

NOTICE OF ORDINANCE

NOTICE IS HEREBY GIVEN that on the 21st day of December, 2020, at its regular meeting, the governing body of the City of Hobbs adopted an ordinance relating to the lease of municipal-owned property located at 5801 N Lovington Highway, Hobbs New Mexico. The title of the Ordinance is:

CITY OF HOBBS

ORDINANCE NO. 1129

AN ORDINANCE AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH FLEXSTEEL USA, LLC FOR THE INDUSTRIAL YARD LOCATED AT 5801 N LOVINGTON HWY

A summary of the proposed Ordinance and Lease Agreement are as follows:

1. TERM OF LEASE. The initial term of the lease is two (2) years with four possible five-year renewals.
2. APPRAISED VALUE OF PROPERTY. \$2,870,000
3. LEASE PAYMENTS. FlexSteel USA, LLC will pay monthly rental to the City of Hobbs in the amount of \$13,500.00 per month, payable in advance, during the term of the lease. FlexSteel USA, LLC will receive \$2,091.74 per month rental credit during the initial term for making necessary repairs to the City's buildings.
4. AMOUNT OF THE LEASE. \$136,899.12 per year after application of rental credit during the initial term. Thereafter, \$162,000.00 for the remainder of the lease.
5. NAME OF LESSEE. The Lessee is FlexSteel USA, LLC.
6. PURPOSE OF LEASE. The Lessee will use the leased premises for an industrial and business purpose. More particularly, for the operation of a FlexSteel USA, LLC with the option of growth into a FlexSteel USA, LLC manufacturing location.

Copies of the ordinance and Lease Agreement in its entirety are available to interested persons during regular business hours in the Office of the City Clerk, City Hall, 200 East Broadway, Hobbs, New Mexico.

/s/ Jan Fletcher
JAN FLETCHER, CITY CLERK