

# NEW MEXICO JUNIOR COLLEGE

## BOARD MEETING

Thursday, January 14, 2010  
Moran Building – Multi Purpose Room  
4:00 p.m.

### AGENDA

- |   |                |
|---|----------------|
| A. Welcome  | Larry Hanna    |
| B. Adoption of Agenda                             | Larry Hanna    |
| C. Approval of Minutes of December 17, 2009       | Larry Hanna    |
| D. President's Report                             | Steve McCleery |
| E. New Business                                   |                |
| 1. Monthly Expenditures Report                    | Dan Hardin     |
| 2. Monthly Revenue Report                         | Dan Hardin     |
| 3. Oil and Gas Revenue Report                     | Dan Hardin     |
| 4. Schedule of Investments                        | Dan Hardin     |
| 5. Consideration of Capital Projects – Land Lease | Dan Hardin     |
| 6. Consideration of Bid #1034 – Carpentry Work    | Regina Choate  |
| 7. Consideration of Bid #1035 – Painting Projects | Regina Choate  |
| 8. Consideration of Bid #1036 – Concrete Work     | Regina Choate  |
| 9. Consideration of Bid #1037 - Asbestos Projects | Regina Choate  |
| F. Public Comments                                | Larry Hanna    |
| G. Announcement of Next Meeting                   | Larry Hanna    |
| H. Adjournment                                    | Larry Hanna    |

# NEW MEXICO JUNIOR COLLEGE

## BOARD MEETING

DECEMBER 17, 2009

### MINUTES

The New Mexico Junior College Board met on Thursday, December 19, 2009, beginning at 4:00 p.m. in the Multi Purpose Room of the Moran Building. The following members were present: Mr. Larry Hanna, Chairman; Ms. Patricia Chappelle, Secretary; Mr. Phillip Jones; Mrs. Mary Lou Vinson; Mr. Ron Black; Mrs. Yvonne Williams; and Mr. Guy Kesner.

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

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

Upon a motion by Mrs. Williams, seconded by Mr. Black, the Board unanimously approved the minutes of November 19, 2009.

*Under President's Report*, John Gratton shared with the Board the NCLEX pass rates for the 2009 nursing class. Phillip Roybal and Steve Saucedo reported on various Training and Outreach programs and scholarships. Robert Rhodes informed the Board of plans for a Lea County Electric training program, as well as various rural coops.

*Under New Business*, Dan Hardin presented the November financial reports and with a motion by Mr. Kesner, seconded by Ms. Chappelle, the Board unanimously approved the expenditures for November, 2009.

Mr. Hardin presented a roof replacement proposal for 28,000 square feet of the Heidel Hall roof. The bid from Minnix Commercial, a CES contractor, for \$253,664.08 will meet the New Mexico State LEED requirement for a reflective roof and will have a twenty year warranty. Upon a motion by Mr. Jones, seconded by Ms. Chappelle, the Board unanimously approved the proposal.

Larry Sanderson presented the 2010-2016 Strategic Plan for Board consideration. After some discussion and upon a motion by Mr. Black, seconded by Mrs. Vinson, the board unanimously approved the plan.

Ms. Chappelle 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. Mrs. Vinson seconded the motion. The roll call vote was as follows: Mr. Jones – yes; Mr. Black – yes; Ms. Chappelle – yes; Mr. Kesner - yes; Mr. Hanna – yes; Mrs. Vinson – yes; and Mrs. Williams – 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.

Upon a recommendation by Dr. McCleery, Mrs. Vinson made a motion to eliminate a Professor of English, Professor of Speech/Theatre, and Associate Dean of Students positions from the 2010-2011 budget. Mrs. Williams seconded the motion and the Board unanimously approved the motion. Upon a motion by Dr. McCleery, Ms. Chappelle made a motion to not renew Brian Kirby, John Rice, and Chris Polsen's employment contracts for the 2010-2011 fiscal year. Mr. Kesner seconded the motion and the Board unanimously approved the motion.

The next regular board meeting was scheduled for Thursday, January 14, 2010, beginning at 4:00 pm.

Upon a motion by Mr. Jones, seconded by Ms. Chappelle, the board meeting adjourned at 5:20 p.m.

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# NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

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**To: New Mexico Junior College Board Members**  
**From: Dan Hardin**  
**Date: January 7, 2010**  
**RE: Expenditure and Revenue Reports for December 2009**

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December is month six or 50% of the budget for the 2009/2010 fiscal year. The expenditure report represents expenditure totals that include funds expended and encumbered. The total year to date funds expended and/or encumbered through the month of December is \$27,827,754.00.

The total current unrestricted fund expenditures through December are \$11,628,588.00, which is 52% of the projected budget. Instruction has year-to-date expenditures above the 50% due to the monthly expensing of the faculty's salary that are paid in June. As is the trend in the previous fiscal year, Internal Services has a large amount of maintenance agreements that have been encumbered, Student Aid has made awards for the Spring Semester, and Auxiliary Enterprise has a high percentage of budgets spent due to the amount of books and supplies purchased in the bookstore prior to the beginning of the Spring Semester.

In the Restricted Funds the expenditures in the Grant area is increasing. We continue to monitor the expenditures in the Grants and request the drawdown from the state and federal agencies. Restricted Student Aid will have the big Pell payout in January. Total amount of restricted funds expended through December of 2009 is \$3,580,066.00.

Year to date Plant funds expended is mainly encumbered funds for the construction of the Central Plant project, Pannell Library remodel, and the Caster (Old Cowboy Hall of Fame) remodel.

Total expenditures and or encumbrances through December 2009 were \$27,827,754.00 or 58% of the budget.

Total Current Unrestricted revenue received in December 2009 was \$2,826,619.00, with the year to date total of 12,554,889.00. This mostly consists of the tuition and fees, the monthly allocation from the state, the Oil and Gas Income, Oil and Gas Equipment tax income, and property tax revenue.

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Tuition and Fees collected in December was \$462,683.00 as we collect tuition and fees for the spring semester. The State Appropriation for December was \$581,094.00, which consists of our normal monthly allotment, less the reduction that the State took. Oil and Gas tax revenue for the first six months of the fiscal year is \$929,529.00 over the projected budget; we received \$540,649.00 in December for the month of October. The property tax revenue for December was \$1,078,964.00; we will receive another large property tax check by June.

Restricted funds had some drawdown revenue in December. Total restricted fund revenue for the year is \$3,476,614.00. There will be another large drawdown in January or February for restricted student aid.

In Plant Funds, we received \$1,653,156.00 is drawdowns from the State in December.

Total revenue for the month of December 2009 is \$4,821,031.00, with year-to-date revenue of \$19,374,652.00 or 55% of projected budget.

The Oil and Gas report reflects a steady mill levy revenue from Oil and Gas. The total budget through December for Oil and Gas is \$2,100,000.00. The total Oil and Gas revenue through December of 2009 (which includes an accrual of \$350,000 for November and December) is \$3,076,839.00. This is \$929,529.00 over the total Oil and Gas budget for the year. We should receive a large check for Oil and Gas Equipment taxes mill levy funds in January.

The investment report shows an ending balance of \$9,625,000.00, as there was no activity in December.

This concludes the Financial Report for December 2009.

**NEW MEXICO JUNIOR COLLEGE**  
**Expenditure Report**  
**December 2009**

50% of Year Completed

Fund	2008-09			2009-10			
	Final Budget	Year-to-Date Expended or Encumbered	Percentage of Budget Expended	Budget	Current Expended or Encumbered	Expended or Encumbered	Percentage of Budget Expended
<b>CURRENT UNRESTRICTED FUND</b>							
Instruction and General:							
Instruction	8,054,688	4,474,072	56%	6,791,331	762,352	4,302,075	63%
Academic Support	2,687,276	1,404,362	52%	3,271,728	205,338	1,332,881	41%
Student Services	1,385,358	699,354	50%	1,577,951	89,701	810,391	51%
Institutional Support	4,807,573	1,312,024	27%	4,594,972	251,681	1,622,230	35%
Operation & Maintenance of Plant	2,655,431	1,419,074	53%	2,914,580	222,623	1,432,700	49%
<b>Subtotal - Instruction &amp; General</b>	<b>19,590,326</b>	<b>9,308,886</b>	<b>48%</b>	<b>19,150,562</b>	<b>1,531,695</b>	<b>9,500,277</b>	<b>50%</b>
Student Activities	196,037	110,866	57%	0	0	0	0%
Research	0	0	0%	0	0	0	0%
Public Service	0	0	0%	0	0	0	0%
Internal Service Departments	580,413	413,763	71%	147,077	6,825	114,568	78%
Student Aid	460,959	304,982	66%	605,800	42,388	383,887	63%
Auxiliary Enterprises	1,679,717	1,100,873	66%	1,665,937	141,727	1,056,111	63%
Athletics	1,046,359	587,866	56%	1,003,159	58,309	573,745	57%
<b>Total Current Unrestricted Fund</b>	<b>23,553,811</b>	<b>11,827,236</b>	<b>50%</b>	<b>22,572,535</b>	<b>1,780,944</b>	<b>11,628,588</b>	<b>52%</b>
<b>CURRENT RESTRICTED FUND</b>							
Grants	1,976,294	742,275	38%	1,705,862	138,888	722,053	42%
Student Aid	4,000,000	1,805,193	45%	4,050,000	35,640	2,858,013	71%
<b>Total Current Restricted Fund</b>	<b>5,976,294</b>	<b>2,547,468</b>	<b>43%</b>	<b>5,755,862</b>	<b>174,528</b>	<b>3,580,066</b>	<b>62%</b>
<b>PLANT FUNDS</b>							
Capital Outlay / Bldg. Renewal & Repl.							
Projects from Institutional Funds	15,233,636	3,424,136	22%	12,168,843	909,190	6,919,745	57%
Projects from State GOB Funds	1,586,048	217,323	14%	4,007,556	0	3,776,279	94%
Projects from State STB Funds	1,810,000	658,784	36%	1,790,668	0	1,703,968	95%
Projects from General Fund	178,282	0	0%	140,621	0	40,422	29%
Projects from Private Funds	481,942	411,094	85%	171,487	16,333	44,012	26%
Projects from State ER&R	206,787	0	0%	340,024	0	134,674	40%
Projects from State BR&R	699,526	0	0%	1,268,966	0	0	0%
Projects from Auxiliary BR&R	302	0	0%	0	0	0	0%
<b>Subtotal - Capital and BR&amp;R</b>	<b>20,196,523</b>	<b>4,711,337</b>	<b>23%</b>	<b>19,888,165</b>	<b>925,523</b>	<b>12,619,100</b>	<b>63%</b>
Debt Service							
Revenue Bonds	0	0	0%	0	0	0	0%
<b>Total Plant Funds</b>	<b>20,196,523</b>	<b>4,711,337</b>	<b>23%</b>	<b>19,888,165</b>	<b>925,523</b>	<b>12,619,100</b>	<b>63%</b>
<b>GRAND TOTAL EXPENDITURES</b>	<b>49,726,628</b>	<b>19,086,041</b>	<b>38%</b>	<b>48,216,562</b>	<b>2,880,995</b>	<b>27,827,754</b>	<b>58%</b>

**NEW MEXICO JUNIOR COLLEGE**  
**Revenue Report**  
**December 2009**

50% of Year Completed

Fund	2008-09			2009-10			
	Final Budget	Year-to-date Revenue	Percentage of Budget Received	Budget	Current Revenue	Year-to-date Revenue	Percentage of Budget Received
<b>CURRENT UNRESTRICTED FUND</b>							
<b>Instruction and General:</b>							
Tuition and Fees	3,259,000	2,569,223	79%	3,354,500	462,683	2,899,102	86%
State Appropriations	8,299,600	4,618,689	56%	7,676,400	581,094	3,723,442	49%
Advalorem Taxes - Oil and Gas	5,200,000	6,287,159	121%	5,200,000	540,649	3,076,839	59%
Advalorem Taxes - Property	3,100,000	1,148,599	37%	3,504,278	1,180,482	1,269,553	36%
Interest Income	508,252	106,439	21%	287,000	1,942	14,218	5%
Other Revenues	246,100	223,420	91%	524,363	8,166	162,542	31%
<b>Subtotal - Instruction &amp; General</b>	<b>20,612,952</b>	<b>14,953,529</b>	<b>73%</b>	<b>20,546,541</b>	<b>2,775,016</b>	<b>11,145,696</b>	<b>54%</b>
Student Activities	0	0	0%	0	0	0	0%
Public Service	0	0	0%	0	0	0	0%
Internal Service Departments	0	0	0%	0	0	0	0%
Auxiliary Enterprises	2,331,600	1,646,660	71%	2,298,000	28,606	1,256,863	55%
Athletics	320,500	158,250	49%	310,400	22,997	152,330	49%
<b>Total Current Unrestricted</b>	<b>23,265,052</b>	<b>16,758,439</b>	<b>72%</b>	<b>23,154,941</b>	<b>2,826,619</b>	<b>12,554,889</b>	<b>54%</b>
<b>CURRENT RESTRICTED FUND</b>							
Grants	1,976,294	774,493	39%	1,705,862	190,518	772,280	45%
Student Aid	4,000,000	1,523,524	38%	4,050,000	150,738	2,704,334	67%
<b>Total Current Restricted</b>	<b>5,976,294</b>	<b>2,298,017</b>	<b>38%</b>	<b>5,755,862</b>	<b>341,256</b>	<b>3,476,614</b>	<b>60%</b>
<b>PLANT FUNDS</b>							
Capital Outlay / Bidg. Renewal & Repl.							
Projects from State GOB Funds	1,586,048	54,841	3%	4,007,556	1,653,156	2,380,025	59%
Projects from State STB Funds	1,810,000	363,419	20%	1,790,668	0	830,678	46%
Projects from General Fund	178,282	45,000	25%	140,621	0	132,446	94%
Projects from Private Funds	0	0	0%	118,987	0	0	0%
Interest Income	0	0	0%	0	0	0	0%
<b>Total Plant Funds</b>	<b>3,574,330</b>	<b>463,260</b>	<b>13%</b>	<b>6,057,832</b>	<b>1,653,156</b>	<b>3,343,149</b>	<b>0%</b>
<b>GRAND TOTAL REVENUES</b>	<b>32,815,676</b>	<b>19,519,716</b>	<b>59%</b>	<b>34,968,635</b>	<b>4,821,031</b>	<b>19,374,652</b>	<b>55%</b>

**NEW MEXICO JUNIOR COLLEGE  
Oil and Gas Revenue Report  
December 2009**

50% of Year Completed

		OIL		GAS		COMBINED		
Month of		Price	Lea County	Price	Lea County	Monthly	2009-10	Variance
Sales	Distribution	per BBL	BBLs sold	per MCF	MCF sold	Revenue	Original	Over (Under)
							Budget	Budget
Actual	July	\$66.39	2,665,937	\$4.35	17,522,974	608,832	350,000	258,832
Actual	August	\$61.14	2,739,779	\$4.22	17,347,785	577,184	350,000	227,184
Actual	September	\$63.27	2,896,053	\$4.53	17,047,870	602,864	350,000	252,864
Actual	October	\$63.37	2,898,967	\$5.46	16,949,015	540,649	350,000	190,649
Accrual	November					350,000	350,000	0
Accrual	December					350,000	350,000	0
Accrual	January							0
Accrual	February							0
Accrual	March							0
Accrual	April							0
Accrual	May							0
Accrual	June							0
Y.T.D. Production Tax Revenue						3,029,529	2,100,000	929,529
Y.T.D. Equipment Tax Revenue						47,310	1,000,000	(952,690)
<b>Total Year-to-Date Oil &amp; Gas and Equipment Tax Revenue</b>						<b>3,076,839</b>	<b>3,100,000</b>	<b>(23,161)</b>

Source: New Mexico Taxation and Revenue Department



# NEW MEXICO JUNIOR COLLEGE

## Schedule of Investments

### December 2009

50% of Year Completed

Financial Institution	Amount Invested	Date Invested	Maturity Date	Period of Investment (Days)	Account Number	Interest Rate	Interest Earned
State of New Mexico Local Government Investment Pool	9,625,000	N/A	N/A	N/A	7102-1348	0.129%	1,031
<b>Total investments</b>	<b><u>9,625,000</u></b>						<b><u>1,031</u></b>

Summary of Current Month's Activity	
Beginning amount	9,625,000
Plus: deposits	0
Less: withdrawals	0
Capital Projects	9,394,285
Reserves Invested	230,715
<b>Total LGIP Investment</b>	<b>9,625,000</b>

Capital Projects	12/31/2009
Drawings & Master Plan	12,805.63
Marketing	49,932.06
Technology Upgrade	29,723.25
Workforce Training Center	0.00
High Tech Startup	1,346.40
JASI	101,118.20
Baseball Field	9,952.82
Rodeo Arena	-9,017.02
Equestrian Center	447,580.20
Infrastructure	28,276.58
Student Housing Construction	54,531.16
Testing Center Remodel	3,016,644.79
Frame & Door Replacement	150,000.00
Campus Village Development Proj	17,515.42
Luminis Software	16,991.00
Landscaping	458,363.41
Facility Painting	1,749.01
Millen Drive Signalization	95,000.00
Electrical Upgrade	543,600.50
Campus Signage	37,056.00
Campus Paving	7,859.19
Roof Replacement	271,747.29
Interior Lighting-Energy Retrofit	40,668.22
Old Dorms Renovation	45,089.51
Millen Dr. Sewer & Water	53,218.82
Board Room	15,786.44
Concrete Upgrade	31,641.65
Campus Construction	43,913.32
Oil & Gas Training Center	302,853.06
Workforce Training/Outreach	0.00
Professional Writing/Publishing	2,861.60
Public Sector	1,826.53
Campus Security	8,021.71
Caster Bleachers	9,805.66
Caster Old CHOF Remodel	976,000.00
Track/Arena Area Enhancement	65,044.46
Roadway Entrance-Rodeo/CDL	60,000.00
Lumens Software-Distance Learning	5,000.00
Welding Lab	50,000.00
Copier Replacement	12,501.00
Distance Ed Equipment	94,263.86
Non-Recurring Compensation	283,564.57
Athletics	239,200.00
Student Life Programming	5,000.00
Title V (Institutional)	145,492.56
CDL Truck Driving Program	43,262.14
Central Plant Upgrade	1,515,000.00
Workforce Training Contingency	1,493.70
<b>Total</b>	<b>9,394,284.70</b>

NOTE: Capital projects total does not include encumbered funds

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# NEW MEXICO JUNIOR COLLEGE

Vice President for Finance

5317 Lovington Highway  
Hobbs, NM 88240  
Phone: (575)492-2770  
Fax: (575)492-2768

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To: New Mexico Junior College Board Members  
From: Dan Hardin  
RE: Land Lease  
Date: January 7 2010

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Board Members,

The administration is requesting your approval to enter into a ten year lease with the City of Hobbs on 1.6 acres of pasture land located west of the New Mexico Junior College campus contiguous to the Oil Field Training Center. Your approval would be contingent upon the findings of a Phase One assessment. The terms of the lease would require a first year payment of \$500.00 for the lease and \$1,152.00 for survey & publication cost. The next four years will have an annual payment of \$500.00 per year and the last five years will have an annual payment of \$750.00. The 1.6 acres has an abandoned well site that will be used by the Oil Field Training Center. The College will update the land with a new caliche pad and a security fence. The abandoned well will be reentered to about fifteen hundred feet, which should be the level of the second cement plug. This will allow hands on training using the NMJC pulling unit by giving students actual experience of backing up to a well site, rigging up, and running pipe in and out of a well.

Your consideration for the lease agreement is greatly appreciated.

Sincerely,



Dan Hardin

**NEW MEXICO HIGHER EDUCATION DEPARTMENT  
1068 Cerrillos Rd., Santa Fe, NM 87505-1650**

**CAPITAL PROJECT TRANSMITTAL SUMMARY SHEET**

Check the appropriate boxes below for materials accompanying this Summary Sheet and prepare the necessary attachments. You may attach extra pages if needed. When Department action is requested, completed material must be received by the NMHED staff *at least* 30 calendar days before the Department meeting at which approval is to be requested. Submit three copies, double sided, three hole punched, and one electronic format.

1. Institution New Mexico Junior College Date December 16, 2009
2. Project title NMJC Land Lease
3. Location Adjacent to the Campus of New Mexico Junior College
4. HED meeting date when project consideration is requested December 18, 2009
5. Contact person Dan Hardin Phone 575 492 2770
6. Required forms for project categories:  
X Construction, Alterations, or Demolition (All Forms)  
X Planning Forms (1, 1-A, 4, 5, 6)  
 Property Acquisition (Forms 1, 1-A, 3, 4, 5, 6)
- X 7. A site plan of the proposed project. Attach this as **Exhibit 1**. (Required for final project approval.)
- X 8. Completed design development drawings of the project, including elevations and floor plans with each space numbered and identified as to use. Attach this as **Exhibit 2**. (Required for final project approval.)
- X 9. Form 1 – Project Information
- X 10. Form 1-A – Institutional General Information. Project Schedule
- X 11. Form 2 – Space Information
- X 12. Form 3 – Estimated Utilities Costs
- X 13. Form 4 – Proposed Project Costs
- X 14. Form 5 – Proposed Project Square Footage and Funding Sources
- X 15. Form 6 – Certification by Governing Board

**NEW MEXICO HIGHER EDUCATION DEPARTMENT**  
**FORM 1: PROJECT INFORMATION**

**Institution:** New Mexico Junior College

**Original:**  **Date:** December 16, 2009

**Revision:**  **Date:** \_\_\_\_\_

**Project title:** NMJC Land Lease

**Description:** *(Describe the location, size of the project in gross square feet (GSF), its contents, general nature of space/use and any special characteristics.)*

New Mexico Junior College would like to lease 1.60 acres of land from the City of Hobbs, for the purpose of expanding the Oil & Gas Training facility. The proposed land lease is pasture land directly to the west and adjacent to the existing Oil & Gas Training facility, that has an abandoned and plugged oil well site. The lease land and well site would be used by the Oil & Gas training program to simulate oil field site activities. The site would be updated with caliche and security fencing, and the first plug in the well would be drilled out to allow for some shallow down hole activity.

**Rationale:** *(Describe the project's merits, how the project satisfies institutional goals/mission/need/program growth. State the consequences, if any, of the project not receiving approval.)*

By allowing New Mexico Junior College to lease the 1.60 acres of land with the well site would greatly enhance the NMJC Oil & Gas training program. It would allow students to get hands on experience in a safe and controlled environment. Oil & Gas is extremely important to Lea County and the State; the lease land would greatly enhance the Oil & Gas program at New Mexico Junior College. The lease land would help significantly with the training to meet the shortage of qualified oil field workers. Without the lease land New Mexico Junior College will have to go thru the expense and process of drilling a 1,500 hundred foot well site. The other option is to not have a well site, which would be very detrimental to the Oil & Gas training program.

**NEW MEXICO HIGHER EDUCATION DEPARTMENT  
FORM 1-A: INSTITUTIONAL AND GENERAL INFORMATION**

**Institution:** New Mexico Junior College

**Original:**  **Date:** December 16, 2009

**Revision:**  **Date:** \_\_\_\_\_

**Project title:** NMJC Land Lease

<b>Current Total On-Campus Enrollment</b>	
Head Count: <u>3001</u>	FTE: <u>1733</u>
<u>0%</u> Growth from previous year	<u>10%</u> Average growth in previous 10-year period

<b>Current Total Off-Campus Enrollment (Distance Ed., etc.)</b>	
Head Count: <u>1532</u>	FTE: <u>288.2</u>
<u>56%</u> Growth from previous year	<u>1.65%</u> Average growth in previous 10-year period

<b>Tuition</b>		
Current Tuition Per Credit Hour: <u>\$29.00</u>	Current Tuition Per Semester: <u>\$348.00</u>	
Month/year per semester tuition was last increased: <u>April/2008</u>	Amount of last per semester tuition increase: <u>\$1.00</u>	<u>3%</u> Change from last increase

<b>Program Enrollment Being Served by this Project</b>	
Head Count: _____	FTE: _____
_____ % Growth from previous year	_____ % Average growth in previous 10-year period

<b>Bonding Information (to be completed if local bond proceeds are used for project funding)</b>	
Assessed Valuation: _____	Month/year of most recent local bond issue: _____/_____
Outstanding Debt: _____	
Available Capacity: _____	

<b>Project Schedule</b>	
Month/year proposed construction start date: <u>January/2010</u>	Month/year proposed construction completion date: <u>February/2010</u>

**NEW MEXICO HIGHER EDUCATION DEPARTMENT  
FORM 2: SPACE INFORMATION**

**Institution:** New Mexico Junior College  
2009

**Original:** X **Date:** December 16, 2009,

**Revision:**  **Date:** \_\_\_\_\_

**Project title:** NMJC Land Lease

List the net assignable square feet (NASF) of spaces to be constructed, altered, or demolished by this project. Definitions of classifications used below may be found in "Postsecondary Education Facilities Inventory and Classification Manual" published by the U.S. Department of Education.

<b>CLASSIFICATION CODE</b>	<b>TYPE OF SPACE</b>	<b>NASF</b>	<b>% OF TOTAL</b>
100	Classroom		
200	Laboratory		
300	Office		
400	Study		
500	Special		
600	General		
700	Support		
800	Health		
900	Residential		
<b>NASF TOTAL</b>			
N/A	Other (hallways, stairs, toilet rooms, tare, etc.)		
<b>TOTAL SQUARE FOOTAGE</b>			

\* The land lease does and will not have any structures.

**NEW MEXICO HIGHER EDUCATION DEPARTMENT  
FORM 3: ESTIMATED UTILITIES COST**

**Institution:** New Mexico Junior College

**Original:**  **Date:** December 16, 2009

**Revision:**  **Date:** \_\_\_\_\_

**Project title:** NMJC Land Lease

This form is designed to estimate the project's effect on current utilities costs.

FORMULA	CURRENT EXPENSES	PROJECTED ANNUAL EXPENSES AFTER COMPLETION	DIFFERENCE BETWEEN CURRENT AND PROJECTED (+ OR -)
Eligible GSF: x \$3.75			0.00

The land lease would not have any utilities.

**NEW MEXICO HIGHER EDUCATION DEPARTMENT  
FORM 4: PROPOSED PROJECT COSTS**

Institution: New Mexico Junior College

Original:  Date: December 16, 2009

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

Project title: NMJC Land Lease

**I. PROJECT BUDGET**

EXPENDITURES	ORIGINAL SUBMISSION		BUDGET REVISION
	NEW CONSTRUCTION	ALTERATIONS	
<b>A. BUILDING COST</b>			
1. General			
2. Mechanical/Plumbing			
3. Electrical			
4. Special Systems (voice, data, other)			
5. Code Compliance (hazmat abatement, ADA, etc.)			
<b>BUILDING COST SUBTOTAL</b>			
<b>B. Built-in Equipment</b>			
<b>C. Site Development</b>			
1. Utilities, Infrastructure			
2. Landscaping/Site Improvements			
3. Demolition			
<b>TOTAL CONSTRUCTION COST (T.C.C.)</b>			
<b>D. Construction Contingency (not more than 5% New Const., 10% Renov. of T.C.C.)</b>			
<b>E. Professional Fees</b>			
1. Architectural/Engineering			
2. Constr. Administration			
3. Admin./Surveys/Testing		1,152.00	
<b>F. Movable Equipment</b>			
<b>G. Other (Gross Receipt Taxes)</b>			
<b>H. Land Lease</b>		500.00	
<b>TOTAL PROJECT BUDGET</b>		1,652.00	



**FORM 5: PROPOSED PROJECT SQUARE FOOTAGE  
AND FUNDING SOURCES**

Institution: New Mexico Junior College

Original:  Date: December 16, 2009

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

Project title: NMJC Land Lease

<b>COSTS PER GROSS SQUARE FOOT (GSF)</b>			
	<b>Cost (Items A-C on Form 4)</b>	<b>GSF</b>	<b>Cost per GSF</b>
New Construction			
Alterations			

<b>RATIO OF NET ASSIGNABLE TO GROSS SQUARE FEET (NASF/GSF)</b>			
	<b>NASF (same as total from Form 2)</b>	<b>GSF</b>	<b>RATIO NASF/GSF (%)</b>
New Construction			
Alterations			

<b>FUNDING SOURCE</b>		
Enter the source of funding for the project. Total must match the total project budget on Form 4.		
<b>Funding Source</b>	<b>Original Submission</b>	<b>Budget Revision</b>
State Appropriations (specify fiscal year and source)		
NMJC Operating Budget for I & G Workforce Training	1,652.00	
Other Sources (specify)		
<b>Total</b>	1,652.00	

**NEW MEXICO HIGHER EDUCATION DEPARTMENT  
FORM 6: CERTIFICATION BY GOVERNING BOARD**

**Institution:** New Mexico Junior College

**Original:**  **Date:** December 16, 2009

**Revision:**  **Date:** \_\_\_\_\_

**Project title:** NMJC Land Lease

**ORIGINAL CERTIFICATION**

I hereby certify that, on the basis of this information contained in Forms 1 through 5 for approval of capital projects and the attached preliminary floor plans, elevations and site plan, if appropriate, the Governing Board approved the original submission of this project, at its meeting held on \_\_\_\_, 200\_\_.

Signed:

\_\_\_\_\_  
President

**REVISED SUBMISSION CERTIFICATION**

I hereby certify that the Governing Board approved this Revised Submission at its meeting on \_\_\_\_\_, 200\_\_.

Signed:

\_\_\_\_\_  
President

## LEASE

THIS LEASE, hereinafter called "LEASE", made and entered into this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_ by and between the City of Hobbs, a municipal corporation in the State of New Mexico, (hereinafter called "City") and New Mexico Junior College, a New Mexico non profit corporation, (hereafter called "Lessee").

### RECITALS:

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

B. The Lessee desires to lease the leasehold property for the purpose of operating an oil and gas training facility as described on Exhibit "1" and more particularly defined as follows:

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

BEGINNING AT A POINT ON THE WEST BOUNDARY LINE OF THE NEW MEXICO JUNIOR COLLEGE FOR THE SOUTHEAST CORNER OF THIS TRACT WHICH LIES N89°30'10"E ALONG THE SOUTH LINE OF SAID SECTION A DISTANCE OF 629.91 FEET AND N00°31'09"W 298.25 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION; THEN S89°28'51"W 347.33 FEET TO THE SOUTHWEST CORNER OF THIS TRACT; THEN N00°31'09"W 250.00 FEET TO THE NORTHWEST CORNER OF THIS TRACT; THEN S74°27'28"E 361.44 FEET TO A POINT ON SAID NEW MEXICO JUNIOR COLLEGE BOUNDARY FOR THE NORTHEAST CORNER OF THIS TRACT; THEN S00°31'09"E ALONG SAID BOUNDARY LINE 150.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 1.60 ACRES MORE OR LESS.

C. The City is willing to lease the leasehold property to Lessee, and the parties desire to execute a written Lease.

NOW, THEREFORE, in consideration of the mutual covenants herein contained, and for other good and valuable consideration, the following is agreed:

### **TERMS AND CONDITIONS:**

#### **1. Leasehold Property Description.**

The City hereby leases to the Lessee, the land described above and on Exhibit "1", attached hereto and made a part of this Lease, (hereinafter called "Leasehold Property") under the terms and conditions of this Lease.

#### **2. Leasehold Term, Rent Adjustments, Commencement Date And Possession.**

A. The term of this Lease shall be ten (10) years (hereinafter "Lease Term") commencing on the "Commencement Date," as hereinafter defined, and terminating on

the tenth (10th) anniversary of the Commencement Date. The Commencement Date shall be \_\_\_\_\_, 2010, based on the final approval by the Hobbs City Commission in 2009. Possession of the Leasehold Property shall be on the Commencement Date.

B. The Lessee shall have the option to extend this Lease Agreement for one additional ten year term (the "Extended Term") upon the same terms and conditions herein provided, except for the Rent, which shall be adjusted pursuant to Section 2C below. The extended term shall be subject only to approval by the City. The option for the Extended Term shall be exercised in writing by Lessee to the City not later than ninety (90) days prior to the termination date of the lease.

C. The rent shall be adjusted after the fifth year based on Section 3 below.

D. Lessee shall and may peaceably and quietly have, hold and enjoy the Leasehold property for the term of the Lease, as long as Lessee is in compliance with the terms of the Lease Agreement.

E. Lessee acknowledges that it has fully inspected the leased premises and Lessee hereby accepts the leased premises, buildings and improvements, if any, and each appurtenance thereto as is, in their present state and condition, as suitable for the purpose for which the same are leased and will allow for changes in such condition occurring by reasonable deterioration, normal wear and tear excepted.

F. If Lessee should remain in possession of the Leasehold Property after the expiration or termination of this Lease, without the execution by City and Lessee of a new Lease, the Lessee shall be deemed to be occupying the Leasehold Property as a tenant-at-sufferance, subject to all the covenants and obligations of this Lease, and shall pay as rent an amount equal to the monthly base rent, as adjusted immediately prior to the termination.

G. Prior to the approval of any building permit application for permanent building structures, City may require Lessee to provide at Lessee's expense a Drainage Study prepared by a licensed New Mexico Professional Engineer to the City Engineer of the Leasehold Property with respect to the portion of the Leasehold Property in the 100 Year Special Flood Hazard Zone. If required, the report must address that the Leasehold Property development will not be endangered by the 100 year flood hazard, or that the development of the Leasehold Property will not adversely impact the adjacent properties. The City Engineer must approve the study prior to issuance of any building permits for buildings. Provided, however, notwithstanding the foregoing, in the event any such report indicates that the Leasehold Property, or the development of the Leasehold Property is economically unreasonable for Lessee's purposes, Lessee shall be entitled to terminate this Lease at its sole discretion.

### 3. Rent Payments.

A. Beginning on the Commencement Date, the Lessee shall pay the City a fixed annual rental fee ("Rent"). The amount of the annual rent payment shall be \$500.00 per year for each of the first five years of the Lease Term. The amount of the annual rent payment shall be \$750.00 per year for each of the second five years of the Lease Term. In addition, Lessee shall pay the City for out of pocket start-up expenses (surveying &

publication) in the amount of \$1,152.00 on the Commencement Date. The following payment schedule shall apply based on a Commencement Date of

Event	Date	Payment Amount
Earnest Money Deposit	NA	None Required
Start-Up Fee	January 1, 2010	\$1,152.00
Rent Year 1	January 1, 2010	\$500.00
Rent Year 2	January 1, 2011	\$500.00
Rent Year 3	January 1, 2012	\$500.00
Rent Year 4	January 1, 2013	\$500.00
Rent Year 5	January 1, 2014	\$500.00
Rent Year 6	January 1, 2015	\$750.00
Rent Year 7	January 1, 2016	\$750.00
Rent Year 8	January 1, 2017	\$750.00
Rent Year 9	January 1, 2018	\$750.00
Rent Year 10	January 1, 2019	\$750.00

B. If an Extended Term is approved by the parties hereto, the annual rent shall be negotiated at the start of the Extended Term.

C. In exchange for payment of the rent, possession of the Leasehold Property will be granted on the Commencement Date of the Lease.

D. The Rent does not include the following, and Lessee shall be solely responsible for the following infrastructure extensions to the Leasehold Property:

- 1) City utilities infrastructure of water systems providing adequate fire flow volume and pressure for fire suppression; City waste water treatment services; and existing infrastructure in the Hobbs Industrial Air Park.
- 2) Water and Sewer Meter Assessments, Service Charges, Hook-up Charges and Monthly Maintenance Fees are not included in the Rent and must be paid separately. There are no water development charges for fire suppression water meters.
- 3) Telephone service is provided to the Industrial Park by Windstream or LEACO. The rent does not include the cost, if any, for telephone cable hook-up and service, both to the site and on site, with these costs to be paid by the Lessee.
- 4) Electric Power is provided to the Industrial Park by Xcel Energy Company. The rent does not include the cost, if any, for telephone cable hook-up and service, both to the site and on site, with these costs to be paid by the Lessee. Lessee shall be responsible for all line extensions to the leasehold property and on the site. Lessee will be responsible for cost share of any required extensions to the site; and construction of primary conduit to City right-of-way, transformer pad, and all secondary conduit and wire extensions on the site.

E. The Lessee will pay all charges made against said Leasehold Property, including but not limited to, on-going monthly utility fees for water, waste water, natural gas, electricity, telecommunications, or any other utility furnished to the premises during the continuance of this lease, as the same shall become due. Lessee shall be responsible for paying or putting up any bonds or deposits required by any entity furnishing utility services to the Leasehold Property which is the subject matter of this lease agreement. City shall not be liable in damages or otherwise for failure, stoppage or interruption of any such service, nor shall the same be construed as an eviction of Lessee, or work as an abatement of rent, or relieve Lessee from the operation of any covenant or agreement; but in the event of any failure, stoppage or interruption thereof, Lessee shall use reasonable diligence to resume service promptly.

#### 4. **Permitted Use.**

A. Lessee shall have use of the Leasehold Property granted in this Lease for the purpose of conducting and operating an oil and gas services training facility including use and demonstration of oilfield equipment including a pulling unit, set up of a simulated tank battery, truck parking, equipment storage and associated industrial uses, or for any other related industrial or activity appropriate to the location of the Leasehold Property. The City hereby grants to the Lessee all rights that the City may own to use the existing Sahara Operating Hobbs 7 St. #1 P & A Drill Site located on the Leasehold Property.

B. Lessee shall use the Leasehold Property for training purposes only and shall not conduct actual production of oil or natural gas or any related production activity on the Leasehold Property.

C. Other industrial and commercial activities including manufacturing operations or industrial or other commercial operations may be considered if they are consistent with the type of traffic, noise and other impacts associated with the use of the areas surrounding the leasehold property. All proposed uses other than those listed in Section 4A above must be reviewed and approved by the City in writing. The City may condition such consent upon requiring other conditions before consenting to another use, such as 1) details of the proposed use and operations on the site; 2) conditions affecting the environment; and/or 3) pursuant to any protective covenants or other use regulations, or utility requirements and/or obtaining additional information on the proposed use.

D. The Leasehold Property is part of the City of Hobbs HIAP South Development Area, which is currently in the process of development with subdivision platting, engineering, design and construction of infrastructure. The City intends to adopt Protective Covenants of an industrial nature on all lands within the HIAP South Development Area which includes all of the Leasehold Property. All activities to be undertaken on the Leasehold Property after adoption of the new Industrial Covenants shall comply with the covenants. The City will include exception to allow the use of the oilfield training operation as a permitted use in the new covenants.

#### 5. **Lessee's Warranties**

A. Lessee shall maintain the Leasehold Property and any improvements, fixtures or equipment on the Leasehold Property in good condition. Reasonable maintenance and repairs to structures on the Leasehold. Property will be performed by Lessee at its sole cost.

B. For any new construction or development on the Leasehold Property following the approval of this Lease, Lessee must meet minimum City of Hobbs Design Standards For Construction regulations for building and infrastructure construction, including water, sewer, gas, streets, drainage, signs, landscaping, use and subdivision regulations and building codes, etc.

C. Where the slope and terrain is such that active soil erosion may occur or result from soil disturbance, erosion control practices must be carried out by Lessee, as determined necessary by City to control any excessive storm-water run-off and prevent erosion.

#### 6. **Insurance**

The Lessee shall maintain general public liability and casualty insurance insuring against such claims, and shall annually furnish to the City a certificate or other evidence and proof of maintenance of such comprehensive public liability insurance, including a copy of the policy, with the City named as an additional insured to the extent of Lessee's indemnity obligations hereunder, such insurance shall have minimum limits of at least the sum of One Million Dollars (\$1,000,000) for general liability and casualty coverage arising out of a single occurrence. Such insurance shall be with a company licensed and authorized to do business in the State of New Mexico and to provide general liability and casualty coverage of the type required herein, which policy shall include fire and extended coverage liability. The Lessee shall provide the City with notice of any change thereof, and shall furnish to the City evidence of acquirement of a substitute therefore, and payment of the premium thereof.

#### 7. **Construction And Ownership Of Improvements**

A. During the Term or Extended Term of this Lease, title to all improvements constructed upon the Leasehold Property by Lessee is and shall be vested in Lessee. Lessee's planned improvements on the Leasehold Property are described above in Section 4, Permitted Use . All such improvements and equipment are not owned by the City. If at any time during the Term or the Extended Term of this Lease, all Rent then due and owing has been fully paid and Lessee is not in default under this Lease, Lessee may remove these improvements from the Leasehold Property.

B. At the expiration or termination of this Lease, Lessee shall have the right to remove or dispose of all buildings and other improvements remaining on the Leasehold Property. All buildings and/or improvements remaining on the Leasehold Property after the termination date will become the property of the City. The City shall not pay any compensation to the Lessee for any buildings or improvements remaining on the Leasehold Property after the termination date.

#### 8. **Assignment And Sublease**

A. Lessee may not assign or sublease the Leasehold Property granted by this Lease or the improvements on the Leasehold Property to any person or entity, unless the Lease is amended by the City to permit such assignment. The City may place any necessary condition or restriction on its consent of a sublease or assignment.

B. On any assignment or sublease, the access to the Leasehold Property shall be through property owned by the Lessee, unless a separate legal access is provided to the south boundary of the Leasehold Property, which will require additional negotiations between the parties hereto. No access is granted to access the Leasehold Property directly from Millen Drive.

9. **Default And Cancellation**

A. The violation by Lessee of any of the terms, conditions or covenants of this Lease or the nonpayment by Lessee of any rent due under this Lease shall be considered a default and may cause this Lease to be cancelled and terminated at the City's sole discretion, following at least one hundred twenty (120) days advance written notice of such default from City to the Lessee; provided, however, said cancellation shall not be made if, within the one hundred twenty (120) day notice period, Lessee cures or remedies said default or otherwise complies with any demand contained within such written notice which cures or remedies the default.

B. If City defaults in the performance of this Lease prior to the Commencement Date, Lessee may terminate this Lease and receive a refund of the earnest money deposit, or may waive default and seek whatever legal remedy may be provided by law.

C. If Lessee defaults in the performance of this Lease prior to the Commencement Date, City may terminate this Lease and retain the earnest money deposit, or may waive default, enforce performance of this contract, and seek such other relief as may be provided by law.

10. **Relinquishment**

At any time, upon 120 days prior written notice, provided all rents then due and owing have been fully paid and Lessee is not in default under this Lease, Lessee may cancel and relinquish the Leasehold Property to the City whereupon Lessee shall be relieved of any further liabilities and obligations under this Lease. Section 7 shall apply with respect to removal of improvements upon such termination. Lessee shall not be entitled to a refund of any rent paid. The parties may mutually agree in writing that this lease may be terminated within 120 days after said mutual agreement is signed.

11. **Obligations and Other Commitments Made By City.**

The following schedule provides a summary of the commitments made by the City in this Lease:

A. The Leasehold Property Survey has been completed and is attached hereto.

12. **Additional Site and Building Requirements**

In addition to the requirements of the City Building Code, or of any adopted Protective Covenants and Design Standards which may be adopted for the Industrial Park in the future, the following shall apply to the Leasehold Property, in the event that Lessee desires to build permanent structures during the Lease Term.



A. In general terms, the City'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 entry of the Industrial Park and City Recreation Facilities. At the same time, the use of the site and any building design 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.

B. The Lessee shall comply with the plan review and approval sections of this Lease.

C. The site will be fenced by Lessee with security fencing. A gate will be constructed within the west fence line of Lessee's west boundary to access the site. Lessee shall

- 1) 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.
- 2) 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.
- 3) 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 and solid waste facilities visible from a public street. The use of highly reflective roof roofing material is not acceptable unless screened from view by parapet walls. For buildings with contrasting colors, substantial areas of trim color(s), at least ten percent (10%) of each side of each building, shall be recommended, with fifteen per cent (15%) contrasting color recommended for the building front. Wall *and/or* landscaping screening is recommended to screen all wall and ground mounted equipment, with both screening walls and landscaping to be provided, unless the equipment is located in the rear of a building in an area not easily visible from any public street. All exterior equipment with screening walls and landscaping and roof mounted equipment and screening parapet walls shall be shown on plans submitted for approval by the City. All roof mounted equipment is recommended to be screened from view with parapet walls or equipment screens.

D. Additional Landscaping & Fencing Requirements

- 1) Lessee shall request a Fence Permit from the City Planning Department and furnish all design proposals. The use of pre-finished or painted steel decorative and security fencing and gates in all areas buffering Millen Drive and other easily visible from street frontages is strongly encouraged by the City.

E. Lighting Standards For Buildings.

- 1) The City of Hobbs requires all new lighting to comply with the New Mexico Night Sky Protection Act, Only directed lighting shall be used to light buildings and shall be provided only by ground installations, except for directed lighting of an attached sign or a decorative roof canopy. All directed lighting shall be directed to the height and angle of the building or sign and must be aimed in such a manner that all light falls on the object intended for lighting. No floodlights or other shall be attached to the building and be directed to shine away from the building as security lighting, except that low wattage lighting under canopies are excepted. At a minimum, the front area of the building and other areas easily visible from the street right-of-way shall be lighted pursuant to this section.
- 2) Parking area, truck loading area, driveway and walkway lighting design for properties less than 15 acres shall include only low wattage sodium vapor lighting. No high intensity or high wattage shall be allowed. Truck driveway lighting design for properties in excess of 15 acres shall allow street lighting for rear or side property areas with low sodium vapor lighting of 150 watt bulbs with 25' tall poles 150 linear feet apart. Directional Sign Lighting shall be low wattage and installed above the sign and directed downward to the sign face, if used.

F. Site Identification Sign. City requests that Lessee erect one (1) sign, not to exceed one hundred (100) square feet facing Millen Drive to identify the oilfield training facility to the general public.

### 13. **Enforcement of Building Design Standards**

With respect to adherence to the building requirements herein, enforcement procedures for these requirements the following procedures shall be followed:

A. All buildings and other structures constructed in the Industrial Park shall be designed by an architect with verification by both the architect and contractor that compliance with design requirements of the Lease or any protective covenants have been incorporated in the plans.

B. The City of Hobbs Planning Department shall receive and review complete plans and all details and plan sheets for exterior appearance, landscaping and exterior building and site features. A color model and rendering of the building complex shall be submitted if requested and/or exterior material samples with coloring may also required to be submitted. The City may request pictures of similarly designed buildings or other information. The City Planner and other staff will provide staff assistance to the HIAP Board with review of all exterior building and site plans with respect to compliance with exterior architectural design standards. The building and site plans shall be submitted to the City Planner and reviewed by the HIAP Board prior to submittals for a City Building Permit.

C. The City Planner with the City Engineer shall conduct a final inspection on all completed buildings to determine compliance with building requirements, and determine conformity with the approved plans for exterior details, color schemes, landscaping and other design details. A "Certificate of Compliance" indicating building and site design

approval will be issued by the City, prior to issuance of a City Certificate of Occupancy issuance by City Building Inspectors.

D. Lessee acknowledges these additional building requirements in this lease and is fully aware of the importance of the Industrial Park exterior building and site design requirements to the City. If the City is unable to issue a Certificate of Compliance for the building, Lessee acknowledges that the City *may* request exterior modifications and improvements to the building and/or site to address conformity with the approved exterior details and plans, color schemes, landscaping and other details.

E. Requests for any and all changes to approved plans after initial City approval must be approved by the City prior to making application for a revision to the Building Permit. The City review process for change will include a thorough review of the quantity and quality of material changes with respect to the original approval for the site and buildings.

F. Variance Provisions For HIAP Board Advisory Review: In order to allow the City to carry out appropriate duties for proper management of the Industrial Park, the HIAP Board is hereby authorized to grant minor administrative variances to the Lease Site & Building requirements, rather than all variance requests being forced to comply with the current lengthy process of the City Commission approval.

14. **Access To Leasehold**

A. The primary access to the Leasehold parcel will be through property owned by the Lessee and located east of the leasehold, unless a separate south access is approved in writing by the City during temporary construction periods.

15. **Notice**

All notices given pursuant to or in connection with this Lease shall be made in writing and posted by certified mail, postage prepaid, to the City of Hobbs, ATTN: City Manager, with a copy to the City Planner; and to Lessee at New Mexico Junior College, 5317 Lovington Highway, Hobbs, NM 88240 or to such other address as requested by either party. Notice shall be deemed to be received on the fifth day following posting.

16. **Attorney's Fees and Costs**

If either party is found by a court to have breached this Lease, the other party may recover reasonable attorney's fees and cost of litigation. Prior to the institution of any litigation, the parties have the contractual duty to in good faith attempt to resolve any controversy hereunder at the least possible expense.

17. **Counterparts**

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

18. **Compliance with Statutes**

The City states that it has complied with the requirements of New Mexico Statutes and the Hobbs Municipal Code and has authorization to lease the property.

19. **Governing Laws**

This Lease shall be subject to the laws of the State of New Mexico.

20. **Indemnification**

Lessee shall save and hold harmless, indemnify and defend the City of Hobbs, its elected officials, employees and agents, in their official and individual capacities, of and from any and all liabilities, claims, losses, or damages arising out of or alleged to arise out of or indirectly connected with the negligent operations of Lessee under this Lease, or arising out of the negligence of any agent, contractor or subcontractor of Lessee.

21. **Environmental**

A. Lessee shall release, defend, indemnify and hold harmless City from and against any and all Claims: (a) to the extent such Claims arise out of or relate to the negligence or willful misconduct of Lessee its employees, contractors, agents or invitees; and/or (b) arising from or related to Hazardous Materials or Hazardous Materials Contamination, including any release or threatened release of Hazardous Materials, the use, generation, handling, storage, management, treatment or disposal of Hazardous Materials, or compliance with any Environmental Laws related to Hazardous Materials, to the extent such Claims arise directly out of Lessee's occupancy or use of the Leasehold Property and Lessee's use of Hazardous Materials in the ordinary course of Lessee's activities on the Leasehold Property during the Lease Term; and/or (c) arising directly from Lessee's failure to comply with any Environmental Laws applicable to Lessee's use or occupancy of the Leasehold Property during the Lease Term.

B. At the completion of the Term, Lessee, at its own cost, shall cause to be conducted a Phase I Environmental Assessment of the Leasehold, and as necessary, a Phase II environmental assessment of the Leasehold Property, and a copy of all written reports issued in connection with such assessments shall be given to the City within a reasonable time after finalization of said assessments.

C. If required by the Environmental Assessments, or any applicable laws and/or regulations, Lessee will, at its own expense, cleanup and/or remediate any and all contamination attributable to Lessee as defined by the environmental site assessments referenced above. Any required cleanup and/or remediation shall be done in accordance with the indemnity provisions contained within this agreement. Any cleanup and/or remediation will be conducted by Lessee to an industrial standard in accordance with all New Mexico Environment Department rules and regulations.

22. **Amendment**

This Lease shall not be altered, changed or amended except by written instrument executed by the City and Lessee.

23. **Waiver**

No waiver of any breach or default by Lessee of any of the terms, conditions or covenants of this Lease shall be held to be a waiver of any subsequent breach. No waiver shall be valid or binding unless the same is in Writing and signed by City.

24. **Survey of Leasehold Property**

A. The City will provide Lessee with a current survey of the Leasehold Property prepared by a surveyor licensed in the State of New Mexico, prior to the commencement of the Lease.

B. Lessee must have received, reviewed and approved the survey legal description and survey plat prior to the Commencement Date. Lessee shall have survey documents for review at least ten (10) calendar days prior to intended date of Commencement. Lessee shall have until the date of commencement to raise any objections with City, or request changes on the survey.

25. **Termination**

This agreement shall be terminated on the termination date of the Lease Term or Extended Term, or by mutual agreement as provided under Section 10 Relinquishment herein.

26. **Permits**

The use terms of this Lease for the Leasehold Property have been written according to the needs of the Lessee. Lessee is responsible at its expense to apply for other City permits, including if necessary a City Building Permit, City Business Registration or License Fee. Lessee is also responsible at its expense to apply for other necessary permits from the State of New Mexico.

27. **Conditions Precedent**

The City Commission must have approved the Lease as specified in NMSA 1978 Section 3-54-1 et. seq., as amended, prior to Lessee having any liability pursuant to the Lease.

28. **Representations and Certifications Made As A Part Of This Lease**

A. The City represents and warrants to the Lessee that the following shall be true and correct, as of the date hereof and as of the date of commencement:

- 1) The City is the owner of the Leasehold Property subject only to easements, restrictions and reservations of record as disclosed in the title commitment.
- 2) There are no public improvements which have been commenced or completed for which special leasehold property tax assessments may be or have been levied against the Leasehold Property.

- 3) There are no known existing violations of applicable law with respect to the Leasehold Property.
  - 4) There is no litigation pending or threatened against the Property which might result in a lien on the Leasehold Property, or might interfere with the City's ability to sell or convey the Leasehold Property, or which might have a material adverse change upon the Leasehold Property.
  - 5) The execution and delivery of the Lease and commencement of the Lease by the City will not result in the breach of any agreement, decree or order to which the City is a party or by which the Leasehold Property is bound.
  - 6) There are no condemnation proceedings pending or threatened with respect to all or any portion of the Leasehold Property.
  - 7) To the best knowledge of the City as of the date hereof, the following statement is made regarding the Leasehold Property:
    - a) There has been no release of any Hazardous Materials in, on or about the Leasehold Property. The City has not received notice from any governmental authority of the release or presence of any Hazardous Materials. To the best knowledge of the City, the Leasehold Property presently is not and has never been used for the storage, manufacture, disposal, handling, transportation or use of any Hazardous Materials in violation of any law. To the best knowledge of the City, there are no past or present investigations, proceedings, litigation or regulatory hearings with respect to the Leasehold Property alleging non-compliance with or violation of any federal or state law regarding environmental matters. To the City's actual knowledge, there has not now, nor have there been, any above ground or underground storage tanks located in or under the Leasehold Property.
    - b) The Leasehold Property has previously been owned by the US Government Land Office, the City of Hobbs and the US Army Airfield Division.
  - 8) The City is not a party to any contracts relating to the Leasehold Property, except for this Agreement.
- A. The Lessee represents and warrants to the City that the following shall be true and correct, as of the date hereof and as of the date of closing:
- 1) The Lease Agreement is designed for the purpose to operate an oil and gas services training facility including the use and training of oilfield equipment, truck parking, equipment storage and associated industrial uses, or for any other related industrial or activity appropriate to the location of the parcel. Other uses may be permitted subject to the City's written approval.
  - 2) Lessee understands that the City considerations herein are based on the assumption that the site use and the commercial activities proposed on the

site will not require an excessive quantity of potable water, nor generate excessive amounts of waste water to be treated. In the event that the use and operation would involve the need for City water or sewer services, utility extension assessments may be adjusted accordingly at the site/building occupancy approval stage to address increased costs to the City.

29. **Entire Agreement**

This Lease represents the entire agreement and there are no other agreements or understandings oral or otherwise that are binding the parties concerning this 1.60 acre Leasehold Property.

IN WITNESS WHEREOF, City and Lessee have executed this Lease as of the date first written above.

City Of Hobbs

New Mexico Junior College

\_\_\_\_\_  
Mayor Gary Don Reagan

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

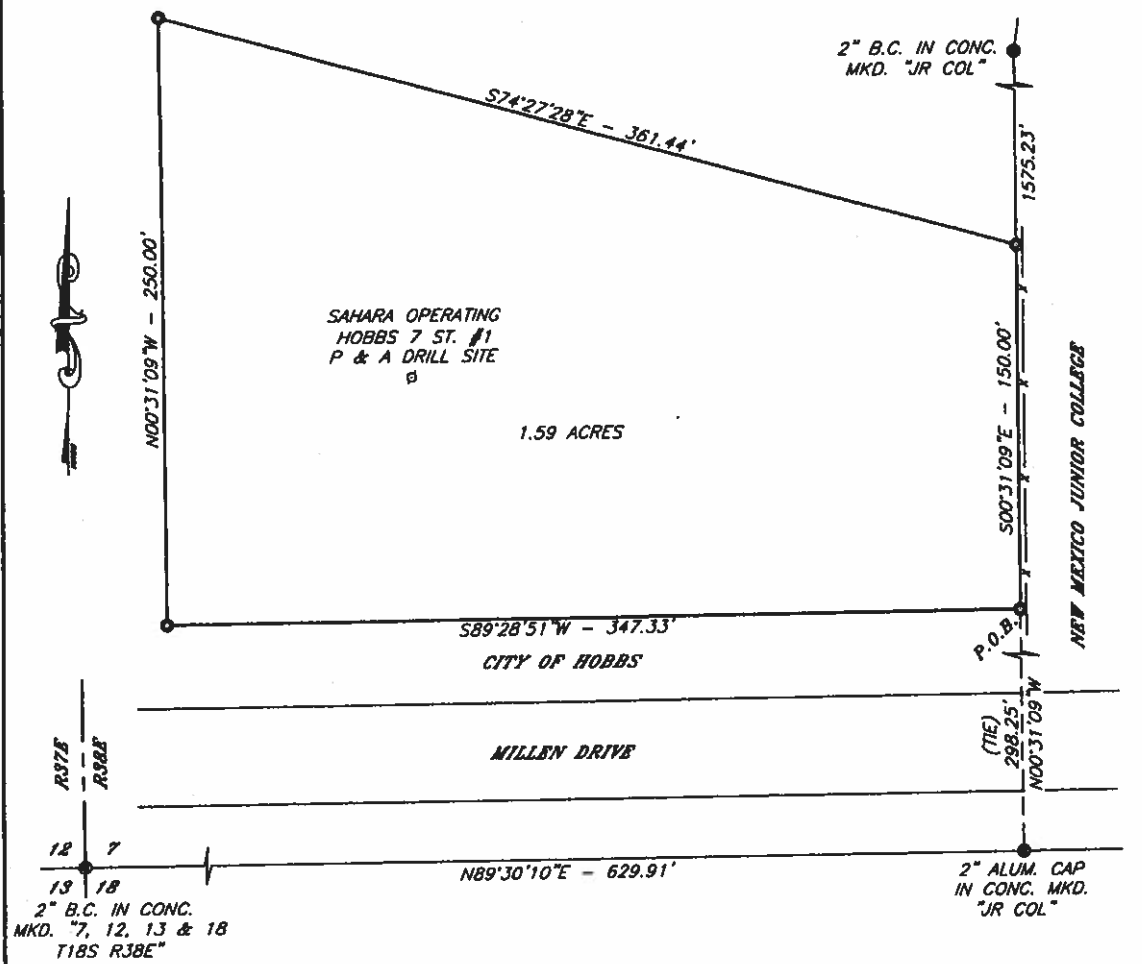
Its: \_\_\_\_\_

(SEAL)

ATTEST:

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

SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M.,  
LEA COUNTY, NEW MEXICO.



**DESCRIPTION**

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

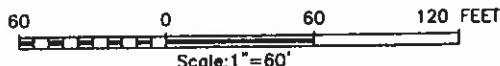
BEGINNING AT A POINT ON THE WEST BOUNDARY LINE OF THE NEW MEXICO JUNIOR COLLEGE FOR THE SOUTHEAST CORNER OF THIS TRACT WHICH LIES N89°30'10"E ALONG THE SOUTH LINE OF SAID SECTION A DISTANCE OF 629.91 FEET AND N00°31'09"W 298.25 FEET FROM THE SOUTHWEST CORNER OF SAID SECTION; THEN S89°28'51"W 347.33 FEET TO THE SOUTHWEST CORNER OF THIS TRACT; THEN N00°31'09"W 250.00 FEET TO THE NORTHWEST CORNER OF THIS TRACT; THEN S74°27'28"E 361.44 FEET TO A POINT ON SAID NEW MEXICO JUNIOR COLLEGE BOUNDARY FOR THE NORTHEAST CORNER OF THIS TRACT; THEN S00°31'09"E ALONG SAID BOUNDARY LINE 150.00 FEET TO THE POINT OF BEGINNING AND CONTAINING 1.60 ACRES MORE OR LESS.

**LEGEND**

- - DENOTES FOUND MONUMENT AS NOTED
- ⊙ - DENOTES SET 1/2" STL. ROD W/CAP MKD. "JWSC PS 12641"
- x — - DENOTES FENCE LINE

NOTE: BEARINGS SHOWN HEREON ARE MERCATOR GRID AND CONFORM TO THE NEW MEXICO COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM 1983. DISTANCES ARE SURFACE VALUES.

I HEREBY CERTIFY THAT I DIRECTED AND AM RESPONSIBLE FOR THIS SURVEY AND THAT THIS SURVEY IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF, AND THAT THIS SURVEY AND PLAT MEET THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO.



12641  
GARY G. EIDSON, REGISTERED SURVEYOR  
No. 12641

PROVIDING SURVEYING SERVICES SINCE 1946  
**JOHN WEST SURVEYING COMPANY**  
412 N. DAL PASO  
HOBBS, N.M. 88240  
(575) 393-3117

**CITY OF HOBBS**

SURVEY FOR LEASE BOUNDARY IN SECTION 7, TOWNSHIP 18 SOUTH, RANGE 38 EAST, N.M.P.M., CITY OF HOBBS, LEA COUNTY, NEW MEXICO

Survey Date: 4/7/09	Sheet 1 of 1 Sheets
W.O. Number: 09.11.0639	Drawn By: LA
Date: 4/13/09	REV:09110343 09110639



NEW MEXICO JUNIOR COLLEGE

Invitation to Bid # 1034

Carpentry Work on Campus

BOARD DOCUMENTS

Date: January 14, 2010  
Prepared by: Regina Choate  
Purchasing Coordinator

## NEW MEXICO JUNIOR COLLEGE

### BOARD DOCUMENTS

#### General Information

1. On December 11, 2009, legal notices were sent to the following three newspapers requesting sealed bids for the Carpentry Work on NMJC Campus:  
  
Albuquerque Journal  
Hobbs News Sun  
Las Cruces Sun News
2. Bid packets were sent to nine potential bidders.
3. Four bidders submitted their bids within the time frame specified by the bid package. Two bidders were present at the opening.
4. The Business Office and Maintenance Department have evaluated the bids received. Their recommendation is shown on Page 3.

**NEW MEXICO JUNIOR COLLEGE**

**BOARD DOCUMENTS**

**Evaluation and Recommendation**

The bidders responding to the Invitation are: Construction Advantage, Hobbs, NM; Dalco, Inc., Hobbs, NM; Doport Construction, Hobbs, NM and G.W.C. Construction, Inc., Lovington, NM.

The Administration recommends acceptance of the bids as follows:

**Construction Advantage**

Total Award: **Hourly Rate of \$45.00 per hour**  
(see page 4 – Bid Tabulation)

Source of Funding: - FY 2009/2010

New Mexico Junior College  
 Invitation to Bid # 1034 - Tabulation Summary  
 Carpentry Work Projects on Campus  
 Bid Opening: 1-12-10 @ 11:00 a.m.

CONTRACTOR	CERTIFICATE OF INSURANCE	GB-98 LICENSE	LABOR CHARGE PER HOUR	MINIMUM SERVICE CHARGE	
Construction Advantage **	X	active	\$ 45.00	\$ 90.00	Residential Preference - 85C18
Dalco, Inc.	X	active	\$ 125.00	\$ 250.00	Residential Preference - 85C19
Dopoorto Construction	X	active	\$50.00	2 HR. MINIMUM	Residential Preference - 88C23
G.W.C. Construction, Inc.	X	active	\$ 50.00	\$ 125.00	Residential Preference - 51C50

\*\*LOW BIDDER

NEW MEXICO JUNIOR COLLEGE

Invitation to Bid # 1036

Concrete Work on Campus

BOARD DOCUMENTS

Date: January 14, 2010  
Prepared by: Regina Choate  
Purchasing Coordinator

## NEW MEXICO JUNIOR COLLEGE

### BOARD DOCUMENTS

#### General Information

1. On December 11, 2009 legal notices were sent to the following three newspapers requesting sealed bids for the Concrete Work on NMJC Campus:  
  
Albuquerque Journal  
Hobbs News Sun  
Las Cruces Sun News
2. Bid packets were sent to eight potential bidders.
3. Four bidders submitted their bids within the time frame specified by the bid package. No bidders were present at the opening.
4. The Business Office and Maintenance Department have evaluated the bids received. Their recommendation is shown on Page 3.

**NEW MEXICO JUNIOR COLLEGE**

**BOARD DOCUMENTS**

**Evaluation and Recommendation**

The bidders responding to the Invitation are: Constructors, Inc., Carlsbad, NM; Doporto Construction, Hobbs, NM; Granger Bros Construction, Lovington, NM and Southland Builders, Hobbs, NM.

The Administration recommends acceptance of the bids as follows:

**Doporto Construction**

Total Award: Hourly Rate of \$44.00 per hour  
(see page 4 – Bid Tabulation)

Source of Funding: - FY 2009/2010

New Mexico Junior College  
 Invitation to Bid # 1036 - Tabulation Summary  
 Concrete Work Projects on Campus  
 Bid Opening: 1-12-10 @ 11:00 a.m.

CONTRACTOR	CERTIFICATE OF INSURANCE	GB-98 LICENSE	LABOR CHARGE PER HOUR	FOREMAN	HELPER	
Constructors, Inc.	X	active		\$ 43.00	\$ 38.00	Residential Preference - 00C46
Doporfo Construction **	X	active	\$ 44.00	\$ 28.00	\$ 16.00	Residential Preference - 88C23
Granger Bros Construction	X	active		\$ 50.00	\$ 45.00	
Southland Builders, LLC	X	active	\$ 44.50	\$ 25.00	\$ 19.50	Residential Preference - 93C34
** LOW BIDDER						