NEW MEXICO JUNIOR COLLEGE

BOARD MEETING

Thursday, February 22, 2007
Zia Room - Library
4:00 p.m.

AGENDA

A. Welcome

B. Adoption of Agenda

C. Approval of Minutes of January 18, 2006

D. President’s Report

E. Closure of Open Meeting

F. New Business
   1. Monthly Expenditures Report
   2. Monthly Revenue Report
   3. Oil and Gas Revenue Report
   4. Schedule of Investments
   5. Consideration of T-Bird and Zia Dorm Upgrades
   6. Consideration of Bid #993 - Permanent and Portable Signage for Campus
   7. Consideration of Western Museum Advisory Board
   8. Consideration of Proposed Facility Usage Fees
   9. Personnel Consideration – Assistant Director of Financial Aid
  10. Discussion Only – Property Acquisition

G. Public Comments

H. Announcement of Next Meeting

I. Adjournment

Larry Hanna

Larry Hanna

Larry Hanna

Steve McCleery

Larry Hanna

Dan Hardin

Dan Hardin

Dan Hardin

Dan Hardin

Steve McCleery

Robert Rhodes

Regina Organ

Steve McCleery

Larry Hanna

Larry Hanna

Larry Hanna
The New Mexico Junior College Board met on Thursday, January 18, 2007, beginning at 4:00 p.m. in the Zia Room of Pannell Library. The following members were present: Mr. Larry Hanna, Chairman; Mrs. Patricia Worrell, Secretary; Mr. Phillip Jones; Mr. Guy Kesner; Mrs. Yvonne Williams; and Mr. Ron Black. Not present was Mr. John Hice, Jr.

Mr. Hanna called the meeting to order and welcomed visitors and guests present.

Upon a motion by Mr. Kesner, seconded by Mrs. Williams, the agenda was unanimously adopted, as presented.

Upon a motion by Mr. Kesner, seconded by Mrs. Worrell, the board unanimously approved the minutes of December 12, 2006, as written.

**Under President's Report**, Robert Rhodes, Jo Hayes, and Lisa Hardison gave an update on Workforce Training and Outreach services.

**Under New Business**, David Wheat with Johnson & Miller presented the Audit Report. Upon a motion by Mr. Kesner, seconded by Mrs. Worrell, the board unanimously approved the audit as presented.

Dan Hardin presented the December financial reports and with a motion by Mrs. Williams, seconded by Mrs. Worrell, the board unanimously approved the expenditures for December, 2006. Upon a motion by Mr. Jones, seconded by Mrs. Williams, the board unanimously approved the Fiscal Watch Reports.

Josh Morgan presented Bid #992-RB – Video Editing Suite Equipment for the Public Relations & Marketing Department. The administration recommended acceptance of the bid from ProMax Systems, Inc. of Irvine,
California for $26,851.01. Upon a motion by Mr. Kesner, seconded by Mrs. Worrell, the board unanimously accepted the recommendation.

Josh Morgan presented Bid #994 – Alignment System for the Automotive Department. The administration recommended acceptance of the bid from Performance Tool & Equipment, Inc. of Albuquerque, New Mexico for $22,124. Upon a motion by Mr. Jones, seconded by Mrs. Worrell, the board unanimously accepted the recommendation.

Dr. McCleery presented the Lottery Scholarship Resolution for board consideration. After some discussion and upon a motion by Mr. Black, seconded by Mrs. Williams, the board unanimously adopted the resolution.

Regina Organ recommended Ms. Kristine Saucer for the Counselor position at an annual salary of $39,276. Upon a motion by Mr. Jones, seconded by Mrs. Williams, the board unanimously approved the employment of Ms. Saucer, effective January 22, 2007.

John Gratton recommended Mr. Adam Pearson for the Professor of Nursing position at a nine month salary of $32,963. Upon a motion by Mrs. Williams, seconded by Mrs. Worrell, the board unanimously approved the employment of Mr. Pearson, effective January 19, 2007.

Dr. Gratton recommended Mr. Michael Henderson for the Professor of Computer Assisted Drafting position at a nine month salary of $33,484. Upon a motion by Mr. Kesner, seconded by Mrs. Worrell, the board unanimously approved the employment of Mr. Henderson.

Dr. McCleery presented a recommendation to the board that the responsibility for contract non renewals be delegated to the New Mexico Junior College president. Upon a motion by Mrs. Williams, seconded by Mr. Jones, the board unanimously approved the recommendation.

Mrs. Worrell moved the board go into closed session for the discussion of limited personnel matters under the provisions of section 10-15-1-H (2) of the New Mexico Statutes Annotated 1978. Mr. Kesner seconded the motion. The roll call vote was as follows: Mr. Jones – yes; Mrs. Worrell – yes; Mr. Black – yes; Mrs. Williams – yes; Mr. Kesner – yes; and Mr. Hanna - yes.
Upon re-convening in open meeting, Mr. Hanna stated that the matters discussed in the closed meeting were limited only to those specified in the motion for closure.

Mr. Hanna called for comments from the public. There being none, the next regular board meeting was scheduled for February 22, 2007, beginning at 4:00 p.m.

Upon a motion by Mr. Kesner, seconded by Mrs. Worrell, the board meeting adjourned at 5:50 p.m.
## NEW MEXICO JUNIOR COLLEGE
### Expenditure Report
#### January 2007

<table>
<thead>
<tr>
<th>Fund</th>
<th>2005-06</th>
<th>2006-07</th>
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<tbody>
<tr>
<td></td>
<td>Final Year-to-Date</td>
<td>Year-to-Date Percentage of Budget</td>
<td>Current Year-to-Date Percentage of Budget</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Budget Expended or Encumbered</td>
<td>Expended</td>
<td>Budget Expended or Encumbered</td>
<td>Expended</td>
<td></td>
<td></td>
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<tr>
<td><strong>CURRENT UNRESTRICTED FUND</strong></td>
<td></td>
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</tr>
<tr>
<td>Instruction and General:</td>
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<td></td>
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<tr>
<td>Instruction</td>
<td>6,473,186</td>
<td>3,361,663</td>
<td>52%</td>
<td>7,217,243</td>
<td>528,471</td>
<td>3,928,425</td>
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<td>Academic Support</td>
<td>1,642,895</td>
<td>1,086,367</td>
<td>66%</td>
<td>2,424,365</td>
<td>165,071</td>
<td>1,467,551</td>
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<td>Student Services</td>
<td>1,124,256</td>
<td>732,752</td>
<td>67%</td>
<td>1,360,479</td>
<td>120,854</td>
<td>769,100</td>
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<tr>
<td>Institutional Support</td>
<td>3,764,693</td>
<td>1,706,544</td>
<td>45%</td>
<td>4,273,013</td>
<td>237,663</td>
<td>1,812,237</td>
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<td>Operation &amp; Maintenance of Plant</td>
<td>3,150,250</td>
<td>1,347,783</td>
<td>63%</td>
<td>2,510,543</td>
<td>223,101</td>
<td>1,484,742</td>
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<tr>
<td>Subtotal - Instruction &amp; General</td>
<td>15,155,480</td>
<td>8,252,114</td>
<td>54%</td>
<td>17,785,643</td>
<td>1,275,360</td>
<td>9,462,055</td>
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<td>Student Activities</td>
<td>190,972</td>
<td>117,044</td>
<td>61%</td>
<td>196,623</td>
<td>12,299</td>
<td>135,152</td>
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<tr>
<td>Research</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Public Service</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0</td>
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<td>Internal Service Departments</td>
<td>1,015,984</td>
<td>333,198</td>
<td>33%</td>
<td>332,189</td>
<td>24,754</td>
<td>300,844</td>
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<td>Student Aid</td>
<td>371,498</td>
<td>394,080</td>
<td>106%</td>
<td>474,972</td>
<td>127,187</td>
<td>429,529</td>
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<td>Auxiliary Enterprises</td>
<td>1,711,738</td>
<td>1,382,330</td>
<td>76%</td>
<td>1,674,071</td>
<td>94,501</td>
<td>1,457,385</td>
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<td>Athletics</td>
<td>715,560</td>
<td>518,596</td>
<td>72%</td>
<td>780,475</td>
<td>193,366</td>
<td>660,698</td>
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<td>Total Current Unrestricted Fund</td>
<td>19,161,232</td>
<td>10,917,462</td>
<td>57%</td>
<td>21,243,973</td>
<td>1,727,467</td>
<td>12,425,663</td>
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<tr>
<td><strong>CURRENT RESTRICTED FUND</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>1,558,078</td>
<td>754,324</td>
<td>46%</td>
<td>1,823,022</td>
<td>159,302</td>
<td>892,111</td>
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<td>Student Aid</td>
<td>4,694,393</td>
<td>3,459,308</td>
<td>74%</td>
<td>4,000,000</td>
<td>1,471,209</td>
<td>3,515,956</td>
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<tr>
<td>Total Current Restricted Fund</td>
<td>6,252,471</td>
<td>4,213,632</td>
<td>67%</td>
<td>5,823,022</td>
<td>1,630,511</td>
<td>4,408,067</td>
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<td><strong>PLANT FUNDS</strong></td>
<td></td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Capital Outlay / Bldg. Renewal &amp; Repl.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Projects from Institutional Funds</td>
<td>5,982,647</td>
<td>3,500,290</td>
<td>59%</td>
<td>7,525,378</td>
<td>488,951</td>
<td>2,603,491</td>
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<tr>
<td>Projects from State GOB Funds</td>
<td>3,988,612</td>
<td>202,390</td>
<td>5%</td>
<td>3,753,272</td>
<td>27,804</td>
<td>3,368,685</td>
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<td>Projects from State STB Funds</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Projects from General Fund</td>
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<td>0</td>
<td>0%</td>
<td>735,262</td>
<td>0</td>
<td>265,935</td>
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<td>Projects from Private Funds</td>
<td>1,350,000</td>
<td>797,177</td>
<td>59%</td>
<td>852,664</td>
<td>8,657</td>
<td>202,289</td>
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<td>Projects from State ER&amp;R</td>
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<td>0</td>
<td>0%</td>
<td>145,794</td>
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<td>Projects from State BR&amp;R</td>
<td>353,945</td>
<td>314,932</td>
<td>89%</td>
<td>426,541</td>
<td>0</td>
<td>0</td>
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<td>Projects from Auxiliary BR&amp;R</td>
<td>44,702</td>
<td>44,702</td>
<td>100%</td>
<td>16,943</td>
<td>0</td>
<td>0</td>
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<td>Subtotal - Capital and BR&amp;R</td>
<td>11,906,252</td>
<td>4,859,447</td>
<td>41%</td>
<td>13,133,854</td>
<td>525,412</td>
<td>6,640,410</td>
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<tr>
<td>Debt Service</td>
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<td>Revenue Bonds</td>
<td>0</td>
<td>0</td>
<td>0%</td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Total Plant Funds</td>
<td>11,906,252</td>
<td>4,859,447</td>
<td>41%</td>
<td>13,133,854</td>
<td>525,412</td>
<td>6,640,410</td>
</tr>
<tr>
<td><strong>GRAND TOTAL EXPENDITURES</strong></td>
<td>37,319,955</td>
<td>19,900,541</td>
<td>54%</td>
<td>40,200,849</td>
<td>3,883,390</td>
<td>23,474,140</td>
</tr>
</tbody>
</table>
# New Mexico Junior College

**Revenue Junior Report**

**January 2007**

<table>
<thead>
<tr>
<th>Fund</th>
<th>2005-06</th>
<th>2006-07</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Final Budget</td>
<td>Year-to-date Revenue</td>
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<tr>
<td><strong>CURRENT UNRESTRICTED FUND</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instruction and General:</td>
<td>2,438,985</td>
<td>1,748,338</td>
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<tr>
<td>Tuition and Fees</td>
<td>7,553,000</td>
<td>4,627,377</td>
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<td>State Appropriations</td>
<td>4,165,200</td>
<td>4,845,801</td>
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<td>Ad Valorem Taxes - Oil and Gas</td>
<td>2,588,000</td>
<td>1,931,877</td>
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<tr>
<td>Ad Valorem Taxes - Property</td>
<td>120,000</td>
<td>96,428</td>
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<tr>
<td>Interest Income</td>
<td>209,550</td>
<td>149,053</td>
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<tr>
<td>Subtotal - Instruction &amp; General</td>
<td>17,074,735</td>
<td>13,398,874</td>
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<td>Student Activities</td>
<td>120,000</td>
<td>87,521</td>
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<tr>
<td>Public Service</td>
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<td>0</td>
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<tr>
<td>Internal Service Departments</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Auxiliary Enterprises</td>
<td>1,922,100</td>
<td>1,712,680</td>
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<tr>
<td>Athletics</td>
<td>39,600</td>
<td>20,939</td>
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<tr>
<td><strong>Total Current Unrestricted</strong></td>
<td>19,156,335</td>
<td>15,220,014</td>
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<tr>
<td><strong>CURRENT RESTRICTED FUND</strong></td>
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<tr>
<td>Grants</td>
<td>1,558,078</td>
<td>816,976</td>
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<tr>
<td>Student Aid</td>
<td>4,694,393</td>
<td>1,998,470</td>
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<tr>
<td><strong>Total Current Restricted</strong></td>
<td>6,252,471</td>
<td>2,815,446</td>
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<td><strong>PLANT FUNDS</strong></td>
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<tr>
<td>Capital Outlay / Bldg. Renewal &amp; Repl.</td>
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<td></td>
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<tr>
<td>Projects from State GOB Funds</td>
<td>3,968,012</td>
<td>217,605</td>
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<tr>
<td>Projects from State STB Funds</td>
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<td>0</td>
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<tr>
<td>Projects from General Fund</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Projects from Private Funds</td>
<td>1,350,000</td>
<td>1,350,000</td>
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<tr>
<td>Interest Income</td>
<td>0</td>
<td>0</td>
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<tr>
<td><strong>Total Plant Funds</strong></td>
<td>5,318,012</td>
<td>1,567,605</td>
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<tr>
<td><strong>GRAND TOTAL REVENUES</strong></td>
<td>30,727,018</td>
<td>19,503,065</td>
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</table>
NEW MEXICO JUNIOR COLLEGE  
Oil and Gas Revenue Report  
January 2007

59% of Year Completed

<table>
<thead>
<tr>
<th>Month of Sales</th>
<th>Distribution</th>
<th>Price per BBL</th>
<th>Lea County BBLs sold</th>
<th>Price per MCF</th>
<th>Lea County MCF sold</th>
<th>OIL</th>
<th>GAS</th>
<th>COMBINED</th>
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<tbody>
<tr>
<td>Actual July</td>
<td></td>
<td>$63.05</td>
<td>3,252,614</td>
<td>$6.92</td>
<td>19,403,806</td>
<td>757,763</td>
<td>316,667</td>
<td>441,096</td>
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<td>Actual August</td>
<td></td>
<td>$64.01</td>
<td>3,145,974</td>
<td>$6.24</td>
<td>18,450,466</td>
<td>742,051</td>
<td>316,667</td>
<td>425,384</td>
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<td>Actual September</td>
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<td>$67.80</td>
<td>2,963,641</td>
<td>$7.32</td>
<td>18,029,382</td>
<td>747,815</td>
<td>316,667</td>
<td>431,148</td>
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<td>Actual October</td>
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<td>$59.37</td>
<td>2,967,899</td>
<td>$6.38</td>
<td>17,164,332</td>
<td>808,322</td>
<td>316,667</td>
<td>491,655</td>
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<td>Actual November</td>
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<td>673,808</td>
<td>316,667</td>
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<td>502,481</td>
<td>316,667</td>
<td>185,814</td>
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<td>Accrual January</td>
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<td>316,667</td>
<td>316,667</td>
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<td>Accrual February</td>
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<td>Accrual April</td>
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<tr>
<td>Accrual May</td>
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<td>Accrual June</td>
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<table>
<thead>
<tr>
<th>Monthly Revenue</th>
<th>Original Budget</th>
<th>Over (Under)</th>
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<tbody>
<tr>
<td>Y.T.D. Production Tax Revenue</td>
<td>4,548,907</td>
<td>2,216,669</td>
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<tr>
<td>Y.T.D. Equipment Tax Revenue</td>
<td>1,487,783</td>
<td>0</td>
</tr>
</tbody>
</table>

Total Year-to-Date Oil & Gas and Equipment Tax Revenue 6,036,690 2,216,669 2,332,238

Source: New Mexico Taxation and Revenue Department

Per Johnson, Miller & Co., C.P.A.'s, an accrual is made for oil and gas revenue for the reporting month.
### NEW MEXICO JUNIOR COLLEGE
Schedule of Investments
January 2007

59% of Year Completed

<table>
<thead>
<tr>
<th>Financial Institution</th>
<th>Amount Invested</th>
<th>Date Invested</th>
<th>Maturity Date</th>
<th>Period of Investment (Days)</th>
<th>Account Number</th>
<th>Interest Rate</th>
<th>Interest Earned</th>
</tr>
</thead>
<tbody>
<tr>
<td>State of New Mexico</td>
<td>11,125,000</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>7102-1348</td>
<td>5.22%</td>
<td>43,180</td>
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<tr>
<td>Local Government Investment Pool</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Total Investments</td>
<td>11,125,000</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>43,180</td>
</tr>
</tbody>
</table>

### Summary of Current Month’s Activity

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning amount</td>
<td>9,125,000</td>
</tr>
<tr>
<td>Plus: deposits</td>
<td>2,000,000</td>
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<tr>
<td>Less: withdrawals</td>
<td>0</td>
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<tr>
<td>Capital Projects</td>
<td>6,825,234</td>
</tr>
<tr>
<td>Reserves Invested</td>
<td>4,299,766</td>
</tr>
<tr>
<td>Total LGIP Investment</td>
<td>11,125,000</td>
</tr>
</tbody>
</table>

### Capital Projects
1/31/2007

<table>
<thead>
<tr>
<th>Capital Projects</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology Upgrade</td>
<td>104,718.54</td>
</tr>
<tr>
<td>Workforce Training Center</td>
<td>1,745,686.24</td>
</tr>
<tr>
<td>High Tech Start Up</td>
<td>163,346.40</td>
</tr>
<tr>
<td>Vehicles</td>
<td>11,524.49</td>
</tr>
<tr>
<td>Drawings &amp; Master Plan</td>
<td>10,305.63</td>
</tr>
<tr>
<td>Baseball Field</td>
<td>120,063.01</td>
</tr>
<tr>
<td>Rodeo Arena</td>
<td>7,826.78</td>
</tr>
<tr>
<td>Dormitory Landscape</td>
<td>1,622.23</td>
</tr>
<tr>
<td>Millen Fence/Landscape</td>
<td>74,207.73</td>
</tr>
<tr>
<td>Ben Alexander Student Center</td>
<td>54,604.09</td>
</tr>
<tr>
<td>JASI</td>
<td>136,574.98</td>
</tr>
<tr>
<td>Computer Equipment Rebates</td>
<td>5,158.00</td>
</tr>
<tr>
<td>Marketing</td>
<td>58,136.04</td>
</tr>
<tr>
<td>West Texas ITY</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Equestrian Center</td>
<td>150,000.00</td>
</tr>
<tr>
<td>Telephone System</td>
<td>0.00</td>
</tr>
<tr>
<td>Student Housing Construction</td>
<td>2,394,473.92</td>
</tr>
<tr>
<td>Classroom Furniture Replacement</td>
<td>21.00</td>
</tr>
<tr>
<td>Video Security Camera Replacnt</td>
<td>0.00</td>
</tr>
<tr>
<td>Testing Center</td>
<td>250,000.00</td>
</tr>
<tr>
<td>Campus Village Development Proj</td>
<td>76,785.00</td>
</tr>
<tr>
<td>Landscaping</td>
<td>0.00</td>
</tr>
<tr>
<td>Facility Painting</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Smart Classrooms</td>
<td>0.00</td>
</tr>
<tr>
<td>Millen Drive Signalization</td>
<td>95,000.00</td>
</tr>
<tr>
<td>Electrical Upgrade</td>
<td>588,560.15</td>
</tr>
<tr>
<td>Campus Signage</td>
<td>50,000.00</td>
</tr>
<tr>
<td>Campus Paving</td>
<td>60,000.00</td>
</tr>
<tr>
<td>Video Security-Student Apts</td>
<td>0.00</td>
</tr>
<tr>
<td>Roof Replacement</td>
<td>273,328.14</td>
</tr>
<tr>
<td>Interior Lighting-Energy Retrofit</td>
<td>100,000.00</td>
</tr>
<tr>
<td>Bookstore POS System</td>
<td>0.00</td>
</tr>
<tr>
<td>Old Dorms Renovation</td>
<td>193,881.80</td>
</tr>
<tr>
<td>Total</td>
<td>6,825,234.07</td>
</tr>
</tbody>
</table>

**NOTE:** Capital projects total does not include encumbered funds
To:        NMJC Board Members  
From:    Dan Hardin  
RE:     T-Bird and Zia dorm upgrades  
Date:     February 12, 2007  

Board members, during the budget process last spring, the Board was apprised of the plan to begin renovations to T-Bird and Zia dorms. These renovations include the upgrade of the heating and cooling system to the dorms. It is the administration's recommendation to begin the first phase of the T-Bird and Zia dorm renovation, which is to convert the current two pipe heating and cooling system that is tied to the Central Plant to a four pipe heating and cooling system. The four pipe system will give year round adjustable heating and cooling to T-Bird and Zia dorms. Currently, if the days are warm and the nights are cold the two pipe system does not allow the Central Plant to provide a combination of heating and cooling. Attached, is a proposal from Donner Plumbing for $426,680.00 to complete the four pipe conversion. In order for T-Bird and Zia Dorms to be ready for residents at the beginning of the Fall semester, renovation must start as soon as the spring semester is over. The reason that we are approaching the Board for approval of this project at the February Board meeting is two fold. We must have Board approval and funds allocated for the project, so Donner Plumbing can order materials and systems for the project and we must submit this proposal to the HED by March 12th to get on the agenda for the April 12th HED Capital Projects meeting. When the project is approved at the April 12th HED Capital Projects meeting then the HED will present the project to the State Board of Finance meeting on May 15th. With this schedule in mind the administration is asking for Board approval of the proposed conversion from the two pipe heating and cooling system to a four pipe heating and cooling system and allocation of $426,680.00 from reserves to the Old Dorm Renovation capital account. The second phase of this renovation plan is expected to be completed in the summer of 2008. The second phase will include upgrade to showers, new furniture, interior painting, and new door locking system.

Thank you for your consideration.
January 8, 2007

To: NMJC

Attn: Dave Huddleston

Re: NMJC new fan coils and convert 2 – pipe system to 4 – pipe systems

Material and labor to complete the following scope of work.

- Engineering for the design of converting the existing 2 – pipe system to a 4 – pipe system and changing the existing single coil fan coil to a double coil fan coil.
- The complete piping of a new set of heating lines. (The existing lines will be used for cooling.)
- All electrical needed.
- All controls needed.
- Insulation.
- General construction for wall and ceiling removal and replacement.
- 125 new 2 – coil fan coils.
- Thermostats and control valves.

Excludes: Tax
          Bond

Base Bid                                      $426,680.00

Respectfully,

Casey Hamblin
NEW MEXICO JUNIOR COLLEGE

Invitation to Bid # 993

Permanent and Portable Signage for NMJC Campus

BOARD DOCUMENTS

Date: February 22, 2007
Prepared by: Joshua Morgan
Coordinator of Purchasing
NEW MEXICO JUNIOR COLLEGE

BOARD DOCUMENTS

General Information

1. On January 25, 2007 a legal notice was posted on the NMJC Bulletin Board and was sent to the following three newspapers requesting sealed bids for the construction and manufacture of permanent and portable signs for NMJC campus:
   1) The Hobbs Daily News Sun
   2) Las Cruces Sun News
   3) Albuquerque Journal

2. Bid packets were sent to eight potential bidders.

3. One vendor submitted a bid within the time frame specified by the bid package.

4. That vendor was not present at the opening.

5. The Business Office and the Continuing Education Department have evaluated the bid received and their recommendation is shown on Page 3.
NEW MEXICO JUNIOR COLLEGE

BOARD DOCUMENTS

Evaluation and Recommendations

The vendor responding to Invitation to Bid #993 was Superior Sign & Lighting, El Paso, TX.

The Administration recommends acceptance of the bid submitted by Superior Sign & Lighting, El Paso, TX for an amount equal to $41,880.00.

The bid response results are shown on page 6. (Tabulation Summary)

Source of Funding: Continuing Education – FY 2006-2007
Equipment, Renewal, & Replacement (ERR)

Account Number: 91531-4002-76012-911
Amount: $41,880.00
NEW MEXICO JUNIOR COLLEGE
BOARD DOCUMENTS
Specifications for Signage

For the Manufacture of Two (2) Signboards for Trailer Mounting

1. Trailer signboards: 4' x 8' reader board, double face, four (4) lines holding 8" letters
2. Reader boards to have a clear, hinged, locking protective cover on both faces
3. 8" wheels on trailers, with hinged cover to conceal wheels
4. Permanent top panel to read "New Mexico Junior College"
5. 100 – 8" black letters
6. Trailer, frame and panel to match NMJC colors (Sandstone A8265-0, Cardinal Red A8330-0)
7. Copy, colors & layout to be approved by customer before fabrication
8. Must be delivered to NMJC campus by the successful contractor

For the Manufacture of Four (4) Building Marquee Signs:

1. 5' x 5' reader board, double face, seven (7) lines holding 4" letters on 5" plastic
2. Reader board to have hinged locking protective cover on both faces
3. Reader board to sit on 2" metal base
4. Reader board to have 1 \( \frac{1}{2} \)" metal frame
5. Reader board to have 1' panel to display NMJC logo and building name (each of the four building marquee signs will have a different building name)
6. Four (4) sets of 100 – 4" letters on 5" plastic for each of the four (4) fabricated marquees
7. Building marquee's will need to be constructed to match three (3) existing building marquee signs on campus and match NMJC colors (Sandstone A8265-0, Cardinal Red A8330-0)
8. Copy, colors & layout to be approved by customer before fabrication
9. Signs must be constructed on NMJC location by the successful contractor
NEW MEXICO JUNIOR COLLEGE
BOARD DOCUMENTS
Specifications for Signage (continued)

For the Installation of One (1) LED Message Center in Existing Entrance Marquee Sign:

1. Update existing double face marquee (4’ x 8’) at NMJC entrance with double faced monochrome outdoor LED message center
2. LED message center to include digital temperature probe
3. LED message center to include factory warranty and software upgrade
4. Include best connection/communication tool for end-user to LED message center (end-user is approximately a 2,400 foot drive from the proposed LED message center; direct line of sight is closer)
5. Include removal of existing marquee
6. Copy, colors & layout to be approved by customer before fabrication
7. LED message center must be installed on NMJC location by the successful contractor

For the Repainting of Large Entrance Marquee Sign:

1. Repaint the large entrance sign to match other NMJC signage (Sandstone A8265-0, Cardinal Red A8330-0) prior to installation of LED message center

For the Manufacture of Twelve (12) Post & Panel-type I.D. Signs:

1. Fabricate twelve (12) double face, two color (Cardinal Red A8330-0 Background, White font), 18” x 36” aluminum panel signs mounted on aluminum poles, 60” from ground to top of sign; each I.D. sign will have a different building name
2. Hole must be dug for insertion of the pole and any additional dirt work completed; in some cases, hole may need to be dug through existing concrete
3. Concrete needed to install pole must be provided and applied by the contractor
4. Signs must be installed at desired NMJC campus location by the successful contractor
## New Mexico Junior College
### Invitation to Bid #993 Permanent and Portable Signage for NMJC Campus
#### Tabulation Summary

<table>
<thead>
<tr>
<th>Description</th>
<th>Bright Ad Sign Co.</th>
<th>Garrison Brothers Signs</th>
<th>Permian Sign</th>
<th>Construction Reporter</th>
<th>ATD</th>
<th>Daktronics</th>
<th>Add Co.</th>
<th>Superior Sign &amp; Lighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Two (2) trailer-mounted signboards</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>6,600.00</td>
</tr>
<tr>
<td>Four (4) building marquee signs</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>8,860.00</td>
</tr>
<tr>
<td>One (1) LED message center</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>20,770.00</td>
</tr>
<tr>
<td>Repainting of large entrance marquee sign</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>600.00</td>
</tr>
<tr>
<td>Twelve (12) post &amp; panel-type I.D. signs</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>3,600.00</td>
</tr>
<tr>
<td>Other costs associated with this project</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>No Bid</td>
<td>1,450.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td><strong>$ 41,880.00</strong></td>
</tr>
</tbody>
</table>

**Is a specimen insurance certificate provided?**
- Yes ✔

**Is there a bid bond equal to 5% of the value of the bid?**
- Yes ✔

**Is there a performance bond equal to 100% of the bid?**
- Yes ✔
Memo

DATE: February 15, 2007
TO: New Mexico Junior College Board Members
FROM: Steve McCleery
SUBJECT: Western Museum Advisory Board

As per the New Mexico Junior College Museum Advisory Board Resolution, I recommend the following individuals be appointed to the Western Heritage Museum Advisory Board.

Ray Battaglini
Edmundo Castaneda
Rinehard Hinterreither
Phillip Jones
Tommy Pearson
Charley Smith
Janice Spence

I visited with each of these individuals, and they have agreed to serve.

Thank you for your consideration.
Attached are proposed facility usage fees to be considered by the Board at its February meeting.

As you are aware, NMJC currently charges a $45 per room, per day for use of campus facilities. This proposed fee structure would provide a sliding fee schedule based on square footage of reserved space, allow NMJC to collect overhead and staffing fees and better follow the anti-donation clause for use of our facilities and equipment.

If approved by the Board, I recommend these changes go into effect beginning July 1, 2007. This would provide the Office of Facility Scheduling with ample time to communicate the fee changes with current and past customers.
Extended Learning – Office of Facility Scheduling

Formula to Determine Short-Term Facility Usage Fees

The following facility usage formula has been proposed to help determine facility usage fees for short-term contracts. A short-term contract is deemed as a one-day contract or a contract where consecutive daily reservations span less than two weeks.

Square Footage of Room (x) Annual Overhead Cost per Square Foot \* = Annual Overhead Cost for Room

\[ \$45 \text{ Base Fee} + \left[ \text{Annual Overhead Cost for Room} + 365 \right] = \text{Estimated Daily Rental Rate} \]

<table>
<thead>
<tr>
<th>Room</th>
<th>Avg. SqFt.</th>
<th>Overhead Cost ((\text{$7.46 x sqFt})^2)</th>
<th>Base Fee</th>
<th>Full Day Rate</th>
<th>Half Day Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ben Alexander Cafeteria</td>
<td>4,331</td>
<td>$88.52/day</td>
<td>$45</td>
<td>$130.00</td>
<td>$65.00</td>
</tr>
<tr>
<td>Ben Alexander Theatre Room</td>
<td>859</td>
<td>$17.56/day</td>
<td>$45</td>
<td>$60.00</td>
<td>$30.00</td>
</tr>
<tr>
<td>Caster Gym</td>
<td>13,000</td>
<td>$265.70/day</td>
<td>$45</td>
<td>$300.00</td>
<td>$150.00</td>
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<tr>
<td>Conference Room</td>
<td>382</td>
<td>$7.81/day</td>
<td>$45</td>
<td>$50.00</td>
<td>$25.00</td>
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<tr>
<td>Classroom</td>
<td>825</td>
<td>$18.88/day</td>
<td>$45</td>
<td>$60.00</td>
<td>$30.00</td>
</tr>
<tr>
<td>Heldel Hall #103</td>
<td>1,295</td>
<td>$26.47/day</td>
<td>$45</td>
<td>$70.00</td>
<td>$35.00</td>
</tr>
<tr>
<td>Heldel Hall #203</td>
<td>1,424</td>
<td>$29.10/day</td>
<td>$45</td>
<td>$70.00</td>
<td>$35.00</td>
</tr>
<tr>
<td>Moran #169</td>
<td>4,375</td>
<td>$89.42/day</td>
<td>$45</td>
<td>$130.00</td>
<td>$65.00</td>
</tr>
<tr>
<td>Moran Multi-Purpose Room</td>
<td>2,525</td>
<td>$51.61/day</td>
<td>$45</td>
<td>$95.00</td>
<td>$47.50</td>
</tr>
<tr>
<td>Watson Hall #101</td>
<td>4,900</td>
<td>$100.15/day</td>
<td>$45</td>
<td>$145.00</td>
<td>$72.50</td>
</tr>
</tbody>
</table>

- All short-term facility usage fees will be incurred on a half-day (4 hours or less) or full day (4+ hours) rate and will include set-up and tear-down time as requested by customer. Facility usage fee includes use of audio/video equipment furnished in room, utilities and table & chair set up.

- Educational Institutions and Government Entities with implied reciprocity agreements will not be charged a facility usage fee for short-term needs.

- Non-profit organizations will be given a 50% discount on facility usage fees.

- Requests for fee waivers will be forwarded to the President or his designee for approval (see Application for Sponsorship of Facility Usage Fee, attached).

In addition to the facility usage fee, the following audio/video set-up and usage fees are also being proposed:

- CD/Cassette Tape Player, Portable \$10.00 Each Per Day
- Laptop Computer \$40.00 Each Per Day
- Microphone \$5.00 Each Per Day
- Overhead Projector \$10.00 Each Per Day
- Sound System, Portable- On Campus Use Only \$30.00 Each Per Day
- LCD Projector, Portable- On Campus Use Only \$25.00 Each Per Day
- Watson Hall AV Technician During Event \$50.00/Half-Day \$100.00/Day
- AV Technician During Event \$15.00 Per Hour (2 hour minimum)

*The Annual Overhead Cost is determined each budget year by the Vice President for Finance. This figure includes overhead costs for utilities, insurance (property & liability), maintenance, custodial, grounds, security and computer services. It is figured by taking the total overhead cost and dividing it by the total gross square footage. The Annual Overhead Cost is subject to change annually. The 2006/2007 projected overhead cost is \$7.46 per square foot.
Formula to Determine Long-Term Facility Usage Fees

The following facility usage formula has been proposed to help determine facility usage fees for long-term contracts. An additional 40% (1.4) is included in this formula to recover additional staff and overhead costs associated with long-term facility rentals. A long-term contract is deemed as a contract spanning more than two weeks or when the total daily rate for a reservation exceeds the monthly rate for a room as determined by its square footage.

Square Footage of Room (x) Annual Overhead Cost * (x) 1.4 = Annual Rental Rate

Annual Rental Rate + 12 = Monthly Rental Rate

Example: 1,000 sq. ft. (x) $7.46 (x) 140% = $10,444/year
$10,444 + 12 = $830/month

This long-term facility usage fee includes use of furniture in facility at the time of the contract, basic utilities, maintenance, custodial and security. Additional fees will apply for other services (internet service, local and long distance telephone service, computer services, etc.) which will be determined and included in each contract as applicable.

*The Annual Overhead Cost is determined each budget year by the Vice President for Finance. This figure includes overhead costs for utilities, insurance (property & liability), maintenance, custodial, grounds, security and computer services. It is figured by taking the total overhead cost and dividing it by the total gross square footage. The Annual Overhead Cost is subject to change annually. The 2006/2007 projected overhead cost is $7.46 per square foot.
New Mexico Junior College  
Office of Facility Scheduling

Application for Sponsorship of Facility Usage Fee

In accordance with the anti-donation clause, New Mexico Junior College must charge a fair and reasonable rate for use of its facilities and rendered services to all outside entities. However, NMJC may elect to sponsor certain events and meetings where NMJC receives services or benefits of value equal to or greater than the proposed facility fees.

Name of Organization: ___________________________________________
Contact Person: _________________________________________________
Address (Street, City, State, Zip Code): ________________________________
Phone Number: ____________________________________________________
Fax Number: _______________________________________________________
Email Address: ____________________________________________________

Request for the following meeting date(s):

Date: _______________ Time: _______________ Building/Room: ____________

Date: _______________ Time: _______________ Building/Room: ____________

Describe the nature of the above meeting(s): __________________________________________

Please describe the services that your organization provides to New Mexico Junior College and the surrounding community: __________________________________________

________________________________________________________________________

Please describe the benefits that directly affect New Mexico Junior College: ________________

________________________________________________________________________

FOR NMJC USE ONLY:

☐ Approve one-time sponsorship  ☐ Approve sponsorship for one year period  ☐ Deny sponsorship

_________________________________________________________  _______________________
Signature of President or Designee  Date

One Thunderbird Circle  Hobbs, New Mexico 88240  (505) 492-2650  FAX (505) 492-2655
NEW MEXICO JUNIOR COLLEGE
Personnel Recommendation for Board Consideration

The following candidate is being recommended for employment as follows: Date 2-14-07

Candidate's name  Shanessa L. McClain

Position title  Assistant Director of Financial Aid

☐ New position  ☒ Existing position  Classification  ☐ Faculty  ☒ Professional  ☐ Other

Is candidate related to another NMJC employee?  ☐ yes  ☒ no  If so, to whom

Effective date of employment  3-1-07  Standard contract length  ☒ 12 mos.  ☐ 9 mos.  ☐ other

Funding source  Institutional Funds

Paid advertising beyond *standard  higheredjobs.com; swasfaal@siowff.org; nmasfam@nmsu.edu

(*Standard: The Hobbs News-Sun, Direct Mail to approximately 51 colleges in a 5-state region, NM Dept. of Labor, NMJC Website, KMLAA Radio & Lubbock TX Workforce Development Website)

Postal salary range  $27,807 to $34,758  Recommended annual salary  $30,004  Prorated salary  ☒ yes  ☐ no

Account number(s) with respective % allocation(s)  11000 3061 61301 125  100%

Recommended and approved by:

Supervisor  

Dean/Director  

President

Vice President

Selection Committee Members:

Lance Caviness – Associate Dean of Students

Jennifer Jordan – Executive Director of NMJC Foundation

Laura Marquez – Director of Financial Aid

Richard Morris – Director of Athletics

Regina Organ – Vice President for Student Services

Comments:  Ms. McClain, with an Associate Degree and more than six years applicable experience, meets and or exceeds the minimum requirements for this position.
ABBREVIATED RESUME

Position
Assistant Director of Financial Aid

Personal Data
Name: Shanessa L. McClain

Education
A.A.S., New Mexico Junior College, Hobbs, NM, 2003
Major: Legal Assistant/Paralegal

Professional Experience
New Mexico Junior College, Hobbs, NM
Financial Aid – Loan Specialist 02/06 to Present
Financial Aid – Department Secretary 11/05 to 02/06

Daniels Insurance, Hobbs, NM 10/05 to 11/05
Receptionist

Max Proctor, Attorney at Law, Hobbs, NM 08/03 to 09/05
Legal Assistant

Applebee’s, Hobbs, NM 05/05 to 08/05
Part-time Server

Christian Center, Hobbs, NM 03/02 to 08/03
Secretary/Media Coordinator
Part-time Youth Intern 05/01 to 03/02

Awards and Organizations
New Mexico Junior College Vice President’s Award, 2001
Southwestern Association of Legal Assistants Scholarship
Republican Party of Hobbs, Volunteer
Oneighty Leadership Team – Youth Sponsor
Position Announcement • December 2006

Position Title: Assistant Director of Financial Aid

Position Description: The Assistant Director of Financial Aid reports to the Director of Financial Aid. Duties and responsibilities shall be, but are not limited to, the following: 1) Administer four work study programs in a manner consistent with federal, state, NMJC Foundation and institutional guidelines; 2) Administer and expand the college scholarship programs and maintain scholarship files; 3) Assist in the college marketing program and in student recruitment; 4) Assist in making recommendations concerning clerical personnel employed in the Financial Aid Office; 5) Assist the Director in development of departmental budget; 6) Continually evaluate and assess programs and make recommendations to the Director for improvement of operational process; 7) Maintain a working knowledge of all aspects of the Financial Aid Office and perform necessary supervisory functions in the absence of the Director, upon approval of the Vice President of Student Services; 8) Accept other duties as assigned by the Financial Aid Director; 9) Participate in a process of continual personal and professional improvement; 10) Actively participate in the institutional goals and objectives designed to support the mission of the college; 11) Serve on college committees as assigned; and, 12) Nothing contained herein shall limit the President in assigning the employee to any college activity for which he may deem the employee qualified in order to meet the needs of New Mexico Junior College.

Qualifications: An Associate's degree required. Bachelor's degree preferred. Work experience related to job duties is also preferred. Candidate must have the ability to work with others, including employees, members of the community and students of all socioeconomic backgrounds; must possess excellent clerical, accounting, and communication skills; must demonstrate an ability to read and interpret government documents and regulations; must be self-motivated, and react well to administrative supervision. Note: Computer proficiency is required.

Salary/Benefits: This is a 12 month, full time, exempt position with a salary range of $27,807 to $34,758, depending upon education and experience. Standard NMJC benefits apply.

Application Deadline: January 26, 2007 @ 5:00 p.m., MST. To ensure consideration, all application materials must be received by the deadline. Application materials sent via e-mail will not be accepted.

To Apply: Submit NMJC application form, letter of application (cover letter), resume, unofficial transcripts (official transcripts required prior to employment), three or more signed letters of recommendation to:

Human Resources
New Mexico Junior College
5317 Lovington Highway
Hobbs, NM 88240

New Mexico Junior College is an Equal Opportunity, Affirmative Action Employer and does not discriminate against any applicant for employment because of race, color, religion, sex, sexual orientation, national origin, age, disability, or veteran status. Qualified applicants are encouraged to apply.

"Equal Opportunity Education and Employment"
5317 Lovington Highway, Hobbs, NM, 88240 • Phone: (505) 392-5229 • Fax: (505) 392-3589 • Toll Free: 1-800-657-6260 • E-mail: meherandez@nmjc.edu
### APPLICANT LIST

**Position:** Assistant Director of Financial Aid

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Interview</th>
<th>Offer</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>Granado, Selma E.</td>
<td>No</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Wooten, Sherry J.</td>
<td>No</td>
<td>No</td>
<td>Incomplete application materials.</td>
</tr>
<tr>
<td>Amador, Kelly R.</td>
<td>No</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Hernandez, Melanie</td>
<td>No</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>McClain, Shanessa L.</td>
<td>Yes</td>
<td>Yes</td>
<td>Start date: Pending Board approval.</td>
</tr>
<tr>
<td>Davis, Justin A.</td>
<td>No</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Hicks, Mary Eileen</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Herd, Patricia L.</td>
<td>Yes</td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Scheller, Jennifer L.</td>
<td>No</td>
<td>No</td>
<td></td>
</tr>
</tbody>
</table>
January 10, 2007

City of Hobbs
% Joe Dearing
300 N. Turner
Hobbs, NM 88240

Re: Restricted Appraisal Report
20 Ac. HIAP & 2.2 Ac. NMJC R/W
Hobbs, NM 88240

Dear Mr. Dearing:

I have completed Restricted Appraisal Report on the aforementioned properties.

After careful consideration, I have concluded that the market value of subject as of January 6, 2007 to be $110,000 for the 20 acre tract and $12,100 for the 2.2 acre easement tract...

I certify that I have no present or contemplated financial interest in the subject property, and my employment and compensation is in no way contingent upon the value reported.

Sincerely,

Ernie Naegele, SRA

Confidential
Do Not Copy
REAL ESTATE APPRAISAL WORK ORDER No. 2006-07
NMJC Right-of-Way and HIAP Site Appraisal Report

DATE: December 26, 2006

TO: Ernie Naegele & Associates Inc.
506 E. Broadway
Hobbs, NM 88240

Scope of Work: Ernie Naegele & Associates, Inc, to provide Professional Appraisal Services to complete a restricted appraisal report for the two parcels of land located on Millen Dr. adjacent to NMJC. See attached map for details. Completion date is estimated to 1-15-2007.

Work Order No. #7 (Maximum not to exceed) $1,750.00

Project Benchmarks:

Total Not to Exceed Cost: $1,750 plus GRT

Budget Line Item No: 20-4020-42601 – HIAP – Professional Services

City of Hobbs

Joe Dearing,
City Planner

C: Dan Dible; Finance Department

Consultant – Ernie Naegele & Associates Inc.
This is a Restricted Appraisal Report based on a Limited Appraisal which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it presents limited discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser’s opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser’s file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for the unauthorized use of this report.

Furthermore, in accordance with prior agreement between the client and the appraiser, this report is the result of a limited appraisal process in that certain allowable departures from specific guidelines of the Uniform Standards of Professional Appraisal Practice were invoked. The intended user of this report is warned that the reliability of the value conclusion provided may be impacted to the degree there is departure from specific guidelines of USPAP.

CLIENT: City of Hobbs % Joe Dearing Administration Dept., Planning Division Hobbs, NM 88240

APPRASIER: Ernie Naegele, SRA

SUBJECT: Approx. 20 Acres (HIAP) Hobbs, NM 88240

PURPOSE OF THE APPRAISAL: Estimate Market Value

INTENDED USE OF REPORT: For the sole purpose of client to estimate value for possible sale of property.

INTEREST VALUED: Fee Simple

EFFECTIVE DATE OF VALUE: January 6, 2007

DATE OF REPORT: January 10, 2007

APPRaisal DEVELOPMENT AND REPORTING PROCESS: The appraiser inspected the subject site. Analyzed sales of vacant land that are compatible to subject. Inspection of subject site reveals that the majority of land is comprised of native grasses and mesquite. An extensive search was made for comparable sales that are compatible to subject in possible use and compatible terrain. The subject site is located adjacent to NMJC. Access is from Millen Drive which is paved.

An extensive search was made for comparable sales of vacant land. Several sales of commercial sales were found that are in a much superior location and surrounded by Ernie Naegele & Associates, Inc.
commercial development. It is this appraiser's opinion that these sales are not compatible to subjects location. Also, these sales have very good visibility and good access and are located in areas that have ample surrounding vacant land for sale that have similar amenities. Therefore, sales of acreage were located that are inferior in location to the commercial sales. The area around subject has not been developed and mostly native grasses and mesquite are present. The development around subject has been NMJC (New Mexico Junior College) and recently, a casino & race track was built within ½ mile of subject. It is this appraiser's opinion that any commercial development would be in area that is already developed into commercial use since ample vacant land sites are still available.

Recent sales located that had similar terrain and possible development use include:

<table>
<thead>
<tr>
<th>No.</th>
<th>Location</th>
<th>Size</th>
<th>Price/Acre</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Dal Paso &amp; Stanolind Rd.</td>
<td>10 Acres</td>
<td>$5,000</td>
<td>11/06</td>
</tr>
<tr>
<td>2</td>
<td>Dal Paso &amp; Stanolind Rd.</td>
<td>42.2 Acres</td>
<td>$5,134</td>
<td>11/06</td>
</tr>
<tr>
<td>3</td>
<td>3700 N. Dal Paso</td>
<td>16.75 Ac.</td>
<td>$5,373</td>
<td>03/06</td>
</tr>
<tr>
<td>4</td>
<td>2821 State Line Rd.</td>
<td>11.5 Acres</td>
<td>$6,087</td>
<td>12/06</td>
</tr>
</tbody>
</table>

Sale #1 & #2 are vacant land with no water rights and no water wells on site. Sale #3 & #4 have water rights and water well on site.

Sale #3 & #4 are located in area that has mixed use including some residential properties close in proximity. #1 & #2 are located in area that is mostly oil field related commercial development.

Information on above sales was provided by the Hobbs Multiple Listing Service. All sales were cash sales.

After due consideration, my estimate of value for subject is $5,500 per acre for total value of $110,000.

Per prior agreement with the client, the appraiser did not use either the cost or income approaches to value. The appraiser believes the primary approach to value is the sales comparison approach. The appraisal process therefore involved departure from Standards Rule 1-4.

This Restricted Appraisal Report sets forth only the appraiser's conclusions with minimal discussion.

REAL ESTATE APPRAISED: Approx. 20 Acres, Hobbs Industrial Air Park, Hobbs, NM 88240

HIGHEST AND BEST USE: Development to industrial use
CONCLUDED VALUE: $110,000. This is a Limited Appraisal because it relies solely on the sales comparison approach.

INDICATED EXPOSURE TIME: Not exposed to market

ESTIMATED MARKETING TIME: 6 to 12 months

ASSUMPTIONS AND LIMITING CONDITIONS:

1. As agreed upon with the client prior to the preparation of this appraisal, this is a Limited Appraisal because it invokes the Departure Provision of the Uniform Standards of Professional Appraisal Practice. As such, information pertinent to the valuation has not been considered and/or the full valuation process has not been applied. Depending on the type and degree of limitations, the reliability of the value conclusion provided herein may be reduced.

2. This is a Restricted Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it does include limited discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The Appraiser is not responsible for unauthorized use of this report.

3. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.

4. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.

5. Responsible ownership and competent property management are assumed unless otherwise stated in this report.

6. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

7. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

8. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

9. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

10. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.

11. It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority form any local, state, or national governmental, or private entity or organization have been or can be obtained or
renewed for any use on which the value estimates contained in this report are based.

12. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

13. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

14. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser’s value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser’s descriptions and resulting comments are the result of the routine observations made during the appraisal process.

15. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property’s value, marketability, or utility.

16. Any proposed improvements are assumed to be completed in a good workmanlike manner accordance with the submitted plans and specifications.

17. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

18. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.

19. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.
CERTIFICATION:

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions, and limited conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
6. My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
7. I have made a personal inspection of the property that is the subject of this report.
8. No one provided significant professional assistance to the person signing this report.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Ernie Naegle, SRA

State Certification 6-156

Ernie Naegle & Associates, Inc.
This is a Restricted Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it presents limited discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser’s opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser’s file. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated below. The appraiser is not responsible for the unauthorized use of this report.

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CLIENT: City of Hobbs % Joe Dearing Administration Dept., Planning Division Hobbs, NM 88240

APPRASIER: Ernie Naegele, SRA

SUBJECT: Approx. 2.2 Acres NMJC R/W Hobbs, NM 88240

PURPOSE OF THE APPRAISAL: Opinion of Value

INTENDED USE OF REPORT: For the sole purpose of client to estimate value for possible fence easement.

INTEREST VALUED: Fee Simple

EFFECTIVE DATE OF VALUE: January 6, 2007

DATE OF REPORT: January 10, 2007

APPRAISAL DEVELOPMENT AND REPORTING PROCESS: The appraiser inspected the subject site.

The development of the value estimate is determined to be the same process as a “Taking” of property. This process includes the possible loss in value to the remaining parcel after the loss in size of the whole parcel. It is determined that the loss of 2.2 acres of land would not impact the value of the remaining parcel.
Therefore the value estimate is based on estimated value of property close to proximity to subject. The value of land in close proximity to subject is estimated to be $5,500 per acre.

Therefore my estimated value for subjects 2.2 acres is $5,500 per acre for total of $12,100.

Per prior agreement with the client, the appraiser did not use either the cost or income approaches to value. The appraiser believes the primary approach to value is the sales comparison approach. The appraisal process therefore involved departure from Standards Rule 1-4 (b).

This Restricted Appraisal Report sets forth only the appraiser’s conclusions with minimal discussion.

REAL ESTATE APPRAISED: Approx. 2.2 Acres NMJC R/W, Hobbs, NM 88240

HIGHEST AND BEST USE: Fence easement

CONCLUDED VALUE: $12,100 ($5,500 per Acre)

INDICATED EXPOSURE TIME: Not exposed to market

ESTIMATED MARKETING TIME: 6 to 12 months

ASSUMPTIONS AND LIMITING CONDITIONS:

1. As agreed upon with the client prior to the preparation of this appraisal, this is a Limited Appraisal because it invokes the Departure Provision of the Uniform Standards of Professional Appraisal Practice. As such, information pertinent to the valuation has not been considered and/or the full valuation process has not been applied. Depending on the type and degree of limitations, the reliability of the value conclusion provided herein may be reduced.

2. This is a Restricted Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(c) of the Uniform Standards of Professional Appraisal Practice for a Restricted Appraisal Report. As such, it does include limited discussions of the data, reasoning, and analyses that were used in the appraisal process to develop the appraiser’s opinion of value. Supporting documentation concerning the data, reasoning, and analyses is retained in the appraiser’s file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The Appraiser is not responsible for unauthorized use of this report.

3. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated in this report.

Responsible ownership and competent property management are assumed unless otherwise stated in this report.

The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.

All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.

It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.

It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws unless otherwise stated in this report.

It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined, and considered in this appraisal report.

It is assumed that all required licenses, certificates of occupancy, or other legislative or administrative authority form any local, state, or national governmental, or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.

Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.

It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.

Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities

Emie Naegele & Associates, Inc.
Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property’s value, marketability, or utility.

16. Any proposed improvements are assumed to be completed in a good workmanlike manner accordance with the submitted plans and specifications.

17. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.

18. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper written qualification and only in its entirety.

19. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news sales, or other media without prior written consent and approval of the appraiser.
CERTIFICATION:

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions, and limited conditions, and are my personal, unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and I have no personal interest or bias with respect to the parties involved.
4. My compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result, or the occurrence of a subsequent event.
5. This appraisal was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.
6. My analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
7. I have made a personal inspection of the property that is the subject of this report.
8. No one provided significant professional assistance to the person signing this report.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. As of the date of this report, I have completed the requirements of the continuing education program of the Appraisal Institute.

Ernie Naegele, SRA
State Certification 6-154
REAL ESTATE PURCHASE AGREEMENT

THIS REAL ESTATE PURCHASE AGREEMENT (hereinafter "Agreement"), entered into this 26th day of June, 2006, between The GEO Group, Inc., One Park Place, Suite 700, 621 Northwest 53rd Street, Boca Raton Florida 33437 (hereinafter "Purchaser"); and the City of Hobbs, New Mexico, a New Mexico Municipal Corporation (hereinafter "City").

RECITALS:

Purchaser has made a written proposal dated April 04, 2006 which is attached hereto for reference only as Exhibit "A" to purchase the real estate described below.

City, in consideration of the mutual covenants herein contained, agrees to sell and convey, and Purchaser agrees to purchase the real estate described below, together with all buildings and improvements and all rights, hereditaments, easements and appurtenances thereunto belonging, located in the Hobbs Industrial Air Park in Section 11, Township 17 S, Range 38 E, N.M.P.M. within the City of Hobbs, Lea County, New Mexico, more particularly described as follows, and referred to hereinafter as "Property," on the terms and conditions set forth herein.

LEGAL DESCRIPTION – GEO GROUP TRACT:

A tract of land located in part of the NW1/4 (northwest one-quarter) of Section 11 and part of the SW 1/4 (southwest one-quarter) of Section 2, Township 18 South, Range 37 East, N.M.P.M., Lea County, New Mexico, being more particularly described as follows:

Beginning at a point, a found rebar with aluminum cap marked Hicks NMPS 12348, on the west line of the said northwest one-quarter of Section 11, and being the northwest corner of Tract Two of the Prison Tract Summary Subdivision filed in Book 921 page 858 of the Lea County Records and from whence the northwest corner of said Section 11, a found brass cap, bears N0°38'13"W, 704.55 feet;

Thence N0°38'13"W, a distance of 704.55 feet along the west line of said section 11 to the northwest corner of section 11 a found brass cap in concrete;

Thence N0°37'16"W, a distance of 545.45 feet along the west line of said section 2 to a point;

Thence N89°32'13"E, a distance of 2374.88 feet tract to a point;

Thence S0°38'23"E, at a distance of 544.96 cross the south line of section 2 and continuing a total distance of 1250.00 feet to a found rebar with aluminum cap marked Hicks NMPS 12348 and being the northeast corner of Tract one of Prison Tract Summary Subdivision;

Thence S89°32'13"W, along the north line of the Prison Tract Summary Subdivision a distance of 2375.09 feet to the POINT OF BEGINNING. Said tract contains 68.154 acres 2.
NOW THEREFORE THE FOLLOWING IS AGREED BY THE PARTIES:

1. **Earnest Money Deposit.**

Purchaser has made an earnest money deposit with the City of Hobbs in the sum of Twenty Five Thousand Dollars ($25,000.00), which was received by the City prior to the date of this Agreement.

2. **Purchase Price.**

A. The purchase price for the Property shall be Three Hundred Forty-Five Thousand Dollars ($345,000.00) of which the amount paid as earnest money shall be a part. 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. All additional infrastructure shall be subject to separate negotiations between the parties hereto.

3. **Property Survey.**

Within 40 days following the execution of this Agreement, the City will provide Purchaser with a current survey of the Property prepared by a surveyor licensed in the State of New Mexico, upon execution of this agreement.

4. **Closing Date.**

Closing for the sale of the Property shall occur on a mutually agreeable date, at least seventy days, but not more than one hundred twenty 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 parties may extend the Closing Date by mutual agreement, not to exceed 365 days following the date of the ordinance.

5. **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 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 date for closing to eliminate any disapproved exception(s) or patent reservations(s) from the policy of title insurance to be issued in favor of Purchaser, and if not eliminated, then the earnest money deposit shall be refunded, unless Purchaser then elects to waive his prior disapproval. Failure of Purchaser to disapprove any exception(s) or patent reservation(s) within the aforementioned time limit shall be deemed an approval of such exception or patent reservation. The policy of title insurance shall be a standard coverage policy in the amount of the total purchase price and shall be paid for by Purchaser.
In the event this contingency or any other contingency to this contract has not been eliminated or satisfied within the time limits and pursuant to the provisions herein, and unless Purchaser elects to waive the specific contingency by written notice to the City, this Agreement shall be deemed null and void, the earnest money deposit shall be returned to the Purchaser, and neither party shall have any rights or liabilities under this Agreement.


City shall furnish Purchaser within 40 days following the execution of this agreement, a Phase I Environmental Site Assessment Report, prepared by a licensed environmental professional engineer or geologist on the Property proposed for purchase. 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 cost of the Phase I Environmental Assessment shall be paid by Purchaser in addition to the purchase price noted above in Section 3. The Site Assessment Study will not include soil boring and soil analysis, unless requested by Purchaser. Purchaser shall have fifteen (15) days from receipt of the Environmental Assessment Report to advise City of any disapproval of any exceptions or environmental conditions indicated in the Report.

7. Title.

At closing, the City shall execute and deliver a Special Warranty Deed conveying the Property to the Purchaser and/or his assigns, in fee simple, subject to all patent reservations and to all other existing liens, encumbrances and other exceptions of record except those exceptions and reservations which are disapproved by Purchaser and eliminated by the City pursuant to Section 5 above.


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


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.


The closing costs shall be paid as follows:

A. The City shall pay for the title insurance binder and the Property Survey.

B. All other 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.

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

11. 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 Ron Maddux, One Park Place, Suite 700, 621 Northwest 53rd Street, Boca Raton Florida 33487, with a copy to David A. Grammer III, Aldridge, Grammer, Jeffrey & Hammar, P.A., 1212 Pennsylvania St. NE, Albuquerque, New Mexico 87110, or to such other address as requested by either party. Notice shall be deemed to be received on the fifth day following posting.


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.

13. 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.


This Section refers to assignability of this Purchase Agreement, and not to assignability of the Property 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.

15. 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.


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

17. State Permits and Licenses.

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

18. Protective Covenants.

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

19. Termination.

This agreement shall be terminated on the closing date for sale of property, unless either party ends the agreement prior to that date pursuant to Section 9 of this Agreement, except that any provision calling for obligations continuing after the closing date shall survive, including provisions from Sections 9,17,18,20,21 and 24. All of the City’s warranties, representations, certifications, and agreements contained herein shall be and remain true at the time of closing.

20. City Permits.

The zoning designation of the Property will be Industrial 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.
21. Right of Repurchase If Development Has Not Started Within Five Year Period Following Closing Date.

Subject to the rights of any mortgagees under any mortgages on the Property, the City retains the right to repurchase the property, for the same price paid by the Purchaser, if Purchaser has not begun development within five (5) years of the date of purchase, or if Purchaser defaults prior to starting development. Development is hereby defined as the Purchaser's completion of construction of the exterior of a building suitable to Purchaser's needs including on-site improvements of paved access street and parking areas, utility service lines, landscaping, and foundations, according to City Design Standards and Building Code Ordinances. The Purchaser must make a good faith effort to begin and continue development. Upon compliance with the development responsibility of Purchaser, at Purchaser's request, the City shall provide a written, recordable release or certificate of compliance with this paragraph, and a waiver of its right to re-purchase. In the event that the City does not exercise any right to repurchase the Property within three years of the date of such right arises, then that right to repurchase shall lapse and expire.

22. Conditions For Completing The Purchase.

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

A. The City Commission must have approved the necessary Ordinance for the Sale of the Property, subject only to the referendum election issue as specified in 3-54-1 et. seq., NMSA, as amended. In addition, the City HIAP Board should have reviewed and recommended on the purchase proposal.

B. Purchaser must have received, reviewed and approved the survey legal description and survey plat prior to Closing. 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. If a request for a Phase I Environmental Site Assessment, Purchaser must have received, reviewed and approved the Phase I Environmental Assessment Report for the Property prior to Closing. Purchaser shall have the Environmental Assessment Report for review at least thirty (30) calendar days prior to the intended date of Closing; and Purchaser shall have twenty (20) days from receipt of the Report to raise any objections with City.

D. There shall be no material adverse change in the condition of the Property as of closing.

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

F. If any of the conditions set forth in this Section 22 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.
23. **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 Property subject only to easements, restrictions and reservations of record as disclosed in the title commitment.

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

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

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

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

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

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

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

H. The City is not a party to any contracts relating to the Property, except for this Agreement.
24. **Easements and Airport Zoning on the Property.**

A. The Property shall contain a drainage easement not to exceed 60 feet in width running north and south on the west boundary which shall be shown on the survey.

B. The Property is currently in the runway clear zone for the extension of the north runway at the Hobbs Industrial Air Park. Building height restrictions on the west portion of the Property have been adopted by the City in conjunction with the occasional use of the aircraft at the Industrial Park. The runway clear zone and height restrictions will be shown on the survey. The City will also close and permanently mark as closed the west extension of the runway which may exist on the west part of the Property, and these closure markings shall be designated 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 in Paragraph 5.

C. The City may require additional reasonable easements on the 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 in Paragraph 5.

25. **Time of Essence.**

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

26. **Additional Documents.**

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

27. **Entire Document.**

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

THE CITY OF HOBBS

Mayor Monty D. Newman

PURCHASER – GEO GROUP, INC.

By: George Zoley

Title: Chairman and CEO

ATTEST:

Jan Fletcher, City Clerk

APPROVED AS TO FORM:

Joan McMahon, City Attorney
Exhibit "A" Letter Proposal
April 4, 2006

Mr. Joe Dearing
City Planner
City of Hobbs
300 N. Tumer
Hobbs, New Mexico 88240

RE: Hobbs Industrial Air Park Parcel
+/- 68.15 Acres / City of Hobbs
County of Lea, State of New Mexico

Dear Joe:

Please accept this Letter of Intent to purchase the above referenced Property from the City of Hobbs, New Mexico.

This letter expresses Buyer’s interest in purchasing the Property under the following terms and conditions:

Purchaser: The GEO Group, Inc. (GEO)

Purchaser’s Address: One Park Place
621 NW 53rd Street, Suite 700
Boca Raton, FL 33487

Seller: City of Hobbs

Offer Price: $250,000

Terms: All Cash

Earnest Money: $25,000 deposit due within forty-eight (48) hours of the Effective Date of the Contract for Sale and Purchase. Earnest Money shall become non-refundable at the expiration of the Financing Period.

Inspection Period: 60 days from Effective Date, which shall mean the date on which the latter of the parties executes a Contract for Sale and Purchase. Due Diligence Documents ("Documents") will be forwarded within five (5) days of Effective Date of the Contract for Sale and Purchase and shall include: Lease & Addendums, Survey, Environmental Report and Title, and all financial information regarding the property and tenant, where applicable.
Financing Period: All cash sale

Lease: Lease terms shall be as follows: N/A

Closing Date: Fifteen days after Inspection Period.

Closing Costs: Seller shall pay for transfer fees, and the Title Insurance Policy. Purchaser shall pay recording fees. Seller and Purchaser shall divide equally all escrow/title company closing fees. Seller and Purchaser to pay their own legal expenses.

Conditional Contract: Should there be a default on any existing contract for the subject property, the Buyer would like to execute a written contract within five (5) days of termination. However, should the current contract not default, then there will be no contract from said Buyer.

Please note that this Letter of Intent will be withdrawn should an existing contract remain without default or assignment.

It is understood and agreed that the foregoing constitutes a Letter of Intent setting forth the major business points from our discussions. It is further understood that neither party intends to create any contractual rights or obligations as a result of entering into this Letter of Intent. No binding agreement or rights or obligations shall arise as the result of executing this letter or with respect to the proposed transactions, unless and until we execute definitive documentation incorporating the above provisions and other appropriate terms.

If the foregoing is acceptable, please acknowledge same by returning a signed copy of this letter.

Buyer: ___________________________
By: ___________________________
The GEO Group, Inc.
Ron Maddux, Vice President

Date: April 4, 2006

Seller: ___________________________
By: ___________________________

Date: 5-26-06
Exhibit "B"

PROTECTIVE COVENANTS AND DESIGN STANDARDS FOR THE
GEO GROUP, INC. PROPERTY
GENERAL CONDITIONS PART I

This Declaration, made the _____ day of ___________. 2006, by the City of Hobbs, hereafter referred to as "Declarant" or "City".

1. **Purpose.**

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

   "Legal Description to follow on 68.15 acre tract".

B. The purpose of these Protective Covenants is to establish and maintain a planned business and industrial center with certain design standards which may be in addition to those development regulations imposed by the City of Hobbs, and other governmental entities having jurisdiction over the Property.

C. In order to establish general rules and guidelines for the improvement and development of the Property, Declarant desires to impose upon it mutual and beneficial restrictions for the benefit of all lands in the Property and for the benefit of all future owners of lands in the Property.

2. **General Provisions.**

A. Declarant, owner of the Property, hereby declares that the Property is now held, and shall be transferred, sold, leased, conveyed, and occupied subject to the Protective Covenants herein set forth, each and all of which shall inure to the benefit of and pass with each and every parcel of the Property, and apply and bind the heirs, assignees, and successors in interest of each and every owner of a parcel or parcels of the Property.

B. Each purchaser of any parcel of the Property covenants and agrees with Declarant, its successors and assigns to use the property only in accordance with the Protective Covenants herein set forth, and to refrain from using the Property in any way inconsistent with or prohibited by the provisions of this Declaration.

C. Each purchaser or user of any parcel of land in the Property shall comply with all applicable laws of the City of Hobbs, Lea County, the State of New Mexico and the United States of America.
3. Design Review Board.

A. Declarant hereby establishes the City of Hobbs Industrial Air Park Board, or the HIAP Board as a Design Review Board, hereafter referred to as the "Board". Membership on the Board shall be six (6) members as duly appointed by the City of Hobbs City Commission. Declarant shall appoint all members of the Board, and expand its membership to include additional members, possibly including other land owners, as may be decided in the future by Declarant.

B. Declarant shall establish rules and procedures for the Board, including but not limited to procedures for the submittal and review of plans. Declarant may amend these procedures and rules, but shall publish any amendment according to Section 3-1-2, et. seq. NMSA 1978, as amended. The approval and consent of the Board shall not be unreasonably withheld on matters properly coming before the Board.

C. The Board shall exist as long as Declarant owns any parcel or portion of the Hobbs Industrial Air Park, within which the Property is encompassed.

D. There shall be no charge for services rendered and reviews undertaken by the Board.

E. All decisions of the Board shall be rendered in written format to the applicant.

F. Except with respect to land owned by the City of Hobbs, no building site or parcel of land within the Property may be divided, subdivided or fractional part thereof sold, leased or conveyed so as to create a new parcel, or combined with any building site or parcel of land without the prior written consent of the Board and the Hobbs City Commission.

G. All plans for subdivision, or resubdivision of land, or construction of any kind upon the Property shall be submitted to the Board for review and approval, prior to submitting those plans to the appropriate City office and other reviewing agencies for approval. Plans submitted for review by the Board, if submittal is complete, accurate and in compliance with submission requirements of the Board, shall be deemed approved by the Board, if no action shall be taken within thirty (30) working days from the date of submittal. All plans to be submitted for review by the Board shall be submitted to the Planning Division of the City of Hobbs, at 300 N. Turner, Hobbs, NM 88240.

H. Decisions by the Board shall not be construed as professional expertise and no warranty or liability for construction according to such plans shall be placed on the Board or Declarant.

I. No application for a building permit, subdivision of land or zone change, if the City should hereafter adopt a Zoning Ordinance, shall be made for any parcel in the Property, unless said Site Development Plan submittal has first been presented to the
J. For good cause shown, the Board is expressly granted the authority, in the exercise of its discretion to approve plans, to permit, or to consent to approve a variance from the specific requirements or effect of a particular covenant herein contained.

K. Any aggrieved person that is affected by an administrative decision of any City Board or official may appeal that decision to the City Commission. The appeal must be presented in writing to the City within fifteen (15) days of the action causing the appeal.

4. **Permitted, Regulated and Non-Permitted Uses.**

A. The Board may impose any reasonable condition on activities, such as landscaping, or regulation of grading during certain months of the year, to mitigate the effects of the activity’s appearance, noise, traffic, dust and similar impact(s).

B. Activities and uses on the Property shall be constructed, used or occupied to insure that there is no excess noise, vibration, toxic or noxious matter, humidity, heat or glare, liquid or solid waste, at or beyond any lot line of the parcel on which it is located. No activity or use shall emit air pollutants to such an extent that such use is classified as a "Major Stationary Source" by New Mexico Air Quality Control Regulation #707 and/or 40 CFR Part 51 of the U. S. Environmental Protection Agency.

C. No parcel or structure on the Property shall be used for any heavy manufacturing use, including the following listing:

- **Acid Manufacture**
- **Smelting of Ores**
- **Fertilizer Manufacture**
- **Airport or Heliport**
- **Explosive Manufacture or Storage**
- **Junk Yards, Salvage or Wrecking Yards**
- **Cement, Lime, Gypsum or Plaster Manufacturing**
- **Raw Materials Manufacturing, Processing and Extraction**
- **Stockyards or Slaughter of Animals**

D. No on-site billboard for either off-premise or on-premise advertising, and other outdoor advertising for off-premise advertising shall be permitted on any parcels in the Hobbs Industrial Air Park.

5. **Construction of Improvements.**

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

B. If any owner fails to complete construction of required and approved improvements, including but not limited to utility lines, paved streets, parking areas, landscaping, Declarant may, after giving due legal notice, construct the required improvements. The costs for Declarant's construction activities shall be recovered by Declarant in accordance with New Mexico State Statutes. After the start of construction, each project should be completed in a timely manner normally within 12 months, except for unusually large buildings, when the Board may allow additional construction time.

C. The City may require a cultural resource investigation on certain parcels on the Property prior to starting construction.

D. The City requires all property owners to limit grading and clearing activities on a site to the actual physical area planned for development to limit soil erosion.


A. All owners and other users of the Property are obligated to keep and maintain the buildings, structures, parking areas, landscaping, signs and other entities of the parcel in an orderly and well maintained condition.

B. All landscaped areas shall be appropriately irrigated with an automated system and plants, grasses and trees shall be orderly and well maintained. Any areas of disturbed earth not in landscaped areas shall be seeded with native plants and grasses to establish a natural ground cover and thereby reduce blowing dust.

C. All waste, rubbish or surplus materials shall be stored in properly screened enclosures and removed regularly. No materials, supplies, equipment, finished or semi-finished products are permitted to be stored outdoors, except in areas approved by the Board, as per the approved Site Development Plan.

D. If any owner or other user of a parcel on the Property fails to adequately maintain a building, structure, landscaping, parking lot or other premises, Declarant may, after giving appropriate legal notice, undertake maintenance of that parcel. The cost of Declarant's maintenance activities shall be recovered by Declarant in accordance with New Mexico State Statutes and City Ordinances.

7. Enforcement of Covenants.

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

8. **Severability.**

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

**DESIGN STANDARDS PART II**

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

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

B. **Noise Levels:**

1. Noise level emissions for all parcels in the Property shall not exceed New Mexico State Occupational, Health and Safety Standards.

2. All owners and users of parcels in the Property are hereby notified that a private airport exists in the nearby vicinity, and that noise levels consistent with an airport, and occasional aircraft operations may exist in the vicinity of their Property. This disclosure statement shall be placed on the deed as a matter of notice for all parcels in the Hobbs Industrial Air Park.

C. **Development Standards:**

1. **Parcel Area:**

There shall be the following minimum lot area requirements for parcels in the Hobbs Industrial Air Park:
GEO GROUP INC. PROPERTY PROTECTIVE COVENANTS, PAGE 6.

Category: Commercial/All Categories Light Industrial/All Categories All lots fronting on major Arterials and Collectors Other Uses
Minimum Lot Size: 0.5 acre 1 acre 1 acre Minimum lot size to be determined by Board

No parcel shall have a lot depth that is greater than 3 times its width, unless specifically approved by the Board.

2. Building Setbacks:

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

The setback line shall be fifteen (15) feet from all rear and side property lines. No security fences or walls are to be placed within the twenty-five (25) foot front setback without Board approval. The Board may approve decorative fencing not to exceed three (3) feet in height in the front setback.

3. Landscaping Requirements:

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

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

B. Landscaping Standards For Industrial Parcels: At a minimum, all general industrial parcels shall maintain landscaping in the customer service areas in the
GEO GROUP INC. PROPERTY PROTECTIVE COVENANTS, PAGE 7.

front of the buildings.

4. **Screening and Building Site Appearance.**

All rubbish, trash, garbage, debris and other wastes, all loading docks and garbage collection facilities, and all other articles, goods, materials, incinerators, trash bins, storage tanks or like equipment open or exposed to public view or to a view from adjacent buildings, shall be stored at the side or rear of the building and the improvements with which same are associated; and these shall be screened from view in a manner approved in writing by the Board. Screening materials shall be constructed and designed in such a manner so that they equal a height equal to that of the materials or equipment being stored but in no event less than six (6) feet in height. The screening, to the maximum practicable extent, shall shield said material and equipment from both public view and view from adjacent buildings. Once the written approval of the Board has been so obtained, such screening must be maintained in a sound condition with acceptable visual appearance for so long as screening shall be required under the terms hereof. All trash and debris must be contained in enclosed containers to prevent blowing trash.

5. **Signage and Lighting Standards:**

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

A single sign shall be permitted on the front of each facility (facing the roadway), stating only the name or identification of the occupant of that facility.

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

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

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

Real estate broker signs advertising any premises shall be permitted, with the following exceptions: 1) there shall be only one (1) sign per parcel; 2) there shall be no off-premise real estate signs; 3) for parcels less than 10 acres in size, the maximum size shall be 8 square feet; 4) for parcels greater than 10 acres, the maximum size shall be 32 square feet; and 5) the height of all real estate signs shall not exceed 7 feet.

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

B. Illumination Standards.

Exterior illumination, if such is to be provided, shall be designed to light only buildings, parking areas and walkways and shall not produce glare on adjacent streets or building sites. All floodlighting fixtures shall be depressed ground level or screened from public view in a manner approved by the Board. Parking area lighting units, arcade lighting and other illumination of a "Pedestrian Scale" shall be in a style approved in writing by the Board. Flood light fixtures mounted on the building to shine away from the building are prohibited.

6. Off-Street Parking and Loading.

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


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

D. Architectural Guidelines:

1. Site and Building Design Guidelines.

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

The site plan including landscaping placement and materials should present "a
unified site and building concept" in such a manner that the overall site appearance
is consistent with the Hobbs Industrial Air Park development guidelines.

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

For any specific site development, the building entryway should be visible with
architectural accents from the street. Design features should be oriented to the visible
side of the site. The visible side of the structures should be addressed with
refinements constructed to in stucco or masonry with landscaping enhancements or
screening walls along the boundary to shield any metal equipment buildings,
transformers or trash dumpsters. Truck loading areas and employee parking areas
greater than 10 parking spaces should be located on the least visible side if possible.


All buildings located on leased parcels on and fronting on a major arterial or a
collector street, as defined by the Circulation Plan, shall be of brick, masonry, stone or
other material approved by the Board.


The front of all buildings—that is, the side facing the street on which the building is
deemed to front—shall be faced with concrete or brick masonry, stone, or other
material approved by the Board. The facing shall be to a minimum height of four (4)
feet and extend across the full front of the building. That portion of any building
facing a side street other than the street on which the building fronts shall be finished
in an attractive manner in keeping with the accepted standards used for industrial
buildings, but need not be finished in a like manner as that portion of the building
referred to as the front. It is the intent of this provision that all structures shall be
designed and constructed in such a manner as to provide an aesthetically pleasing
and harmonious overall development of the industrial park. Except as otherwise
provided herein, the sides and rear of all buildings shall be finished in an attractive
manner in keeping with the accepted standards used for industrial buildings subject
GEO GROUP INC. PROPERTY PROTECTIVE COVENANTS, PAGE 10.

to the approval of the Board.

3. **Height of Buildings.**

Buildings shall not exceed 50 feet in height, except in airport height zoning areas.

4. **Exceptions.**

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

5. **Temporary Structures.**

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

6. **FAA Regulations.**

All construction must comply with Federal Airport Authority regulations.

E. **Submission Requirements For Plan Submission.**

The Site Development Plan shall include:
- Parcel boundaries;
- North Arrow;
- Graphic scale;
- Existing topography at two-foot (2 ft) contour intervals;
- Proposed building locations, identities, drawings and square footages;
- Locations of walls and fences;
- Location of screening or buffering and type;
- Parking location, arrangement, aisles, number or spaces;
- Driveways, entrances, and exits;
- Grading plan (proposed topography and drainage courses);
- Streets (Right of Way, pavement widths) if any proposed;
- Sidewalk and paths;
- Existing and proposed utilities;
- Existing and proposed easements;
- Landscaped areas outlined with general description; and
- Traffic and Drainage Plans as required by the City Engineer.
F. Design Standards for Specific Land Use Categories

1. Industrial - General

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

Assembly of Electronic or Mechanical Parts and Equipment; Private commercial correctional facility or prison; Fabrication Shop; Freighthouse or Truck Terminal; Warehouse; Laboratory; Manufacturing of Consumer Goods to include but not be limited to appliances, batteries, garments, and similar products; furniture manufacturing, including finishing of furniture products; packaging of consumer goods as follows, but not limited to food products, cosmetics, pharmaceuticals, toiletries, etc.; processing and manufacture of food products to include bakery goods, candy, beverages, etc.; storage of products including but not limited to merchandise, domestic goods, raw materials, etc.; warehousing or wholesale distribution of goods; metal work and machine shops; heavy equipment sales, service and repair; Telecommunications towers and structure, except that these shall only be located within areas that do not conflict with Airport Zoning Regulations; newspaper, printing shop and distribution of printed materials; sign construction and sales; and plant nursery.

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