses of the Leasehold Property have been open range grazing by local ranches from 1880 through the present time period; use as a vacant parcel as part of the Hobbs Army Air Base from about 1940 to 1950 (this particular area was a vacant parcel according to the original plans of the Airfield complex); and approximately 1973, the Leasehold Property was leased by the City to the Industrial Development Corporation of Hobbs and then subleased to Levi-Strauss Corporation and a denim jeans wet process manufacturing process was conducted on the site until about 1985. A large manufacturing building and parking lot were constructed. In 1985, the City of Hobbs received a grant from the

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 16.

US Department of Commerce, Economic Development Administration to remodel the building for use of other industrial clients. In 1991, the City received a grant from the US Housing and Urban Development Department to conduct additional improvements to the building. Since 1985, the building has been rented and leased by the EDC for a variety of small industrial and storage operations as an incubator building.

8) The City is not a party to any contracts relating to the Leasehold Property, except for this Agreement and the prior lease to the Industrial Development Corporation (Economic Development Corporation of Lea County).

9) Lessor has the full power and authority to enter into and perform this Lease according to its terms and the individual executing this Lease on behalf of Lessor is authorized to do so.

B. Lessee represents and warrants to the City that the following shall be true and correct, as of the date hereof and as of the date of closing:

1) The Lease Agreement is designed for the for the purpose of the Lessee to operate a multi-purpose commercial medical center facility on the site to include buildings, parking, loading, as desired by Lessee. Other uses may be permitted subject to the City's written approval.

2) Lessee understands that the City considerations herein are based on the assumption that the site use and the commercial activities proposed on the site will not require an excessive quantity of potable water, nor generate excessive amounts of waste water to be treated. In the event that the use and operation would involve a wet process food manufacturing operation or any other wet process industrial operation at a later date, water and waste water utility assessments may be adjusted accordingly at the site/building occupancy approval stage to address increased costs to the City.

3) Exhibit "1" provides information on the proposed site layout, building location, if any, and building design, and company information to justify the request for City consideration of this Lease.

28. Entire Agreement.

This Lease represents the entire agreement and there are no other agreements or understandings oral or otherwise that are binding the parties concerning the Leasehold Property.

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 17.

29. Memorandum of Lease.

Each of the City and Lessee shall execute, acknowledge and deliver to the other a written Memorandum of this Lease to be recorded in the appropriate land records of the jurisdiction in which the Leasehold Property is located, in order to give public notice and protect the validity of this Lease. In the event of any discrepancy between the provisions of said recorded Memorandum of this Lease and the provisions of this Lease, the provisions of this Lease shall prevail. Lessee agrees to pay when due and payable any and all charges, recording costs and taxes required in connection with the recordation of this Lease or such Memorandum of Lease.

[The Remainder of this Page is Intentionally Left Blank.]

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 18.

IN WITNESS WHEREOF, City and Lessee have executed this Lease as of the date first written above.

CITY OF HOBBS

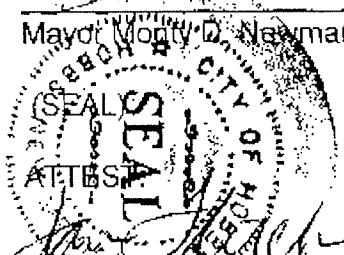
LESSEE - LEA REGIONAL HOSPITAL, LLC
A Delaware limited liability company.



Mayor Monty D. Newman



By: Tom Frazier
ITS: Senior Vice President



Jan Fletcher, City Clerk

Approved As To Form:



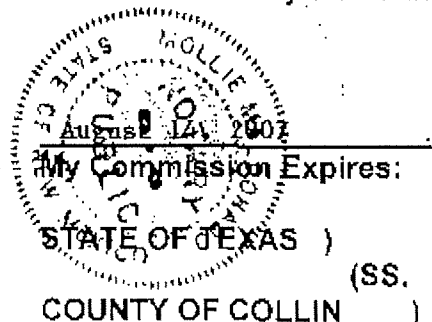
Joan McMahon, City Attorney

LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 19.

STATE OF NEW MEXICO)
)SS.
COUNTY OF LEA)

The foregoing instrument was acknowledged before me on this 4TH day of December, 2006 by Monty D. Newman, as Mayor, acting on behalf of the City of Hobbs, a New Mexico Municipal Corporation, to me personally known, who being by me duly sworn did say that he is the Mayor and signing officer of the City of Hobbs and that said instrument was signed in behalf of said Municipal Corporation, and Monty D. Newman acknowledged said instrument, and acknowledged that he executed the same as his free act and deed and on behalf of the respective Municipal Corporation.

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



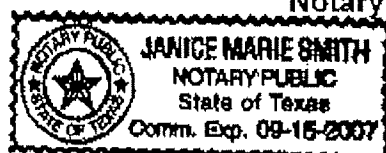
[Signature]
Notary Public

The foregoing instrument was acknowledged before me on this 12th day of DECEMBER, 2006 by its Senior Vice President, acting on behalf of the Lea Regional Hospital, LLC, a Delaware limited liability company, to me personally known, who being by me duly sworn did say that he/she is the Senior Vice President and signing officer of Lea Regional Hospital, LLC, a Delaware limited liability company, and that said instrument was signed in behalf of said limited liability company, and acknowledged that said instrument, and acknowledged that he/she executed the same as his/her free act and deed and on behalf of the respective limited liability company.

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

[Signature]
Notary Public

My Commission Expires:



LEA REGIONAL HOSPITAL, L.L.C. Ground Lease Agreement, 6.83 acres, Page 20.

EXHIBIT "1"

Plat of Survey as Filed 2/21/2007
under County Clerk's
Reception # 35152, Lea
Lea County Records, Lea County, New Mexico
and made a part hereof

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

FEB 21 2007
at 1:51 o'clock P
and recorded in Book 1498
Page 147
Melinda Hughes, Lea County Clerk
By Melinda Hughes Deputy



35156

BOOK 1498 PAGE 147

Return to: City of Hobbs
City Clerk
300 N. Turner
Hobbs, NM 88240

35154

PERMANENT GRANT OF PUBLIC UTILITY EASEMENT
Hospital Incubator Building Lease Parcel

THIS PERMANENT GRANT OF EASEMENT, entered into on this 14th day of February, 2007 is reserved and excepted unto itself and forever dedicated to the public by THE CITY OF HOBBS, (the "City"), a New Mexico Municipal Corporation.

For valuable consideration, the City reserves and excepts unto itself and forever dedicates to the public an unrestricted permanent grant of public utility easement to allow for access, and long term maintenance of the City's utilities, including but not limited to existing water mains and existing waste water (sewer) mains, owned by the City and located within the following described three (3) twenty foot (20') wide easements for water mains and two (2) thirty five foot (35') wide easements for waste water (sewer) mains being more particularly described as follows:

DESCRIPTION WATER LINE 1

A STRIP OF LAND 25.0 FEET WIDE SITUATED IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO AND BEING 12.5 FEET RIGHT AND 12.5 FEET LEFT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT ON THE SOUTHEASTERLY BOUNDARY LINE OF A 6.83 ACRE TRACT OF LAND IN SAID SECTION WHICH LIES N35°29'36"W 3474.95 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION; THEN N39°42'04"W 383.14 FEET; THEN S49°28'49"W 88.38 FEET TO A POINT ON THE SOUTHWESTERLY BOUNDARY LINE OF SAID 6.83 ACRES TRACT WHICH LIES N37°13'39"W 3858.88 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION.

TOTAL LENGTH EQUALS 471.48 FEET OR 28.58 RODS

DESCRIPTION WATER LINE 2

A STRIP OF LAND 25.0 FEET WIDE SITUATED IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO AND BEING 12.5 FEET RIGHT AND 12.5 FEET LEFT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT ON THE NORTHWESTERLY BOUNDARY LINE OF A 6.83 ACRE TRACT OF LAND IN SAID SECTION WHICH LIES N36°14'52"W 4141.76 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION; THEN S40°10'13"E 159.10 FEET; THEN S61°37'09"W 61.59 FEET; THEN S40°10'13"E 120.98 FEET TO A POINT ON AN EXISTING WATER LINE SITUATED IN SAID 6.83 ACRE TRACT OF LAND IN SAID SECTION WHICH LIES N36°52'11"W 3860.34 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION.

TOTAL LENGTH EQUALS 341.64 FEET OR 20.71 RODS

DESCRIPTION WATER LINE 3

A STRIP OF LAND 25.0 FEET WIDE SITUATED IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO AND BEING 12.5 FEET RIGHT AND 12.5 FEET LEFT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT ON AN EXISTING WATER LINE SITUATED IN A 6.83 ACRE TRACT OF LAND IN SAID SECTION WHICH LIES N36°10'09"E 4060.46 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION; THEN N49°45'32"E 300.62 FEET TO A POINT IN SAID 6.83 ACRE TRACT WHICH LIES N31°58'03"W 4092.81 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION.

TOTAL LENGTH EQUALS 300.62 FEET OR 18.22 RODS

PERMANENT GRANT OF PUBLIC UTILITY EASEMENT, Hospital Incubator Building Lease Parcel, Page 2.

DESCRIPTION SEWER LINE 1

A STRIP OF LAND 35.0 FEET WIDE SITUATED IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO AND BEING 17.5 FEET RIGHT AND 17.5 FEET LEFT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT ON THE NORTHEASTERLY BOUNDARY LINE OF A 6.83 ACRE TRACT OF LAND IN SAID SECTION WHICH LIES N29°05'42"W 3581.84 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION; THEN N62°51'08"W 23.52 FEET; THEN S28°43'10"W 5.71 FEET; THEN N67°00'33"W 210.41 FEET TO A POINT IN SAID 6.83 ACRE TRACT WHICH LIES N31°20'03"W 3767.22 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION.

TOTAL LENGTH EQUALS 239.64 FEET OR 14.52 RODS

DESCRIPTION SEWER LINE 2

A STRIP OF LAND 35.0 FEET WIDE SITUATED IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, NMPM, LEA COUNTY, NEW MEXICO AND BEING 17.5 FEET RIGHT AND 17.5 FEET LEFT OF THE FOLLOWING DESCRIBED CENTERLINE SURVEY:

BEGINNING AT A POINT ON THE NORTHEASTERLY BOUNDARY LINE OF A 6.83 ACRE TRACT OF LAND IN SAID SECTION WHICH LIES N28°59'16"W 3547.88 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION; THEN S49°47'08"W 330.64 FEET; THEN S75°04'21"W 93.20 FEET TO A POINT ON THE SOUTHWESTERLY LINE OF SAID 6.83 ACRE TRACT WHICH LIES N35°44'01"W 3530.59 FEET FROM THE SOUTHEAST CORNER OF SAID SECTION.

TOTAL LENGTH EQUALS 423.84 FEET OR 25.69 RODS

As more particularly described on that certain plat dated 2/14/2007 under Reception No. 3553, Lea County Records, Lea County, New Mexico, and made a part of this easement (collectively, the "Easement Property").

This Permanent Grant of Easement entitles the City all things necessary for long term maintenance of said City of Hobbs water mains and waste water (sewer) mains, including but not limited to installation and long term maintenance of a sewer main, including grading, trenching, backfilling, excavating dirt, paving, storage and operation of equipment and all other actions required for the construction and maintenance of the public utilities. No additional permanent structures shall be built in the easement area after the above date.

In exchange for the grant of easement, the City agrees to use and maintain the Easement Property in a good and workmanlike manner. The City agrees to carry out final clean-up and make any necessary repairs within the Easement Property and the adjacent property caused in connection with any construction, maintenance, repair or replacement performed by or on behalf of the City within the Easement Property.

The City, its successors and/or assigns shall have the permanent grant of utility easement for their use as long as it is being used and maintained by the City, its successors or assigns. However, if the easement property described above is not used and maintained by the City, its successors or assigns, then the easement shall terminate and the owners of the Easement Property shall be entitled to file a Certificate of Abandonment with the County Clerk or following the written request of any ground tenant under a ground lease encumbering the Easement Property.

PERMANENT GRANT OF PUBLIC UTILITY EASEMENT, Hospital Incubator Building Lease Parcel, Page 3.

IN WITNESS WHEREOF, the CITY sets their hand and seal on the date first written above.

CITY OF HOBBS, NEW MEXICO

By [Signature]
MONTY D. NEWMAN, MAYOR

STATE OF NEW MEXICO)
) ss.
COUNTY OF LEA)

The foregoing instrument was acknowledged before me on this 14th day of February, 2007, by Monty D. Newman, as Mayor, of the City of Hobbs, to me personally known, who being by me duly sworn did say that he is the duly elected Mayor and signing officer of the City of Hobbs, and that said instrument was signed on behalf of said City, and Monty D. Newman acknowledged said instrument, and acknowledged that he executed the same as his free act and deed and on behalf of the City.

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



[Signature]
Notary Public

STATE OF NEW MEXICO
COUNTY OF LEA
FILED

FEB 21 2007
at 1:57 o'clock P
and recorded in Book 1498
Page 122
Mellode Bug [Signature] Le County Clerk
By [Signature] Deputy



35154

BOOK 1498 PAGE 122

Notary to City of Hobbs
Planning
Bob D. Turner
Heidi, P.M. 8/2/06

35155

**PARTIAL RELINQUISHMENT, DISCLAIMER AND TERMINATION
OF LEASEHOLD INTERESTS**

THIS PARTIAL RELINQUISHMENT DISCLAIMER AND TERMINATION OF LEASEHOLD INTERESTS (this "Partial Leasehold Termination") is made and executed on February 20, 2007, by the ECONOMIC DEVELOPMENT CORPORATION OF LEA COUNTY, a New Mexico corporation (the "Lessee"), whose address is 2702 N. Grimes Street, Hobbs, New Mexico, 88240, and the CITY OF HOBBS, NEW MEXICO, a New Mexico municipal corporation (the "City"), whose address is 300 N. Turner Street, Hobbs, New Mexico 88240.

That the Lessee has made and executed the following Ground Leases with the City (collectively, the "Ground Leases"):

Lease #1:

Description of Ground
Lease:

That certain Lease dated August 23, 1973, by and between the City, as ground lessor, and Industrial Development Corporation of Lea County, a New Mexico corporation ("IDC"), predecessor to the Lessee, as ground lessee.

Ground Landlord:

The City.

Current Term Expiration
Date:

August 31, 2023 subject to the ground lessee's right to two (2) additional renewal terms of twenty-five (25) years and twenty-three (23) years respectively in accordance with the terms of the Lease.

Lease #2:

Description of Ground
Lease:

That certain Lease Agreement dated May 2, 1983, by and between the City, as ground lessor, and IDC, predecessor to the Lessee, as ground lessee.

Ground Landlord:

The City.

Current Term Expiration
Date:

May 1, 2082.

The particular descriptions of the property and property rights of the Lessee sought by the City for public purpose and released and disclaimed herein by the Lessee as to Lessee's leasehold or any other interest are described by accurate surveyed metes and bounds description as follows:

Partial Relinquishment, Termination and Disclaimer of Leasehold Interest, Page 2.

A TRACT OF LAND SITUATED IN THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR A POINT ON THE WEST RIGHT OF WAY LINE OF INDUSTRIAL ROAD FROM WHICH A BRASS CAP IN CONCRETE FOUND FOR THE SOUTHEAST CORNER OF SAID SECTION 7 BEARS N49°49'41"E 80.00 FEET TO A POINT ON THE WEST RIGHT OF WAY LINE OF THE TEXAS/NEW MEXICO RAILROAD AND S40°10'19"E ALONG THE SAID RAILROAD RIGHT OF WAY LINE 2539.19 FEET AND S00°40'41"E ALONG THE EAST LINE OF SAID SECTION 7 A DISTANCE OF 1207.74 FEET;

THEN S49°49'41"W 414.94 FEET TO A 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR THE MOST SOUTHERLY CORNER OF THIS TRACT;

THEN N40°10'19"W 351.06 FEET TO A 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR AN INTERIOR CORNER OF THIS TRACT;

THEN S49°49'41"W 75.00 FEET TO A 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR A CORNER OF THIS TRACT;

THEN N40°10'19"W 309.80 FEET TO 1/2" REBAR WITH CAP MARKED "JWSC PS12641" SET FOR THE MOST WESTERLY CORNER OF THIS TRACT;

THEN N49°49'41"E 489.94 FEET TO A 1/2" REBAR FOUND FOR THE MOST NORTHERLY CORNER OF THIS TRACT AND A POINT ON THE WEST RIGHT OF WAY LINE OF INDUSTRIAL ROAD;

THEN S40°10'19"E ALONG SAID WEST LINE OF INDUSTRIAL ROAD 660.86 FEET TO THE POINT OF BEGINNING.

THE ABOVE DESCRIBED TRACT OF LAND CONTAINS 297,451.34 SQUARE FEET AND 6.83 ACRES MORE OR LESS.

The above described property together with any and all improvements located thereon including without limitation the building commonly known as the "Levi Building" or the "Incubator Building" (collectively, the "Released Property")

Further, in connection with the proposed sale of the improvements located on the Released Property, the LESSEE AND THE CITY EXPRESSLY DECLARE AND AGREE AS FOLLOWS:

Partial Relinquishment, Termination and Disclaimer of Leasehold Interest, Page 3.

1. Partial Termination of the Ground Leases. The Lessee and the City hereby agree that with respect to the Released Property the Ground Leases and any other ground lease, contract or any other agreements between the Lessee and the City are hereby terminated and are null and void and of no further force and effect from and after the date hereof and neither party thereto has any further obligations or liabilities thereunder. This final release and disclaimer of interest constitutes a termination of the leasehold interest with respect to the Released Property created by the Ground Leases or any other ground lease, contract or other agreement between the City and the Lessee in connection with the Released Property and all associated rights therein.

2. Release. The Lessee does hereby remise, release, and forever discharge the City of and from any and all, and all manner of actions, causes of action, suits, covenants, contracts, agreements, judgments, claims, right to compensation, and demands whatsoever in law or equity arising from and by reason of the City acquiring, appropriating and taking for its public use, control, possession, and ownership the Released Property and any property right, leasehold interests, easements, and licenses related thereto for the purpose of economic development and for the purpose of accomplishing the sale of the Incubator Building to Lea Regional Hospital, LLC, a Delaware limited liability company.

3. Representations and Warranties.

(a) The Lessee represents and warrants that it has the power and right to fully release all claims being released under this Partial Leasehold Termination by the Lessee and that no other entities or persons have any right to bring or assert any such released claims and the Lessee has not assigned or transferred any of such rights or claims to any other person or entity.

(b) The City represents and warrants that it has the power and right to fully release all claims being released under this Partial Leasehold Termination by the City and that no other entities or persons have any right to bring or assert any such released claims and the City has not assigned or transferred any of such rights or claims to any other person or entity.

4. Ratification. The Lessee and the City hereby acknowledge and agree that except for the termination of the Ground Leases with respect to the Released Property as set forth above, the Ground Leases remain in full force and effect and enforceable in accordance with their respective terms.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

Partial Relinquishment, Termination and Disclaimer of Leasehold Interest, Page 4.

Dated this 20th day of February, 2007.

THE LESSEE:

ECONOMIC DEVELOPMENT
COROPRATION OF LEA COUNTY, a New
Mexico corporation

By: Debra P. Hicks
Name: Debra P. Hicks
Title: Chair

THE CITY

THE CITY OF HOBBS, NEW MEXICO
a New Mexico Municipal Corporation

By: Monty D. Newman
Name: Monty D. Newman
Title: Mayor

Partial Relinquishment, Termination and Disclaimer of Leasehold Interest, Page 5.

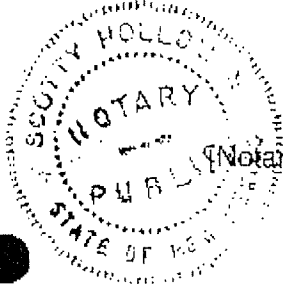
STATE OF NEW MEXICO §

COUNTY OF LEA §

ss.

I, Scotty Holloman, a notary public in and for said county in said state, hereby certify that Debra P. Hicks, whose name as the Chair of Economic Development Corporation of Lea County, a New Mexico corporation, is signed to the foregoing instrument and who is known to me, acknowledged before me on this day that, being informed of the contents of such instrument, he, as such officer and with full authority, executed the same voluntarily for and as the act of said corporation.

Given under my hand and official seal this 15th day of February, 2007.



Scotty Holloman
Notary Public

My commission expires: 1-31-2008

STATE OF NEW MEXICO §

COUNTY OF LEA §

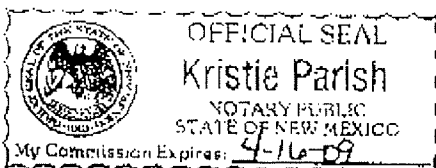
§
§
§

The foregoing instrument was acknowledged before me on the 21st day of February, 2007, by Monty D. Newman as Mayor of The City of Hobbs, New Mexico, a New Mexico Municipal Corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed, in the capacity therein stated and as the act and deed of said limited liability company.

Witness my hand and official seal.

35155

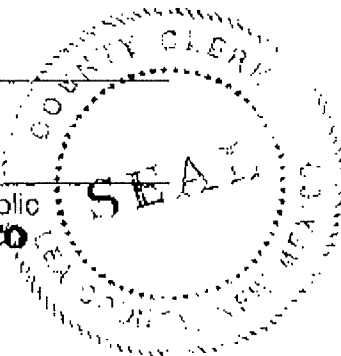
My Commission Expires:
4-16-09



Kristie Parish
Notary Public

Kristie Parish
Printed Name of Notary Public
STATE OF NEW MEXICO
COUNTY OF LEA
FILED

FEB 21 2007
at 1:57 o'clock P
and recorded in Book 1498
Page 127
Melinda [Signature] County Clerk
By [Signature] Deputy



BOOK 1498 PAGE 127

AFFIDAVIT OF PUBLICATION

State of New Mexico,
County of Lea.

I, KATHI BEARDEN

Publisher

of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, do solemnly swear that the clipping attached hereto was published once a week in the regular and entire issue of said paper, and not a supplement thereof for a period.

of _____ 2 _____ weeks.
Beginning with the issue dated

November 10 2006
and ending with the issue dated

November 11 2006

Kathi Bearden

Publisher

Sworn and subscribed to before

me this 13th day of

November 2006

[Signature]
Notary Public.

My Commission expires
February 07, 2009
(Seal)



OFFICIAL SEAL
DORA MONTZ
NOTARY PUBLIC
STATE OF NEW MEXICO
My Commission Expires: _____

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937, and payment of fees for said publication has been made.

LEGAL NOTICE November 11, 2006

NOTICE IS HEREBY GIVEN that on the 4th day of December, 2006, at its regular meeting at 6:00 p.m., in the City Commission Chambers at City Hall, 300 North Turner, Hobbs, New Mexico, the governing body of the City of Hobbs proposes to adopt an ordinance which reads as follows:

WHEREAS, the City of Hobbs, a municipal corporation, is the owner of a building and site improvements located at 5625 N. Lovington Highway, formerly known as the Incubator Building and listed on the City of Hobbs Asset List as the "Incubator Site," and hereinafter referred to as the "Building;" and

WHEREAS, the City of Hobbs, a municipal corporation, is the owner of a ±6.83 acre tract of land situated in the Hobbs Industrial Air Park (HIAP), and hereinafter referred to as the "Leasehold Property;" and

WHEREAS, the HIAP Industrial and commercial areas have been designated by the City of Hobbs Industrial Air Park Master Plan for commercial and industrial development; and

WHEREAS, an appraisal of value has been completed and the land value was determined to be \$147,000, the value of the building was determined to be \$399,000, and the combined value was determined to be \$546,000; and

WHEREAS, this issue was reviewed by the HIAP Board at the August 16, and September 26, 2006 meetings; and

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

WHEREAS, inclusive in this Ordinance are the following:

A. The Building Purchase Agreement:

1. Terms of Building Purchase Agreement: The City proposes to sell the Building for the negotiated purchase price of \$546,000.

The sale of the City-owned real property improvement must be approved by City Ordinance, pursuant to Section 3-64-1, NMSA 1978, as amended.

The Building Purchase Agreement containing the terms of the purchase is a part of this Ordinance, is attached hereto and is incorporated herein by reference.

2. Appraised Value of Municipally-owned Improvement Asset: The appraised value of the Building was determined to be \$399,000.

3. Schedule of Payments: The purchase price of \$546,000 is to be made at closing.

4. Purchaser of Building: Lea Regional Hospital, LLC, 5419 N. Lovington Highway, Hobbs, NM 88240.

5. Purpose of Municipal Sale: Regional Medical Facility and Economic Development - Site acquisition for expansion to Lea Regional Medical Center.

B. The Ground Lease.

1. Terms of Ground Lease: The City proposes to lease the Leasehold Property for a 75 year period with the negotiated annual rent set at \$1,000 per year for the first five years of the Lease.

The lease of the City-owned real property must be approved by City Ordinance pursuant to Section 3-64-1 NMSA 1978, as amended.

The Ground Lease containing the terms of the lease and Protective Covenants for the real property is part of this Ordinance, is attached hereto and is incorporated herein by reference.

2. Appraised Value of Municipally-owned Real Property: The appraised value of the real property was determined to be \$147,000 for the 6.83 acre tract.

3. Schedule of Payments: The Annual Rent is to be paid in the amount of \$1,000 per year with the payment to be made on the Commencement Date or the anniversary thereof.

4. Option to Purchase: The Lessee is granted the Option to Purchase the Leasehold Property at any time during the Term of the Lease with the purchase price to be set at market value at the time of the intended purchase.

5. Leases of Property: Lea Regional Hospital, LLC, 5419 N. Lovington Highway, Hobbs,



CITY OF HOBBS

COMMISSION STAFF SUMMARY FORM

MEETING DATE: December 4, 2006

SUBJECT: AN ORDINANCE APPROVING A BUILDING PURCHASE AGREEMENT TO SELL THE INCUBATOR BUILDING AND APPROVING A LEASE FOR A ±6.83 ACRE REAL PROPERTY OF MUNICIPALLY OWNED LAND LOCATED IN SECTION 7, T18S, R38E, NMPM IN LEA COUNTY IN THE HOBBS INDUSTRIAL AIR PARK TO THE LEA REGIONAL HOSPITAL, LLC.

DEPT. OF ORIGIN: Planning Division
DATE SUBMITTED: November 27, 2006
SUBMITTED BY: Joe Dearing, City Planner

Summary: Final Reading of the Ordinance to authorize publication of the Ordinance to approve the Purchase Agreement to Sell the Incubator Building & Site Improvements and To Lease the 6.83 acre tract of land to the Lea Regional Hospital LLC.

The City of Hobbs is proposing to sell the Incubator Building and Site Improvements and to lease the 6.8 acre tract of real property in the Hobbs Industrial Air Park (HIAP) to the Lea Regional Hospital LLC. The Incubator Building with associated site improvements is being sold by the City to the Lea Regional Hospital for the negotiated purchase price of \$546,000. The building and 6.8 acre parcel is located north of the existing hospital site on the east boundary of the Hobbs Industrial Air Park, and within the EDC Lease 235 acre area. The incubator site has considerable frontage on Industrial Street and visibility from Lovington Highway. A map of the Site is attached.

An appraisal of value for the site was obtained from local appraiser Mr. David Bradley. The appraised value of the land (6.83 acres) was determined to be \$147,000. Since the land value is greater than \$25,000, the lease must be approved by an Ordinance. The appraisal valued the building at \$399,000; and the entire site including the real property (land) at \$546,000. A grant application has been made and the application has stated that the proceeds of the sale would be used as local share match to create a new incubator building complex. A Lease of the 6.8 acre tract from the City to the Hospital is recommended in order for the Hospital to acquire title insurance in closing the purchase of the building.

The annual rent on the lease is proposed at \$1,000 for the first five years of the Lease. The rent is then proposed to increase based on the change in the CPI during the first five years. Thereafter, a similar adjustment would be made following each subsequent 5 year period. The purpose of the sale is Economic Development & expansion of the Regional Medical Facility.

The Lease proposes that the Lessee is granted the Option to Purchase the Leasehold Property at any time during the term of the Lease. The purchase price would be based on the market value of the land at the time of the exercise of the option to purchase.

The proposal was discussed by the HIAP Board at the August 16, 2006 and September 25, 2006 meeting. A staff memo summarizing the position of the HIAP Board is attached for information of the City Commission. Minutes of the September 25 meeting were previously transmitted to the Commission.

If the City Commission approves the publication of this Ordinance, then the final passage could occur on December 4. Three additional related issues will be brought before the City Commission at the November 6 meeting: 1) Protective Covenants on the Leasehold Property to coordinate with the Lease; 2) to approve the Assignment of the existing leases (1973 & 1983) from the EDC to the Hospital; and 3) to approve a Release of Property and Use Covenant required by the US Economic Development Administration, since EDA grant funds were used to refurbish the building in 1986.

Options for the City Commission to consider or 1) Approve the Ordinance and sell the building and lease the property to the Lea Regional Hospital, LLC; 2) Vote no and deny the proposal; or 3) Request staff to negotiate a modified proposal with the Hospital.

Fiscal Impact:

Reviewed By: 

Finance Department

The City is leasing the parcel at \$1,000 per year annual rent. The rent payments will be deposited into Fund #20 Airport Special Revenue Fund. The payment to the City for the land will foster the development of the incubator site.

Attachments: Ordinance; Building Purchase Agreement; Lease with attachments of the Survey Plat; Site Map; Appraisal Information; Memo on HIAP Board concerns & issues; and Letter from the EDC.

PAGE 2.

Legal Review:					
Approved As To Form: <u>Joan McManis</u> City Attorney					
Recommendation:					
Staff recommends approval of the Ordinance to approve final passage of the Building Purchase Agreement and the Lease with the Lea Regional Hospital LLC.					
Approved For Submittal By: <u>[Signature]</u> Department Director <u>[Signature]</u> City Manager	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <th colspan="2" style="text-align: center; padding: 5px;">CITY CLERK'S USE ONLY COMMISSION ACTION TAKEN</th> </tr> <tr> <td style="width: 50%; padding: 5px;"> Resolution No. _____ Ordinance No. _____ Approved _____ Other _____ </td> <td style="width: 50%; padding: 5px;"> Continued To: _____ Referred To: _____ Denied _____ File No. _____ </td> </tr> </table>	CITY CLERK'S USE ONLY COMMISSION ACTION TAKEN		Resolution No. _____ Ordinance No. _____ Approved _____ Other _____	Continued To: _____ Referred To: _____ Denied _____ File No. _____
CITY CLERK'S USE ONLY COMMISSION ACTION TAKEN					
Resolution No. _____ Ordinance No. _____ Approved _____ Other _____	Continued To: _____ Referred To: _____ Denied _____ File No. _____				

Affidavit of Publication

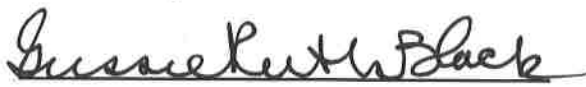
STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
August 29, 2025
and ending with the issue dated
August 29, 2025.


Publisher

Sworn and subscribed to before me this
29th day of August 2025.


Business Manager

My commission expires
January 29, 2027

(Seal) STATE OF NEW MEXICO
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

This newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Laws of 1937 and payment of fees for said publication has been made.

LEGAL

LEGAL

LEGAL

LEGAL NOTICE August 29, 2025

NOTICE OF ORDINANCE

NOTICE IS HEREBY GIVEN that on the 15th day of September, 2025, at its meeting at 6:00 p.m., in the City Commission Chamber at City Hall, 1st Floor Annex, 200 East Broadway, Hobbs, New Mexico, the governing body of the City of Hobbs proposes to adopt an ordinance relating to the sale of city-owned land located within the Hobbs Industrial Air Park to Stag Amazon, LLC. The title of the Ordinance is:

AN ORDINANCE AUTHORIZING THE SALE AND CONVEYANCE OF CERTAIN CITY-OWNED LAND LOCATED WITHIN THE HOBBS INDUSTRIAL AIRPARK TO STAG AMAZON, LLC AND AUTHORIZING THE MAYOR TO EXECUTE ALL DOCUMENTS NECESSARY TO COMPLETE THE TRANSACTION.

A summary of the proposed Ordinance is as follows:

1. **TERMS OF SALE:** The City proposes to sell a parcel of land comprised of 6.83 acres for the purchase price of \$730,000.00.

The sale of the city-owned real property must be approved by City Ordinance pursuant to NMSA §3-54-1 et. seq., as amended.

A Real Estate Purchase Agreement concerning the terms of the sale are part of the proposed ordinance.

2. **APPRAISED VALUE OF PROPERTY (Land Only):** \$565,000.00

3. **SCHEDULE OF PAYMENTS:** The Purchase Price is to be paid with an earnest money deposit with the balance to be paid as follows:

- a. Earnest Money Deposit: \$ 10,000
- b. At Closing the Balance of Cash: \$ 720,000
- c. Total Payments: \$ 730,000

4. **PURCHASE PRICE:** \$730,000.00

5. **NAME OF PURCHASER:** Stag Amazon, LLC.

6. **PURPOSE OF PURCHASE:** The building on the property, currently owned by Covenant Health Hobbs, is utilized for an Amazon warehouse.

Copies of the proposed ordinance and Real Estate Purchase Agreement are available to interested persons during regular business hours in the Office of the City Clerk, City Hall, 200 East Broadway, Hobbs, New Mexico, and also online at www.hobbsnm.org.

/s/ Jan Fletcher
JAN FLETCHER, CITY CLERK

#00303922

67108146

00303922

CITY OF HOBBS FINANCE DEPT
200 E. BROADWAY ST
HOBBS, NM 88240