

**LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
REGULAR MEETING AGENDA OF THE BOARD OF DIRECTORS**

Date: Wednesday, December 8, 2021

Time: 8:00 a.m.

Place: Reese Technology Center, LRRRA Board Room, 9801 Reese Blvd, Suite 200, Lubbock, TX 79416

AGENDA ITEMS	TAB	SPEAKER
Call the Meeting to Order		Steve Verett
1. Citizen Comments - Any citizen wishing to appear before a regular meeting of the Lubbock Reese Redevelopment Authority Board of Directors, regarding any matter posted on the Board Agenda, shall complete the sign-up form provided at the meeting, no later than 7:45 a.m.	TAB 1	Steve Verett
2. a. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.072, regarding certain matters concerning real property. Discussions regarding interest in the lease, sale, or value of buildings and property. b. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters: <ul style="list-style-type: none"> • Executive Director • Manager of Business Development • Manager of Accounting • Manager of Operations • Operations Lead • Service Technician • Service Technician • Administrative Coordinator • Administrative Assistant • Board of Directors c. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.071, Consultation with Attorney.	TAB 2	John Tye Murvat Musa Don Provost Steve Verett Murvat Musa Darrell Guthrie
3. Action Item – Consider the Minutes of the October 27, 2021, Board of Directors Meeting and the November 4, 2021, Executive Committee/Compensation Committee Meeting	TAB 3	Steve Verett
4. Action Item – Consider Compensation Committee Recommendations for Employee Raises and Bonuses	TAB 4	Steve Verett
5. Action Item – Consider Lease for Bayer Research and Development Services, LLC for Buildings 1170, 1180, and Laydown	TAB 5	Don Provost
6. Action Item – Consider Lease Amendment for OXY USA Inc. for Buildings 52, 60, and Laydown	TAB 6	Don Provost

7. Action Item – Consider awarding bid for cleanup of former housing/Reese Business Park	TAB 7	Chris Evans
8. Action Item – Consider Third Amendment to LRRRA Bylaws	TAB 8	Darrell Guthrie
9. Discussion Item – Financial Reports and Make Ready Cost Reporting	TAB 9	Sandy Hamilton
10. Discussion Item – LRRRA Lease Process	TAB 10	Murvat Musa
11. Discussion Item – Reese Events & Activities	TAB 11	Murvat Musa
Adjourn the Meeting		Steve Verett

Lubbock Reese Redevelopment Authority (LRRRA) will post this meeting agenda on its front doors and on its website at <http://www.reesetechnologycenter.com/agendas/> by 5:00 p.m., Friday, December 3, 2021.

by: 
Lacy Elliott, Administrative Coordinator

The LRRRA Board meetings are available to all persons regardless of disability. To notify the LRRRA of your attendance or if you require special assistance, please contact them at (806) 885-6592 or write Reese Technology Center, 9801 Reese Blvd., Suite 200, Lubbock, Texas 79416 at least 48 hours in advance of the meeting.

ITEM 1

Citizen Comments

ITEM 2

EXECUTIVE SESSION

Information to be provided at
meeting
(if applicable)

Lubbock Reese Redevelopment Authority

Board Meeting Minutes

October 27, 2021

The Lubbock Reese Redevelopment Authority held a regular meeting at 8:00 a.m. Wednesday, October 27, 2021, at the Reese Technology Center, LRRRA Board Room, 9801 Reese Boulevard, Suite 200, Lubbock, TX 79416.

These are the minutes of the Board of Directors of the Lubbock Reese Redevelopment Authority, a State of Texas Political Subdivision.

<u>MEMBERS PRESENT:</u>	Steve Verett	Todd McKee	Tim Pierce
	John Tye	George McMahan	John Hamilton

MEMBERS ABSENT: Tim Collins

OTHERS PRESENT:
Reese Staff: Murvat Musa-Executive Director, Don Provost-Manager of Business Development, Sandy Hamilton-Manager of Accounting, Chris Evans-Manager of Operations, Lacy Elliott-Administrative Coordinator, Cecilia Davila-Administrative Assistant.

Legal Counsel: Darrell Guthrie, by videoconference

Others: Mark Dieter and Mitchel Burt of KBR

Call the meeting to order.

Steve Verett called the meeting to order at 8:01 a.m.

ITEM 1 **Administer the Oath of Office to John Hamilton, George McMahan and John Tye as Board Members.** Steve Verett administered the oath to the three board members: John Hamilton and George McMahan as new members and John Tye for his second term.

ITEM 2 **Citizen Comments** – Steve Verett called for any citizen comments. There were none.

ITEM 3 **Hold an Executive Session.** Steve Verett called the Executive Session to order at 8:51 a.m.

- a. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.072, regarding certain matters concerning real property.

Discussions regarding interest in the lease, sale, or value of buildings and property.

- b. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters.

Executive Director
Manager of Business Development
Manager of Accounting
Manager of Operations
Operations Lead
Service Technician
Service Technician
Administrative Coordinator
Administrative Assistant
Board of Directors

- c. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.071, Consultation with Attorney.

No action was taken in the Executive Session.

Reconvene the Board of Directors Meeting

Steve Verett adjourned the Executive Session and reconvened Open Session at 9:30 a.m.

- ITEM 4** **Election of LRRA Officers for Fiscal Year 2022 and Board Committee Assignments** – John Tye moved to approve LRRA Officers and Board Committee Assignments for Fiscal Year 2022. George McMahan seconded, and the motion passed 6-0.
- ITEM 5** **Consider the Minutes of the September 22, 2021, Board of Directors Meeting and October 20, 2021, Executive Committee Meeting.** **Action Item** – John Hamilton moved to approve the minutes of both meetings and Todd McKee seconded. The minutes were approved 6-0.
- ITEM 6** **Consider a Resolution Authorizing the Execution of Signature Cards by the Executive Committee for PlainsCapital Bank and Peoples Bank** **Action Item** – George McMahan moved to approve new Signature Cards for PlainsCapital Bank and Peoples Bank. John Tye seconded, and the motion passed 5-0, with Todd McKee recusing himself from the vote.
- ITEM 7** **Financial Reports and Make Ready Cost Reporting.** **Discussion Item** - Sandy Hamilton presented financial reports.

ITEM 8 Reese Events and Activities. Discussion Item – No action required. Murvat Musa presented Reese activities and upcoming events to the Board.

Adjourn the meeting. Steve Verett adjourned the meeting at 9:52 a.m.

Content of minutes agreed to and approved by:

Approved by _____
Steve Verett, President

ATTEST:

LRRRA Board Member

**LUBBOCK REESE REDEVELOPMENT AUTHORITY
COMPENSATION COMMITTEE MEETING MINUTES
November 4, 2021**

The Lubbock Reese Redevelopment Authority held a meeting of the Compensation Committee of the Board of Directors at 3:00 p.m. on November 4, 2021, at Peoples Bank, 5820 82nd Street, Lubbock, TX 79424.

These are the minutes of the Compensation Committee of the Board of Directors of the Lubbock Reese Redevelopment Authority, a State of Texas Political Subdivision.

Members Present: Steve Verett Todd McKee Tim Pierce

Members Absent: None

Others Present

Reese Staff: Murvat Musa

Legal Counsel: None

Others: None

Call the meeting to order

Steve Verett called the meeting to order at 3:02 p.m.

1. A. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters:
 - a. Executive Director
 - b. Manager of Business Development
 - c. Manager of Accounting
 - d. Manager of Operations
 - e. Operations Lead
 - f. Service Technician
 - g. Service Technician
 - h. Administrative Coordinator
 - i. Administrative Assistant

No action was taken in Executive Session.

Steve Verett adjourned the Executive Session and the meeting at 4:15 p.m.

Content of minutes agreed to and approved by:

Approved by _____
Steve Verett, President

ATTEST:

LRRRA Compensation Committee Member

AGENDA ITEM 4
COMPENSATION COMMITTEE RECOMMENDATIONS
FY2020 EMPLOYEE RAISES/BONUSES
EXECUTIVE SUMMARY

Staff is requesting Board approval for FY2021 employee raises and bonuses (details will be handed out at the meeting) as recommended by the Compensation Committee.

BOARD ACTION ITEM No. 2021-1208-097

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY
December 08, 2021**

Item to be Considered:

Approval of the Compensation Committee Recommendation for Employee Raises/Bonuses

Previous Board Action:

- a. The Board of Directors regularly approves changes in employee compensation and benefits.

Statement of Pertinent Facts:

- a. The Compensation Committee has made the following recommendation:

See attached Recommendation for Employee Raises/Bonuses for FY 2021

Advice, Opinions, Recommendations, and Motion:

If the Board of Directors concurs, the following motion is in order:

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby approves the Compensation Committee recommendations for employee raises/bonuses, attached, as submitted, on this 8th day of December 2021.”

Steve Verett, President

ATTEST:

LRRA Board Member

AGENDA ITEM 5
BAYER RESEARCH AND DEVELOPMENT SERVICES, LLC LEASE
EXECUTIVE SUMMARY

The Lease Review Committee has reviewed and supports the following new lease.

Bayer Research and Development Services is a division of Bayer, a German based, global enterprise with core competencies in the life science fields of health care and agriculture.

This lease is for Buildings 1170, 1180 and for 21,780 square feet of laydown. This lease is for five years with two renewal options of five years each. The starting base rent is \$3.25 per square foot for the buildings and \$.75 per square foot for laydown. See the attached Deal Sheet and lease for more details.

Staff is very excited that Bayer has decided to locate at Reese, and we believe this will be an excellent long-term relationship that is very beneficial to both Reese and Bayer.

Staff is requesting board approval for this new lease.



11/08/2021

Deal Sheet
Bayer Research and Development Services, LLC
Lease for Building's 1180, 1170 & One-Half acre of Laydown
"Subject to Board Approval"

Prospective Tenant:

Bayer Research and Development Services, LLC
3410 N Elm Ave
Lubbock, TX 79403

Broker:

Kyle Cowan
NAI Wheelhouse
6502 Slide Rd. Ste 202
Lubbock, TX 79424

All Broker/Realtor fees to NAI Wheelhouse, working with Kyle Cowan locally, to be paid directly by tenant.

Premises: (See Exhibit A)

Building 1180 (Estimated 47,440 square feet)
101 Runway Dr.
Lubbock, TX 79416

Building 1170 (Estimated 900 square feet)
109 Runway Dr.
Lubbock, TX 79416

Estimated ½ acre (estimated 21,780 square feet) of apron parking located on the North side of building 1180.

Financials:

Bayer is a publicly traded German corporation with over 100,000 employees worldwide and total market capitalization of \$48.85B EUR. In the second quarter of 2021, Bayer's revenues were \$10,854 (millions EUR) with net income of -\$2,335 (millions EUR). They have total assets of \$114,427 (millions EUR) and total liabilities of \$83,849 (millions EUR).

Company Information:

Bayer is a Life Science company with a more than 150-year history and core competencies in the areas of health care and agriculture. The Bayer Group comprises 385 consolidated companies in 83 countries, and is headquartered in Leverkusen, Germany. Bayer AG engages in the development, manufacture and distribution of products in the areas of health care, nutrition and high-tech materials. It operates through the following segments: Pharmaceuticals, Consumer Health, Crop Science, Animal Health and Covestro. The CropScience segment includes seeds and plant traits, crop protection and nonagricultural pest control.

They produce data for product advancement of cotton varieties, corn hybrids, wheat varieties and new bio-tech traits. In order to obtain this data, they lease 50 plus fields from farmers across Texas, Eastern New Mexico, and Southwestern Oklahoma. Bayer purposely grows thousands of new varieties and hybrids on a wide range of environments, soil types, and irrigation levels to assess potential product responses. With this data, they are able to determine the best adaptation for peak performance on a given field within our region. To collect this data, they use specialized and modified agriculture equipment such as planters, combines and cotton pickers/strippers. During the growing season, Bayer takes multiple types of field notes visually with the human eye along with drone/UAV imagery. Samples are collected for analysis for traits such as protein and fiber length. Samples are sorted and sent to internal labs for evaluation. Data is compiled from multiple sources (planters, UAVs, harvester, human, and lab) and delivered for product advancement then the process repeats.

Use of Premises: Bayer will use the facility to store and maintain the specialized equipment and the supporting logistical equipment. This equipment includes trucks, trailers, tractors, planters, combines, cotton harvesters, sprayers, and various ag implements. The facility will also be used to organize and sort samples along with storage of materials and supplies necessary to conduct field trials.

Primary Term:

Tenant will pay the base rent per the schedule below. The base rent shall increase annually by the greater of 2% or the CPI-U.

Renewal Options:

Upon six months advance notice to Landlord, two (2) options to renew for five (5) years. The base rent shall increase the greater of 2% or the CPI-U.

Utilities:

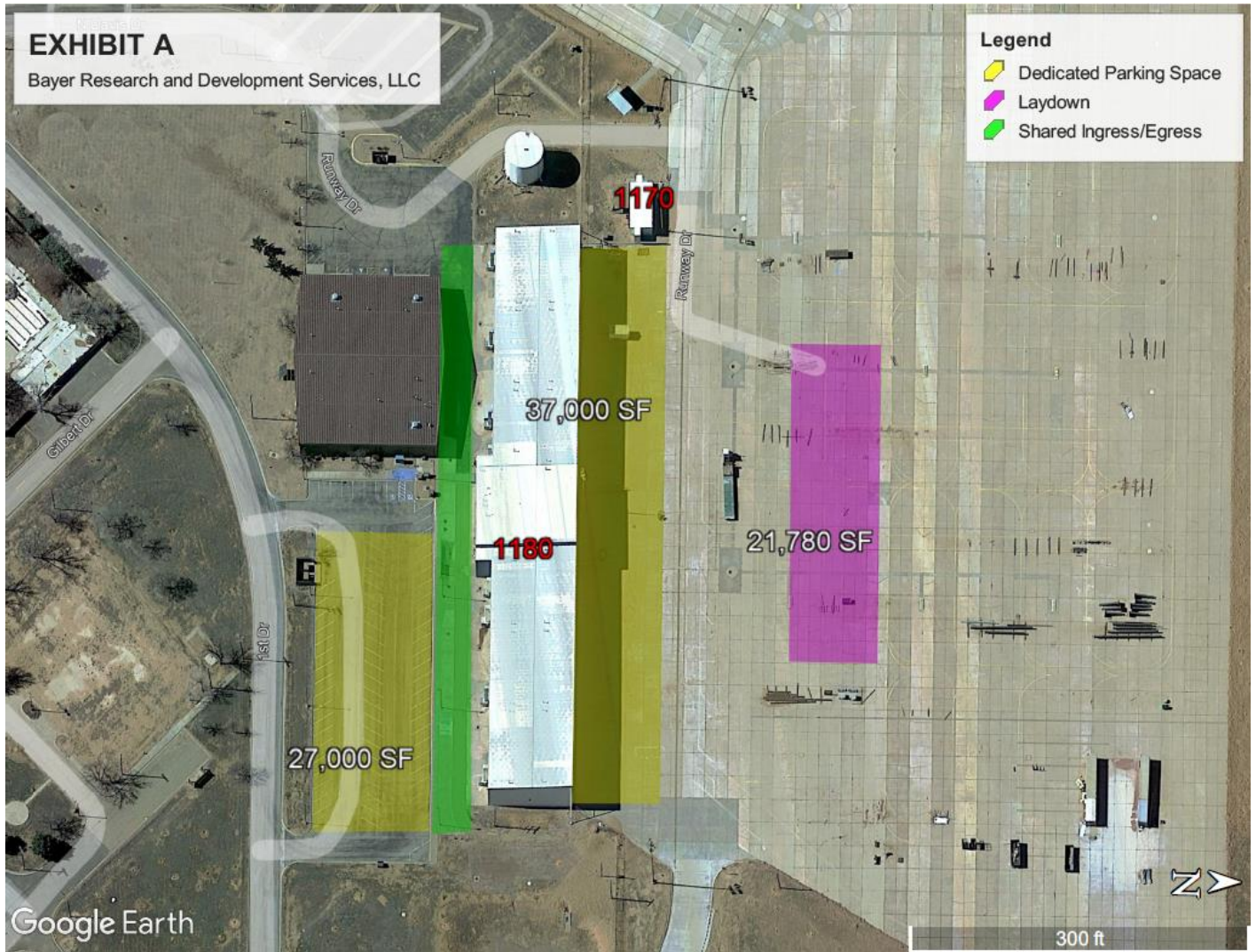
Tenant is responsible for all utilities to be paid directly to provider.

Make-Ready Expenses to Reese:

None.

Schedule assumes 2% annual increases.

Lease Year	Building 1180 - 47,440 Square Feet			Building 1170 - 900 Square Feet			Apron Parking - 21,780 Square Feet			Total Annual Rent
	Annual Rent Per Square Foot	Monthly Rent	Annual Rent	Annual Rent Per Square Foot	Monthly Rent	Annual Rent	Annual Rent Per Square Foot	Monthly Rent	Annual Rent	
Year 1	\$ 3.25	\$ 12,848.33	\$ 154,180.00	\$ 3.25	\$ 243.75	\$ 2,925.00	\$ 0.75	\$ 1,361.25	\$ 16,335.00	\$ 173,440.00
Year 2	\$ 3.32	\$ 13,105.30	\$ 157,263.60	\$ 3.32	\$ 248.63	\$ 2,983.50	\$ 0.77	\$ 1,388.48	\$ 16,661.70	\$ 176,908.80
Year 3	\$ 3.38	\$ 13,367.41	\$ 160,408.87	\$ 3.38	\$ 253.60	\$ 3,043.17	\$ 0.78	\$ 1,416.24	\$ 16,994.93	\$ 180,446.98
Year 4	\$ 3.45	\$ 13,634.75	\$ 163,617.05	\$ 3.45	\$ 258.67	\$ 3,104.03	\$ 0.80	\$ 1,444.57	\$ 17,334.83	\$ 184,055.92
Year 5	\$ 3.52	\$ 13,907.45	\$ 166,889.39	\$ 3.52	\$ 263.84	\$ 3,166.11	\$ 0.81	\$ 1,473.46	\$ 17,681.53	\$ 187,737.03
TOTAL			\$ 802,358.91			\$ 15,221.82			\$ 85,008.00	\$ 902,588.73
1st Renewal Year 1	\$ 3.59	\$ 14,185.60	\$ 170,227.18	\$ 3.59	\$ 269.12	\$ 3,229.44	\$ 0.83	\$ 1,502.93	\$ 18,035.16	\$ 191,491.77
1st Renewal Year 2	\$ 3.66	\$ 14,469.31	\$ 173,631.72	\$ 3.66	\$ 274.50	\$ 3,294.03	\$ 0.84	\$ 1,532.99	\$ 18,395.86	\$ 195,321.61
1st Renewal Year 3	\$ 3.73	\$ 14,758.70	\$ 177,104.36	\$ 3.73	\$ 279.99	\$ 3,359.91	\$ 0.86	\$ 1,563.65	\$ 18,763.78	\$ 199,228.04
1st Renewal Year 4	\$ 3.81	\$ 15,053.87	\$ 180,646.44	\$ 3.81	\$ 285.59	\$ 3,427.10	\$ 0.88	\$ 1,594.92	\$ 19,139.06	\$ 203,212.60
1st Renewal Year 5	\$ 3.88	\$ 15,354.95	\$ 184,259.37	\$ 3.88	\$ 291.30	\$ 3,495.65	\$ 0.90	\$ 1,626.82	\$ 19,521.84	\$ 207,276.86
TOTAL			\$ 885,869.07			\$ 16,806.12			\$ 93,855.70	\$ 996,530.88
2nd Renewal Year 1	\$ 3.96	\$ 15,662.05	\$ 187,944.56	\$ 3.96	\$ 297.13	\$ 3,565.56	\$ 0.91	\$ 1,659.36	\$ 19,912.27	\$ 211,422.39
2nd Renewal Year 2	\$ 4.04	\$ 15,975.29	\$ 191,703.45	\$ 4.04	\$ 303.07	\$ 3,636.87	\$ 0.93	\$ 1,692.54	\$ 20,310.52	\$ 215,650.84
2nd Renewal Year 3	\$ 4.12	\$ 16,294.79	\$ 195,537.52	\$ 4.12	\$ 309.13	\$ 3,709.61	\$ 0.95	\$ 1,726.39	\$ 20,716.73	\$ 219,963.86
2nd Renewal Year 4	\$ 4.20	\$ 16,620.69	\$ 199,448.27	\$ 4.20	\$ 315.32	\$ 3,783.80	\$ 0.97	\$ 1,760.92	\$ 21,131.06	\$ 224,363.13
2nd Renewal Year 5	\$ 4.29	\$ 16,953.10	\$ 203,437.24	\$ 4.29	\$ 321.62	\$ 3,859.48	\$ 0.99	\$ 1,796.14	\$ 21,553.69	\$ 228,850.40
TOTAL			\$ 978,071.04			\$ 18,555.31			\$ 103,624.27	\$ 1,100,250.62



STANDARD SHORT TERM INDUSTRIAL LEASE

BETWEEN

**LUBBOCK REESE REDEVELOPMENT AUTHORITY,
a Political Subdivision of the State of Texas**

AS LANDLORD

AND

**BAYER RESEARCH AND DEVELOPMENT SERVICES, L.L.C., a _____
Limited Liability Company**

AS TENANT

FOR PREMISES LOCATED AT

**Reese Technology Center Building Nos. 1170, 1180 Laydown Area, and Equipment
Parking Area**

101 and 109 Runway Drive

Lubbock, Texas 79416

STANDARD SHORT TERM INDUSTRIAL LEASE

This Standard Short Term Industrial Lease (the "Lease" or "Agreement") is made this ____ day of _____, 2021, by and between LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas (hereinafter referred to as "Landlord") and Bayer Research and Development Services, L.L.C., a _____ limited liability company (hereinafter referred to as "Tenant"). Landlord and Tenant may be referred to herein as "Party" in the singular and "Parties" in the plural.

W I T N E S S E T H:

1. BASIC LEASE PROVISIONS

(a) Landlord: Lubbock Reese Redevelopment Authority, a political subdivision of the State of Texas, whose Federal Taxpayer Identification Number is 75-2713717.

(b) Landlord Address: 9801 Reese Blvd., Suite 200, Lubbock, TX 79416.

(c) Tenant: Bayer Research and Development Services, L.L.C., whose Federal Taxpayer Identification Number is _____.

(d) Tenant Address: Bayer Research and Development Services, L.L.C., 3410 North Elm Avenue, Lubbock, Texas 79403.

(e) Guarantors: [NOT APPLICABLE]

(f) Guarantors' Addresses: [NOT APPLICABLE]

(g) Project: means the land, together with the Premises (as defined below) and all other improvements constructed thereon, and all rights, privileges, easements, and appurtenances pertaining thereto, known as Reese Technology Center and located in Lubbock County, Texas.

(h) Premises: means that approximate 900 square feet occupied by Tenant of that certain building located at 109 Runway Drive, Lubbock, Texas 79416, which is commonly known as Building #1170; approximate 47,440 square feet occupied by Tenant of that certain building located at 101 Runway Drive, Lubbock, Texas 79416, which is commonly known as Building or Hangar #1180 (collectively, referred to herein as "Building"); that approximate 21,870 square feet of laydown area (the "Laydown Area"); and, an additional 37,000 square feet parking/equipment parking area (the "Parking Area"); and, collectively identified on the site plan attached hereto as **Exhibit A** (the "Site Plan").

(i) Initial Term: Five (5) years.

(j) Extensions: Two (2) renewal options of five (5) years each, subject to the rights set forth in Section 1(k).

(k) Option to Extend Term: Tenant shall have two (2) renewal options of five (5) years each, said option period to be exercised upon written notice to Landlord by Tenant of its desire to exercise the option to extend term no less than one hundred and eighty (180) days prior to

expiration of the Initial Term and any Extension period thereafter. The Lease shall renew upon the same terms and conditions as are contained in this Lease, except the Base Rent will be as set forth in Section 1(o).

(l) Delivery Date: June 1, 2022.

(m) Commencement Date: July 1, 2022.

(n) Termination Date: June 30, 2027.

(o) Base Rent: The parties agree that the Base Rent set forth is what is commonly referred to as a "modified gross lease" and that Base Rent already includes and Tenant shall not have to pay for Common Area (as defined in Section 2(a), below) Maintenance fees, grounds keeping/mowing expenses, parking, Landlord's insurance, and any other charges incurred by Landlord with respect to the Projects Common Areas, except as otherwise provided in this Lease. Said Base Rent does not include, and Tenant solely responsible for any and all charges associated with utilities, dumpsters, telephone service, internet service, Tenant renovations, Premises maintenance, and housekeeping services, except as otherwise provided in this Lease. The Base Rent shall increase the greater of 2% or the Consumer Price Index – Urban ("CPI-U"), as set forth in **Exhibit B** (the "Base Rent Schedule").

(p) Security Deposit: [NOT APPLICABLE]

(q) Termination Option: [[NOT APPLICABLE]

(r) Termination Payment. [NOT APPLICABLE]

(s) Permitted Use: Tenant may use the Premises for the purpose of office space, general and research, warehouse space, storage facilities for heavy machinery, related equipment, or any other lawful purpose (collectively, the "Permitted Use").

(t) Landlord's Address for Payment of Monthly Charge: Payment of Rent and other monthly charges may be made by check and delivered to Landlord's address, or by electronic funds transfer to Landlord's bank account at:

Plains Capital Bank
5010 University
Lubbock, TX 79413
Routing Number - 111322994
Account Number - 185256
Deposits need to indicate: LUBBOCK REESE REDEVELOPMENT AUTHORITY

2. DEFINITIONS

(a) "Common Areas" means all facilities and areas of the Project that are intended and designated by Landlord from time to time for the common, general, and nonexclusive use of all Tenants and Tenants of the Project, including parking lots. Landlord has the exclusive control over and right to manage the Common Areas. Tenant shall have the right to use the Common Areas,

but shall maintain all responsibility and liability for its conduct, or the conduct of its agents, employees and persons invited onto the Common Areas or Premises by Tenant. Subject to the terms and conditions of this Lease, Landlord hereby grants Tenant the right to use the Premises for the Permitted Use for the Term of this Agreement, and to use the streets, alleys and other portions of the Project necessary to obtain access to the Premises for the Permitted Use.

(b) “Injury” means (1) harm to or impairment or loss of property or its use, (2) harm to or death of a person, or (3) “personal and advertising injury” as defined in the form of liability insurance Tenant is required to maintain.

(c) “Landlord” means Landlord and its agents, officers, servants, employees, consultants, invitees, Tenants, or visitors.

(d) “Rent” means Base Rent plus any other amounts of money payable by Tenant to Landlord.

(e) “Tenant” means Tenant and its agents, contractors, employees, invitees, Tenants, or visitors.

3. RENT, TENANT REQUESTED IMPROVEMENT PAYMENTS, AND INVOICES

(a) Rent. Tenant agrees to pay to Landlord the Base Rent set forth in Section 1(o), in advance, on the 1st day of each calendar month during the Term, without deduction or setoff, commencing on the Commencement Date (as defined in Section 1(m)).

(b) Invoices. All invoices from Landlord to Tenant for any Rent or Additional Rent due under this Lease will be sent to the address set forth in Section 12(m) or to such other address as Tenant may designate by notice to Landlord.

4. REAL ESTATE TAXES AND OTHER TAXES

(a) Real Estate Taxes. Tenant will pay or cause to be paid to the appropriate governmental authorities, prior to delinquency, all Real Estate Taxes. "Real Estate Taxes" means all real property taxes and assessments that become due and payable during the Term and are assessed by the applicable taxing governmental authority against the Premises.

(b) Other Taxes. Tenant shall during the Term be responsible for payment, prior to delinquency, of all taxes assessed against and levied upon the trade fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises. In addition, Tenant shall during the Term pay to Landlord monthly with the payment of Base Rent all sales or rental taxes assessed by any governmental authority against the Rent payable by Tenant hereunder. Tenant hereby agrees to hold Landlord harmless from all costs, expenses, interest and penalties that Landlord may incur as a result of Tenant's failure to pay the taxes set forth in this Section 4.

5. TENANT COVENANTS

(a) **Tenant Agrees to –**

(1) Lease the Premises for the entire Term beginning on the Delivery Date and ending on the Termination Date.

(2) Accept the Premises in their present condition "AS IS, WHERE IS CONDITION," the Premises being currently suitable for the Permitted Use. Tenant shall have the right to perform improvements to the Premises, subject to Landlord's approval of the plan and specifications prior to any work being initiated, which shall not be unreasonably denied by the Landlord. Furthermore, Tenant agrees and assures that any plans submitted and subsequent work performed for any renovation or alteration to the Premises must comply with the federal Americans with Disabilities Act ("ADA") and the Texas Accessibility Standards ("TAS") requirements and adhere to the International Building Code, as required by the LRRRA Covenants, Restrictions and Landscape Standards, as may be amended from time to time.

(3) Obey (i) all applicable federal, state, and local laws relating to the use, condition, and occupancy of the Premises; (ii) any requirements imposed by utility companies serving or insurance companies covering the Premises; and (iii) any rules and regulations for the Premises and Common Areas adopted by Landlord, to include the Reese Technology Center Covenants, Restrictions, and Landscape Standards, as amended, and as may be amended from time to time, which do not unreasonably interfere with Tenant's use of the Premises and are equally applicable to all Project tenants. For subparagraph (iii) of this paragraph, reasonableness is as determined in good faith by Tenant within 30 days after receiving from Landlord a written copy of the requirement, rule or regulation in question.

(4) Pay a late charge of five (5) percent of any Rent not received by Landlord by the fifth day after it is due.

(5) Following a twenty four (24) hour notice, allow Landlord to enter the Premises to perform Landlord's obligations, inspect the Premises, and show the Premises to prospective purchasers or tenants; provided however, that such notice requirements shall not apply in the event of Tenant's request for Landlord to come onto the Premises to perform Landlord's obligations on the Premises, or in the event of an actual emergency situation that Landlord reasonably believes will result in personal injury, loss of life or property damage to the Premises. In such situation, Landlord will notify Tenant as soon after the entry as is reasonably possible.

(6) Repair, replace, and maintain any part of the Premises that Landlord is not obligated to repair, replace, or maintain, reasonable wear excepted, including any improvements thereon, to the satisfaction of the Landlord or, in lieu of such repair or replacement, Tenant shall pay to Landlord an amount sufficient to compensate Landlord for the loss sustained by Landlord by reason of any damage to or destruction of Landlord's property.

(7) Keep the sidewalks, service ways, and loading areas adjacent to the Premises clean and unobstructed.

(8) Submit in writing to Landlord any request for repairs, replacement, and maintenance that are the obligations of Landlord.

(9) [Not Applicable].

(10) Vacate the Premises and return all keys to the Premises on the last day of the Term, or sooner if the Lease is terminated by the Landlord prior to the last day of the Term.

(11) Pay an additional cleaning, maintenance and repair fee in the event such cleaning, maintenance or repair is required as a result of any act of the Tenant or as a result of activities, which are part of the Tenant's use of the Premises. Tenant hereby agrees to pay such fee within ten (10) days of notification of fee assessment.

(12) On request, execute an estoppel certificate that states the Delivery Date, Commencement Date, and Termination Date of the Lease, identifies any amendments to the Lease, describes any rights to extend the Term or purchase rights, lists defaults by Landlord, and provides any other information reasonably requested.

(13) INDEMNIFY, DEFEND, AND HOLD LANDLORD HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF THE PREMISES OR PROJECT, OR ARISING FROM TENANT'S ACCESS TO, PRESENCE ON, OR USE OF THE PREMISES OR PROJECT OR ARISING IN ANY WAY FROM TENANT'S EXERCISE OF THE LEASE GRANTED UNDER THIS AGREEMENT. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF TENANT'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (c) WILL SURVIVE THE END OF THE TERM, AND (d) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD.

(14) On request of Landlord, move to a different location on the Reese Technology Center campus that is suitable for Tenant's Permitted Use, provided that Tenant may terminate this Lease if so moved.

(15) Tenant acknowledges and agrees that Landlord has notified Tenant that three (3) or more commercial grade wind turbines are or shall be located on the westernmost boundary of the Project, to the west of the westernmost runway of the Project. Tenant acknowledges that such wind turbines generate noise, vibration, air turbulence, wake, shadow flicker, electromagnetic interference, and could interfere with television reception, audio, visual, view, or light, or cause other interference, and Tenant releases and holds Landlord harmless from any claim for damages, losses, liabilities, losses of rent, business opportunities, profits and the like that may result from the normal operation of the wind turbines on the Project.

(16) Tenant acknowledges and agrees that no equipment of any kind placed in the Laydown will be permanently attached to the concrete taxiway without the expressed written consent of the Landlord.

(b) Tenant agrees not to —

- (1) Use the Premises for any purpose other than the Permitted Use.
- (2) Create a nuisance.
- (3) Interfere with any other parties' normal business operations or Landlord's management of the Premises or Project.
- (4) Use the Premises in any way that would increase insurance premiums or void insurance on the Premises or the Project.
- (5) Change Landlord's lock system.
- (6) Allow a lien to be placed on the Premises.
- (7) Assign this Lease or sublet any portion of the Premises without Landlord's prior express written consent. This Lease is personal to the Tenant, and therefore it is not assignable and any attempt to assign this Lease, without Landlord's prior written permission, will terminate the Lease.
- (8) Use the roof of the Premises, except as may specifically authorized in writing by the Landlord.
- (9) Place any signs on the Premises without Landlord's written consent.
- (10) Bring suit against Landlord in connection with any claim or suit arising pursuant to Section 5(a)(13).
- (11) Use any portion of the Premises for wind energy development or the installation or use of any facilities related to wind energy development or generation.
- (12) Interfere with the wind energy project being conducted on the westernmost boundary of the Project.
- (13) Take any action that shall significantly interfere with or impair the availability, accessibility, flow, frequency or direction of air and wind over and above any portion of the Premises or the Project.
- (14) Take any action that in any way interferes with or impairs the transmission of electric, electromagnetic or other forms of energy to or from the wind energy project, or interferes with or impairs Landlord's wind energy tenant's access to the wind energy project.

6. LANDLORD COVENANTS

(a) Landlord agrees to –

- (1) Lease to Tenant the Premises, or premises of similar quality, suitable for Tenant's Permitted Use on the Reese Technology Center campus, for the entire Term beginning

on the Delivery Date and ending on the Termination Date, unless otherwise terminated sooner by the Landlord pursuant to the other terms and conditions of this Agreement.

(2) Obey all applicable laws with respect to Landlord's operation of the Premises and Project.

(3) Landlord has provided the Premises on an "as is" basis for the use of the Premises by the Tenant, and in this regard Tenant accepts the Premises in their present "as is" condition. Landlord shall only be responsible for repairing and maintaining the (i) roof, (ii) roof membrane, (iii) foundation, to include floor slab, (iv) the structural soundness of load bearing walls, specifically excluding the large hangar doors attached to Building #1180, windows, window glass, plate glass, and doors, and (v) Common Areas. Landlord agrees that all items of the Premises shall be in good working order on the Delivery Date. Any issues discovered by the Tenant prior to the Commencement Date shall be the responsibility of the Landlord to repair/replace as required. After the Commencement Date, Tenant shall be responsible for the items set forth in this Section, subject to replacement of the hangar doors attached to Building #1180 shall be the responsibility of the Landlord during the entire term of this Lease and any renewal period thereof, provide that Tenant shall reimburse Landlord for the cost of replacement if the hangar doors are due to the negligence or gross negligence of the Tenant.

(b) Landlord agrees not to -

(1) Interfere with Tenant's possession of the Premises, provided Tenant is not in default on its payment or other obligations under the Lease.

(2) Subject to Section 12.q., unreasonably withhold consent to a proposed assignment or sublease.

7. COMMON AREAS

(a) Right to Use Common Areas. Tenant will have the nonexclusive right to use the Common Areas subject to any reasonable rules and regulations that Landlord may prescribe.

(b) Maintenance of Common Areas. At all times during the Term, Landlord will maintain the Common Areas.

8. UTILITIES AND TRASH REMOVAL

(a) Payment of Utility Bills. Tenant will promptly pay all charges for electricity, water, gas, telephone service, sewer, storm water service, and other utilities furnished to the Premises directly to the provider of such service.

(b) Trash Removal. Tenant shall be responsible for collection and removal of its own trash or any payments associated therewith.

9. DAMAGE BY CASUALTY

(a) Notice of Damage and Estimated Repair Time. If the Premises is damaged or destroyed by fire or other casualty ("Casualty"), Landlord will, within thirty (30) days after the date of the Casualty, notify Tenant ("Landlord's Casualty Notice") of the number of days, from the date of the Casualty, that Landlord estimates will be required to complete the repair and restoration. If neither Tenant, nor Landlord, elects to terminate this Lease as set forth below, then the damage or destruction of the Premises will, at the expense of Landlord, be repaired and restored, unless Casualty is determined to have been caused by intentional or unintentional neglect of the Tenant, at which the damage or destruction will be at the expense of the Tenant.

(b) Tenant's Right to Terminate. If more than fifty percent (50%) of the floor area of the Premises is damaged or destroyed due to Casualty, then Tenant will have the right to terminate this Lease, effective as of the date of Casualty, by notice given to Landlord within fifteen (15) days after Tenant's receipt of Landlord's Casualty Notice

(c) Landlord's Right to Terminate. If more than fifty percent (50%) of the floor area of the Premises is damaged or destroyed by Casualty, then Landlord may elect to terminate this Lease effective as of the date of the Casualty by notice given to Tenant not later than fifteen (15) days after Landlord delivers Landlord's Casualty Notice to Tenant, or to attempt to move Tenant to another area on campus that is suitable for Tenant's Permitted Use.

(d) Landlord's Repair Obligation. Landlord's obligation will be to restore all portions of the Premises and the Common Areas in the immediate vicinity of and surrounding the Premises (including but not limited all parking areas surrounding the Premises and all sidewalks, roadways, driveways and access ways leading to and from the Premises) affected by a Casualty (exclusive of Tenant's fixtures and equipment) to their condition immediately preceding such Casualty, subject to available insurance proceeds. If Landlord for any reason whatsoever fails (1) to commence the repair and restoration work required hereunder within ninety (90) days from the date of the Casualty, (2) to proceed diligently to complete such repair and restoration work, or (3) fails to complete same within the estimated time set forth in Landlord's Casualty Notice, plus the number of days of delay caused by Uncontrollable Events, then, Tenant will have the right to terminate this Lease by giving Landlord notice and upon the giving of such notice, this Lease will terminate and the Parties will be liable for their respective obligations to the date of termination and will have no liability for obligations arising after that date, except for those obligations which expressly survive termination.

10. HAZARDOUS MATERIALS

(a) Landlord's Obligations. Landlord represents and warrants that on the Delivery Date the Premises and the Project shall be in compliance with all Environmental Laws (as defined below). During the Term, Landlord will not use, generate, place, store, release or otherwise dispose of, or permit the use, generation, placing, storage, release or disposal of, Hazardous Materials in the Project, except in accordance with all Environmental Laws.

(b) Tenant's Obligations. During the Term, Tenant will not use, generate, place, store, release or otherwise dispose of Hazardous Materials in the Premises or the Common Areas, except in accordance with all Environmental Laws, and subject to the Reservations recorded in the Deed

Without Warranty Between the United States of America and Landlord recorded in the Real Property Records of Lubbock County, Texas at Deed Record 2006041652. Notwithstanding anything to the contrary contained in this Lease, Landlord acknowledges and agrees that Tenant shall have the right to use and store in the Premises in Tenant's ordinary course of business Hazardous Materials in accordance with Environmental Laws. In the event of a breach of the foregoing, Tenant will promptly undertake remediation or removal in accordance with all Environmental Laws. Tenant will indemnify, defend and hold Landlord and Landlord's Affiliated Parties harmless from and against, and reimburse Landlord and Landlord's Affiliated Parties for, all Hazardous Materials Liabilities asserted against or incurred by Landlord or Landlord's Affiliated Parties as a result of a breach of Tenant's obligations under this paragraph. Tenant shall provide Landlord a copy of Tenant's plan for responding to hazardous waste, fuel, and chemical spills no later than the Commencement Date.

(c) Definitions. As used herein,

(i) "Hazardous Materials" shall be construed broadly to include any toxic or hazardous substance, material, or waste, and any other contaminant, pollutant or constituent thereof, including without limitation, chemicals, compounds, by-products, petroleum or petroleum products, and polychlorinated biphenyls, the presence of which requires investigation or remediation under any Environmental Laws or which are or become regulated, listed or controlled by, under or pursuant to any Environmental Laws;

(ii) "Environmental Laws" means all federal, state, regional or local statutes, laws, regulations, codes, orders, permits, ordinances, decrees, rulings or judicial or administrative interpretations thereof, or similar laws of foreign jurisdictions where the Tenant conducts business, whether currently in existence or hereinafter enacted or promulgated, any of which govern, or purport to govern, or relate to pollution, protection of the environment, public health and safety, air emissions, water discharges, hazardous or toxic substances, solid or hazardous waste or occupational health and safety, as any of these terms are or may be defined in such statutes, laws, rules, regulations, codes, orders, permits, ordinances, decrees, rulings or judicial or administrative interpretations thereof, including, without limitation: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendment and Reauthorization Act of 1986, 42 U.S.C. §9601, et seq. (collectively "CERCLA"); the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and subsequent Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §6901 et seq. (collectively "RCRA"); the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801, et seq.; the Clean Water Act, as amended, 33 U.S.C. §1311, et seq.; the Clean Air Act, as amended (42 U.S.C. §7401-7642); the Toxic Substances Control Act, as amended, 15 U.S.C. §2601 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act as amended, 7 U.S.C. §136-136y ("FIFRA"); the Emergency Planning and Community Right-to-Know Act of 1986 as amended, 42 U.S.C. §11001, et seq. (Title III of SARA) ("EPCRA"); and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §651, et seq. ("OSHA"); and

(iii) "Hazardous Materials Liabilities" means all claims, damages, losses, forfeitures, expenses or liabilities arising from or caused in whole or in part, directly or indirectly, by a breach by the other party of its representations, warranties or covenants under Section 13(a) or (b), including, without limitation, all costs of defense (including reasonable attorneys' fees and

other costs of litigation), all consultants' fees, and all costs of investigation, repair, remediation, restoration, cleanup, detoxification or decontamination, and/or preparation and implementation of any closure, remedial action or other required plan.

(d) Survival. The provisions of this Section 10 will survive the expiration or earlier termination of this Lease.

11. INSURANCE AND WAIVER OF SUBROGATION

A Certificate of Insurance for each coverage identified below shall be submitted to Landlord prior to the Delivery Date. Tenant shall provide to Landlord proof of the required insurance on or before the expiration date of each expiring policy, and cause each required policy to require insurer to give Landlord notice of termination of any policy prior to the expiry of its term. Specifically, Tenant is required to have:

(a) Commercial General Liability Insurance. Commercial General Liability Insurance covering the Tenant's use of the Premises or the conducting of any activity during the use thereof, against claims for bodily injury, death or property damage occurring upon, in or about the Premises, or any area used by the Tenant to conduct its Permitted Use, regardless of whether the conduct giving rise to the liability is considered part of the Permitted use (including contractual indemnity and liability coverage), such insurance to provide coverage of not less than \$500,000.00 per occurrence and \$1,000,000.00 annual aggregate. Landlord shall be included as an additional insured against claims for bodily injury, death, or property damage occurring upon, in or about the Premises.

(b) Property Insurance. Property insurance on an all-risk basis (including coverage against fire, wind, tornado, vandalism, malicious mischief, water damage and sprinkler leakage) covering all Tenant owned fixtures, equipment, and leasehold improvements, and other personal property located in the Premises and endorsed to provide one hundred percent (100%) replacement cost coverage. Such policy shall be written in the name of Tenant.

(c) Workers Compensation' and Employer's Liability Insurance. Workers' compensation insurance shall be in an amount meeting applicable state statutory requirement and the employer's liability limits shall be in an amount not less than \$1,000,000.00 per bodily injury by accident and \$1,000,000.00 per employee for bodily injury by disease.

(d) Other Requirements of Insurance. All such insurance will be issued and underwritten by companies with an A.M. Best rating of "A" or better and size rating of "VI" or better and Tenant will use good faith efforts to obtain a policy that will contain endorsements that (1) such insurance may not lapse with respect to Landlord or be canceled with respect to Landlord without the insurance company giving Landlord at least thirty (30) days prior written notice of such cancellation, (2) Tenant will be solely responsible for payment of premiums, and (3) in the event of payment of any loss covered by such policy, this insurance shall apply as primary insurance with respect to any overlapping coverage afforded to the Landlord except for loss arising from Common Areas.

(e) Release of Claims/Subrogation. LANDLORD AND TENANT RELEASE EACH OTHER FROM ALL CLAIMS OR LIABILITIES FOR DAMAGE TO THE PREMISES, DAMAGE TO OR LOSS OF

PERSONAL PROPERTY WITHIN OR ON THE PREMISES, AND LOSS OF BUSINESS OR REVENUES THAT ARE COVERED BY THE RELEASING PARTY'S PROPERTY INSURANCE OR THAT WOULD HAVE BEEN COVERED BY THE REQUIRED INSURANCE IF THE PARTY FAILS TO MAINTAIN THE PROPERTY COVERAGES REQUIRED BY THIS LEASE. THE PARTY INCURRING THE DAMAGE OR LOSS WILL BE RESPONSIBLE FOR ANY DEDUCTIBLE OR SELF-INSURED RETENTION UNDER ITS PROPERTY INSURANCE. LANDLORD AND TENANT WILL NOTIFY THE ISSUING PROPERTY INSURANCE COMPANIES OF THE RELEASE SET FORTH IN THIS PARAGRAPH AND WILL HAVE THE PROPERTY INSURANCE POLICIES ENDORSED, IF NECESSARY, TO PREVENT INVALIDATION OF COVERAGE. THIS RELEASE WILL NOT APPLY IF IT INVALIDATES THE PROPERTY INSURANCE COVERAGE OF THE RELEASING PARTY. THE RELEASE IN THIS PARAGRAPH WILL APPLY EVEN IF THE DAMAGE OR LOSS IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF THE RELEASED PARTY BUT WILL NOT APPLY TO THE EXTENT THE DAMAGE OR LOSS IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE RELEASED PARTY.

12. ADDITIONAL LANDLORD AND TENANT AGREEMENTS

a. Alterations. Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at the end of the Term and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Delivery Date, normal wear excepted. All alterations shall require the prior written consent of Landlord, which shall not be unreasonably withheld. Tenant agrees at its sole cost and expense to comply with all Laws when performing any alterations, including obtaining any governmental permits which may be required in connection therewith. Should Tenant desire to renovate the Premises and such renovations would require alterations to the Premises, then Tenant shall submit plans and specifications for such renovations to Landlord for its approval, such approval not to be unreasonably withheld, delayed or conditioned. Landlord shall have fourteen (14) days from receipt of Tenant's plans and specifications to approve or disapprove same. In the event Landlord fails to disapprove of said plans and specifications within such fourteen (14) day period, then the plans and specifications shall be deemed approved. After completion of any alterations or improvements that require consent of Landlord hereunder, Tenant shall provide Landlord with a copy of Tenant's plans and specifications for such alterations or improvements.

b. Abatement. Tenant's covenant to pay Rent or any other charges due hereunder and Landlord's covenants are independent. Except as otherwise provided, Tenant shall not abate any charges owed to Landlord for any reason.

c. Condemnation/Substantial or Partial Taking

(1) If the Premises cannot be used for the purposes contemplated by this Lease because of condemnation or purchase in lieu of condemnation, this Lease will terminate.

(2) If there is a condemnation or purchase in lieu of condemnation and this lease is not terminated, Landlord will, at Landlord's expense, restore the Premises, and the Rent payable during the unexpired portion of the Term will be adjusted as may be fair and reasonable.

(3) Tenant will have no claim to the condemnation award or proceeds in lieu of

condemnation.

d. Uniform Commercial Code. [Not Applicable].

e. Default by Landlord/Events. Defaults by Landlord are failing to comply with any provision of this Lease within thirty (30) days after written notice.

f. Default by Landlord/Tenant's Remedies. Tenant's remedies for Landlord's default are to sue for damages.

g. Default by Tenant/Events. Defaults by Tenant are:

(1) making an assignment for the benefit of its creditors;

(2) the levying on or against Tenant's property;

(3) the institution in court of competent jurisdiction of proceedings for the reorganization, liquidation, or voluntary dissolution of Tenant, or for its adjudication as a bankrupt or insolvent, or for the appointment of a receiver of the Tenant's property, if the proceedings are not dismissed, and any receiver, trustee, or liquidator appointed therein is not discharged within thirty (30) days after the proceedings are instituted;

(4) the filing of a mechanic's lien against the Premises in connection with work contracted for by Tenant that is not released by payment or bond or otherwise (including indemnification reasonably satisfactory to Landlord) within thirty (30) days of Tenant's receipt of written notice of the existence of such mechanic's lien, provided, however, that Tenant shall have an affirmative duty to notify Landlord of the existence or threat of any such mechanic's lien being filed against the Premises if and when Tenant receives any notice of the threatened mechanic's lien from any claimant;

(5) failing to pay timely the Rent or any other charges due hereunder;

(6) failure by Tenant to perform or observe any of Tenant's non-monetary covenants contained in this Lease;

(7) abandoning or vacating a substantial portion of the Premises; and

(8) failing to comply within ten (10) days after written notice with any provision of this Lease.

h. Default by Tenant/Landlord's Remedies. Landlord's remedies for Tenant's default are to (1) enter and take possession of the Premises; (2) enter the Premises and perform Tenant's obligations; (3) apply the Security Deposit to pay arrears of Rent, to repair any damage or injury, or to pay any expense or liability incurred by Landlord as a result of the default; and (4) terminate this Lease by written notice and sue for damages. Landlord may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be occupying the Premises, until the default is cured, without being liable

for damages..

i. Remedies Cumulative. The rights and remedies given to Landlord and Tenant in this Lease are distinct, separate and cumulative remedies, and the exercise of any one or more of them will not be deemed to exclude Landlord's or Tenant's rights to exercise any or all of the others which are given in this Lease, or at law or in equity, unless such remedies are expressly excluded.

j. Default/Waiver/Mitigation. It is not a waiver of default if the non-defaulting party fails to declare immediately a default or delays in taking any action. Pursuit of any remedies set forth in this Lease does not preclude pursuit of other remedies in this Lease or provided by applicable law. Landlord and Tenant have a duty to mitigate damages.

k. Representations and Indemnities of Broker Relationships. Tenant represents and warrant to the Landlord that it has used the services of Kyle Cowan, NAI Wheelhouse, Lubbock, Texas (the "Broker") in connection with this Lease, and that Broker is entitled to a commission or finder's fee in connection herewith. Tenant shall be responsible for the payment of any commission or finder's fee in connection with this Lease. Tenant does hereby agree to indemnify, protect, defend and hold the Landlord harmless from and against liability for compensation or charges which may be claimed by the Broker or any such unnamed broker, finder or other similar Party by reason of any dealings or actions of the Tenant, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

l. Holdover. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term. If Tenant remains in possession of the Premises after the expiration of the Term without execution of a new lease extending the Term, Tenant will be deemed to be occupying the Premises as a tenant at will, subject to all of the terms of this Lease as may be applicable to a month to month tenancy and at One Hundred Fifty Percent (150%) of the monthly installment of the Base Rent set forth in Section 1(m) for the twelve (12) month period prior to expiration of the Term, except that thereafter either Landlord or Tenant may terminate this Lease upon thirty (30) days' notice to the other; provided that Landlord, by the terms hereof, is not deemed to consent to any such holdover by Tenant and may exercise all rights provided by law to remove Tenant from the Premises upon giving Tenant the notice described herein.

m. Notices. Any notices sent or required to be given hereunder must in writing and sent by certified mail, return receipt requested, or nationally recognized overnight courier to the following addresses:

LANDLORD:

Lubbock Reese Redevelopment Authority
9801 Reese Boulevard
Suite 200
Lubbock, Texas 79416
Attn: Executive Director
Telephone: (806) 885-3597

TENANT:

Bayer Research and Development Services, LLC
3410 N Elm Ave
Lubbock, TX 79403
Telephone: _____
Fax: _____
Email: _____

Notices will be deemed given on the date received (or refused) when addressed to the parties at the addresses set forth above or in either case to such other addresses as Landlord or Tenant may designate to the other by notice. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

n. Attorney's Fees. If either party retains an attorney to enforce this Lease, the party prevailing in litigation is entitled to recover reasonable attorney's fees and other fees and court and other costs.

o. Governing Law. This Lease shall be governed in accordance with the laws of the State of Texas, and all obligations of the parties are performable in Lubbock County, Texas.

p. Entire Agreement. This Lease, together with the attached exhibits and riders, is the entire agreement of the parties with respect to the grant of the Lease and right to use the Premises for the Permitted Use hereunder, and there are no oral representations, warranties, agreements, or promises pertaining to this Lease or to any expressly mentioned exhibits and riders not incorporated in writing in this Lease.

q. Assignment and Subletting by Tenant. Tenant may have the right, with the prior written consent of Landlord, which consent shall not be unreasonable withheld, conditioned or delayed, to assign this Lease, and any interest therein, provided each assignee assumes in writing all of Tenant's obligations under this Lease and Tenant shall remain liable for each and every obligation under this lease. Landlord hereby grants its consent for Tenant to sublet the Premises or any thereof, or any right or privilege pertinent thereto.

The foregoing notwithstanding, Tenant may assign its entire interest under this Lease to an Affiliate or to a successor to Tenant by purchase, merger, consolidation or reorganization without the consent of Landlord, provided that all of the following conditions are satisfied (a "Permitted Transfer"): (1) no uncured event of default exists under this Lease; (2) Tenant's successor shall own all or substantially all of the assets of Tenant; and (3) Tenant shall give Landlord written notice at least thirty (30) days prior to the effective date of the proposed purchase, merger, consolidation or reorganization. The term "Affiliate" means any person or entity controlling, controlled by or under common control with Tenant. Tenant's notice to Landlord shall include information and documentation showing that each of the above conditions has been satisfied.

r. Assignment by Landlord. Landlord is expressly given the right to assign any or all of its interest under the terms of this Lease, provided the assignee expressly assumes all obligations of Landlord hereunder.

s. Amendment of Lease. This Lease may be amended only by an instrument in writing signed by Landlord and Tenant.

t. Limitation of Warranties. THERE ARE NO IMPLIED WARRANTIES OF MERCHANTABILITY, OF FITNESS FOR A PARTICULAR PURPOSE, OR OF ANY OTHER KIND ARISING OUT OF THIS LEASE, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS LEASE.

u. Abandoned Property. Landlord may retain, destroy, or dispose of any property left on the Premises at the end of the Term.

v. Heirs, Successors, and Assigns. This Lease and the covenants, agreements and representations herein contained will be binding upon, and inure to the benefit of, the parties hereto and their respective heirs, executors, administrators, successors, and assigns, subject to the prohibition on assignments by Tenant.

w. Rules of Construction. This Lease will be construed with equal weight for the rights of both parties, the terms hereof having been determined by fair negotiation with due consideration for the rights and requirements of both parties.

x. Severability. If any term or provision of this Lease is found to be invalid, illegal or unenforceable, the remaining terms and provisions will not be affected thereby; and each term and provision hereof will be valid and enforceable to the fullest extent permitted by law.

y. Headings. The captions, section numbers and paragraph numbers appearing in this Lease are inserted only as a matter of convenience and in no way define, amplify, limit, construe or describe the scope or interest of any section of this Lease.

13. AFFIRMATIVE REPRESENTATIONS CONCERNING FTZ-260 AND OPERATION OF AIRFIELD

a. FTZ-260. Landlord has applied and previously received approval for eligible Tenants of the Project to be able to take advantage of the benefits of Foreign Trade Zone – 260. Tenants that are eligible to participate must apply through the Lubbock Economic Development Alliance and pay the application fees and any monthly fees associated with the volume of goods that are transported into and out of the Foreign Trade Zone. Interested Tenants should contact the Lubbock Economic Development Alliance for specific details regarding the application process and the fees and regulations associated with the program.

b. Airfield. Landlord currently has Federal Aviation Administration approval to operate the airstrips located within the Project. The 6,500-foot north-south runway can accommodate large cargo aircrafts such as a C-130. While Landlord anticipates that there may be changes with respect to the use of the three (3) primary landing strips that are now in operation,

Landlord intends to continue to operate the 6,500-foot north-south runway and will make the use of such runway available to Tenant in accordance with the existing Federal Aviation Administration certification. All flight arrangements must be approved through Landlord and any Tenant utilizing the runway for such flights must comply with the daytime Visual Flight Rule. Notwithstanding the foregoing, Landlord agrees that it will not cause or permit any material change in size, location or configuration of any airstrip or runway which will have an adverse effect on Tenant's ability to operate in the Premises or which will adversely affect access to the Premises. If Landlord does, then Tenant shall have the right to terminate this Agreement without penalty.

14. SECURITY CONDITIONS

Landlord and Tenant acknowledge and agree that the Project is located on property formerly owned and operated by the United States Air Force as the Reese Air Force Base, and that certain portions of the Project have been previously utilized by local, state and federal governmental entities (hereinafter, "the Government") in times of state or national emergencies to provide temporary evacuation shelters and other such uses. Additionally, Landlord has other tenants of the Project that require controlled access to the Airfield during certain operations. Landlord represents that the Government may continue to utilize the Project during the Term of this Lease in times of state or national emergency (with or without Landlord's express consent), and other tenants of the Project, when approved by the Landlord, may require controlled access to the Airfield, and that such use could adversely affect Tenant's ability to access the Premises and/or use the Common Areas due to additional security measures; provided, however, that such adverse impact shall only delay and shall not unreasonably deny access by Tenant to the Premises.

Tenant acknowledges and agrees that, in the event that the Government utilizes any portion of the Project in a time of state or national emergency or when the Landlord authorizes other tenants of the Project to control access to the Airfield, Tenant, its employees, officers, agents, and contractors will comply with all reasonable security regulations imposed by the Landlord or applicable governmental agency, including the requirement to obtain and display security identification cards and to comply with reasonable security procedures.

LANDLORD DOES NOT WAIVE SOVEREIGN IMMUNITY BY ITS EXECUTION OF OR BY ANY CONDUCT OF THEIR REPRESENTATIVES UNDER THIS LEASE.

IN WITNESS WHEREOF, having read and intending to be bound by the terms hereof, the parties have signed this Lease on the date(s) set forth below.

-----SIGNATURE PAGE FOLLOWS-----

LUBBOCK REESE
REDEVELOPMENT AUTHORITY
("Landlord")

BAYER RESEARCH AND
DEVELOPMENT SERVICES, L.L.C.
("Tenant")

By: _____
Its: _____




By: _____
Its: _____

Date

Date

Bayer Research and Development Services, LLC

Bayer Research and Development Services, LLC

-  Dedicated Parking Space
-  Laydown
-  Shared Ingress/Egress

 **Dedicated Parking Space**

 Laydown

 Shared Ingress/Egress

37,000 SF

1180

21,780 SF

27,000 SF

Google Earth

300 ft

EXHIBIT B

Rent Schedule

The rent schedule below is subject to change in event the CPI-U exceeds the two percent (2%) in any given year. In the event that the CPI-U exceeds 2% the Landlord shall provide Tenant with a revised Exhibit B.

Lease Year	Building 1180 - 47,440 Square Feet			Building 1170 - 900 Square Feet			Apron Parking - 21,780 Square Feet			Total Annual Rent
	Annual Rent Per Square Foot	Monthly Rent	Annual Rent	Annual Rent Per Square Foot	Monthly Rent	Annual Rent	Annual Rent Per Square Foot	Monthly Rent	Annual Rent	
Year 1	\$ 3.25	\$ 12,848.33	\$ 154,180.00	\$ 3.25	\$ 243.75	\$ 2,925.00	\$ 0.75	\$ 1,361.25	\$ 16,335.00	\$ 173,440.00
Year 2	\$ 3.32	\$ 13,105.30	\$ 157,263.60	\$ 3.32	\$ 248.63	\$ 2,983.50	\$ 0.77	\$ 1,388.48	\$ 16,661.70	\$ 176,908.80
Year 3	\$ 3.38	\$ 13,367.41	\$ 160,408.87	\$ 3.38	\$ 253.60	\$ 3,043.17	\$ 0.78	\$ 1,416.24	\$ 16,994.93	\$ 180,446.98
Year 4	\$ 3.45	\$ 13,634.75	\$ 163,617.05	\$ 3.45	\$ 258.67	\$ 3,104.03	\$ 0.80	\$ 1,444.57	\$ 17,334.83	\$ 184,055.92
Year 5	\$ 3.52	\$ 13,907.45	\$ 166,889.39	\$ 3.52	\$ 263.84	\$ 3,166.11	\$ 0.81	\$ 1,473.46	\$ 17,681.53	\$ 187,737.03
TOTAL			\$ 802,358.91			\$ 15,221.82			\$ 85,008.00	\$ 902,588.73
1st Renewal Year 1	\$ 3.59	\$ 14,185.60	\$ 170,227.18	\$ 3.59	\$ 269.12	\$ 3,229.44	\$ 0.83	\$ 1,502.93	\$ 18,035.16	\$ 191,491.77
1st Renewal Year 2	\$ 3.66	\$ 14,469.31	\$ 173,631.72	\$ 3.66	\$ 274.50	\$ 3,294.03	\$ 0.84	\$ 1,532.99	\$ 18,395.86	\$ 195,321.61
1st Renewal Year 3	\$ 3.73	\$ 14,758.70	\$ 177,104.36	\$ 3.73	\$ 279.99	\$ 3,359.91	\$ 0.86	\$ 1,563.65	\$ 18,763.78	\$ 199,228.04
1st Renewal Year 4	\$ 3.81	\$ 15,053.87	\$ 180,646.44	\$ 3.81	\$ 285.59	\$ 3,427.10	\$ 0.88	\$ 1,594.92	\$ 19,139.06	\$ 203,212.60
1st Renewal Year 5	\$ 3.88	\$ 15,354.95	\$ 184,259.37	\$ 3.88	\$ 291.30	\$ 3,495.65	\$ 0.90	\$ 1,626.82	\$ 19,521.84	\$ 207,276.86
TOTAL			\$ 885,869.07			\$ 16,806.12			\$ 93,855.70	\$ 996,530.88
2nd Renewal Year 1	\$ 3.96	\$ 15,662.05	\$ 187,944.56	\$ 3.96	\$ 297.13	\$ 3,565.56	\$ 0.91	\$ 1,659.36	\$ 19,912.27	\$ 211,422.39
2nd Renewal Year 2	\$ 4.04	\$ 15,975.29	\$ 191,703.45	\$ 4.04	\$ 303.07	\$ 3,636.87	\$ 0.93	\$ 1,692.54	\$ 20,310.52	\$ 215,650.84
2nd Renewal Year 3	\$ 4.12	\$ 16,294.79	\$ 195,537.52	\$ 4.12	\$ 309.13	\$ 3,709.61	\$ 0.95	\$ 1,726.39	\$ 20,716.73	\$ 219,963.86
2nd Renewal Year 4	\$ 4.20	\$ 16,620.69	\$ 199,448.27	\$ 4.20	\$ 315.32	\$ 3,783.80	\$ 0.97	\$ 1,760.92	\$ 21,131.06	\$ 224,363.13
2nd Renewal Year 5	\$ 4.29	\$ 16,953.10	\$ 203,437.24	\$ 4.29	\$ 321.62	\$ 3,859.48	\$ 0.99	\$ 1,796.14	\$ 21,553.69	\$ 228,850.40
TOTAL			\$ 978,071.04			\$ 18,555.31			\$ 103,624.27	\$ 1,100,250.62

BOARD ACTION ITEM #2021-1208-098

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRA)
DECEMBER 8, 2021**

Item to be Considered:

Consider Lease for Bayer Research and Development, LLC for B1170, B1180, and Laydown

Previous Board Action:

None

Statement of Pertinent Facts:

- a. Rate: \$3.25/SF for buildings / \$.75/SF for laydown with annual increases of 2% or the CPI-U, whichever is greater
- b. Term: Five years with two options to renew for 5 years each
- c. Rate Increases in Renewal Option Years: 2% or the CPI-U, whichever is greater

Advice, Opinions, Recommendations and Motion:

If the Board of Directors concurs, the following motion is in order:

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby authorizes the Board President to Approve the Lease for Bayer Research and Development, LLC for Building 1170, 1180, and Laydown, subject to negotiation of final terms and conditions, on this 8th day of December 2021.”

Steve Verett, President

ATTEST:

Board Member

AGENDA ITEM 6
OXY USA, INC. LEASE AMENDMENT
EXECUTIVE SUMMARY

The Lease Review Committee has reviewed and supports the following lease amendment.

OXY USA has been a valued customer of Reese since 2012. Their current lease will expire on January 31, 2022. To avoid rigorous legal review by their attorneys, they have requested an amendment to the existing lease rather than a new lease.

The attached Deal Sheet lays out details of the lease terms that will be amended and in summary this amendment is for two additional years with one option to renew for two more years.

Staff is requesting board approval for this lease amendment.

November 30, 2021

DEAL SHEET

Building 52, Building 60, and 20,000 Square Feet of Laydown

OXY USA Inc., a Delaware Corporation

“Subject to Board Approval”

NOTE: OXY requested a term change since this deal was negotiated and provided to the LRC for comment. The original deal was for three years on Building 52, one year on Building 60 and three years for the laydown. OXY is now requesting two years for all. The rent rates did not change. Two-year terms are consistent with our past agreements with OXY.

Tenant:

OXY USA Inc., a Delaware Corporation

5 Greenway Plaza, Suite 110

Houston, TX 77046-0521

This is a renewal for an existing customer. OXY’s current lease, which had an initial term of two years with one renewal option for two years will be expiring January 31, 2022.

Broker:

None

Financials:

This Tenant has performed well under the current lease and has been a customer at Reese since 2012. They currently lease Buildings 52, 60, and 20,000 square feet of laydown.

Premises (See Exhibit A):

Building 52

1104 Davis Drive

Lubbock, TX 79416

Building 60

904 Davis Drive

Lubbock, TX 79416

20,000 square feet of laydown area

Type of Lease:

Modified Gross Lease

Primary Term:

Tenant will pay the base rent per the schedule below. The base rent shall increase annually by 2%.

Building Nos. 52 – 44,654 Sq. Ft. Tenant is currently paying \$4.50 per square foot.

TERM	ANNUAL RENT	MONTHLY RENT	P/SF
Year 1	\$204,961.86	\$17,080.16	\$4.59
Year 2	\$208,980.72	\$17,415.06	\$4.68
TOTAL	\$413,942.58		
1 ST Renewal Year 1	\$212,999.58	\$17,749.97	\$4.77
1st Renewal Year 2	\$217,464.98	\$18,122.08	\$4.87

Building Nos. 60 – 6,750 Sq. Ft. Tenant is currently paying \$4.50 per square foot.

TERM	ANNUAL RENT	MONTHLY RENT	P/SF
Year 1	\$30,982.50	\$2,581.88	\$4.59
Year 2	\$31,590.00	\$2,632.50	\$4.68
TOTAL	\$62,572.50		
1 ST Renewal Year 1	\$32,197.50	\$2,683.13	\$4.77
1st Renewal Year 2	\$32,872.50	\$2,739.38	\$4.87

20,000 Sq. Ft. of Laydown. Tenant is currently paying \$1.30 per square foot.

TERM	ANNUAL RENT	MONTHLY RENT	P/SF
Year 1	\$26,600.00	\$2,216.67	\$1.33
Year 2	\$27,200.00	\$2,266.67	\$1.36
TOTAL	\$53,800.00		
1 ST Renewal Year 1	\$27,800.00	\$2,316.67	\$1.39
1st Renewal Year 2	\$28,400.00	\$2,366.67	\$1.42

Renewal Options:

One (1) Option to renew for two (2) years. Base rent will increase 2% annually for each renewal period.

Termination Option:

None.

Utilities:

Tenant is responsible for all utilities.



Maintenance & Expenses:

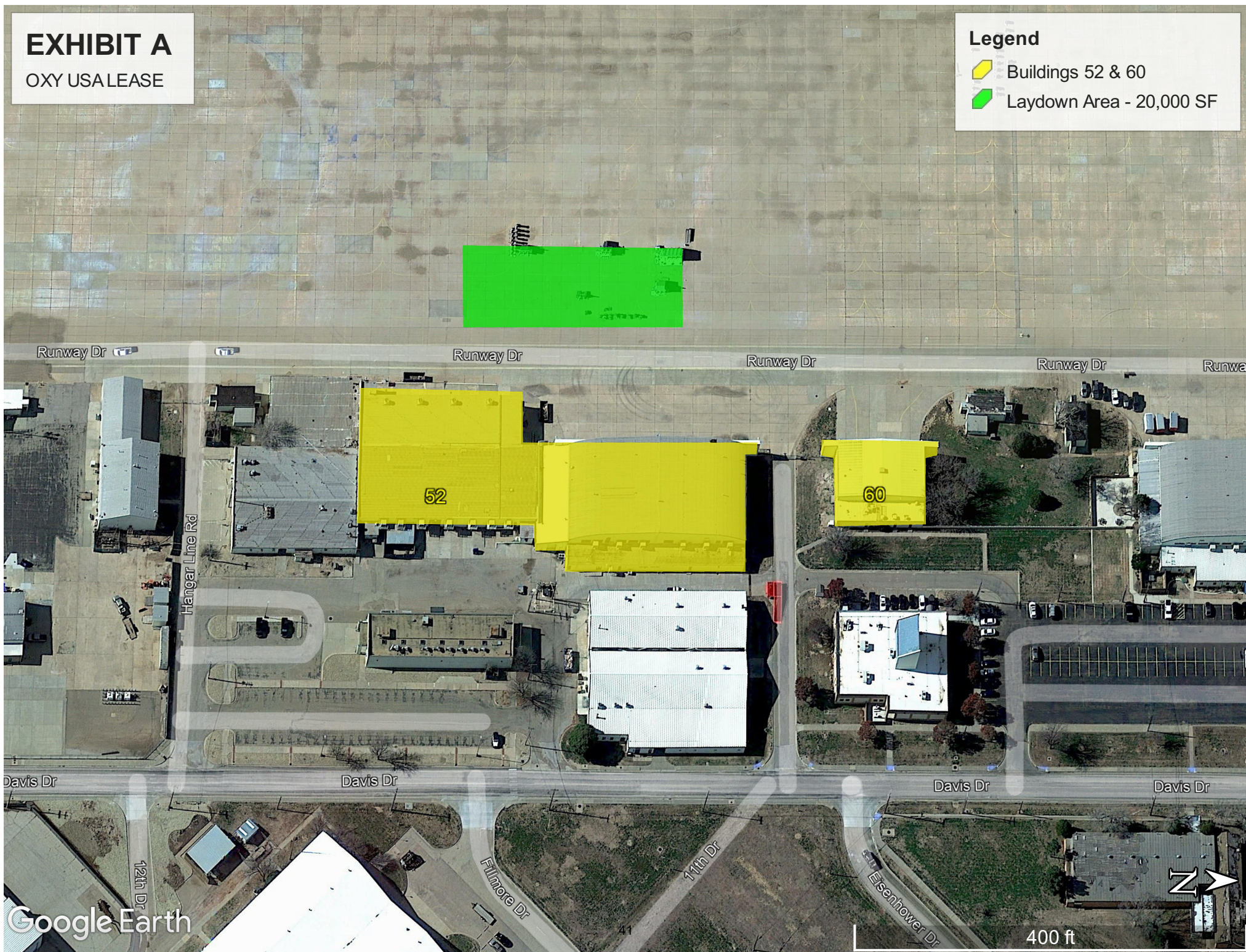
There are no make-ready expenses to Reese.

EXHIBIT A

OXY USA LEASE

Legend

-  Buildings 52 & 60
-  Laydown Area - 20,000 SF



**FIRST AMENDMENT TO
STANDARD OFFICE LEASE
EFFECTIVE DATE: February 1, 2022**

THIS FIRST AMENDMENT (“Amendment”) between the LANDLORD, LUBBOCK REESE REDEVELOPMENT AUTHORITY (“LRRA”) and TENANT, OXY USA, INC. (“Oxy”) is hereby incorporated into a certain STANDARD OFFICE LEASE previously executed by both parties and dated January 24, 2018, respectively (collectively, the “Lease”).

This Amendment is hereby executed to amend and replace the following portions of the Lease. **The terms and conditions, specifications, and requirements remain as per the Lease, except as amended below.**

The Lease is supplemented as stated below:

1. Section 1, Subsection (j)

(j) Extensions: Three (3) renewal options of two (2) years, subject to the rights set forth in Section 1(k).

2. Section 1, Subsection (k)

(k) Option to Extend Term: Tenant shall have three (3) renewal options of two (2) years. The Lease shall renew only upon the express written agreement of the Parties hereto for the period specified in Section 1(j) and without the necessity for the execution of any further instrument and upon the same terms and conditions as are contained in this Lease, except the Base Rent will be as set forth in Section 1(o).

3. Section 1, Subsection (o)

Building Nos. 52 – 44,654 Sq. Ft.

TERM	ANNUAL RENT	MONTHLY RENT	Price/SF
2 nd Renewal Year 1	\$204,961.86	\$17,080.16	\$4.59
2 nd Renewal Year 2	\$208,980.72	\$17,415.06	\$4.68
3 rd Renewal Year 1	\$212,999.58	\$17,749.97	\$4.77
3 rd Renewal Year 2	\$217,464.98	\$18,122.08	\$4.87

Building Nos. 60 – 6,750 Sq. Ft.

TERM	ANNUAL RENT	MONTHLY RENT	Price/SF
2 nd Renewal Year 1	\$30,982.50	\$2,581.88	\$4.59
2 nd Renewal Year 2	\$31,590.00	\$2,632.50	\$4.68
3 rd Renewal Year 1	\$32,197.50	\$2,683.13	\$4.77
3 rd Renewal Year 2	\$32,872.50	\$2,739.38	\$4.87

20,000 Sq. Ft. of Laydown.

TERM	ANNUAL RENT	MONTHLY RENT	Price/SF
2 nd Renewal Year 1	\$26,600.00	\$2,216.67	\$1.33
2 nd Renewal Year 2	\$27,200.00	\$2,266.67	\$1.36
3 rd Renewal Year 1	\$27,800.00	\$2,316.67	\$1.39
3 rd Renewal Year 2	\$28,400.00	\$2,366.67	\$1.42

The signatories warrant that they are empowered to enter into this Amendment and that it is hereby accepted. This Amendment shall be effective and binding between the parties hereby upon execution by both parties.

The execution of this Amendment by Landlord shall not be considered a waiver of Landlord's sovereign immunity to suit.

IN WITNESS WHEREOF, having read and intending to be bound by the terms hereof, the Parties have signed this Amendment on the date(s) set forth below.

{SIGNATURE PAGE FOLLOWS}

LUBBOCK REESE
REDEVELOPMENT AUTHORITY
("Landlord")

OXY USA, INC.
("Tenant")

By: Steve Verett, President

Date

By:

Printed Name:

Title:

Date



EXHIBITS:

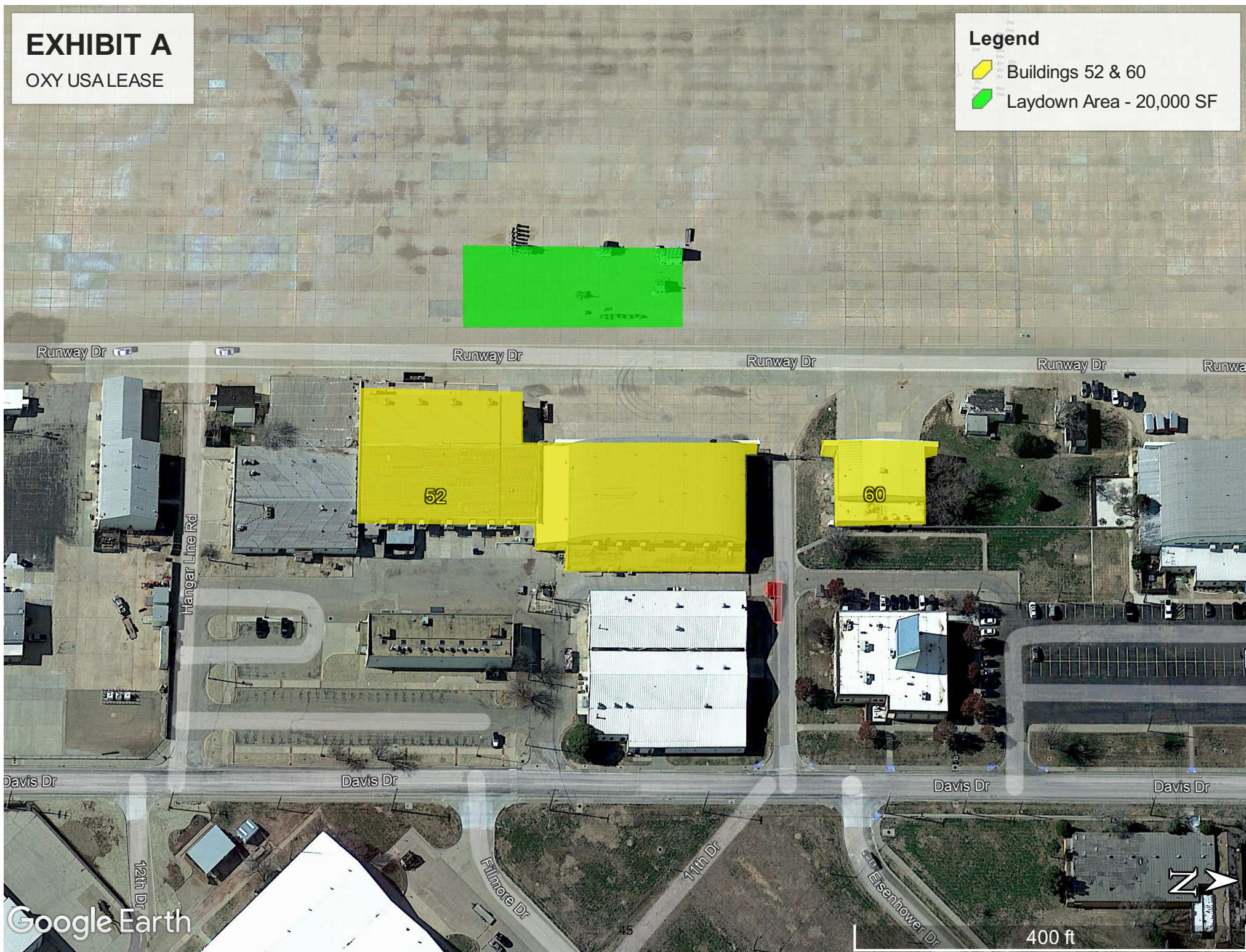
Exhibit A – Site Plan

EXHIBIT A

OXY USA LEASE

Legend

-  Buildings 52 & 60
-  Laydown Area - 20,000 SF



BOARD ACTION ITEM #2021-1208-099

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRA)
DECEMBER 8, 2021**

Item to be Considered:

Consider Lease Amendment for OXY USA for B52, B60, and Laydown

Previous Board Action:

The Board has previously approved leases for OXY USA, beginning in 2012.

Statement of Pertinent Facts:

- a. Current lease expires January 31, 2022
- b. OXY has requested a lease amendment rather than a new lease
- c. Rate: \$4.59/SF for buildings / \$1.33/SF for laydown with annual increases of 2%
- d. Term: adds two additional renewal year options for two years each
- e. Rate Increases in Renewal Option Years: 2%

Advice, Opinions, Recommendations and Motion:

If the Board of Directors concurs, the following motion is in order:

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby authorizes the Board President to Approve the Lease for OXY USA for Building 52, 60, and Laydown, subject to negotiation of final terms and conditions, on this 8th day of December 2021.”

Steve Verett, President

ATTEST:

Board Member

AGENDA ITEM 7
**AWARD BID FOR CLEANUP OF REESE BUSINESS PARK/
FORMER HOUSING**
EXECUTIVE SUMMARY

In the FY2022 budget, the Board approved \$650,000 for cleanup of approximately 96 acres in what was formerly base housing, now the Reese Business Park.

Staff issued an RFP on October 30 with a mandatory pre-bid meeting on December 10. Bids were due on Monday, December 6. We received 4 bids which we have listed on the bid tab that follows.

The lowest responsible bidder is 4G Service, LLC, a company that builds/maintains roads for the oil industry in Oklahoma and Texas. Their interest in this project is driven by their need to reclaim the concrete, making their bid considerably lower than the other 3 at \$699,726.00.

Staff is recommending awarding the bid to 4G Service, LLC.

BID TABULATION SHEET

PROJECT: Clear and Grub of Reese Business Park

DATE OF BID: December 6, 2021

BIDDER	Attended Mandatory Pre-Bid Conference	BID PRICE	ORDER BY LOWEST PRICE	COMMENTS
4G Service LLC	X	699,726.00	1	This company builds/maintains roads for the oil industry in Oklahoma and Texas. They are interested in the project to reclaim the concrete.
West Texas Paving	X	874,000.00	2	Offer a \$100,000 deduction if we keep all the base material
J&S Dirt Contractors	X	1,035,500.00	3	This is a traditional earth moving contractor.
T & T Earthmovers	X	3,163,444.00	4	This is a traditional earth moving contractor.

Additional Information

There were no HUB vendors under this category.

Recommendation

It is the recommendation of the MOO to award this project to 4G Services LLC based on the price provided on the RFP issued on November 1, 2021.

BOARD ACTION ITEM No. 2021-1208-100

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY
December 8, 2021**

Item to be Considered:

Award Bid for Cleanup of Former Housing/Reese Business Park

Previous Board Action:

Statement of Pertinent Facts:

- a) Reese staff issued an RFP on October 30, 2021, and held a mandatory pre-bid conference on November 10, 2021, with sealed bids due on December 6, 2021
- b) The following table lists all submitted bids:

Bidder	Total Amount
4G Service, LLC	\$ 699,726.00
West Texas Paving	\$ 874,000.00
J&S Dirt Contractors	\$ 1,035,500.00
T&T Earthmovers	\$ 3,163,444.00

- c) Staff recommends this project be awarded to 4G Service, LLC., the lowest responsible bidder.

Advice, Opinions, Recommendations and Motion:

If the Board of Directors concurs, the following motion is in order:

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby awards the bid for Cleanup of Former Housing/Reese Business Park to 4G Service, LLC., as submitted, on this 8th day of December 2021.”

Steve Verett - President

ATTEST:

LRRA Board Member

AGENDA ITEM 8
THIRD AMENDMENT TO LRRR BYLAWS
EXECUTIVE SUMMARY

Based on previous Board discussions for the need to update the LRRR bylaws, attached is a red line of the bylaws being presented for Board consideration. In summary, the updates include necessary changes due to changes in the LRRR enabling legislation as well as changes that allow the Board and staff to function efficiently without compromising controls.

Affected areas:

1. Section 2.01 Purpose: expands the definition of the purpose of the Authority to be consistent with newly revised enabling legislation.
2. Section 3.08 Special Meetings: allows for special meeting per revised legislation detailed in Section 12.01.
3. Section 4.04 Duties of President: removes that the board president is the chief executive officer and removes that the board president has all control of the Authority's business. The board president will continue to supervise the Authority's business.
4. Section 4.06 Duties of Secretary/Treasurer: replaces "shall" with "may" for the duties of this position. Allows for delegation to the ED/CEO or their designee.
5. Section 5.01 Executive Director: adds that the executive director is also the chief executive officer and expands their authority for long-term planning, executing instruments by delegation of the Board, and control over policies and procedures. Additionally, other areas throughout the bylaws that refer to the executive director now refer to the executive director/chief executive officer.
6. Section 8.03 & 8.04 Potential Conflicts of Interest: adds the executive director/chief executive officer will be subject to this section.
7. Section 12.01 Meeting by Telephone: updates this section to comply with newly revised enabling legislation which allows for meetings via telecommunication devices.

SECONDTHIRD AMENDED BYLAWS

OF

LUBBOCK REESE REDEVELOPMENT AUTHORITY

These Bylaws (hereinafter called the Bylaws) govern the affairs of Lubbock Reese Redevelopment Authority (hereinafter called the Authority), a political subdivision of the State of Texas, organized as a governmental unit under Chapter 101, Civil Practice and Remedies Code and Subtitle B, Title 4, Chapter 3501, of the Special District Local Laws Code, as amended (hereinafter called the Chapter).

ARTICLE 1.

OFFICES

1.01 Principal Office. The Authority's principal office in the State of Texas shall be located at 9801 Reese Blvd., Suite 200, Lubbock, Texas 79416. The Authority may have such other offices, in Texas or elsewhere, as the Board of Directors may determine. The Board may change the location of any office of the Authority.

1.02 Registered Office and Registered Agent. The Authority shall comply with the requirements of the Chapter and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical to the Authority's principal office in Texas. The Board may change the registered office and the registered agent as permitted in the Act.

ARTICLE 2.

PURPOSE

2.01 Purpose. The Authority is created to undertake projects necessary or incidental to the industrial, commercial, or business development, redevelopment, maintenance, and expansion of new and existing business ~~on the property;~~ encourage the development of new

industry by private businesses; and encourage financing of projects designated as redevelopment projects; on the property now known as Reese Technology Center and formerly known as Reese Air Force Base and surrounding areas, to include using all powers, duties, and methods set out in the Chapter.

ARTICLE 3.

BOARD OF DIRECTORS

3.01 The affairs of the Authority shall be managed, operated, and controlled by the Board of Directors (hereinafter called the Board).

3.02 Number of Directors. The number of Directors shall be seven (7).

3.03 Appointment of Directors and Tenure of Directors. Pursuant to section 3501.051 of the Texas Special District Local Laws Code, the Board shall be comprised of:

- (a) Five (5) Directors appointed by the City of Lubbock, Texas City Council from a list of persons recommended by the Board;
- (b) One (1) Director appointed by the County of Lubbock, Texas Commissioners Court from a list of persons recommended by the Board; and
- (c) One (1) Director who will be the Executive Director of the South Plains Association of Governments (hereinafter called SPAG); and
- (d) The persons recommended by the Board under Subdivisions (a) and (b), above, should have experience in real estate, finance, manufacturing, agriculture, or general business.
- (e) The Directors shall serve for a term of four (4) years. Each Director shall hold office until a successor is elected and qualifies. Except as provided by Subsection (f), a Director may be appointed to succeed himself or herself as Director for one (1) additional term of four (4) years.
- (f) A Director appointed to fill a vacancy for an unexpired term shall serve for the remainder

of that term and may be appointed as the Director's own successor for not more than two full four (4) year terms.

3.04 Board Vacancies. The Board shall fill any vacancies in the same manner as the original appointment. A vacancy for an unexpired term is for the remainder of the term only.

3.05 Advisory Board Members. The Board shall determine the need and extend invitations to persons, organizations, and agencies that the Board may vote as necessary to serve in an advisory capacity. Any Advisory Board member will not be entitled to vote at any meetings of the Board.

3.06 Annual Meeting. The annual meeting of the Board shall be held in October of each year at the Authority's principal office in Texas.

3.07 Regular Meetings. The Board shall meet each month, unless the President determines that there shall not be a meeting, but under no circumstances shall the Board meet less than nine (9) times per year.

3.08 Special Meetings. Special Board meetings may be called by, or at the request of; the President or any two (2) Directors. A person or persons authorized to call special meetings of the Board may fix any place within Texas as the place for holding a special meeting, [subject to the provisions of Section 12.01](#). The person or persons calling a special meeting shall inform the secretary of the Board of the information to be included in the notice of the meeting. The secretary of the Board shall give notice to the Directors pursuant to Section 11.01.

3.09 Notice of Meetings. Notice of the time, place, and purpose of any regular meeting of the Board shall be served upon each Director pursuant to Section 11.01, not less than five (5) calendar days before each meeting. Notice of special meetings shall be served pursuant to Section 11.01, no less than seventy-two (72) hours before such meetings. Any such notice may

be expressly waived by any Directors either before or at the meeting for which notice has been waived.

3.10 Public Notice. All meetings of the Board at which its business will be conducted shall be held in public. Participation in the meetings by any individual, excepting members, shall be at the discretion of the Board. Any member of the public desiring to so participate shall notify the President of the Board before the meeting of the subject he/she wishes to address. Meetings shall be held and conducted in compliance with the requirements of the Texas Open Meetings Act, Texas Government Code Subsection 551.001 et seq.

3.11 Quorum. At all meetings of the Board, a majority of its total Directors shall constitute a quorum required to transact business, but less than a quorum may adjourn a meeting from time to time without further notice until a quorum is present. In determining a quorum, the number of Directors shall be considered that number which are then duly serving as Directors of the Board. Any vacancies which may exist shall not be counted in determining the total number of Directors.

3.12 Voting. Each Director of the Board, other than any Advisory Board member, shall be entitled to one vote, and any act of a majority of the Directors present and voting at the Board meeting shall constitute the act of the Board. Attendance and voting by proxy shall be prohibited.

3.13 Duties of Directors. Directors shall discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the Authority's best interest and that are not unlawful. In this context, the term ordinary care means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging any duty imposed or power conferred on directors,

Directors may, in good faith, rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Authority or another person that has been prepared or presented by a variety of persons, including officers and employees of the Authority, professional advisors or experts such as accountants or legal counsel. A Director is not relying in good faith if he or she has knowledge concerning a matter in question that renders reliance unwarranted.

3.14 Duty to Avoid Improper Distributions. Directors who vote for or assent to improper distributions are jointly and severally liable to the Authority for the value of improperly distributed assets, to the extent that, as a result of the improper distribution or distributions, the Authority lacks sufficient assets to pay its debts, obligations, and liabilities. Any distribution made when the Authority is insolvent, other than in payment of its debts, or any distribution that would render the Authority insolvent, is an improper distribution. A distribution made during liquidation without payment and discharge of or provision for payment and discharge of all known debts, obligations, and liabilities is also improper. Directors present at the Board meeting at which the improper action is taken are presumed to have assented, unless they dissent in writing. The written dissent must be filed with the secretary of the Board before adjournment of the meeting in question or mailed to the secretary by registered mail immediately after adjournment.

A Director is not liable if, in voting for or assenting to a distribution, the Director (1) relies in good faith and with ordinary care on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the Authority, legal counsel, public accountants, or other persons as to matters the Director reasonably believes are within the person's professional or expert

competence; or a committee of the Board of which the Director is not a member; (2) while acting in good faith and with ordinary care, considers the Authority's assets to be at least that of their book value; or (3) in determining whether the Authority made adequate provision for paying, satisfying, or discharging all of its liabilities and obligations, relied in good faith and with ordinary care on financial statements or other information concerning a person who was or became contractually obligated to satisfy or discharge some or all of these liabilities or obligations. Furthermore, Directors are protected from liability if, in exercising ordinary care, they acted in good faith and in reliance on the written opinion of an attorney for the Authority.

Directors held liable for an improper distribution are entitled to contribution from persons who accepted or received the improper distributions knowing they were improper. Contribution is in proportion to the amount received by each such person.

3.15 Actions of Board of Directors. The Board shall try to act by consensus. However, if a consensus is not available, the vote of a majority of Directors present and voting at a meeting at which a quorum is present is enough to constitute the act of the Board, unless the act of a greater number is required by law or by some other provision of these Bylaws. A Director who is present at a meeting and abstains from a vote is not considered to be present and voting for the purpose of determining the Board's decision. The Board shall operate and conduct its business in accordance with Robert's Rules of Order Newly Revised.

3.16 Compensation. Directors shall serve as such without compensation except that they shall be reimbursed for their actual expenses reasonably incurred in the performance of their duties as directors.

3.17 Resignation and Removal of Directors. Any Director may resign at any time by giving written notice to the Secretary/Treasurer of the Board. In the event of the resignation,

death, or removal of any Director, the vacancy shall be filled as described in Section 3.04. Due to the very important work of the Board, regular attendance at all regular and special meetings of the Board is encouraged of all Directors. The Board shall therefore follow the following policy on attendance:

- (a) A Director who has three (3) consecutive unexcused absences during any calendar year from either a regular or special meeting of the Board may be removed from his position as a Director of the Board.
- (b) A Board Director who, for any reason, is absent from 50% of the regular or special meetings of the Board during any calendar year may be removed from his position as a Director of the Board.
- (c) An absence may be excused by the Board for any of the following reasons:
 - (1) Illness of the Director.
 - (2) Illness, death or hospitalization of a family member.
 - (3) Jury duty.
 - (4) Out of town travel related to the Director's outside employment or business of the Authority.
- (d) An absence from a special meeting of the Board may be excused by the Board for any of the reasons set forth in Subsection (c) of this Section and in addition thereto a Director may be excused from attendance at a special meeting where a previous commitment prevents his attendance at such special meeting.
- (e) Any request for an excused absence must be in writing and delivered to the Secretary/Treasurer before the scheduled meeting or within seven days after the scheduled meeting.

- (f) All excused absences of a Director shall be duly recorded in the minutes of the Authority. Absences shall be reviewed quarterly by the Board.

In addition, a Director may be removed for cause as determined by a majority of the Board in accordance with these Bylaws or local, state, and federal law. The grounds for removal of a Director are:

- (a) Inefficiency in office;
- (b) Nonfeasance or malfeasance in office;
- (c) The inability, because of illness or disability, to discharge the Director's duties of office during a substantial part of the term for which the Director is appointed;
- (d) The Director knowingly acting as surety for a business entity that has work, business, or a contract with the Authority;
- (e) The Director knowingly acting as surety on any official bond required of an officer of the Authority; or
- (f) The Director knowingly violating Section 8.03 of these Bylaws regarding Conflicts of Interest.

Members in violation shall be provided written notification from the President of the Board regarding the occurrence of the infraction, or discovery of the possible violation, which may be grounds for removal. Directors receiving such notice shall have ten (10) working days to provide a written response. Reasonable excuses, submitted in accordance with these Bylaws, will be considered in review of this provision. A Director is entitled to a hearing before the Board, if, before the 11th day after the date the statement is received, the Director requests a hearing. The Director may be represented by counsel at the hearing. At the hearing, the Board shall confirm the removal of the Director if the Board finds that the charges are true. A removal by the Board

is by a majority vote of the other Directors.

ARTICLE 4.

OFFICERS

4.01 Officer Positions. The Authority's officers shall be a president, a vice president, and a secretary/treasurer. The Board may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions.

4.02 Election and Term of Office. The Board shall elect the officers of the Authority. The President and Vice President shall be elected from members serving as directors of the Board. The Secretary/Treasurer, however, may be elected from qualified individuals who do not serve as members of the Board of Directors. The term of each office shall always be one (1) year; provided, however, that they shall continue to serve until the election of their successors. Elections shall be held at the annual meeting.

4.03 Vacancies. Vacancies in any office which occur by reason of death, resignation, disqualification, removal, or otherwise, may be filled by the Board for the unexpired portion of the officer's term, in the same manner as other officers are elected.

4.04 Duties of President. The president is the Authority's ~~chief executive officer~~president. He or she shall supervise ~~and control all of~~ the Authority's business and affairs and shall preside at all meetings of the Board. The president may execute any deeds, mortgages, bonds, contracts or other instruments that the Board authorizes to be executed. However, the president may not execute instruments on the Authority's behalf if this power is expressly delegated to another officer, employee, or agent of the Authority by the Board, these Bylaws, or statute. The president shall perform other duties prescribed by the Board and all duties incident to the office of president.

4.05 Duties of Vice President. When the president is absent or in the event of his or her inability to act, a vice president shall perform the President's duties. When acting in the President's place, the vice president has all the powers of, and is subject to all the restrictions on, the president. A vice president shall perform other duties as assigned by the president or Board.

4.06 Duties of Secretary/Treasurer. The secretary/treasurer ~~shall~~may:

- (a) Handle the general correspondence of the Authority and shall send all notices as provided in the bylaws or as required by law.
- (b) Take minutes of the meetings of the Directors and the Board and keep the minutes as part of the Authority's records and shall see that these minutes are distributed to the Directors within a reasonable period of time after each meeting.
- (c) Maintain custody of the Authority's records and seal.
- (d) Affix the Authority's seal to all documents as authorized.
- (e) Keep a register of the mailing address of each Director, officer, and employee of the Authority.
- (f) Have charge and custody of, and be responsible for, all the Authority's funds and securities.
- (g) Receive and give receipts for monies due and payable to the Authority from any source.
- (h) Deposit all monies in the Authority's name in banks, trust companies, or other depositories as these Bylaws provide or as the Board or president directs.
- (i) Write checks and disburse funds to discharge the Authority's obligations.
- (j) Maintain the Authority's financial books and records.
- (k) Prepare financial reports at least annually and present the reports during the

annual meeting for review and approval.

- (1) If the Board requires, give a bond for faithfully discharging his or her duties in a sum and with a surety as determined by the Board. The cost of the bond shall be the Authority's expense.
- (m) Perform other duties as assigned by the president or the Board.
- (n) Perform all of the duties incident to the office of secretary/treasurer.

The Secretary/Treasurer may, upon approval of the Board of Directors, delegate responsibility for ~~routine acts~~any or all of (a)-(n), above, to the Executive Director/Chief Executive Officer or their designee.

4.07 Compensation. Officers shall not receive any salary or compensation for their services, except that they shall be reimbursed for the actual expenses incurred in the performance of their duties hereunder.

ARTICLE 5.

STAFF SUPPORT

5.01 Executive Director/Chief Executive Officer. The Authority may employ an Executive Director/Chief Executive Officer. The Executive Director/Chief Executive Officer, if so employed, shall serve as Chief ~~Administrative-Executive~~ Officer of the Authority and shall oversee the development of long-term planning, day-to-day operations, and administrative functions of the Authority, as well as to execute any deeds, mortgages, bonds, contracts or other instruments for which the Board delegates authority. The Executive Director/Chief Executive Officer shall report to the Board and keep the Board fully informed as to his or her duties. In addition, the Executive Director/Chief Executive Officer shall develop a master plan for the Authority, policies and procedures for the Authority including financial, accounting, and

purchasing policies and procedures, ~~which policies and procedures aforementioned shall become effective only after approval by the Board of Directors.~~

5.02 Other Employees and Agents. The Authority may employ such full or part-time employees as needed to carry out the programs of the Authority, provided ~~however,~~ that such positions have been approved by the Board. These employees shall perform those duties as are assigned to them by the Executive Director/Chief Executive Officer. The Executive Director/Chief Executive Officer shall hire, direct, and control the work of all Authority employees and shall prescribe the duties, tenure, and compensation of each person employed. The Board may appoint and determine the duties, tenure, qualifications, compensation, and removal of ~~agents~~the Executive Director/Chief Executive Officer, professional advisors, and counselors, including financial consultants, accountants, attorneys, architects, engineers, appraisers, and financing experts, as are considered necessary or advisable.

5.03 Benefits. To the extent that the Board hires an Executive Director/Chief Executive Officer or other employees, the Board may establish a fringe benefit package for such employees to include, by way of examples and not by way of limitations, health, dental and life insurance and worker's compensation insurance and a retirement package. Such benefits shall be included in the annual operating budget approved by the Board. Employees of the Authority are eligible to participate in the Texas County and District Retirement System in accordance with the Chapter.

ARTICLE 6.

CONTRACTS FOR SERVICES

6.01 Authorization. The Authority may contract with any qualified and appropriate person, association, corporation or governmental entity to perform and discharge designated

tasks of work which will aid or assist the Board and the Executive Director/Chief Executive Officer in the discharge and performance of ~~its~~ their duties. However, no such contract shall ever be entered into which seeks or attempts to divest the Board of Directors of its discretion and policy making functions.

ARTICLE 7.

COMMITTEES

7.01 Establishing Committees. The Board may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee shall include two or more Directors and may include persons who are not directors. The Board shall not delegate any of its management authority to a committee. The Board may establish qualifications for membership on a committee. The Board may delegate to the president its power to appoint and remove members of a committee. Establishing a committee shall not relieve the Board, or any individual Director, of any responsibility imposed by these Bylaws or otherwise imposed by law. No committee has the authority of the Board to:

- (a) Adopt a plan of merger or of consolidation with another corporation.
- (b) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the Authority's property and assets.
- (c) Authorize voluntary dissolution of the Authority.
- (d) Revoke proceedings for voluntary dissolution of the Authority.
- (e) Adopt a plan for distributing the Authority's assets.
- (f) Amend, alter, or repeal these Bylaws.
- (g) Elect, appoint, or remove a member of a committee or a Director or officer of the

Authority.

- (h) Approve any transaction to which the Authority is a party and that involves a potential conflict of interest as defined in paragraph 8.03, below.
- (i) Take any action outside the scope of authority delegated to it by the Board.
- (j) Take final action on a matter that requires the approval of the Board.

7.02 Term of Office. Each committee member shall continue to serve on the committee until the next annual meeting and until a successor is appointed. However, a committee member's term may terminate earlier if the committee is dissolved, or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.

7.03 Chair and Vice-Chair. One member of each committee shall be designated as the committee chair, and another member of each committee shall be designated as the vice-chair. The chair and vice-chair shall be appointed by the president. The chair shall call and preside at all meetings of the committee. When the chair is absent, cannot act, or refuses to act, the vice-chair shall perform the chair's duties. When a vice-chair acts for the chair, the vice-chair has all the powers of, and is subject to all the restrictions on, the chair.

7.04 Notice of Meetings. Written or printed notice of a committee meeting shall be delivered to each member of a committee pursuant to Section 11.01 not less than five (5) nor more than thirty (30) days before the date of the meeting. All meetings of a committee, which constitute a quorum of the Board or which shall make recommendations to the Board on matters to be considered by the Board, shall be open to the public. Such meetings shall be held and

conducted in compliance with the requirements of the Texas Open Meetings Act, Texas Government Code Subsection 551.001 et seq. Notice of a meeting, together with the agenda for such meetings, shall be posted in a place readily available to the general public at least seventy-two (72) hours preceding the scheduled time of the meetings, provided, however, any discussion by the committee concerning legal matters, real estate, contract negotiations, and/or personnel, shall be held in a closed session but any vote on such matters discussed in closed session shall be in open session.

7.05 Quorum. One-half of the number of committee members constitutes a quorum for transacting business at any meeting of the committee. If there is a presence of less than a quorum, the meeting shall be adjourned until such time as a quorum is present.

7.06 Actions of Committees. Committees shall try to take action by consensus. However, if a consensus is not available, the vote of a majority of committee members present and voting at a meeting at which a quorum is present is enough to constitute the act of the committee unless the act of a greater number is required by statute or by some other provision of these Bylaws. A committee member who is present at a meeting and abstains from a vote is not considered to be present and voting for the purpose of determining the act of the committee.

7.07 Proxies. A committee member may not vote by proxy.

7.08 Compensation. Committee members shall not receive salaries for their services, but shall be reimbursed for any actual and necessary expenses incurred in the performance of committee service.

7.09 Rules. Each committee may adopt its own rules, consistent with these Bylaws or with other rules that may be adopted by the Board.

ARTICLE 8.

TRANSACTIONS OF AUTHORITY

8.01 Contracts. The Board may authorize any officer or ~~agent~~the Executive Director/Chief Executive Officer of the Authority to enter into a contract or execute and deliver any instrument in the name of, and on behalf of, the Authority. This authority may be limited to a specific contract or instrument, or it may extend to any number and type of possible contracts and instruments.

8.02 Deposits. All the Authority's funds shall be deposited to the credit of the Authority in banks, trust companies, or other depositories that the Board selects.

8.03 Potential Conflicts of Interest. ~~All Board members~~Directors and the Executive Director/Chief Executive Officer shall conduct themselves so as to avoid real or apparent conflicts with the activities, policies, operations, and interest of the Authority.

If a Board member or the Executive Director/Chief Executive Officer has a substantial interest in a business entity or in real property, the Board member or the Executive Director/Chief Executive Officer shall file, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if:

- (1) in the case of a substantial interest in a business entity, the action on the matter will have a special economical effect on the business entity that is distinguishable from the effect on the public; or
- (2) in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The affidavit must be filed with the Secretary/Treasurer of the Authority. If a Board

member is required to file and does file such an affidavit, the official is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the Board are likewise required to file and who do file affidavits of similar interests on the same official action.

A person has a substantial interest in a business entity if:

- (1) the person owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more of \$5,000 or more of the fair market value of the business entity; or
- (2) funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year.

A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.

A Board member or the Executive Director/Chief Executive Officer is considered to have a substantial interest if a person related to the official in the first degree by consanguinity (blood) or affinity (marriage) has a substantial interest.

Members of the Board nor the Executive Director/Chief Executive Officer will ~~neither~~ solicit ~~nor or~~ accept for personal benefit or the benefit of their immediate family, gratuities, favors, loans or anything of monetary value from contractors, potential contractors, or parties to the sub-agreements. All such offers must be reported to the President or if it involves the President, to the Vice President or Secretary/Treasurer ~~a Director~~ of the Board in writing within forty-eight (48) hours.

All violations of the conflict of interest provisions contained in these Bylaws shall subject the current Board member to the provisions in these Bylaws for removal for cause.

8.04 As long as the Authority exists, and except with the Board's prior approval, no Director, officer, ~~or~~ committee member or the Executive Director/Chief Executive Officer of the Authority may:

- (a) Do any act in violation of these Bylaws or a binding obligation of the Authority.
- (b) Do any act with the intention of harming the Authority or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the Authority's intended or ordinary business.
- (d) Receive an improper personal benefit from the operation of the Authority.
- (e) Use the Authority's assets, directly or indirectly, for any purpose other than carrying on the business.
- (f) Wrongfully transfer or dispose of Authority property, including intangible property such as goodwill.
- (g) Use the Authority's name (or any substantially similar name) or any trademark or trade name adopted by the Authority, except on behalf of the Authority in the ordinary course of its business.
- (h) Disclose any of the Authority's business practices, trade secrets, or any other information not generally known to the business community to any person not authorized to receive it.

8.05 The Board shall not enter into any agreement with a former member of the Board or the Executive Director/Chief Executive Officer for a period of two (2) years following the former member leaving the Board or the Executive Director/Chief Executive Officer leaving the Authority. This prohibition includes any agreement, which provides any personal benefit or any benefit to their immediate family, gratuities, favors, loans or anything of monetary value, except

the former director [or the Executive Director/Chief Executive Officer](#) may be reimbursed for their actual expenses reasonably incurred in the performance of any matter approved by the Authority. The Board may waive this prohibition as to a specific matter by a majority vote of the Board. This prohibition shall not prevent a former member of the Board [or the Executive Director/Chief Executive Officer](#) from being appointed to and serving as an Advisory Board member.

ARTICLE 9.

BOOKS AND RECORDS

9.01 Required Books and Records. The Authority shall keep correct and complete books and records of account. The books and records include:

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Authority, including but not limited to any statement of change of registered office or registered agent.
- (b) A copy of all bylaws, including these Bylaws, and any amendment versions or amendments to them.
- (c) Minutes of the proceedings of the Board and committees.
- (d) A list of the names and addresses of the Directors, officers, and any committee members of the Authority.
- (e) A financial statement showing the Authority's assets, liabilities, and net worth at the end of the three most recent fiscal years.
- (f) A financial statement showing the Authority's income and expenses for the three most recent fiscal years.
- (g) All rulings, letters, and other documents relating to the Authority's federal, state,

and local tax status.

- (h) The Authority's federal, state, and local tax information or income tax returns for each of the Authority's three most recent tax years.

9.02 Inspection and Copying. Any Director, officer, or committee member of the Authority may inspect and receive copies of all the books and records required to be kept under the Bylaws. Such a person may, by written request, inspect or receive copies if he or she has a proper purpose related to his or her interest in the Authority. He or she may do so through his or her attorney or other duly authorized representative. The inspection may take place at a reasonable time, no later than five working days after the Authority receives a proper written request. The Board shall establish reasonable copying fees, which shall cover the cost of materials and labor but shall not exceed 25 cents per page. The Authority shall provide requested copies of books or records no later than five working days after receiving a proper written request.

ARTICLE 10.

FISCAL YEAR

10.01 The Authority's fiscal year shall begin on the first day of October and end on the last day in September in each year.

ARTICLE 11.

NOTICES

11.01 Notice by Mail, Telephone, Facsimile, E-Mail, or Personal Communication. Any notice required or permitted by these Bylaws to be given to a Director, officer, or member of a committee of the Authority may be given by mail, telephone, facsimile, e-mail, or personal communication. If mailed, a notice is deemed delivered when deposited in the mail addressed to

the person at his or her address as it appears on the Authority's records, with postage prepaid. If given by electronic means, a notice is deemed delivered when sent to the person at his or her e-mail address or facsimile number as they appear on the Authority's records. If given by telephonic or personal communication, a notice is deemed delivered when the Director, officer, or member of a committee of the Authority is spoken to by the President, the President's designated representative, or the Executive Director of the Authority. A person may change his or her address in the Authority's records by giving written notice of the change to the secretary of the Board.

11.02 Signed Waiver of Notice. Whenever any notice is required by law or these Bylaws, a written waiver signed by the person entitled to receive such notice is considered the equivalent to giving the required notice. A waiver of notice is effective whether signed before or after the time stated in the notice being waived.

11.03 Waiving Notice by Attendance. A person's attendance at a meeting constitutes waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE 12.

SPECIAL PROCEDURES CONCERNING MEETINGS

12.01 Meeting by Telephone. The Board of Directors, and any committee of the Authority may ~~not~~ hold a meeting by telephone conference call, video conference call, or other similar telecommunication device, as set forth in the Chapter. ~~unless permitted by State Open Meeting laws.~~

ARTICLE 13.

AMENDING BYLAWS

13.01 Amending Bylaws. These Bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the Board of Directors. The notice of any meeting at which these Bylaws are altered, amended, or repealed, or at which new bylaws are adopted shall include the text of the proposed bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions.

ARTICLE 14.

DISSOLUTION

14.01 Upon dissolution of the Authority, all of the Authority's assets shall be conveyed or transferred to the City of Lubbock, Texas and the County of Lubbock, Texas in accordance with the initial proportion of funds contributed by each after all debts or obligations have been duly satisfied or retired with the Authority's assets. Both organizations are exempt from taxes under the Internal Revenue Code and from taxes imposed by the State of Texas or a political subdivision of the State of Texas.

ARTICLE 15.

MISCELLANEOUS PROVISIONS

15.01 Governing Law. These Bylaws shall be construed under Texas law. All references in these Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

15.02 Construction of Bylaws. To the greatest extent possible, these Bylaws shall be construed to conform to all legal requirements and all requirements for obtaining and maintaining all tax exemptions. If any Bylaw provision is held invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision,

and the Bylaws shall be construed as if they had not included the invalid, illegal, or unenforceable provision.

15.03 Headings. The headings used in the Bylaws are for convenience and may not be considered in construing the Bylaws.

15.04 Number and Gender. Whenever context requires, all singular words include the plural, and all plural words include the singular; all words in the Bylaws in the male gender shall be deemed to include the female or neuter gender.

15.05 Seal. The Board of Directors will provide for a seal. Upon adoption of these Bylaws, the seal shall consist of two concentric circles containing the words LUBBOCK REESE REDEVELOPMENT AUTHORITY, Texas, in one circle and the word Established together with the date of incorporation in the other circle.

15.06 Parties Bound. The Bylaws shall bind and inure to the benefit of the Directors, officers, committee members, employees, and agents of the Authority and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as the Bylaws otherwise provide.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of LUBBOCK REESE REDEVELOPMENT AUTHORITY and that these Amended Bylaws constitute the Authority's Bylaws. These Bylaws were duly adopted at a meeting of the Board of Directors held on ~~July 24, 2013~~December 8, 2022.

DATED: ~~July 24, 2013~~December 8, 2022.

Secretary of the Authority

BOARD ACTION ITEM No. 2021-1208-101

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY
December 08, 2021**

Item to be Considered:

Third Amendment to the LRRR By-Laws

Previous Board Action:

- a. Chapter 3501.102 of the Special District Local Laws Code, the Authority's enabling legislation, grants the LRRR the power to adopt and enforce by-laws
- b. In 2007 and 2013, the Board approved amendments to the By-laws

Statement of Pertinent Facts:

- a. Updates to the By-laws are necessary to align with recent changes to the LRRR enabling legislation
- b. In addition, several changes are being made to allow the Board and staff to function more efficiently without compromising controls

See attached summary of the changes to the By-laws

Advice, Opinions, Recommendations, and Motion:

If the Board of Directors concurs, the following motion is in order:

"Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby approves the Third Amendment to the LRRR By-laws, attached, as submitted, on this 8th day of December 2021."

Steve Verett, President

ATTEST:

LRRR Board Member

CASH BALANCES - OCTOBER 31, 2021

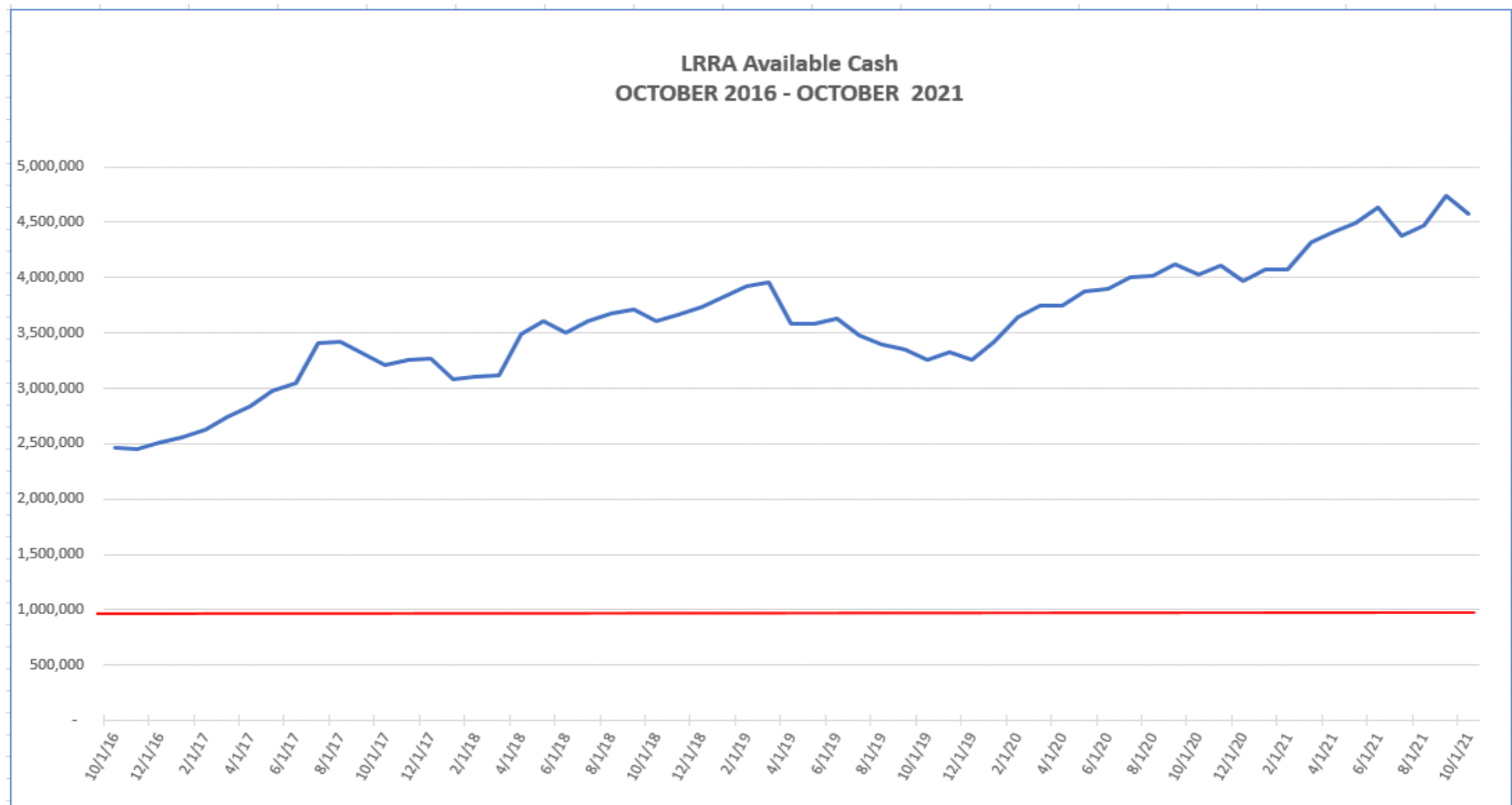
	9/30/2021	10/31/2021	Change
General Fund Bank Accounts	\$ 3,726,232	\$ 3,568,892	\$ (157,340)
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 162,732	\$ 154,177	\$ (8,555)
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ 100	\$ 100	\$ -
Total Cash	\$ 4,744,064	\$ 4,578,169	\$ (165,895)
Accounts Receivable - G/F	\$ 169,088	\$ 224,112	\$ 55,024
Accounts Receivable - F/O	\$ 14,414	\$ 14,640	\$ 226
Total Accounts Receivable	\$ 183,502	\$ 238,752	\$ 55,250
Total Cash & Accounts Receivable	\$ 4,927,566	\$ 4,816,921	\$ (110,645)

Aged Accounts Receivable as of 10/31/2021

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
175,786.43	60,283.03	1,251.40	1,334.97	-	238,655.83

Aged Accounts Receivable as of 11/24/2021

53,301.01	36,581.98	1,251.49	1,334.97		92,469.45
-----------	-----------	----------	----------	--	-----------



FINANCIAL HIGHLIGHTS - OCTOBER 2021

DESCRIPTION	Month	Month	Month's Total	YTD	G/F YTD	F/O	YTD Total
	G/F	F/O					
Operating Revenue	\$ 241,772	\$ 18,883	\$ 260,655	\$ 241,772	\$ 18,883	\$ 260,655	
Other Revenue - Usage Fees	\$ 23,424	\$ 1,772	\$ 25,196	\$ 23,424	\$ 1,772	\$ 25,196	
Total Revenue	\$ 265,196	\$ 20,655	\$ 285,851	\$ 265,196	\$ 20,655	\$ 285,851	
Expenses	\$ 171,708	\$ 11,981	\$ 183,689	\$ 171,708	\$ 11,981	\$ 183,689	
Net Income BPSID	\$ 93,488	\$ 8,674	\$ 102,162	\$ 93,488	\$ 8,674	\$ 102,162	
Interest Income - Plus	\$ 974		\$ 974	\$ 974		\$ 974	
Depreciation - Less	\$ (45,445)	\$ (2,550)	\$ (47,995)	\$ (45,445)	\$ (2,550)	\$ (47,995)	
Net Income	\$ 49,017	\$ 6,124	\$ 55,141	\$ 49,017	\$ 6,124	\$ 55,141	

EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

TML INTERGOVERNMENTAL RISK POOL	213,784.88	PREPAID EXPENSE
ROOF REPAIR BLDG 89	16,210.00	FIXED ASSET
		\$ 229,994.88

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 10/31/2021

(In Whole Numbers)

	<u>General Fund</u>	<u>EDA Grant Fund</u>	<u>Fiber Optic Fund</u>	<u>Total</u>
ASSETS				
CASH	3,568,992	154,177	-	3,723,169
DESIGNATED-CAPITAL MAINT	610,000	-	-	610,000
WATER INFRASTRUCTURE RESERVE	245,000	-	-	245,000
INVESTMENTS	-	-	-	-
ACCOUNTS RECEIVABLE	224,112	-	14,640	238,752
ALLOWANCE FOR DOUBTFUL ACCOUNTS	-	-	-	-
INTERFUND TRANSFERS	-	-	-	-
NOTES RECEIVABLE	-	-	-	-
CONSTRUCTION IN PROGRESS	470,154	46,498	-	516,652
PROPERTY AND EQUIPMENT, NET	6,336,748	-	109,049	6,445,797
OTHER ASSETS	231,251	-	20,323	251,573
Total ASSETS	<u>11,686,257</u>	<u>200,675</u>	<u>144,012</u>	<u>12,030,944</u>
LIABILITIES				
ACCOUNTS PAYABLE	57,712	-	850	58,562
ACCRUED EXPENSES	60,086	-	-	60,086
DEFERRED REVENUE	264,797	-	18,883	283,680
NET PENSION LIABILITIES	-	-	-	-
NOTES PAYABLE	7,984	-	-	7,984
INTERFUND TRANSFERS	-	-	-	-
REFUNDABLE DEPOSITS	61,967	-	223	62,190
OTHER LIABILITIES	2,939	-	-	2,939
Total LIABILITIES	<u>455,485</u>	<u>-</u>	<u>19,956</u>	<u>475,440</u>
FUND EQUITY				
BEGINNING OF PERIOD	12,272,129	-	(768,584)	11,503,544
YEAR TO DATE EARNINGS	49,016	-	6,124	55,140
Total FUND EQUITY	<u>12,321,145</u>	<u>-</u>	<u>(762,460)</u>	<u>11,558,684</u>
TOTAL LIABILITY AND FUND BALANCE	<u>12,776,629</u>	<u>-</u>	<u>(742,504)</u>	<u>12,034,125</u>

LUBBOCK REESE REDEVELOPMENT AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 From 10/1/2021 Through 10/31/2021

(In Whole Numbers)

	<u>General Fund</u>	<u>Fund</u>	<u>Total</u>
OPERATING REVENUES	265,195	20,656	285,851
OPERATING EXPENSES	217,153	14,531	231,684
OPERATING INCOME(LOSS)	<u>48,042</u>	<u>6,124</u>	<u>54,167</u>
NONOPERATING INTEREST INCOME	974	-	974
NET NONOPERATING REVENUES	974	-	974
INCREASE (DECREASE) IN FUND EQUITY	<u>49,016</u>	<u>6,124</u>	<u>55,140</u>
FUND EQUITY, BEGINNING	12,272,129	(768,584)	11,503,544
FUND EQUITY, ENDING	12,321,145	(762,460)	11,558,684

LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2021 Through 10/31/2021

(In Whole Numbers)

	General Fund	Fiber Optic Fund	Total
LEASES	170,555	-	170,555
USAGE FEES	23,424	1,772	25,196
PBT CAM FEES	60,024	-	60,024
FIBER OPTIC/WIRELESS	-	18,883	18,883
TOTAL OPERATING REVENUE	254,002	20,656	274,658
UTILITY FRANCHISE FEES	10,193	-	10,193
INSURANCE PROCEEDS	1,000	-	1,000
TOTAL REVENUES	265,195	20,656	285,851

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2021 Through 10/31/2021

(In Whole Numbers)

	General Fund	Fiber Optic Fund	Total
OPERATING EXPENSES			
SALARIES & TAXES	51,447	-	51,447
BENEFITS - HEALTH, RETIREMENT & WKR'S COMP	10,066	-	10,066
INSURANCE - PROPERTY & GENERAL LIABILITY	15,611	822	16,432
ADMINISTRATIVE EXPENSES	619	-	619
GENERAL OFFICE EXPENSES	3,960	314	4,274
ACCTG. & AUDITING SERVICES	84	-	84
COMPUTER SOFTWARE & MAINT.	-	3,791	3,791
INTERNET	-	1,722	1,722
LEGAL SERVICES	3,450	-	3,450
NETWORK MAINTENANCE CONTRACT	358	-	358
TRAINING & TRAVEL	2,828	-	2,828
MARKETING EXPENSES	9,486	-	9,486
OPERATIONS - GROUND MAINT. AND ENGINEERING CONTRACTS	47,077	-	47,077
UTILITIES	26,722	5,332	32,055
DEPRECIATION EXPENSE	45,445	2,550	47,995
Total OPERATING EXPENSES	217,153	14,531	231,684

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2021 Through 10/31/2021

GENERAL FUND

(In Whole Numbers)

	Current Month Actual	Current Month Budget	Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
REVENUES						
Leases	170,555	175,000	(4,445)	170,555	175,000	(4,445)
PBT Cam Fees	60,024	60,000	24	60,024	60,000	24
Usage Fees	23,424	20,833	2,590	23,424	20,833	2,590
Contract Services	-	1,250	(1,250)	-	1,250	(1,250)
Utility Franchise Fees	10,193	10,667	(474)	10,193	10,667	(474)
Insurance Proceeds	1,000	-	1,000	1,000	-	1,000
Total REVENUES	265,195	267,750	(2,555)	265,195	267,750	(2,555)
EXPENSES						
Salaries & Taxes	51,447	69,917	18,470	51,447	69,917	18,470
Benefits - Health, Retirement & Wkr's Comp	10,066	11,346	1,280	10,066	11,346	1,280
Insurance -Property & General Liabilities	15,611	15,942	331	15,611	15,942	331
Administrative Expenses	619	933	314	619	933	314
General Office Expenses	3,960	5,355	1,395	3,960	5,355	1,395
Accounting & Auditing Services	84	83	(1)	84	83	(1)
Legal Services	3,450	4,167	717	3,450	4,167	717
Network Maintenance Contract	358	667	309	358	667	309
Training & Travel	2,828	708	(2,120)	2,828	708	(2,120)
Marketing Expenses	9,486	4,708	(4,778)	9,486	4,708	(4,778)
Operations	47,077	96,083	49,006	47,077	96,083	49,006
Utilities	26,722	21,408	(5,314)	26,722	21,408	(5,314)
Total EXPENSES	171,708	251,318	59,610	171,708	251,318	59,610
NIBPSID	93,488	36,432	57,055	93,488	28,432	57,055
NON OPERATING REVENUE						
Interest Income	974	625	349	974	625	349
Total NON OPERATING REVENUE	974	625	349	974	625	349
DEPRECIATION						
Depreciation Expense	(45,445)	(47,500)	2,055	(45,445)	(47,500)	2,055
Total DEPRECIATION	(45,445)	(47,500)	2,055	(45,445)	(47,500)	2,055
Increase (Decrease) In Fund Equity	49,016	(10,443)	59,459	49,016	(10,443)	59,459

GENERAL FUND

Explanation of Significant Budget Variances

2021 OCTOBER

		Month Variance	YTD Variance	Explanations	Projected Outcome at Year End
Expenses, Salaries & Taxes	5100, 5110	\$ 18,470	\$ 18,470	Incentive Pay has not been fully paid	Year End is expected to be below budget
Expenses, Operations	5900	\$ 49,006	\$ 49,006	Budget includes money for clean-up of Reese Business Park	Year End is expected to be below budget

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 10/1/2021 Through 10/31/2021

FIBER OPTIC OPERATING FUND

(In Whole Numbers)

	Current Month Actual	Current Month Budget	Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
REVENUES						
Usage Fees	1,772	1,000	772	1,772	1,000	772
Fiber Optic/Wireless Income	18,883	16,250	2,633	18,883	16,250	2,633
Total REVENUES	20,656	17,250	3,406	20,656	17,250	3,406
EXPENSES						
Insurance -Property & General Liabilities	822	833	12	822	833	12
General Office Expenses	314	317	3	314	317	3
Computer Software & Maintenance	3,791	2,917	(874)	3,791	2,917	(874)
Internet	1,722	1,833	111	1,722	1,833	111
Building Maintenance & Repairs	-	833	833	-	833	833
Utilities	5,332	5,142	(191)	5,332	5,142	(191)
Total EXPENSES	11,981	11,875	(106)	11,981	11,875	(106)
NIBPSID	8,674	5,375	3,299	8,674	5,375	3,299
DEPRECIATION						
Depreciation Expense	(2,550)	(2,917)	366	(2,550)	(2,917)	366
Total DEPRECIATION	(2,550)	(2,917)	366	(2,550)	(2,917)	366
Increase (Decrease) In Fund Equity	6,124	2,458	3,666	6,124	2,458	3,666

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 10/1/2021 Through 10/31/2021

COMBINED FUNDS

(In Whole Numbers)

	Current Month Actual	Current Month Budget	Current Month Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
REVENUES						
Leases	170,555	175,000	(4,445)	170,555	175,000	(4,445)
PBT Cam Fees	60,024	60,000	24	60,024	60,000	24
Usage Fees	25,196	21,833	3,363	25,196	21,833	3,363
Contract Services	-	1,250	(1,250)	-	1,250	(1,250)
Utility Franchise Fees	10,193	2,417	7,776	10,193	2,417	7,776
Insurance Proceeds	1,000	-	1,000	1,000	-	1,000
Fiber Optic/Wireless Income	18,883	16,250	2,633	18,883	16,250	2,633
Total REVENUES	285,851	276,750	9,101	285,851	276,750	9,101
EXPENSES						
Salaries & Taxes	51,447	69,917	18,470	51,447	69,917	18,470
Benefits - Health, Retirement & Wkr's Com	10,066	11,346	1,280	10,066	11,346	1,280
Insurance -Property & General Liabilities	16,432	16,775	343	16,432	16,775	343
Administrative Expenses	619	683	64	619	683	64
General Office Expenses	4,274	5,672	1,397	4,274	5,672	1,397
Accounting & Auditing Services	84	83	(1)	84	83	(1)
Computer Software & Maintenance	3,791	2,917	(874)	3,791	2,917	(874)
Internet	1,722	1,833	111	1,722	1,833	111
Legal Services	3,450	4,167	717	3,450	4,167	717
Network Maintenance Contract	358	667	309	358	667	309
Training & Travel	2,828	708	(2,120)	2,828	708	(2,120)
Marketing Expenses	9,486	4,708	(4,778)	9,486	4,708	(4,778)
Operations	47,077	96,083	49,006	47,077	96,083	49,006
Building Maintenance & Repairs	-	833	833	-	833	833
Utilities	32,055	26,550	(5,505)	32,055	26,550	(5,505)
Total EXPENSES	183,689	242,943	59,254	183,689	242,943	59,254
NIBPSID	102,162	33,807	68,354	102,162	33,807	68,354
NON OPERATING REVENUE						
Interest Income	974	625	349	974	625	349
Total NON OPERATING REVENUE	974	625	349	974	625	349
DEPRECIATION						
Depreciation Expense	(47,995)	(50,417)	2,421	(47,995)	(50,417)	2,421
Total DEPRECIATION	(47,995)	(50,417)	2,421	(47,995)	(50,417)	2,421
Increase (Decrease) In Fund Equity	55,140	(15,984)	71,124	55,140	(15,984)	71,124

MONTHLY & YTD COMPARISONS OF CURRENT & PRIOR YEAR'S ACTUALS

(In Whole Numbers)

	Current Month Actual	Prior Year Actual	Variance	YTD Actual	Prior Year YTD Actual	Variance
REVENUES						
Leases	170,555	169,888	667	170,555	169,888	667
PBT Cam Fees	60,024	60,024	-	60,024	60,024	-
Usage Fees	25,196	28,204	(3,008)	25,196	28,204	(3,008)
Utility Franchise Fees	10,193	11,020	(827)	10,193	11,020	(827)
Insurance Proceeds	1,000	-	1,000	1,000	-	1,000
Fiber Optic/Wireless Income	18,883	15,010	3,873	18,883	15,010	3,873
Total REVENUES	285,851	284,147	1,704	285,851	284,147	1,704
EXPENSES						
Salaries & Taxes	51,447	49,210	2,237	51,447	49,210	2,237
Benefits - Health, Retirement & Wkr's Comp	10,066	9,597	469	10,066	9,597	469
Insurance -Property & General Liabilities	16,432	14,986	1,446	16,432	14,986	1,446
Administrative Expenses	619	87	532	619	87	532
General Office Expenses	4,274	3,945	329	4,274	3,945	329
Accounting & Auditing Services	84	110	(26)	84	110	(26)
Computer Software & Maintenance	3,791	3,741	50	3,791	3,741	50
Internet	1,722	1,695	27	1,722	1,695	27
Legal Services	3,450	1,404	2,046	3,450	1,404	2,046
Network Maintenance Contract	358	461	(103)	358	461	(103)
Training & Travel	2,828	324	2,504	2,828	324	2,504
Marketing Expenses	9,486	3,454	6,032	9,486	3,454	6,032
Operations	47,077	38,718	8,359	47,077	38,718	8,359
Utilities	32,055	18,896	13,159	32,055	18,896	13,159
Total EXPENSES	183,689	146,628	37,061	183,689	146,628	37,061
NIBPSID	102,162	137,518	(35,356)	102,162	137,518	(35,356)
NON OPERATING REVENUE						
Interest Income	974	849	125	974	849	125
Total NON OPERATING REVENUE	974	849	125	974	849	125
DEPRECIATION						
Depreciation Expense	(47,995)	(47,995)	-	(47,995)	(47,995)	-
Total DEPRECIATION	(47,995)	(47,995)	-	(47,995)	(47,995)	-
Increase (Decrease) In Fund Equity	55,140	90,372	(35,232)	55,140	90,372	(35,232)

FYE 2022		BUDGET ITEMS - NON-LINEAR												
	Titles	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
5363-124	MEETING EXP STAFF - STAFF	250	0	2,250	250	250	250	250	250	250	250	250	250	4,750
5380-405	UTILITIES - Water System	11,500	9,000	9,000	6,500	8,000	21,000	22,000	21,000	23,000	27,000	24,000	18,000	200,000
5700-203	ACCOUNTING & AUDIT	-	5,988	-	8,083	14,070	-	8,859	-	-	-	-	-	37,000
	THE ABOVE LINE ITEMS ARE NOT BUDGETED FOR EQUAL MONTHLY AMOUNTS													
	ALL OTHER ACCOUNTS ARE BUDGETED EQUALLY BY MONTH													

AGENDA ITEM 10
LRRA LEASE PROCESS
EXECUTIVE SUMMARY

Given the recent turnover on the Board and newly appointed board members to the Lease Review Committee, staff feels it's a good time to detail the LRRA lease process, to include:

- ❖ Basic Description and Structure of all Leases
- ❖ In-house Lease Process
- ❖ Manager of Business Development Vetting/Underwriting Process
- ❖ Lease Review Committee Review
- ❖ Board Approval Process

Attached is a summary of the process and there will be a detailed presentation on each at the meeting.

AGENDA ITEM 10

LRRR Lease Process

	In-house Lease Process
1	MBD vets and negotiates terms with potential customer-see vetting process below
2	MBD prepares Deal Sheet for customer acceptance
3	MBD sends Deal Sheet to LRC for their review/comments/support. LRC does not approve
4	MBD sends Deal Sheet to attorney for preparation of Lease
5	Attorney prepares Lease, MBD and ED review/revise as needed
6	MBD provides Lease to customer for review/modifications
7	Lease is presented to Board for approval

	MBD Vetting/Underwriting Process
1	Search/study the company and principals to ensure they are a good fit
2	Consider first impression. Look for good communication skills and willingness to be transparent.
3	Consider customers experience in the industry and past successful experience in business
4	Ask why they want to be at Reese. Why are they leaving their current location.
5	Understand how customer will operate; days, hours, access, security, etc...
6	Ask about current number of employees and projected employee growth
7	Determine if customer will need to make any alterations to the building
8	Negotiate make ready, if any
9	Confirm entity is in good standing via Texas SOS office - done online
10	Obtain & Review Dun & Bradstreet Report, or credit report of principal(s), as applicable
11	Obtain & Review Current Financial Statements/Tax Returns. Look for stable income and capitalization
12	Request Personal Guarantee, if appropriate
13	Contact their banker for reference, if appropriate. Looking for good and stable banking relationship
14	Contact their current landlord for reference, is applicable. Looking for a strong rental history
15	Using public information, look for any history of criminal activities

	Lease Review Committee (LRC) Review
1	Does the customer "fit" our mission/purpose and within our existing customers
2	Is rent consistent with the market and if not, what is the justification
3	If any rent is abated, what is justification
4	If large customer requested make ready expense, when and how will Reese recover
5	If a security deposit is not required, provide justification
6	Is personal guarantee be required, why or why not

	Board Approval
1	Lease is presented to Board for approval
2	Signed Lease is sent to Customer for signature
3	Fully executed lease is placed in customer folder
4	If Customer backs out of the deal after Board approval, Board will be notified

NOVEMBER 2021 – EVENTS & ACTIVITIES

	DATE	EVENT
NOVEMBER	November 1-4, 2021	West Texas Regional Water School (Chris)
	November 4, 2021	LRRA Executive / Compensation Committee Meeting
	November 11, 2021	Veteran's Day
	November 25-26, 2021	LRRA CLOSED FOR THANKSGIVING
LOOKING AHEAD		
DECEMBER	December 2, 2021	Lubbock Chamber Annual Meeting
	December 3, 2021	Reese Staff Christmas Party
	December 8, 2021	LRRA Board of Directors Meeting
	December 24, 2021	LRRA CLOSED FOR CHRISTMAS
	December 27-28, 2021	LRRA CLOSED FOR CHRISTMAS
	December 30-31, 2021	LRRA CLOSED FOR NEW YEARS