

Kayvan Khalatbari

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July 2, 2025

Via Email

City of Raton
Attn: Ray Florsheim, City Attorney
P.O. Box 910
Raton, NM 87740
floersheimj@bacavalley.com

RE: Proposal for Mutual Termination of Lease and Associated Agreements

Dear Mr. Florsheim,

I write on behalf of Ramel Family Farms LLC regarding our lease of the Armex property and the associated Project Participation Agreement (PPA), both executed on May 19, 2021. After years of effort, investment, and collaboration attempts with the City of Raton, it has become clear that the working relationship has irreparably deteriorated, and we no longer see a viable path forward under the current circumstances.

Although we initially welcomed the prospect of mediation, a significant factor in our unwillingness to engage in that process further is the repeated **false assertion by the City that we have already terminated the lease**, despite our never having submitted written notice to that effect. This unfounded claim, which has been allowed to persist despite our formal communications to the contrary, has fundamentally undermined any potential for good-faith negotiation and has left us unable to effectively plan or invest in our business.

Even more troubling, however, is the **hostile conduct and racist rhetoric expressed publicly and privately by City Commissioner Mark Honeyfield**. His behavior, which includes intimidation and discriminatory commentary, has contributed directly to an environment in which we no longer feel welcome or safe operating in Raton. As long as individuals like Mr. Honeyfield remain in leadership, we do not believe a productive or respectful partnership with the City is possible.

Additionally, the City's refusal to vacate the warehouse space—despite multiple requests and justification attempts and its impact on our ability to fully utilize the premises—constitutes a material obstruction to our operations. The City has also failed to include key economic development metrics that were originally agreed upon, specifically those related to our investment in multiple downtown properties and the jobs created through those efforts.

Finally, the City has **impeded our quiet enjoyment and long-term planning**, in direct violation of the Lease, by maintaining ambiguity and making unilateral assertions not grounded in the Lease or PPA, thereby materially frustrating the economic development objectives that were the basis of this public-

private partnership. More than the required 90 days have been provided to cure these issues, some of which have been open for more than three years now without an attempt at resolution by the City.

These actions and omissions, combined with the hostile environment created by City leadership—including discriminatory conduct and public intimidation—have fundamentally undermined the viability of this public-private partnership. As such, we view these actions and inactions as a constructive breach of the agreement, providing ample cause for termination without penalty.

To that end, we are formally proposing a **mutual termination of the Premises Lease Agreement and the PPA**, effective **December 31, 2025**, at which point Ramel Family Farms will vacate the Armex property and return possession of the facility to the City. **It is very clear that the City has other plans for this property, and we are prepared to hand it over so they can pursue them.**

We are requesting **no compensation or reimbursement** for the substantial capital and operational investment we have made. In exchange, we ask that the City **release us from any further obligations, penalties, rent, or liability** under the lease or PPA so that both parties can conclude this relationship cleanly and without legal or administrative entanglement. We further propose that this agreement include a **waiver of the scheduled mediation and any remaining “cure” processes**, as these have become procedurally and emotionally untenable.

Despite these challenges, our desire is not to escalate this further. We are not seeking to litigate the past, only to move forward with dignity and finality. We request until **December 31, 2025** to vacate the premises to wind down operations, notify customers, reassign or support our employees, and ensure an orderly departure that does not leave any community members or business partners stranded. We have lost all enthusiasm for this town and will begin the process of winding down our other operations and projects in town, including the Heirloom Shop, El Raton Theatre, the Traders Building, and more.

We hope the City shares our interest in resolving this matter without further disruption or expense. Please confirm your willingness to proceed with this mutual termination agreement by **July 15, 2025**, so we can begin the necessary logistical and legal steps to formalize the transition.

Sincerely,

KSKL

Kayvan Khalatbari
Manager, Ramel Family Farms LLC