



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

Monday, November 17, 2025 - 6:00 PM

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

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

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

AGENDA

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

CALL TO ORDER AND ROLL CALL

INVOCATION AND PLEDGE OF ALLEGIANCE

APPROVAL OF MINUTES

1. Minutes of the November 3, 2025, Regular Commission Meeting (*Jan Fletcher, City Clerk*)

PROCLAMATIONS AND AWARDS OF MERIT

2. Proclamation Proclaiming Saturday, November 29, 2025, as "SMALL BUSINESS SATURDAY" in the City of Hobbs (*Sam Cobb, Mayor*)

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

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

3. Consideration of Approval of RFP 556-26 for Plumbing Repairs and Replacements for City of Hobbs and Recommendation to Multi-Award the Contract to On Point Plumbing and Zia Plumbing (*Todd Randall, Assistant City Manager*)
4. Resolution No. 7701 - Approving the FY 2026 1st Quarter (September 2025) DFA Financial Report (*Deb Corral, Assistant Finance Director*)
5. Resolution No. 7702 - Authorizing the Mayor to Approve Submission of a Grant Application with the New Mexico Department of Health EMS Fund Act Special Projects Grant for Fiscal Year 2026 (*Mark Doporto, Fire Chief*)
6. Consideration to Reject All Bids Received for Bid 1624-26 Water Supply Well 30 - Phase 1 (*Tim Woormer, Utilities Director*)
7. Resolution No. 7703 - Authorizing the Mayor to Execute an Amended Professional Services Agreement with the Boys and Girls Club of Hobbs to Conduct a Summer Youth Program (*Doug McDaniel, Recreation Director*)

DISCUSSION

ACTION ITEMS (Ordinances, Resolutions, Public Hearings)

8. Consideration of Approval of RFP 555-26 for Fire Tower Installation and Recommendation to Accept the Proposal of Lasco Construction (*Mark Doporto, Fire Chief*)
9. Resolution No. 7704 - Approving an Amended and Restated Memorandum of Agreement Between Lea County and the City of Hobbs Regarding Funding for Expanded Air Service at Lea Regional Airport (*Todd Randall, Assistant City Manager*)
10. Resolution No. 7705 - Authorizing the Mayor to Execute a Second Amended Professional Services Agreement with the Economic Development Corporation of Lea County for FY25-26 (*Todd Randall, Assistant City Manager*)
11. FINAL ADOPTION: Ordinance No. 1167 - Annexing Certain Contiguous Territory Including a Portion of the Green Meadows Subdivision, Lea County, New Mexico, into the Corporate Limits of the City of Hobbs (*Todd Randall, Assistant City Manager*)

12. Resolution No. 7706 - Approving a Proposed Collective Bargaining Agreement with the Hobbs Professional Firefighters Association (*Dina E. Holcomb, Medjine Desrosiers-Douyon, Deputy City Attorney, Toby Spears, Finance Director*)
13. Resolution No. 7707 - Approving a Proposed Collective Bargaining Agreement with the Hobbs Police Officers Association (*Medjine Desrosiers-Douyon, Deputy City Attorney, Toby Spears, Finance Director, Dina E. Holcomb*)
14. Resolution No. 7708 - Adopting Budgetary Adjustment #2 for Fiscal Year 2025-2026 (*Deb Corral, Assistant Finance Director*)

COMMENTS BY CITY COMMISSIONERS, CITY MANAGER

15. Next Meeting Dates:

City Commission Regular Meetings

- Monday, December 1, 2025, at 6:00 p.m.
- Monday, December 15, 2025, at 6:00 p.m

ADJOURNMENT

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



CITY OF HOBBS
STAFF SUMMARY FORM

MEETING DATE:
November 17, 2025

SUBJECT: Minutes of the November 3, 2025, Regular Commission Meeting

DEPT OF ORIGIN: City Clerk

DATE SUBMITTED: 11/10/2025

SUBMITTED BY: Jan Fletcher, City Clerk

Summary:

Minutes of the regular Commission meeting held on November 3, 2025.

Fiscal Impact:

N/A

Attachments:

November 3, 2025 - Minutes

Recommendation:

Motion to approve the minutes.

Approved By:

Jan Fletcher, City Clerk

Manny Gomez, City Manager

Minutes of the regular meeting of the Hobbs City Commission held on Monday, November 3, 2025, in the City Commission Chamber, 200 East Broadway, 1st Floor Annex, Hobbs, New Mexico. This meeting was also broadcast via Livestream on the City's website at www.hobbsnm.org.

Call to Order and Roll Call

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

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

Also present:

Todd Randall, Assistant City Manager
Medjine Desrosiers-Douyon, Deputy City Attorney
Ayana Estrada, Deputy City Attorney
August Fons, Police Chief
Wade Lyons, Deputy Police Chief
Ricky Guerrero, Police Captain
Marina Barrientes, Police Captain
Mark Doporto, Fire Chief
Adam Marinovich, Deputy Fire Chief
Shannon Arguello, Municipal Court Administrator
Bobby Arther, Municipal Judge
Chad Littlejohn, Marketing Coordinator
Bryan Wagner, Parks and Open Spaces Director
Lou Maldonado, Parks and Open Spaces Superintendent
Doug McDaniel, Recreation Director
Tim Woomer, Utilities Director
Nichole Lawless, Library Director
Toby Spears, Finance Director
Nicholas Goulet, Human Resources Director
Tracy South, Assistant Human Resources Director
Susan Munoz, Human Resources Benefits Specialist
Selena Estrada, Risk Manager
Matt Blandin, Assistant I.T. Director
Jan Fletcher, City Clerk
Rose Galavez, Deputy City Clerk
Alyxandra Salas, Assistant Deputy City Clerk
7 citizens

Invocation and Pledge of Allegiance

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

Approval of Minutes

Commissioner Calderón moved the minutes of the regular meeting of October 20, 2025, be approved as written. Commissioner Gerth seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried.

Proclamations and Awards of Merit

Mayor Cobb proclaimed the week of November 9-15, 2025, as "NATIONAL NURSE PRACTITIONER WEEK" in the City of Hobbs. He encouraged all citizens to join in honoring the service, dedication, and professionalism of nurse practitioners who continue to earn the trust of patients and lead the way in delivering proven, exceptional care. Mayor Cobb presented the proclamation to Ms. Shawna Richards, a local nurse practitioner, who thanked the Mayor and Commission for its continuing support over the years.

Public Comments

Mr. Kirk Chavez, a resident of Hobbs, addressed the Commission regarding recent extensive hail damage within the community and the possibility of more hail damage next year. He requested the Commission consider placing an item on a future agenda to abate permitting fees for carports measuring 20 feet or less. Mr. Chavez stated this matter particularly impacts minority districts, as many residents in these areas do not have garages and must park their vehicles in driveways or on the street. He further noted that a vehicle represents the second largest investment for most households, and it is therefore important for residents to have the ability to protect this investment.

Consent Agenda

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

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

Consideration of Approval of the Emergency Trunk Line F Sewer Line Replacement on Central Between Copper and Cochiti with Entrench Inc.

Resolution No. 7696 - Approving the Final Plat for the Orzo Subdivision, a Type 3 Subdivision Located in the Northwest Quarter (Nw¼) of Section 3, Township 18 South, Range 38 East, N.M.P.M., Lea County, New Mexico, Within the Extra-Territorial Jurisdiction (ETJ) of the City of Hobbs, New Mexico

Resolution No. 7697 - Approving a Development Agreement Between the City of Hobbs and Hasbrook-Fetter Farms, Inc. for Right-of-Way Dedication and Associated Conditions at 210 West Navajo Street

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

Discussion

None.

Action Items

FINAL ADOPTION: Ordinance No. 1165 - Amending the Uniform Traffic Ordinance as Set Forth in Chapter 10.04 of the Hobbs Municipal Code

Mayor Cobb thanked Ms. Desrosiers-Douyon and her team for preparing the redline and greenline versions of the ordinance to clearly illustrate the revisions and changes made.

Ms. Medjine Desrosiers-Douyon, Deputy City Attorney, stated the Uniform Traffic Ordinance (UTO) was originally adopted by the City of Hobbs on September 5, 2016, through Ordinance No. 1095. She noted in June 2025, the New Mexico Municipal League provided proposed amendments to the UTO. The proposed ordinance updates the City's UTO to incorporate all legislative changes enacted between 2020 and 2025. She further reported the City Commission approved publication of the proposed ordinance on October 6, 2025, and publication of the legal notice occurred in the News-Sun on October 17, 2025. She explained the publication process, noting that if the ordinance is adopted tonight, it will be published again, and the amendments will become effective five days after final publication. She also outlined the reasons for updating the ordinance and provided an overview of key changes made to the UTO from 2020 through 2025.

In response to Commissioner Gerth's inquiry regarding the absence of a designated bike lane on the walking path, Mr. Todd Randall, Assistant City Manager, explained that the path includes a 10-foot-wide sidewalk. While it is not specifically marked for bicyclists or pedestrians, he noted the Unified Development Ordinance (UDO)

includes provisions requiring pedestrians to allow others to pass safely along the path.

Proper publication having been made, and there being no further discussion or public comment from the audience, Commissioner Fields moved to approve Ordinance No. 1165 as presented. Commissioner Penick seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. A copy of the ordinance is attached and made a part of these minutes.

FINAL ADOPTION: Ordinance No. 1166 - Amending Chapter 1 of the Hobbs Municipal Code Establishing Civil Infraction Violations and Enforcement Procedures

Ms. Medjine Desrosiers-Douyon, Deputy City Attorney, stated pursuant to Hobbs Municipal Code Chapter 1.16, a violation of the Code is generally punishable by a \$500.00 fine, imprisonment for up to 90 days, or both. She stated the City has identified certain sections of the Municipal Code for which violations should not result in incarceration. She noted NMSA 1978, §3-17-1 authorizes municipalities to adopt ordinances not inconsistent with state law for the purpose of promoting public safety, health, prosperity, morals, order, comfort, and convenience of the municipality and its residents. Additionally, Article X, §6(D) of the New Mexico Constitution grants home rule municipalities the power to enact civil laws governing civil relationships incidental to the exercise of independent municipal powers. She stated the proposed ordinance would establish a process for enforcing civil infractions. Ms. Desrosiers-Douyon stated publication of the required legal notice occurred in the Hobbs News-Sun on October 14, 2025.

In response to Commissioner Penick's inquiry, Ms. Desrosiers-Douyon stated the consequences of being fined and not showing up to Court would result in a default judgment and, if it is not addressed, there will be a lien placed on the property and it will be handled in the City Attorney's Office.

Proper publication having been made, and there being no further discussion or public comment from the audience, Commissioner Calderón moved to approve Ordinance No. 1166 as presented. Commissioner Mills seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. A copy of the ordinance is attached and made a part of these minutes.

Resolution No. 7698 - Authorizing Renewal of 2026 Benefit Plan Offerings (Nicholas Goulet, HR Director)

Mr. Nicholas Goulet, Human Resources Director, introduced representatives of HUB International, Mr. Patrick Beneke-Kobliska, Senior Financial Consultant, and Ms.

Katie Roth, Vice-President of Employee Benefits, to explain the 2026 Insurance Renewal for the City of Hobbs.

Ms. Roth presented several slides and provided an overview of the self-funded vs. fully insured annual cost comparison over an 11-year period. She also reviewed Medical and RX Plan Performance over the years.

In response to Commissioner Smith's inquiry regarding fixed costs and stop-loss amounts, Mr. Beneke and Ms. Roth explained if an individual claim does not exceed \$1 million, the plan will not need to absorb additional costs. These amounts are included in claims, effectively shifting some expenses out of claims. The stop-loss coverage was initially \$3.5 million under the Blue Cross premium but through August 2025, it has decreased to \$700,000.00. This represents significant savings of approximately 70%.

Mr. Goulet presented several slides explaining the rationale behind conducting a market search for potential vendors for the City's 2026 benefit coverages. HUB received proposals from UnitedHealthcare (UHC) Surest and Blue Cross Blue Shield (BCBS), while Cigna declined to submit a quote, noting they could not be competitive. Mr. Goulet stated both BCBS and UHC Surest provided quotes which were lower than the 2025 plan year projection of \$12,223,435. The BCBS proposal, which included administrative fees, stop-loss coverage, and projected claims, totaled \$10,025,845. The UHC Surest proposal, which also included administrative fees, stop-loss coverage, and projected claims, totaled \$10,119,601.

Mr. Goulet stated both proposals came in below last year's projection by \$2,197,590 for BCBS and \$2,103,590 for UHC Surest. Although the BCBS quote was slightly lower than the quote from UHC Surest, the difference was primarily due to stop-loss costs. He noted BCBS had quoted over \$4 million for stop-loss coverage in the previous year but this year's proposal reduced that amount to just over \$2 million. However, BCBS's estimated claim costs were approximately \$92,000.00 higher than those of UHC Surest, offsetting the savings from lower stop-loss costs and making both proposals equally competitive as the plan year closes. As a result, staff recommends remaining with UHC Surest for the 2026 plan year. Mr. Goulet also noted the UHC Surest medical plan is performing well from a claim's perspective in 2025, with an expected funding surplus which will help rebuild reserves used to offset premiums in prior years. The recommendation includes maintaining employee and City contribution levels at the same amounts as in the 2025 plan year.

Mr. Goulet reviewed the following additional plan updates which include:

- Ameritas Dental Plan: Under a rate guarantee for 2026, performing well with claims at \$106,773 through August and an expected funding surplus at 76.2% of budget.

- Vision Plan: Employee-selected, not subsidized by the City, performing well.
- Flexible Spending Account (Chard Snyder): No administrative fee increases; rates extended for the next three years.
- Elective Insurance Products (Hospital Indemnity, Accident, Critical Illness, Long-Term Disability): HUB marketed these with no competitive proposals; recommendation to remain with The Hartford.

The fiscal Impact is as follows:

- Total active and retiree medical insurance fund expenditure budget: approximately \$9,952,400
- Total active and retiree medical insurance fund revenue budget: approximately \$9,133,121
- Active medical insurance cash balance as of 9/30/2025: \$2,782,114
- Retiree medical insurance cash balance as of 9/30/2025: \$5,634,285

Lastly, Mr. Goulet noted a budget transfer/adjustment will be required in January 2026 to correct the City of Hobbs employer portion of revenue to the Active Medical Insurance Fund.

Commissioner Fields expressed appreciation to Mr. Goulet and the City's team for their diligent work on the presentation and noted that City employees will be grateful to learn that benefit costs will remain unchanged.

In response to Commissioner Penick's inquiry regarding free eye exams under the vision plan, Mr. Goulet stated employees continue to receive one free eye exam per year. He stated the Bio Plan offers additional savings on frames and related expenses. On the dental side, Mr. Goulet noted Ameritas is attempting to negotiate an agreement with a local provider which would be beneficial to City employees.

There being no further discussion, Commissioner Penick moved to approve Resolution No. 7698 as presented. Commissioner Fields seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. A copy of the resolution and supporting documentation are attached.

Consideration of Approval of the Purchase of a Heavy Rescue/Hazardous Material Vehicle from Pierce Manufacturing, Inc., Utilizing HGAC Contract

Mr. Adam Marinovich, Deputy Fire Chief, stated the Hobbs Fire Department desires to purchase an EVI Freightliner M2-106 Plus Rescue Fire Apparatus from Pierce Manufacturing, Inc., in the amount of \$490,645.00 through an HGAC contract. He reported a State appropriation of \$1,500,000 was received and the grant agreement was approved by the City Commission on August 5, 2024. This purchase will utilize the remaining balance of the appropriated funds. He noted the new unit will improve the Fire Department's response time and effectiveness during chemical and gas leak incidents.

In response to Mayor Cobb's inquiry, Deputy Fire Chief Marinovich stated the Hazmat Team is responsible for approximately 1,300 square miles, with the nearest additional unit located in the Rio Rancho area. He further explained Chief Doporto serves as co-chair of the Southwestern Fire Conference Committee and is working with the committee to extend services to local areas, benefiting neighboring communities as well as the City of Hobbs.

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

Resolution No. 7699 - Approving FY 25-26 Memorandum of Agreement with New Mexico Department of Transportation (NMDOT) for Hobbs Express

Ms. Jan Fletcher, City Clerk and Transportation Director for Hobbs Express, stated in September of 2024, the City Commission approved submission of a grant application to the New Mexico Department of Transportation (NMDOT) for continued operation of Hobbs Express. She stated the City was successful in its application and tonight's Memorandum of Agreement formalizes acceptance of the grant award. Ms. Fletcher stated the grant is a formula-based program in which administrative and capital costs are shared on an 80/20 basis, and operational costs are shared on a 50/50 basis. The federal portion of the grant totals \$960,000.00, with the City's matching contribution of \$734,000.00.

Ms. Fletcher reported a total of 52,365 trip for the FY 24-25 Federal fiscal year. While this represents a slight decrease from trips during the previous year, it meets the annual ridership goal set by the department. The department operated below full staffing levels during a good part of the year; however, Ms. Fletcher was pleased to report the department currently has no vacant positions.

There being no discussion, Commissioner Calderón moved to approve Resolution No. 7699 as presented. Commissioner Gerth seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes,

Gerth yes, Cobb yes. The motion carried. A copy of the resolution and agreement are attached and made a part of these minutes.

Consideration of Approval of a Professional Services Agreement with Parkhill Utilizing CES Contract No. (2023-01-C1110-ALL) for Construction Phase Services for the HIAP and Jefferson Ground Storage Tank Rehabilitation Projects.

Mr. Tim Woomer, Utilities Director, stated the City Commission awarded Bid No. 1621-25 for the rehabilitation of the 600,000-gallon concrete water storage tank at the HIAP Booster Pump Station to Viking Industrial Painting, LLC, on September 15, 2025. He also noted that on the same date, the Commission also awarded Bid No. 1622-25 for the rehabilitation of the 2,000,000-gallon concrete water storage tank at the Jefferson Booster Pump Station, to Viking Industrial Painting, LLC. He stated the pre-construction meeting is tentatively scheduled for the second week of November, with construction to begin shortly thereafter. Mr. Woomer explained the terms of the Professional Services Agreement with Parkhill to provide specialized Resident Project Representative (RPR) services throughout construction, including verification of dimensions, contractor installations, layouts, levels, alignments, and elevations. Additionally, Parkhill will observe the contractor's work to ensure compliance with project plans and specifications, record quantities of materials received and used, and coordinate compliance testing. The RPR will also document construction progress through photographs and daily logs, maintain record drawings, and verify quantities for payment applications.

There being no discussion, Commissioner Fields moved to approve a Professional Services Agreement with Parkhill Utilizing CES Contract No. (2023-01-C1110-ALL) for Construction Phase Services for the HIAP and Jefferson Ground Storage Tank Rehabilitation. Commissioner Smith seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. A copy of the supporting documentation is attached.

Resolution No. 7700 - Approving the HIAP Summary Subdivision Replat Located Within the Hobbs Industrial Air Park, City of Hobbs, Lea County, New Mexico

Mr. Todd Randall, Assistant City Manager, stated the City Commission previously approved Ordinance No. 1164, authorizing the sale and conveyance of approximately 6.83 acres of City-owned land within the Hobbs Industrial Air Park to Stag Amazon, LLC. He stated to complete the transaction, the property must be formally subdivided to create a separate legal parcel for conveyance. The HIAP Summary Subdivision Replat provides the legal description and plat necessary for closing on the sale.

Mayor Cobb commented the rehabilitation project is quite extensive, noting that over \$10 million has been invested in the renovation of the building. He stated anyone who has visited the site can see the significant work which has been completed.

There being no further discussion, Commissioner Gerth moved to approve Resolution No. 7700 as presented. Commissioner Smith seconded the motion and roll call vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried. A copy of the resolution and supporting documentation are attached.

COMMENTS BY CITY COMMISSIONERS, CITY MANAGER

Mr. Todd Randall reminded the public that the Veterans Day Memorial Ceremony will be held on Tuesday, November 11, 2025, from 10:00 a.m. to 11:00 a.m. He also noted City offices will be closed in observance of the holiday.

Ms. Jan Fletcher reminded the public of the Regular Local Election scheduled for November 4, 2025, and provided several voting locations within the City of Hobbs. She noted polls will be open from 7:00 a.m. to 7:00 p.m. and encouraged residents to visit the City's website for updates on voter status and election results. Ms. Fletcher urged all eligible community members to exercise their right to vote.

Commissioner Fields extended best wishes to all candidates participating in the upcoming election and expressed hope the election process goes smoothly.

Commissioner Smith reported a little over 3,000 votes have been cast countywide. He encouraged everyone to participate in the election, emphasizing its importance and noting that the City will soon have a new Mayor.

ADJOURNMENT

There being no further business or comments, Commissioner Calderón moved the meeting adjourn. Commissioner Gerth seconded the motion and the vote was recorded as follows: Smith yes, Mills yes, Fields yes, Calderón yes, Penick yes, Gerth yes, Cobb yes. The motion carried and the meeting adjourned at 7:15 p.m.

SAM COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

Office of the Mayor
Hobbs, New Mexico

PROCLAMATION

WHEREAS, Hobbs economic history and progress has been driven by pioneers who think big, take risks, and work hard; and

WHEREAS, small businesses are the backbone of our local economy, supporting economic growth, providing employment opportunities for residents, inspiring youth entrepreneurship, and contributing to the overall vibrancy and character of Hobbs, New Mexico; and

WHEREAS, residents of Hobbs are encouraged to shop local this holiday season and support our small businesses, whose contributions and entrepreneurial spirit play a vital role in maintaining a strong and resilient local economy; and

WHEREAS, with over 28 million small businesses across the United States creating nearly two out of every three new jobs, we recognize that fostering entrepreneurship and supporting small business development are essential to sustaining national and local economic growth; and

WHEREAS, the City of Hobbs proudly supports our local businesses that create jobs, boost our local economy and preserve the unique character of our community; and

WHEREAS, advocacy groups, as well as public and private organizations, across the country have endorsed the Saturday after Thanksgiving as Small Business Saturday®.

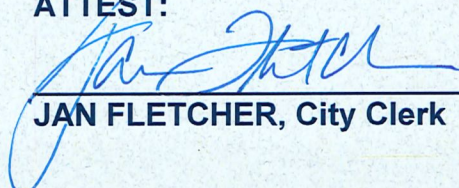
NOW, THEREFORE, I, Sam D. Cobb, Mayor of the City of Hobbs, New Mexico, do hereby proclaim November 29th, 2025 as,

“SMALL BUSINESS SATURDAY”

and urge the residents of our community, and communities across the country, to support local small businesses on Small Business Saturday and throughout the year.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of November, 2025, and cause the seal of the City of Hobbs to be affixed hereto.

ATTEST:


JAN FLETCHER, City Clerk


SAM D. COBB, Mayor





CITY OF HOBBS
STAFF SUMMARY FORM

MEETING DATE:
November 17, 2025

SUBJECT: Consideration of Approval of RFP 556-26 for Plumbing Repairs and Replacements for City of Hobbs and Recommendation to Multi-Award the Contract to On Point Plumbing and Zia Plumbing

DEPT OF ORIGIN: General Services

DATE SUBMITTED: 10/27/2025

SUBMITTED BY: Jana White, Project Manager

Summary:

Proposals were due by 5:00pm on Wednesday, October 1, 2025 for Plumbing Repairs and Replacements. There are approximately 25 City Buildings which may require services. The service includes drainage waste and vents, water supply systems, backflow prevention, plumbing fixtures (including water heaters), and sewer systems.

An advertisement was placed in the local newspaper. Two proposals were submitted and evaluated based on specified criteria. It is the desire of the evaluation committee to multi-award the contract to On Point Plumbing and Zia Plumbing. When a plumbing project is identified, a work order will be created and provided to the Contractor. The Contractor will provide a time schedule and cost estimate, utilizing the contract rates.

Fiscal Impact:

Amount Budgeted: \$100,000.00

Budgeted Line Item: 010421-42501

Attachments:

SCORE SHEET RFP 555-26 PLUMBING REPAIRS AND REPLACEMENTS
PLUMBING BID SUMMARY FORM

Recommendation:

Staff recommends multi-awarding the RFP to On Point Plumbing and Zia Plumbing.

Approved By:

Shelia Baker, General Services Director	10/27/2025
Toby Spears, Finance Director	11/06/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	11/06/2025
Manny Gomez, City Manager	11/10/2025

**RFP No. 555-26 TOTAL SCORE
SHEET**

Plumbing Repairs and Replacements	MAX POINTS	ON POINT PLUMBING	ZIA PLUMBING
Hourly cost	50	45	50
Reference check of past/ present customers this will be evaluated for quality of work as reported by references	25	23	23.67
A MINIMUM of 2 years experience in similar plumbing services. Please attach current appropriate licensures	25	25	25
Resident Bidder/Veterans Preference	10	0	0
<u>Totals</u>	110	93	98.67

BID SUMMARY

BID/PROPOSAL NO. RFP 556-25 October 1, 2025 @ 5:00 pm

FURNISH : PLUMBING REPAIRS AND REPLACEMENTS FOR COH

BIDDER	ZIA PLUMBING, LLC	ONPOINT PLUMBING		
NM CONTRACTORS LICENSE	YES	YES		
BID BOND	NO	NO		
ADDENDUMS	N/A	N/A		
BID FORM	YES	YES		
SUBCONTRACTORS LIST	N/A	N/A		
RESIDENT BIDDERS PREFERENCE NO.	FORM IS THERE N/A	FORM IS THERE N/A		
VETERANS PREFERENCE	FORM IS THERE N/A	FORM IS THERE N/A		
CAMPAIGN CONTRIBUTION FORM	YES	YES		
NON-COLLUSION AFFIDAVIT	YES	YES		
RELATED PARTY DISCLOSURE FORM	YES	YES		
CERTIFICATION REGARDING DEBARMENT	YES	YES		
BASE BID TOTAL	SEE RFP FORM	SEE RFP FORM		
ALTERNATE 1				
ALTERNATE 2				
ALTERNATE 3				
ALTERNATE 4				
TOTAL				



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
November 17, 2025

SUBJECT: Resolution No. 7701 - Approving the FY 2026 1st Quarter
(September 2025) DFA Financial Report

DEPT OF ORIGIN: Finance

DATE SUBMITTED: 10/29/2025

SUBMITTED BY: Deb Corral, Assistant Finance Director

Summary:

Submitting the FY2026 1st Quarter DFA Financial report for approval by the Governing Body. The Department of Finance & Administration requires governing body approval of only the 4th quarter report. However, it recommends that all quarterly reports be approved by the local governing body.

Fiscal Impact:

The ending cash balance represents actual revenue collected and expenditure activity from 07/01/2025-09/30/2025

Actual Ending Cash Balance at 09/30/2025 for all funds \$200,530,029.92
(restricted & unrestricted)

City of Hobbs year to date Revenue	\$44,892,870.85
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City of Hobbs year to date Expense	\$40,213,771.04
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Attachments:

DFA Quarterly Report Resolution

City of Hobbs Cash Report - Sept 2025

DFA Quarterly Recap - Sept 2025

Recommendation:

Motion to approve the resolution.

Approved By:

Toby Spears, Finance Director	10/30/2025
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Toby Spears, Finance Director	10/30/2025
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Medjine Desrosiers-Douyon, Deputy City Attorney	11/06/2025
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Manny Gomez, City Manager	11/10/2025
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CITY OF HOBBS

RESOLUTION NO. 7701

A RESOLUTION APPROVING THE FY 2026
DFA 1st QUARTER FINANCIAL REPORT

WHEREAS, the State of New Mexico only requires the 4TH Quarter DFA Financial Report to be approved annually, however, they now recommend that all quarterly financial reports be approved.

WHEREAS, the ending cash balance for the period ending September 30, 2025 was \$200,530,029.92 for all funds; and

WHEREAS, the City of Hobbs actual year-to-date revenue and expenditures for fiscal year 2026 crosswalk the amounts to the DFA 1st Quarter Financial Report;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the herein-referenced 1st Quarter Financial Report be approved.

PASSED, ADOPTED AND APPROVED this 17th day of November, 2025.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

City of Hobbs
Cash Balance by Fund
9/30/2025

		Beginning Cash	FY25	Actual Cash	FY25	Balance Sheet	Ending Cash
		July 1, 2024	Revenues	Transfers	Expenditures	Adjustments	09/30/25
11000	001 GENERAL	97,998,282.07	22,966,675.36	(1,771,723.74)	20,749,251.25	(1,295,474.85)	99,739,457.29
29900	002 LAND ACQUISITION	825,074.11	-	-	-	-	825,074.11
General Fund Subtotal		98,823,356.18	22,966,675.36	(1,771,723.74)	20,749,251.25	(1,295,474.85)	100,564,531.40
20100	110 LOCAL GOV CORR	531,650.69	16,739.03	-	39,253.61	-	509,136.11
21100	120 POLICE PROTECTION	83,505.95	185,000.00	-	55,386.31	(360.00)	213,479.64
29900	130 P D N (parif, drug, narcotics)	1,918.75	-	-	-	-	1,918.75
21700	160 HWLC	1,000.00	500,595.32	918,121.35	1,421,499.87	(2,783.20)	1,000.00
21900	170 OLDER AMERICAN	1,000.00	32,965.02	302,004.94	334,949.96	20.00	1,000.00
51800	180 GOLF	1,000.00	343,929.16	338,304.29	687,315.27	(5,081.82)	1,000.00
50600	190 CEMETERY	1,000.00	30,941.59	233,823.70	265,568.70	(803.41)	1,000.00
50400	200 AIRPORT	1,126,591.84	64,197.81	-	438.85	-	1,190,350.80
30300	210 LEGISLATIVE APPROP	1,000.00	2,311,435.49	-	67,482.98	1,152,221.42	1,092,731.09
21800	220 INTERGOVERNMENTAL GRANTS	11,521,760.12	-	-	538,265.17	-	10,983,494.95
21400	230 LODGERS' TAX	2,089,032.25	485,084.52	(193,623.52)	108,558.20	-	2,271,935.05
27000	240 LG Abatement Fund (Opioid)	724,280.49	26,539.93	-	-	-	750,820.42
28000	250 Cannabis Regulation Act Fund	2,701,457.32	267,553.02	-	8,026.60	-	2,960,983.74
29900	270 PUBLIC TRANSPORTATION	1,000.00	138,852.15	173,092.98	282,393.95	29,551.18	1,000.00
20900	280 FIRE PROTECTION	2,218,538.93	450,307.42	-	28,837.80	(3,436.00)	2,643,444.55
20600	290 EMER MEDICAL SERV	3,659.62	60,000.00	-	-	-	63,659.62
21200	300 2022 Retention LER	(0.00)	-	-	-	-	(0.00)
29900	310 LEDA	3,293,275.36	-	-	21,468.84	-	3,271,806.52
21220	320 2023 Recruitment LER	-	-	-	41,603.05	(41,603.45)	0.40
20110	330 CORRECTION RECRUITMENT	32,778.79	-	-	19,400.25	-	13,378.54
20910	340 FIREFIGHTER RECRUITMENT	-	-	-	31,699.26	(31,699.26)	-
Special Revenue Subtotals		24,334,450.11	4,914,140.46	1,771,723.74	3,952,148.67	1,096,025.46	25,972,140.18
30200	370 COMM DEVE CONST	125,569.30	-	-	-	-	125,569.30
39900	460 BEAUTIFICATION IMPROVEMENT	1,510,932.35	-	-	49,876.55	-	1,461,055.80
21600	480 STREET IMPROVEMENTS	5,949,512.40	276,466.19	-	379,400.10	-	5,846,578.49
39900	490 CITY COMM. IMPROVEMENTS	14,366,957.04	761,058.96	-	21,842.40	-	15,106,173.60
Capital Project Subtotals		21,952,971.09	1,037,525.15	-	451,119.05	-	22,539,377.19
40400	510 UTILITY BOND	-	-	76,168.88	76,168.66	-	0.22
40400	530 2005 WASTEWATER BOND ISSU	1,989,842.96	-	1,921,489.12	1,921,489.12	-	1,989,842.96
Debt Service Subtotals		1,989,842.96	-	1,997,658.00	1,997,657.78	-	1,989,843.18
50200	100 SOLID WASTE	3,130,926.04	2,456,867.95	-	2,371,954.29	(11,964.49)	3,227,804.19
39900	440 JOINT UTILITY EXTENSIONS CAPI	1,000.00	-	-	-	-	1,000.00
50100	600 JOINT UTILITY	1,000.00	-	2,165,398.38	2,166,964.38	(1,566.00)	1,000.00
50100	610 JOINT UTILITY CONST	1,000.00	-	634,833.22	634,833.22	-	1,000.00
50300	620 WASTE WATER PLANT CONST	4,279,584.05	-	-	980,350.69	-	3,299,233.36
50300	630 JOINT UTILITIY - WASTEWATER	1,000.00	-	1,201,960.46	1,207,984.08	(6,023.62)	1,000.00
50300	650 JOINT UTILITIY INCOME - WASTE	15,546,104.12	2,481,110.03	(3,123,449.58)	10,921.03	-	14,892,843.54
50100	660 JOINT UTILITY INCOME	10,682,254.30	4,336,539.83	(2,876,400.48)	-	-	12,142,393.65
50100	680 METER DEPOSIT RES	1,896,574.16	77,108.66	-	26,947.97	-	1,946,734.85
69900	690 INTERNAL SUPPLY	85,253.99	66,492.24	-	76,820.75	(2,368.40)	77,293.88
Utility Subtotals		35,624,696.66	9,418,118.71	(1,997,658.00)	7,476,776.41	(21,922.51)	35,590,303.47
69900	640 MEDICAL INSURANCE	1,313,879.19	2,756,947.24	-	1,617,612.58	(328,900.06)	2,782,113.91
69900	670 WORKERS COMP TRUST	1,344,414.48	215,060.61	-	199,030.33	-	1,360,444.76
69900	740 INSURNACE - RISK	3,593,320.53	2,378,475.73	-	2,378,875.73	-	3,592,920.53
Internal Service Subtotal		6,251,614.20	5,350,483.58	-	4,195,518.64	(328,900.06)	7,735,479.20
79900	700 MOTOR VEHICLE	9,881.86	910,571.83	-	903,021.04	1,285.00	16,147.65
79900	710 MUNI JUDGE BOND FUND	110,452.33	-	-	-	-	110,452.33
79900	720 RETIREE HEALTH INSURANCE TRI	5,872,175.43	289,641.00	-	487,040.99	1,489.53	5,673,285.91
79900	730 CRIME LAB FUND	72,171.05	589.00	-	758.50	-	72,001.55
79900	750 FORECLOSURE TRUST FUND	71.88	-	-	-	-	71.88
79900	770 LIBRARY TRUST	5,717.15	106.11	-	-	-	5,823.26
79900	780 SENIOR CITIZEN TRUST	5,725.94	220.00	-	-	-	5,945.94
79900	790 PRAIRIE HAVEN MEM	6,731.98	82.30	-	-	-	6,814.28
79900	800 COMMUNITY PARK TRUST	1,800.76	22.02	-	-	-	1,822.78
79900	820 EVIDENCE TRUST FUND	223,852.13	4,320.57	-	-	-	228,172.70
79900	830 HOBBS BEAUTIFUL	16,870.89	205.90	-	402.59	-	16,674.20
79900	860 CITY AGENCY TRUST	1,050.08	168.86	-	76.12	-	1,142.82
Trust & Agency Subtotals		6,326,501.48	1,205,927.59	-	1,391,299.24	2,774.53	6,138,355.30
GRAND TOTAL ALL FUNDS		195,303,432.68	44,892,870.85	0.00	40,213,771.04	(547,497.43)	200,530,029.92

State of New Mexico Local Government Budget Management System (LGBMS)

Report Recap - Hobbs (City) - FY2026 Q1

Printed from LGBMS on 2025-10-29 16:39:08

Fund	Cash	Investments	Revenues	Transfers	Expenditures	Adjustments	Balance	Reserve	Adjusted Balance
11000 General Operating Fund	97,998,282.07	0.00	22,966,675.36	-1,771,723.74	20,749,251.25	1,295,474.85	99,739,457.29	1,729,104.27	98,010,353.02
20100 Corrections	531,650.69	0.00	16,739.03	0.00	39,253.61	0.00	509,136.11	0.00	509,136.11
20120 FY26-50% Corrections Recruitment Fund (Year 2)	32,778.79	0.00	0.00	0.00	19,400.25	0.00	13,378.54	0.00	13,378.54
20600 Emergency Medical Services	3,659.62	0.00	60,000.00	0.00	0.00	0.00	63,659.62	0.00	63,659.62
20900 Fire Protection	2,218,538.93	0.00	450,307.42	0.00	28,837.80	3,436.00	2,643,444.55	0.00	2,643,444.55
20920 FY26-50%-Firefighter Recruitment Fund (Year 2)	0.00	0.00	0.00	0.00	31,699.26	31,699.26	0.00	0.00	0.00
21100 Law Enforcement Protection	83,505.95	0.00	185,000.00	0.00	55,386.31	360.00	213,479.64	0.00	213,479.64
21222 Law of FY25 Recruitment-LER-(YEAR 3)	0.00	0.00	0.00	0.00	41,603.05	41,603.45	0.40	0.00	0.40
21400 Lodgers' Tax	2,089,032.25	0.00	485,084.52	-193,623.52	108,558.20	0.00	2,271,935.05	0.00	2,271,935.05
21600 Municipal Street	5,949,512.40	0.00	276,466.19	0.00	379,400.10	0.00	5,846,578.49	0.00	5,846,578.49
21700 Recreation	1,000.00	0.00	500,595.32	918,121.35	1,421,499.87	2,783.20	1,000.00	0.00	1,000.00
21800 Intergovernmental Grants	11,521,760.12	0.00	0.00	0.00	538,265.17	0.00	10,983,494.95	0.00	10,983,494.95
21900 Senior Citizens	1,000.00	0.00	32,965.02	302,004.94	334,949.96	-20.00	1,000.00	0.00	1,000.00
27000 LG Abatement Opioid Fund	724,280.49	0.00	26,539.93	0.00	0.00	0.00	750,820.42	0.00	750,820.42
28000 Cannabis Regulation Act	2,701,457.32	0.00	267,553.02	0.00	8,026.60	0.00	2,960,983.74	0.00	2,960,983.74
29900 Other Special Revenue	4,121,268.22	0.00	138,852.15	173,092.98	303,862.79	-29,551.18	4,099,799.38	0.00	4,099,799.38
30200 CDBG (HUD) Project	125,569.30	0.00	0.00	0.00	0.00	0.00	125,569.30	0.00	125,569.30
30300 State Legislative Appropriation Project	1,000.00	0.00	2,311,435.49	0.00	67,482.98	-1,152,221.42	1,092,731.09	0.00	1,092,731.09
39900 Other Capital Projects	15,878,889.39	0.00	761,058.96	0.00	71,718.95	0.00	16,568,229.40	0.00	16,568,229.40
40400 NMFA Loan Debt Service	1,989,842.96	0.00	0.00	1,997,658.00	1,997,657.78	0.00	1,989,843.18	0.00	1,989,843.18
50100 Water Enterprise	12,580,828.46	0.00	4,413,648.49	-76,168.88	2,828,745.57	1,566.00	14,091,128.50	0.00	14,091,128.50
50200 Solid Waste Enterprise	3,130,926.04	0.00	2,456,867.95	0.00	2,371,954.29	11,964.49	3,227,804.19	0.00	3,227,804.19

50300 Wastewater/Sewer Enterprise	19,826,688.17	0.00	2,481,110.03	-1,921,489.12	2,199,255.80	6,023.62	18,193,076.90	0.00	18,193,076.90
50400 Airport Enterprise	1,126,591.84	0.00	64,197.81	0.00	438.85	0.00	1,190,350.80	0.00	1,190,350.80
50600 Cemetery Enterprise	1,000.00	0.00	30,941.59	233,823.70	265,568.70	803.41	1,000.00	0.00	1,000.00
51800 Golf Course Enterprise	1,000.00	0.00	343,929.16	338,304.29	687,315.27	5,081.82	1,000.00	0.00	1,000.00
69900 Other Internal Service	6,336,868.19	0.00	5,416,975.82	0.00	4,272,339.39	331,268.46	7,812,773.08	0.00	7,812,773.08
79900 Other Trust & Agency	6,326,501.48	0.00	1,205,927.59	0.00	1,391,299.24	-2,774.53	6,138,355.30	0.00	6,138,355.30
Totals	195,303,432.68	0.00	44,892,870.85	0.00	40,213,771.04	547,497.43	200,530,029.92	1,729,104.27	198,800,925.65



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
November 17, 2025

SUBJECT: Resolution No. 7702 - Authorizing the Mayor to Approve Submission of a Grant Application with the New Mexico Department of Health EMS Fund Act Special Projects Grant for Fiscal Year 2026

DEPT OF ORIGIN: Fire

DATE SUBMITTED: 11/5/2025

SUBMITTED BY: Mark Doporto, Fire Chief

Summary:

The City of Hobbs Fire Department is eligible to participate in the FY26 NM Special Projects Grant. The projects for this grant must contribute to the enhancement and/or integration of the local EMS system and fall into one of four categories: EMD Program Funding, Local System Improvement, Statewide Improvement, and Vehicle Purchase.

The Hobbs Fire Department wishes to utilize this grant, under the Local Systems Improvement, for the purchase of:

Lund University Cardiopulmonary Assist System (LUCAS) device

This device has changed the way EMS approaches and performs care on cardiac arrest patients. These devices are critical in the ability to obtain and facilitate the return of spontaneous circulation (ROSC) by providing high quality CPR. The LUCAS device has allowed our EMTs to maintain consistent chest compressions before, during, and after transportation to the hospital where the patient will be transferred to a higher level of care. These devices allow our personnel an extra pair of hands in the form of freeing an individual from chest compressions to perform other medical services necessary to potentially prolong life. The cost for 9 of these devices will be \$187,444.59.

Mass Casualty Incident (MCI) Kit for Active Threat

These kits are critically essential to caring for the immediate life threatening injuries during an active threat situation with multiple patients. These kits are built to enable personnel to have the appropriate resources to handle a high stress multi-casualty event inside a dangerous area. These kits include a bag and many aggressive EMS tools and supplies to sufficiently mitigate life threats until the patients can be further evaluated in a safer area. These kits also include the purchasing of a vest. These vest are able to withstand multiple calibers of rounds and defer knife attacks. These kits will cost \$88,199.64. The vest will be purchased for each individual at HFD like we had in the past. There will be 82 vest purchased at \$79,816.34. The total cost to fit all personnel in a vest and to fit each front line unit and every ambulance with a kit totals \$168, 015.98.

iSimulate

The iSimulate device is a critical piece of EMS technology that will allow our organization to implement the most basic EMT training up to the most advanced training. These devices

showcase technology that mimics a myriad of potential situations that can be encountered by our personnel. . These devices will be readily available for our personnel to perform advanced training at the touch of a button at their stations for the training of the new EMTs to the most advanced medic. Two of these units that will cost \$19,121.90.

Fiscal Impact:

Each of these grants will be submitted separately, with costs of \$187,444.59 for the LUCAS Device, \$168,015.98 for the MCI Kits, and \$19,121.90 for the ISimulate, for a total cost of \$374,582.47. This is a 100% grant, with no matching funds required from the City. If awarded, a budget adjustment would need to be made offsetting revenue and expenditures in the EMS Special Revenue Fund.

Attachments:

Resolution Authorizing EMS Grant Application 11-17-25

Recommendation:

Approval of the resolution to submit the FY26 NM EMS Special Projects Grant application for the purchase of Lund University Cardiopulmonary Assist System (LUCAS) device, Mass Casualty Incident (MCI) Kit for Active Threat, and iSimulate;

Approved By:

Mark Doporto, Fire Chief	11/10/2025
Toby Spears, Finance Director	11/10/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	11/10/2025
Manny Gomez, City Manager	11/10/2025

CITY OF HOBBS

RESOLUTION NO. 7702

A RESOLUTION AUTHORIZING THE MAYOR TO APPROVE
SUBMISSION OF A GRANT APPLICATION WITH THE
NEW MEXICO DEPARTMENT OF HEALTH EMS FUND ACT
SPECIAL PROJECTS GRANT FOR FISCAL YEAR 2026

WHEREAS, the Hobbs Fire Department is eligible to participate in the FY26 New Mexico Department of Health EMS Fund Act Special Projects Grant; and

WHEREAS, the projects for this grant must contribute to the enhancement and/or integration of the local EMS system; and

WHEREAS, these funds will be utilized in the purchase of Lund University Cardiopulmonary Assist System (LUCAS) device, Mass Casualty Incident (MCI) Kit for Active Threat, and iSimulate;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be and hereby is authorized and directed to execute on behalf of the City of Hobbs a Grant Application with the New Mexico Department of Health EMS Fund Act Special Projects Grant for FY26.

PASSED, APPROVED AND ADOPTED this 17th day of November, 2025.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk



CITY OF HOBBS
STAFF SUMMARY FORM

MEETING DATE:
November 17, 2025

SUBJECT: Consideration to Reject All Bids Received for Bid 1624-26 Water Supply Well 30 - Phase 1

DEPT OF ORIGIN: Utilities

DATE SUBMITTED: 11/6/2025

SUBMITTED BY: Tim Woomer, Utilities Director

Summary:

Sealed bids were received by the City of Hobbs, New Mexico, on October 23, 2025 to FURNISH AND INSTALL WATER SUPPLY WELL 30 – PHASE 1 as specified.

One bid was received, submitted by Hydro Resources-Mid Continent, Inc. in the amount of \$398,555.00.

Staff has determined that this bid price is high for the scope of work requested and above the available funds allocated in the FY 2025-2026 budget.

Fiscal Impact:

N/A

Attachments:

Bid 1624-26 Water Supply Well 30 - Phase 1

Recommendation:

Reject all Bids Received for Bid 1624-26 Water Supply Well 30 - Phase 1

Approved By:

Tim Woomer, Utilities Director	11/06/2025
Toby Spears, Finance Director	11/06/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	11/06/2025
Manny Gomez, City Manager	11/10/2025

BID SUMMARY

BID/PROPOSAL NO. 1624-26 October 23, 2025@ 2:00pm

FURNISH WELL # 30 HOBBS, NM

BIDDER	HYDRO RESOURCES			
NM CONTRACTORS LICENSE	Yes			
BID BOND	Will obtain			
ADDENDUMS	Yes			
BID FORM	Yes			
SUBCONTRACTORS LIST	Yes			
RESIDENT BIDDERS PREFERENCE NO.	Yes has Number			
VETERANS PREFERENCE	Page there N/A			
CAMPAIGN CONTRIBUTION FORM	Yes			
NON-COLLUSION AFFIDAVIT	Yes			
RELATED PARTY DISCLOSURE FORM	Yes			
CERTIFICATION REGARDING DEBARMENT	Yes			
BASE BID TOTAL				
ALTERNATE 1				
ALTERNATE 2				
ALTERNATE 3				
ALTERNATE 4				
TOTAL	\$398,555.00			

PART 1 – BID

Bidder agrees to perform all of the work described in the Specifications and shown on the plans for the following unit prices. (Each item must be bid. The cost of any work added or deducted from the following estimated quantities shall be computed at the unit prices bid.)

BASE BID – WATER SUPPLY WELL 30 – PHASE 1						
ITEM NO.	SECTION NO.	ITEM DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT COST (\$/UNIT)	ITEM COST USD (\$)
1	3.2.03	MOBILIZATION & DEMOBILIZATION; AS SPECIFIED & PIT, WELL ABANDON	LS	1	93,425	93,425
2	3.2.05	FURNISH, INSTALL, AND GROUT IN PLACE 26" DIAMETER SURFACE CASING, COMPLETE IN PLACE, AS SPECIFIED	LF	20	1,250	25,000
3	3.2.07	CALIPER SURVEY, AS SPECIFIED	LF	1	15,300	15,300
4	3.2.08	FURNISH AND INSTALL 16" DIAMETER, 3/8" STEEL PRODUCTION CASING PER ASTM A139 GRADE B, COMPLETE IN PLACE, AS SPECIFIED	LF	110	520	57,200
5	3.2.09	FURNISH AND INSTALL 16" DIAMETER, 3/8" MILL-SLOTTED STEEL SCREEN CASING, ASTM A139 GRADE B, COMPLETE IN PLACE, AS SPECIFIED	LF	115	550	63,250
6	3.2.10	FURNISH AND INSTALL 3" DIAMETER GRAVEL FEED LINE, COMPLETE IN PLACE, AS SPECIFIED	LF	90	40	3,600
7	3.2.11	FURNISH AND INSTALL GRAVEL PACKING, COMPLETE IN PLACE, AS SPECIFIED	TON	17.0	1,090	18,530
8	3.2.12	FURNISH AND INSTALL GROUT BETWEEN SURFACE CASING AND PRODUCTION CASING, INCLUDING 10' BENTONITE PLUG, COMPLETE IN PLACE, AS SPECIFIED	CY	7	3,930	27,510
9	3.2.13	WELL DEVELOPEMENT – SWABBING WITH SIMULTANEOUS AIRLIFTING	HOUR	12	1,600	19,200
10	3.2.13	WELL DEVELOPEMENT – WATER JETTING WITH SIMULTANEOUS PUMPING	HOUR	6	2,980	17,880
11	3.2.13	WELL DEVELOPEMENT – MECHANICAL SURGING, AS SPECIFIED	HOUR	4	1,300	5,200
12	3.2.13	WELL DEVELOPEMENT – BAILING, AS SPECIFIED	HOUR	4	1,300	5,200
13	3.2.13	WELL DEVELOPEMENT – PUMPING, AS SPECIFIED	HOUR	12	1,455	17,460
14	3.2.14	TEST PUMPING, AS SPECIFIED	HOUR	30	650	19,500
15	3.2.15	DISINFECTION, AS SPECIFIED	LS	1	2,500	2,500
16	3.2.16	WATER QUALITY SAMPLE, AS SPECIFIED	LS	1	4,500	4,500
17	3.2.17	TELEVISION CAMERA SURVEY, AS SPECIFIED	LS	1	1,800	1,800
18	3.2.18	WELL ABANDONMENT, AS SPECIFIED	LS	1	1,500	1,500

TOTAL BID PRICE: \$ 398,555.00

New Mexico Gross Receipts Tax will be added to total bid price at the time of billing.
Do not add New Mexico Gross Receipts Tax to the total bid price shown above.



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
November 17, 2025

SUBJECT: Resolution No. 7703 - Authorizing the Mayor to Execute an Amended Professional Services Agreement with the Boys and Girls Club of Hobbs to Conduct a Summer Youth Program

DEPT OF ORIGIN: Legal

DATE SUBMITTED: 11/6/2025

SUBMITTED BY: Ayana Estrada, Deputy City Attorney

Summary:

- The City of Hobbs and the Boys and Girls Club of Hobbs wish to continue their partnership through a Professional Services Agreement, as the Club possesses the technical and professional expertise to operate an eight-week summer program.
- The Club has requested not to be involved with the Gus Macker tournament. An amendment is needed to remove tournament-related services from the agreement.
- The 8-week summer program is estimated to begin on June 2nd and last through July 25th.
- The City's annual contribution will now be reduced to \$145,000.00.

Fiscal Impact:

The current Boys and Girls Club of Hobbs professional service agreement is budgeted in line item # 010330-42601. The amended contract would be a reduction of \$35,000.00.

Attachments:

RESOLUTION - Amended PSA Boys and Girls Club of Hobbs FY 26
PSA Boys and Girls Club of Hobbs FY 26 Fully Executed
PSA Boys and Girls Club of Hobbs FY 26 (Redline)
PSA Boys and Girls Club of Hobbs FY 26 (Amended)

Recommendation:

City Staff makes a recommendation that the Commission approve the resolution.

Approved By:

Toby Spears, Finance Director	11/12/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	11/13/2025
Manny Gomez, City Manager	11/13/2025

CITY OF HOBBS

RESOLUTION NO. 7703

A RESOLUTION AUTHORIZING A PROFESSIONAL
SERVICES AGREEMENT WITH THE BOYS AND GIRLS
CLUB OF HOBBS TO CONDUCT A SUMMER YOUTH PROGRAM

WHEREAS, the City of Hobbs and the Boys and Girls Club of Hobbs seek to maintain a good partnership for the benefit of the residents of Hobbs, New Mexico; and

WHEREAS, the Boys and Girls Club of Hobbs wishes to continue to use its expertise to conduct a Summer Youth Program and a Special Needs Program on the city's behalf while hiring the staff necessary to conduct these programs; and

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO that the Mayor and City Manager be and are hereby directed to execute a Professional Services Agreement with the Boys and Girls Club of Hobbs for the above services.

PASSED, ADOPTED AND APPROVED this 17th day of November, 2025.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

PROFESSIONAL SERVICES AGREEMENT
CITY OF HOBBS – BOYS AND GIRLS CLUB OF HOBBS, INC.

FY26 (July 1, 2025 – June 30, 2026)

WHEREAS, NMSA 1978, §3-17-1, provides that cities are granted those powers necessary and proper to provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort and convenience of the City and its inhabitants; and

WHEREAS, the City Commission of the City of Hobbs, Lea County, New Mexico, has determined that the services to be provided by the contracting party pursuant to this Agreement are needed by certain segments of the population of the City and are necessary to contribute to the quality of life of the citizens of the City of Hobbs; and

WHEREAS, the City of Hobbs, through its management staff, and pursuant to NMSA 1978, §13-1-126, as amended, has conducted a good faith review of available resources within Lea County and has determined that there is only one source within Lea County for the services needed.

NOW THEREFORE, the City of Hobbs (hereinafter referred to as "City") and Boys and Girls Club of Hobbs, Inc., (hereinafter referred to as "Contractor") and hereby do agree as follows:

1.0 SCOPE OF SERVICES

1.1 CONTRACTOR will provide the following services:

CONTRACTOR will operate an 8-week summer recreation program for 6 to 12-year-olds, and shall perform the necessary services toward promoting these activities in the community, and such services shall include, but not be limited to, the following:

1.1.1 Provide a facility to operate an 8-week summer recreation program to run Monday through Friday, with an agenda that includes recreational, educational, personal improvement and cultural activities.

1.1.2 Serve in the capacity as being the designated site to accommodate special needs participants during the regular 8-week program hours kept by the facility.

1.1.3 Hire and maintain a minimum of at least eight (8) additional employees to serve as staff for the day program. For the special needs program, an additional employee shall have a background and working knowledge of special need participants and work in the capacity of the special needs participant supervisor during the hours of operation. Additional employees shall also be designated as employees to work with special needs participants as attendance warrants. Staff for all programs arising under this agreement shall be employees of CONTRACTOR and shall not be employees of CITY and are not entitled to any City of Hobbs

benefits, including, but not limited to, insurance, leave, worker's compensation, and/or retirement.

CONTRACTOR will provide the following services in addition to those above:

1.1.4 Provide and obtain Licensing Agreement for the Gus Macker Basketball Tournament. Provide additional staff for the Gus Macker Basketball Tournament to consist of: one (1) Head Buster (referee); and scorekeepers as attendance warrants.

1.1.5 Design and placement of news releases and advertising in the appropriate media, naming CITY as co-sponsor. All advertising shall be reviewed and approved by CITY prior to submission to the media.

1.1.6 Maintain daily records of activities and the number of participants in the summer program and submit monthly reports to CITY by Monday of the week following the reporting period. In addition, a final report at the conclusion of the summer programs shall be submitted to CITY. Any incidents of serious nature, as determined by the CONTRACTOR, shall be immediately reported to CITY.

1.1.7 Perform such other related services as mutually agreed upon by both parties and requiring no additional cost as anticipated by the scope of this Agreement including a final written evaluation of the total program.

1.2 All persons retained by CONTRACTOR to provide the services required by this Agreement shall be employees, volunteers or contractors of CONTRACTOR, which shall be solely responsible for their acts and omissions, as well as all compensation, taxes and benefits associated with their work for CONTRACTOR.

1.3 It is expressly understood and acknowledged that CONTRACTOR is an independent contractor, that it is not an instrumentality, agent or employee of City, and that it will not so represent itself to the public.

1.4 This Agreement shall not preclude funding or other contracts from other sources.

2.0 COMPENSATION

The City of Hobbs shall pay the Club a sum not to exceed ONE HUNDRED EIGHTY THOUSAND DOLLARS (\$180,000.00). The aforesaid ONE HUNDRED AND EIGHTY THOUSAND DOLLARS (\$180,000.00) shall be paid in quarterly installments of \$45,000.00, payable at the end of each quarter after the services contracted for are actually rendered. The first such payment shall be due on or after October 1, 2025; the second shall be due on or after January 1, 2026; the third payment on or after April 1, 2026; and the last payment on or after June 1, 2026.

2.1 As an express condition to payment outlined in Section 2.0 above, CONTRACTOR shall submit written quarterly reports ten (10) days prior to the following anticipated payment dates: October 1, 2025; January 1, 2026; April 1, 2026; and June 1, 2026. The reports shall include

an overview of the services CONTRACTOR provided pursuant to the agreement during the previous quarter. Quarterly reports shall be sent to City of Hobbs, 200 E. Broadway, Hobbs, NM 88240 Attn: Doug McDaniel. Failure to submit quarterly reports may delay payment under this Agreement.

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3.0 TERM AND TERMINATION

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4.1 CONTRACTOR shall provide the City of Hobbs with a Certificate of Insurance naming the City of Hobbs as an additional insured on all general and/or professional liability, automobile liability, and workers' compensation insurance policies. Said policies shall be primary and shall be required as set out herein:

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Workers' Compensation is required along with State statutory employer's liability limits regardless of the number of employees.

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5.6 This Agreement shall be construed pursuant to the laws of the State of New Mexico. The parties represent that the requirements of the New Mexico Procurement Code have been met as a prerequisite for entering into this Agreement. They further agree that any changes or modifications to this Agreement suggested or required by any supervising state entity, such as the New Mexico Attorney General's office or the New Mexico Department of Finance and Administration, shall be made in order to fully comply with the law as such agencies might interpret and define it to the parties.

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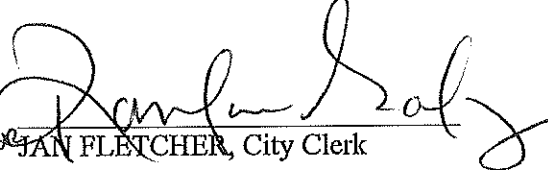
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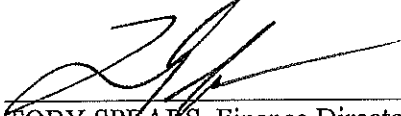
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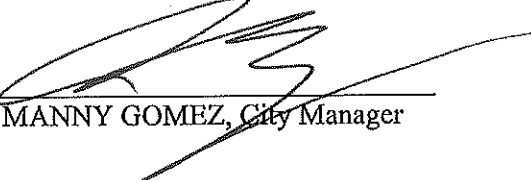
ATTEST:

THE CITY OF HOBBS, NEW MEXICO

By: 
SAM D. COBB, Mayor

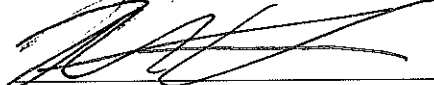
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By: 
TOBY SPEARS, Finance Director

By: 
MANNY GOMEZ, City Manager

ATTEST:

BOYS AND GIRLS CLUB OF HOBBS, INC.

By: 
Executive Director

By: 
Dina Robinson, Board President

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:


MEDJINE DESROSIERS-DOUYON, Deputy City Attorney

AMENDED PROFESSIONAL SERVICES AGREEMENT
CITY OF HOBBS – BOYS AND GIRLS CLUB OF HOBBS, INC.

FY26 (July 1, 2025 – June 30, 2026)

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement this _____ day of _____, 2025.

ATTEST:

THE CITY OF HOBBS, NEW MEXICO

By: _____ By: _____
SAM D. COBB, Mayor JAN FLETCHER, City Clerk

By: _____ By: _____
TOBY SPEARS, Finance Director MANNY GOMEZ, City Manager

ATTEST:

BOYS AND GIRLS CLUB OF HOBBS, INC.

By: _____ By: _____
Executive Director Board President

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

~~MEDJINE DESROSIERS DOUYON~~ AYANA I. ESTRADA, Deputy City Attorney

AMENDED PROFESSIONAL SERVICES AGREEMENT
CITY OF HOBBS – BOYS AND GIRLS CLUB OF HOBBS, INC.

FY26 (July 1, 2025 – June 30, 2026)

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By: _____
Executive Director

By: _____
Board President

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY:

AYANA I. ESTRADA, Deputy City Attorney



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
November 17, 2025

SUBJECT: Consideration of Approval of RFP 555-26 for Fire Tower Installation and Recommendation to Accept the Proposal of Lasco Construction

DEPT OF ORIGIN: General Services

DATE SUBMITTED: 11/5/2025

SUBMITTED BY: Jana White, Project Manager

Summary:

Proposals were due by 5:00pm on Thursday, September 25, 2025, for the installation of the Fire Tower. Grant funds will be used for the fire tower installation.

An advertisement was placed in the local newspaper. One proposal was submitted and evaluated based on specified criteria. It is the desire of the evaluation committee to award the contract to Lasco Construction.

Fiscal Impact:

Bid Amount: \$693,358.00**

Budgeted Line Item: 21-4021-44901-00380 - **Grant # 24-IZ986 - State of NM GF Capital App. Rev. 6-30 28**

Total Legislative Grant Amount \$ 1,424,000

Total encumbered/paid \$ (523,900)

Remaining Grant Amount \$ 900,100

**** Subject to Notice of Obligation approval by DFA**

Attachments:

Final Scoring of RFP # 555-26

RFP 555-26 FIRE TOWER INSTALLATION LASCO PROPOSAL

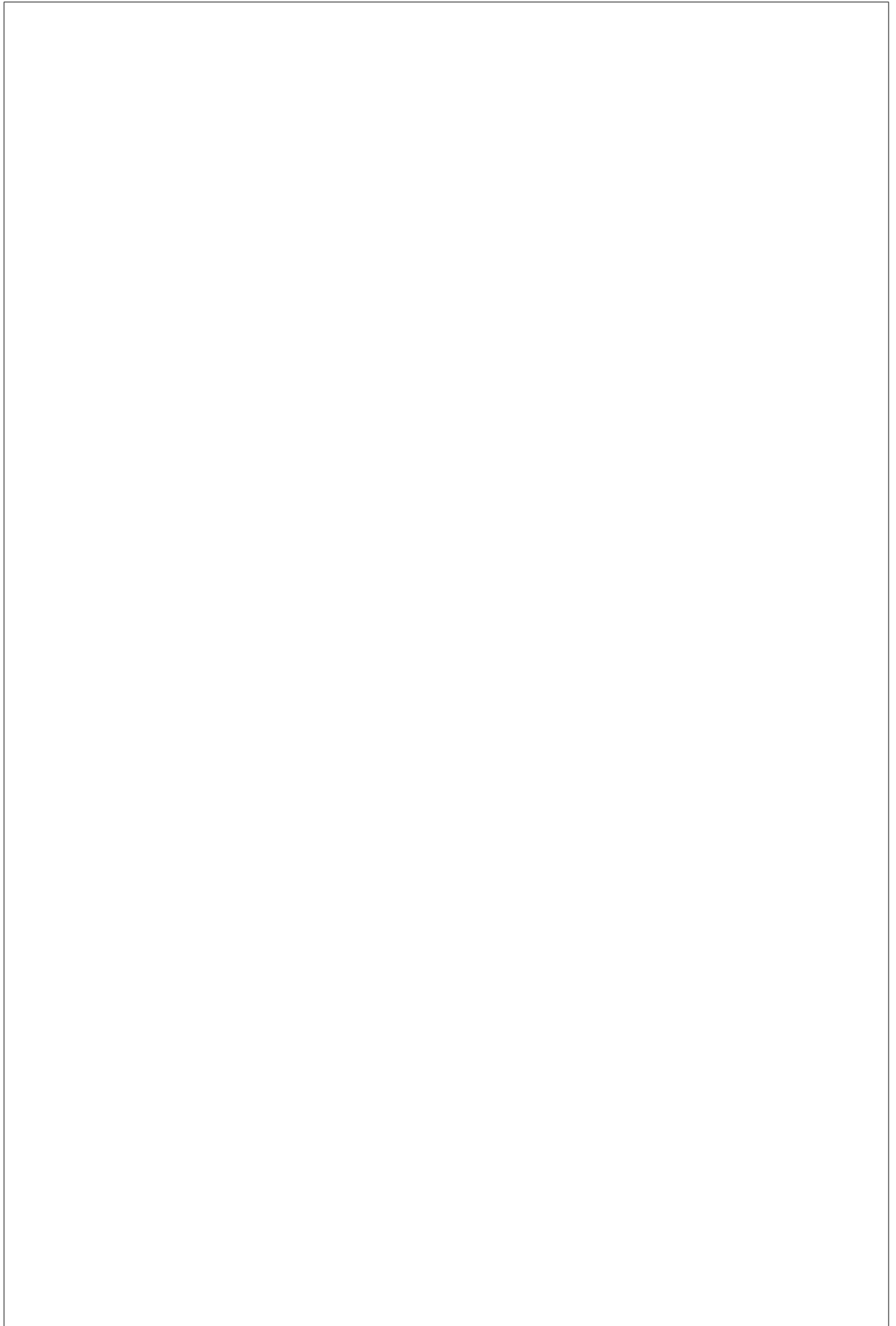
Reso No. 7530 - Capital Appropriation Project \$1424000 Fire Training Tower and Public Safety Center for HFD

Recommendation:

Recommend awarding RFP 555-26 to the sole bidder, Lasco Construction.

Approved By:

Shelia Baker, General Services Director	11/05/2025
Toby Spears, Finance Director	11/06/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	11/06/2025
Manny Gomez, City Manager	11/10/2025



October 09,2025 @5:00 pm	RFP 555-26 FIRE TOWER INSTALLATION		
LASCO- FINAL SCORE			
Evaluation Criteria	Max Points		Comments
Company Overview & Qualifications	20	18.7	
Similar Past Project References (minimum of 3)	20	0	
Complete Itemized Cost Estimate (Labor, Transport, Install, etc.)	30	23.7	
Proposed Project Schedule	20	16.7	
Resident/Veterans Preference	10	5	
TOTAL	100	64.1	



September 17, 2025

City of Hobbs
Finance Department – Room 224
200 E. Broadway
Hobbs, New Mexico 88240

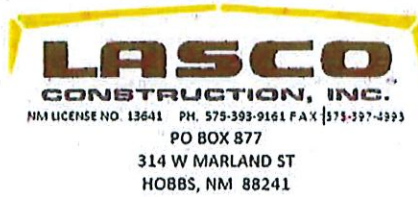
Re: Proposal No. 555-26 – Installation of Fire Tower for the City of Hobbs

To Whom It May Concern:

On behalf of Lasco Construction, Inc., we are pleased to submit our proposal in response to RFP #555-26 – Installation of Fire Tower for the City of Hobbs. We have carefully reviewed the project specifications and requirements as outlined in the provided documents and are fully prepared to complete the project within the timeframe and conditions specified.

Lasco Construction has a proven track record of successfully managing and completing multi-million-dollar commercial projects throughout Southeast New Mexico and West Texas. In particular, we bring extensive experience in the fabrication and erection of steel structures, including educational facilities, athletic complexes, industrial installations, and municipal projects. This expertise ensures that the Fire Tower will be constructed with precision, structural integrity, and long-term durability.

Our experienced management team, skilled workforce, and trusted subcontractors allow us to deliver high-quality results while maintaining strict adherence to safety, schedule, and budget. We confirm that the Fire Tower project will be completed within the allowable timeframe set forth in the specifications, with all work performed in accordance with applicable laws, codes, and industry standards.

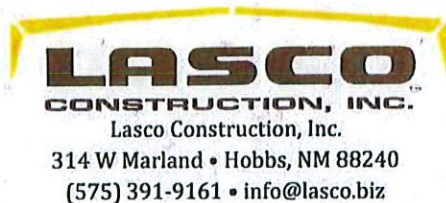


We greatly appreciate the opportunity to be considered for this important project and look forward to working with the City of Hobbs to deliver a facility that meets and exceeds expectations. Should you require any additional information, please feel free to contact our office at (575) 391-9161.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "John Ragsdal", is written over the printed name.

John Ragsdal
President / Owner
Lasco Construction, Inc.



Company Overview and Qualifications

Company Overview – Lasco Construction, Inc.

Lasco Construction, Inc. is a premier general contracting and construction management company headquartered in Hobbs, New Mexico. With over 48 years of continuous operation, Lasco has become a trusted name throughout the Permian Basin region of Southeast New Mexico and West Texas. Our company was founded on the principles of quality workmanship, integrity, and client-centered service. These principles remain at the core of every project we undertake today.

Lasco employs a dedicated team of more than 80 skilled professionals including project managers, superintendents, safety specialists, administrative support staff, and experienced tradespeople. We also maintain long-standing partnerships with qualified subcontractors in plumbing, electrical, concrete, and specialty trades. This combination of in-house expertise and subcontractor support allows us to efficiently deliver projects of all sizes and complexities.

Our primary focus is commercial construction, and over the last several decades we have successfully completed multi-million-dollar facilities ranging from educational institutions and athletic complexes to detention centers, government buildings, and specialized training facilities. Key service areas include general contracting and construction management, concrete and structural steel erection, and specialized facility construction.

Safety is a cornerstone of Lasco Construction. Our dedicated Safety Department, led by a full-time Safety Manager, ensures strict adherence to OSHA and New Mexico state safety regulations. Every crew member is trained in hazard awareness, fall protection, and site-specific safety measures. Our quality assurance program emphasizes preconstruction planning, continuous inspections, and close collaboration with architects, engineers, and owners to ensure all work meets or exceeds project specifications.

Lasco has earned a reputation for reliability, professionalism, and strong local ties. Our repeat business with school districts, municipalities, and county governments demonstrates our ability to deliver projects on schedule and within budget. We understand the unique needs of our community and pride ourselves on being a responsive, collaborative partner in every project.



Lasco Construction, Inc.
314 W Marland • Hobbs, NM 88240
(575) 391-9161 • info@lasco.biz

Summary of Qualifications – Fire Tower Project

Lasco has successfully delivered complex, safety-sensitive projects requiring heavy structural work, specialized equipment, and compliance with stringent codes. Our experience includes educational and athletic facilities, public safety facilities, and specialized training facilities—all of which demonstrate our ability to deliver projects comparable in scope to the fire tower.

Technical expertise required for the fire tower includes foundation work, structural steel erection, and installation of safety-critical components. Lasco's workforce and subcontractor network are uniquely qualified in these areas: concrete foundations, steel erection, and systems integration for fire training props and safety systems.

Our project management approach includes detailed preconstruction planning, safety oversight on every phase, quality assurance checks at each milestone, and close coordination with the City of Hobbs and project stakeholders. With over 80 employees and established subcontractor partnerships, Lasco has the manpower and resources to dedicate a qualified team to this project while maintaining ongoing commitments.

Lasco Construction brings nearly five decades of construction experience, a robust workforce, and a proven record of success in projects of similar scale and complexity. We are confident in our ability to safely and efficiently construct the City of Hobbs Fire Tower, delivering a facility that will serve the Hobbs Fire Department and community for many years to come.



Lasco Construction, Inc.

314 W Marland

Hobbs, NM 88240

Phone: (575) 391-9161

Email: johnragsdal@lasco.biz

Proposed Project Schedule – Fire Tower Installation (6 Months)

(Start date = 30 days after Notice to Proceed / Contract Acceptance)

Phase 1 – Mobilization & Pre-Construction (Weeks 1–2)

- - Finalize contract documents and permits.
- - Safety orientation and site-specific hazard analysis.
- - Mobilize crews, equipment, and temporary facilities.

Phase 2 – Site Preparation (Weeks 3–6)

- - Site clearing and grading.
- - Utility checks/relocation if required.
- - Layout and staking of tower footprint.

Phase 3 – Foundation & Concrete Work (Weeks 7–12)

- - Excavate tower foundation.
- - Install formwork, rebar, anchor bolts.
- - Pour and cure concrete foundation.

Phase 4 – Structural Steel & Tower Assembly (Weeks 13–20)

- - Crane erection, as needed, of tower structure.
- - Bolting, welding, and alignment of components.
- - Install stairways, platforms, and guardrails.

Phase 5 – Systems & Accessories (Weeks 21–24)

- - Install fire training props (burn rooms, ventilation hatches, standpipes if specified).
- - Install safety systems (rails, signage, ladders).



Phase 6 – Inspections & Commissioning (Weeks 25–27)

- - City inspections (structural, fire, safety).
- - Punch-list corrections.
- - Final walk-through with owner.

Phase 7 – Project Closeout (Weeks 28–30)

- - Submit as-builts, O&M manuals, warranties.
- - Final clean-up and demobilization.
- - Project turnover and acceptance.

⌚ Estimated Total Duration: ~30 Weeks (approx. 6 months)

From contract acceptance → project completion & handover.

VENDOR REFERENCES AND EXPERIENCE

Please list below in the space provided three references and a detailed list of experience. If additional space is required or you wish to provide additional information on a topic please use a separate sheet of paper.

REFERENCES MINIMUM OF 3 PAST/PRESENT CUSTOMERS INCLUDE NAME, ADDRESS, PHONE NUMBER AND CONTACT PERSON.

1. Cowboy Junction Church 9924 Catchings Road Hobbs, NM 88242; 575-631-8920 Clay Harden
2. Christian Center Church 4024 W College Lane, Hobbs, NM 88242 - 575-391-5166 Jotty Kinney
3. Jai Public Schools - Athletic Building, Elementary, Jr. High School - 200 E Panter Way, Jai, NM 88252 - 575-395-2101 Brian Snider

LIST BELOW IN DETAIL: EXPERIENCE IN FIRE TOWER INSTALLATION. ALSO INCLUDE NUMBER OF YEARS EXPERIENCE.

None

LIST A MAXIMUM OF THREE (3) FIRE TRAINING STRUCTURES THAT YOUR COMPANY HAS CONSTRUCTED THAT ARE SIMILAR TO THE TYPE OF SERVICES THAT YOU WILL BE PROVIDING THE CITY OF HOBBS. INCLUDE NAME OF FACILITY, ADDRESS AND THE YEARS THAT YOU HAD A CONTRACT.

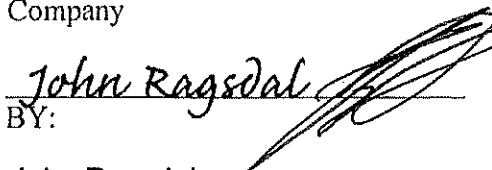
1. None

2.

3.

PROPOSAL 555-26INSTALL FIRE TOWER FOR THE CITY OF HOBBS

TO: The City of Hobbs, New Mexico

September 22, 2025Proposal of FIRE TOWER for the City of Hobbs Proposal # 555-26;A) A Corporation under the laws of the State of New Mexico; orB) A partnership consisting of _____;
orC) An individual trading as _____
The undersigned bidder, pursuant to the foregoing "Notice to Bidders", has carefully examined the Instructions to Bidders, this bid form and the Detailed Specifications.Veterans PreferenceL0378500720 - Exp - 2/22/2027Resident Preference(575) 391-9161TELEPHONE NUMBERLasco Construction IncCompanyBY: John RagsdalTYPE OR PRINT NAME314 W MarlandADDRESSHobbs, NM 88240CITY STATE ZIP

NOTE: To be valid, bid must signed. The signature of a corporation is its president, or an authorized vice president, attested by the secretary. A signature of a partnership must be a valid partner.

DO NOT RETURN INVITATION TO PROPOSAL FORM IN CASE OF A "NO BID".
IF APPLICABLE - BIDDER ACKNOWLEDGES RECEIPT OF THE FOLLOWING AMENDMENT(S):

AMENDMENT NO:___ DATED:___ AMENDMENT NO:___ DATE:

AMENDMENT NO:___ DATED:___ AMENDMENT NO:___ DATE:

INSTALL FIRE TOWER FOR THE CITY OF HOBBS

EACH BIDDER MUST COMPLETE THE FOLLOWING STATEMENT:

Proposal of Lasco Construction, Inc proposes to furnish the following.

ITEM NO.	DESCRIPTION	TOTAL PRICE
1	Installation of parts and/or components for fire tower	\$ <u>537,073.00</u>
2	Construction of foundation (design provided by others)	\$ <u>156,285.00</u>

***** 2 TOTAL ITEMS *****

STATE OF NEW MEXICO



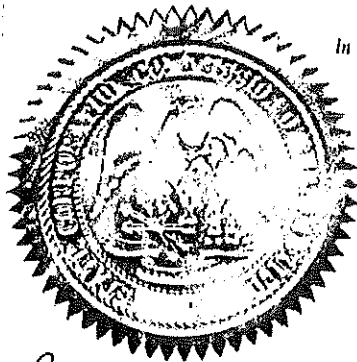
CERTIFICATE OF INCORPORATION
OF

LASCO CONSTRUCTION, INC.

(91,270)

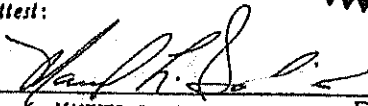
The State Corporation Commission certifies that duplicate originals of the Articles of Incorporation attached hereto, duly signed pursuant to the provisions of the BUSINESS Corporation Act, have been received by it and are found to conform to law.

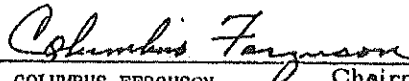
Accordingly, by virtue of the authority vested in it by law, the State Corporation Commission issues this Certificate of Incorporation, and attaches hereto a duplicate original of Articles of Incorporation.



In Testimony Whereof, the State Corporation Commission of the State of New Mexico has caused this certificate to be signed by its Chairman and the seal of said Commission to be affixed at the City of Santa Fe on this 17th day of March, 1977

Attest:


MANUEL L. SALINAS Director


COLUMBUS FERGUSON Chairman

STATE OF NEW MEXICO

CONSTRUCTION INDUSTRIES DIVISION

LASCO CONSTRUCTION INC

LICENSE NUMBER

13641

Qualifying Party(S)

RAGSDAL JOHNIE

RAGSDAL JOHN

RAGSDAL KYLE

EXPIRES

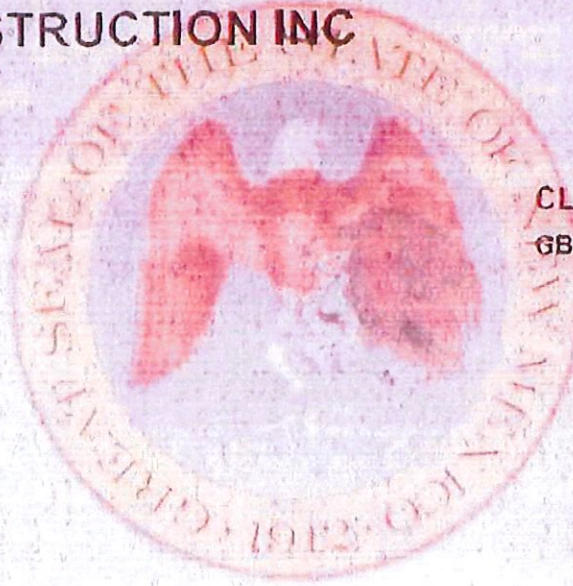
08/31/2027

CLASSIFICATION(S)

GB98

Clay Bailey

DIRECTOR



This card is the property of the CID and shall be surrendered upon demand

JOHN D. RAGSDAL

President of Operations / Owner/Operator – Lasco - JNR Properties & JDR Construction

Hobbs, NM • 575-631-5223 • johnragdsal@lasco.biz

PROFESSIONAL SUMMARY

Seasoned construction executive and former general contractor with 30+ years leading commercial and residential projects for Lasco Construction, complemented by 24 years as Owner/Operator of JDR Construction (cabinet shop) and additional small-business ownership. Deep hands-on expertise in concrete, structural steel, wood and metal framing, drywall/finishes, and metal buildings. Proven history building and mentoring high-performing field teams, ensuring OSHA-compliant jobsites, and delivering complex scopes on time and within budget.

CORE COMPETENCIES

- Construction Leadership & Field Operations
- Project Planning, Scheduling & Closeout
- Estimating, Takeoffs & Cost Control
- Concrete & Foundation Work
- Structural Steel / Wood & Metal Stud Framing
- Drywall, Millwork & Interior/Exterior Finishes
- Blueprint & Specification Reading
- Safety Leadership & OSHA Compliance
- Subcontractor/Vendor Management
- Client & Stakeholder Relations

PROFESSIONAL EXPERIENCE

Lasco Construction, Inc. — President/Owner of Operations

Tenure: 30 years

- Directed end-to-end commercial and residential construction, from ground-up to final finishes.
- Oversaw superintendents and trade crews; coordinated with project managers, engineers, architects, and inspectors.

- Ensured strict adherence to building codes, specifications, and safety regulations; championed OSHA-compliant practices.
- Reviewed estimates, managed budgets/schedules, and resolved field issues to maintain quality and delivery targets.

JDR Construction, LLC / Cabinet Shop — Owner/Operator

Tenure: 24 years

- Led GC and millwork operations, including carpentry, cabinet fabrication, and interior finishes.
- Managed estimating, procurement, subcontractor coordination, and quality control.

JNR Properties — Owner/Operator

Role: Property ownership/management

Undergrounds Coffee Shop — Owner

Tenure: 6 years

MANAGEMENT & SUPERVISOR EXPERIENCE

- 16 years as Superintendent; 10 years as Estimator; 5 years as President/Owner.
- All phases of construction including residential and commercial scopes.
- Proficient in carpentry, millwork, and blueprint/specification reading and estimating.

TYPES OF CONSTRUCTION

- Residential and commercial: concrete block, structural steel, concrete, and wood-frame construction.
- Metal buildings, silos, and specialized structures (e.g., fall-out shelters).

EDUCATION & TRAINING

- Hobbs High School
- New Mexico Junior College
- Quest Estimating School
- Project Management Academy
- Superintendent Training

- Multiple OSHA Workshops

COMMUNITY & CIVIC INVOLVEMENT

- Board Member, Big Brothers Big Sisters of Lea County (former).
- Volunteer/Supporter across multiple levels of boys' and girls' sports.

References available upon request.

Shane C. Blevins

1528 W. Kyleigh Street | Hobbs, NM 88242

Cell: (575) 318-7050 | Email: bleepins@yahoo.com

Professional Summary

Safety-focused leader with over 20 years of experience in high-risk environments, including law enforcement, emergency response, and operational leadership. Proven ability to lead safety programs, enforce compliance, and implement risk mitigation strategies aligned with OSHA and industry standards. Deep understanding of hazard identification, incident investigation, and behavioral safety, with a history of managing cross-functional teams and multimillion-dollar operations. Experienced in training, emergency preparedness, and regulatory compliance — ready to transition safety leadership into the oil & gas sector.

Core Competencies

OSHA Compliance (10 & 30-Hour Certified)
Risk Management & Hazard Mitigation
Safety Program Development
Emergency Preparedness & Response
Regulatory Compliance (Federal, State, Local)
Root Cause Analysis & Incident Reporting
Crisis & Liability Management
Field & Industrial Safety Operations
Safety Training & Workforce Development
Project Coordination & Team Leadership

Safety & Operations Experience

Safety Manager

Lasco Construction | 06/2025 – Present

- Lead all job site safety operations across multiple commercial construction projects.
- Conduct daily site inspections, formal safety audits, and regulatory compliance checks aligned with OSHA and ANSI standards.
- Collaborate closely with project managers and superintendents to ensure a proactive and safe work environment.
- Investigate workplace incidents, perform root cause analysis, and implement corrective actions to prevent recurrence.
- Develop and enforce company-wide safety policies, including subcontractor onboarding and training compliance.
- Deliver ongoing safety training and toolbox talks for all field personnel and

subcontractors.

- Champion a culture of safety through behavioral observation programs and continuous workforce engagement.

Deputy Chief of Police

Hobbs Police Department | 09/2022 – 12/2024

- Oversaw operational safety protocols for 100+ personnel and multiple facility sites.
- Led implementation of department-wide safety systems, equipment acquisitions, and fleet standardization.
- Reviewed and enhanced safety and liability procedures in alignment with industry best practices.

Captain – Community Services & Investigations

Hobbs Police Department | 01/2021 – 09/2022

- Directed interagency safety initiatives and coordinated emergency response strategies.
- Delivered public safety training and policy development impacting citywide operations.

SWAT Commander & Operations Captain

Hobbs Police Department | 2013 – 2021

- Led high-risk tactical operations with detailed safety planning and risk mitigation.
- Trained teams on emergency response, safety protocols, and compliance standards.
- Supervised safety drills and incident response simulations to ensure operational readiness.

Shipping & Production Manager – Logistics & Manufacturing

Multiple FL Companies | 2001 – 2005

- Managed shipping, inventory, and warehouse operations with focus on employee safety and OSHA adherence.
- Led safety audits, enforced PPE usage, and reduced near-miss incidents through daily safety briefings.

Sergeant – U.S. Marine Corps

Camp Lejeune, NC | 1997 – 2001

- Maintained mission readiness through rigorous adherence to military safety regulations.

- Trained teams on equipment safety, emergency procedures, and operational discipline.

Education & Certifications

B.A.A.S. in Emergency Management / Criminal Justice – Eastern New Mexico University | 2013

Associate of Arts – New Mexico Junior College | 2011

OSHA 10-Hour & 30-Hour Safety Training

Force Science Certification (2016)

FBI National Academy – 274th Session (2018)

FBI-LEEDA Command Leadership Trilogy

LEAD Program – UVA Darden School of Business

Dale Carnegie Immersion Course (2024)

SWAT & Tactical Command Safety Courses

NM Law Enforcement Academy – Command & Advanced Training

Safety & Leadership Highlights

- Oversaw multi-million-dollar budgets and procurement for safety-critical equipment.
- Coordinated large-scale safety implementations, including UAV operations and new CAD/RMS systems.
- Managed training programs for high-liability and hazardous operations including SWAT, firearms, K9, and hazardous materials handling.
- Participated in union contract negotiations and workforce safety-related grievance resolutions.

Professional Affiliations

FBI National Academy Associates – NM Chapter President (2024), Past President (2025)

FBI Law Enforcement Executive Development Association (LEEDA) – Member

ESGR – Board Member (2017–2023)

Fraternal Order of Police – Member

Guidance Center of Lea County – Board Member (2019–2022)

GRADY JOHNSON

Construction Superintendent | Former Owner/Operator – Terraton & TC Construction

Hobbs, NM • 575-631-1248 • gjohnson@lasco.biz

PROFESSIONAL SUMMARY

Seasoned construction superintendent with 32 years' experience steering commercial and residential projects from ground-up through closeout. Twenty-year track record as Owner/Operator of Terraton Construction, LLC and TC Construction, LLC, complemented by hands-on expertise in HVAC (6 yrs), electrical (4 yrs), plumbing (2 yrs), and 15 years of Chief Architect drafting. Recognized for decisive field leadership, rigorous quality control, and unwavering commitment to safety and code compliance.

CORE COMPETENCIES

- Project Planning & Scheduling
- Quality Control & Inspections
- Safety Leadership & OSHA Compliance
- Subcontractor Coordination
- HVAC, Electrical & Plumbing Systems
- Chief Architect Drafting & Blueprint Reading
- Budgeting & Cost Control
- Team Leadership & Training
- Time Management & Prioritization
- Regulatory & Building Code Compliance

PROFESSIONAL EXPERIENCE

Terraton Construction, LLC & TC Construction, LLC — Owner / Superintendent

Various Locations | 20 years

- Oversaw projects from initiation to completion—including planning, scheduling, quality control, and close-out documentation.
- Coordinated daily field operations: managed subcontractors, labor crews, equipment, and material deliveries to keep projects on track.

- Prepared and maintained work schedules; ensured adherence to local and state building codes, specifications, and contract documents.
- Produced detailed daily reports covering manpower, progress, inspections, and safety metrics.
- Championed safety on every jobsite—maintained compliance with OSHA standards and company policies; conducted toolbox talks.
- Communicated continually with project managers, contractors, inspectors, and owners to resolve issues and align expectations.
- Applied disciplined time management—delegated tasks, prioritized critical activities, and multitasked to drive efficiency.
- Leveraged HVAC, electrical, and plumbing background to troubleshoot MEP challenges and enhance coordination among trades.
- Utilized Chief Architect to develop and refine construction drawings, set-outs, and as-built documentation.

Additional Early-Career Trade Experience

- HVAC Technician — 6 years: Installed, serviced, and commissioned commercial & residential HVAC systems.
- Electrical Apprentice / Journeyman — 4 years: Performed rough-in, trim-out, and panel work per NEC standards.
- Plumbing Apprentice — 2 years: Assisted in pipefitting, fixture installation, and hydro-testing for new construction.

TRAINING & TECHNICAL PROFICIENCY

- Chief Architect — 15 years (residential/commercial drafting & 3D modeling)
- OSHA 30-Hour Construction Safety (anticipated completion _____)
- First Aid / CPR (current)
- Microsoft Project, Procore (familiar), and standard office software

PROFESSIONAL REFERENCES

- Mark Doporto — Owner, Lane Plumbing | 575-430-5020 | laneplumb@hotmail.com
- Terry Slaugh — Owner, Caprock HVAC | 575-631-4247 | tscaprock@gmail.com
- John Ragsdal — Owner, Lasco Construction | 575-631-5223 | johnragsdal@lasco.biz

Additional references available upon request.

Kyle Ragsdal

Vice President | Lasco Construction Inc.

Hobbs, NM

Phone: 575-393-9161 | Email: kragdsal@lasco.biz

Professional Summary

Dedicated and detail-oriented Vice President with over a decade of experience in commercial construction. Proven expertise in managing large-scale projects from inception to completion, ensuring compliance with GB98 general contracting requirements. Skilled in blueprint reading, site management, safety compliance, and quality control. Strong leadership abilities with a commitment to delivering projects on time, within budget, and to the highest standards of craftsmanship.

Professional Experience

Vice President | Lasco Construction Inc. — Hobbs, NM

2013 – Present

Oversee daily operations, manage subcontractors, and ensure adherence to safety regulations and building codes. Lead project planning, budgeting, scheduling, and quality assurance for multi-million dollar commercial construction projects. Foster effective communication between clients, architects, and construction teams.

Skills

- Blueprint reading
- Carpentry
- Construction site management
- Painting and finishing
- Worksite safety
- Concrete work
- Quality control
- Demolition
- Scheduling and planning
- Effective written and verbal communication
- Window and door installation
- Carpentry and flooring skills
- Heavy equipment operation
- Project planning
- Code compliance

- Drywall installation
- Subcontractor management
- Renovation
- Drywall hanging
- Construction estimating
- Safety procedures
- Project scope assessment
- Materials procurement
- Flooring installation
- Operations oversight
- Equipment and materials
- Safety compliance
- Construction best practices
- Price proposals
- Budget development
- Fireproofing methods
- Codes compliance
- Acoustical ceilings
- Masonry work
- Insulation installation
- HVAC systems
- Permitting
- Change order management
- Site safety management
- Project coordination

Education

High School Diploma — Hobbs, NM (1993)

Certifications

GB98 General Contractor License



LASCO

CONSTRUCTION, INC.

License No. 13641

PHONE (575) 393-9161
FAX (575) 397-4993

BOX 877

314 W. MARLAND

HOBBS, N.M. 88241

DOUGLAS D. DAVIS SUPERINTENDENT

YEARS OF CONSTRUCTION EXPERIENCE:

SEVENTEEN

EDUCATION:

HIGH SCHOOL

TRAINING:

**MINE SAFETY
LIFT OPERATOR
SAFETY TRAINING
H2S TRAINING
ON SITE**

PROFICIENCY FIELDS:

**CARPENTRY, STEEL/IRON
BUILDING ERECTION
MILLWORK
INSULATION
BLUE PRINT COMPREHENSION**

YEARS OF EXPERIENCE FOR SUPERVISOR:

FOURTEEN

SUPERVISOR EXPERIENCE:

**SCHEDULE SUBCONTRACTORS
QUALITY CONTROL DUTIES AND
RESPONSIBILITIES REGARDING WORK IN
PROGRESS
COORDINATE FOR REQUIRED INSPECTIONS
ENSURE EMPLOYEES AND SUBCONTRACTORS
COMPLY WITH ALL ON -SITE RULES AND
REGULATIONS**

LASCO

CONSTRUCTION, INC.

License No. 13641

PHONE (575) 393-9161
FAX (575) 397-4993

BOX 877

314 W. MARLAND

HOBBS, N.M. 88241

WILLIAM T. GILKEY

**SAFETY AND FIELD COORDINATOR
SUPERINTENDENT
SAFETY MANAGER**

YEARS OF EXPERIENCE:

42 YRS

EDUCATION AND TRAINING:

**HIGH SCHOOL
APPRENTICESHIP IN MASONRY
MULTIPLE TRADE SCHOOLS**

**MANAGEMENT-SUPERVISOR
EXPERIENCE:**

**30 YEARS WITH LASCO CONSTRUCTION, INC
10 YRS SAFETY MANAGER AND SUPERVISOR**

TYPES OF CONSTRUCTION:

**RESIDENTIAL, COMMERCIAL (CONCRETE BLOCK,
STEEL, CONCRETE AND WOOD FRAMES, METAL BUILDING**

**COMMUNITY AND CIVIC
ORGANIZATIONS:**

**HOBBS BASS CLUB
HOBBS BOYS AND GIRLS CLUB
HOBBS YOUTH SOCCER ASSOCIATION
HOBBS YOUTH BASEBALL ASSOCIATION
MEMBER OF COWBOY JUNCTION CHURCH**

PREVIOUS EXPERIENCE:

**PARTNER-NAIL DRIVER CONSTRUCTION
GRANTS, NM
PARTNER-WALTMAN ENTERPRISES
HOBBS, NM
PARTNER-SPEELHOFFER CONSTRUCTION
ROSWELL AND HOBBS NM**



Bid Bond

KNOW ALL MEN BY THESE PRESENTS: That we, the undersigned, _____

Lasco Construction, Inc.

as Principal, and _____ Harco National Insurance Company _____, a corporation of the
State of Illinois _____, as Surety, are hereby held and firmly bound unto

City of Hobbs, New Mexico

in the penal sum of Five Percent (5%) of the Total Contract Amount (\$5%)
for the payment of which, well and truly to be made, we hereby jointly and
severally bind ourselves, our heirs, executors, administrators, successors and assigns.

Signed, this 29th day of September, 2025

The condition of the above obligation is such that whereas the Principal has submitted
a certain bid, to enter into a contract in writing for
Installation Of Fire Tower For The City Of Hobbs Proposal No. 555-26

NOW, THEREFORE,

- (a) If said bid shall be rejected, or in the alternate
- (b) If said bid shall be accepted and the Principal shall execute and
deliver an acceptable form of contract, and shall furnish a bond for
the faithful performance of said Contract, and for the payment of
the persons performing labor or furnishing materials in connection
therewith, and shall in all other respects perform the agreement
created by the acceptance of said bid;

THEN, THIS OBLIGATION SHALL BE VOID, otherwise the same shall remain in
force and effect; it being expressly understood and agreed that the liability of the Surety for
any and all claims hereunder shall, in no event, exceed the penal amount of this obligation as
herein stated.

IN WITNESS WHEREOF, the Principal and the Surety have hereto set their hands and
seals, and such of them as are corporations have caused their corporate seals, to be hereto affixed
and these presents to be signed by their proper officers, the day and year first set forth above.

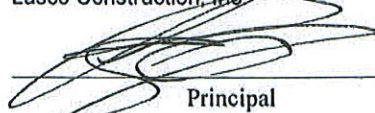
Signed, sealed and delivered in the presence of:

ATTEST: _____

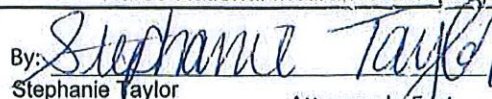
ATTEST: _____

Bid Bond Date _____

Lasco Construction, Inc.


Principal

Harco National Insurance Company

By: 
Stephanie Taylor

Attorney-In-Fact

POWER OF ATTORNEY
HARCO NATIONAL INSURANCE COMPANY
INTERNATIONAL FIDELITY INSURANCE COMPANY

Bond # _____

Member companies of IAT Insurance Group, Headquartered: 4200 Six Forks Rd, Suite 1400, Raleigh, NC 27609

KNOW ALL MEN BY THESE PRESENTS: That HARCO NATIONAL INSURANCE COMPANY, a corporation organized and existing under the laws of the State of Illinois, and INTERNATIONAL FIDELITY INSURANCE COMPANY, a corporation organized and existing under the laws of the State of New Jersey, and having their principal offices located respectively in the cities of Rolling Meadows, Illinois and Newark, New Jersey, do hereby constitute and appoint

RICK CLEMENTS, LAUREN LANE, STEPHANIE TAYLOR, CORY B. BENTLEY, ROBERT B. BENTLEY

Amarillo, TX

their true and lawful attorney(s)-in-fact to execute, seal and deliver for and on its behalf as surety, any and all bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof, which are or may be allowed, required or permitted by law, statute, rule, regulation, contract or otherwise, and the execution of such instrument(s) in pursuance of these presents, shall be as binding upon the said HARCO NATIONAL INSURANCE COMPANY and INTERNATIONAL FIDELITY INSURANCE COMPANY, as fully and amply, to all intents and purposes, as if the same had been duly executed and acknowledged by their regularly elected officers at their principal offices.

This Power of Attorney is executed, and may be revoked, pursuant to and by authority of the By-Laws of HARCO NATIONAL INSURANCE COMPANY and INTERNATIONAL FIDELITY INSURANCE COMPANY and is granted under and by authority of the following resolution adopted by the Board of Directors of INTERNATIONAL FIDELITY INSURANCE COMPANY at a meeting duly held on the 13th day of December, 2018 and by the Board of Directors of HARCO NATIONAL INSURANCE COMPANY at a meeting held on the 13th day of December, 2018.

"RESOLVED, that (1) the Chief Executive Officer, President, Executive Vice President, Senior Vice President, Vice President, or Secretary of the Corporation shall have the power to appoint, and to revoke the appointments of, Attorneys-in-Fact or agents with power and authority as defined or limited in their respective powers of attorney, and to execute on behalf of the Corporation and affix the Corporation's seal thereto, bonds, undertakings, recognizances, contracts of indemnity and other written obligations in the nature thereof or related thereto; and (2) any such Officers of the Corporation may appoint and revoke the appointments of joint-control custodians, agents for acceptance of process, and Attorneys-in-fact with authority to execute waivers and consents on behalf of the Corporation; and (3) the signature of any such Officer of the Corporation and the Corporation's seal may be affixed by facsimile to any power of attorney or certification given for the execution of any bond, undertaking, recognizance, contract of indemnity or other written obligation in the nature thereof or related thereto, such signature and seals when so used whether heretofore or hereafter, being hereby adopted by the Corporation as the original signature of such officer and the original seal of the Corporation, to be valid and binding upon the Corporation with the same force and effect as though manually affixed."

IN WITNESS WHEREOF, HARCO NATIONAL INSURANCE COMPANY and INTERNATIONAL FIDELITY INSURANCE COMPANY have each executed and attested these presents on this 31st day of December, 2024



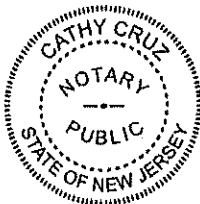
STATE OF NEW JERSEY
County of Essex

Michael F. Zurcher
Executive Vice President, Harco National Insurance Company
and International Fidelity Insurance Company

STATE OF ILLINOIS
County of Cook



On this 31st day of December, 2024, before me came the individual who executed the preceding instrument, to me personally known, and, being by me duly sworn, said he is the therein described and authorized officer of HARCO NATIONAL INSURANCE COMPANY and INTERNATIONAL FIDELITY INSURANCE COMPANY; that the seals affixed to said instrument are the Corporate Seals of said Companies; that the said Corporate Seals and his signature were duly affixed by order of the Boards of Directors of said Companies.



IN TESTIMONY WHEREOF, I have hereunto set my hand affixed my Official Seal, at the City of Newark, New Jersey the day and year first above written.

Cathy Cruz
a Notary Public of New Jersey
My Commission Expires April 16, 2029

CERTIFICATION

I, the undersigned officer of HARCO NATIONAL INSURANCE COMPANY and INTERNATIONAL FIDELITY INSURANCE COMPANY do hereby certify that I have compared the foregoing copy of the Power of Attorney and affidavit, and the copy of the Sections of the By-Laws of said Companies as set forth in said Power of Attorney, with the originals on file in the home office of said companies, and that the same are correct transcripts thereof, and of the whole of the said originals, and that the said Power of Attorney has not been revoked and is now in full force and effect.

IN TESTIMONY WHEREOF, I have hereunto set my hand on this day, September 29, 2025

A02200

Irene Martins, Assistant Secretary

IMPORTANT NOTICE

To obtain information or make a complaint:

You may contact Harco National Insurance Company at:

1-800-333-4167

You may also write to: Harco National Insurance Company c/o IAT Surety at:

Attn: Claims Department
One Newark Center, 20th Floor
Newark, NJ 07102

You may contact the Texas Department of Insurance to obtain information on companies, coverages, rights or complaints at:

1-800-252-3439

You may write the Texas Department of Insurance:

P. O. Box 149104
Austin, TX 78714-9104
Fax: (512) 490-1007
Web: www.tdi.texas.gov
E-mail: ConsumerProtection@tdi.texas.gov

PREMIUM OR CLAIM DISPUTES:

Should you have a dispute concerning your premium or about a claim you should contact the agent or the company first. If the dispute is not resolved, you may contact the Texas Department of Insurance.

ATTACH THIS NOTICE TO YOUR BOND:

This notice is for information only and does not become a part or condition of the attached document.

AVISO IMPORTANTE

Para obtener información o para presentar una queja:

Usted puede comunicarse con su Harco National Insurance Company al:

1-800-333-4167

Usted tambien puede escribir a Harco National Insurance Company c/o IAT Surety at:

Attn: Claims Department
One Newark Center, 20th Floor
Newark, NJ 07102

Puede comunicarse con el Departamento de Seguros de Texas para obtener informacion acerca de companias, coberturas, derechos o quejas al:

1-800-252-3439

Puede escribir al Departamento de Seguros de Texas:

P. O. Box 149104
Austin, TX 78714-9104
Fax: (512) 490-1007
Web: www.tdi.texas.gov
E-mail: ConsumerProtection@tdi.texas.gov

DISPUTAS SOBRE PRIMAS O RECLAMOS:

Si tiene una disputa concerniente a su prima o a un reclamo, debe comunicarse con el agente o la compania primero. Si no se resuelve la disputa, puede entonces comunicarse con el departamento (TDI).

UNA ESTE AVISO A SU FIANZA DE GARANTIA:

Este aviso es solo para proposito de informacion y no se convierte en parte o condicion del documento adjunto.

CAMPAIGN CONTRIBUTION DISCLOSURE FORM

Pursuant to NMSA 1978, § 13-1-191.1 (2006), any person seeking to enter into a contract with any state agency or local public body for professional services, a design and build project delivery system, or the design and installation of measures the primary purpose of which is to conserve natural resources must file this form with that state agency or local public body. This form must be filed even if the contract qualifies as a small purchase or a sole source contract. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars (\$250) over the two year period.

Furthermore, the state agency or local public body shall void an executed contract or cancel a solicitation or proposed award for a proposed contract if: 1) a prospective contractor, a family member of the prospective contractor, or a representative of the prospective contractor gives a campaign contribution or other thing of value to an applicable public official or the applicable public official's employees during the pendency of the procurement process or 2) a prospective contractor fails to submit a fully completed disclosure statement pursuant to the law.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

"Applicable public official" means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

"Campaign Contribution" means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official's behalf for the purpose of electing the official to either statewide or local office. "Campaign Contribution" includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation

expenses of a political committee that are paid by an organization that sponsors the committee.

"Family member" means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law.

"Pendency of the procurement process" means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

"Person" means any corporation, partnership, individual, joint venture, association or any other private legal entity.

"Prospective contractor" means a person who is subject to the competitive sealed proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.

"Representative of a prospective contractor" means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS:

Contribution Made By: _____

Relation to Prospective Contractor: _____

Name of Applicable Public Official: _____

Date Contribution(s) Made: _____

Amount(s) of Contribution(s) _____

Nature of Contribution(s) _____

Purpose of Contribution(s) _____

(Attach extra pages if necessary)

N/A
Signature

Date

Title (position)

--OR--

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS (\$250) WERE MADE to an applicable public official by me, a family member or representative.

John Ragsdal
Signature
Owner/President
Title (Position)

9/16/2025

Date

Resident Veterans Preference Certification

_____ (NAME OF CONTRACTOR) hereby certifies the following in regard to application of the resident veterans' preference to this procurement:

Please check one box only

☐ I declare under penalty of perjury that my business prior year revenue starting January 1 ending December 31 is less than \$3M allowing me the 10% preference discount on this solicitation. I understand that knowingly giving false or misleading information about this fact constitutes a crime.

"I agree to submit a report, or reports, to the State Purchasing Division of the General Services Department declaring under penalty of perjury that during the last calendar year starting January 1 and ending on December 31, the following to be true and accurate:

"In conjunction with this procurement and the requirements of this business' application for a Resident Veteran Business Preference/Resident Veteran Contractor Preference under Sections 13-1-21 or 13-1-22 NMSA 1978, when awarded a contract which was on the basis of having such veterans preference, I agree to report to the State Purchasing Division of the General Services Department the awarded amount involved. I will indicate in the report the award amount as a purchase from a public body or as a public works contract from a public body as the case may be.

"I declare under penalty of perjury that this statement is true to the best of my knowledge. I understand that giving false or misleading statements about material fact regarding this matter constitutes a crime."

(Signature of Business Representative)*

(Date)

*Must be an authorized signatory for the Business.

The representations made in checking the boxes constitutes a material representation by the business that is subject to protest and may result in denial of an award or unaward of the procurement involved if the statements are proven to be incorrect.

NON-COLLUSION AFFIDAVIT

STATE OF New MexicoCity OF HobbsJohn Ragsdal (name) being first duly sworn, deposes andsays that he/she is (title) Owner/Presidentof (organization) Lasco Construction Inc

who submits herewith to the City of Hobbs, a bid/proposal:

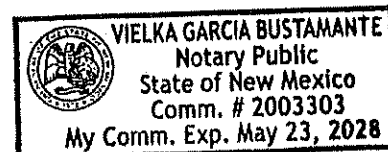
That all statements of fact in such bid/proposal are true:

That said proposal/bid was not made in the interest of or on behalf of any undisclosed person, partnership, company, association, organization or corporation;

That said proposer/bidder has not, directly or indirectly by agreement, communication or conference with anyone attempted to induce action prejudicial to the interest of the City of Hobbs, or of any proposer/bidder of anyone else interested in the proposed contract; and further,

That prior to the public opening and reading of bid/proposal, said bidder/proposer;

1. Did not directly or indirectly, induce or solicit anyone else to submit a false or sham proposal
2. Did not directly or indirectly collude, conspire, connive or agree with anyone else that said bidder or anyone else would submit a false or sham proposal, or that anyone should refrain from bidding or withdraw his/her proposals;
3. Did not in any manner, directly or indirectly, seek by agreement, communication or conference with anyone to raise or fix the proposal price of said bidder or of anyone else, or to raise or fix any overhead, profit or cost element of their proposal price, or of that of anyone else;
4. Did not directly or indirectly, submit his proposed price or any breakdown thereof, or the contest thereof, or divulge information or data relative thereto, to any corporation, partnership, company, association organization, bid depository or to any member or agent thereof, or to any individual group of individuals, except that City of Hobbs, or to any person or persons who have a partnership or other financial interests with said proposer/bidder in his/her business.

By: Vielka GarciaTitle: Office ManagerSUBSCRIBED and sworn to before me this 16 day of September, 20 25Notary Public: [Signature]My Commission Expires: May 23, 2028

RELATED PARTY DISCLOSURE FORM**(Bidders and Proposers only)**

1. Are you indebted to or have a receivable from any member of the City of Hobbs Commissioners, administration officials, department heads, and key management supervisors with the City of Hobbs?

YES ___ NO XXX

2. Are you, or any officer of your company related to any member of the City of Hobbs Commissioners, administration officials, department heads, key management supervisors of the City of Hobbs and have you had any of the following transactions since January 1, 2017 to which City of Hobbs was, is to be, a party?

Sales, Purchase or leasing of property? YES ___ NO XXXReceiving, furnishing of goods, services or facilities? YES ___ NO XXXCommissions or royalty payments? YES ___ NO xxx

3. Does any member of the City Commission; administration officials, department heads, key management supervisors with the City of Hobbs, have any financial interest in your company whether a sole proprietorship, partnership, or corporation of any kind that currently conducts business with the City of Hobbs?

YES ___ NO xxx

4. At any time from January 1, 2017 through the present, did you, your company, or any officer of your company have an interest in or signature authority over a bank account for the benefit of a member of the City Commission administration officials, department heads, key management supervisors with the City of Hobbs?

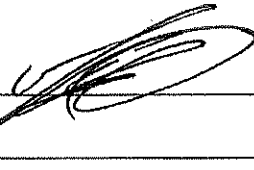
YES ___ NO xxx

5. Are you negotiating to employ or do you currently employ any employee, officer, or family member of an employee or officer for the City of Hobbs?

6. Are you an employee of the City of Hobbs or a member of your family an employee of the City of Hobbs?

YES ___ NO XXX

The answers to the foregoing questions are correctly stated to the best of my knowledge and belief.

Signature of Owner or Company President  Date 9/16/2025
(Print Name and Title): Owner/President



City of Hobbs
Certification Regarding Debarment, Suspension, Ineligibility and
Voluntary Exclusion

The Bidder/Proposer certifies, by submission of this bid/proposal, neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible or voluntarily excluded from participation in this submission of bid/proposal by any Federal, State or Local government. It further agrees by submitting this bid/proposal that it will include this clause without modification in all lower tier transactions, solicitations, proposals, contracts and subcontracts. Where the bidder/proposer or any lower tier participant is unable to certify to this statement, it shall attach an explanation to this bid/proposal submission

Failure to acknowledge the above conditions would render the Bid/Proposal non-responsive.

I acknowledge:

Company Name: Lasco Construction Inc

Signature [Handwritten Signature]

Print Name John Ragsdal



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
8/6/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Burke Insurance Group, LLC 1690 S. Telshor Blvd Las Cruces NM 88011		CONTACT NAME: Eric McFarland PHONE (A/C, No, Ext): 575-288-9972 FAX (A/C, No): E-MAIL ADDRESS: emcfarland@risk-strategies.com		
INSURED Lasco Construction Inc. PO Box 877 Hobbs NM 88241		INSURER(S) AFFORDING COVERAGE		NAIC #
		INSURER A: Travelers Insurance		524126
		INSURER B: Travelers Casualty & Surety Co		19046
		INSURER C:		
		INSURER D:		
		INSURER E:		
INSURER F:				

COVERAGES

CERTIFICATE NUMBER: 853145370

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PRO-JECT ☐ LOC OTHER:	Y	Y	DT-CO-8T881605-PHX-24	10/1/2024	10/1/2025	EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMP/OP AGG \$ 2,000,000 \$
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☒ HIRED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS ONLY	Y	Y	8108T898396-24-26-G	10/1/2024	10/1/2025	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ Hired & Non-Owned \$ 1,000,000
A	☒ UMBRELLA LIAB ☒ EXCESS LIAB ☐ DED ☒ RETENTION \$ 10,000 ☒ OCCUR ☐ CLAIMS-MADE			CUP8T902617-23-26	10/1/2024	10/1/2025	EACH OCCURRENCE \$ 5,000,000 AGGREGATE \$ 5,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N	N/A	UB-1W925140-25-26-G	1/1/2025	1/1/2026	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$ 1,000,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000,000 E.L. DISEASE - POLICY LIMIT \$ 1,000,000
A	Installation Floater			DT-CO-8T881605-PHX-24	10/1/2024	10/1/2025	Limit Deductible 200,000 1,000 20,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Limit at any one Location \$200,000
Limit per disaster \$600,000
Limit at temporary location \$200,000
Limit in transit \$200,000

See Attached...

CERTIFICATE HOLDER

CANCELLATION

Proof of Insurance

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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ADDITIONAL REMARKS SCHEDULE

AGENCY Burke Insurance Group, LLC		NAMED INSURED Lasco Construction Inc. PO Box 877 Hobbs NM 88241
POLICY NUMBER		
CARRIER	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
 FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE

Certificate Holder and Owner are named as Additional Insured per Additional Insured Endorsement for ongoing and completed operation for General Liability as required by written contract. Certificate Holder and Owner are named as Additional Insured on all policies except Worker's Compensation per written contract. A waiver of subrogation exists in favor of Certificate Holder and Owner as to the general liability, auto, umbrella and workers compensation policies per written contract. The general liability and auto policies are primary and non-contributory.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED
(Includes Products-Completed Operations If Required By Contract)

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

PROVISIONS

The following is added to **SECTION II – WHO IS AN INSURED**:

Any person or organization that you agree in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only:

- a. With respect to liability for "bodily injury" or "property damage" that occurs, or for "personal injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement and while that part of the contract or agreement is in effect; and
- b. If, and only to the extent that, such injury or damage is caused by acts or omissions of you or your subcontractor in the performance of "your work" to which the written contract or agreement applies. Such person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization.

The insurance provided to such additional insured is subject to the following provisions:

- a. If the Limits of Insurance of this Coverage Part shown in the Declarations exceed the minimum limits required by the written contract or agreement, the insurance provided to the additional insured will be limited to such minimum required limits. For the purposes of determining whether this limitation applies, the minimum limits required by the written contract or agreement will be considered to include the minimum limits of any Umbrella or Excess liability coverage required for the additional insured by that written contract or agreement. This provision will not increase the limits of insurance described in Section III – Limits Of Insurance.
- b. The insurance provided to such additional insured does not apply to:

- (1) Any "bodily injury", "property damage" or "personal injury" arising out of the providing, or failure to provide, any professional architectural, engineering or surveying services, including:

- (a) The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders or change orders, or the preparing, approving, or failing to prepare or approve, drawings and specifications; and

- (b) Supervisory, inspection, architectural or engineering activities.

- (2) Any "bodily injury" or "property damage" caused by "your work" and included in the "products-completed operations hazard" unless the written contract or agreement specifically requires you to provide such coverage for that additional insured during the policy period.

- c. The additional insured must comply with the following duties:

- (1) Give us written notice as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, such notice should include:

- (a) How, when and where the "occurrence" or offense took place;
- (b) The names and addresses of any injured persons and witnesses; and
- (c) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- (2) If a claim is made or "suit" is brought against the additional insured:

COMMERCIAL GENERAL LIABILITY

- (a) Immediately record the specifics of the claim or "suit" and the date received; and
 - (b) Notify us as soon as practicable and see to it that we receive written notice of the claim or "suit" as soon as practicable.
- (3) Immediately send us copies of all legal papers received in connection with the claim or "suit", cooperate with us in the investigation or settlement of the claim or defense against the "suit", and otherwise comply with all policy conditions.
- (4) Tender the defense and indemnity of any claim or "suit" to any provider of other insurance which would cover such additional insured for a loss we cover. However, this condition does not affect whether the insurance provided to such additional insured is primary to other insurance available to such additional insured which covers that person or organization as a named insured as described in Paragraph 4., Other Insurance, of Section IV – Commercial General Liability Conditions.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

XTEND ENDORSEMENT FOR CONTRACTORS

This endorsement modifies insurance provided under the following:
COMMERCIAL GENERAL LIABILITY COVERAGE PART

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to this Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- | | |
|--|---|
| <p>A. Who Is An Insured – Unnamed Subsidiaries</p> <p>B. Blanket Additional Insured – Governmental Entities – Permits Or Authorizations Relating To Operations</p> | <p>C. Incidental Medical Malpractice</p> <p>D. Blanket Waiver Of Subrogation</p> <p>E. Contractual Liability – Railroads</p> <p>F. Damage To Premises Rented To You</p> |
|--|---|

PROVISIONS

A. WHO IS AN INSURED – UNNAMED SUBSIDIARIES

The following is added to **SECTION II – WHO IS AN INSURED**:

Any of your subsidiaries, other than a partnership, joint venture or limited liability company, that is not shown as a Named Insured in the Declarations is a Named Insured if:

- a. You are the sole owner of, or maintain an ownership interest of more than 50% in, such subsidiary on the first day of the policy period; and
- b. Such subsidiary is not an insured under similar other insurance.

No such subsidiary is an Insured for "bodily injury" or "property damage" that occurred, or "personal and advertising injury" caused by an offense committed:

- a. Before you maintained an ownership interest of more than 50% in such subsidiary; or
- b. After the date, if any, during the policy period that you no longer maintain an ownership interest of more than 50% in such subsidiary.

For purposes of Paragraph 1. of Section II – Who Is An Insured, each such subsidiary will be deemed to be designated in the Declarations as:

- a. An organization other than a partnership, joint venture or limited liability company; or
- b. A trust;

as indicated in its name or the documents that govern its structure.

B. BLANKET ADDITIONAL INSURED – GOVERNMENTAL ENTITIES – PERMITS OR AUTHORIZATIONS RELATING TO OPERATIONS

The following is added to **SECTION II – WHO IS AN INSURED**:

Any governmental entity that has issued a permit or authorization with respect to operations performed by you or on your behalf and that you are required by any ordinance, law, building code or written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" arising out of such operations.

The insurance provided to such governmental entity does not apply to:

- a. Any "bodily injury", "property damage" or "personal and advertising injury" arising out of operations performed for the governmental entity; or
- b. Any "bodily injury" or "property damage" included in the "products-completed operations hazard".

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C. INCIDENTAL MEDICAL MALPRACTICE

1. The following replaces Paragraph b. of the definition of "occurrence" in the DEFINITIONS Section:

b. An act or omission committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.

2. The following replaces the last paragraph of Paragraph 2.a.(1) of SECTION II – WHO IS AN INSURED:

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide:

(a) "Incidental medical services" by any of your "employees" who is a nurse, nurse assistant, emergency medical technician or paramedic; or

(b) First aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

3. The following replaces the last sentence of Paragraph 5. of SECTION III – LIMITS OF INSURANCE:

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide "incidental medical services", first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".

4. The following exclusion is added to Paragraph 2., Exclusions, of SECTION I – COVERAGES – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY:

Sale Of Pharmaceuticals

"Bodily injury" or "property damage" arising out of the violation of a penal statute or ordinance relating to the sale of

pharmaceuticals committed by, or with the knowledge or consent of, the insured.

5. The following is added to the DEFINITIONS Section:

"Incidental medical services" means:

a. Medical, surgical, dental, laboratory, x-ray or nursing service or treatment, advice or instruction, or the related furnishing of food or beverages; or

b. The furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances.

6. The following is added to Paragraph 4.b., Excess Insurance, of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

This insurance is excess over any valid and collectible other insurance, whether primary, excess, contingent or on any other basis, that is available to any of your "employees" for "bodily injury" that arises out of providing or failing to provide "incidental medical services" to any person to the extent not subject to Paragraph 2.a.(1) of Section II – Who Is An Insured.

D. BLANKET WAIVER OF SUBROGATION

The following is added to Paragraph 8., Transfer Of Rights Of Recovery Against Others To Us, of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of:

a. "Bodily injury" or "property damage" that occurs; or

b. "Personal and advertising injury" caused by an offense that is committed;

subsequent to the execution of the contract or agreement.

E. CONTRACTUAL LIABILITY – RAILROADS

1. The following replaces Paragraph c. of the definition of "insured contract" in the DEFINITIONS Section:

c. Any easement or license agreement;

COMMERCIAL GENERAL LIABILITY

2. Paragraph f.(1) of the definition of "insured contract" in the **DEFINITIONS** Section is deleted.

F. DAMAGE TO PREMISES RENTED TO YOU

The following replaces the definition of "premises damage" in the **DEFINITIONS** Section:

"Premises damage" means "property damage" to:

- a. Any premises while rented to you or temporarily occupied by you with permission of the owner; or
- b. The contents of any premises while such premises is rented to you, if you rent such premises for a period of seven or fewer consecutive days.

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II - Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V - Definitions.

SECTION I - COVERAGES

COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "bodily injury" and "property damage" only if:

- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";
 - (2) The "bodily injury" or "property damage" occurs during the policy period; and
 - (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II - Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.
- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II - Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim;
- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
 - (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
 - (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

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- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. Exclusions

This insurance does not apply to:

a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided that the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "bodily injury" or "property damage", provided that:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

c. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or

- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages. For the purposes of this exclusion, permitting a person to bring alcoholic beverages on your premises, for consumption on your premises, whether or not a fee is charged or a license is required for such activity, is not by itself considered the business of selling, serving or furnishing alcoholic beverages.

d. Workers' Compensation And Similar Laws

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

e. Employer's Liability

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
 - (a) Employment by the insured; or
 - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

f. Pollution

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
 - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
 - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that

is used to heat, cool or dehumidify the building, or produced by or originating from equipment that is used to heat water for personal use by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
- (c) If such "pollutants" are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
 - (i) Any insured; or
 - (ii) Any person or organization for whom you may be legally responsible;
- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:
 - (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed

to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;

- (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire"; or
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are or were at any time performing operations to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

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- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
 - (a) 50 feet long or less; and
 - (b) Not being used to carry any person or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;
- (5) "Bodily injury" or "property damage" arising out of:
 - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify as "mobile equipment" under the definition of "mobile equipment" if such land vehicle were not subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged; or

- (b) The operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment"; or

(6) An aircraft that is:

- (a) Chartered with a pilot to any insured;
- (b) Not owned by any insured; and
- (c) Not being used to carry any person or property for a charge.

h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

"Bodily injury" or "property damage" arising out of:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage To Property

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

k. Damage To Your Product

"Property damage" to "your product" arising out of it or any part of it.

i. Damage To Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and

accidental physical injury to "your product" or "your work" after it has been put to its intended use.

n. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

o. Personal And Advertising Injury

"Bodily injury" arising out of "personal and advertising injury".

p. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

However, this exclusion does not apply to liability for damages because of "bodily injury".

q. Unsolicited Communication

"Bodily injury" or "property damage" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

r. Access Or Disclosure Of Confidential Or Personal Information

"Bodily injury" or "property damage" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

s. Asbestos

(1) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "bodily injury" or "property damage" is caused or contributed to by the hazardous properties of asbestos.

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- (2) "Bodily injury" or "property damage" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "bodily injury" or "property damage" described in Paragraph (1) above.

- (3) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, asbestos, asbestos fibers or products containing asbestos; or
- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

t. Employment-Related Practices "Bodily injury" to:

- (1) A person arising out of any:

- (a) Refusal to employ that person;
- (b) Termination of that person's employment; or
- (c) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; or

- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the

employment-related practices described in Paragraph (a), (b), or (c) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "bodily injury".

Exclusions c. through n. do not apply to "premises damage". A separate limit of insurance applies to "premises damage" as described in Paragraph 6. of Section III – Limits Of Insurance.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

2. Exclusions

This insurance does not apply to:

a. Knowing Violation Of Rights Of Another

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

This exclusion does not apply to "personal injury" caused by malicious prosecution.

b. Material Published With Knowledge Of Falsity

"Personal and advertising injury" arising out of oral or written publication, including publication by electronic means, of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Or Used Prior To Policy Period

- (1) "Personal and advertising injury" arising out of oral or written publication, including publication by electronic means, of material whose first publication took place before the beginning of the policy period; or
- (2) "Advertising injury" arising out of infringement of copyright, "title" or "slogan" in your "advertisement" whose first infringement in your "advertisement" was committed before the beginning of the policy period.

d. Criminal Acts

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. Contractual Liability

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Because of "personal injury" assumed by you in a contract or agreement that is an "insured contract", provided that the "personal injury" is caused by an offense committed subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed by you in an "insured contract", reasonable attorneys' fees and necessary litigation expenses incurred by or for a party other than an insured will be deemed to be damages because of "personal injury", provided that:
 - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed by you in the same "insured contract"; and
 - (b) Such attorneys' fees and litigation expenses are for defense of that party

against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

f. Breach Of Contract

"Advertising injury" arising out of a breach of contract.

g. Quality Or Performance Of Goods -- Failure To Conform To Statements

"Advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

h. Wrong Description Of Prices

"Advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

i. Intellectual Property

"Personal and advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation:

- (1) Copyright;
- (2) Patent;
- (3) Trade dress;
- (4) Trade name;
- (5) Trademark;
- (6) Trade secret; or
- (7) Other intellectual property rights or laws.

This exclusion does not apply to:

- (1) "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or
- (2) Any other "personal and advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

j. Insureds In Media And Internet Type Businesses

"Personal and advertising injury" caused by an offense committed by an insured whose business is:

- (1) Advertising, "broadcasting" or publishing;

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(2) Designing or determining content of websites for others; or

(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs a.(1), (2) and (3) of the definition of "personal injury".

For the purposes of this exclusion:

(1) Creating and producing correspondence written in the conduct of your business, bulletins, financial or annual reports, or newsletters about your goods, products or services will not be considered the business of publishing; and

(2) The placing of frames, borders or links, or advertising, for you or others anywhere on the Internet will not, by itself, be considered the business of advertising, "broadcasting" or publishing.

k. Electronic Chatrooms Or Bulletin Boards

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts or owns, or over which the insured exercises control.

l. Unauthorized Use Of Another's Name Or Product

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

m. Pollution

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

n. Pollution-Related

Any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or

neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

o. War

"Personal and advertising injury" arising out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

p. Unsolicited Communication

"Personal and advertising injury" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

q. Access Or Disclosure Of Confidential Or Personal Information

"Personal and advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

r. Asbestos

(1) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the "personal and advertising injury" is caused or contributed to by the hazardous properties of asbestos.

(2) "Personal and advertising injury" arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any "personal and advertising injury" described in Paragraph (1) above.

(3) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or

assess the effects of, asbestos, asbestos fibers or products containing asbestos; or

- (b) Claim or suit by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

s. Employment-Related Practices

"Personal injury" to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or
 - (c) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is committed before, during or after the time of that person's employment; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal injury" to that person at whom any of the employment-related practices described in Paragraph (a), (b), or (c) above is directed.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the "personal injury".

COVERAGE C – MEDICAL PAYMENTS

1. Insuring Agreement

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:
 - (1) On premises you own or rent;
 - (2) On ways next to premises you own or rent; or

- (3) Because of your operations;

provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, X-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. Exclusions

We will not pay expenses for "bodily injury":

a. Any Insured

To any insured, except "volunteer workers".

b. Hired Person

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

c. Injury On Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. Workers' Compensation And Similar Laws

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products-Completed Operations Hazard

Included within the "products-completed operations hazard".

g. Coverage A Exclusions

Excluded under Coverage A.

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SUPPLEMENTARY PAYMENTS

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. Up to \$2,500 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
 - c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$500 a day because of time off from work.
 - e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.
2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:
 - a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
 - b. This insurance applies to such liability assumed by the insured;
 - c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been

assumed by the insured in the same "insured contract";

- d. The allegations in the "suit" and the information we know about the "occurrence" or offense are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:
 - (1) Agrees in writing to:
 - (a) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (c) Notify any other insurer whose coverage is available to the indemnitee; and
 - (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (2) Provides us with written authorization to:
 - (a) Obtain records and other information related to the "suit"; and
 - (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverages – Coverage A – Bodily Injury And Property Damage Liability or Paragraph 2.e. of Section I – Coverages – Coverage B – Personal And Advertising Injury Liability, such payments will not be deemed to be damages for "bodily injury", "property damage" or "personal injury", and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- a. We have used up the applicable limit of insurance in the payment of judgments, settlements or medical expenses; or
- b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
 - a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:

(1) "Bodily injury" or "personal injury":

- (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer

workers" while performing duties related to the conduct of your business;

- (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
- (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraph (1)(a) or (b) above; or
- (d) Arising out of his or her providing or failing to provide professional health care services.

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services" by any of your "employees" or "volunteer workers", other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

(2) "Property damage" to property:

- (a) Owned, occupied or used by;
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization, while acting as your real estate manager.
- c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.

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- d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
 - e. Any person or organization that, with your express or implied consent, either uses or is responsible for the use of a watercraft that you do not own that is:
 - (1) 50 feet long or less; and
 - (2) Not being used to carry any person or property for a charge.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you are the sole owner or in which you maintain an ownership interest of more than 50%, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
 - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
 - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

For the purposes of Paragraph 1. of Section II – Who Is An Insured, each such organization will be deemed to be designated in the Declarations as:

- a. An organization, other than a partnership, joint venture or limited liability company; or
 - b. A trust;
- as indicated in its name or the documents that govern its structure.
4. Any person or organization that is a premises owner, manager or lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" that:
- a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and

- b. Arises out of the ownership, maintenance or use of that part of any premises leased to you.

The insurance provided to such premises owner, manager or lessor is subject to the following provisions:

- a. The limits of insurance provided to such premises owner, manager or lessor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
 - b. The insurance provided to such premises owner, manager or lessor does not apply to:
 - (1) Any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after you cease to be a tenant in that premises; or
 - (2) Structural alterations, new construction or demolition operations performed by or on behalf of such premises owner, manager or lessor.
5. Any person or organization that is an equipment lessor and that you have agreed in a written contract or agreement to include as an additional insured on this Coverage Part is an insured, but only with respect to liability for "bodily injury", "property damage", or "personal and advertising injury" that:
- a. Is "bodily injury" or "property damage" that occurs, or is "personal and advertising injury" caused by an offense that is committed, subsequent to the signing of that contract or agreement; and
 - b. Is caused, in whole or in part, by your acts or omissions in the maintenance, operation or use of equipment leased to you by such equipment lessor.

The insurance provided to such equipment lessor is subject to the following provisions:

- a. The limits of insurance provided to such equipment lessor will be the minimum limits that you agreed to provide in the written contract or agreement, or the limits shown in the Declarations, whichever are less.
- b. The insurance provided to such equipment lessor does not apply to any "bodily injury" or "property damage" that occurs, or "personal and advertising injury" caused by an offense that is committed, after the equipment lease expires.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint

venture or limited liability company that is not shown as a Named Insured in the Declarations. This paragraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under Section II – Who Is An Insured.

SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Medical expenses under Coverage C;
 - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
 - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".
4. Subject to Paragraph 2. above, the Personal And Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal injury" and "advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
 - a. Damages under Coverage A; and
 - b. Medical expenses under Coverage C; because of all "bodily injury" and "property damage" arising out of any one "occurrence".

For the purposes of determining the applicable Each Occurrence Limit, all related acts or omissions committed in providing or failing to provide first aid or "Good Samaritan services" to any one person will be deemed to be one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "premises damage" to any one premises. The Damage To Premises Rented To You Limit will be:

- a. The amount shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part; or
- b. \$300,000 if no amount is shown for the Damage To Premises Rented To You Limit in the Declarations of this Coverage Part.

7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the Insured or of the Insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:

- (1) How, when and where the "occurrence" or offense took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

- c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

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- (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.
- d. No Insured will, except at that Insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.
- e. The following provisions apply to Paragraph a. above, but only for purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or 2. of Section II – Who Is An Insured:
- (1) Notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known to you (if you are an individual), any of your partners or members who is an individual (if you are a partnership or joint venture), any of your managers who is an individual (if you are a limited liability company), any of your "executive officers" or directors (if you are an organization other than a partnership, joint venture, or limited liability company), any of your trustees who is an individual (if you are a trust) or any "employee" authorized by you to give notice of an "occurrence" or offense.
 - (2) If you are a partnership, joint venture, limited liability company or trust, and none of your partners, joint venture members, managers or trustees are individuals, notice to us of such "occurrence" or offense must be given as soon as practicable only after the "occurrence" or offense is known by:
 - (a) Any individual who is:
 - (i) A partner or member of any partnership or joint venture;
 - (ii) A manager of any limited liability company;
 - (iii) An executive officer or director of any other organization; or
 - (iv) A trustee of any trust;
- that is your partner, joint venture member, manager or trustee; or
- (b) Any employee authorized by such partnership, joint venture, limited liability company, trust or other organization to give notice of an "occurrence" or offense.
- (3) Notice to us of such "occurrence" or offense will be deemed to be given as soon as practicable if it is given in good faith as soon as practicable to your workers' compensation insurer. This applies only if you subsequently give notice to us of the "occurrence" or offense as soon as practicable after any of the persons described in Paragraph e.(1) or (2) above discovers that the "occurrence" or offense may result in sums to which the insurance provided under this Coverage Part may apply.
- However, if this policy includes an endorsement that provides limited coverage for "bodily injury" or "property damage" or pollution costs arising out of a discharge, release or escape of "pollutants" which contains a requirement that the discharge, release or escape of "pollutants" must be reported to us within a specific number of days after its abrupt commencement, this Paragraph e. does not affect that requirement.
- 3. Legal Action Against Us**
- No person or organization has a right under this Coverage Part:
- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
 - b. To sue us on this Coverage Part unless all of its terms have been fully complied with.
- A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance

If valid and collectible other insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as described in Paragraphs a. and b. below.

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies, except when the Non cumulation of Each Occurrence Limit provision of Paragraph 5. of Section III – Limits Of Insurance or the Non cumulation of Personal and Advertising Injury Limit provision of Paragraph 4. of Section III – Limits of Insurance applies because the Amendment – Non Cumulation Of Each Occurrence Limit Of Liability And Non Cumulation Of Personal And Advertising Injury Limit endorsement is included in this policy;
- (iii) Any risk retention group; or
- (iv) Any self-insurance method or program, in which case the insured will be deemed to be the provider of other insurance.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

As used anywhere in this Coverage Part, other insurer means a provider of other insurance. As used in Paragraph c. below, insurer means a provider of insurance.

a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below, except when Paragraph d. below applies.

b. Excess Insurance

(1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other basis:
 - (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";

(ii) That is insurance for "premises damage";

(iii) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to any exclusion in this Coverage Part that applies to aircraft, "autos" or watercraft;

(iv) That is insurance available to a premises owner, manager or lessor that qualifies as an insured under Paragraph 4. of Section II – Who Is An Insured, except when Paragraph d. below applies; or

(v) That is insurance available to an equipment lessor that qualifies as an insured under Paragraph 5. of Section II – Who Is An Insured, except when Paragraph d. below applies.

(b) Any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to the insured when the insured is an additional insured, or is any other insured that does not qualify as a named insured, under such other insurance.

(2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(b) The total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

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c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

d. Primary And Non-Contributory Insurance If Required By Written Contract

If you specifically agree in a written contract or agreement that the insurance afforded to an insured under this Coverage Part must apply on a primary basis, or a primary and non-contributory basis, this insurance is primary to other insurance that is available to such insured which covers such insured as a named insured, and we will not share with that other insurance, provided that:

- (1) The "bodily injury" or "property damage" for which coverage is sought occurs; and
- (2) The "personal and advertising injury" for which coverage is sought is caused by an offense that is committed;

subsequent to the signing of that contract or agreement by you.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the Insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V - DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
 - a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Advertising injury":

- a. Means injury caused by one or more of the following offenses:

- (1) Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
- (2) Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light; or
- (3) Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".

- b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.

3. "Auto" means:

- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
- b. Any other land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

4. "Bodily injury" means:

- a. Physical harm, including sickness or disease, sustained by a person; or
- b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.

5. "Broadcasting" means transmitting any audio or visual material for any purpose:

- a. By radio or television; or

- b. In, by or with any other electronic means of communication, such as the Internet, if that material is part of:

- (1) Radio or television programming being transmitted;
- (2) Other entertainment, educational, instructional, music or news programming being transmitted; or
- (3) Advertising transmitted with any of such programming.

6. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
- c. All other parts of the world if the injury or damage arises out of:

- (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
- (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
- (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication;

provided the insured's responsibility to pay damages is determined in a "suit" on the merits in the territory described in Paragraph a. above, or in a settlement we agree to.

7. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

9. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.

COMMERCIAL GENERAL LIABILITY

10. "Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.
11. "Hostile fire" means a fire which becomes uncontrollable or breaks out from where it was intended to be.
12. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
 - You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
13. "Insured contract" means:
- A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for "premises damage" is not an "insured contract";
 - A sidetrack agreement;
 - Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
 - An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
 - An elevator maintenance agreement;
 - That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury", "property damage" or "personal injury" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph f. does not include that part of any contract or agreement:
- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing;
 - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
 - Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
 - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in Paragraph (2) above and supervisory, inspection, architectural or engineering activities.
14. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".
15. "Loading or unloading" means the handling of property:
- After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
 - While it is in or on an aircraft, watercraft or "auto"; or
 - While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".
16. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:
- Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - Vehicles maintained for use solely on or next to premises you own or rent;
 - Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

- (1) Power cranes, shovels, loaders, diggers or drills; or
- (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
- (2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
 - (a) Snow removal;
 - (b) Road maintenance, but not construction or resurfacing; or
 - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged. Such land vehicles are considered "autos".

17. "Occurrence" means:

- a. An accident, including continuous or repeated exposure to substantially the same general harmful conditions; or

- b. An act or omission committed in providing or failing to provide first aid or "Good Samaritan services" to a person, unless you are in the business or occupation of providing professional health care services.

18. "Personal and advertising injury" means "personal injury" or "advertising injury".

19. "Personal injury":

- a. Means injury, other than "advertising injury", caused by one or more of the following offenses:

- (1) False arrest, detention or imprisonment;
- (2) Malicious prosecution;
- (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
- (4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
- (5) Oral or written publication, including publication by electronic means, of material that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light.

- b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.

20. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

COMMERCIAL GENERAL LIABILITY

21. "Premises damage" means:

- a. With respect to the first paragraph of the exceptions in Exclusion j. of Section I – Coverage A – Bodily Injury And Property Damage Liability, "property damage" to any premises while rented to you for a period of seven or fewer consecutive days, including the contents of such premises; or
- b. With respect to the exception to Exclusions c. through n. in the last paragraph of Paragraph 2. of Section I – Coverage A – Bodily Injury And Property Damage Liability, "property damage" to any premises while rented to you for a period of more than seven consecutive days, or while temporarily occupied by you with permission of the owner, caused by:

- (1) Fire;
- (2) Explosion;
- (3) Lightning;
- (4) Smoke resulting from fire, explosion or lightning; or
- (5) Water.

But "premises damage" under this Paragraph b. does not include "property damage" to any premises caused by:

- (1) Rupture, bursting, or operation of pressure relief devices;
- (2) Rupture or bursting due to expansion or swelling of the contents of any building or structure caused by or resulting from water; or
- (3) Explosion of steam boilers, steam pipes, steam engines or steam turbines.

22. "Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
 - (1) Products that are still in your physical possession; or
 - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
 - (a) When all of the work called for in your contract has been completed.
 - (b) When all of the work to be done at the job site has been completed if your

contract calls for work at more than one job site.

- (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy Schedule, states that products-completed operations are subject to the General Aggregate Limit.

23. "Property damage" means:

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use will be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

24. "Slogan":

- a. Means a phrase that others use for the purpose of attracting attention in their advertising.
- b. Does not include a phrase used as, or in, the name of:
 - (1) Any person or organization, other than you; or
 - (2) Any business, or any of the premises, goods, products, services or work, of any person or organization, other than you.

COMMERCIAL GENERAL LIABILITY

25. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:
- An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
 - Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.
26. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
27. "Title" means a name of a literary or artistic work.
28. "Unsolicited communication" means any communication, in any form, that the recipient of such communication did not specifically request to receive.
29. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
30. "Your product":
- Means:
 - Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - You;
 - Others trading under your name; or
 - A person or organization whose business or assets you have acquired; and
 - Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.
 - Includes:
 - Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - The providing of or failure to provide warnings or instructions.
 - Does not include vending machines or other property rented to or located for the use of others but not sold.
31. "Your work":
- Means:
 - Work or operations performed by you or on your behalf; and
 - Materials, parts or equipment furnished in connection with such work or operations.
 - Includes:
 - Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - The providing of or failure to provide warnings or instructions.

Lasco Construction Inc.

POLICY NUMBER: DT-CO-8T881605-PHX-24

COMMERCIAL GENERAL LIABILITY

ISSUE DATE: 10/01/2024

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

DESIGNATED PROJECT(S) GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Designated Project(s):

EACH "PROJECT" FOR WHICH YOU HAVE AGREED, IN A WRITTEN CONTRACT WHICH IS IN EFFECT DURING THIS POLICY PERIOD, TO PROVIDE A SEPARATE GENERAL AGGREGATE LIMIT, PROVIDED THAT THE CONTRACT IS SIGNED AND EXECUTED BY YOU BEFORE THE "BODILY INJURY" OR "PROPERTY DAMAGE" OCCURS.

Designated Project

General Aggregate(s):

**GENERAL AGGREGATE
LIMIT SHOWN ON THE
DECLARATIONS**

- A. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **COVERAGE A. (SECTION I)**, and for all medical expenses caused by accidents under **COVERAGE C (SECTION I)**, which can be attributed only to operations at a single designated "project" shown in the Schedule above:
 1. A separate Designated Project General Aggregate Limit applies to each designated "project", and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations, unless separate Designated Project General Aggregate(s) are scheduled above.
 2. The Designated Project General Aggregate Limit is the most we will pay for the sum of all damages under **COVERAGE A.**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under **COVERAGE C**, regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".
 3. Any payments made under **COVERAGE A.** for damages or under **COVERAGE C.** for medical expenses shall reduce the Designated Project General Aggregate Limit for that designated "project". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Project General Aggregate Limit for any other designated "project" shown in the Schedule above.
 4. The limits shown in the Declarations for **Each Occurrence, Damage To Premises Rented To You and Medical Expense** continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Project General Aggregate Limit.
- B. For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **COVERAGE A. (SECTION I)**, and for all medical expenses caused by accidents under **COVERAGE C. (SECTION I)**, which cannot be attributed only to operations at a single designated "project" shown in the Schedule above:

COMMERCIAL GENERAL LIABILITY

1. Any payments made under **COVERAGE A**, for damages or under **COVERAGE C**, for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-Completed Operations Aggregate Limit, whichever is applicable; and
 2. Such payments shall not reduce any Designated Project General Aggregate Limit.
- C. Part 2. of **SECTION III – LIMITS OF INSURANCE** is deleted and replaced by the following:
2. The General Aggregate Limit is the most we will pay for the sum of:
 - a. Damages under **Coverage B**; and
 - b. Damages from "occurrences" under **COVERAGE A (SECTION I)** and for all medical expenses caused by accidents under **COVERAGE C (SECTION I)** which cannot be attributed only to operations at a single designated "project" shown in the **SCHEDULE** above.
- D. When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-Completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Project General Aggregate Limit.
- E. For the purposes of this endorsement the **Definitions Section** is amended by the addition of the following definition:
- "Project" means an area away from premises owned by or rented to you at which you are performing operations pursuant to a contract or agreement. For the purposes of determining the applicable aggregate limit of insurance, each "project" that includes premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad shall be considered a single "project".
- F. The provisions of **SECTION III – LIMITS OF INSURANCE** not otherwise modified by this endorsement shall continue to apply as stipulated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BUSINESS AUTO EXTENSION ENDORSEMENT

This endorsement modifies Insurance provided under the following:

BUSINESS AUTO COVERAGE FORM

GENERAL DESCRIPTION OF COVERAGE – This endorsement broadens coverage. However, coverage for any injury, damage or medical expenses described in any of the provisions of this endorsement may be excluded or limited by another endorsement to the Coverage Part, and these coverage broadening provisions do not apply to the extent that coverage is excluded or limited by such an endorsement. The following listing is a general coverage description only. Limitations and exclusions may apply to these coverages. Read all the provisions of this endorsement and the rest of your policy carefully to determine rights, duties, and what is and is not covered.

- | | |
|---|---|
| A. BROAD FORM NAMED INSURED | H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT |
| B. BLANKET ADDITIONAL INSURED | I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT |
| C. EMPLOYEE HIRED AUTO | J. PERSONAL PROPERTY |
| D. EMPLOYEES AS INSURED | K. AIRBAGS |
| E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS | L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS |
| F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS | M. BLANKET WAIVER OF SUBROGATION |
| G. WAIVER OF DEDUCTIBLE – GLASS | N. UNINTENTIONAL ERRORS OR OMISSIONS |

PROVISIONS

A. BROAD FORM NAMED INSURED

The following is added to Paragraph A.1., Who Is An Insured, of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

Any organization you newly acquire or form during the policy period over which you maintain 50% or more ownership interest and that is not separately insured for Business Auto Coverage. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

B. BLANKET ADDITIONAL INSURED

The following is added to Paragraph c. in A.1., Who Is An Insured, of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

Any person or organization who is required under a written contract or agreement between you and that person or organization, that is signed and executed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to be named as an additional insured is an "insured" for Covered Autos Liability Coverage, but only for damages to which

this insurance applies and only to the extent that person or organization qualifies as an "insured" under the Who Is An Insured provision contained in Section II.

C. EMPLOYEE HIRED AUTO

1. The following is added to Paragraph A.1., Who Is An Insured, of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

An "employee" of yours is an "insured" while operating an "auto" hired or rented under a contract or agreement in an "employee's" name, with your permission, while performing duties related to the conduct of your business.

2. The following replaces Paragraph b. in B.5., Other Insurance, of SECTION IV – BUSINESS AUTO CONDITIONS:

- b. For Hired Auto Physical Damage Coverage, the following are deemed to be covered "autos" you own:

- (1) Any covered "auto" you lease, hire, rent or borrow; and
- (2) Any covered "auto" hired or rented by your "employee" under a contract in an "employee's" name, with your

COMMERCIAL AUTO

permission, while performing duties related to the conduct of your business.

However, any "auto" that is leased, hired, rented or borrowed with a driver is not a covered "auto".

D. EMPLOYEES AS INSURED

The following is added to Paragraph A.1., Who Is An Insured, of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

Any "employee" of yours is an "insured" while using a covered "auto" you don't own, hire or borrow in your business or your personal affairs.

E. SUPPLEMENTARY PAYMENTS – INCREASED LIMITS

1. The following replaces Paragraph A.2.a.(2), of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

(2) Up to \$3,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an "accident" we cover. We do not have to furnish these bonds.

2. The following replaces Paragraph A.2.a.(4), of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

(4) All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$500 a day because of time off from work.

F. HIRED AUTO – LIMITED WORLDWIDE COVERAGE – INDEMNITY BASIS

The following replaces Subparagraph (5) in Paragraph B.7., Policy Period, Coverage Territory, of SECTION IV – BUSINESS AUTO CONDITIONS:

(5) Anywhere in the world, except any country or jurisdiction while any trade sanction, embargo, or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction, for Covered Autos Liability Coverage for any covered "auto" that you lease, hire, rent or borrow without a driver for a period of 30 days or less and that is not an "auto" you lease, hire, rent or borrow from any of your "employees", partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

(a) With respect to any claim made or "suit" brought outside the United States of America, the territories and possessions of the United States of America, Puerto Rico and Canada:

(i) You must arrange to defend the "insured" against, and investigate or settle any such claim or "suit" and keep us advised of all proceedings and actions.

(ii) Neither you nor any other involved "insured" will make any settlement without our consent.

(iii) We may, at our discretion, participate in defending the "insured" against, or in the settlement of, any claim or "suit".

(iv) We will reimburse the "insured" for sums that the "insured" legally must pay as damages because of "bodily injury" or "property damage" to which this insurance applies, that the "insured" pays with our consent, but only up to the limit described in Paragraph C., Limits Of Insurance, of SECTION II – COVERED AUTOS LIABILITY COVERAGE.

(v) We will reimburse the "insured" for the reasonable expenses incurred with our consent for your investigation of such claims and your defense of the "insured" against any such "suit", but only up to and included within the limit described in Paragraph C., Limits Of Insurance, of SECTION II – COVERED AUTOS LIABILITY COVERAGE, and not in addition to such limit. Our duty to make such payments ends when we have used up the applicable limit of insurance in payments for damages, settlements or defense expenses.

(b) This insurance is excess over any valid and collectible other insurance available to the "insured" whether primary, excess, contingent or on any other basis.

(c) This insurance is not a substitute for required or compulsory insurance in any country outside the United States, its territories and possessions, Puerto Rico and Canada.

You agree to maintain all required or compulsory insurance in any such country up to the minimum limits required by local law. Your failure to comply with compulsory insurance requirements will not invalidate the coverage afforded by this policy, but we will only be liable to the same extent we would have been liable had you complied with the compulsory insurance requirements.

- (d) It is understood that we are not an admitted or authorized insurer outside the United States of America, its territories and possessions, Puerto Rico and Canada. We assume no responsibility for the furnishing of certificates of insurance, or for compliance in any way with the laws of other countries relating to insurance.

G. WAIVER OF DEDUCTIBLE – GLASS

The following is added to Paragraph D., Deductible, of SECTION III – PHYSICAL DAMAGE COVERAGE:

No deductible for a covered "auto" will apply to glass damage if the glass is repaired rather than replaced.

H. HIRED AUTO PHYSICAL DAMAGE – LOSS OF USE – INCREASED LIMIT

The following replaces the last sentence of Paragraph A.4.b., Loss Of Use Expenses, of SECTION III – PHYSICAL DAMAGE COVERAGE:

However, the most we will pay for any expenses for loss of use is \$65 per day, to a maximum of \$750 for any one "accident".

I. PHYSICAL DAMAGE – TRANSPORTATION EXPENSES – INCREASED LIMIT

The following replaces the first sentence of Paragraph A.4.a., Transportation Expenses, of SECTION III – PHYSICAL DAMAGE COVERAGE:

We will pay up to \$50 per day to a maximum of \$1,500 for temporary transportation expense incurred by you because of the total theft of a covered "auto" of the private passenger type.

J. PERSONAL PROPERTY

The following is added to Paragraph A.4., Coverage Extensions, of SECTION III – PHYSICAL DAMAGE COVERAGE:

Personal Property

We will pay up to \$400 for "loss" to wearing apparel and other personal property which is:

- (1) Owned by an "insured"; and

- (2) In or on your covered "auto".

This coverage applies only in the event of a total theft of your covered "auto".

No deductibles apply to this Personal Property coverage.

K. AIRBAGS

The following is added to Paragraph B.3., Exclusions, of SECTION III – PHYSICAL DAMAGE COVERAGE:

Exclusion 3.a. does not apply to "loss" to one or more airbags in a covered "auto" you own that inflate due to a cause other than a cause of "loss" set forth in Paragraphs A.1.b. and A.1.c., but only:

- If that "auto" is a covered "auto" for Comprehensive Coverage under this policy;
- The airbags are not covered under any warranty; and
- The airbags were not intentionally inflated. We will pay up to a maximum of \$1,000 for any one "loss".

L. NOTICE AND KNOWLEDGE OF ACCIDENT OR LOSS

The following is added to Paragraph A.2.a., of SECTION IV – BUSINESS AUTO CONDITIONS:

Your duty to give us or our authorized representative prompt notice of the "accident" or "loss" applies only when the "accident" or "loss" is known to:

- You (if you are an individual);
- A partner (if you are a partnership);
- A member (if you are a limited liability company);
- An executive officer, director or insurance manager (if you are a corporation or other organization); or
- Any "employee" authorized by you to give notice of the "accident" or "loss".

M. BLANKET WAIVER OF SUBROGATION

The following replaces Paragraph A.5., Transfer Of Rights Of Recovery Against Others To Us, of SECTION IV – BUSINESS AUTO CONDITIONS:

5. Transfer Of Rights Of Recovery Against Others To Us

We waive any right of recovery we may have against any person or organization to the extent required of you by a written contract signed and executed prior to any "accident" or "loss", provided that the "accident" or "loss" arises out of operations contemplated by

COMMERCIAL AUTO

such contract. The waiver applies only to the person or organization designated in such contract.

N. UNINTENTIONAL ERRORS OR OMISSIONS

The following is added to Paragraph B.2., **Concealment, Misrepresentation, Or Fraud**, of **SECTION IV -- BUSINESS AUTO CONDITIONS**:

The unintentional omission of, or unintentional error in, any information given by you shall not prejudice your rights under this insurance. However this provision does not affect our right to collect additional premium or exercise our right of cancellation or non-renewal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

BLANKET ADDITIONAL INSURED – PRIMARY AND NON-CONTRIBUTORY WITH OTHER INSURANCE – CONTRACTORS

This endorsement modifies insurance provided under the following:
BUSINESS AUTO COVERAGE FORM

PROVISIONS

1. The following is added to Paragraph c. in A.1., Who Is An Insured, of SECTION II – COVERED AUTOS LIABILITY COVERAGE:

This includes any person or organization who you are required under a written contract or agreement, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, to name as an additional insured for Covered Autos Liability Coverage, but only for damages to which this Insurance applies and only to the extent of that person's or organization's liability for the conduct of another "insured".

2. The following is added to Paragraph B.5., Other Insurance of SECTION IV – BUSINESS AUTO CONDITIONS:

Regardless of the provisions of paragraph a. and paragraph d. of this part 5. Other Insurance, this insurance is primary to and non-contributory with applicable other insurance under which an additional insured person or organization is a named insured when a written contract or agreement with you, that is signed by you before the "bodily injury" or "property damage" occurs and that is in effect during the policy period, requires this insurance to be primary and non-contributory.

EXCESS FOLLOW-FORM AND UMBRELLA LIABILITY INSURANCE

**THIS POLICY, INPART, PROVIDES FOLLOW-FORM LIABILITY COVERAGE.
COVERAGE WILL APPLY ON A CLAIMS-MADE BASIS WHEN FOLLOWING
CLAIMS-MADE UNDERLYING INSURANCE.**

**COVERAGE WILL APPLY ON A DEFENSE-WITHIN-LIMITS BASIS WHEN
FOLLOWING UNDERLYING INSURANCE UNDER WHICH DEFENSE
EXPENSES ARE PAYABLE WITHIN, AND NOT IN ADDITION TO, THE LIMITS
OF INSURANCE. WHEN FOLLOWING SUCH UNDERLYING INSURANCE,
PAYMENT OF DEFENSE EXPENSES UNDER THIS POLICY WILL REDUCE,
AND MAY EXHAUST, THE LIMITS OF INSURANCE OF THIS POLICY.**

PLEASE READ THE ENTIRE POLICY CAREFULLY.

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under **SECTION II – WHO IS AN INSURED.**

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION VI – DEFINITIONS.**

SECTION I – COVERAGES

A. COVERAGE A – EXCESS FOLLOW-FORM LIABILITY

1. We will pay on behalf of the Insured those sums, in excess of the "applicable underlying limit", that the insured becomes legally obligated to pay as damages to which Coverage A of this insurance applies, provided that the "underlying insurance" would apply to such damages but for the exhaustion of its applicable limits of insurance. If a sublimit is specified in any "underlying insurance", Coverage A of this insurance applies to damages that are in excess of that sublimit only if such sublimit is shown for that "underlying insurance" in the Schedule Of Underlying Insurance.
2. Coverage A of this insurance is subject to the same terms, conditions, agreements, exclusions and definitions as the "underlying insurance", except with respect to any

provisions to the contrary contained in this insurance.

3. The amount we will pay for damages is limited as described in **SECTION III – LIMITS OF INSURANCE.**
4. For the purposes of Paragraph 1, above:
 - a. The applicable limit of insurance stated for the policies of "underlying insurance" in the Schedule Of Underlying Insurance will be considered to be reduced or exhausted only by the following payments:
 - (1) Payments of judgments or settlements for damages that are covered by that "underlying insurance". However, if such "underlying insurance" has a policy period which differs from the policy period of this Excess Follow-Form And Umbrella Liability Insurance, any such payments for damages that would not be covered by this Excess Follow-Form And Umbrella Liability

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Insurance because of its different policy period will not reduce or exhaust the applicable limit of insurance stated for such "underlying insurance";

- (2) Payments of "medical expenses" that are covered by that "underlying insurance" and are incurred for "bodily injury" caused by an accident that takes place during the policy period of this Excess Follow-Form And Umbrella Liability Insurance; or

- (3) Payments of defense expenses that are covered by that "underlying insurance", only if such "underlying insurance" includes such payments within the limits of Insurance. However, if such "underlying insurance" has a policy period which differs from the policy period of this Excess Follow-Form And Umbrella Liability Insurance, any such payments for defense expenses that would not be covered by this Excess Follow-Form And Umbrella Liability Insurance because of its different policy period will not reduce or exhaust the applicable limit of insurance stated for such "underlying insurance".

If the applicable limit of insurance stated for the policies of "underlying insurance" in the Schedule Of Underlying Insurance is actually reduced or exhausted by other payments, Coverage A of this Insurance is not invalidated. However, in the event of a loss, we will pay only to the extent that we would have paid had such limit not been actually reduced or exhausted by such other payments.

- b. If any "underlying insurance" has a limit of insurance greater than the amount shown for that insurance in the Schedule of Underlying Insurance, this insurance will apply in excess of that greater amount. If any "underlying insurance" has a limit of insurance, prior to any reduction or exhaustion by payment of damages, "medical expenses" or defense expenses described in Paragraph a. above, that is less than the amount shown for that insurance in the Schedule Of Underlying Insurance, this insurance will apply in excess of the amount shown for such insurance in the Schedule Of Underlying Insurance.
5. When the "underlying insurance" applies on a claims-made basis and includes a retroactive

date provision, the retroactive date for Coverage A of this insurance is the same as the retroactive date of that "underlying insurance".

B. COVERAGE B – UMBRELLA LIABILITY

1. We will pay on behalf of the insured those sums in excess of the "self-insured retention" that the insured becomes legally obligated to pay as damages because of "bodily injury", "property damage", "personal injury" or "advertising injury" to which Coverage B of this insurance applies.
2. Coverage B of this insurance applies to "bodily injury" or "property damage" only if:
 - a. The "bodily injury" or "property damage" is caused by an "occurrence" that takes place anywhere in the world;
 - b. The "bodily injury" or "property damage" occurs during the policy period; and
 - c. Prior to the policy period, no insured listed under Paragraph 1. in Paragraph B., **COVERAGE B – UMBRELLA LIABILITY, of SECTION II – WHO IS AN INSURED** and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, in whole or in part, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.
3. Coverage B of this insurance applies to "personal injury" or "advertising injury" caused by an offense arising out of your business, but only if the offense was committed during the policy period anywhere in the world.
4. The amount we will pay for damages is limited as described in **SECTION III – LIMITS OF INSURANCE**.
5. "Bodily injury" or "property damage":
 - a. Which occurs during the policy period; and
 - b. Which was not prior to, but was during, the policy period known to have occurred by any insured listed under Paragraph 1. in Paragraph B., **COVERAGE B – UMBRELLA LIABILITY of SECTION II – WHO IS AN INSURED**, or any "employee" authorized by you to give notice of an "occurrence" or claim;

includes any continuation, change or resumption of the "bodily injury" or "property damage" after the end of the policy period.

5. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. in Paragraph B., **COVERAGE B – UMBRELLA LIABILITY**, of **SECTION II – WHO IS AN INSURED** or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- a. Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- b. Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- c. Becomes aware by any other means that the "bodily injury" or "property damage" has occurred or has begun to occur.

7. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

8. Coverage B of this insurance does not apply to damages covered by any "underlying insurance" or that would have been covered by any "underlying insurance" but for the exhaustion of its applicable limit of insurance.

C. COVERAGE C – CRISIS MANAGEMENT SERVICE EXPENSES

1. We will reimburse the insured, or pay on the insured's behalf, "crisis management service expenses" to which Coverage C applies.
2. Coverage C of this insurance applies to "crisis management service expenses" that:
 - a. Arise out of a "crisis management event" that first commences during the policy period;
 - b. Are incurred by the insured, after a "crisis management event" first commences and before such event ends; and
 - c. Are submitted to us within 180 days after the "crisis management advisor" advises you that the "crisis management event" no longer exists.
3. A "crisis management event" will be deemed to:
 - a. First commence at the time when any "executive officer" first becomes aware of an "event" or "occurrence" that leads to that "crisis management event"; and
 - b. End when we decide that the crisis no longer exists or when the Crisis

Management Service Expenses Limit has been exhausted, whichever occurs first.

4. The amount we will pay for "crisis management service expenses" is limited as described in **SECTION III – LIMITS OF INSURANCE**.

5. A "self-insured retention" does not apply to "crisis management service expenses".

6. Any payment of "crisis management service expenses" that we make will not be determinative of our obligations under this insurance with respect to any claim or "suit" or create any duty to defend or indemnify any insured for any claim or "suit".

D. DEFENSE AND SUPPLEMENTARY PAYMENTS

1. We will have the right and duty to defend the insured:

- a. Under Coverage A, against a "suit" seeking damages to which such coverage applies, if:

- (1) The "applicable underlying limit" is the applicable limit of insurance stated for a policy of "underlying insurance" in the Schedule Of Underlying Insurance and such limit has been exhausted solely due to payments as permitted in Paragraphs 4.a.(1), (2) and (3) of **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY** of **SECTION I – COVERAGES**; or

- (2) The "applicable underlying limit" is the applicable limit of any "other insurance" and such limit has been exhausted by payments of judgments, settlements or medical expenses, or related costs or expenses (if such costs or expenses reduce such limits).

For any "suit" for which we have the right and duty to defend the insured under Coverage A, defense expenses will be within the limits of insurance of this policy when such expenses are within the limits of insurance of the applicable "underlying insurance"; or

- b. Under Coverage B, against a "suit" seeking damages to which such coverage applies.

2. We have no duty to defend any insured against any "suit";

- a. Seeking damages to which this insurance does not apply; or
- b. If any other insurer has a duty to defend.

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3. When we have the duty to defend, we may, at our discretion, investigate and settle any claim or "suit". In all other cases, we may, at our discretion, participate in the investigation, defense and settlement of any claim or "suit" for damages to which this insurance may apply. If we exercise such right to participate, all expenses we incur in doing so will not reduce the applicable limits of insurance.
4. Our duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements, or defense expenses if such expenses are within the limits of insurance of this policy.
5. We will pay, with respect to a claim we investigate or settle, or "suit" against an insured we defend:
 - a. All expenses we incur.
 - b. The cost of:
 - (1) Bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this insurance applies; or
 - (2) Appeal bonds and bonds to release attachments;
but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
 - c. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of such claim or "suit", including actual loss of earnings up to \$1,000 a day because of time off from work.
 - d. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
 - e. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
 - f. All interest that accrues on the full amount of any judgment after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable limit of insurance. If we do not pay part of the judgment for any reason other than it is more than the applicable limit of insurance, we will not pay any interest that accrues on that portion of the judgment.

With respect to a claim we investigate or settle, or "suit" against an insured we defend under **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY**, these payments will not reduce the applicable limits of insurance, but only if the applicable "underlying insurance" provides for such payments in addition to its limits of insurance. With respect to a claim we investigate or settle, or "suit" against an insured we defend under **COVERAGE B – UMBRELLA LIABILITY**, these payments will not reduce the applicable limits of insurance.

SECTION II – WHO IS AN INSURED

A. COVERAGE A – EXCESS FOLLOW-FORM LIABILITY

With respect to Coverage A, the following persons and organizations qualify as insureds:

1. The Named Insured shown in the Declarations; and
2. Any other person or organization qualifying as an insured in the "underlying insurance". If you have agreed to provide insurance for that person or organization in a written contract or agreement:
 - a. The limits of insurance afforded to such person or organization will be:
 - (1) The amount by which the minimum limits of insurance you agreed to provide such person or organization in that written contract or agreement exceed the total limits of insurance of all applicable "underlying insurance"; or
 - (2) The limits of insurance of this policy; whichever is less; and
 - b. Coverage under this policy does not apply to such person or organization if the minimum limits of insurance you agreed to provide such person or organization in that written contract or agreement are wholly within the total limits of insurance of all available applicable "underlying insurance".

B. COVERAGE B – UMBRELLA LIABILITY

With respect to Coverage B:

1. The Named Insured shown in the Declarations is an insured.
2. If you are:
 - a. An individual, your spouse is also an insured, but only with respect to the conduct of a business of which you are the sole owner.

- b. A partnership or joint venture, your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, your members are also insureds, but only with respect to the conduct of your business. Your managers are also insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, your "officers" and directors are also insureds, but only with respect to their duties as your "officers" or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
 - e. A trust, your trustees are also insureds, but only with respect to their duties as trustees.
3. Each of the following is also an insured:
- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
 - (1) "Bodily injury" or "personal injury":
 - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
 - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
 - (c) For which there is any obligation to share damages with or repay someone else who must pay

damages because of the injury described in Paragraph (1)(a) or (b) above; or

- (d) Arising out of his or her providing or failing to provide professional health care services.

Unless you are in the business or occupation of providing professional health care services, Paragraphs (1)(a), (b), (c) and (d) above do not apply to "bodily injury" arising out of providing or failing to provide first aid or "Good Samaritan services" by any of your "employees" or "volunteer workers" other than an employed or volunteer doctor. Any such "employees" or "volunteer workers" providing or failing to provide first aid or "Good Samaritan services" during their work hours for you will be deemed to be acting within the scope of their employment by you or performing duties related to the conduct of your business.

- (2) "Property damage" to property:

- (a) Owned, occupied or used by; or
- (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by;

you, any of your "employees" or "volunteer workers", any of your partners or members (if you are a partnership or joint venture), or any of your members (if you are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization, while acting as your real estate manager.
 - c. Any person or organization having proper temporary custody of your property if you die, but only:
 - (1) With respect to liability arising out of the maintenance or use of that property; and
 - (2) Until your legal representative has been appointed.
 - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this insurance.
4. Any organization, other than a partnership, joint venture or limited liability company, of which you are the sole owner, or in which you

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maintain an ownership interest of more than 50%, on the first day of the policy period is an insured and will qualify as a Named Insured. No such organization is an insured or will qualify as a Named Insured for "bodily injury" or "property damage" that occurred, or "personal injury" or "advertising injury" caused by an offense committed after the date, if any, during the policy period, that you no longer maintain an ownership interest of more than 50% in such organization.

5. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you are the sole owner, or in which you maintain an ownership interest of more than 50%, is an insured and will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

b. Coverage for such organization does not apply to:

- (1) "Bodily injury" or "property damage" that occurred; or
- (2) "Personal injury" or "advertising injury" arising out of an offense committed;

before you acquired or formed the organization.

No person or organization is an insured or will qualify as a Named Insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations. This paragraph does not apply to any such partnership, joint venture or limited liability company that otherwise qualifies as an insured under Paragraph B. of SECTION II – WHO IS AN INSURED.

C. COVERAGE C – CRISIS MANAGEMENT SERVICE EXPENSES

With respect to Coverage C, the following persons and organizations are insureds and will qualify as Named Insureds:

1. The Named Insured shown in the Declarations.
2. Any organization, other than a partnership, joint venture or limited liability company, of which you are the sole owner, or in which you maintain an ownership interest of more than 50%, on the first day of the policy period. No such organization is an insured or will qualify as a Named Insured for "crisis management service expenses" arising out of a "crisis management event" that first commences after

the date, if any, during the policy period, that you no longer maintain an ownership interest of more than 50% in such organization.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and of which you are the sole owner, or in which you maintain an ownership interest of more than 50%, if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier; and

b. Coverage for such organization does not apply to "crisis management service expenses" arising out of a "crisis management event" that occurred before you acquired or formed the organization, even if an "executive officer" only first becomes aware of an "event" or "occurrence" that leads to such "crisis management event" after the date you acquired or formed the organization.

No person or organization is an insured or will qualify as a Named Insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF INSURANCE

- A. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay for the amounts described below to which this insurance applies regardless of the number of:

1. Insureds;
2. Claims made or "suits" brought;
3. Number of vehicles involved;
4. Persons or organizations making claims or bringing "suits"; or
5. Coverages provided under this insurance.

As indicated in Paragraph D.1. of SECTION I – COVERAGES, for any "suit" for which we have the right and duty to defend the insured under Coverage A, defense expenses will be within the limits of insurance of this policy when such expenses are within the limits of insurance of the applicable "underlying insurance".

- B. The General Aggregate Limit is the most we will pay for the sum of all:

1. Damages; and
2. Defense expenses if such expenses are within the limits of insurance of this policy; except:

1. Damages and defense expenses because of "bodily injury" or "property damage" included in the "auto hazard";
 2. Damages and defense expenses because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; or
 3. Damages and defense expenses for which insurance is provided under any Aircraft Liability coverage included as "underlying insurance" to which no aggregate limit applies.
- C. The Products-Completed Operations Aggregate Limit is the most we will pay for the sum of all:
1. Damages; and
 2. Defense expenses if such expenses are within the limits of insurance of this policy; because of "bodily injury" or "property damage" included in the "products-completed operations hazard".
- D. Subject to Paragraph B. or C. above, whichever applies, the Occurrence Limit is the most we will pay for the sum of all:
1. Damages, and defense expenses if such expenses are within the limits of insurance of this policy, under Coverage A arising out of any one "event" to which the "underlying insurance" applies a limit of insurance that is separate from any aggregate limit of insurance; and
 2. Damages under Coverage B because of all "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any one "occurrence".
- For the purposes of determining the applicable Occurrence Limit, all related acts or omissions committed in the providing or failing to provide first aid or "Good Samaritan services" to any one person will be considered one "occurrence".
- E. The Crisis Management Service Expenses Limit is the most we will pay for the sum of all "crisis management service expenses" arising out of all "crisis management events". Payment of such "crisis management service expenses" is in addition to, and will not reduce, any other limit of insurance of this policy.
- F. The limits of insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations. If the policy period is extended after issuance for an additional period of less than 12 months, the additional period will be deemed part of the last preceding period for purposes of determining the limits of insurance.

SECTION IV – EXCLUSIONS

This insurance does not apply to:

- A. With respect to Coverage A and Coverage B:

1. Asbestos

- a. Damages arising out of the actual or alleged presence or actual, alleged or threatened dispersal of asbestos, asbestos fibers or products containing asbestos, provided that the damages are caused or contributed to by the hazardous properties of asbestos.
- b. Damages arising out of the actual or alleged presence or actual, alleged or threatened dispersal of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste, and that are part of any claim or "suit" which also alleges any damages described in Paragraph a. above.
- c. Any loss, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, asbestos, asbestos fibers or products containing asbestos; or
 - (2) Claim or "suit" by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, asbestos, asbestos fibers or products containing asbestos.

2. Employment-Related Practices

Damages because of injury to:

- a. A person arising out of any:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment-related practice, policy, act or omission, such as coercion, demotion, evaluation, reassignment, discipline, failure to promote or advance, harassment, humiliation, discrimination, libel, slander, violation of the person's right of privacy, malicious prosecution or false arrest, detention or imprisonment, applied to or directed at that person, regardless of whether such practice, policy, act or omission occurs, is applied or is

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committed before, during or after the time of that person's employment; or

- b. The spouse, child, parent, brother or sister of that person as a consequence of injury to that person as described in Paragraphs a.(1), (2) or (3) above.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

3. ERISA, COBRA And Similar Laws

Any obligation of the insured under:

- a. The Employees Retirement Income Security Act Of 1974 (ERISA) or any of its amendments;
- b. The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) or any of its amendments; or
- c. Any similar common or statutory law of any jurisdiction.

4. Medical Expenses Or Payments

Any obligation of the insured under any "medical expenses" or medical payments coverage.

5. Nuclear Material

Damages arising out of:

- a. The actual, alleged or threatened exposure of any person or property to; or
- b. The "hazardous properties" of; any "nuclear material".

As used in this exclusion:

- a. "Hazardous properties" includes radioactive, toxic or explosive properties;
- b. "Nuclear material" means "source material", "special nuclear material" or "by-product material"; and
- c. "Source material", "special nuclear material" and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or any of its amendments.

6. Uninsured or Underinsured Motorists, No-Fault And Similar Laws

Any liability imposed on the insured, or the insured's insurer, under any of the following laws:

- a. Uninsured motorists;
- b. Underinsured motorists;

- c. Auto no-fault or other first-party personal injury protection (PIP);
- d. Supplementary uninsured/underinsured motorists (New York); or
- e. Medical expense benefits and income loss benefits (Virginia).

7. War

Damages arising out of:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

8. Workers Compensation And Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

B. With respect to Coverage B:

1. Expected Or Intended Bodily Injury Or Property Damage

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from the use of reasonable force to protect persons or property.

2. Contractual Liability

"Bodily injury", "property damage", "personal injury" or "advertising injury" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

3. Liquor Liability

"Bodily injury" or "property damage" for which any insured may be liable by reason of:

- a. Causing or contributing to the intoxication of any person, including causing or contributing to the intoxication of any person because alcoholic beverages were permitted to be brought on your premises for consumption on your premises;

- b. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- c. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

4. Employers Liability

"Bodily injury" to:

- a. An "employee" of the insured arising out of and in the course of:
 - (1) Employment by the insured; or
 - (2) Performing duties related to the conduct of the insured's business; or
- b. The spouse, child, parent, brother or sister of that "employee" as a consequence of "bodily injury" described in Paragraph a. above.

This exclusion applies:

- a. Whether the insured may be liable as an employer or in any other capacity; and
- b. To any obligation to share damages with or repay someone else who must pay damages because of the "bodily injury".

5. Pollution

- a. "Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants".
- b. Any loss, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any insured or any other person or organization test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
 - (2) Claim or "suit" by or on behalf of any governmental authority or any other person or organization because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

6. Aircraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft that is owned or operated by or rented or loaned to any insured.

7. Auto

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any "auto". Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any "auto".

This exclusion does not apply to "bodily injury" or "property damage" caused by an "occurrence" that takes place outside of the United States of America (including its territories and possessions), Puerto Rico and Canada.

8. Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to a watercraft:

- a. While ashore on premises owned by or rented to any insured; or
- b. That is 50-feet long or less and that:
 - (1) You own; or

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- (2) You do not own and is not being used to carry any person or property for a charge.

9. Electronic Data

Damages claimed for the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data".

10. Damage To Property, Products Or Work

"Property damage" to:

- a. Property you own, rent or occupy, including any costs or expenses incurred by you, or any other person or organization, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- b. Premises you sell, give away or abandon if the "property damage" arises out of any part of those premises;
- c. Property loaned to you;
- d. Personal property in the care, custody or control of the insured;
- e. That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations if the "property damage" arises out of those operations;
- f. That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it;
- g. "Your product" arising out of "your product" or any part of it; or
- h. "Your work" arising out of "your work" or any part of it and included in the "products-completed operations hazard".

11. Damage To Impaired Property Or Property Not Physically Injured

"Property damage" to "impaired property", or property that has not been physically injured, arising out of:

- a. A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- b. A delay or failure by you, or anyone acting on your behalf, to fulfill the terms of a contract or agreement.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or

"your work" after it has been put to its intended use.

12. Recall Of Products, Work Or Impaired Property

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- a. "Your product";
- b. "Your work"; or
- c. "Impaired property";

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

13. Violation Of Consumer Financial Protection Laws

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any actual or alleged violation of a "consumer financial protection law", or any other "bodily injury", "property damage", "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such violation.

14. Unsolicited Communication

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any actual or alleged violation of any law that restricts or prohibits the sending, transmitting or distributing of "unsolicited communication".

15. Access Or Disclosure Of Confidential Or Personal Information

"Bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any access to or disclosure of any person's or organization's confidential or personal information.

16. Knowing Violation Of Rights Of Another

"Personal injury" or "advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal injury" or "advertising injury".

17. Material Published With Knowledge Of Falsity

"Personal injury" or "advertising injury" arising out of oral or written publication, including publication by electronic means, of material, if done by or at the direction of the insured with knowledge of its falsity.

18. Material Published Or Used Prior To Policy Period

- a. "Personal injury" or "advertising injury" arising out of oral or written publication, including publication by electronic means, of material whose first publication took place before the beginning of the policy period; or
- b. "Advertising injury" arising out of infringement of copyright, "title" or "slogan" in your "advertisement" whose first infringement in your "advertisement" was committed before the beginning of the policy period.

19. Criminal Acts

"Personal injury" or "advertising injury" arising out of a criminal act committed by or at the direction of the insured.

20. Breach Of Contract

"Personal injury" or "advertising injury" arising out of a breach of contract.

21. Quality Or Performance Of Goods – Failure To Conform To Statements

"Advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

22. Wrong Description Of Prices

"Advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

23. Intellectual Property

"Personal injury" or "advertising injury" arising out of any actual or alleged infringement or violation of any of the following rights or laws, or any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation:

- a. Copyright;
- b. Patent;
- c. Trade dress;
- d. Trade name;
- e. Trademark;
- f. Trade secret; or
- g. Other intellectual property rights or laws.

This exclusion does not apply to:

- a. "Advertising injury" arising out of any actual or alleged infringement or violation of another's copyright, "title" or "slogan" in your "advertisement"; or

- b. Any other "personal injury" or "advertising injury" alleged in any claim or "suit" that also alleges any such infringement or violation of another's copyright, "title" or "slogan" in your "advertisement".

24. Insureds In Media And Internet Type Business

"Personal injury" or "advertising injury" arising out of an offense committed by an insured whose business is:

- a. Advertising, "broadcasting" or publishing;
- b. Designing or determining content of web-sites for others; or
- c. An Internet search, access, content or service provider.

This exclusion does not apply to Paragraphs a.(1), (2) and (3) of the definition of "personal injury".

For the purposes of this exclusion:

- a. Creating and producing correspondence written in the conduct of your business, bulletins, financial or annual reports, or newsletters about your goods, products or services will not be considered the business of publishing; and
- b. The placing of frames, borders or links, or advertising, for you or others anywhere on the Internet will not, by itself, be considered the business of advertising, "broadcasting" or publishing.

25. Electronic Chatrooms Or Bulletin Boards

"Personal injury" or "advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns or over which the insured exercises control.

26. Unauthorized Use Of Another's Name Or Product

"Personal injury" or "advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

C. With respect to Coverage C:

Newly Acquired, Controlled Or Formed Entities

"Crisis management service expenses" arising out of a "crisis management event" that involves any organization you newly acquire or form and that occurred prior to the date you acquired or formed that organization, even if an "executive officer" only first becomes aware of an "event" or "occurrence" that leads to such "crisis

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management event" after the date you acquired or formed such organization.

SECTION V – CONDITIONS

A. APPEALS

1. If the insured or the insured's "underlying insurer" elects not to appeal a judgment which exceeds the "applicable underlying limit" or "self-insured retention", we may do so.
2. If we appeal such a judgment, we will pay all costs of the appeal. These payments will not reduce the applicable limits of insurance. In no event will our liability exceed the applicable limit of insurance.

B. BANKRUPTCY

1. Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this insurance.
2. In the event of bankruptcy or insolvency of any "underlying insurer", this insurance will not replace such bankrupt or insolvent "underlying insurer's" policy, and this insurance will apply as if such "underlying insurer" had not become bankrupt or insolvent.

C. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this insurance by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this insurance by mailing or delivering to such first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 60 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to such first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this insurance is cancelled, we will send such first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If such first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

D. CHANGES

This policy contains all the agreements between you and us concerning the insurance afforded. No change can be made in the terms of this insurance except with our consent. The terms of this insurance can be amended or waived only by endorsement issued by us and made a part of this policy.

E. CURRENCY

Payments for damages or expenses described in Paragraph 5. of Paragraph D., **DEFENSE AND SUPPLEMENTARY PAYMENTS**, of **SECTION I – COVERAGES** will be in the currency of the United States of America. At our sole option, we may make these payments in a different currency. Any necessary currency conversion for such payments will be calculated based on the rate of exchange published in the Wall Street Journal immediately preceding the date the payment is processed.

F. DUTIES REGARDING AN EVENT, OCCURRENCE, CLAIM OR SUIT

1. You must see to it that we are notified as soon as practicable of an "event" or "occurrence" which may result in a claim under this insurance. To the extent possible, notice should include:
 - a. How, when and where the "event" or "occurrence" took place;
 - b. The names and addresses of any persons or organizations sustaining injury, damage or loss, and the names and addresses of any witnesses; and
 - c. The nature and location of any injury or damage arising out of the "event" or "occurrence".
2. If a claim is made or "suit" is brought against any insured which may result in a claim under this insurance, you must see to it that we receive written notice of the claim or "suit" as soon as practicable.
3. With respect to Coverage A, the insured must:
 - a. Cooperate with us in the investigation, settlement or defense of any claim or "suit";
 - b. Comply with the terms of the "underlying insurance"; and
 - c. Pursue all rights of contribution or indemnity against any person or organization who may be liable to the insured because of the injury, damage or loss for which insurance is provided under

this policy or any policy of "underlying insurance".

- a. With respect to Coverage B, the insured must:
 - a. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - b. Authorize us to obtain necessary records and other information;
 - c. Cooperate with us in the investigation, settlement or defense of any claim or "suit"; and
 - d. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which Coverage B may apply.
5. No insured will, except at that insured's own expense, voluntarily make a payment, assume any obligation, make any admission or incur any expense, other than for first aid for "bodily injury" covered by this insurance, without our consent.
6. Knowledge of an "event", "occurrence", claim or "suit" by your agent, servant or "employee" will not constitute knowledge by you, unless your insurance or risk manager, or anyone working in the capacity as your insurance or risk manager, or anyone you designate with the responsibility of reporting an "event", "occurrence", claim or "suit":
 - a. Has received notice of such "event", "occurrence", claim or "suit" from such agent, servant or "employee"; or
 - b. Otherwise has knowledge of such "event", "occurrence", claim or "suit".

G. DUTIES REGARDING A CRISIS MANAGEMENT EVENT

You must:

1. Notify us within 30 days of a "crisis management event" that may result in "crisis management service expenses".
2. Provide written notice of the "crisis management event" as soon as practicable. To the extent possible, notice should include:
 - a. How, when and where that "crisis management event" took place;
 - b. The names and addresses of any persons or organizations sustaining injury, damage or loss, and the named and addresses of any witnesses;

c. The nature and location of any injury or damage arising out of that "crisis management event"; and

d. The reason that "crisis management event" is likely to involve damages covered by this insurance in excess of the "applicable underlying limit" or "self-insured retention" and involve regional or national media coverage.

H. EXAMINATION OF YOUR BOOKS AND RECORDS

We may examine and audit your books and records as they relate to this insurance:

1. At any time during the policy period;
2. Up to three years after the end of the policy period; and
3. Within one year after final settlement of all claims under this insurance.

I. EXTENDED REPORTING PERIOD OPTION

1. When the "underlying insurance" applies on a claims-made basis, any automatic or basic "extended reporting period" in such "underlying insurance" will apply to this insurance.
2. When the "underlying insurance" applies on a claims-made basis and you elect to purchase an optional or supplemental "extended reporting period" in such "underlying insurance," that "extended reporting period" will apply to this insurance only if:
 - a. A written request to purchase an Extended Reporting Period endorsement for this insurance is made by you and received by us within 90 days after the end of the policy period;
 - b. You have paid all premiums due for this policy at the time you make such request;
 - c. You promptly pay the additional premium we charge for the Extended Reporting Period endorsement for this insurance when due. We will determine that additional premium after we have received your request for the Extended Reporting Period endorsement for this insurance. That additional premium is not subject to any limitation stated in the "underlying insurance" on the amount or percentage of additional premium that may be charged for the "extended reporting period" in such "underlying insurance"; and

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- d. That Extended Reporting Period endorsement is issued by us and made a part of this policy.
3. Any Extended Reporting Period endorsement for this insurance will not reinstate or increase the Limits of Insurance or extend the policy period.
4. Except with respect to any provisions to the contrary contained in Paragraphs 1., 2. or 3. above, all provisions of any option to purchase an "extended reporting period" granted to you in the "underlying insurance" apply to this insurance.

J. INSPECTIONS AND SURVEYS

1. We have the right but are not obligated to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.

K. LEGAL ACTION AGAINST US

1. No person or organization has a right under this insurance:
 - a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
 - b. To sue us on this insurance unless all of its terms have been fully complied with.
2. A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured. We will not be liable for damages that:
 - a. Are not payable under the terms of this insurance; or
 - b. Are in excess of the applicable limit of insurance.

An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

L. MAINTENANCE OF UNDERLYING INSURANCE

1. The insurance afforded by each policy of "underlying insurance" will be maintained for

the full policy period of this Excess Follow-Form And Umbrella Liability Insurance. This provision does not apply to the reduction or exhaustion of the aggregate limit or limits of such "underlying insurance" solely by payments as permitted in Paragraphs 4.a.(1), (2) and (3) of **COVERAGE A - EXCESS FOLLOW-FORM LIABILITY OF SECTION I - COVERAGES**. As such policies expire, you will renew them at limits and with coverage at least equal to the expiring limits of insurance. If you fail to comply with the above requirements, Coverage A is not invalidated. However, in the event of a loss, we will pay only to the extent that we would have paid had you complied with the above requirements.

2. The first Named Insured shown in the Declarations must give us written notice of any change in the "underlying insurance" as respects:
 - a. Coverage;
 - b. Limits of insurance;
 - c. Termination of any coverage; or
 - d. Exhaustion of aggregate limits.
3. If you are unable to recover from any "underlying insurer" because you fail to comply with any term or condition of the "underlying insurance", Coverage A is not invalidated. However, we will pay for any loss only to the extent that we would have paid had you complied with that term or condition in that "underlying insurance".

M. OTHER INSURANCE

This insurance is excess over any valid and collectible "other insurance" whether such "other insurance" is stated to be primary, contributing, excess, contingent or otherwise. This provision does not apply to a policy bought specifically to apply as excess of this insurance.

However, if you specifically agree in a written contract or agreement that the insurance provided to any person or organization that qualifies as an insured under this insurance must apply on a primary basis, or a primary and non-contributory basis, then insurance provided under Coverage A is subject to the following provisions:

1. This insurance will apply before any "other insurance" that is available to such additional insured which covers that person or organization as a named insured, and we will not share with that "other insurance", provided that the injury or damage for which coverage is sought is caused by an "event" that takes place or is committed subsequent to the signing of that contract or agreement by you.
2. This insurance is still excess over any valid and collectible "other insurance", whether primary, excess, contingent or otherwise, which covers that person or organization as an additional insured or as any other insured that does not qualify as a named insured.

N. PREMIUM

1. The first Named Insured shown in the Declarations is responsible for the payment of all premiums and will be the payee for any return premiums.
2. If the premium is a flat charge, it is not subject to adjustment except as provided in Paragraph 4. below.
3. If the premium is other than a flat charge, it is an advance premium only. The earned premium will be computed at the end of the policy period, or at the end of each year of the policy period if the policy period is two years or longer, at the rate shown in the Declarations, subject to the Minimum Premium.
4. Additional premium may become payable when coverage is provided for additional insureds under the provisions of **SECTION II - WHO IS AN INSURED.**

O. PREMIUM AUDIT

The premium for this policy is the amount stated in Item 5. of the Declarations. The premium is a flat charge unless it is specified in the Declarations as adjustable.

P. PROHIBITED COVERAGE - UNLICENSED INSURANCE

1. With respect to loss sustained by any insured in a country or jurisdiction in which we are not licensed to provide this insurance, this insurance does not apply to the extent that insuring such loss would violate the laws or regulations of such country or jurisdiction.
2. We do not assume responsibility for:
 - a. The payment of any fine, fee, penalty or other charge that may be imposed on any person or organization in any country or jurisdiction because we are not licensed to

provide insurance in such country or jurisdiction; or

- b. The furnishing of certificates or other evidence of insurance in any country or jurisdiction in which we are not licensed to provide insurance.

Q. PROHIBITED COVERAGE - TRADE OR ECONOMIC SANCTIONS

We will provide coverage for any loss, or otherwise will provide any benefit, only to the extent that providing such coverage or benefit does not expose us or any of our affiliated or parent companies to:

1. Any trade or economic sanction under any law or regulation of the United States of America; or
2. Any other applicable trade or economic sanction, prohibition or restriction.

R. REPRESENTATIONS

By accepting this insurance, you agree:

1. The statements in the Declarations and any subsequent notice relating to "underlying insurance" are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this insurance in reliance upon your representations.

S. SEPARATION OF INSURED

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this policy to the first Named Insured shown in the Declarations, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom claim is made or "suit" is brought.

T. WAIVER OR TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

1. If the insured has rights to recover all or part of any payment we have made under this insurance, those rights are transferred to us and the insured must do nothing after loss to impair them. At our request, the insured will bring suit or transfer those rights to us and help us, and with respect to Coverage A, the "underlying insurer", enforce them.

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against that person or organization, but only for payments we make because of an "event" that takes place or is committed subsequent to the

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execution of that contract or agreement by such insured.

2. Reimbursement of any amount recovered will be made in the following order:
 - a. First, to any person or organization (including us or the insured) who has paid any amount in excess of the applicable limit of insurance;
 - b. Next, to us; and
 - c. Then, to any person or organization (including the insured and with respect to Coverage A, the "underlying insurer") that is entitled to claim the remainder, if any.
3. Expenses incurred in the process of recovery will be divided among all persons or organizations receiving amounts recovered according to the ratio of their respective recoveries.

U. TRANSFER OF YOUR RIGHTS AND DUTIES UNDER THIS INSURANCE

1. Your rights and duties under this insurance may not be transferred without our written consent except in the case of death of an individual Named Insured.
2. If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

V. UNINTENTIONAL OMISSION OR ERROR

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

W. WHEN LOSS IS PAYABLE

If we are liable under this insurance, we will pay for injury, damage or loss after:

1. The insured's liability is established by:
 - a. A court decision; or
 - b. A written agreement between the claimant, the insured, any "underlying insurer" and us; and
2. The amount of the "applicable underlying limit" or "self-insured retention" is paid by or on behalf of the insured.

SECTION VI – DEFINITIONS

A. With respect to all coverages of this insurance:

1. "Applicable underlying limit" means the sum of:

- a. The applicable limit of insurance stated for the policies of "underlying insurance" in the Schedule Of Underlying Insurance subject to the provisions in Paragraphs 4.a.(1), (2) and (3) of **COVERAGE A – EXCESS FOLLOW-FORM LIABILITY** of **SECTION I – COVERAGES**; and

- b. The applicable limit of insurance of any "other insurance" that applies.

The limits of insurance in any policy of "underlying insurance" will apply even if:

- a. The "underlying insurer" claims the insured failed to comply with any term or condition of the policy; or

- b. The "underlying insurer" becomes bankrupt or insolvent.

2. "Auto hazard" means all "bodily injury" and "property damage" to which liability insurance afforded under an auto policy of "underlying insurance" would apply but for the exhaustion of its applicable limits of insurance.

3. "Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

4. "Event" means an "occurrence", offense, accident, act, error, omission, wrongful act or loss.

5. "Extended reporting period" means any period of time, starting with the end of the policy period of your claims-made insurance, during which claims or "suits" may be first made, brought or reported for that insurance.

6. "Medical expenses" means expenses to which any Medical Payments section of any policy of Commercial General Liability "underlying insurance" applies.

7. "Other insurance" means insurance, or the funding of losses, that is provided by, through or on behalf of:

- a. Another insurance company;
- b. Us or any of our affiliated insurance companies;
- c. Any risk retention group;

d. Any self-insurance method or program, in which case the insured will be deemed to be the provider of such insurance; or

e. Any similar risk transfer or risk management method.

"Other insurance" does not include:

a. Any "underlying insurance"; or

b. Any policy of insurance specifically purchased to be excess of the limits of insurance of this policy shown in the Declarations.

8. "Products-completed operations hazard":

a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all the work called for in your contract has been completed;

(b) When all the work to be done at the job site has been completed if your contract calls for work at more than one job site; or

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include "bodily injury" or "property damage" arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;

(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification listed in a policy of

Commercial General Liability "underlying insurance" states that products-completed operations are subject to the General Aggregate Limit.

9. "Suit" means a civil proceeding which alleges damages. "Suit" includes:

a. An arbitration proceeding in which damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding to which the insured submits with our consent.

10. "Underlying insurance":

a. Means the policy or policies of insurance listed in the Schedule Of Underlying Insurance.

b. Includes any renewal or replacement of such policies if such renewal or replacement is during the policy period of this Excess Follow-Form And Umbrella Liability Insurance.

c. Does not include any part of the policy period of any of the policies described in Paragraphs a. or b. above that began before, or that continues after, the policy period of this Excess Follow-Form And Umbrella Liability Insurance.

11. "Underlying insurer" means any insurer which provides a policy of insurance listed in the Schedule Of Underlying Insurance.

B. With respect to Coverage B and, to the extent that the following terms are not defined in the "underlying insurance", to Coverage A:

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

b. Regarding web sites, only that part of a web site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

2. "Advertising injury":

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- a. Means injury, other than "personal injury", caused by one or more of the following offenses:
 - (1) Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
 - (2) Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light; or
 - (3) Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".
 - b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.
3. "Auto" means:
- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
 - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.
- However, "auto" does not include "mobile equipment".
4. "Bodily injury" means:
- a. Physical harm, including sickness or disease, sustained by a person; or
 - b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.
5. "Broadcasting" means transmitting any audio or visual material for any purpose:
- a. By radio or television; or
 - b. In, by or with any other electronic means of communication, such as the Internet, if that material is part of:
 - (1) Radio or television programming being transmitted;
 - (2) Other entertainment, educational, instructional, music or news programming being transmitted; or
 - (3) Advertising transmitted with any such programming.
6. "Consumer financial identity information" means any of the following information for a person that is used or collected for the purpose of serving as a factor in establishing such person's eligibility for personal credit, insurance or employment or for the purpose of conducting a business transaction:
- a. Part or all of the account number, the expiration date or the balance of any credit, debit, bank or other financial account;
 - b. Information bearing on a person's credit worthiness, credit standing or credit capacity;
 - c. Social security number;
 - d. Driver's license number; or
 - e. Birth date.
7. "Consumer financial protection law" means:
- a. The Fair Credit Reporting Act (FCRA) and any of its amendments, including the Fair and Accurate Credit Transactions Act (FACTA);
 - b. California's Song-Beverly Credit Card Act and any of its amendments; or
 - c. Any other law or regulation that restricts or prohibits the collection, dissemination, transmission, distribution or use of "consumer financial identity information".
8. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
9. "Good Samaritan services" means any emergency medical services for which no compensation is demanded or received.
10. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

11. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

12. "Loading or unloading" means the handling of property:

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

13. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads.
- b. Vehicles maintained for use solely on or next to premises you own or rent.
- c. Vehicles that travel on crawler treads.
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (1) Power cranes, shovels, loaders, diggers or drills; or
 - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers.
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical

exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers.

f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicle that is subject to a compulsory or financial responsibility law, or other motor vehicle insurance law, where it is licensed or principally garaged. Such land vehicles are considered "autos".

14. "Occurrence" means:

a. With respect to "bodily injury" or "property damage":

(1) An accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results in "bodily injury" or "property damage". All "bodily injury" or "property damage" caused by such exposure to substantially the same general harmful conditions will be deemed to be caused by one "occurrence"; or

(2) An act or omission committed in providing or failing to provide first aid or "Good Samaritan services" to a person by any of your "employees" or "volunteer workers" other than an employed or volunteer doctor, unless you are in the business or occupation of providing professional health care services;

UMBRELLA

- b. With respect to "personal injury", an offense arising out of your business that results in "personal injury". All "personal injury" caused by the same or related injurious material, act or offense will be deemed to be caused by one "occurrence", regardless of the frequency or repetition thereof, the number and kind of media used or the number of persons or organizations making claims or bringing "suits"; and
 - c. With respect to "advertising injury", an offense committed in the course of advertising your goods, products and services that results in "advertising injury". All "advertising injury" caused by the same or related injurious material, act or offense will be deemed to be caused by one "occurrence", regardless of the frequency or repetition thereof, the number and kind of media used or the number of persons or organizations making claims or bringing "suits".
15. "Officer" means a person holding any of the officer positions created by your charter, constitution, bylaws or any other similar governing document.
16. "Personal injury":
- a. Means injury, other than "advertising injury", caused by one or more of the following offenses:
 - (1) False arrest, detention or imprisonment;
 - (2) Malicious prosecution;
 - (3) The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
 - (4) Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
 - (5) Oral or written publication, including publication by electronic means, of material that:
 - (a) Appropriates a person's name, voice, photograph or likeness; or
 - (b) Unreasonably places a person in a false light.
 - b. Includes "bodily injury" caused by one or more of the offenses described in Paragraph a. above.
17. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
18. "Property damage" means:
- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use will be deemed to occur at the time of the physical injury that caused it; or
 - b. Loss of use of tangible property that is not physically injured. All such loss of use will be deemed to occur at the time of the "occurrence" that caused it.
- For the purposes of this insurance, "electronic data" is not tangible property.
19. "Self-insured retention" is the greater of:
- a. The amount shown in the Declarations which the insured must first pay under Coverage B for damages because of all "bodily injury", "property damage", "personal injury" or "advertising injury" arising out of any one "occurrence"; or
 - b. The applicable limit of insurance of any "other insurance" that applies.
20. "Slogan":
- a. Means a phrase that others use for the purpose of attracting attention in their advertising.
 - b. Does not include a phrase used as, or in, the name of:
 - (1) Any person or organization other than you; or
 - (2) Any business, or any of the premises, goods, products, services or work, of any person or organization other than you.

21. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

22. "Title" means the name of a literary or artistic work.

23. "Unsolicited communication" means any communication, in any form, that the recipient of such communication did not specifically request to receive.

24. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed by you.

25. "Your product":

a. Means:

(1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(2) The providing of or failure to provide warnings or instructions.

c. Does not include vending machines or other property rented to or located for the use of others but not sold.

26. "Your work":

a. Means:

(1) Work or operations performed by you or on your behalf; and

(2) Materials, parts or equipment furnished in connection with such work or operations.

b. Includes:

(1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

(2) The providing of or failure to provide warnings or instructions.

C. With respect to Coverage C:

1. "Crisis management advisor" means any public relations firm or crisis management firm approved by us that is hired by you to perform "crisis management services" in connection with a "crisis management event".

2. "Crisis management event" means an "event" or "occurrence" that your "executive officer" reasonably determines has resulted, or may result, in:

a. Damages covered by this Coverage A or Coverage B that are in excess of the total applicable limits of the "underlying insurance" or "self-insured retention"; and

b. Significant adverse regional or national media coverage.

3. "Crisis management service expenses" means amounts incurred by you, after a "crisis management event" first commences and before such event ends:

a. For the reasonable and necessary:

(1) Fees and expenses of a "crisis management advisor" in the performance for you of "crisis management services" solely for a "crisis management event"; and

(2) Costs for printing, advertising, mailing of materials or travel by your directors, officers, employees or agents or a "crisis management advisor" solely for a "crisis management event"; and

b. For the following expenses resulting from such "crisis management event", provided that such expenses have been approved by us:

(1) Medical expenses;

(2) Funeral expenses;

(3) Psychological counseling;

(4) Travel expenses;

(5) Temporary living expenses;

(6) Expenses to secure the scene of a "crisis management event"; or

(7) Any other expenses pre-approved by us.

UMBRELLA

4. "Crisis management services" means those services performed by a "crisis management advisor" in advising you or minimizing potential harm to you from a "crisis management event" by maintaining or restoring public confidence in you.
5. "Executive officer" means your:
 - a. Chief Executive Officer;
 - b. Chief Operating Officer;
 - c. Chief Financial Officer;
 - d. President;
 - e. General Counsel;
 - f. General partner (if you are a partnership); or
 - g. Sole proprietor (if you are a sole proprietorship);or any person acting in the same capacity as any individual listed above.



ONE TOWER SQUARE
HARTFORD CT 06183

WORKERS COMPENSATION
AND
EMPLOYERS LIABILITY POLICY

ENDORSEMENT WC 00 03 13 (00) - 001

POLICY NUMBER: UB-1W925140-25-26-G

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit any one not named in the Schedule.

SCHEDULE

DESIGNATED PERSON:

DESIGNATED ORGANIZATION:

ANY PERSON OR ORGANIZATION FOR WHICH THE INSURED HAS AGREED
BY WRITTEN CONTRACT EXECUTED PRIOR TO LOSS TO FURNISH THIS
WAIVER.

Certificate of Contractor Registration



This is to certify that

LASCO CONSTRUCTION, INC

314 W MARLAND ST

HOBBS, NM, 88240-6525

has registered with the Department of Workforce Solutions

Registration Date: 8/12/2024

Registration Number: 002294420110809

**This certificate does not show the current status of the company.
To see the current status for this company please go to the Public Works
and Apprenticeship Application (PWAA) at
<https://www.dws.state.nm.us/pwaa>**

STATE OF NEW MEXICO

TAXATION AND REVENUE DEPARTMENT

RESIDENT CONTRACTOR CERTIFICATE

Issued to: LASCO CONSTRUCTION, INC.
DBA: LASCO CONSTRUCTION, INC.
PO BOX 877
HOBBS, NM 88241-0877

Expires: 22-Feb-2027

Certificate Number:

L0378500720



Stephanie Schardin Clarke
Cabinet Secretary

THIS CERTIFICATE IS NOT TRANSFERABLE

CITY OF HOBBS

RESOLUTION NO. 7530

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A GRANT AGREEMENT
2024 CAPITAL APPROPRIATION PROJECT NUMBER 2-I2986
PLAN, DESIGN, CONSTRUCT, AND IMPROVE TRAINING FACILITIES, INCLUDING
A FIRE TRAINING TOWER AND PUBLIC SAFETY CENTER

WHEREAS, the State of New Mexico 2024 Legislative Capital Appropriation Project has been awarded to the City of Hobbs Fire Department; and

WHEREAS, this grant is for the plan, design, construction, and improvement of training facilities, including a fire training tower and public safety center; and

WHEREAS, this project will enhance our training capabilities, improve safety, develop much-needed skills, and improve the service we provide to the community;

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor be and hereby is authorized and directed to take all necessary and appropriate action to effectuate this Resolution for a Grant Agreement with the State of New Mexico, Department of Finance and Administration for the Project No. 24-I2986, a copy of which is attached hereto and incorporated herein.

PASSED, APPROVED AND ADOPTED this 5th day of August, 2024.



SAM D. COBB, Mayor

ATTEST:



JAN FLETCHER, City Clerk



**STATE OF NEW MEXICO
DEPARTMENT OF FINANCE AND ADMINISTRATION
GENERAL FUND 93100 CAPITAL APPROPRIATION PROJECT**

THIS AGREEMENT is made and entered into as of the date it is executed, by and between the Department of Finance and Administration, hereinafter called the "Department" or abbreviation such as "DFA/LGD", and **CITY OF HOBBS**, hereinafter called the "Grantee". This Agreement shall be effective as of the date it is executed by the Department.

RECITALS

WHEREAS, in the **Laws of 2024, Chapter 66, Section 28, Paragraph 344**, the Legislature made an appropriation to the Department, funds from which the Department is making available to the Grantee pursuant to this Agreement; and

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

WHEREAS, pursuant to Sections 9-6-5 and 9-6-5.1 NMSA 1978, the Secretary of the Department of Finance and Administration has the power and the authority to (i) maintain long-range estimates and plans for capital projects and develop standards for measuring the need for, and utility of, proposed projects; (ii) contract for, receive and utilize any grants or other financial assistance made available by the United States government or by any other source, public or private; (iii) provide planning and funding assistance to units of local government, council of government organizations, Indian tribal governments situated within New Mexico, and to nonprofit entities having for their purpose local, regional or community betterment; (iv) incident to any such programs, may enter into contracts and agreements with such units of local government, council of government organizations, Indian tribal governments, nonprofit entities and the federal government; and (v) delegate such authority to the Local Government Division as being necessary and appropriate to such delegation;

AGREEMENT

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

ARTICLE I. PROJECT DESCRIPTION, AMOUNT OF GRANT AND REVERSION DATE

A. The project that is the subject of this Agreement is described as follows:

24-12986 \$1,424,000.00 APPROPRIATION REVERSION DATE: June 30, 2028

Laws of 2024, Chapter 66, Section 28, Paragraph 344, One Million Four Hundred Twenty-four Thousand (\$1,424,000.00), from the General Fund 93100 to plan, design, construct and improve training facilities, including a fire training tower and public safety center, in Hobbs in Lea county;

The Grantee's total reimbursements shall not exceed One Million Four Hundred Twenty-four Thousand \$1,424,000.00 (the "Appropriation Amount") minus the allocation for Art in Public Places ("AIPP amount")¹, if applicable, Fourteen Thousand Two Hundred Forty \$14,240.00, which equals One Million Four Hundred Nine Thousand Seven Hundred Sixty \$1,409,760.00 (the "Adjusted Appropriation Amount").

In the event of a conflict among the Appropriation Amount, the Reversion Date, as defined herein and/or the purpose of the Project, as set forth in this Agreement, and the corresponding appropriation language in the laws cited above in this Article I(A), the language of the laws cited herein shall control.

This project is referred to throughout the remainder of this Agreement as the "Project"; the information contained in Article I(A) is referred to collectively throughout the remainder of this Agreement as the "Project Description." [Optional Language if special conditions apply. Attachment A sets forth additional or more stringent requirements and conditions, which are incorporated by this reference as if set forth fully herein. If Optional Attachment A imposes more stringent requirements than any requirement set forth in this Agreement, the more stringent requirements of Attachment A shall prevail, in the event of irreconcilable conflict.] The Grantee shall reference the Project's number in all correspondence with and submissions to the Department concerning the Project, including, but not limited to, Requests for Payment and reports.

ARTICLE II. LIMITATION ON DEPARTMENT'S OBLIGATION TO MAKE GRANT DISBURSEMENT TO GRANTEE

A. Upon the Effective Date of this Agreement, for permissible purposes within the scope of the Project Description, the Grantee shall only be reimbursed monies for which the Department has issued and the Grantee has received a Notice of Department's Obligation to Reimburse Grantee (hereinafter referred to as "Notice of Obligation"). This Grant Agreement and the disbursement of any and all amounts of the above referenced Adjusted Appropriation Amount are expressly conditioned upon the following:

- i. Irrespective of any Notice of Obligation, the Grantee's expenditures shall be made on or before the Reversion Date and, if applicable, an Early Termination Date (i.e., the goods have been delivered and accepted or the title to the goods has been transferred to the Grantee and/or the services have been rendered for the Grantee); and
- ii. The total amount received by the Grantee shall not exceed the lesser of: (a) the Adjusted Appropriation Amount identified in Article I(A) herein or (b) the total of all amounts stated in the Notice(s) of Obligation evidencing that the Department has received and accepted the Grantee's Third Party Obligation(s), as defined in subparagraph iii of this Article II(A); and
- iii. The Grantee's expenditures were made pursuant to the State Procurement Code and execution of binding written obligations or purchase orders with third party contractors or vendors for the provision of services, including professional services, or the purchase of tangible personal property and real property for the Project, hereinafter referred to as "Third Party Obligations"; and
- iv. The Grantee's submittal of timely Requests for Payment in accordance with the procedures set forth in Article IX of this Agreement; and
- v. In the event that capital assets acquired with Project funds are to be sold, leased, or licensed to or operated by a private entity, the sale, lease, license, or operating agreement:
 - a. must be approved by the applicable oversight entity (if any) in accordance with law; or
 - b. if no oversight entity is required to approve the transaction, the Department must approve the transaction as complying with law.

Prior to the sale, lease, license, or operating agreement being approved pursuant to Articles II(A)(v)(a) and II(A)(v)(b) herein, the Department may, in its sole and absolute discretion and unless inconsistent with State Board of Finance imposed conditions, reimburse the Grantee for necessary expenditures incurred to develop the Project sufficiently to make the sale, lease, license, or operating agreement commercially feasible, such as plan and design expenditures; and

- vi. The Grantee shall request approval of its obligation(s) by submitting a Notice of Obligation form as provided by the Department. The Grantee's submission of documentation of all Third Party Obligations and amendments thereto (including terminations) to the Department and the Department's issuance and the Grantee's receiving of a Notice of Obligation for a particular amount in accordance with the terms of this Agreement shall be governed by the following:
 - a. The Grantee shall submit to the Department one copy of all Third Party Obligations and amendments thereto (including terminations) as soon as possible after execution by the Third Party **but prior to execution by the Grantee.**
 - b. Grantee acknowledges and agrees that if it chooses to enter into a Third Party Obligation prior to receiving a Notice of Obligation that covers the expenditure, it is solely responsible for such obligations.
 - c. The Department may, in its sole and absolute discretion, issue to Grantee a Notice of Obligation for the particular amount of that Third Party Obligation that only obligates the Department to reimburse Grantee's expenditures made on or before the Reversion Date or an Early Termination Date.
 - d. The date the Department signs the Notice of Obligation is the date that the Department's Notice of Obligation is effective. After that date, the Grantee is authorized to budget the particular amount set forth in the Notice of Obligation, execute the Third Party Obligation and request the Third Party to begin work. Payment for any work performed or goods received prior to the effective date of the Notice of Obligation is wholly and solely the obligation of the Grantee.

B. The Grantee shall implement, in all respects, the Project. The Grantee shall provide all necessary qualified personnel, material, and facilities to implement the Project. The Grantee shall finance its share (if any) of the costs of the Project, including all Project overruns.

C. Project funds shall not be used for purposes other than those specified in the Project Description.

D. Unless specifically allowed by law, Project funds cannot be used to reimburse Grantee for indirect Project costs.

¹The AIPP amount is "an amount of money equal to one percent or two hundred thousand dollars (\$200,000), whichever is less, of the amount of money appropriated for new construction or any major renovation exceeding one hundred thousand dollars (\$100,000)." Section 13-4A-4 NMSA 1978.

²"Reimburse" as used throughout this Agreement includes Department payments to the Grantee for invoices received, but not yet paid, by the Grantee from a third party contractor or vendor, if the invoices comply with the provisions of this Agreement and are a valid liability of the Grantee.

ARTICLE III. NOTICE PROVISIONS AND GRANTEE AND DEPARTMENT DESIGNATED REPRESENTATIVES

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

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

Grantee: CITY OF HOBBS
Name: Manny Gomez
Title: City Manager
Address: 200 E. Broadway St., Hobbs, NM 88240
Email: Mgoniez@hobbsnm.org
Telephone: 575-397-9206

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

Grantee: CITY OF HOBBS
Name: Toby Spears
Title: Finance Director
Address: 200 E. Broadway St., Hobbs, NM 88240
Email: tspears@hobbsnm.org
Telephone: 575-397-9235

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

Department: DFA/Local Government Division
Name: Nicole Silva
Title: Program Manager
Address: Bataan Memorial Bldg. Rm 202, Santa Fe, NM 87501
Email: Nicole.Silva@dfa.nm.gov
Telephone: 505-470-7041

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

ARTICLE IV. REVERSION DATE, TERM, DEADLINE TO EXPEND FUNDS

- A. As referenced in Article I(A), the applicable law establishes a date by which Project funds must be expended by Grantee, which is referred to throughout the remainder of this Agreement as the "Reversion Date." Upon being duly executed by both parties, this Agreement shall be effective as of the date of execution by the Department. It shall terminate on **June 30, 2028** the Reversion Date unless Terminated Before Reversion Date ("Early Termination") pursuant to Article V herein.
- B. The Project's funds must be expended on or before the Reversion Date and, if applicable, Early Termination Date of this Agreement. For purposes of this Agreement, it is not sufficient for the Grantee to encumber the Project funds on its books on or before the Project's Reversion Date or Early Termination Date. Funds are expended and an expenditure has occurred as of the date that a particular quantity of goods are delivered to and received by the Grantee or title to the goods is transferred to the Grantee and/or as of the date particular services are rendered for the Grantee. Funds are *not* expended and an expenditure has *not* occurred as of the date they are encumbered by the Grantee pursuant to a contract or purchase order with a third party.

ARTICLE V. EARLY TERMINATION

A. Early Termination Before Reversion Date Due to Completion of the Project or Complete Expenditure of the Adjusted Appropriation or Violation of this Agreement

Early Termination includes:

- i. Termination due to completion of the Project before the Reversion Date; or
- ii. Termination due to complete expenditure of the Adjusted Appropriation Amount before the Reversion Date; or
- iii. Termination for violation of the terms of this Agreement; or
- iv. Termination for suspected mishandling of public funds, including but not limited to, fraud, waste, abuse, and conflicts of interest.

Either the Department or the Grantee may early terminate this Agreement prior to the Reversion Date by providing the other party with a minimum of fifteen (15) days' advance, written notice of early termination. Grantee hereby waives any rights to assert an impairment of contract claim against the Department or the State of New Mexico in the event of Early Termination of this Agreement by the Department pursuant to Article V(A).

B. Early Termination Before Reversion Date Due to Non-appropriation

The terms of this Agreement are expressly made contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. Throughout this Agreement the term "non-appropriate" or "non-appropriation" includes the following actions by the New Mexico Legislature: deauthorization, reauthorization or revocation of a prior authorization. The Legislature may choose to non-appropriate the Appropriation referred to in Article I and, if that occurs, the Department shall early terminate this Agreement for non-appropriation by giving the Grantee written notice of such termination, and such termination shall be effective as of the effective date of the law making the non-appropriation. The Department's decision as to whether sufficient appropriations or authorizations are available shall be accepted by the Grantee and shall be final. Grantee hereby waives any rights to assert an impairment of contract claim against the Department or the State of New Mexico in the event of Early Termination of this Agreement by the Department pursuant to Article V(B).

C. Limitation on Department's Obligation to Make Grant Disbursements to Grantee in the Event of Early Termination

In the event of Early Termination of this Agreement by either party, the Department's sole and absolute obligation to reimburse the Grantee is expressly conditioned upon the limitations set forth Article II.

ARTICLE VI. SUSPENSION OF NEW OR FURTHER OBLIGATIONS

- A. The Department may choose, in its sole and absolute discretion, to provide written notice to the Grantee to suspend entering into new and further obligations. Upon the receipt of such written notice by the Grantee:
- i. The Grantee shall immediately suspend entering into new or further written obligations with third parties; and
 - ii. The Department will suspend the issuance of any new or further Notice of Obligation under this Agreement; and
 - iii. The Department may direct the Grantee to implement a corrective action plan in accordance with Article VI(D) herein.

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

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

D. Corrective Action Plan in the Event of Suspension

In the event that the Department chooses, in its sole and absolute discretion to direct the Grantee to suspend entering into new or further written obligations with third parties pursuant to Article VI(A), the Department may, but is not obligated to, require the Grantee to develop and implement a written corrective action plan to remedy the grounds for the Suspension. Such corrective action plan must be approved by the Department and be signed by the Grantee. Failure to sign a corrective action plan or meet the terms and deadlines set forth in the signed corrective action plan, is hereby deemed a violation of the terms of this Agreement for purposes of Early Termination, Article V(A)(iii). The corrective action plan is in addition to, and not in lieu of, any other equitable or legal remedy, including but not limited to Early Termination.

ARTICLE VII. AMENDMENT

This Agreement shall not be altered, changed, or amended except by instrument in writing duly executed by both the parties hereto.

ARTICLE VIII. REPORTS**A. Database Reporting**

The Grantee shall report quarterly Project activity by entering such Project information as the Department and the Department of Finance and Administration may require, such information entered directly into a database maintained by the Department of Finance and Administration. Additionally, the Grantee shall certify on the Request for Payment form that updates have been maintained and are current in the database. The Grantee hereby acknowledges that failure to perform and/or certify updates into the database will delay or potentially jeopardize the reimbursement of funds. The Department shall give Grantee a minimum of thirty (30) days' advance written notice of any changes to the information the Grantee is required to report.

Quarterly reports are due on the last day of each quarter. Quarter end reporting periods are September 30th, December 31st, March 31st, and June 30th.

B. Requests for Additional Information/Project Inspection

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

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

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

ARTICLE IX. REQUEST FOR PAYMENT PROCEDURES AND DEADLINES

A. The Grantee shall request payment by submitting a Request for Payment, in the form provided by the Department. Payment requests are subject to the following procedures:

- i. The Grantee must submit a Request for Payment; and
- ii. Each Request for Payment must contain proof of payment by the Grantee or liabilities incurred by the Grantee showing that the expenditures are valid or are liabilities incurred by the Grantee in the form of actual unpaid invoices received by the Grantee for services rendered by a third party or items of tangible personal property received by the Grantee for the implementation of the Project; provided, however, that the Grantee may be reimbursed for unpaid liabilities only if the Department, in its sole and absolute discretion, agrees to do so and in accordance with any special conditions imposed by the Department.
- iii. In cases where the Grantee is submitting a Request for Payment to the Department based upon invoices received, but not yet paid, by the Grantee from a third party contractor or vendor, if the invoices comply with the provisions of this Agreement and are a valid liability of the Grantee, the Grantee shall make payment to those contractors or vendors within five (5) business days from the date of receiving reimbursement from the Department or such shorter period of time as the Department may prescribe in writing. The Grantee is required to certify to the Department proof of payment to the third party contractor or vendor within ten (10) business days from the date of receiving reimbursement from the Department.

B. The Grantee must obligate 5% of the Adjusted Appropriation Amount within six months of execution of the grant agreement and must have expended no less than 85% of the Adjusted Appropriation Amount six months prior to the reversion date.

C. Deadlines

Requests for Payments shall be submitted by Grantee to the Department on the earlier of:

- i. Immediately as they are received by the Grantee but at a minimum thirty (30) days from when the expenditure was incurred or liability of the Grantee was approved as evidenced by an unpaid invoice received by the Grantee from a third party contractor or vendor; or
- ii. Twenty (20) days from date of Early Termination; or

iii. Twenty (20) days from the Reversion Date.

D. The Grantee's failure to abide by the requirements set forth in Article II and Article IX herein will result in the denial of its Request for Payment or will delay the processing of Requests for Payment. The Department has the right to reject a payment request for the Project unless and until it is satisfied that the expenditures in the Request for Payment are for permissible purposes within the meaning of the Project Description and that the expenditures and the Grantee are otherwise in compliance with this Agreement, including but not limited to, compliance with the reporting requirements and the requirements set forth in Article II herein to provide Third Party Obligations and the Deadlines set forth in Article IX herein. The Department's ability to reject any Request for Payment is in addition to, and not in lieu of, any other legal or equitable remedy available to the Department due to Grantee's violation of this Agreement.

ARTICLE X. PROJECT CONDITIONS AND RESTRICTIONS; REPRESENTATIONS AND WARRANTIES

A. The following general conditions and restrictions are applicable to the Project:

- i. The Project's funds must be spent in accordance with all applicable state laws, regulations, policies, and guidelines, including, but not limited to, the State Procurement Code (or local procurement ordinance, where applicable).
- ii. The Project must be implemented in accordance with the New Mexico Public Works Minimum Wage Act, Section 13-4-10 through 13-4-17 NMSA 1978, as applicable. Every contract or project in excess of sixty thousand dollars (\$60,000) that the Grantee is a party to for construction, alteration, demolition or repair or any combination of these, including painting and decorating, of public buildings, public works or public roads and that requires or involves the employment of mechanics, laborers or both shall contain a provision stating the minimum wages and fringe benefits to be paid to various classes of laborers and mechanics, shall be based upon the wages and benefits that will be determined by the New Mexico Department of Workforce Solutions to be prevailing for the corresponding classes of laborers and mechanics employed on contract work of a similar nature in the locality. Further, every contract or project shall contain a stipulation that the contractor, subcontractor, employer or a person acting as a contractor shall pay all mechanics and laborers employed on the site of the project, unconditionally and not less often than once a week and without subsequent unlawful deduction or rebate on any account, the full amounts accrued at time of payment computed at wage rates and fringe benefit rates not less than those determined pursuant to Section 13-4-11 (B) NMSA 1978 to be the prevailing wage rates and prevailing fringe benefit rates issued for the project.
- iii. The Project may only benefit private entities in accordance with applicable law, including, but not limited to, Article IX, Section 14 of the Constitution of the State of New Mexico, the "Anti-Donation Clause."
- iv. The Grantee shall not for a period of 10 years from the date of this agreement convert any property acquired, built, renovated, repaired, designed or developed with the Project's funds to uses other than those specified in the Project Description without the Department's and the Board of Finance's express, advance, written approval, which may include a requirement to reimburse the State for the cost of the project, transfer proceeds from the disposition of property to the State, or otherwise provide consideration to the State.
- v. The Grantee shall comply with all federal and state laws, rules and regulations pertaining to equal employment opportunity. In accordance with all such laws, rules and regulations the Grantee agrees to assure that no person shall, on the grounds of race, color, national origin, sex, sexual preference, age or handicap, be excluded from employment with Grantee, be excluded from participation in the Project, be denied benefits or otherwise be subject to discrimination under, any activity performed under this Agreement. If Grantee is found to be not in compliance with these requirements during the life of this Agreement, Grantee agrees to take appropriate steps to correct any deficiencies. The Grantee's failure to implement such appropriate steps within a reasonable time constitutes grounds for terminating this Agreement.

B. The Grantee hereby represents and warrants the following:

- i. The Grantee has the legal authority to receive and expend the Project's funds.
- ii. This Agreement has been duly authorized by the Grantee, the person executing this Agreement has authority to do so, and, once executed by the Grantee, this Agreement shall constitute a binding obligation of the Grantee, enforceable according to its terms.
- iii. This Agreement and the Grantee's obligations hereunder do not conflict with any law or ordinance or resolution applicable to the Grantee, the Grantee's charter (if applicable), or any judgment or decree to which the Grantee is subject.
- iv. The Grantee has independently confirmed that the Project Description, including, but not limited to, the amount and Reversion Date, is consistent with the underlying appropriation in law.
- v. The Grantee's governing body has duly adopted or passed as an official act a resolution, motion, or similar action authorizing the person identified as the official representative of the Grantee to sign the Agreement and to sign Requests for Payment.
- vi. The Grantee shall abide by New Mexico laws regarding conflicts of interest, governmental conduct and whistleblower

protection. The Grantee specifically agrees that no officer or employee of the local jurisdiction or its designees or agents, no member of the governing body, and no other public official of the locality who exercises any function or responsibility with respect to this Grant, during their tenure or for one year thereafter, shall have any interest, direct or indirect, in any contract or subcontract, or the proceeds thereof, for work to be performed or goods to be received, pursuant to this Grant. Further, Grantee shall require all of its contractors to incorporate in all subcontracts the language set forth in this paragraph prohibiting conflicts of interest.

- vii. No funds have been paid or will be paid, by or on behalf of the Grantee, to any person for influencing or attempting to influence an officer or employee of this or any agency or body in connection with the awarding of any Third Party Obligation and that the Grantee shall require certifying language prohibiting lobbying to be included in the award documents for all subawards, including subcontracts, loans and cooperative agreements. All subrecipients shall be required to certify accordingly.

ARTICLE XI. STRICT ACCOUNTABILITY OF RECEIPTS AND DISBURSEMENTS; PROJECT RECORDS

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

ARTICLE XII. IMPROPERLY REIMBURSED FUNDS

If the Department determines that part or all of the Appropriation Amount was improperly reimbursed to Grantee, including but not limited to, Project funds reimbursed to Grantee based upon fraud, mismanagement, misrepresentation, misuse, violation of law by the Grantee, or violation of this Agreement, the Grantee shall return such funds to the Department for disposition in accordance with law.

ARTICLE XIII. LIABILITY

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

ARTICLE XIV. SCOPE OF AGREEMENT

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

ARTICLE XV. REQUIRED NON-APPROPRIATIONS CLAUSE IN CONTRACTS FUNDED IN WHOLE OR PART BY FUNDS MADE AVAILABLE UNDER THIS AGREEMENT

The Grantee acknowledges, warrants, and agrees that Grantee shall include a "non-appropriations" clause in all contracts between it and other parties that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement that states:

"The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Legislature, the **CITY OF HOBBS** may immediately terminate this Agreement by giving Contractor written notice of such termination. The **CITY OF HOBBS**'s decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. Contractor hereby waives any rights to assert an impairment of contract claim against the **CITY OF HOBBS** or the Department of

Finance and Administration, Local Government Division (DFA/LGD) or the State of New Mexico in the event of immediate or Early Termination of this Agreement by the **CITY OF HOBBS** or the Department"

ARTICLE XVI. REQUIRED TERMINATION CLAUSE IN CONTRACTS FUNDED IN WHOLE OR PART BY FUNDS MADE AVAILABLE UNDER THIS AGREEMENT

Grantee acknowledges, warrants, and agrees that Grantee shall include the following termination clause in all contracts that are (i) funded in whole or part by funds made available under this Agreement and (ii) entered into after the effective date of this Agreement:

"This contract is funded in whole or in part by funds made available under a DFA/LGD Grant Agreement. Should the DFA/LGD early terminate the grant agreement, the CITY OF HOBBS may early terminate this contract by providing Contractor written notice of such termination. In the event of termination pursuant to this paragraph, the CITY OF HOBBS only liability shall be to pay Contractor for acceptable goods delivered and services rendered before the termination date."

Grantee hereby waives any rights to assert an impairment of contract claim against the Department or the State of New Mexico in the event of Early Termination of this Agreement by the Department.

ARTICLE XVII. COMPLIANCE WITH UNIFORM FUNDING CRITERIA.

A. Throughout the term of this Agreement, Grantee shall:

1. submit all reports of annual audits and agreed upon procedures required by Section 12-6-3(A)-(B) NMSA 1978 by the due dates established in 2.2.2 NMAC, reports of which must be a public record pursuant to Section 12-6-5(A) NMSA 1978 within forty-five days of delivery to the State Auditor;
2. have a duly adopted budget for the current fiscal year approved by its budgetary oversight agency (if any);
3. timely submit all required financial reports to its budgetary oversight agency (if any); and
4. have adequate accounting methods and procedures to expend grant funds in accordance with applicable law and account for and safeguard grant funds and assets acquired by grant funds.

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

1. suspend new or further obligations pursuant to Article VI(A) of this Agreement;
2. require the Grantee to develop and implement a written corrective action plan pursuant to Article VI(D) of this Agreement to remedy the non-compliance;
3. impose special grant conditions to address the non-compliance by giving the Grantee notice of such special conditions in accordance with Article III of this Agreement; the special conditions shall be binding and effective on the date that notice is deemed to have been given pursuant to Article III; or
4. terminate this Agreement pursuant to Article V(A) of this Agreement.

ARTICLE XVIII. SEVERANCE TAX BOND AND GENERAL OBLIGATION BOND PROJECT CLAUSES

A. Grantee acknowledges and agrees that the underlying appropriation for the Project is a severance tax bond or general obligation bond appropriation, and that the associated bond proceeds are administered by the New Mexico State Board of Finance (SBOF), an entity separate and distinct from the Department. Grantee acknowledges and agrees that (i) it is Grantee's sole and absolute responsibility to determine through SBOF staff what (if any) conditions are currently imposed on the Project; (ii) the Department's failure to inform Grantee of a SBOF imposed condition does not affect the validity or enforceability of the condition; (iii) the SBOF may in the future impose further or different conditions upon the Project; (iv) all SBOF conditions are effective without amendment of this Agreement; (v) all applicable SBOF conditions must be satisfied before the SBOF will release to the Department funds subject to the condition(s); and (vi) the Department's obligation to reimburse Grantee from the Project is contingent upon the then current SBOF conditions being satisfied.

B. Grantee acknowledges and agrees that the SBOF may in its sole and absolute discretion remove a project's assigned bond proceeds if the project doesn't proceed sufficiently. Entities must comply with the requirement to encumber five percent (5%) of Project funds within six months of bond issuance as certified by the grantee in the Bond Questionnaire and Certification documents submitted to the SBOF. Failure to comply may result in the bond proceeds reassignment to a new ready project. If this should occur this grant agreement will be suspended until the entity has demonstrated readiness as determined by the SBOF and the Department.

C. Grantee acknowledges and agrees that this Agreement is subject to the SBOF's Bond Project Disbursements rule, NMAC 2.61.6, as may be amended or re-codified. The rule provides definitions and interpretations of grant language for the purpose of determining whether a particular activity is allowable under the authorizing language of the agreement.

[THIS SPACE LEFT BLANK INTENTIONALLY]

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

GRANTEE

CITY OF HOBBS, NEW MEXICO

Entity Name


Signature of Official with Authority to Bind Grantee

By: SAM D. COBB
(Print Name)

Its: Mayor
(Title)

8-5-24
Date

**DEPARTMENT OF FINANCE AND ADMINISTRATION
LOCAL GOVERNMENT DIVISION**

DocuSigned by:


By: 6020E740B753A4C1...

Its: Cabinet Secretary or Designee

8/9/2024
Date

**STATE OF NEW MEXICO
GRANT PROJECT
Request for Payment Form
Exhibit 1**

I. Grantee Information

(Make sure information is complete & accurate)

- A. Grantee: _____
- B. Address: _____
(Complete Mailing, including Suite, if applicable)

City, State, Zip
- C. Contact Name/Phone #: _____
- D. Grant No: _____
- E. Project Title: _____
- F. Grant Expiration Date: _____

II. Payment Computation

- A. Payment Request No. _____
- B. Grant Amount: _____
- C. AIPP Amount (If Applicable): _____
- D. Funds Requested to Date: _____
- E. Amount Requested this Payment: _____
- F. Reversion Amount (If Applicable): _____
- G. Grant Balance: _____
- H. Final Request for Payment (if Applicable) _____

III. Fiscal Year : _____

(The State of NM Fiscal Year is July 1, 20XX through June 30, 20XX of the following year)

- IV. Reporting Certification:** ☐ I hereby certify to the best of my knowledge and belief, that reporting is up to date; to include the accuracy of expenditures and grant balance, project status, project phase, achievements and milestones; and in compliance with the Grant Agreement.

- V. Compliance Certification:** ☐ Under penalty of law, I hereby certify to the best of my knowledge and belief, the above information is correct; expenditures are properly documented, and are valid expenditures or actual receipts; and that the grant activity is in full compliance with Article IX, Sec. 14 of the New Mexico Constitution known as the "anti donation" clause.

Grantee Fiscal Officer
or Fiscal Agent (if applicable)

Grantee Representative

Printed Name

Date: _____

Printed Name

Date: _____

(State Agency Use Only)

Vendor Code: _____ Fund No.: _____ PO # _____ Loc No.: _____

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

Division Fiscal Officer Date

Division Project Manager Date

NOTICE OF OBLIGATION TO REIMBURSE GRANTEE
EXHIBIT 2

Notice of Obligation to Reimburse Grantee # _____

DATE: _____

TO: Department Representative: _____, _____

FROM: Grantee Entity: _____
Grantee Official Representative: _____

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

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

Vendor or Contractor: _____

Third Party Obligation Amount: _____

Vendor or Contractor: _____

Third Party Obligation Amount: _____

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

Grant Amount (Minus AIPP if applicable): _____

The Amount of this Notice of Obligation: _____

The Total Amount of all Previously Issued Notices of Obligation: _____

The Total Amount of all Notices of Obligation to Date: _____

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

Department Rep. Approver: _____

Title: _____

Signature: _____

Date: _____

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



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
November 17, 2025

SUBJECT: Resolution No. 7704 - Approving an Amended and Restated Memorandum of Agreement Between Lea County and the City of Hobbs Regarding Funding for Expanded Air Service at Lea Regional Airport

DEPT OF ORIGIN: Legal

DATE SUBMITTED: 11/10/2025

SUBMITTED BY: Medjine Desrosiers-Douyon, Deputy City Attorney

Summary:

The City of Hobbs and Lea County previously entered into a Memorandum of Agreement to jointly fund regular public charter jet service provided by JetSuiteX, Inc. ("JSX") at Lea County Regional Airport. The Economic Development Corporation of Lea County (EDC) has successfully negotiated an extension of this service through August 1, 2027, with increased flight frequency and a total funding cap of \$5,019,800.

Under the amended agreement, the City and County will continue to share in the financial participation for the extended service, utilizing an external grant award — \$2.5 million RASE grant from the New Mexico Department of Transportation — along with prior and supplemental local contributions.

Approval of this resolution ensures continued regional air connectivity, supports business recruitment and retention, and promotes economic growth throughout Hobbs and Lea County.

Fiscal Impact:

The current revenue budget for the Lea County MOU is currently \$500,000.00. An additional \$760,000 of revenue would need to be adjusted in January 2026. Total revised funds from the County's MOU would be \$1,260,000.

Attachments:

RESOLUTION - MOA with Lea County JSX payment v1

MOA Draft Lea County Hobbs Additional Air Service 11-10-25 tr edits

Recommendation:

Staff recommends approval of the resolution

Approved By:

Medjine Desrosiers-Douyon, Deputy City Attorney	11/10/2025
Toby Spears, Finance Director	11/10/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	11/10/2025
Manny Gomez, City Manager	11/10/2025

CITY OF HOBBS

RESOLUTION NO. 7704

A RESOLUTION APPROVING AN AMENDED AND RESTATED MEMORANDUM OF AGREEMENT BETWEEN LEA COUNTY AND THE CITY OF HOBBS FOR EXPANDED AIR SERVICE AT LEA COUNTY REGIONAL AIRPORT FOR FY 25-26

WHEREAS, the City of Hobbs ("City") and Lea County, New Mexico ("County") have previously entered into a Memorandum of Agreement to cooperatively fund the continued provision of commercial jet service between Lea County Regional Airport ("HOB") and major hub destinations; and

WHEREAS, the City and County recognize that expanded air service is vital to the continued economic growth and development of Lea County by providing efficient transportation for citizens, supporting business recruitment and retention, and enhancing regional connectivity; and

WHEREAS, the Economic Development Corporation of Lea County ("EDC") has negotiated an agreement with JetSuiteX, Inc. ("JSX") to provide regular public charter air service to and from Hobbs, New Mexico; and

WHEREAS, JSX has demonstrated measurable success and increased flight frequency, prompting the City and County to extend the service term through August 1, 2027, with a total funding cap of Five Million Nineteen Thousand Eight Hundred Dollars (\$5,019,800); and

WHEREAS, the City has received \$2,500,000 from the New Mexico Department of Transportation's Rural Air Service Enhancement (RASE) grant to support this expanded service; and

WHEREAS, the County previously contributed \$500,000 to the City on July 1, 2025, and now wishes to provide an additional \$760,000 in supplemental funds to support the extended JSX contract; and

WHEREAS, the Amended and Restated Memorandum of Agreement sets forth the mutual obligations and terms under which the City and County shall continue their financial participation in the expanded air service program, consistent with applicable state and federal grant requirements; and

WHEREAS, the City Commission finds that approval of the Amended and Restated Memorandum of Agreement is in the best interest of the City and its residents, promoting economic vitality and maintaining vital air connectivity to major hubs.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO that the Mayor be and is hereby directed to execute the agreement and any related documents necessary to implement its terms.

PASSED, ADOPTED AND APPROVED this 17th day of November, 2025.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

**AMENDED AND RESTATED TO THE MEMORANDUM OF AGREEMENT
BETWEEN
LEA COUNTY, NEW MEXICO, AND THE
CITY OF HOBBS**

This Amended and Restated Memorandum of Agreement is made by and between Lea County, New Mexico (*hereinafter* "County") and the City of Hobbs (*hereinafter* "City").

PURPOSE

The purpose of this agreement is to memorialize the terms and agreement between County and City regarding their funding of an expanded air service subsidy for FY 25-26 and FY 26-27. County and City agree to cooperate as outlined in this Memorandum of Agreement.

WHEREAS, County and City agree that an additional air service to a major hub in Lea County provides a significant economic benefit to Lea County; and

WHEREAS, an additional air service to Lea County provides efficient transportation for its citizens and businesses; and

WHEREAS, an additional air service in Lea County is required in the recruitment of new businesses and in maintaining existing businesses; and

WHEREAS, the Economic Development Corporation of Lea County ("EDC") has negotiated and obtained an agreement with JetSuiteX, Inc. ("JSX") to provide regular jet air service to and from Hobbs, NM; and

WHEREAS, JSX has increased the weekly flights and City and County wish to extend the service to August 1, 2027 with a total CAP amount of \$5,019,800; and

WHEREAS, the agreement requires payments, if necessary, to maintain the air service; and

WHEREAS, the City of Hobbs has an agreement with the EDC to furnish necessary payments if necessary; and

WHEREAS, County and City desire to jointly fund any required payment.

NOW THEREFORE, County and City agree as follows:

FUNDING

1. County and City agree to budget and share equally the costs of funding for FY 25-26.
3. The City has received a RASE grant from NMDOT of \$2,500,000, which it wishes to put toward the funding of the JSX air service.
4. A previous commitment for payment of not more than \$1,000,000.00 in the aggregate or \$500,000.00 for each entity was previously approved.
5. The County previously made a payment of \$500,000.00 to the City on July 1, 2025, to fund the payment for the additional air service.
6. The County wishes to make a payment of \$760,000 to the City on or before January 1, 2026, to fund the additional flights and contract length of the JSX service.

MERGER OF AGREEMENT

This agreement incorporates all agreements, covenants, and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, agreements, and understandings have been merged into this agreement. No prior statements, representations, promises, or agreements of understanding, verbal or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this agreement.

SOVEREIGN IMMUNITY

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

LIABILITY

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

THIRD-PARTY BENEFICIARIES

It is specifically agreed between the parties executing the agreement that it is not intended by any of the provisions of any part of the agreement to create in the public or any member thereof, a third-party beneficiary or to authorize anyone

not a party to the agreement to maintain, pursuant to the provisions of the agreement, a suit of any nature, including but not limited to suits alleging wrongful death, bodily and/or personal injury to person(s), damages to property(ies), and/or any cause of action.

INSURANCE

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

TERM

This Memorandum of Agreement shall continue in full force and effect for 6 months and may be renewed by written agreement between the parties. Nothing in this agreement guarantees future air service funding by either entity beyond what this agreement contemplates.

SEVERABILITY

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

NO ORAL MODIFICATION

The foregoing constitutes the entire agreement between the Parties and may be modified only in writing and signed by both Parties. Amendments and alterations to this agreement after execution may only be made in writing and signed by both parties.

GOVERNING LAW

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

EFFECTIVE DATE

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

ATTEST:

LEA COUNTY, NEW MEXICO

BY: _____
Gary Eidson,
Lea County Chair

Date: _____

ATTEST:

CITY OF HOBBS

BY: _____
Sam Cobb,
Mayor

Date: _____

Approved as to Form:

By: _____
John W. Caldwell
County Attorney

Date: _____

By: _____
Medjine Desrosiers-Douyon
Deputy City Attorney

Date: _____



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
November 17, 2025

SUBJECT: Resolution No. 7705 - Authorizing the Mayor to Execute a Second Amended Professional Services Agreement with the Economic Development Corporation of Lea County for FY25-26

DEPT OF ORIGIN: Legal

DATE SUBMITTED: 11/6/2025

SUBMITTED BY: Medjine Desrosiers-Douyon, Deputy City Attorney

Summary:

The City of Hobbs and Lea County entered into a partnership with the Economic Development Corporation of Lea County (EDCLC) to support charter airline services to and from the Lea County Regional Airport (HOB). The City committed a sum not to exceed the sum of \$1,000,000.

Following that agreement, EDC has entered into an agreement with JetSuiteX, Inc. (JSX) to provide regulator jet air services to and from Hobbs, NM which has demonstrated strong ridership, with consistent utilization by both business and leisure travelers. The service has enhanced regional accessibility, supported local economic activity, and strengthened recruitment efforts for both industrial and professional sectors.

Due to the success of the initial service, JSX has proposed an expansion to increase the number of weekly flights from three (3) to four (4) and extend the service term from six (6) months to twenty-four (24) months, which will require compensation to increase by an additional \$4,019,800.00.

Benefits

- **Economic Growth:** Continued air service supports business retention and attraction efforts led by the EDC and local industries.
- **Community Connectivity:** Improved flight frequency offers greater travel flexibility for residents and visitors.
- **Regional Partnership:** Strengthens collaboration between the City of Hobbs and Lea County to enhance local infrastructure and transportation access.
- **Sustainability of Service:** Ensures the long-term viability of air service by maintaining consistent funding and service reliability.

Fiscal Impact:

- City of Hobbs Contribution: \$1,260,000 total (\$500,000 existing + \$760,000 additional)
- Funding Source: Economic Development Fund (EDC Contract allocation)
- Matching Partner: Lea County (equal contribution)

The current Line Item Budget for the EDC - JSX portion is \$1,000.000. The amended contract for EDC-JSX would require a bar adjustment in January 2026 in the amount of \$4,019,800. An offsetting budget revenue adjustment also would be made on the recently awarded RASE grant by \$2,500,000.00. Additionally, a revenue adjustment would be made on the County's amended MOU agreement of \$760,000.

Attachments:

EDITED Resolution authorizing the Mayor to execute a 2nd amended PSA with EDC
2ND Amended PSA w Economic Development Corporation of Lea County FY 25-26.

Recommendation:

Motion to approve Resolution.

Approved By:

Medjine Desrosiers-Douyon, Deputy City Attorney	11/10/2025
Toby Spears, Finance Director	11/10/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	11/10/2025
Manny Gomez, City Manager	11/10/2025

CITY OF HOBBS

RESOLUTION NO. 7705

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A SECOND AMENDED PROFESSIONAL SERVICES AGREEMENT WITH ECONOMIC DEVELOPMENT CORPORATION OF LEA COUNTY FOR FY 25-26 TO INCORPORATE ADDITIONAL FUNDING FOR PUBLIC CHARTER AIR SERVICE BY A PUBLIC OPERATOR

WHEREAS, the City of Hobbs (“City”) and the Economic Development Corporation of Lea County (“EDC”) previously entered into a Professional Services Agreement to promote economic development within the City and surrounding region pursuant to the Local Economic Development Act (“LEDA”); and

WHEREAS, under the current agreement, the EDC has administered an air service development project with a public charter operator providing direct flights between Lea County Regional Airport (HOB) and major hub destinations, at a cost not to exceed one million dollars (\$1,000,000); and

WHEREAS, the EDC subsequently negotiated and secured an agreement with JetSuiteX, Inc. (“JSX”) to provide regular jet air service to and from Hobbs, New Mexico, which has demonstrated measurable success and strong passenger demand within the Hobbs–Lea County market; and

WHEREAS, based on this success, JSX has proposed an expansion of service to increase flight frequency from three (3) to four (4) flights per week and extend the service term from six (6) months to twenty-four (24) months; and

WHEREAS, the amended agreement provides for total compensation not to exceed five million nineteen thousand eight hundred dollars (\$5,019,800), representing an increase of four million nineteen thousand eight hundred dollars (\$4,019,800) to accommodate the expanded service level and extended term; and

WHEREAS, the City Commission finds that continued support of JSX charter airline service will further promote economic growth, business accessibility, and quality of life within the Hobbs community and the greater Lea County region; and

WHEREAS, the City Commission further finds that this amendment is consistent with the City’s long-term economic development objectives and authorizes continued collaboration with the EDC for project administration and oversight.

PASSED, ADOPTED AND APPROVED this 17th day of November, 2025.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

SECOND AMENDED PROFESSIONAL SERVICES AGREEMENT
CITY OF HOBBS – ECONOMIC DEVELOPMENT CORPORATION OF LEA
COUNTY

FY 2025-2026

WHEREAS, NMSA 1978, §3-17-1, provides that cities are granted those powers necessary and proper to provide for the safety, preserve the health, promote the prosperity and improve the morals, order, comfort and convenience of the City and its inhabitants; and

WHEREAS, the City Commission of the City of Hobbs, Lea County, New Mexico, has determined that the services to be provided by the contracting party pursuant to this Agreement are needed by certain segments of the population of the City and are necessary to contribute to the quality of life of the citizens of the City of Hobbs; and

WHEREAS, the City of Hobbs, through its management staff, and pursuant to NMSA 1978, §13-1-126, as amended, has conducted a good faith review of available resources within Lea County and has determined that there is only one source within Lea County for the services needed.

NOW THEREFORE, the City of Hobbs (hereinafter referred to as "City") and Economic Development Corporation of Lea County (hereinafter referred to as "Contractor") and hereby do agree as follows:

1.0 SCOPE OF SERVICES

1.1 CONTRACTOR will provide the following services:

1.1.1 Promote the economic and general welfare of all citizens of the City of Hobbs;

1.1.2 Actively solicit new business and industry to Hobbs, New Mexico, and the vicinity;

1.1.3 Work to retain existing businesses and their growth;

1.1.4 Furnish technical services pertaining to all economic and industrial development matters;

1.1.5 Provide economic and quality of life benefits to our community through increased industrial and retail attraction;

1.1.6 Improve the services and resources to retain and expand existing area businesses;

1.1.7 Attract desperately needed workforce to our area through an organized and

targeted marketing campaign;

1.1.8 Continue to build rapport with state and national leaders to influence policy that impacts our community;

1.1.9 Improve the value of membership and engagement of cornerstone business leaders;

1.1.10 Develop better qualified and trained staff who provide leadership in the economic development field;

1.1.11 Provide the services of continuing non-stop commercial airline jet services to and from Hobbs, New Mexico;

1.1.12 Recruit retail establishments to Hobbs, New Mexico;

1.1.13 Perform such other related services as are deemed appropriate;

1.2 All persons retained by CONTRACTOR to provide the services required by this Agreement shall be employees, volunteers or contractors of CONTRACTOR, which shall be solely responsible for their acts and omissions, as well as all compensation, taxes and benefits associated with their work for CONTRACTOR.

1.3 It is expressly understood and acknowledged that CONTRACTOR is an independent contractor, that it is not an instrumentality, agent or employee of City, and that it will not so represent itself to the public.

1.4 This Agreement shall not preclude funding or other contracts from other sources.

2.0 COMPENSATION

2.1 City shall pay CONTRACTOR a sum of TWO HUNDRED THOUSAND DOLLARS (\$240,000.00) for services rendered under this Agreement for operating expenses. The aforesaid amount shall be paid in quarterly installments of \$60,000.00, payable at the end of each quarter after the services contracted for are actually rendered. The first such payment shall be due on or after October 1, 2025; the second shall be due on or after January 1, 2026; the third payment on or after April 1, 2026; and the last payment on or after June 1, 2026. CONTRACTOR shall submit invoices to the City of Hobbs ten (10) days prior to payment dates and shall be sent to City of Hobbs, 200 E. Broadway, Hobbs, NM 88240 Attn: Finance Department.

2.2 City shall pay CONTRACTOR a sum not to exceed FIFTY THOUSAND DOLLARS (\$50,000.00) for special projects on a reimbursement basis as specified and approved by the Hobbs City Commission. CONTRACTOR shall submit invoices to City of Hobbs, 200 E. Broadway, Hobbs, NM 88240 Attn: Finance Department.

2.3 City shall pay CONTRACTOR a sum not to exceed TWENTY-FIVE THOUSAND DOLLARS (\$25,000.00) for retail recruitment on a reimbursement basis as specified and approved

by the Hobbs City Commission. CONTRACTOR shall submit invoices to City of Hobbs, 200 E. Broadway, Hobbs, NM 88240 Attn: Finance Department.

2.4 City shall pay Contractor a sum not to exceed FIVE MILLION, NINETEEN THOUSAND, EIGHT HUNDRED ONE MILLION DOLLARS (\$~~51,01900,800~~0.00) for public charter air service by a public charter operator, to and from Hobbs, New Mexico.

2.5 City agrees that its obligation (MRG cap) pursuant to the contract between CONTRACTOR and the commercial airline shall be TWO MILLION, SEVEN HUNDRED AND TWENTY THOUSAND, NINE HUNDRED, AND EIGHTY TWO DOLLARS (\$2,720,982.00) (sum outlined as follows: \$2,495,982.00 from the general fund and \$225,000.00 from Lodgers' Tax Fund) for providing and maintaining non-stop commercial airline jet service to and from Hobbs, New Mexico. CONTRACTOR shall submit invoices and appropriate documentation for services rendered to the City of Hobbs, 200 E. Broadway, Hobbs, NM 88240 Attn: Finance Department.

2.6 As an express condition to payment outlined in Section 2.1 above, CONTRACTOR shall submit written quarterly reports to the City Manager ten (10) days prior to the following anticipated payment dates: October 1, 2025; January 1, 2026; April 1, 2026; and June 1, 2026. The reports shall include an overview of the services CONTRACTOR provided pursuant to the agreement during the previous quarter. CONTRACTOR shall make a presentation to the Hobbs City Commission on their second meeting in January 2026 to report all services rendered under this Agreement. CONTRACTOR shall provide ongoing reports to the City Manager regarding retail economic development and recruitment initiatives being funded by this Agreement.

2.7 CONTRACTOR has requested at least TWO HUNDRED THOUSAND DOLLARS (\$200,000.00) in Lodger's Tax funding for the marketing of FlyHobbs. Approval of Lodger's Tax funding will be made by the City Commission by vote in an open meeting pursuant to the Hobbs Municipal Code Section 3.08.145(2)(b). CONTRACTOR shall spend the Lodger's Tax fund amount approved by the City Commission on the marketing of FlyHobbs.

2.8 CONTRACTOR shall make no claim against City for any expense incurred by it in providing the services required by this Agreement. Specifically, the CONTRACTOR shall make no claim against the City for travel expenses, duplication costs, telephone costs, secretarial assistance, office supplies, or any other cost not specifically allowed herein.

3.0 TERM AND TERMINATION

3.1 This Agreement for services is to cover City's fiscal year, beginning July 1, 2025, and ending June 30, 2026. CONTRACTOR shall not be entitled to future contracts or other funding in future fiscal years by virtue of entering into this Agreement.

3.2 This Agreement may be terminated by either party, with or without cause, upon thirty (30) days advanced written notice to the other. In the event of termination, City shall submit payment, for all services rendered up to the final date outlined in the written notice. Partial

performance in a given quarter shall not entitle CONTRACTOR to full payment of the quarterly installment outlined in Section 2.1 herein.

4.0 INSURANCE

4.1 CONTRACTOR shall provide the City of Hobbs with a Certificate of Insurance naming the City of Hobbs as an additional insured on all general and/or professional liability, automobile liability, and workers' compensation insurance policies. Said policy shall be primary.

5.0 MISCELLANEOUS PROVISIONS

5.1 CONTRACTOR shall timely notify City of any change as to its principal place of business, the identity of all its directors, officers and members, any change of its corporate status, any change of its tax-exempt status with the Internal Revenue Service, any change in programming and any pending litigation or asserted claims or any other matter that might affect the continued rendition of services to City residents under this Agreement.

5.2 CONTRACTOR represents and warrants that the information given to City in support of its request for funding is true and correct; further, that its staff is competent to render the services which are the subject of this Agreement, and finally, that there is no other provider in Lea County of the kind of services contemplated by this Agreement.

5.3 CONTRACTOR agrees to abide by all state and federal rules, regulations and statutes pertaining to equal opportunity. In accordance with these laws and regulations, CONTRACTOR agrees to assure that no person shall, on the grounds of race, color, national origin, sex, age, handicap or medical condition, be excluded from participation in programs and services to be rendered by CONTRACTOR pursuant to this Agreement.

5.4 CONTRACTOR shall give City prompt and timely notice of any claim made or suit instituted against CONTRACTOR which may in any way, directly or indirectly, contingently or otherwise, result in a judgment against City.

5.5 CONTRACTOR agrees to and shall indemnify, defend and hold the City, the City Commission of the City of Hobbs, its individual commissioners, its officers, employees and agents harmless from any and all causes of action, suits, claims, judgments, losses, costs, expenses and liens, of every kind and nature, including but not limited to court costs and reasonable attorneys' fees arising or alleged to have arisen out of performance of CONTRACTOR's rendition of services or failure to render services pursuant to this Agreement or any breach of this Agreement.

5.6 This Agreement shall be construed pursuant to the laws of the State of New Mexico. The parties represent that the requirements of the New Mexico Procurement Code have been met as a prerequisite for entering into this Agreement. They further agree that any changes or modifications to this Agreement suggested or required by any supervising state entity, such as the New Mexico Attorney General's office or the New Mexico Department of Finance and Administration, shall be made in order to fully comply with the law as such agencies might interpret and define it to the parties.

5.7 If CONTRACTOR obtains an audit or other type of financial review of its affairs, then City shall receive a copy of same. This provision does not otherwise obligate CONTRACTOR to secure such services. City shall be entitled to a detailed current income/expense statement upon written request.

5.8 CONTRACTOR shall provide accounting services to assure accurate statements of income and expense and make that information available to the City of Hobbs at regularly agreed intervals.

5.9 This is a professional services contract and neither City nor CONTRACTOR may assign this Agreement, or any interest herein, without prior written approval of the other.

5.10 This Agreement reflects all covenants, understandings and agreements between the parties. This Agreement may not be altered except by another writing signed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement this _____ day of _____, 2025.

ATTEST:

THE CITY OF HOBBS, NEW MEXICO

By: _____
SAM D. COBB, Mayor

By: _____
JAN FLETCHER, City Clerk

By: _____
TOBY SPEARS, Finance Director

ATTEST:

ECONOMIC DEVELOPMENT CORPORATION OF LEA COUNTY

By: _____
JENNIFER GRASSHAM, President & CEO

By: _____
BRADLEY BISHOP, Chairman

APPROVED AS TO FORM:

MEDJINE DESROSIERS-DOUYON, Deputy City Attorney



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
November 17, 2025

SUBJECT: FINAL ADOPTION: Ordinance No. 1167 - Annexing Certain Contiguous Territory Including a Portion of the Green Meadows Subdivision, Lea County, New Mexico, into the Corporate Limits of the City of Hobbs

DEPT OF ORIGIN: Planning

DATE SUBMITTED: 11/5/2025

SUBMITTED BY: Todd Randall, Assistant City Manager

Summary:

The attached ordinance proposes the annexation of approximately +/- 2.44 acres located within Section 17, Township 18 South, Range 38 East, N.M.P.M., Lea County, New Mexico, generally described as a portion of the Green Meadows Subdivision, including portions of Maple Drive and Scenic Drive. The annexation includes both property voluntarily petitioned by the majority landowner and an adjacent tract proposed by the City to maintain contiguity and ensure uniform service boundaries.

The proposed annexation area is contiguous to the existing City limits and currently has access to municipal water and sewer infrastructure along the adjacent roadway corridor. Publication of the ordinance occurred on October 31, 2025, in accordance with NMSA 1978, § 3-7-15, and a public hearing date was established for November 17, 2025, at which time the City Commission may consider formal adoption of the ordinance following required notice and comment procedures.

Fiscal Impact:

The annexation is expected to have a minimal but positive fiscal impact. The property already has access to City water and sewer, requiring no new infrastructure investment. Modest revenue from property and service taxes will be realized with no significant increase in operating costs. Properties along Maple St are proposed to extend water and sewer for new housing development.

Attachments:

ORDINANCE - Brenda Gomez - Green Meadows annexation
AFFIDAVIT 22602535 GRN MEADOWS
25265 MAPLE STREET ANNEX_10-8-25
Petition for Annexation
9-16-2025 minutes

Recommendation:

Motion to approve final adoption of the Ordinance

Approved By:

Todd Randall, Assistant City Manager	11/06/2025
Toby Spears, Finance Director	11/06/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	11/06/2025
Manny Gomez, City Manager	11/10/2025

CITY OF HOBBS

ORDINANCE NO. 1167

AN ORDINANCE ANNEXING CERTAIN CONTIGUOUS TERRITORY, INCLUDING A PORTION OF THE GREEN MEADOWS SUBDIVISION, LEA COUNTY, NEW MEXICO, INTO THE CORPORATE LIMITS OF THE CITY OF HOBBS.

WHEREAS, the owner of a majority of the property within the territory described herein has petitioned the City of Hobbs to annex said property pursuant to NMSA 1978, § 3-7-17; and

WHEREAS, the City Commission of the City of Hobbs further finds it in the public interest to annex an additional contiguous tract of land within the same general area, including public right-of-way segments of Scenic Drive, in accordance with NMSA 1978, § 3-7-15; and

WHEREAS, said territory is contiguous to the existing corporate limits and consists of approximately 2.44 acres, more or less, being Lots 1–3, Block 2, Green Meadows First Unit; Lots 26–31, Block 2A, Green Meadows Second Unit; and adjacent streets and alleys as shown on the Annexation Plat (Exhibit “A”); and

WHEREAS, the property proposed for annexation already has access to existing City water and sanitary sewer infrastructure located within or immediately adjacent to the Lovington Hwy and Scenic Drive roadway corridors, ensuring that full municipal services can be extended along Maple Drive; and

WHEREAS, the Hobbs Planning Board conducted a public meeting on September 16, 2025, and after review and discussion voted 5-0 to recommend approval of the proposed annexation; and

WHEREAS, after proper notice by publication and certified mail and a duly advertised public hearing, the City Commission finds the annexation promotes orderly growth and the health, safety, and welfare of the community.

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

1. Annexation Approved

The annexation of the territory described upon the Annexation Plat attached hereto as Exhibit “A” and incorporated herein by reference is hereby approved and declared to be within the corporate limits of the City of Hobbs, New Mexico.

2. Municipal Services

The City of Hobbs confirms that municipal water and sewer lines are available within or immediately adjacent to Lovington Hwy and Scenic Drive corridors serving the annexed area, and that the City is prepared to provide other municipal services including police, solid waste collection, street maintenance, and code enforcement.

3. Filing and Recording

The City Clerk shall file a certified copy of this Ordinance and the Annexation Plat with the Lea County Clerk, and shall transmit copies to the New Mexico Department of Finance and Administration (Local Government Division) and the New Mexico Secretary of State.

4. Effective Date

This Ordinance shall become effective thirty (30) days after adoption and publication, subject to referendum as provided by the Hobbs City Charter and applicable state law.

PASSD, ADOPTED AND APPROVED this 17th day of November, 2025.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

Affidavit of Publication

STATE OF NEW MEXICO
COUNTY OF LEA

I, Daniel Russell, Publisher of the Hobbs News-Sun, a newspaper published at Hobbs, New Mexico, solemnly swear that the clipping attached hereto was published in the regular and entire issue of said newspaper, and not a supplement thereof for a period of 1 issue(s).

Beginning with the issue dated
October 31, 2025
and ending with the issue dated
October 31, 2025.



Publisher

Sworn and subscribed to before me this
31st day of October 2025.



Business Manager

My commission expires

January 29, 2027
NOTARY PUBLIC
GUSSIE RUTH BLACK
COMMISSION # 1087526
COMMISSION EXPIRES 01/29/2027

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

LEGAL NOTICE October 31, 2025

NOTICE OF ORDINANCE

NOTICE IS HEREBY GIVEN that on the 17th day of November, 2025, at its meeting at 6:00 p.m., in the City Commission Chamber at City Hall, 1st Floor Annex, 200 East Broadway, Hobbs, New Mexico, the governing body of the City of Hobbs proposes to adopt an ordinance annexing certain property located in the Green Meadows Subdivision. The title of the Ordinance is:

AN ORDINANCE ANNEXING CERTAIN CONTIGUOUS TERRITORY, INCLUDING A PORTION OF THE GREEN MEADOWS SUBDIVISION, LEA COUNTY, NEW MEXICO, INTO THE CORPORATE LIMITS OF THE CITY OF HOBBS

WHEREAS, the owner of a majority of the property within the territory described herein has petitioned the City of Hobbs to annex said property pursuant to NMSA 1978, § 3-7-17; and

WHEREAS, the City Commission of the City of Hobbs further finds it in the public interest to annex additional contiguous tract of land within the same general area, including public right-of-way segments along Scenic Drive, in accordance with NMSA 1978, § 3-7-15; and

WHEREAS, said territory is contiguous to the existing corporate limits and consists of approximately 2.4 acres, more or less, being Lots 1-3, Block 2, Green Meadows First Unit; Lots 26-31, Block 2A, Green Meadows Second Unit; and adjacent streets and alleys as shown on the Annexation Plat (Exhibit "A"); and

WHEREAS, the property proposed for annexation already has access to existing City water and sewer infrastructure located within or immediately adjacent to the Lovington Hwy and Scenic Drive roadways corridors, ensuring that full municipal services can be extended along Maple Drive; and

WHEREAS, the Hobbs Planning Board conducted a public meeting on September 16, 2025, and after review and discussion voted 5-0 to recommend approval of the proposed annexation; and

WHEREAS, after proper notice by publication and certified mail and a duly advertised public hearing, the City Commission finds the annexation promotes orderly growth and the health, safety, and welfare of the community.

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

1. Annexation Approved

The annexation of the territory described upon the Annexation Plat on file in the City Clerk's Office and incorporated herein by reference is hereby approved and declared to be within the corporate limits of the City of Hobbs, New Mexico.

2. Municipal Services

The City of Hobbs confirms that municipal water and sewer lines are available within or immediately adjacent to Lovington Hwy and Scenic Drive corridors serving the annexed area, and that the City is prepared to provide other municipal services including police, solid waste collection, street maintenance, and code enforcement.

3. Filing and Recording

The City Clerk shall file a certified copy of this Ordinance and the Annexation Plat with the Lea County Clerk and shall transmit copies to the New Mexico Department of Finance and Administration (Local Government Division) and the New Mexico Secretary of State.

4. Effective Date

This Ordinance shall become effective thirty (30) days after adoption and publication, subject to referendum as provided by the Hobbs City Charter and applicable state law.

Copies of the proposed ordinance are available to interested persons during regular business hours in the Office of the City Clerk, City Hall, 200 East Broadway, Hobbs, New Mexico, and also online at www.hobbsnm.org.

/s/ Jan Fletcher
JAN FLETCHER, CITY CLERK
#00305711

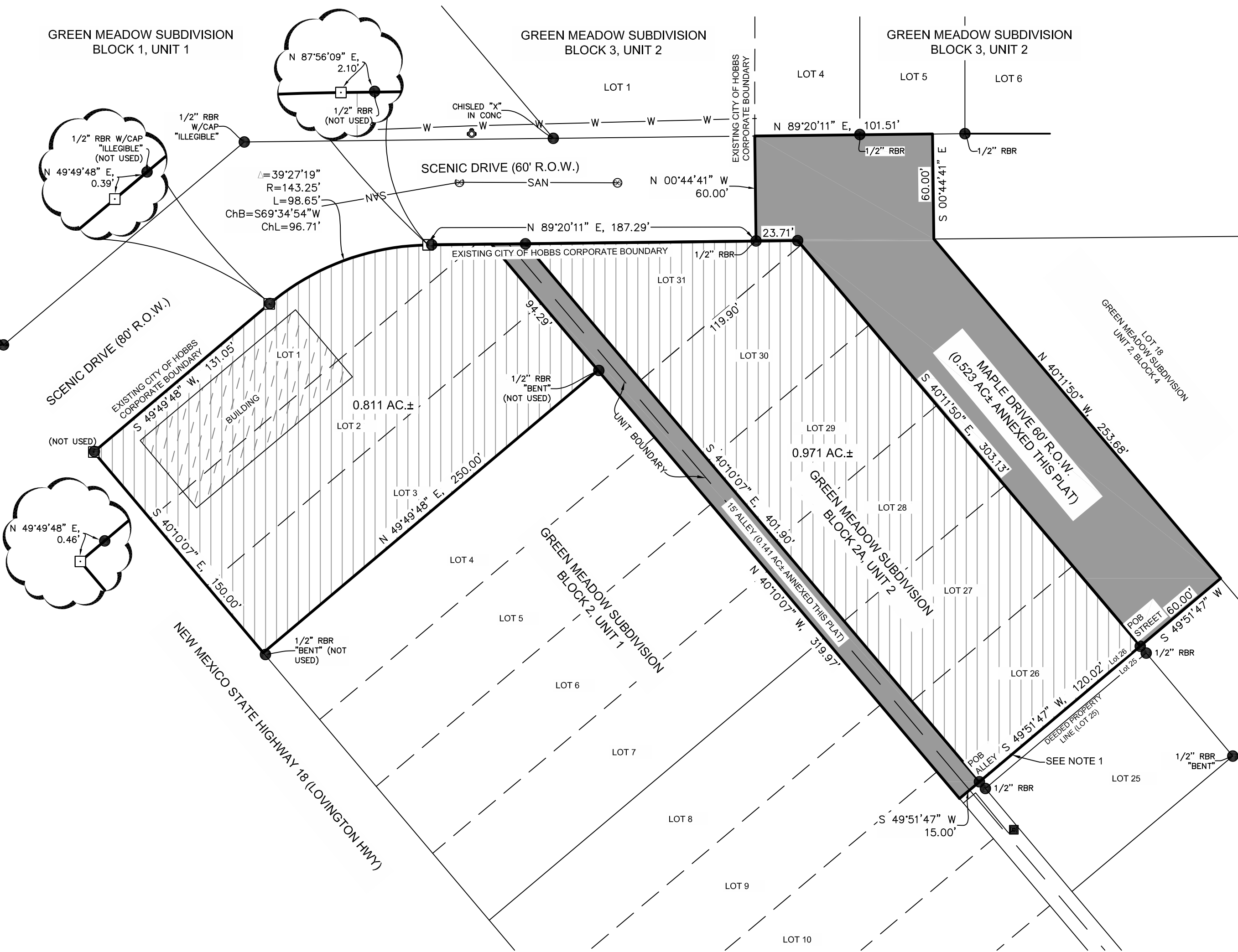
67108146

00305711

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

GREEN MEADOW SUBDIVISION ANNEXATION TO THE CITY OF HOBBS, LEA COUNTY, NEW MEXICO

THE FOREGOING PLAT TO ANNEX LOTS 1-3, BLOCK 2, FIRST UNIT,
LOTS 26-31, BLOCK 2A, SECOND UNIT AND ADJACENT STREETS AND ALLEYS
OF THE GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO.



NOTES

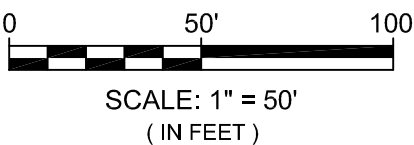
1)THE DEED RECORDED FOR LOT 25, BLOCK 2A, GREEN MEADOW SUBDIVISION, UNIT 2 IN BOOK 1858, PAGE 639, LEA COUNTY RECORDS, LEA COUNTY, NEW MEXICO DESCRIBES ONLY THE SOUTH 55 FEET OF LOT 25, LEAVING A 5 FOOT VACANCY ON NORTH SIDE OF LOT.

BASIS OF BEARING

BEARINGS SHOWN HEREON ARE FROM GPS/GNSS OBSERVATIONS AND CONFORM TO THE NEW MEXICO STATE PLANE COORDINATE SYSTEM "NEW MEXICO EAST ZONE" NORTH AMERICAN DATUM OF 1983. TRUE NORTH CAN BE OBTAINED BY APPLYING A CONVERGENCE ANGLE OF 00°37'45.1" AT A FOUND 1/2 INCH REBAR WITH YELLOW PLASTIC CAP MARKED "JWSC PS 12641" FRO THE NORTHWEST CORNER OF LOT 31, BLOCK 2A, GREEN MEADOW SUBDIVISION, UNIT 2 LOCATED AT N 639167.64', E 898973.42'. DISTANCES SHOWN HEREON ARE IN GROUND AND WERE OBTAINED BY APPLYING A COMBINED GRID TO GROUND SCALE FACTOR OF 1.00011363 AT N:0.00 E:0.00.



GRAPHIC SCALE



ANNEXATION LEGAL DESCRIPTIONS

-LOTS 1-3, BLOCK 2, FIRST UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO. SAID TRACT OF LAND CONTAINING 0.811 ACRES, MORE OR LESS.

-LOTS 26-31, BLOCK 2A, SECOND UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO. SAID TRACT CONTAINING 0.971 ACRES, MORE OR LESS.

-A PORTION OF MAPLE DRIVE AND SCENIC DRIVE LOCATED WITHIN THE SECOND UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2" REBAR WITH CAP MARKED "JWSC PS 12641" FOUND FOR THE NORTHEAST CORNER OF LOT 26, BLOCK 2A, SECOND UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO; THENCE N.40°11'50"W. ALONG THE WEST RIGHT WAY LINE OF MAPLE DRIVE, A DISTANCE OF 303.13 FEET TO A 1/2" REBAR WITH CAP MARKED "JWSC PS 12641" FOUND FOR THE NORTHEAST CORNER OF LOT 31, BLOCK 2A, SECOND UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO AND A CORNER OF THIS TRACT; THENCE S.89°20'11"W. ALONG THE SOUTH RIGHT OF WAY LINE OF SCENIC DRIVE, A DISTANCE OF 23.71 FEET TO A 1/2" REBAR FOUND ON THE SOUTH RIGHT OF WAY LINE OF SCENIC DRIVE FOR A CORNER OF THIS TRACT; THENCE N.00°44'41"W., 60.00 FEET TO A POINT ON THE NORTH RIGHT OF WAY OF SCENIC DRIVE FOR A CORNER OF THIS TRACT; THENCE N.89°20'11"E. ALONG SAID NORTH RIGHT OF WAY LINE OF SCENIC DRIVE, A DISTANCE OF 101.51 FEET TO A POINT ON SAID NORTH RIGHT OF WAY LINE; THENCE S.00°44'41"E., 60.00 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF SCENIC DRIVE AND THE EAST RIGHT OF WAY LINE OF MAPLE DRIVE, ALSO BEING THE NORTHWEST CORNER OF LOT 18, BLOCK 4, SECOND UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO; THENCE S.40°11'50"E. ALONG SAID EAST RIGHT OF WAY LINE OF MAPLE DRIVE, A DISTANCE OF 253.68 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF MAPLE DRIVE FOR A CORNER OF THIS TRACT; THENCE S.49°51'47"W., 60.00 FEET TO THE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINING 0.523 ACRES, MORE OR LESS.

-A PORTION OF ALLEY LOCATED WITHIN THE SECOND UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO BEING ADJACENT TO LOTS 26-31, BLOCK 2A, SECOND UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO AND A PORTION OF ALLEY LOCATED WITHIN THE FIRST UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO BEING ADJACENT TO LOTS 2-10, BLOCK 2, FIRST UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 1/2" REBAR WITH CAP MARKED "JWSC PS 12641" FOUND FOR THE SOUTHWEST CORNER OF LOT 26, BLOCK 2A, SECOND UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO AND FOR THE NORTHEAST CORNER OF THIS TRACT; THENCE S.49°51'47"W., AT A DISTANCE OF 7.5 FEET TO THE NORTHERLY LINE OF THE FIRST UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO, CONTINUING FOR A TOTAL DISTANCE OF 15.00 FEET TO A POINT ON THE NORTH LINE OF LOT 10, BLOCK 2, FIRST UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO FOR THE SOUTHWEST CORNER OF THIS TRACT; THENCE N.40°10'07"W., ALONG SAID NORTH LINE OF LOTS 2-10, BLOCK 2, FIRST UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO, A DISTANCE OF 414.26 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF SCENIC DRIVE FOR THE NORTHWEST CORNER OF THIS TRACT; THENCE S.89°20'11"W., ALONG SAID SOUTH RIGHT OF WAY LINE OF SCENIC DRIVE, AT A DISTANCE OF 9.72 FEET TO THE NORTHERLY LINE OF THE FIRST UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO, CONTINUING FOR A TOTAL DISTANCE OF 19.72 FEET TO A POINT ON THE SOUTH RIGHT OF WAY LINE OF SCENIC DRIVE, BEING THE NORTHWEST CORNER OF LOT 31, BLOCK 2A, SECOND UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO; FOR THE NORTHEAST CORNER OF THIS TRACT; THENCE S.40°10'07"E. ALONG SAID SOUTH LINE OF LOTS 26-31, BLOCK 2A, SECOND UNIT, GREEN MEADOW SUBDIVISION, LEA COUNTY, NEW MEXICO, A DISTANCE OF 401.90 FEET TO THE POINT OF BEGINNING. SAID TRACT OF LAND CONTAINING 0.141 ACRES, MORE OR LESS.

CERTIFICATE OF APPROVAL BY THE CITY PLANNING BOARD:

THE PLAT, RESTRICTIONS, AND DEDICATION APPROVED AND ACCEPTED THE 16TH DAY OF SEPTEMBER, 2025 A.D. BY THE CITY PLANNING BOARD OF HOBBS, NEW MEXICO.

CHAIRMAN: WILLIAM M. HICKS, III

ACKNOWLEDGMENT:

STATE OF NEW MEXICO
COUNTY OF LEA

ON THIS ___ DAY OF _____, 2025, BEFORE ME, WILLIAM M. HICKS, III TO ME KNOWN TO BE THE PERSON(S) DESCRIBED IN AND WHO EXECUTED THE FORGOING INSTRUMENT AND ACKNOWLEDGED THAT THEY EXECUTED THE SAME AS THEIR FREE ACT AND DEED.
WITNESS MY HAND AND OFFICIAL SEAL THE DAY AND YEAR LAST ABOVE WRITTEN.

NOTARY PUBLIC

CERTIFICATE OF MUNICIPAL APPROVAL

I, JAN FLETCHER, THE DULY APPOINTED AND ACTING CITY CLERK OF THE CITY OF HOBBS, LEA COUNTY, NEW MEXICO, DO HEREBY CERTIFY THAT THE FOREGOING ANNEXION PLAT, TO THE CITY OF HOBBS, WAS APPROVED BY THE COMMISSION OF THE CITY OF HOBBS BY RESOLUTION No. _____ ON THE ___ DAY OF _____, 2025 A.D.

JAN FLETCHER, CITY CLERK

ACKNOWLEDGMENT:

STATE OF NEW MEXICO
COUNTY OF LEA

THIS INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS ___ DAY OF _____, 2025. BY JAN FLETCHER.

NOTARY PUBLIC

SURVEYOR'S CERTIFICATION

EVAN J. POINTER, NEW MEXICO PROFESSIONAL SURVEYOR NO. 29968, DO HEREBY CERTIFY THAT THIS BOUNDARY SURVEY PLAT AND THE ACTUAL SURVEY ON THE GROUND UPON WHICH IT IS BASED WERE PERFORMED BY ME OR UNDER MY DIRECT SUPERVISION; THAT I AM RESPONSIBLE FOR THIS SURVEY; THAT THIS SURVEY MEETS THE MINIMUM STANDARDS FOR SURVEYING IN NEW MEXICO; AND THAT IT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

EVAN J. POINTER, N.M. P.S29968

DATE



7921 N World Dr.
Hobbs, NM 88242-9032
Squarerootservices.net
575-231-7347

TYPE OF SURVEY:

ANNEXATION PLAT

PROJECT NAME:

MAPLE STREET
ANNEXATION

CLIENT:

BRENDA GOMEZ &
CITY OF HOBBS

PROJECT NUMBER:

25265

RELATED PROJECT #24209

PROJECT SURVEYOR:

Evan J. Pointer, PS

DRAWN BY:

Kendall Goad

INDEXING INFORMATION
FOR COUNTY CLERK

OWNER:

Berry & Gomez, LLC
City of Hobbs

LOCATION:

Lots 1-3, Blk 2, Unit 1 & Lots 26-31, Blk 2A,
Unit 2, Green Meadows Subdivision
Sec. 17, T-18-S, R-38-E, N.M.P.M.,
Lea County New Mexico

State of New Mexico, County of Lea, I here by
certify that this instrument was filed for record on:

LEGEND

- FND 1/2" RBR W/ CAP MARKED "JWSC PS 12641" UNLESS OTHERWISE NOTED
- WATER METER
- ⊗ MANHOLE
- ⚡ FIRE HYDRANT
- W — WATER LINE
- SAN — SANITARY SEWER
- ▬ RIGHT OF WAY ANNEXED THIS PLAT
- ▨ LOT ANNEXED THIS PLAT

SHEET:

1 of 1

SU - 101

PETITION FOR ANNEXATION

COMES NOW, Berry & Gomez LLC (PETITIONER), and petitions the governing body of the City of Hobbs for its consent by ordinance for the annexation of that portion of Green Meadows Subdivision to the City of Hobbs, more particularly described as follows:

A TRACT OF LAND TO ANNEX A PORTION OF MAPLE DRIVE AND SCENIC DRIVE LOCATED WITHIN THE GREEN MEADOW SUBDIVISION, N.M.P.M., LEA COUNTY, NEW MEXICO AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT A 5/8" REBAR WITH CAP MARKED "POINTER PS 29968" FOUND FOR THE NORTHEAST CORNER OF LOT 26, UNIT 2, BLOCK 2A, GREEN MEADOW SUBDIVISION; THENCE N.40°11'11"W. ALONG THE WEST RIGHT WAY LINE OF MAPLE DRIVE, A DISTANCE OF 303.13 FEET TO A 5/8" REBAR WITH CAP MARKED "POINTER PS 29968" FOUND FOR THE NORTHEAST CORNER OF LOT 31, UNIT 2, BLOCK 2A, GREEN MEADOW SUBDIVISION; THENCE S.89°20'11"W. ALONG THE SOUTH RIGHT OF WAY LINE OF SCENIC DRIVE, A DISTANCE OF 23.71 FEET TO A 1/2" REBAR FOUND ON THE SOUTH RIGHT OF WAY LINE OF SCENIC DRIVE; THENCE N.00°39'04"W., 59.90 FEET TO A POINT ON THE NORTH RIGHT OF WAY OF SCENIC DRIVE; THENCE N.89°20'56"E. ALONG THE NORTH RIGHT OF WAY LINE OF SCENIC DRIVE, A DISTANCE OF 102.32 FEET TO A POINT ON SAID NORTH RIGHT OF WAY LINE; THENCE S.00°39'04"E., 60.17 FEET TO A POINT ON THE EAST RIGHT OF WAY LINE OF MAPLE DRIVE BEING THE NORTH CORNER OF LOT 18, UNIT 2, BLOCK 4, GREEN MEADOW SUBDIVISION; THENCE S.40°11'11"E. ALONG SAID EAST RIGHT OF WAY LINE, A DISTANCE OF 253.47 FEET TO A POINT FOR A TRACT OF THIS TRACT; THENCE S.49°51'47"W., 60.00 FEET TO THE POINT OF BEGINNING.

REFER TO ATTACHED MAP & DEED

and Petitioner states in support of such Petition, pursuant to Section 3-7-17.1 of the New Mexico Statutes Annotated (1978) that:

1. The property petitioner wishes to be annexed and the real property is contiguous to the present municipal boundary of the City of Hobbs.
2. The petitioner is owner of a majority of the number of acres in the proposed annexation territory.
3. An Annexation Plat is attached hereto showing the boundaries of the real property proposed for annexation and the relationship of such property to the present municipal boundaries of the City of Hobbs.

Petitioner: Berry & Gomez LLC

By: Brenda

Its: Managing Member

10.8.2025

Date

**PLANNING BOARD REGULAR MEETING
MINUTES
SEPTEMBER 16, 2025**

The Hobbs Planning Board met on September 16, 2025, at 10:00 a.m. at the City of Hobbs Annex Building, First Floor Commission Chambers, located at 200 E. Broadway, Hobbs, NM 88240 with Mr. Guy Kesner, Vice Chairman, presiding.

Members Present:

Guy Kesner, Vice Chairman
Brett Drennan
Larchinee Turner
Bill Ramirez
Ben Donahue

Members Absent

W.M. "Tres" Hicks, Chairman
Brett Clay

Also present were members of the public and City staff as follows:

Todd Randall, Assistant City Manager	Anthony Henry, City Engineer
April Hargrove, Engineering Assistant	John Portulano, Lea County Planner
Medjine Desrosiers-Douyon, Deputy City Attorney	
9 Citizen(s)	

Call to Order and Roll Call

Ms. April Hargrove, Engineering Assistant, did a roll call for members as follows:

Mr. Ramirez-yes, Ms. Turner-yes, Mr. Kesner-yes, Mr. Drennan-yes, Mr. Clay-absent, Mr. Donahue-yes, and Mr. Hicks-absent. There were five members present at the meeting.

Mr. Kesner called the meeting to order at 10:00 a.m.

1.) Review and Consider Approval of Agenda

The first item of business was to review and approve the agenda for the September 16, 2025, regular meeting. Mr. Kesner asked if there were any additions or changes to the agenda. Mr. Randall stated there were no changes. Ms. Turner made a motion, seconded by Mr. Ramirez to approve the agenda as presented. The vote on the motion was 5-0, and the motion carried.

2.) Review and Consider Approval of Minutes

Mr. Kesner asked if everyone had a chance to read the Regular Meeting Minutes from August 19, 2025. Mr. Ramirez made a motion, seconded by Mr. Drennan to approve the Regular Meeting Minutes as presented. The vote was recorded as follows: Ramirez yes, Kesner yes, Clay absent, Donahue yes, Turner yes, Drennan yes, Hicks absent. The vote on the motion was 5-0 and the motion carried.

section roadway requirement (block length); a variance to not project Morales and DeBaca Streets at this time; a variance to defer the half-section line on the south side; and dedication of a full 60-foot easement for Fowler Street along the east side of the property.

Mr. Donahue made a motion to approve the subdivision with the highlighted variances and conditions, seconded by Mr. Ramirez. The vote on the motion was 5-0 and the motion carried.

6) Review and Consider Maple Street Annexation in Green Meadow Subdivision

Mr. Randall stated this is the Maple Street Annexation in Green Meadow Subdivision. He explained that this case was somewhat unusual, as it initially appeared the City was only annexing the roadway. He clarified that the request involves Green Meadows, which is currently an unincorporated “island” surrounded by City limits. Mr. Randall explained that Grimes and Millen Streets are already within City limits, so there is no access to Green Meadows without traveling through the City. He further explained the island was historically created when the City annexed only the right-of-way for Millen, which should not have left Green Meadows unincorporated.

Mr. Randall stated that Ms. Brenda Gomez, present in the audience, owns Lots 26–31 in Green Meadows and has petitioned to annex her property. He explained that per state requirements, when a property is annexed, the adjacent right-of-way must also be annexed. In this case, that includes Maple Drive and the alley. Mr. Randall noted that, in the long term, the City intends to annex all of Green Meadows to eliminate confusion. Future annexations may involve State Land, Game and Fish (which owns the lake), and Del Norte (which owns property to the north).

Mr. Randall stated that Ms. Gomez’s request covers her lots, with the possibility of a subdivision that would require full improvements including water, sewer, and roadway. He stated that Lot 2, currently used primarily as an event barn, may also be force-annexed by the City Commission if necessary.

Mr. Randall noted that the water and sewer can be extended to serve the properties along Maple Street.

In response to Ms. Turner’s question, Mr. Randall explained that the annexation must ultimately be adopted by ordinance at the City Commission level, which will include public notice and comment.

Mr. Ramirez made a motion to recommend the requested annexation to the City Commission for approval, seconded by Ms. Turner. The vote on the motion was 5-0 and the motion passed.

7) Review and Consider a Development agreement with Grimes Land Co. for City Drainage Basin and extension of public infrastructure

Mr. Randall stated this is a development agreement with Grimes Land Company for City drainage basin and extension of public infrastructure. He stated the Planning Board had



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
November 17, 2025

SUBJECT: Resolution No. 7706 - Approving a Proposed Collective Bargaining Agreement with the Hobbs Professional Firefighters Association

DEPT OF ORIGIN: Legal

DATE SUBMITTED: 11/11/2025

SUBMITTED BY: Medjine Desrosiers-Douyon, Deputy City Attorney

Summary:

Pursuant to Section 2.60.150 of the Hobbs Municipal Code, the City of Hobbs ("City") and the Hobbs Professional Firefighters Association, Local 4384 ("Union") participated in collective bargaining negotiations beginning on March 19, 2025. The previous Collective Bargaining Agreement (CBA) expired on June 30, 2025. Following the conclusion of negotiations, the City and the Union reached a final agreement resulting in a proposed CBA covering the period of 2025 through June 30, 2028.

Key provisions include:

1. Term: The Agreement shall remain in effect for three (3) years, beginning upon approval and continuing through June 30, 2028.
2. Compensation: Effective the first full pay period following ratification and approval, all bargaining unit members shall receive a 10% increase to their regular rate of pay. Additional 5% increases are scheduled for Fiscal Years 2027 and 2028, subject to specific appropriation by the City Commission.
3. Incentive Pay: Members serving in specialized capacities such as Hazardous Materials Team, Honor Guard, Emergency Response Team, SWAT Medic, and Fitness Coach will receive \$0.75/hour for active service in those roles, limited to specified numbers per classification.
4. COLA and Merit: Bargaining unit members are not eligible for Cost of Living Adjustments (COLA) or merit increases during the term of this Agreement.
5. Clarifications: Various sections have been revised for clarity, consistency, and administrative alignment with the Hobbs Municipal Code and departmental policies.

Fiscal Impact:

The total projected first year increase to the budget for 2026 is calculated to be

\$278,981.04. A budgetary adjustment would be needed and approved by the City Commission and the State of NM DFA. If approved, the payroll increases would start the first full pay period after DFA approval.

Attachments:

Resolution - Fire Union CBA (2025)Final
Final signed CBA

Recommendation:

The Commission should consider the Resolution.

Approved By:

Medjine Desrosiers-Douyon, Deputy City Attorney	11/11/2025
Toby Spears, Finance Director	11/12/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	11/12/2025
Manny Gomez, City Manager	11/14/2025

CITY OF HOBBS

RESOLUTION NO. 7706

A RESOLUTION APPROVING A PROPOSED COLLECTIVE BARGAINING
AGREEMENT WITH THE HOBBS FIRE FIGHTERS ASSOCIATION

WHEREAS, pursuant to Hobbs Municipal Code Section 2.60.150, the City of Hobbs and the Hobbs Fire Fighters Association, Local 4384 ("Union") have entered into and participated in negotiations regarding a new Collective Bargaining Agreement (CBA); and

WHEREAS, the current CBA expired on June 30, 2025; and

WHEREAS, the City of Hobbs and the Union finalized negotiations and the proposed CBA was ratified by the Union on November 14, 2025, and is attached hereto; and

WHEREAS, the proposed CBA will expire on June 30, 2028; and

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor and City Manager are hereby authorized and directed to execute the attached Collective Bargaining Agreement with the Hobbs Fire Fighters Association, Local 4384.

PASSED, ADOPTED AND APPROVED this 17th day of November, 2025.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

AGREEMENT
BETWEEN
THE CITY OF HOBBS
AND
THE HOBBS PROFESSIONAL
FIREFIGHTERS ASSOCIATION

November 17, 2025 – June 30, 2028

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AGREEMENT

THIS AGREEMENT is made by and between the City of Hobbs, New Mexico, (hereinafter called the "City"), and the Hobbs Professional Firefighters Association, which is an affiliate of the International Association of Fire Fighters ("IAFF"), designated as Local 4384 (hereinafter called the "Union"). For the purposes of this Agreement, "employee" shall mean any City employee covered by this Agreement pursuant to Section 1, herein.

PURPOSE

It is the purpose of this Agreement to achieve and maintain harmonious relations between the City and the Union; to provide for equitable and peaceful adjustment of differences that may arise; to establish standards of wages, hours, and other conditions of employment; and to guarantee the delivery of quality service to the citizens of Hobbs.

The general purpose of this Agreement is to provide for orderly and constructive employee relations in the public interest, in the interest of the employees herein covered, and in the interest of the City; to promote harmony, cooperation, and understanding between the City and the bargaining unit employees; and to afford protection of the rights and privileges of the bargaining unit employees and the City.

SECTION 1. RECOGNITION

The City recognizes the Union as the exclusive representative for all non-probationary bargaining unit employees in accordance with the Certification issued by the State of New Mexico Public Employee Labor Relations Board as set forth in Exhibit B.

SECTION 2. DUES DEDUCTIONS

The City will provide membership dues deductions for bargaining unit employees who voluntarily sign a membership dues deductions authorization card. Such deductions will commence on the first full pay period following submittal of the authorization card by the employee to the payroll department. The City will remit the membership dues amount collected to the Union monthly within ten (10) working days following the end of the month. The City will provide a list of bargaining unit employees remitting membership dues deductions upon written request of the Union President. An employee may terminate membership dues deductions at any time by providing the payroll department with written notice thirty (30) days prior to the effective date of termination. The membership dues deductions shall not include penalties, fines, or assessments of any kind. The amount of the deduction will be provided to the payroll office in writing by the Union President during the month of May to be effective the first full pay period in July. The Union will indemnify, pay for the defense of, and hold harmless the City against any and all claims, demands, suits, or other forms of liability that may arise out of or as a result of any conduct taken by the City for the purpose of complying with this Section.

SECTION 3. BULLETIN BOARDS

The City shall make space available for a bulletin board in all Fire Stations. Such space shall be at least three (3) feet from the floor and 3' X 3' in size on an interior wall. The Union will furnish and maintain the bulletin board.

All material to be posted on the bulletin board shall be submitted to the Chief or designee for approval prior to being placed on the bulletin boards. No derogatory or inflammatory material will be posted on the bulletin boards, nor material that discredits the City, Union, or any City employee or elected official. Material to be posted on the board shall be limited to official Union material. All posting of Union material shall be limited to the bulletin boards. Abuse of this section, as determined by the City, may result in removal of the bulletin boards.

SECTION 4. MANAGEMENT RIGHTS

- A. The Union recognizes that except as specifically limited, abridged, or relinquished by the terms and provisions of this Agreement, all rights to manage, direct, or supervise the operations of the Fire Department and employees are vested solely in the City.
- B. The City shall have the right to make such reasonable rules and regulations respecting the conduct of employees, not in conflict with this Agreement, as it may from time to time deem best for the purpose of maintaining order, safety, and/or efficient operations.
- C. The City Manager has and retains all rights to administer the affairs of the Fire Department, either personally or through their subordinate, the Fire Chief, subject to: applicable state law; charter provisions specifically, but not limited to, the City of Hobbs Charter; ordinances; and resolutions for regulations and policies of the City Commission. Management rights shall include, but shall not be limited to: hiring, promotion, reclassification, transfer, assignment, lay off, and recall of employees; reprimand, suspension, demotion, discharge, or other discipline of employees; evaluation and judgment of an employee's skill, ability, efficiency, and general performance; revision, elimination, combination, or establishment of new jobs and job classifications; establishment of job classifications of new and existing employees; establishment, organization, reorganization, close down, expansion, or otherwise change the operation of any city facility, division, or department; reduce, increase, alter, combine, transfer, or cease any department's operation, equipment, or service; establishment of working hours, size, and composition of work forces, shifts, or units, and otherwise determine staffing requirements; determine insurance programs and carriers for all City employees; subcontract and/or contract for goods and services, and otherwise determine the methods or means by which operations and services are to be delivered, made or purchased; maintaining the efficiency of City government in emergencies; and manage and exercise judgment on all matters not specifically prohibited by this collective bargaining agreement. These rights shall not be subjugated or diminished in any way by any expressed or implied duty or obligation to bargain.

SECTION 5. EMPLOYEE RIGHTS

- A. The City recognizes that all bargaining unit employees shall retain the rights of equal and fair employment through the terms of this agreement and as outlined in all federal, state, and local laws.
- B. The Parties shall not discriminate against a bargaining unit employee because of the employee's membership in a labor organization.
- C. The City shall not interfere with, restrain, or coerce any bargaining unit employee in the exercise of any right guaranteed under the Public Employee Bargaining Act.
- D. The City shall not dominate or interfere in the formation, existence or administration of any labor organization.
- E. The Parties shall not discriminate in order to encourage or discourage membership in a labor organization.
- F. The Parties shall not discriminate against a bargaining unit employee because the employee has signed or filed an affidavit, petition, grievance, or complaint or given any information or testimony or because an employee is forming, joining or choosing to be represented by a labor organization.
- G. Union Officers, Stewards, and Committeemen will be allowed time to attend disciplinary meetings with bargaining unit employees as well as time to process grievances during work hours without loss of pay provided such does not interfere with operations. The Union shall provide the Chief a list of the union representatives that are authorized to represent an employee during a disciplinary meeting.
- H. The Union can use City's or department's e-mail for the dissemination of Union literature or correspondence. The Union is prohibited from using City time, equipment, property, or materials for Union business except as specifically set forth herein and in PEBA.

SECTION 6. PTO

Bargaining unit employees shall receive Paid Time Off (PTO) in accordance with City of Hobbs Administration and Personnel Rules and Hobbs Fire Department Rules and Regulations. EMS Specialists shall accrue PTO at the same rate as other City employees working forty (40) hours per week. PTO approvals shall be subject to staffing requirements as determined by the Chief or designee.

SECTION 7. FAMILY MEDICAL LEAVE

All bargaining unit employees will be granted family medical leave in accordance with the provisions of the Family Medical Leave Act (FMLA). The City of Hobbs uses a "rolling" 12-month period measured backward. Under the "rolling" 12-month period, each time an employee takes FMLA leave, the remaining leave entitlement would be the balance of the 12 weeks which has not been used during the immediately preceding 12 months.

SECTION 8. MODIFIED DUTY

The parties agree to abide by the City's Modified Duty policy and applicable Federal Law.

SECTION 9. EDUCATION/TRAINING

- A. Bargaining unit employees may request leave without pay pursuant to City rules to attend courses at the high school, vocational school, or college.
- B. Bargaining unit employees required by the City to attend educational or instructional courses shall be paid in accordance with the Fair Labor Standards Act (FLSA). Specifically, bargaining unit employees shall meet all educational and training requirements under the various job descriptions established by City, for which each employee was hired/promoted. No remuneration shall be granted for hours spent outside of normal work hours attending required or mandatory training for a given position if said training was outlined in the employee's job description at the time of hire/promotion. No remuneration shall be granted for hours spent outside of normal work hours attending training undertaken by an employee in an effort to gain more compensation or a promotion. No remuneration shall be granted for hours spent outside of normal work hours attending training required by the State of New Mexico to meet or maintain an employee's minimum licensure requirements. Remuneration shall be granted for hours spent outside of normal work hours attending training required strictly by departmental policy which was not previously required under a given employee's job description at the time of hire/promotion.
- C. City will attempt to prevent mandatory training scheduling outside of normal work hours.
- D. The City will provide all training it determines is necessary to bargaining unit employees for each employee's job position.
- E. For EMT-Basic, EMT-Intermediate, and EMT-Paramedic certification courses, the City will pay the bargaining unit employee's hourly wage, including any overtime wage if necessary, for first time spent in class and during any time spent in clinicals or internships as required by the school to achieve the EMT-Basic or EMT-Intermediate certification. Bargaining unit employees shall not be compensated or reimbursed for any travel time spent to attend the EMT-Basic or EMT-Intermediate certification courses.
- F. The City will make training available for bargaining unit employees to maintain EMS licensure as required by New Mexico EMS Bureau and The National Registry of EMTs.
- G. Bargaining unit employees shall submit all required documentation to the Fire Chief requesting approval at least twenty (20) business days prior to the class, seminar, or conference for which travel is necessary.
- H. HARASSMENT: The City will provide training regarding harassment to all employees of the Hobbs Fire Department at least one time annually. Training shall include but shall not be limited to harassment/sexual harassment, hazing, bullying, or any pattern of conduct that may develop a hostile work environment.
- I. Bargaining unit employees attending training that requires overnight travel will receive their regularly scheduled shift hours for any days spent in training or travel that cross the hours of the employee's regularly scheduled shift. Regularly scheduled shift hours impacted by this provision will be documented by the employee in the timekeeping software as training.

SECTION 10. LEAVE WITHOUT PAY

A bargaining unit employee may request a leave of absence without pay for a period not to exceed one (1) year. Such request is subject to recommendation of the Fire Chief and approval of the City Manager.

SECTION 11. SHIFT EXCHANGE

- A. Employees may exchange shifts or portions thereof when, in the opinion of the Fire Chief or designee, the exchange does not interfere with the operation of the Department and there are no safety issues or concerns in reference to the exchange. These shift exchanges must be hour for hour.
- B. The shift exchange agreement is reciprocal between two or three employees trading the shift. It is not the responsibility of the City to make monetary adjustments to any employee for the execution of shift exchange agreements. The maximum number of employees allowed on any trade of shift agreement shall be three.
- C. Employees who agree to a shift exchange shall be responsible for execution of the shift. Employees unable to fulfill the exchange are responsible for finding an alternate to work the shift; if unable to do so, employee will be subject to work an alternate date or have PTO hours deducted for the hours of the approved shift exchange and may be determined ineligible for shift exchange for a period of three (3) months.
- D. The trading of time on holidays shall be allowed, as if the day were any day of the week.
- E. The shift shall be completed within ninety (90) days of the first shift affected by the exchange.
- F. Shift exchange requests must be submitted for approval by the employee's immediate supervisor and Battalion Chief prior to any exchange.

SECTION 12. WORK HOURS AND OVERTIME

- A. The work week shall consist of seven (7) consecutive days beginning on Sunday at 12:00 AM and ending on Saturday at 11:59 PM.
- B. Shift firefighter and driver employees will work a forty-eight (48) hour shift beginning at 0800 hours and ending at 0800 hours two days later. The shift employee will then have ninety-six (96) hours off.
- C. EMS Specialist employees will work a forty (40) hour workweek, with any hours worked over the forty (40) being paid time and one half the employee's regular hourly rate of pay.
- D. Shift firefighter and driver employees will receive overtime pay at the rate of time and one half the employee's regular rate of pay for all hours actually worked over 106 hours in a fourteen (14) day cycle. Leave taken by an employee, whether paid or unpaid, is not time worked and shall not be calculated as time worked for the purpose of computing overtime. Military duty will not count against the computation of overtime for those employees that are required to report to military duty.
- E. Fire Prevention will work a forty (40) hour workweek. Fire Prevention and EMS Specialists will receive overtime pay at the rate of time and one half the employee's regular rate of pay for all hours actually worked over forty (40) hours in a workweek. Leave taken by an employee, whether paid or unpaid, is not time worked and shall not be calculated as time worked for the

purpose of computing overtime. Military duty will not count against the computation of overtime for those employees that are required to report to military duty.

- F. Bargaining unit employees may be allowed to work up to ninety-six (96) consecutive hours in accordance with Department policy.

SECTION 13. CALL BACK OR HOLDOVER

All bargaining unit employees are subject to being called into duty to for an alarm(s), EMS call(s), or similar emergencies, or held over at the end of their shift, as determined by the Chief or designee. Any bargaining unit employee called into duty from off-duty status will be guaranteed two (2) hours of pay.

SECTION 14. TEMPORARY UPGRADE/TESTING FOR PROMOTION/PROMOTION

TEMPORARY UPGRADE

- A. Bargaining unit employees who have successfully completed the step up testing will accept a temporary upgrade for the higher rank for which they have successfully tested. It is understood that employees who refuse to accept an upgrade, by written notice, will not be eligible to participate in the promotional process for one (1) year from the date of last refusal. The written refusal notice is effective for one (1) year. In the event the employee refuses to give a written notice of refusal, an entry will be made into that employee's chronological record referencing the date of refusal and the employee's refusal to give a written notice of refusal. If no bargaining unit employee has successfully completed the step up testing and is available for temporary upgrade, the Fire Chief or his/her designee will use his discretion for the upgrade assignment. The decision to upgrade is solely the responsibility and prerogative of the Fire Chief or his designee.
- B. Employees who are upgraded will receive a five percent (5%) increase for the actual amount of hours assigned to the upgraded rank.

TESTING FOR PROMOTION

- A. Collective bargaining unit members who meet the minimum qualifications set forth in the job descriptions for any promotional rank shall be eligible to test for promotion to that rank unless the employee has received a disciplinary action of suspension or demotion within the previous twelve months or as set forth in this Article. Disciplinary suspensions, levied as a result of a preventable accident, will not affect the promotability of an individual subject to this section (Section 14).
- B. When a vacancy exists for which the City has decided to fill and there is no current eligibility list for that bargaining unit classification, the scheduling of promotional testing will be decided by the Fire Chief or designee.
- C. Eligibility lists shall be valid for six (6) months.

PROMOTION

- A. Upon promotion from firefighter to a higher rank, the bargaining unit employee shall be advanced to the minimum of the promotional pay range or a 5% increase, whichever is greater.
- B. Union President, or a designated member of the Union executive board, will be allowed to attend and score any promotional process with the rank of Firefighter, EMS Specialist, or Driver Engineer of the Hobbs Fire Department.

SECTION 15. PAY

- A. Effective the first full pay period following ratification and signature of this Agreement by the parties, or the first full pay period following resolution of impasse, whichever is later, and approval of the City Commission and Department of Finance Administration (DFA), bargaining unit employees will receive a ten percent (10%) increase to the employee's regular rate of pay. Those below the minimum of the pay grade will be brought to minimum before application of the ten percent (10%) increase.
- B. Effective the first full pay period of Fiscal Year 2026, the first full pay period following ratification and signature of this Agreement by the parties, or the first full pay period following resolution of impasse, and full execution of personnel action forms, whichever is later, bargaining unit employees with the following certifications/licenses and serving in that capacity, will receive incentive pay as follows:
 - 1. Hazardous Materials Team (limited to 9 employees) \$0.75/hour
 - 2. Honor Guard (limited to 8 employees) \$0.75/hour
 - 3. Emergency Response Team (limited to 6 employees) \$0.75/hour
 - 4. SWAT Medic (limited to 6 employees) \$0.75/hour
 - 5. Fitness Coach (limited to 6 employees) \$0.75/hour
- C. Effective the first full pay period of Fiscal Year 2027 and subject to specific appropriation by the City Commission, bargaining unit employees, will receive a five percent (5%) increase to the employee's regular rate of pay.
- D. Effective the first full pay period of Fiscal Year 2027 and full execution of personnel action forms, subject to specific appropriation by the City Commission, bargaining unit employees with the following certifications/licenses and serving in that capacity, will receive incentive pay as follows:
 - 1. Hazardous Materials Team (limited to 9 employees) \$0.75/hour
 - 2. Honor Guard (limited to 8 employees) \$0.75/hour
 - 3. Emergency Response Team (limited to 6 employees) \$0.75/hour
 - 4. SWAT Medic (limited to 6 employees) \$0.75/hour
 - 5. Fitness Coach (limited to 6 employees) \$0.75/hour

- E. Effective the first full pay period of Fiscal Year 2028 and subject to specific appropriation by the City Commission, bargaining unit employees will receive a five percent (5%) increase to the employee's regular rate of pay.
- F. Effective the first full pay period of Fiscal Year 2028 and full execution of personnel action forms, subject to specific appropriation by the City Commission, bargaining unit employees with the following certifications/licenses and serving in that capacity, will receive incentive pay as follows:

1. Hazardous Materials Team (limited to 9 employees)	\$0.75/hour
2. Honor Guard (limited to 8 employees)	\$0.75/hour
3. Emergency Response Team (limited to 6 employees)	\$0.75/hour
4. SWAT Medic (limited to 6 employees)	\$0.75/hour
5. Fitness Coach (limited to 6 employees)	\$0.75/hour

SECTION 16. LONGEVITY PAY

Bargaining employees will receive longevity pay in accordance with City of Hobbs Administrative Resolution as may be amended from time to time.

SECTION 17. LAYOFF/REDUCTION IN WORKFORCE AND RECALL

If the City determines a layoff/reduction in workforce is necessary and such layoff will affect bargaining unit employees, the Union will be notified of the proposed layoff at least thirty (30) calendar days prior to implementation of the layoff. Layoffs/reductions in workforce shall be handled in accordance with the City of Hobbs policies.

SECTION 18. PERFORMANCE EVALUATIONS

- A. Performance evaluations are to be completed on an annual basis during the anniversary month of the employee and are used to provide feedback to bargaining unit employees. Performance evaluations are not designed or intended to be used as disciplinary actions and will not be used in such a manner. Employees will be assessed in relation to the essential job functions of their position for the previous year. Performance evaluations may also be used to identify and establish specific, measurable goals for the employee for the upcoming year. An employee shall be shown their performance evaluation.
- B. Other evaluations, such as Performance Improvement Plans (PIPs), incident evaluations, or special evaluations may be utilized in order to provide additional feedback to employees. These types of evaluations will generally be specific to one aspect of job performance and should remain in the employee's working file as identified in this Agreement.
- C. The performance evaluation and Performance Improvement Plan are formal reports that will become a part of the employee's personnel file.

SECTION 19. DISCIPLINE AND DISCHARGE

- A. Disciplinary actions for bargaining unit employees will be based on just cause. The degree of discipline will be based on the severity of the offense, the employee's work history and any mitigating or aggravating circumstances. Disciplinary actions shall be consistent with governing

laws and regulations and shall be taken without regard to race, age, religion, color national origin, ancestry, gender physical or mental disability, serious medical condition, sex (including pregnancy, childbirth, and related medical conditions), disability, citizenship status, genetic information, marital status, sexual orientation, gender identity, or any other federal, state or local protected class. No bargaining unit employee shall be disciplined for refusing to perform an unlawful act.

- B. Any department supervisor may take disciplinary action against a bargaining unit employee pursuant to the department supervisor's authority and consistent with departmental policies and this Agreement. Any discipline reduced to writing shall be subject to the grievance process. Copies of any disciplinary action involving written reprimands, suspensions, demotions, or discharge shall be furnished to the Personnel Department for placement in the employee's file with the signature of the recipient acknowledging receipt of the action, or indication that the employee refused to sign. Suspensions, demotions, and discharge are grievable through the grievance procedure and the arbitration procedure contained in this Agreement.
- C. Any negative entry or adverse action shall be documented in the bargaining unit employee's official personnel file. The employee will be given a copy of the document that reflects any negative or adverse action. The employee may submit a written response to any document submitted to the employee's official personnel file. Such response shall be presented to the Human Resources Director within thirty (30) calendar days after the employee knew or should have known of the action in question. Responses submitted after thirty (30) calendar days shall be considered not timely and void and will be returned to the employee indicating the response was not timely.
- D. Non-probationary bargaining unit employees subject to this chapter or any administrative or departmental regulations duly promulgated may be disciplined for cause. Just cause for disciplinary action includes, but is not limited to, the following:
 - (1) Work performance that continues to be unsatisfactory after reasonable attempts to correct performance.
 - (2) Misconduct on the job; conduct or language toward the public or toward employees, which discredits the public service.
 - (3) Negligence in the performance of duty, including negligence in the operation of city vehicles or equipment or failure to adhere to established safety rules and procedures.
 - (4) Incompetence or inefficiency; failure to perform job duties adequately.
 - (5) Insubordination; failure to comply with the lawful orders of a supervisor, including refusal to work overtime.
 - (6) Unauthorized absence from work, including tardiness.
 - (7) Consumption, possession, or distribution of alcohol or drugs on the job, or reporting to work under the influence of alcohol or drugs.
 - (8) Acceptance of money, gifts, privileges, or other valuable consideration, which was given with the expectation of influencing the employee in the performance of their duties.
 - (9) Use of official position or authority for personal profit or advantage.
 - (10) Misuse, theft, or destruction of city property.

- (11) Unauthorized disclosure of confidential information from city records or documents, as set forth by applicable state laws; falsification, destruction, or unauthorized use of city records, reports, or other data belonging to the city including city employment application, or any other document used in the employment process.
- (12) Unauthorized or fraudulent manipulation of time records or other city records.
- (13) For causes as defined in the Criminal Offender Employment Act, NMSA 1978, §28-2-1, et seq.
- (14) Violation of city or departmental rules or policies or a professional code of ethics accepted by those in the same profession as the employee.
- (15) Non-cooperation by an employee with fellow employees or other personal conduct, which substantially interferes with the performance of their or another employee's work.
- (16) Misuse of Paid Time Off; the claim of sickness under false or misleading pretenses.
- (17) Distribution of literature, vending, or soliciting or collecting contributions on city time and in public areas or voluntary cooperation with parties doing such without prior authorization of the City Manager.
- (18) Violation of any federal or state law pertaining to employment, including all civil rights statutes.
- (19) Failure to adhere to the established work schedule; failure to obtain authorization for overtime prior to overtime worked as established by general written department policy.
- (20) Failure to meet or maintain established job qualifications, as set forth in the job description, including maintaining a valid driver's license.
- (21) Other acts or omissions that adversely affect the welfare of citizens, other employees, or the effective operation of the city.
- (22) Unauthorized possession of a weapon on the job site.
- (23) Fighting and/or disruptive behavior in the workplace.

The foregoing examples are in no way intended to provide an exhaustive listing of reasons for which an employee may be disciplined. The severity of the infraction and the bargaining unit employee's work and disciplinary record will determine the level of disciplinary action taken.

- E. The City shall discuss proposed or actual disciplinary action with a bargaining unit employee and not in the presence of co-workers, unless representing the City or the employee in a meeting.
- F. A bargaining unit employee will be afforded the opportunity to present their side of the story in a predetermination meeting for any contemplated disciplinary action involving suspension, demotion, or discharge prior to the action being taken. The City will provide notice to the employee of the date, time, and place of the predetermination meeting no later than 72 hours prior to the meeting. In no event will the predetermination meeting be scheduled with less than 72 hours' notice. The employee may have a representative of their choice at the meeting as an observer only. An attorney may be allowed as an observer only, provided the employee notifies the Chief in writing at least 48 hours in advance of the meeting. An employee may waive, in writing, the right to a predetermination meeting. Failure on the part of the employee to appear

and/or respond either orally or in writing shall also constitute a waiver of the right to a pre-determination meeting.

- G. A supervisor or Department Head may immediately remove from the work environment any bargaining unit employee who poses a danger to themselves or others; who is alleged to be committing or has allegedly committed a criminal act; or who otherwise is incapable of fulfilling the obligations of the job. In such cases, the bargaining unit employee will be placed on administrative leave with pay.

SECTION 20. GRIEVANCE PROCEDURE

- A. The purpose of this procedure is to secure at the lowest possible level, mutually satisfactory resolutions to grievances, which may arise during the term of this Agreement and are subject to resolution under this Agreement.
- B. A grievance is defined as a charge by either party to this Agreement that the other has violated one or more expressed provisions of this Agreement.
- C. As used in this Article, "days" shall mean work days (Monday through Friday) and shall not include holidays or time when the City Administrative Offices are closed.
- D. A written grievance must contain a statement of the grievance, the name of the employee(s), the circumstances and facts upon which it is based, the Section of this agreement allegedly violated, the remedy being sought, and the signature of the grievant and the date signed.
- E. Grievances concerning terminations shall be filed within ten (10) days of the date of notification of termination directly to Step Three of the grievance procedure.
- F. Grievances submitted on behalf of the Fire Department shall be initiated by the Chief or designee by filing the grievance with the Union President or designee.
- G. Failure to submit a grievance within ten (10) days from the date the employee knew or should have known of the act that gave rise to the grievance, will constitute forfeiture of the right to file a grievance. Furthermore, any grievance determination not appealed to the succeeding level within the time limits expressed herein shall be considered as closed. When it is mutually agreed by the parties in writing, the time limits expressed herein may be extended. Either the Union, the City, or employee who have entered grievances on their own behalf, may drop the grievance at any Step.
- H. Should the City fail to respond to a grievance within the time limits expressed herein, the Union may appeal to the next level of the grievance procedure within the time limits set forth as if the City had timely responded.
- I. Nothing herein contained shall be considered as limiting the rights of an employee to discuss or process their grievance as an individual.
- J. Grievances shall be presented as outlined below:

Step One – A bargaining unit employee who believes that they may have a grievance or the employee's Union Representative, shall file a written grievance with the employee's immediate supervisor or the level at which the grievance occurred, that a potential grievance exists and shall schedule a meeting, during which the parties will attempt to resolve the grievance. The meeting with the supervisor/administrator should be held within five (5) days of the filing of the grievance. If the matter

is not resolved to the satisfaction of the employee within ten (10) days of the filing of the grievance, the employee or Union Representative may file a written grievance at Step Two.

Step Two – Within ten (10) days of the meeting with the supervisor/administrator at step one, the written grievance must be filed with the Chief. At the time of personal service, the bargaining unit employee or Union Representative shall schedule a grievance meeting with the Chief or designee. This meeting should be held within five (5) days following receipt of the grievance, to discuss the grievance, and attempt a resolution. The Chief will provide a written response to the grievance within ten (10) days following the meeting to discuss the grievance. If, in the opinion of the employee or the Union Representative a satisfactory settlement is not obtained within ten (10) days of the date of the Chief's response, the employee or Union Representative may file the written grievance at Step Three.

Step Three - Within ten (10) days of the date of the Chief's response, the written grievance must be filed with the City Manager. A bargaining unit employee grieving a termination may request an evidentiary hearing before the City Manager, who will be assisted by the City Attorney. The City Manager will respond to the grievance within ten (10) days of the filing of the grievance. The employee or Union Representative may appeal the City Manager's decision through arbitration by providing written notice to the Personnel Director within ten (10) work days of the date of the City Manager's decision.

- K. The Union shall provide the Chief a list of the union representatives that are authorized to file a grievance on behalf of the union and authorized to represent an employee on a grievance.

SECTION 21. ARBITRATION

- A. This procedure shall be the sole and exclusive method for resolving any and all claims arising from the suspension, demotion, or discharge of an employee or the alleged violation of this agreement.
- B. Prior to an appeal to binding arbitration the procedure for the settlement of the grievance, Section 24 Grievance Procedure, must have been exhausted.
- C. The appeal must be received by the Human Resources Director within fifteen (15) work days from the date of the City Manager's decision.
- D. An arbitrator shall be selected in the following manner:
 - a. The City and the Union shall attempt to agree on an arbitrator within ten (10) working days of the filing of the request for arbitration. If the parties are unable to agree on an arbitrator, the parties will request a list of seven (7) names from the FMCS, provided the employee/Union complete the employee's portion of the FMCS form for arbitration and submit a check for half of the filing amount to the Human Resources Director within the ten (10) working days of filing the request for arbitration.
 - b. Within ten (10) days of receipt of the arbitration list, the parties will meet to select the arbitrator. Should the parties fail to mutually agree upon an Arbitrator, then each party will strike one (1) name alternately until a single name remains and he or she shall be the Arbitrator. The party required to strike the first name will be determined by a flip of a coin.

- c. The Arbitrator will schedule the hearing within thirty (30) calendar days after notification of selection by the parties or as soon as practicable thereafter. The Arbitrator shall decide issues of arbitrability prior to hearing the merits of the case. If the Arbitrator determines the case is arbitrable, then the Arbitrator shall consider the facts of the grievance in arbitration and, following the hearing, shall prepare and submit to the parties, in writing, a report and decision as soon as possible after the conclusion of the hearing. The parties may jointly agree to waive a written opinion and allow the Arbitrator to enter an award without analysis or explanation. Arbitration shall be conducted according to the rules established by the FMCS.
- d. The cost of services of the Arbitrator shall be shared equally by the parties. Each party will be responsible for compensating its own witnesses and representatives.
- e. The Arbitrator shall have the authority to determine if there was just cause for any disciplinary action. However, in no case shall they have the power to add to, nor subtract from, or modify this Agreement.
- f. The Arbitrator's award in disciplinary cases is limited to back pay and/or reinstatement, or reinstatement to a similar position at the parties' discretion if irreconcilable personality conflicts exist. The award shall be limited to the amount of wages and benefits the employee otherwise would have earned subject to discount based on any earnings or compensation received by the grievant including, but not limited to, unemployment insurance benefits. The employee has an obligation to mitigate their damages. The arbitrator may not award attorney's fees, punitive damages, general compensatory damages, or costs.
- g. Arbitration is subject to the provisions of the State's Uniform Arbitration Act and an award may be set aside in accordance with the Uniform Arbitration Act's provisions.

SECTION 22. OCCUPATIONAL HEALTH AND SAFETY

- A. The employer will continue to provide and maintain safe working conditions and industrial health protection for the employees in accordance with appropriate Federal, State, or City Law. The Union will cooperate by encouraging all employees to work in a safe manner. Bargaining unit employees shall comply with all federal, state, and local laws and City policies, rules, regulations, and directives pertaining to safety.
- B. The City recognizes its obligations and acknowledges its intent to comply with OSHA regulations. The department shall provide all personal protective equipment the City requires bargaining unit employees to wear (i.e. – turn out gear, helmets, gloves, eye protection, boots, and hood). The City will also provide spectacle kits for the firefighters and air mask as needed. Failure of bargaining unit employees to utilize safety devices, clothing, and/or equipment required by the City and/or OSHA or failure to follow safe practices may subject the offending employee to disciplinary action.
- C. Bargaining employees shall be included in City safety policies, procedures, and incentives. Any incentive shall be administered on an individual basis and employees shall not be grouped together.

SECTION 23. LIABILITY COVERAGE

Should a member of the bargaining unit be sued in a civil action for any allegations arising out of the course and scope of their employment, the City will defend and indemnify that employee pursuant to the requirements of the New Mexico Tort Claims Act, NMSA 1978, §Section 41-4-1, et seq. (as amended).

It is understood by the parties that it is against public policy for the City to defend an employee in a criminal suit once the employee is indicted for a criminal act.

Any employee within twenty-four (24) hours, notify the Chief of the Fire Department or in their absence, the Deputy Chief. The City shall, within a reasonable time after receipt of any summons or tort claim notice, notify each employee named as a party in the summons or tort claim notice.

Any employee named in a job-related lawsuit shall have the right at all reasonable times to consult with the City Attorney and/or the Attorney-of-Record defending the City and employee in order to be informed of the status of the litigation. An employee named in a lawsuit or tort claim notice shall cooperate fully with the City Attorney and/or the City's Attorney-of-Record in the defense of the City and employee.

Any employee who is or may become a party in a job-related lawsuit pursuant to a summons or tort claim notice shall have the right to consult a personal attorney of the employee's choice regarding such manner. The employee's personal attorney may, at reasonable times, consult with the City Attorney and/or City's Attorney-of-Record to learn the status of the litigation, any settlements proposed or contemplated, and any other relevant facts of the litigation. Nothing in this section shall be construed as giving the employee or their personal attorney any authority to act on behalf of the City or its insurer.

SECTION 24. OUTSIDE EMPLOYMENT

All bargaining unit employees shall abide by the Personnel Rules and Regulations regarding outside employment. The Union will be notified of any proposed changes to the provisions on outside employment prior to the implementation of such changes. The Union will be allowed written input on the proposed changes.

SECTION 25. COMMUNICABLE DISEASE AND HAZARDOUS MATERIALS HANDLING

If a firefighter, while carrying out their duties, is exposed to a contagious disease or hazardous materials, the City agrees to pay the expense for inoculation and immunization for members of the firefighter's family if the City's physician determines such inoculation and/or immunization is necessary. The City further agrees to reimburse any firefighter covered by one of the City's H.M.O. programs any co-payment required for inoculation and/or immunization required due to the exposure to a contagious disease as a result of the firefighter's carrying out of their duties.

SECTION 26. MANUAL OF OPERATIONS AND POLICIES

The City shall provide the Union with a copy of the City of Hobbs Personnel Rules. It is the responsibility of the Union to keep this manual up to date. Management will provide the Union with a copy of any changes or updates of material contained in the manual.

The Union shall be provided the opportunity to propose, in writing, additions and modification to the Fire Department S.O.G.s and policies. The Union shall also be provided the opportunity to meet with the Fire Chief or the Deputy Fire Chief to discuss the proposed additions and modifications. This provision shall not be interpreted in a manner that in any way reduces or eliminates the Fire Chief's rights and authority to approve and implement the S.O.G.s and policies. Any approved deviation from S.O.G.s and policies shall be delivered in writing by the Fire Chief to the Union President.

The City shall provide a complete set of city policies applicable to the Fire Department and its employees. The set of city policies shall be easily accessible to all employees of the Fire Department.

SECTION 27. P.E.R.A.

Bargaining unit employees will contribute to PERA, subject to any modifications of contribution requirements mandated by the State of New Mexico, any Federal Law, or PERA.

SECTION 28. PERSONNEL FILES AND CHRONOLOGICAL RECORDS

An employee will receive a copy of any document(s) related to discipline of the employee prior to the document(s) being placed in the employee's personnel file. A bargaining unit employee or an authorized representative who provides a written authorization form signed by the employee, requesting to examine the employee's personnel file may do so by providing at least twenty-four (24) hours advance written notice to the Human Resources Department. Review of an employee's personnel file shall occur during normal business hours of the Human Resources Department. The employee and/or the authorized representative will review the file in the presence of a Human Resources Department employee.

The personnel files shall not be purged except by order of an arbitrator or judge of competent jurisdiction. The personnel files are the property of the City and will be used by the City as permitted by law.

The employee shall be provided a copy of any adverse document entry that will be placed in the personnel file and will have the right to provide written response to be attached to the document. Such written response must be submitted to the Human Resources Director within ten (10) calendar days from the date that the employee was given written notice of the document in question.

CHRONOLOGICAL RECORDS

Chronological records will continue to be used by the Hobbs Fire Department. Verbal counseling and verbal reprimands will be documented in the bargaining unit employee's chronological record. The employee shall be made aware of any documentation, positive or corrective, that is placed in their chronological record. The employee can at any time review their chronological record without question.

from supervisors. If the employee deems it necessary, the employee may place a written response to an entry so long as it is done within ten (10) calendar days of that specific entry being placed into the record. The written response to any chronological record entry shall be delivered by the employee to a supervisor, who will then place that response into the chronological record. The employee will have the opportunity to review their chronological entry to ensure the response is accurate.

Chronological entries should be made once every month for each member of the bargaining unit. Chronological entries can be both positive and/or corrective, and shall address those subjects the employee will be evaluated on during their annual performance evaluation. The period of relevance related to any chronological entries shall be limited to one year.

SECTION 29. DRUG TESTING

The parties agree that substance abuse or possession, consumption, or distribution of alcohol or controlled substances while on duty or on City premises will not be tolerated. In recognition of the need to maintain a drug free work place, Management may implement certain policies and procedures. Prior to the implementation of these policies and procedures, the Union will be allowed to provide written input.

The City and the Union recognize that drug testing implicates important privacy issues to the employees subject to testing, and further recognize the importance to both the employee and the City of insuring maximum accuracy of the testing process. The City and the Union, therefore, agree to meet and confer on an annual basis at the written request of either party to evaluate the efficiency of the testing process and to make recommendations to the Chief for improvements to the testing process.

SECTION 30. DAMAGE TO PERSONAL PROPERTY

The City will make efforts to provide necessary safety equipment appropriate to the nature of the assignment, at the discretion of the Chief. Loss or damage to personal items on any City property will be handled on a case-by-case basis.

SECTION 31. HEALTH INSURANCE BENEFITS/LIFE INSURANCE/GROUP INSURANCE PLAN

The City shall continue to provide to all employees in the bargaining unit, health and life insurance benefits as adopted by the City Commission.

SECTION 32. UNIFORMS

The City will continue its current practice of issuance of uniforms to all bargaining unit employees.

SECTION 33. CHOW ALLOWANCE

The City will provide the daily food allowance of \$13.00 per employee per shift.

SECTION 34. LIVING QUARTERS FURNITURE AND APPLIANCES

The City will continue its current practice of replacing station furniture and appliances when determined necessary by the City.

SECTION 35. STATION MAINTENANCE

To the degree that is practical, as determined by the Chief, station maintenance will continue to be done by the bargaining unit employees. However, bargaining unit employees shall not be required to perform any station maintenance that would be considered major. Major maintenance is anything that would alter the appearance or functionality of the station. For example: remodeling, removal of any structures within the station, repainting large areas, anything electrical or plumbing.

Bargaining unit employees will be responsible for the cleaning of only station vehicles assigned. (Examples: Engine, Ladder, Rescue, Ambulances and station staff vehicles.)

SECTION 36. VEHICLE MAINTENANCE

Bargaining unit employees will not perform any major mechanical repairs on any apparatus. Major mechanical repairs would be considered any removal or addition or replacement of major mechanical components. Major mechanical components would include: the motor, transmission, drive train, hydraulic systems, emergency lighting, cooling system, and major electrical.

Bargaining unit employees will be expected to perform minor repairs on all apparatus. Minor repairs include things such as Valve replacement, minor electrical repairs, refilling missing fluids, airing up tires, etc.

SECTION 37. UNION DECALS

No union decals shall be placed or attached to any City property, equipment, materials, or supplies.

SECTION 38. CITY VEHICLES

The assignment and use of City vehicles is the responsibility and prerogative of the Chief.

SECTION 39. TRAINING AGREEMENTS

The parties agree that the terms of Exhibit A (Paramedic Training Agreement) was negotiated and is hereby incorporated and made a part of this agreement. See Exhibit A attached hereto and incorporated herein. The City, with consultation of the Union, reserves the right to revise and implement training agreements as deemed necessary. Any later agreements shall be incorporated herein as subsequent exhibits upon written acknowledgment of the parties. Nothing in this section shall be interpreted as a restraint on the City's authority to offer any training agreements or the Union's authority to not sign the same.

SECTION 40. NON-DISCRIMINATION

The parties agree that their respective policies will not violate the rights of an employee covered by this Agreement, in accordance with State and Federal laws. Neither party will tolerate sexual harassment. If an employee files a complaint concerning harassment/sexual harassment, hazing, or any pattern of conduct that may develop a hostile work environment, an investigation will be conducted into the complaint.

SECTION 41. COMPLETE AND ENTIRE AGREEMENT

The parties agree that all negotiable issues that the parties desired to negotiate have been discussed during the negotiations sessions leading to this Agreement. This Agreement represents the total and complete Agreement between the parties. If any City policy or procedure, or any Department rule, regulation, or directive conflicts with a provision of this Agreement, this Agreement will control. The City will not implement any change that is in conflict with this collective bargaining Agreement as it pertains to bargaining unit employees. The City, the Union, and the Employees will abide by the conditions of this Agreement and, unless limited by any provision of this Agreement, applicable City policies and procedures and/or Department rules, regulations, and directives. During the term of this Agreement, the City and the Union, upon mutual agreement, may reopen any provision of this Agreement for the purposes of clarifying, modifying, amending, adding to, or deleting portions thereof. Any changes shall be agreed to in writing.

SECTION 42. SAVINGS CLAUSE

If any provision of this Agreement, or the application of such provision, should be rendered or declared invalid by any Court of competent jurisdiction, or by reason of any existing or subsequently enacted legislation, the remaining parts or portions of this Agreement shall remain in full force and effect.

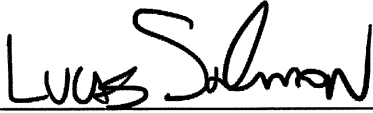
Within thirty (30) days of such legislative action, the City and the Union shall meet upon the written request of a party to negotiate new contract language to replace the particular clauses, which were invalidated by federal or state legislation.

SECTION 43. TERM OF AGREEMENT

This Agreement shall become effective on the first full pay period following the ratification by the bargaining unit employees, the approval of the City Commission, and signature by the parties and shall continue in full force and effect through June 30, 2028. Either party may request the opening of negotiations for a successor agreement by filing written notice with the other party during the month of March 2028.

[REQUIRED SIGNATURES ON NEXT PAGE]

The Agreement was ratified by the parties and entered into _____ day of _____, 2025.



LUCAS SALMON, PRESIDENT
Hobbs IAFF

SAM COBB, MAYOR
City of Hobbs

MANNY GOMEZ, CITY MANAGER
City of Hobbs

EXHIBIT A
PARAMEDIC TRAINING AGREEMENT

I acknowledge and understand that the City of Hobbs desires and intends to provide or make available EMT-Paramedic training to fire officers who will remain employed with the Hobbs Fire Department for a minimum of twenty-four (24) months from the date of receipt of a New Mexico State EMT-Paramedic license. I agree to the following conditions:

1. Unless discharged as a fire officer, I agree to remain in the employment of the department for a minimum period of twenty-four (24) months from the date I receive a New Mexico EMT-Paramedic license.
2. In the event that (1) I complete the accredited paramedic program and do not take the National Registry test within the time allotted by National Registry; or (2) I do not receive a New Mexico State EMT-Paramedic license within two years of completion of the accredited paramedic program; or (3) I leave the program without obtaining a New Mexico State EMT-Paramedic license, I agree to reimburse the Hobbs Fire Department the sum of money the City has expended for tuition, books, lodging, transportation, and any related fees, not to exceed \$6,000.00 for the cost related to my pre-EMT, EMT-Paramedic and field training provided by the Hobbs Fire Department and the accredited Paramedic training institute. The City may withhold any PTO leave I have accrued. Withholding shall not constitute satisfaction in full of the debt owed if less than total debt owed. As long as I am employed by the City of Hobbs, I agree to a wage withholding in the amount \$150.00 per pay period until debt is satisfied. In the event I leave the employment of the City of Hobbs, I agree to continue a \$300.00 per month payment until debt is satisfied.

Circumstances beyond the control of the employee may be grounds to waive the repayment requirement in paragraph 1 herein upon a showing of good cause to the City Manager.

3. In the event suit or action is instituted by the City to enforce any terms of this Agreement, the prevailing party shall be entitled to recover costs and legal fees, in addition to all other sums provided by law, even though the City may employ in-house legal counsel.
4. This Agreement is the entire, final, and the complete Agreement between the parties with respect to the costs of training and requirements for reimbursement and supersedes and replaces any and all prior written or oral Agreements between the parties and their agents concerning requirements for reimbursement regarding the EMT-Paramedic Licensure.
5. No modification of this Agreement shall be valid unless in writing and duly executed by both parties to this Agreement.
6. This Agreement shall be construed in accordance with the laws of the State of New Mexico, and jurisdiction of any dispute shall be brought in the courts of Lea County, New Mexico, only.
7. I understand that all terms and conditions of my employment remain unchanged by this Agreement, and this Agreement in no way guarantees me any contractual right, either expressed or implied, to continued employment. This Agreement shall not modify any City of Hobbs Personnel Rules, Administrative Regulations, and Fire Policies and Procedures that relate to Fire

personnel. I recognize that this Agreement does not limit the authority of the City of Hobbs to invoke disciplinary action against me.

If any section of this Agreement is held to be invalid, the remaining sections of this Agreement will not be affected. *I acknowledge that I have had at least seven (7) days to examine this Agreement. I have been advised by the Personnel Department of the City of Hobbs that I may consult with an advisor or attorney prior to entering into this Agreement.*

ATTEST:

THE CITY OF HOBBS, NEW MEXICO

CITY MANAGER

WITNESS

EMPLOYEE NAME (Please Print)

DATE

EMPLOYEE SIGNATURE

EXHIBIT B

The bargaining unit consists of the following positions:

Firefighter

Paramedic

Driver/Engineer

Fire Prevention Specialist

EMT Specialist



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
November 17, 2025

SUBJECT: Resolution No. 7707 - Approving a Proposed Collective Bargaining Agreement with the Hobbs Police Officers Association

DEPT OF ORIGIN: Legal

DATE SUBMITTED: 11/12/2025

SUBMITTED BY: Medjine Desrosiers-Douyon, Deputy City Attorney

Summary:

Pursuant to Section 2.60.150 of the Hobbs Municipal Code, the City of Hobbs ("City") and the Hobbs Police Union, Local 701 ("Union") participated in collective bargaining negotiations. The previous Collective Bargaining Agreement (CBA) expired on June 30, 2025. Following the conclusion of negotiations, the City and the Union reached a final agreement resulting in a proposed CBA covering the period of 2025 through June 30, 2029. The proposed CBA was ratified by the Union on November 11, 2025.

Key provisions include:

Term: The Agreement shall remain in effect for four (4) years, beginning upon approval and continuing through June 30, 2029.

Compensation and Pay Adjustments

Initial Pay Increases:

20% increase for Crime Scene Technicians, Detention Officers, and Detention Supervisors

26.5% increase for Police Officers and Detectives

Scheduled Raises: Additional 4% base pay increase in FY 2028 and FY 2029 (subject to City and DFA approval)

Shift Differential: \$1.00/hour for night (graveyard) shifts

Annual Incentives (\$2,000 each): for special assignments (SWAT, K9, Honor Guard, VMO Techs) and specialty certifications (DRE, Drone Pilot, Intoxilyzer Key Holder, Crash Reconstruction, Polygraph).

Veteran Officer Incentive: \$2,000 after 14 years of service

Bilingual Pay: \$2,250 annually for certified bilingual employees. Additional Pay: 5% increase for certified Crime Scene Technicians and Field Training Officers while serving in those roles

Overtime and On-Call Pay

Overtime paid at 1.5× regular rate for hours worked beyond 80 in a 14-day period

Minimum 2 hours pay for court or on-call duty on days off

Compensatory time capped at 180 hours (unused time paid out in June).

Fiscal Impact:

The total projected first year increase to the budget for 2026 is calculated to be \$1,001,706.86. A budgetary adjustment would be needed and approved by the City Commission and the State of NM DFA. If approved, the payroll increases would start the first full pay period after DFA approval.

Attachments:

Resolution - Police Union CBA (2025)
Union signed CBA 2025 2029

Recommendation:

Motion to approve the resolution.

Approved By:

Medjine Desrosiers-Douyon, Deputy City Attorney	11/12/2025
Toby Spears, Finance Director	11/12/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	11/12/2025
Manny Gomez, City Manager	11/13/2025

CITY OF HOBBS

RESOLUTION NO. 7707

A RESOLUTION APPROVING A PROPOSED COLLECTIVE BARGAINING
AGREEMENT WITH THE HOBBS POLICE OFFICERS ASSOCIATION

WHEREAS, pursuant to Hobbs Municipal Code Section 2.60.150, the City of Hobbs and the Hobbs Police Officers Association, Local 701 ("Union") have entered into and participated in negotiations regarding a new Collective Bargaining Agreement (CBA); and

WHEREAS, the current CBA expired on June 30, 2025; and

WHEREAS, the City of Hobbs and the Union finalized negotiations and the proposed CBA was ratified by the Union on November 11, 2025, and is attached hereto; and

WHEREAS, the proposed CBA will expire on June 30, 2029; and

NOW, THEREFORE BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the Mayor and City Manager are hereby authorized and directed to execute the attached Collective Bargaining Agreement with the Hobbs Police Officers Association, Local 701.

PASSED, ADOPTED AND APPROVED this 17th day of November, 2025.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

AGREEMENT
BETWEEN
THE CITY OF HOBBS
AND
THE HOBBS POLICE OFFICERS
ASSOCIATION (I.U.P.A. Local 701)

_____, 2025 - June 30, 2029

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PREAMBLE

This Agreement is entered into by and between the CITY OF HOBBS ("CITY") and the HOBBS POLICE ASSOCIATION ("UNION"). This Agreement has as its purpose the promotion of harmonious relations between the CITY and the UNION, the establishment of an equitable and peaceful procedure for the resolution of differences, as well as the establishment of rates of pay, hours of work, and other conditions of employment. It is the goal of the City and Union to provide a high standard for the performance of law enforcement to the citizens of the City of Hobbs.

ARTICLE 1 **UNION RECOGNITION**

- A. The City recognizes the Union as the sole and exclusive collective bargaining representative for the employees employed by the City in the Hobbs Police Department. The bargaining unit will consist of non-probationary crime scene technicians, detention officers, detention supervisors, police officers, and detectives.
- B. The City extends to the Union representing the bargaining unit of employees the following rights:
 - 1. To represent the Employees in negotiations, issues regarding wages and working conditions, and in settlement of grievances, and
 - 2. To exclusive representation status.

ARTICLE 2 **UNION AND EMPLOYEE RIGHTS**

Section 2.01: The parties agree that the Union has the right and duty to represent the interest of employees in the bargaining unit, regardless of membership, so long as that representation does not interfere with the operation of the department. In exercising those rights, the following provisions shall apply:

- A. The Union shall not use the City's or department's e-mail for the dissemination of Union literature or correspondence.
- B. The City shall make available to the Union, upon its written request, any public information in accordance with applicable law.

Section 2.02: Employees have the right to form, join, or assist the Union. Employees also have the right not to form, join, or assist the Union. Membership or non-membership in the Union is strictly voluntary and may be terminated by the employee at any time. The parties recognize that the exercise of these rights shall not interfere with the delivery of services.

Section 2.03: Employees and the Union shall be entitled to all the rights and benefits specifically delineated in this agreement. There shall be no implied or inferred rights to the Union or any employees. If this Agreement is silent regarding a particular issue, it shall be considered a retained management right to exercise discretion on such issue.

ARTICLE 3 **UNION MEMBERSHIP**

The City recognizes the right of the Union to charge a membership fee to members of the union. Such membership or dues deduction shall not include any fines or assessments. The City will deduct the membership/dues fee from the employee's paycheck for any employee who has voluntarily completed and signed a membership/dues deduction authorization card and the City's deduction authorization. The deduction will begin on the first full pay period following the employee's submittal of the authorization to the City's Finance/Payroll Department. The employee may cease such deductions at any time by providing written notice to the Finance/Payroll Department at least one pay period prior to the date the employee wishes to cease the deductions.

The City will remit the membership/dues amount collected to the Union monthly within ten (10) working days following the end of the month. The City will provide a list of bargaining unit employees remitting membership/dues deductions upon written request of the Union President. The Union, its members, and the bargaining unit employees agree to hold the City harmless and pay for the defense of any claim against the City with regard to the deduction of membership dues.

ARTICLE 4 **MANAGEMENT RIGHTS**

Both parties recognize that except as specifically limited, abridged, or relinquished by the terms and provisions of this Agreement, all rights to manage, direct, or supervise the operations of the City and employees are vested solely in the City and not subject to Union action or arbitration. The City shall have the right to make such reasonable rules and regulations respecting the conduct of employees, not in conflict with this Agreement, as it may from time to time deem best for the purpose of maintaining order, safety, and/or efficient operations.

The City Manager has and retains all rights to administer the affairs of the Police Department, either personally or through his subordinate, the Police Chief, subject to: applicable state law; charter provisions specifically, but not limited to, the City of Hobbs Charter; ordinances; and resolutions for regulations and policies of the City Commission. Except as limited in this Agreement, management rights shall include, but shall not be limited to:

1. hiring, promotion, reclassification, transfer, assignment, lay off, and recall of employees;
2. reprimand, suspension, demotion, discharge, or other discipline of employees;
3. evaluation of employees;
4. revision, elimination, combination, or establishment of new jobs and job classifications;
5. establishment, organization, reorganization, close down, expansion, or otherwise change the operation of any city facility, division, or department;
6. reduce, increase, alter, combine, transfer, or cease any department's operation, equipment, or service;

7. establishment of size and composition of work forces, shifts, or units, and otherwise determine staffing requirements;
8. determine insurance programs and carriers for all City employees;
9. determine the methods or means by which operations and services are to be delivered, made, or purchased;
10. maintaining the efficiency of City government and take actions as may be necessary to carry out the mission of the City government in emergencies; and
11. manage and exercise judgment on all matters not specifically prohibited by this collective bargaining agreement.

ARTICLE 5 HOURS OF WORK

Section 5.01: Developing the work schedule for employees is a right and responsibility of the City. The goal of scheduling work is to best and most effectively meet the demands of service to the citizens of the City of Hobbs. An employee's normal hours of work may vary. All work schedules are subject to the approval of the Chief and may be changed at the Chief's discretion. The City will provide a minimum of five (5) calendar days' notice of a long-term change (greater than fourteen (14) days) to an employee's shift assignment or days off. Should it become necessary to temporarily move an employee due to staffing limitations from one shift to another, the employee with the highest seniority shall have the option to accept or reject the assignment from one shift to another. If the employee rejects the assignment, then the next most senior employee shall be afforded the opportunity to accept or reject the assignment. The process based on seniority, shall continue until an employee agrees to accept the assignment. Unless other compelling reasons exist, officers shall be afforded temporary shift changes based upon seniority.

Section 5.02: The standard fourteen-day (14) work period shall equal eighty (80) hours for all employees, regardless of their particular work schedule, unless otherwise designated by the City Commission. The standard work period shall begin Sunday at midnight and end on Saturday at 11:59 PM.

ARTICLE 6 COMPENSATION AND BENEFITS

- A. Effective the first full pay period following ratification and signature of this Agreement or resolution of impasse, whichever is later, bargaining unit employees will be entitled to the adjustments to their current rates of pay of twenty percent (20%) for Crime Scene Technicians, Detention Officers, and Detention Supervisors and twenty-six and one-half percent (26.5%) for Police Officers and Police Detectives.

Bargaining unit employees will be compensated according to the compensation range applicable to the position held as follows:

<u>Position</u>	<u>Range</u>
Crime Scene Technician	\$26.00 – 34.85
Detention Officer	\$25.80 – 34.57
Detention Supervisor	\$29.03 – 38.90
Police Officer	\$36.69 – 49.16
Police Detective	\$38.52 – 51.62

- B. Effective the first full pay period following City Commission appropriation and approval and Department of Finance Administration approval in Fiscal Year 2028, bargaining unit employees will receive a four percent (4%) increase to the employee's hourly base rate of pay.
- C. Effective the first full pay period following City Commission appropriation and approval and Department of Finance Administration approval in Fiscal Year 2029, bargaining unit employees will receive a four percent (4%) increase to the employee's hourly base rate of pay.
- D. Bargaining unit employees whose regular assignment is the night (graveyard) shift will receive a shift differential of \$1.00 per hour added to the base rate of pay.
- E. Bargaining unit employees assigned to the classification of detective will receive an on-call Incentive payment on the pay period following their anniversary date in the amount of \$2,000. All money paid under this incentive is taxable income and shall be subject to all appropriate taxation and wage withholding including but not limited to state taxes and federal taxes.
- F. Bargaining unit employees assigned to the **specialty assignments** set forth below will receive an annual incentive payment in the amount of \$2,000. The Chief of Police, as a managerial right, reserves the sole discretion to assign and/or remove any specialty assignment for any bargaining unit employee at any time. The specialty assignment incentive pay will be as follows:
- Bargaining unit employees assigned to the Honor Guard will receive an **Honor Guard Incentive** payment on the pay period following their anniversary date in the amount of \$2,000. All money paid under this incentive is taxable income and shall be subject to all appropriate taxation and wage withholding including but not limited to state taxes and federal taxes.
 - Bargaining unit employees assigned as VMO Techs will receive a **VMO Tech Incentive** payment on the pay period following their anniversary date in the amount of \$2,000. All money paid under this incentive is taxable income and shall be subject to all appropriate taxation and wage withholding including but not limited to state taxes and federal taxes.

- Bargaining unit employees assigned as K9 handlers will receive a **K9 Handler Incentive** payment on the pay period following their anniversary date in the amount of \$2,000. All money paid under this incentive is taxable income and shall be subject to all appropriate taxation and wage withholding including but not limited to state taxes and federal taxes.
 - Bargaining unit employees assigned to the SWAT will receive a **SWAT Incentive** payment on the pay period following their anniversary date in the amount of \$2,000. All money paid under this incentive is taxable income and shall be subject to all appropriate taxation and wage withholding including but not limited to state taxes and federal taxes.
- G. Bargaining unit employees that achieve **specialty certifications** as set forth below will receive an annual incentive payment in the amount of \$2,000. The Chief of Police, as a managerial right, reserves the sole discretion to authorize or approve the on duty training to achieve and/or maintain the certification. The specialty certifications incentive pay will be as follows:
- Bargaining unit employees certified as a Drug Recognition Expert (DRE) will receive a **DRE Incentive** payment on the pay period following their anniversary date of certification in the amount of \$2,000. All money paid under this incentive is taxable income and shall be subject to all appropriate taxation and wage withholding including but not limited to state taxes and federal taxes.
 - Bargaining unit employees certified as a Drone Pilot/Operator will receive a **Drone Incentive** payment on the pay period following their anniversary date of certification in the amount of \$2,000. All money paid under this incentive is taxable income and shall be subject to all appropriate taxation and wage withholding including but not limited to state taxes and federal taxes.
 - Bargaining unit employees certified as an IR8000 Key Holder (or later model adopted by the State of New Mexico) will receive an **Intoxilyzer Key Holder Incentive** payment on the pay period following their anniversary date of certification in the amount of \$2,000. All money paid under this incentive is taxable income and shall be subject to all appropriate taxation and wage withholding including but not limited to state taxes and federal taxes.
 - Bargaining unit employees certified as a Motors/Crash Reconstruction Expert will receive a **Motors/Crash Reconstruction Expert Incentive** payment on the pay period following their anniversary date of certification in the amount of \$2,000.00. All money paid under this incentive is taxable income and shall be subject to all appropriate taxation and wage withholding including but not limited to state taxes and federal taxes.

- Bargaining unit employees certified as a Polygrapher will receive a **Polygraph Incentive** payment on the pay period following their anniversary date of certification in the amount of \$2,000. All money paid under this incentive is taxable income and shall be subject to all appropriate taxation and wage withholding including but not limited to state taxes and federal taxes.
- H. Both parties agree and recognize that retention of experienced officers serves the best interest of both the Hobbs Police Department and the general public. In an effort to retain experienced officers, bargaining unit employees that achieve at least fourteen (14) years of time in service with the Hobbs Police Department will receive a **Veteran Officer's Incentive** on the pay period following their anniversary date of hire in the amount of \$2,000. This incentive shall be in addition to any "longevity pay" authorized for general employees and bargaining unit employees. All money paid under this incentive is taxable income and shall be subject to all appropriate taxation and wage withholding including but not limited to state taxes and federal taxes.
- I. Both parties agree and recognize that certain bargaining unit employees are to be on call at various times. In the event that the employee is called in for duty, on their day off, the employee will be paid a minimum of two (2) hours irrespective of the amount of time the employee is on duty. If the employee exceeds two (2) hours of duty, the employee shall be paid for those hours subsequent to the two (2) hour minimum. The initial two (2) hours shall be considered hours worked and will be calculated for purposes of overtime, however, shall not be construed as double time absent applicable holiday pay contemplated by the Hobbs Municipal Code Section 2.56.810.
- J. Both parties agree and recognize that certain bargaining unit employees will be issued a court subpoena at various times. In the event that the employee is called in for court via subpoena, on their day off, the employee will be paid a minimum of two (2) hours irrespective of the amount of time the employee spends in court. If the employee exceeds two (2) hours in court, the employee shall be paid for those hours subsequent to the two (2) hour minimum. The initial two (2) hours shall be considered hours worked and will be calculated for purposes of overtime, however, shall not be construed as double time absent applicable holiday pay as contemplated by the Hobbs Municipal Code Section 2.56.810.
- K. Bargaining unit employees assigned to the classification of Crime Scene Technician will receive a salary increase of 5% upon achieving certification from the National Forensics Academy. All money paid under this salary increase is taxable income and shall be subject to all appropriate taxation and withholding including but not limited to PERA, state taxes, and federal taxes.
- L. Bargaining unit employees who are certified and assigned to the classification of Field Training Officer will receive a salary increase of 5% while performing the duties of FTO. All money paid under this salary increase is taxable income and shall be subject to all

appropriate taxation and withholding including but not limited to PERA, state taxes, and federal taxes.

- M. Bargaining unit employees will receive longevity pay in accordance with City of Hobbs Administrative Regulation, as may be amended from time to time.
- N. Bilingual pay will be paid at the rate of two thousand, two hundred and fifty dollars (\$2,250.00) annually on the pay period following the bargaining member's anniversary date for bargaining members certified under standards established by the Chief and assigned to the bilingual program. The bargaining unit members will undergo an annual evaluation conducted by the Human Resources department, prior to the disbursement of the annual incentive. Bargaining members will not be paid cumulatively if they are certified in more than one language. Bargaining members assigned under the bilingual program will not be eligible for the bilingual incentive from the City of Hobbs Personnel Rules.

ARTICLE 7 TRAVEL TIME

Bargaining unit employees required to travel outside of the City of Hobbs for work related business will be paid in accordance with the Fair Labor Standards Act for any time that crosses the employee's normal work day schedule.

ARTICLE 8 OVERTIME

The City will pay overtime at the rate of time and one half the employee's regular hourly rate of pay for all hours worked over eighty (80) hours in a pay period. Any PTO taken is not hours worked and will not be considered when calculating hours worked for purposes of overtime. When determining overtime, holiday and/or military leave shall be considered hours worked.

Overtime is considered a condition of employment and will be assigned to bargaining unit employees by the Chief of Police or designee. Overtime must be approved in writing by the employee's immediate supervisor. An employee who fails or refuses to work overtime will be considered to have provided just cause for disciplinary action, including possible termination.

Union members can bank up to 180 hours of compensatory time, however, the banked compensatory time will not carry over to the new fiscal budget years. The banked compensatory time is subject to adequate notice and scheduling with approval from the Chief of Police, or his designee. If the banked compensatory time is not used by the first pay period in June, all remaining balances will be paid after the first pay period of June prior to the current budget year close. 120 hours of "overtime" shall equal the 180 hours compensatory cap.

ARTICLE 9 PAID TIME OFF

All bargaining unit employees shall receive Paid Time Off ("PTO") in accordance with the Hobbs Municipal Code.

Bargaining unit employees shall submit a leave request form to the employee's immediate supervisor with sufficient notice prior to the first date of the requested leave as determined by the supervisor. When an employee is on scheduled PTO, and is called back to duty, the employee shall not be docked the unused PTO hours.

Bargaining unit employees may donate PTO hours to other employees in excess of the amounts contemplated by Administrative Regulation (AR) 12-03 for any approved FMLA event. Bargaining unit employees shall be allowed to donate up to twenty-four (24) hours to another employee that has been approved to receive donations via the process outlined in Administrative Regulation (AR) 12-03, however, the PTO donation shall not be approved if the donation will leave the donating employee with less than an eighty (80) hour PTO balance as a result of the PTO donation. All donated PTO leave that is unused by the recipient in the FMLA period will revert back to the original donor by the order in which they were received.

ARTICLE 10 LEAVES

Section 10:01: Military Leave. Military leave shall be granted in accordance with State and Federal law.

Section 10:02: Family Medical Leave. Family Medical leave shall be granted in accordance with the Family Medical Leave Act.

Section 10:03: Leave Without Pay. A bargaining unit employee may request a leave of absence without pay for a period not to exceed one (1) year. Such request shall be directed to the City Manager for approval, subject to the City Manager's discretion.

Section 10:04: Leave for Jury Duty. An employee receiving an order to appear for jury duty will be granted leave to serve as a juror in accordance with City Policy.

Section 10:05: Injury/Disability Leave. An employee who is injured on the job will be provided leave in accordance with the Workers' Compensation Act.

ARTICLE 11 NON-DISCRIMINATION

- A. The parties agree that neither the Union's nor the City's respective policies or activities will discriminate against any employee based upon race, age, religion, color, national origin, ancestry, gender, physical or mental disability, serious medical condition, sex (including

pregnancy, childbirth, and related medical conditions), disability, citizenship status, genetic information, marital status, sexual orientation, gender identity, Union or non-Union affiliation/membership, or any other federal, state or local protected class.

- B. The Union agrees with the City that it will cooperate and support the City's efforts to assure a fair day's work on the part of its Members; that it will combat absenteeism and other practices that will hinder such. The Union further agrees that its Members will abide by the rules of the City and the Union in their efforts to prevent accidents, eliminate waste, conserve materials and supplies, improve the quality of workmanship, and to strengthen good will between the City, the Union, and the Employee.
- C. All references to Employees in this Agreement designate both sexes, and where the male gender is used, it shall be construed to include male and female genders.
- D. The Union and the City agree not to interfere with the rights of Employees to become Members of the Union. There shall be no discrimination, interference, restraint, or coercion by the City or Union or any City representative or Union representative against any eligible Employee because of Union Membership or non-Union Membership.
- E. The Union recognizes its responsibility as the Bargaining Agent for all such Employees employed within the Bargaining Unit, and agrees to represent all such Employees in the Bargaining Unit without discrimination, interference, restraint, or coercion. The Union agrees that it shall inform its membership of all modifications, amendments, or changes in the provisions of this Agreement in a timely manner.

ARTICLE 12 SENIORITY

Section 12.02: Employee Department Seniority Calculation

For issues pertaining to the entire department, seniority shall be established as follows:

- A. Length of service within the department;
- B. When two or more certified Employees are hired on the same date, their seniority shall be established as follows:
 - 1. If the new hire has prior experience as an Employee of a police department, then that Employee shall be entitled to seniority.
 - 2. If all the new hires have prior experience as an Employee of a police department, their seniority shall be determined by length of their prior experience within State of New Mexico, out of state certified police experience.
 - 3. If none of the new hires have any experience as an Employee of a police department or military police experience, then seniority shall be determined by length of service with the City in other departments or if none have prior service with the City, by a lowest number based on the employees' last four digits of their social security number.

Section 12.03: Effect of Departmental Seniority

- A. Departmental seniority shall be the length of service with the Hobbs Police Department and shall be used for the purpose of promotions, transfers, and vacation rights, and layoffs

and recalls within the Hobbs Police Department in accordance with any applicable bidding procedure.

- B. Department seniority shall be terminated:
 - 1. When an Employee is discharged for just cause;
 - 2. When an Employee quits;
 - 3. When an Employee fails to report for work after a layoff, when properly notified in accordance with Article 24;
 - 4. When the recall list has expired.
- C. If, for any reason, an Employee voluntarily terminates employment with the Hobbs Police Department and is later rehired, the seniority of such Employee shall be placed at the bottom of the departmental seniority list.

Section 12.04: Seniority List

When requested in writing, the City shall provide a seniority list to the Union President.

Section 12.05: Police Cars

Police cars shall be issued in a manner deemed appropriate by the Chief or his designee. Take home vehicles will be provided for officers who permanently reside within Lea County, New Mexico. Employees who reside outside of Lea County, New Mexico will not be provided a take home vehicle.

Section 12.06: Vacation Seniority

Christmas and Thanksgiving shall be taken by seniority, provided however, an employee who has taken the previous holiday shall not be granted a holiday vacation request if that employee is scheduled to work that holiday.

ARTICLE 13 INTERNAL AFFAIRS INVESTIGATIONS

- A. Internal affairs investigations will be conducted pursuant to the Peace Officers Employer-Employee Relations Act, NMSA Section 29-14-1 et. seq. (1978).
- B. Internal Affairs investigations and reports are the confidential property of the Police Department for internal use only and will not be released from the custody of the department to anyone unless required by subpoena, court order, or operation of the New Mexico Law Enforcement Academy Board. An employee who is the subject of an internal investigation will be allowed access to the entire investigative file for purposes of review. In cases resulting in disciplinary recommendations by the Chief for suspensions, demotions, or terminations, the employee and/or their attorney shall be allowed access to the entire file for the necessary use in preparation for defense of the employee.
- C. It is understood by the parties that any harassment or retaliation by the employee against any person who participated in the investigation shall be considered just cause for termination.

ARTICLE 14 DISCIPLINE AND DISCHARGE

Section 14.01: Disciplinary actions for bargaining unit employees will be based on just cause. The degree of discipline will be based on the severity of the offense, the employee's work history and any mitigating or aggravating circumstances. Prior discipline that is of the same kind of action by the bargaining unit employee may be deemed "relevant prior discipline" for purposes of use in subsequent disciplinary actions as an aggravating circumstance. Disciplinary actions shall be consistent with governing laws and regulations and shall be taken without regard to race, age, religion, color, national origin, ancestry, gender, physical or mental disability, serious medical condition, sex (including pregnancy, childbirth, and related medical conditions), disability, citizenship status, genetic information, marital status, sexual orientation, gender identity, or any other federal, state or local protected class. No employee shall be disciplined for refusing to perform an unlawful act.

Section 14.02: Any department supervisor may take disciplinary action against an employee pursuant to the department supervisor's authority and consistent with departmental policies and this Agreement. A bargaining unit employee shall be progressively disciplined for unsatisfactory work performance or misconduct whenever practical. Each case of inadequate performance or act of misconduct shall be judge individually utilizing the requirements of Section 14.01 herein to determine the degree of discipline. Coaching sessions are not discipline steps for the purpose of progressive discipline but may be used as mitigating or aggravating circumstances for purposes of progressive discipline. Any discipline reduced to writing shall be subject to the grievance process. Coaching sessions or the documenting of a conversation in writing does not rise to the level of a discipline reduced to writing. Copies of any disciplinary action involving written reprimands, demotions, suspensions, or discharge shall be furnished to the Human Resource Department for placement in the employee's file with the signature of the recipient acknowledging receipt of the action, or indication that the employee refused to sign. Demotions, suspensions, and discharge are grievable through the grievance procedure and arbitration procedure contained in this Agreement. Written reprimands may be appealed through the Grievance Procedure to the Jail Administrator or Chief of Police, as applicable.

Any negative entry or adverse action shall be documented in the employee's official personnel file. The employee will be given a copy of the document that reflects any negative or adverse action. The employee may submit a written response to any document submitted to the employee's official personnel file. Such response shall be presented to the Human Resource Director within thirty (30) calendar days after the employee knew or should have known of the action in question. Responses submitted after thirty (30) calendar days shall be considered not timely and void and will be returned to the employee indicating the response was not timely.

Section 14.03: Bargaining unit employees subject to this chapter or any administrative or departmental regulations duly promulgated may be disciplined for just cause. Just cause for disciplinary action includes, but is not limited to, the following:

- (1) Work performance that continues to be unsatisfactory after reasonable attempts to correct performance.

- (2) Misconduct on the job; conduct or language toward the public or toward employees, which discredits the public service.
- (3) Negligence in the performance of duty, including negligence in the operation of city vehicles or equipment or failure to adhere to established safety rules and procedures.
- (4) Incompetence or inefficiency; failure to perform job duties adequately.
- (5) Insubordination; failure to comply with the lawful orders of a supervisor, including refusal to work overtime.
- (6) Unauthorized absence from work, including tardiness.
- (7) Consumption, possession, or distribution of alcohol or drugs on the job, or reporting to work under the influence of alcohol or drugs.
- (8) Acceptance of money, gifts, privileges, or other valuable consideration, which was given with the expectation of influencing the employee in the performance of his duties.
- (9) Use of official position or authority for personal profit or advantage.
- (10) Misuse, theft, or destruction of city property.
- (11) Unauthorized disclosure of confidential information from city records or documents, as set forth by applicable state laws; falsification, destruction, or unauthorized use of city records, reports, or other data belonging to the city including city employment application, or any other document used in the employment process.
- (12) Unauthorized or fraudulent manipulation of time records or other city records.
- (13) For causes as defined in the Criminal Offender Employment Act, NMSA 1978, sS28-2-1, et seq.
- (14) Violation of city or departmental rules or policies or a professional code of ethics accepted by those in the same profession as the employee.
- (15) Non-cooperation by an employee with fellow employees or other personal conduct, which substantially interferes with the performance of his or another employee's work.
- (16) Misuse of sick leave; the claim of sickness under false or misleading pretenses.
- (17) Distribution of literature, vending, or soliciting or collecting contributions on city time and in public areas or voluntary cooperation with parties doing such without prior authorization of the City Manager.
- (18) Violation of any federal or state law pertaining to employment, including all civil rights statutes.
- (19) Failure to adhere to the established work schedule; failure to obtain authorization for overtime prior to overtime worked as established by general written department policy.
- (20) Failure to meet or maintain established job qualifications, as set forth in the job description, including maintaining a valid driver's license.
- (21) Other acts or omissions that adversely affect the welfare of citizens, other employees, or the effective operation of the city.
- (22) Unauthorized possession of a weapon on the job site.
- (23) Fighting and/or disruptive behavior in the workplace.

The foregoing examples are in no way intended to provide an exhaustive listing of reasons for which an employee may be disciplined. The severity of the infraction and the employee's work and disciplinary record will determine the level of disciplinary action taken.

Section 14.04: The City shall discuss proposed or actual disciplinary action with an employee and not in the presence of co-workers, unless representing the City or the employee in a meeting.

Section 14.05: An employee will be afforded the opportunity to present his side of the story in a predetermination meeting for any contemplated disciplinary action involving suspension, demotion, or discharge prior to the action being taken. The City will provide notice to the employee of the date, time, and place of the predetermination meeting no later than 72 hours prior to the meeting. In no event will the predetermination meeting be scheduled with less than 72-hour notice. The employee may have a representative of his choice at the meeting as an observer only. An attorney may be allowed as an observer only, provided the employee notifies the Chief in writing at least 48 hours in advance of the meeting. An employee may waive, in writing, the right to a predetermination meeting. Failure on the part of the employee to appear and/or respond either orally or in writing shall also constitute a waiver of the right to a pre-determination meeting.

Section 14.06: A supervisor or Department Head may immediately remove from the work environment any employee who poses a danger to himself or others; who is alleged to be committing or has allegedly committed a criminal act; or who otherwise is incapable of fulfilling the obligations of the job. In such cases, the employee will be placed on administrative leave with pay.

ARTICLE 15 GRIEVANCE PROCEDURE

- A. The purpose of this procedure is to secure at the lowest possible level, mutually satisfactory resolutions to grievances, which may arise during the term of this Agreement and are subject to resolution under this Agreement.
- B. A grievance is defined as a charge by either party to this Agreement that the other has violated one or more expressed provisions of this Agreement.
- C. As used in this Article, "days" shall mean work days (Monday through Friday) and shall not include holidays or time when the City Administrative Offices are closed.
- D. A written grievance must contain the name of the employee(s) involved, facts upon which it is based, the Section of this agreement allegedly violated or pertaining to, the remedy being sought, and the signature of the grievant and the date signed. Any written grievance not in compliance with this provision shall be returned with a request for a more definitive statement. A request for a more definitive statement shall toll all timelines outlined for filing grievances.
- E. Grievances concerning terminations shall be filed within ten (10) days of the date of notification of termination directly to Step Three of the grievance procedure.
- F. Grievances submitted on behalf of the Police Department shall be initiated by the Chief or designee by filing the grievance with the Union President or designee.

- G. Failure to submit a grievance within ten (10) days from the date the employee knew or should have known of the act that gave rise to the grievance, will constitute forfeiture of the right to file a grievance. Furthermore, any grievance determination not appealed to the succeeding level within the time limits expressed herein shall be considered as closed. When it is mutually agreed by the parties in writing, the time limits expressed herein may be extended. Either the Union, the City, or employee who have entered grievances on their own behalf, may drop the grievance at any Step.
- H. Should the City fail to respond to a grievance within the time limits expressed herein, the Union may appeal to the next level of the grievance procedure within the time limits set forth as if the City had timely responded.
- I. Nothing herein contained shall be considered as limiting the rights of an employee to discuss or process his/her grievance as an individual.
- J. Grievances shall be presented as outlined below:

Step One - A bargaining unit employee who believes that he/she may have a grievance or the employee's Union Representative, shall file a written grievance with the employee's immediate supervisor or the level at which the grievance occurred, that a potential grievance exists and shall schedule a meeting, during which the parties will attempt to resolve the grievance. For Detention Officer, grievances shall be submitted in writing with the Jail Administrator and a meeting scheduled. The meeting with the supervisor/administrator should be held within five (5) days of the filing of the grievance. If the matter is not resolved to the satisfaction of the employee within ten (10) days of the filing of the grievance, the employee or Union Representative may file a written grievance at Step Two.

Step Two - Within ten (10) days of the meeting with the supervisor/administrator at step one, the written grievance must be filed with the Chief. At the time of personal service, the employee or Union Representative shall schedule a grievance meeting with the Chief or designee. This meeting should be held within five (5) days following receipt of the grievance, to discuss the grievance, and attempt a resolution. The Chief will provide a written response to the grievance within ten (10) days following the meeting to discuss the grievance. If, in the opinion of the employee or the Union Representative a satisfactory settlement is not obtained within ten (10) days of the date of the Chief's response, the employee or Union Representative may file the written grievance at Step Three.

Step Three - Within ten (10) days of the date of the Chief's response, the written grievance must be filed with the City Manager. An employee grieving a termination may request an evidentiary hearing before the City Manager, who will be assisted by the City Attorney. The City Manager will respond to the grievance within ten (10) days of the filing of the grievance. The employee or Union Representative may appeal the City Manager's decision through arbitration by

providing written notice to the Human Resource Director within ten (10) work days of the date of the City Manager's decision.

- K. The Union shall provide the Chief a list of the union representatives that are authorized to file a grievance on behalf of the union and authorized to represent an employee on a grievance.

ARTICLE 16 ARBITRATION

- A. This procedure shall be the sole and exclusive method for resolving any and all claims arising from the suspension, demotion, or discharge of an employee or the alleged violation of this agreement.
1. Prior to an appeal to binding arbitration the procedure for the settlement of the grievance, Article 15 Grievance Procedure, must have been exhausted.
 2. The appeal must be received by the Human Resource Director within fifteen (15) work days from the date of the City Manager's decision.
- B. An arbitrator shall be selected in the following manner:
1. The City and the Union shall attempt to agree on an arbitrator within ten (10) working days of the filing of the request for arbitration. If the parties are unable to agree on an arbitrator, the parties will request a list of seven (7) names from the FMCS, provided the employee/Union complete the employee's portion of the FMCS form for arbitration and submit a check for half of the filing amount to the Human Resource Director within the ten (10) working days of filing the request for arbitration.
 2. Within ten (10) days of receipt of the arbitration list, the parties will meet to select the Arbitrator. Should the parties fail to mutually agree upon an Arbitrator, then each party will strike one (1) name alternately until a single name remains and he or she shall be the Arbitrator. The party required to strike the first name will be determined by a flip of a coin.
- C. The Arbitrator will schedule the hearing within thirty (30) calendar days after notification of selection by the parties or as soon as practicable thereafter. The Arbitrator shall decide issues of arbitrability prior to hearing the merits of the case. If the Arbitrator determines the case is arbitrable, then the Arbitrator shall consider the facts of the grievance in arbitration and, following the hearing, shall prepare and submit to the parties, in writing, a report and decision as soon as possible after the conclusion of the hearing. The parties may jointly agree to waive a written opinion and allow the Arbitrator to enter an award without analysis or explanation. Arbitration shall be conducted according to the rules established by the FMCS.
- D. The cost of services of the Arbitrator shall be shared equally by the parties. Each party will be responsible for compensating its own witnesses and representatives.
- E. The Arbitrator shall have the authority to determine if there was just cause for any disciplinary action. However, in no case shall he/she have the power to add to, nor subtract from, or modify this Agreement.

- F. The Arbitrator's award in disciplinary cases is limited to back pay and/or reinstatement, or reinstatement to a similar position at the parties' discretion if irreconcilable personality conflicts exist. The award shall be limited to the amount of wages and benefits the employee otherwise would have earned subject to discount based on any earnings or compensation received by the grievant including, but not limited to, unemployment insurance benefits. The employee has an obligation to mitigate his/her damages. The arbitrator may not award attorney's fees, punitive damages, general compensatory damages, or costs. If the arbitrator orders reinstatement and no demotion, then the employee must be returned to the same classification with the same rate of pay conditioned on the employee's eligibility to maintain the classification.
- G. Arbitration is subject to the provisions of the State's Uniform Arbitration Act and an award may be set aside pursuant to the standards/grounds for compulsory arbitration set forth in New Mexico Law as well as the Federal Arbitration Act and case law determined by the 10th Circuit and United States Supreme Court.

ARTICLE 17 WRITTEN EVALUATIONS AND APPEAL PROCESS

Section 17.01: Written Evaluations are used to provide feedback to bargaining unit employees and are not designed or intended to be used as disciplinary actions and will not be used in such a manner. Written Evaluations may, however, be used to support disciplinary actions. Within Written Evaluations, employees will be assessed in relation to the essential job functions of their position for the previous year. Written Evaluations may also be used to identify and establish specific, measurable goals for the employee for the upcoming year. An employee shall be shown his/her Written Evaluation. If the employee disagrees with the Written Evaluation, the employee shall abide by the following procedure to appeal the evaluation:

- A. Employee shall file, within five (5) calendar days, a written request to appeal the Written Evaluation to the Police Chief. The appeal must take place within five (5) calendar days from the date that the written request to appeal was filed.
- B. If the employee does not feel a satisfactory settlement has been reached after appeal to the Police Chief, the employee may file, within five (5) calendar days, a written request to appeal the Police Chief's appellate decision to the City Manager. The appeal must take place within five (5) calendar days from the date that the written request to appeal the Police Chief's appellate decision was filed.
- C. If the employee does not feel a satisfactory settlement has been reached after appeal to the City Manager, the employee may file, within five (5) calendar days, a written request to have the Board of the Union review the merits of the City Manager's appellate decision and make a determination as to whether or not to allow an appeal of the City Manager's decision to a two (2) party panel. The Board must issue a written decision to the employee, the Police Chief, and the City Manager within five (5) calendar days from the date that the written request for Board review was filed.
- D. If the Board supports appeal of the City Manager's decision to a two (2) party panel, the Board will coordinate with all parties as to time, date, and place for the City Manager's decision to be submitted to the two (2) party panel. The appeal must take place within five

(5) calendar days from the date that the written decision by the Board was issued. The two (2) party panel shall consist of: one (1) representative selected by the Union; and one (1) representative selected by the City. In the event that an agreement cannot be reached by the two (2) party panel, a third party shall be selected to make a determination by agreement of Union and City.

- E. The conclusion of the two (2) party panel will be deemed final and unappealable with regard to that Written Evaluation. The final decision, whether it be the Police Chief's, City Manager's, or two (2) party panel's, will be made a part of the Written Evaluation and shall not be subject to the grievance process under Articles 15 and 16 herein.

It is strictly understood that Union shall only be afforded the opportunity to appeal no more than five (5) of the City Manager's appellate decisions annually as they relate to Written Evaluations. Additionally, Union shall be responsible for an accurate accounting of the appeals they submit to the two (2) party panel upon request by City.

If the employee, or Union, fails to meet the time limits imposed, the process will end and the employee will lose any rights that have not already been exercised in regard to the Written Evaluation. At any step in this progression up the chain, the employee may stop the process and prepare a written response to the evaluation. That response will be retained in the employee's personnel file, together with the original Written Evaluation. Nothing contained in this Article shall be construed so as to provide an employee the right to engage in adversarial proceedings, or have counsel argue on their behalf, during the appeal of any Written Evaluation.

Written Evaluations are to be completed on an annual basis during the anniversary month of the employee's most recent hire date. Other evaluations, incident evaluations, performance improvement plans or like evaluations may be utilized in order to provide additional feedback to employees. These types of evaluations will generally be specific to one aspect of job performance and should remain in the employee's working file as identified in this Agreement. The Written Evaluation is a formal report that will become a part of the employee's personnel file.

ARTICLE 18 STRIKES, SLOWDOWNS, AND LOCKOUTS

Section 18:01: The parties acknowledge that the Public Employee Bargaining Act makes strikes illegal. The Union agrees that it will not encourage, threaten, support, instigate, or participate in a strike or slowdown. The Union will not authorize, institute, aid, condone, threaten, or engage in a slowdown, work stoppage, "blue flu", or strike.

Section 18:02: The City, for any reason, shall not authorize, institute, aid, or promote any lockout of employees covered by this Agreement.

Section 18:03: In the event any employees covered by this Agreement, individually or collectively, violate the provisions of this Article and the Union fails to exercise good faith in halting the work interruption, the Union and the employees involved shall be deemed in violation of this section. If

the City believes that employees are participating in such activity and it is not sanctioned by the Union, the Union President, or designee, may be relieved from duty, with pay, to take actions in an effort to resolve this issue. Prohibited practice charges regarding strikes, slowdowns, or lockouts may be filed with the Public Employee Labor Relations Board.

Section 18:04: The parties agree that in the event of a strike or a slowdown the employees who encouraged, supported, instigated, threatened, or participated in the strike or slowdown may be subject to termination of their employment with the City and will be deemed to have provided just cause for termination. The parties agree that a sick-out/blue flu is considered a strike or slowdown.

Section 18:05: The determination as to whether a strike, slowdown, or lockout occurred will be made by the Public Employee Labor Relations Board whose decision on this matter shall be final, provided however, that any decision of the Public Employee Labor Relations Board shall be appealable to District Court. A finding that the Union encouraged, threatened, supported, instigated, or participated in a strike or slowdown may result in decertification of the Union for a time period determined by the Board, but no less than one (1) year.

ARTICLE 19 **BULLETIN BOARDS**

The City agrees to allow the posting of Official Union notices and bulletins on the bulletin board in the police department main hallway, next to the training bulletin board. Postings shall not be derogatory or inflammatory toward any City of Hobbs employee or elected official. Violations of this Article will result in loss of the access to the bulletin board.

ARTICLE 20 **PERSONNEL FILES**

An employee may review post-hire information in his own personnel file by scheduling an appointment with the Human Resource Director for review during the Human Resource Office's regular business hours. An employee may also authorize, in writing, another individual to review the employee's file. Employees will receive a copy of all material prior to being placed in the personnel file, except for routine file maintenance material, pre-employment material, and training certificates.

ARTICLE 21 **LEGAL PROTECTION**

- A. Should an Employee be sued in a civil action for any allegations arising out of the scope of duties, the City will defend and indemnify that Employee.
- B. It is understood by the parties that it is against public policy for the City to defend an Employee in a criminal suit once the Employee is indicted for a criminal act.
- C. Any Employee receiving a summons or other notice of a threatened or pending job-related lawsuit shall, without unreasonable delay, notify the Chief of Police or in his absence, the

Deputy Chief. The City shall, within a reasonable time after receipt of any summons or tort claim notice, notify each Employee named as a party in the summons or tort claim notice. This provision shall apply only to summons or tort claim notices filed or received after the effective date of this contract.

- D. Any Employee named in a job-related lawsuit shall have the right at all reasonable times to consult with the City Attorney and/or the Attorney-of-Record defending the City and Employee in order to be informed of the status of the litigation, any settlements offered or contemplated, and any other relevant information regarding the litigation. An Employee named in a lawsuit or tort claim notice shall cooperate fully with the City Attorney and/or the City's Attorney-of-Record in the defense of the City and Employee.
- E. Any Employee who is or may become a party in any job-related lawsuit pursuant to a summons or tort claim notice shall have the right to consult a personal attorney of the Employee's choice regarding such matter. The Employee's personal attorney may, at reasonable times, consult with the City Attorney and/or City's Attorney-of-Record to learn the status of the litigation, any settlements proposed or contemplated, and any other relevant facts of the litigation. Nothing in this section shall be construed as giving the Employee or his personal attorney any authority to act on behalf of the City or its insurer.

ARTICLE 22 INVESTIGATIONS RELATING TO OFFICER INVOLVED SHOOTINGS

Officers will not be compelled to give an official interview as it relates to an officer involved shooting for a minimum of 48 hours from the time of the shooting. The intent of this section is to allow for ample time to secure representation, sleep, rest, and reflection by the officer. The time limit outlined herein is not controlling as to a reasonably necessary statement for initial investigative purposes.

ARTICLE 23 FILLING OF VACANCIES

- A. If the Police Department chooses to promote or transfer a bargaining unit employee from one classification to another classification within the bargaining unit, a notice of the opening shall be posted and communicated via departmental e-mail and electronically via the City's sponsored recruitment site. Any employee who desires to fill the posted position shall apply. An employee of the Department who meets the job qualifications and scores equal to any outside candidate shall be given preference for filling the vacancy.
- B. In the event a qualified employee is on authorized leave of absence during the posting period, the employee may, at the City's discretion, be afforded an opportunity to file a bid for the vacancy upon that employee's return to work, provided the employee filed the bid within three (3) working days after his/her return and provided the position has not been filled.

- C. It is agreed that the City may set or determine the number of employees to be carried in each job classification. It is further agreed that the decision to fill a vacancy is strictly the decision of the City.
- D. Temporary Vacancies and Transfers
 - 1. Filling vacancies and transfers shall be at the discretion of the Chief of Police. Most temporary vacancies and transfers are related to light duty accommodations on internal investigations.
 - 2. Employees temporarily assigned or transferred to a lower paid job within their own Department or in a different department shall receive their regular rate of pay.
 - 3. Employees temporarily assigned or transferred to a higher paid job in their own department or in a different department shall be compensated at the higher rate of pay. This subsection shall not apply to an employee who is assigned to work in another classification due to injury, workers' compensation, or voluntary request.
 - 4. The City shall provide the necessary training to those employees offered the position who have not previously been trained in the assignment.
- E. In order to provide a better work force and inter-departmental working relationship, the City shall continue to provide and maintain selected employee training for the purpose of educating those employees to be promoted to a new job classification within the bargaining unit.

ARTICLE 24 PERSONNEL REDUCTION

Section 24:01: Lay Off

- A. The City Manager may, for the good of the service, reduce the work force and lay off employees. The order of lay off shall be determined by seniority within the department.
- B. When possible, Employees to be laid off shall be notified of their pending lay off at least ten (10) days in advance of the layoff. Under no circumstances shall an Employee be laid off without having received at least 48 hours prior notice. The Union shall also be notified at the same time.
- C. Employees on lay off may choose to continue to be carried in the group insurance program with the Employee paying the total premium during such periods of lay off.

Section 24:02: Recall

- A. All regular full-time employees laid off within a division shall be placed on a reemployment list for twelve (12) months and shall be returned to work if a vacancy exists within the division in reverse order of layoff, provided the employee is qualified to perform the job to be filled. Any employee so reemployed shall retain rates of accrual based upon previous seniority. Leave balances which were not paid at time of layoff shall be reinstated.
- B. The City shall notify an employee of the recall by registered mail at his last known address. Employees being recalled shall be allowed a maximum of ten (10) days to report to work after receiving notification. If the recalled Employee is not able to return within the ten (10) days because of legal or medical reasons, the City may consider to extend the time

necessary for the return of the Employee, on a case-by-case basis. Failure to report for work within the ten (10) day time limit, or the extension thereof, shall be cause for termination.

- C. No Employee shall be denied recall if he is in substantially the same physical condition he was in at the time of lay off.

ARTICLE 25 EQUIPMENT AND UNIFORMS

A. Equipment Sets

1. All new police officer hires will be provided the following equipment: OC and Holder, holster, pistol, ballistic armor, magazine pouches, and three (3) magazines.
2. All equipment furnished by the City shall be in a serviceable condition and shall be replaced on an as needed basis. A retention level II holster will be lowest level maintained by the City for distribution to employees.
3. Employees who have lost, damaged, or have had City property stolen in the line of duty, regardless of cost, will not be required to reimburse the City unless intent or negligence is proven to the satisfaction of the Police Chief. Employees who have been determined to have intentionally or been contributorily negligent for the lost, damaged, or stolen property may be subject to appropriate disciplinary action and/or replacement of the property.

B. Ammunition

1. The City shall furnish all qualifying and duty ammunition for all calibers of weapons that each officer is authorized to carry, except for backup weapons and off-duty weapons.
2. The City will furnish ammunition for qualification practice conducted by the Firearms Training Coordinator.

- C. Clothing Allowance and Uniforms. The City will furnish four (4) complete uniform sets to police officers and detention officers and shall reissue all clothing replacements as needed. Police officers and detention officers will receive a boot allowance of up to \$200.00 per year. The boot allowance will be on a reimbursement basis. Police officers and detention officers will only be reimbursed for those boots contained on the Department's approved boot list, which shall be revisited from time to time in consultation with the Union. The Chief of Police shall have final authority regarding the approved boot list. Detectives will continue to receive a clothing allowance of \$750.00 per year. Newly promoted Detectives will receive a clothing allowance reimbursement of \$1000.00 during the first year of promotion. All money paid under this incentive is taxable income and shall be subject to all appropriate taxation and wage withholding including but not limited to state and federal taxes.

ARTICLE 26 COMPLETE AND ENTIRE AGREEMENT

This Agreement specifically describes the entire agreement between the City and the Union. There are no other agreements between the parties and the parties have had the opportunity to negotiate

on all items. Any matters not addressed in this Agreement are subject to the City of Hobbs Police Department's Standard Operating Procedures and City of Hobbs Rules and Regulations. Should there exist any conflict between the terms of this Agreement and the Standard Operating Procedures or the City's Rules and Regulations, this Agreement shall control. If a court of competent jurisdiction finds a provision of this Agreement invalid, the remainder of the Agreement shall continue in full force and effect.

All amendments to or modifications of this Agreement must be by written mutual agreement and shall be of no force or effect until ratified and approved by the City of Hobbs and the Union. It is understood and agreed that none of the foregoing rights and responsibilities will be exercised in a manner that is in violation with the provisions of this Agreement.

ARTICLE 27 COPIES OF THE AGREEMENT

The City will publish the Agreement on its website. Bargaining unit employees may request a hardcopy of the Agreement from the Union. It is the responsibility of the City to explain the agreement to the supervisory and management staff. It is the responsibility of the Union to explain the agreement to the bargaining unit employees.

ARTICLE 28 TERM OF AGREEMENT

The term of this Agreement shall continue in full force and effect through June 30, 2029.



Mark Munro, President
Hobbs Police Association

Sam D. Cobb, Mayor
City of Hobbs

Manny Gomez, City Manager
City of Hobbs



CITY OF HOBBS

STAFF SUMMARY FORM

MEETING DATE:
November 17, 2025

SUBJECT: Resolution No. 7708 - Adopting Budgetary Adjustment #2 for Fiscal Year 2025-2026

DEPT OF ORIGIN: Finance

DATE SUBMITTED: 11/10/2025

SUBMITTED BY: Deb Corral, Assistant Finance Director

Summary:

The fiscal budget of the City of Hobbs is adopted by resolution and reviewed/approved by the Department of Finance & Administration (DFA). The budget is prepared before the beginning of the fiscal year. As such, from time to time it becomes necessary to adjust the budget for items not contemplated at the time of its preparation or for issues that arise during the fiscal year.

Budget Adjustment Request (BAR) #2 is presented here with a summary of line items that require adjustment. After Commission approval, it will be forwarded to DFA for approval.

Fiscal Impact:

- Total expense increased by \$1,280,687.90
- The ending cash balance for all funds is \$106,468,627.47
- General Fund reserve is reduced from 36% to 34%

Attachments:

Budget Adjustment Resolution
BAR #2 Exhibit

Recommendation:

Motion to approve the resolution.

Approved By:

Toby Spears, Finance Director	11/10/2025
Toby Spears, Finance Director	11/10/2025
Medjine Desrosiers-Douyon, Deputy City Attorney	11/10/2025
Manny Gomez, City Manager	11/10/2025

CITY OF HOBBS

RESOLUTION NO. 7708

BUDGETARY ADJUSTMENT #2
FISCAL YEAR 2025-2026

WHEREAS, the fiscal budget for the City of Hobbs is prepared, reviewed, and approved prior to the beginning of the fiscal year; and

WHEREAS, from time to time it becomes necessary to adjust the budget due to items not contemplated at the time it is prepared; and

WHEREAS, included in this budgetary adjustment total expense has increased by \$1,280,687.90.

NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY OF THE CITY OF HOBBS, NEW MEXICO, that the herein-referenced budget adjustments be approved.

BE IT FURTHER RESOLVED BY THE GOVERNING BODY of the City of Hobbs, New Mexico, that the budgetary adjustments be subject to the approval of the Department of Finance and Administration of the State of New Mexico and that a copy of this Resolution is forwarded to their office in Santa Fe, New Mexico, for approval.

PASSED, ADOPTED, AND APPROVED this 17th day of November, 2025.

SAM D. COBB, Mayor

ATTEST:

JAN FLETCHER, City Clerk

**City of Hobbs BAR #2
FY26 Fund Summary**

<i>dfa fund</i>		Beginning Cash	Total Revenue	Interfund Transfer	Total Expenditures	Ending Cash	
11000	001 GENERAL	97,998,282.07	75,170,010.60	(21,141,250.63)	113,072,255.43	38,954,786.61	34%
29900	002 LAND ACQUISITION	825,074.11	830,000.00	-	100,000.00	1,555,074.11	
	General Fund Subtotal	98,823,356.18	76,000,010.60	(21,141,250.63)	113,172,255.43	40,509,860.72	
20100	110 LOCAL GOV CORR	531,650.69	192,500.00	-	465,598.00	258,552.69	
21100	120 POLICE PROTECTION	83,505.95	185,000.00	-	268,505.95	-	
29900	130 P D N (parif, drug, narcotics)	1,918.75	-	-	-	1,918.75	
21700	160 Core	1,000.00	1,888,500.00	4,195,577.99	6,084,077.99	1,000.00	
21900	170 OLDER AMERICAN	1,000.00	514,415.82	953,551.96	1,325,346.35	143,621.43	
51800	180 GOLF	1,000.00	1,129,500.00	2,036,977.83	3,166,477.83	1,000.00	
50600	190 CEMETERY	1,000.00	245,250.00	1,420,762.85	1,666,012.85	1,000.00	
50400	200 AIRPORT	1,126,591.84	252,280.68	-	580,200.00	798,672.52	
30300	210 LEGISLATIVE APPROPRIATIONS	1,000.00	14,117,037.64	-	12,069,526.91	2,048,510.73	
21800	220 INTERGOVERNMENTAL GRANTS	11,521,760.12	3,300,000.00	-	14,510,072.79	311,687.33	
21400	230 LODGERS' TAX	2,089,032.25	1,850,000.00	(762,500.00)	1,895,272.24	1,281,260.01	
27000	240 LG ABATEMENT FUND (OPIOID)	724,280.49	50,000.00	-	50,000.00	724,280.49	
28000	250 CANNABIS EXCISE TAX FUND	2,701,457.32	1,128,000.00	(153,120.00)	2,850.00	3,673,487.32	
29900	270 PUBLIC TRANSPORTATION	1,000.00	3,141,838.80	400,000.00	1,812,826.84	1,730,011.96	
20900	280 FIRE PROTECTION	2,218,538.93	740,000.00	-	1,994,824.14	963,714.79	
20600	290 EMER MEDICAL SERV	3,659.62	60,000.00	-	60,000.00	3,659.62	
29900	310 LEDA	3,293,275.36	-	50,000.00	50,000.00	3,293,275.36	
21222	320 2023 Recruitment LER (Year 3 - Final)	-	187,500.00	-	187,500.00	-	
20120	330 Corrections Recruitment (Year 2)	32,778.79	112,500.00	-	145,278.79	-	
20920	340 Fire Fighter Recruitment (Year 2)	-	112,500.00	-	112,500.00	-	
	Special Revenue Subtotals	24,334,450.11	29,206,822.94	8,141,250.63	46,446,870.68	15,235,653.00	
30200	370 COMM DEVE CONST	125,569.30	-	133,432.60	258,001.90	1,000.00	
39900	460 BEAUTIFICATION IMPROVEMENT	1,510,932.35	2,500,000.00	-	2,976,490.46	1,034,441.89	
39900	470 CAPITAL IMPROVEMENT FUND	-	-	10,000,000.00	-	10,000,000.00	
21600	480 STREET IMPROVEMENTS	5,949,512.40	2,576,250.00	-	6,842,123.79	1,683,638.61	
39900	490 CITY COMM. IMPROVEMENTS	14,366,957.04	2,800,000.00	(2,608,090.76)	80,000.00	14,478,866.28	
	Capital Project Subtotals	21,952,971.09	7,876,250.00	7,525,341.84	10,156,616.15	27,197,946.78	
40400	510 UTILITY BOND	-	-	307,004.10	307,004.10	-	
40400	530 WASTEWATER BOND	1,989,842.96	-	2,442,796.62	2,442,796.62	1,989,842.96	
	Debt Service Subtotals	1,989,842.96	-	2,749,800.72	2,749,800.72	1,989,842.96	
50200	100 SOLID WASTE	3,130,926.04	8,700,000.00	-	8,700,000.00	3,130,926.04	
39900	440 JOINT UTILITY EXTENSIONS CAPITAL PROJECT	1,000.00	250,000.00	2,474,658.16	2,724,658.16	1,000.00	
50100	600 JOINT UTILITY	1,000.00	-	8,881,164.68	8,881,164.68	1,000.00	
50100	610 JOINT UTILITY CONST	1,000.00	2,025,000.00	11,143,884.79	13,168,884.79	1,000.00	
50300	620 WASTE WATER PLANT CONST	4,279,584.05	1,308,721.30	12,749,993.92	18,337,302.27	997.00	
50300	630 JOINT UTILITIY - WASTEWATER	1,000.00	-	7,702,219.09	7,702,219.09	1,000.00	
50300	650 JOINT UTILITIY INCOME - WASTEWATER	15,546,104.12	9,320,000.00	(22,895,009.63)	42,000.00	1,929,094.49	
50100	660 JOINT UTILITY INCOME	10,682,254.30	10,041,600.00	(20,332,053.57)	-	391,800.73	
50100	680 METER DEPOSIT RES	1,896,574.16	300,000.00	-	300,000.00	1,896,574.16	
69900	690 INTERNAL SUPPLY	85,253.99	252,000.00	-	252,000.00	85,253.99	
	Utility Subtotals	35,624,696.66	32,197,321.30	(275,142.56)	60,108,228.99	7,438,646.41	
69900	640 MEDICAL INSURANCE	1,313,879.19	8,053,121.28	-	7,894,400.00	1,472,600.47	
69900	670 WORKERS COMP TRUST	1,344,414.48	970,930.65	-	1,218,000.00	1,097,345.13	
69900	740 INSURANCE - RISK	3,593,320.53	2,591,000.00	-	3,011,090.00	3,173,230.53	
	Internal Service Subtotal	6,251,614.20	11,615,051.93	-	12,123,490.00	5,743,176.13	
79900	700 MOTOR VEHICLE	9,881.86	6,000,000.00	-	6,000,000.00	9,881.86	
79900	710 MUNI JUDGE BOND FUND	110,452.33	-	-	-	110,452.33	
79900	720 RETIREE HEALTH INSURANCE TRUST FUND	5,872,175.43	1,080,000.00	3,000,000.00	2,058,000.00	7,894,175.43	
79900	730 CRIME LAB FUND	72,171.05	17,820.00	-	17,820.00	72,171.05	
79900	750 FORECLOSURE TRUST FUND	71.88	-	-	-	71.88	
79900	770 LIBRARY TRUST	5,717.15	3,000.00	-	3,000.00	5,717.15	
79900	780 SENIOR CITIZEN TRUST	5,725.94	1,000.00	-	1,000.00	5,725.94	
79900	790 PRAIRIE HAVEN MEM	6,731.98	-	-	-	6,731.98	
79900	800 COMMUNITY PARK TRUST	1,800.76	-	-	-	1,800.76	
79900	820 EVIDENCE TRUST FUND	223,852.13	5,000.00	-	-	228,852.13	
79900	830 HOBBS BEAUTIFUL	16,870.89	23,811.00	-	23,811.00	16,870.89	
79900	860 RETIREE RECOGNITION	1,050.08	1,500.00	-	1,500.00	1,050.08	
	Trust & Agency Subtotals	6,326,501.48	7,132,131.00	3,000,000.00	8,105,131.00	8,353,501.48	
Grand Total All Funds		195,303,432.68	164,027,587.77	(0.00)	252,862,392.97	106,468,627.47	
					1,280,687.90		

BAR #2 Detail

Fund	Org	Object	Project	Description	Budget before request	BAR #1 Request	Balance after request	Justification
001	010202	41101		SALARIES - CERTIFIED	3,438,721.94	403,539.17	3,842,261.11	
001	010202	41111		FICA	303,283.16	30,870.75	334,153.91	
001	010202	41112		PERA	997,356.31	117,233.12	1,114,589.43	
001	010203	41101		SALARIES - CERTIFIED	1,673,305.71	155,831.70	1,829,137.41	
001	010203	41111		FICA	151,669.49	11,921.13	163,590.62	
001	010203	41112		PERA	430,144.95	43,085.14	473,230.09	
001	010204	41101		SALARIES - CERTIFIED	1,694,174.56	90,719.82	1,784,894.38	
001	010204	41111		FICA	145,808.81	6,940.07	152,748.88	
001	010204	41112		PERA	387,082.17	27,011.83	414,094.00	
001	010206	41101		SALARIES - NON CERTIFIED	569,021.44	48,950.40	617,971.84	
001	010206	41111		FICA	56,735.25	3,744.71	60,479.96	
001	010206	41112		PERA	91,544.58	7,734.16	99,278.74	
001	010207	41101		SALARIES	615,630.50	39,385.02	655,015.52	
001	010207	41111		FICA	55,493.67	3,012.95	58,506.62	
001	010207	41112		PERA	100,024.97	11,726.89	111,751.86	
1,001,706.86							Per Police CBA	
001	010220	41101		SALARIES	6,092,083.65	202,812.41	6,294,896.06	
001	010220	41111		FICA	510,886.97	15,515.15	526,402.12	
001	010220	41112		PERA	1,871,853.34	60,653.48	1,932,506.82	
278,981.04							Per Fire CBA	
Total Expense Increase						1,280,687.90		