

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

Date: Wednesday, April 26, 2023

Time: 8:00 a.m.

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

<b>AGENDA ITEMS</b>	<b>TAB</b>	<b>SPEAKER</b>
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"> <li>• CEO/Executive Director</li> <li>• Manager of Accounting</li> <li>• Manager of Operations</li> <li>• Operations Lead</li> <li>• Service Technician</li> <li>• Service Technician</li> <li>• Operations, Marketing, and Customer Coordinator</li> <li>• Administrative Assistant</li> <li>• Board of Directors</li> </ul> c. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.071, Consultation with Attorney.	TAB 2	John Tye Murvata Musa  Steve Verett Murvata Musa  Darrell Guthrie
3. Action Item – Consider the Minutes of the March 22, 2023, Board of Directors Meeting	TAB 3	Steve Verett
4. Action Item – Consider Board Appointments/Reappointment	TAB 4	Steve Verett
5. Action Item – Consider First Lease Amendment to extend term for an additional 10 years by adding two more options to renew for five years each for Royal Bengal Logistics, Inc., Building 82	TAB 5	Murvata Musa
6. Action Item – Consider Resolution Designating Ground Leased to Royal Bengal Logistics, Inc. ("RBL Project") as a Redevelopment Project	TAB 6	Murvata Musa

7. Action Item – Consider Ground Lease for Royal Bengal Logistics, Inc. for Construction of a Hanger/Warehouse	TAB 7	Murvat Musa
8. Action Item – Ratify Contingent Lease for GL Texas, LLC (Greenlight) for Building 1130	TAB 8	Murvat Musa
9. Action Item – Consider Interlocal Agreement for Application Development and Administrative Services with SPAG for EDA Grant for Infrastructure Development at the Reese Business Park	TAB 9	Murvat Musa
10. Discussion Item – Financial Reports	TAB 10	Sandy Hamilton
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, April 21, 2023.



by: \_\_\_\_\_  
Murvat Musa, ED/CEO

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 of Directors Meeting Minutes**

March 22, 2023

The Lubbock Reese Redevelopment Authority held a regular meeting at 8:00 a.m. Wednesday, March 22, 2023, at the Reese Technology Center, LRRR 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.

<b><u>MEMBERS PRESENT:</u></b>	Steve Verett	Todd McKee	Tim Pierce
	Tim Collins	John Hamilton	

<b><u>MEMBERS ABSENT:</u></b>	John Tye	George McMahan
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<b><u>OTHERS PRESENT:</u></b>	
Reese Staff:	Murvat Musa-Executive Director, Chris Evans-Manager of Operations, Sandra Hamilton-Manager of Accounting, Lacy Elliott-Administrative Coordinator, Cecilia Davila-Administrative Assistant
Legal Counsel:	Darrell Guthrie
Others:	Mitchel Burt of KBR

**Call the meeting to order.**  
Steve Verett called the meeting to order at 8:06 a.m.

**ITEM 1      Citizen Comments** Steve Verett called for any citizen comments. There were none.

**ITEM 2      Hold an Executive Session,** Steve Verett called the Executive Session to order at 8:07 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 at 9:01 a.m. and reconvened Open Session at 9:02 a.m.

- ITEM 3**      **Consider the Minutes of the February 22, 2023, Board of Directors Meeting -**  
**Action Item** – Todd McKee moved to approve the minutes of the February 22, 2023, Board of Directors meeting. John Hamilton seconded; the motion passed 5-0.
- ITEM 4**      **Consider Agreement for Building 3180 with NTESS, Sandia National Laboratories –**  
**Action Item** – Tim Collins moved to approve the Agreement for Building 3180 with NTESS, Sandia National Laboratories, Todd McKee seconded; the motion passed 5-0.
- ITEM 5**      **Consider Lease for Building 3175 with Rex Server d/b/a Texas Industrial Components -**  
**Action Item** - Tim Pierce moved to approve the Lease for Building 3175 with Rex Server d/b/a Texas Industrial Components, Todd McKee seconded; the motion passed 5-0.
- ITEM 6**      **Consider LRRRA Employee Performance Incentive Bonus Plan for FY2023 –**  
**Action Item** – Tim Pierce moved to approve the LRRRA Employee Performance Incentive Bonus Plan for FY2023, Todd McKee seconded, the motion passed 5-0.
- ITEM 7**      **Financial Reports**  
**Discussion Item** – No action required. Sandra Hamilton presented the February financial reports.

**ITEM 8**

**Reese Events and Activities**

**Discussion Item** – No action required. Murvat Musa presented Reese activities and upcoming events to the Board.

**Adjournment**

Steve Verett adjourned the meeting at 9:24 a.m.

Content of minutes agreed to and approved by:

Approved by \_\_\_\_\_  
Steve Verett, President

ATTEST:

\_\_\_\_\_  
LRRRA Board Member

**AGENDA ITEM 4**  
**BOARD APPOINTMENT/REAPPOINTMENT RECOMMENDATIONS**  
**EXECUTIVE SUMMARY**

Three Board Members positions will expire on September 30, 2023. They include Steve Verett, Todd McKee, and Tim Collins. While Tim Collins can serve another term, Steve and Todd cannot.

After months of discussion regarding recommendations for new appointments, the following are being brought to the Board for approval of recommendation for appointment and reappointment:

- ❖ Tim Collins – City of Lubbock appointment, to be reappointed
- ❖ Jeff Mustin – City of Lubbock appointment
- ❖ Dr. Jane Dever – County of Lubbock appointment

After the Board approves these recommendations, the City Council of Lubbock and the Lubbock County Commissioners will need to take action to appoint them. Their terms will begin October 1, 2023.



**BOARD ACTION ITEM No. 2023-0426-131**  
**RECOMMENDATIONS FOR BOARD APPOINTMENTS/REAPPOINTMENTS**

**BOARD OF DIRECTORS**  
**LUBBOCK REESE REDEVELOPMENT AUTHORITY**  
**APRIL 26, 2023**

Item to be Considered:

Approve the Board Member Recommendations for Reappointment and Appointment to the Lubbock Reese Redevelopment Authority

Previous Board Action:

- a. The LRRRA Board of Directors recommends appointment and/or reappointment of members whose terms are expiring as provided for in the LRRRA by-laws and enabling legislation.

Statement of Pertinent Facts:

- a. Article 3.02 of the Amended By-Laws of the Authority stipulates there be seven (7) directors, each with experience in one of five (5) areas.
- b. Three Board members terms will expire September 30, 2023: Tim Collins, Steve Verett, and Todd McKee. Tim Collins is eligible for reappointment.
- c. Pursuant to Article 3.03 of the By-Laws, the LRRRA Board of Directors recommends the appointment and reappointment for one four-year term of the following effective 10/1/2023:  
    Mr. Tim Collins – City Appointment  
    Mr. Jeff Mustin – City Appointment  
    Dr. Jane Dever – County Appointment
- d. Final appointment by the City Council of the City of Lubbock and the Lubbock County Commissioners is required.

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 recommendation for Board Member Appointments/Reappointments, as submitted, on this 26<sup>th</sup> day of April, 2023.”

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Steve Verett, Board President

ATTEST:

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LRRRA Board Member

**AGENDA ITEM 5**  
**Executive Summary**  
**Royal Bengal Logistics**  
**First Lease Amendment, B82**

Royal Bengal Logistics (RBL) is an existing customer who desires to make large capital investments in Building 82 and to do that, they desire additional terms on their current lease. Attached for your review and approval is a First Amendment to the Standard Industrial Lease for Royal Bengal Logistics Building 82. This amendment extends the term of the lease by adding two additional extensions for five years each upon the same terms and conditions. This will provide RBL a total of 20 years in Building 82 which they feel necessary to capitalize on their investment in the building.

See attached First Amendment to Standard Industrial Lease for full details.

Staff is requesting that the Board authorize the Chief Executive Officer/Executive Director to execute this lease amendment subject to negotiation of final terms and conditions.

**FIRST AMENDMENT TO  
STANDARD INDUSTRIAL LEASE  
EFFECTIVE DATE: MAY 1, 2023**

THIS FIRST AMENDMENT ("Amendment") between the LANDLORD, LUBBOCK REESE REDEVELOPMENT AUTHORITY ("LRRA") and TENANT, ROYAL BENGAL LOGISTICS, INC. ("United") is hereby incorporated into a certain STANDARD INDUSTRIAL LEASE previously executed by both parties and dated June 23, 2021, 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) extension periods of five (5) years each, subject to the rights set forth in Section 1(k). The New Initial Term and any Extensions shall be referred to herein as the "Term."

**2. Section 1, Subsection (l)**

(k) Option to Extend Term: Tenant shall have three (3) renewal options of five (5) years, such option to be exercised automatically unless Landlord receives written notice from Tenant of its desire not to exercise the option to extend term no less than one hundred eighty days (180) days prior to expiration of the Initial Term or any Extend Term. Without receipt of such notice, this Lease shall be extended automatically for the period specified in Section 1(j) 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 then existing Base Rent will be increased by a fixed three percent (3%) annually during each year of the Extension Period unless the CPI-U exceeds three percent (3%) during the previous renewal option year. Otherwise, the adjustment in the Base Rent will be determined by multiplying the then existing Base Rent specified in the lease ("Base Rent") by 1.03, which will result in a "Revised Renewal Period Base Rent."

**6. Section 1, Subsection (o)**

(o) Base Rent: The parties agree that the Base Rent set forth herein 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 below) Maintenance fees, grounds keeping-mowing expenses, parking, Landlord's insurance, and any other charges incurred by Landlord with respect to the Premises, except as otherwise provided in this Lease. Said Base Rent does not include, and Tenant is solely responsible for any and all

charges associated with utilities, trash dumpsters, telephone service, internet service, Tenant renovations, Premises maintenance, or housekeeping services, except as otherwise provided in this Lease. Subject to this paragraph, Base Rent shall be no less than set forth below, the then existing Base Rent will be increased by a fixed two percent (2%) annually during each year of the Lease Term unless the CPI-U exceeds two percent (2%) during the previous Lease Term year. Otherwise, the adjustment in the Base Rent will be determined by multiplying the then existing Base Rent specified during the Lease Term (“Base Rent”) by 1.02, which will result in a “Revised Base Rent.”

<b>Initial Term Lease Year</b>	<b>Total Annual Rent</b>	<b>Total Monthly Payment</b>	<b>Annual Base Rent Per Square Foot Area (55,318 square feet)</b>
Year 1	\$165,954.00	\$13,829.50	\$3.00
Year 2	\$169,273.08	\$14,106.09	\$3.06
Year 3	\$172,592.16	\$14,382.68	\$3.12
Year 4	\$175,911.24	\$14,659.27	\$3.18
Year 5	\$179,783.50	\$14,981.96	\$3.25
Option 1 Year 1	\$185,315.30	\$15,442.94	\$3.35
Option 1 Year 2	\$190,847.10	\$15,903.93	\$3.45
Option 1 Year 3	\$196,378.90	\$16,364.91	\$3.55
Option 1 Year 4	\$202,463.88	\$16,871.99	\$3.66
Option 1 Year 5	\$208,548.86	\$17,379.07	\$3.77
Option 2 Year 1	\$214,633.84	\$17,886.15	\$3.88
Option 2 Year 2	\$221,272.00	\$18,439.33	\$4.00
Option 2 Year 3	\$227,910.16	\$18,992.51	\$4.12
Option 2 Year 4	\$234,548.32	\$19,545.69	\$4.24
Option 2 Year 5	\$241,739.66	\$20,144.97	\$4.37
Option 3 Year 1	\$248,931.00	\$20,744.25	\$4.50
Option 3 Year 2	\$256,675.52	\$21,389.63	\$4.64
Option 3 Year 3	\$264,420.04	\$22,035.00	\$4.78
Option 3 Year 4	\$272,164.56	\$22,680.38	\$4.92
Option 3 Year 5	\$280,462.26	\$23,371.86	\$5.07

In the event that the Base Rent or Revised Renewal Period Base Rent is increased due to the CPI-U exceeding the two percent (2%) during the Initial Term or three percent (3%) during the Renewal Period, the Landlord shall provide in writing to Tenant an updated Section 1(o).

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.

LUBBOCK REESE  
REDEVELOPMENT AUTHORITY  
("Landlord")

Royal Bengal Logistics, Inc.  
("Tenant")

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

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

\_\_\_\_\_  
Printed Name:

\_\_\_\_\_  
Printed Name:

\_\_\_\_\_  
Title:

\_\_\_\_\_  
Title:

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**BOARD ACTION ITEM No. 2023-0426-132**  
**FIRST AMENDMENT TO ROYAL BENGAL LOGISTICS LEASE B82**

**BOARD OF DIRECTORS**  
**LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRA)**  
**April 26, 2023**

Item to be Considered:

Consider First Amendment to Royal Bengal Logistics (RBL) Lease for B82

Previous Board Action:

The Board previously approved a lease for Royal Bengal Logistics for hanger space in Building 82. The original lease was approved June 23, 2021.

Statement of Pertinent Facts:

- a. Current lease is for five years with one option to renew for five additional years
- b. In order to make significant capital improvements to the building, RBL desires additional terms on the lease
- c. Proposed Amendment:
  - 1. Extends the term by adding two additional options to renew for five years each making the lease for a total of 20 years
  - 2. All other provisions of the lease remain unchanged

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 its CEO/Executive Director to Execute the First Lease Amendment for Royal Bengal Logistics for Building 82, subject to negotiation of final terms and conditions, on this 26th day of April 2023.”

\_\_\_\_\_  
Steve Verett, President

ATTEST:

\_\_\_\_\_  
Board Member

**AGENDA ITEM 6**  
**Executive Summary**  
**Royal Bengal Logistics (RBL Project)**  
**Land Leased Designated as Redevelopment Project**

Royal Bengal Logistics (RBL), a current Reese customer, intends to build a hanger/warehouse on land leased to them for the expansion of their ground logistics maintenance and operations business at Reese (The RBL Project). This project would help develop the base property with its intended vision and would positively impact the region and create jobs. In accordance with LRRA Enabling Statute, which was changed in 2021 during the 87<sup>th</sup> Legislature to allow LRRA powers to designate such project as Redevelopment Projects, allowing the ground lease and improvements to be exempt from property taxes, this project requires being designated as a Redevelopment Project. See attached Resolution for full details.

The ground lease corresponding to this Resolution is the next item on the agenda.

Staff is requesting that the Board approve the attached Resolution designating the RBL Project as a Redevelopment Project.

**BOARD ACTION ITEM No. 2023-0426-133**  
**RESOLUTION DESIGNATING LAND LEASED TO ROYAL BENGAL LOGISTICS**  
**A REDEVELOPMENT PROJECT**

**BOARD OF DIRECTORS**  
**LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)**  
**April 26, 2023**

**Items to be Considered:**

- a. Approve a resolution regarding the designation of land being leased to Royal Bengal Logistics, Inc. as a Redevelopment Project under Texas Special District Local Laws Code Chapter 3501 (the “Enabling Statute”) sec. 3501.1024, Redevelopment Projects.

**Previous Board Action:** None.

**Statement of Pertinent Facts:**

- a. During the 87<sup>th</sup> Legislature (2021), the Texas legislature revised the LRRRA Enabling Statute to grant LRRRA additional powers to designate redevelopment projects that relate to the development of base property and surrounding areas, or development of property directly related to the purposes or goals of the authority. A project so designated is considered for a “public purpose.”
- b. Royal Bengal Logistics, an existing customer of LRRRA, approached staff regarding entering into a ground lease for the construction of an aircraft hangar/warehouse for the expansion of its operations on the LRRRA property (the “RBL Project”).
- c. The RBL Project as envisioned would develop the base property, positively impact employment in the surrounding area, and directly relate to the purpose of the authority to undertake projects necessary or incidental to the industrial, commercial, or business development of an existing business on the property by the construction of property and other infrastructure, as provided for in section 3501.003(a)(1) of the Enabling Statute.
- d. Therefore, pursuant to Section 3501.1024(b) of the Enabling Statute, the Board is empowered to designate a project meeting these parameters as a “Redevelopment Project.”
- e. Once designated a “Redevelopment Project,” section 25.07(a) of the Tax Code applies to a leasehold or other possessory interest in real property constituting a project described by section 505.161(a) of the Local Government Code. This means that the ground and improvements constructed thereon (collectively, “real property”) are exempt from real property taxes and that the property shall remain in the name of LRRRA during the period of the ground lease.



**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 designates the property identified in the ground lease with Royal Bengal Logistics, Inc. and hereby approves the following resolution designating the redevelopment of the property as a “Redevelopment Project” pursuant to section 3501.1024 of the Enabling Statute, and, therefore, for a public purpose, and exempt from real property taxes as set forth in section 3501.004(b) of the Enabling Statute, subject to rules and regulations adopted by the Board relating to redevelopment projects, as submitted on this 26<sup>th</sup> day of April 2023.

Approved by: \_\_\_\_\_  
Steve Verett, President

ATTEST: \_\_\_\_\_  
LRRRA Board Member

**AGENDA ITEM 7**  
**Executive Summary**  
**Royal Bengal Logistics**  
**Ground Lease**

Attached for your review and consideration is a Ground Lease for Royal Bengal Logistics (RBL) for the purpose of constructing a hanger/warehouse. RBL is a current customer that is in an expansion mode and needs additional space for their logistics maintenance and operations that is currently housed at Reese. They desire to build a new hanger/warehouse close to their existing hanger 82.

The terms of this agreement are:

- ❖ Two-acre area with a right of first refusal to lease additional adjacent land at the then existing terms
- ❖ 20 years with one option to renew for an additional 20 years
- ❖ Rent starting at \$.26 per square foot with annual escalations of 3%
- ❖ Any assignment or subletting will require the consent of LRRRA
- ❖ All construction will require the prior approval of LRRRA and must comply with all LRRRA construction standards and building codes

See attached Ground Lease for full details.

Staff is requesting that the Board authorize the Chief Executive Officer/Executive Director to execute this lease subject to negotiation of final terms and conditions.

**GROUND LEASE**  
**BETWEEN**  
**LUBBOCK REESE REDEVELOPMENT AUTHORITY, a Political**  
**Subdivision of the State of Texas**  
**AS LANDLORD**  
**AND**  
**ROYAL BENGAL LOGISTICS, INC., a Texas corporation**  
**AS TENANT**  
**FOR LAND LOCATED AT**  
**Reese Technology Center**  
**Lubbock, Texas 79416**

## **GROUND LEASE**

This Standard Industrial Lease (the "Lease") is made this \_\_\_\_ day of April 2023, by and between LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas (hereinafter referred to as "Landlord") and ROYAL BENGAL LOGISTICS, INC., a Texas corporation (hereinafter referred to as "Tenant"). Landlord and Tenant are also referred to herein individually as a "Party" and collectively as the "Parties".

### **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: ROYAL BENGAL LOGISTICS, INC., a Texas corporation whose Federal Taxpayer Identification Number is 83-0867134.

(d) Tenant Address: 9600 West Sample Road, Suite 100, Coral Springs, FL 33065.

(e) Guarantor: [NOT APPLICABLE].

(f) Guarantor's Address: [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 two acres or 87,120 square feet of ground space ("Ground Lease Property") and identified on the site plan attached hereto as **Exhibit A** and shall comprise the "**Premises**." It is expressly understood and agreed to by the Parties that Premises does not include any structure that may be attached to or constructed on the Ground Lease Property.

(i) Initial Term (Years): Twenty (20) years.

(j) Extensions: One (1) extension period of twenty (20) years, subject to the rights set forth in Section 1(k).

(k) Option to Extend Term: Tenant shall have one (1) renewal option of twenty (20) years such option to be exercised automatically unless Landlord receives written notice from Tenant of its desire not to exercise the option to extend term no less than one hundred eighty (180) days prior to expiration of the Initial Term or any subsequent renewal term. Without receipt of such notice, this Lease shall be extended automatically for the period specified in Section 1(j) 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 then existing Base Rent will be increased by

a fixed three percent (3%) annually during each year of the Extension Period unless the CPI-U exceeds three percent (3%) during the previous renewal option year. Otherwise, the adjustment in the Base Rent will be determined by multiplying the then existing Base Rent specified in the lease ("Base Rent") by 1.03, which will result in a "Revised Renewal Period Base Rent."

(l) Delivery Date: May 1, 2023.

(m) Commencement Date: May 1, 2023.

(n) Termination Date: April 30, 2043.

(o) Base Rent: The parties agree that the Base Rent set forth herein 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 below) Maintenance fees, grounds keeping-mowing expenses, parking, Landlord's insurance, and any other charges incurred by Landlord with respect to the Ground Lease Property, except as otherwise provided in this Lease. Said Base Rent does not include, and Tenant is solely responsible for any and all charges associated with construction, maintenance, and repair of any building constructed on the Ground Lease Property, utilities, dumpsters, telephone service, internet service, Tenant renovations, or housekeeping services, as set forth in Section 8. Subject to this paragraph, Base Rent shall be no less than as set forth in **Exhibit B**.

(p) Security Deposit: [NOT APPLICABLE]

(q) Termination Payment: [NOT APPLICABLE]

(r) [NOT USED]

(s) Permitted Use: Tenant may use the Premises for the purpose of support to its ground logistics transportation business. Subject to Section 14, Tenant may operate business 24 hours a day, 7 days a week, 365 days a year (collectively, "Permitted Use").

(t) Landlord's Address for Payment of Rent: Payment of Rent 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 - 7260002003

Deposits need to indicate: LUBBOCK REESE REDEVELOPMENT AUTHORITY

(u) Option and Right of First Refusal (ORFR). Subject to the Right of First Refusal described below, during the Initial Term of the Lease, Tenant shall have the Option to enter into a Ground Lease on the same terms and conditions contained in this Lease existing at the time of the exercise of the Option for the property designated in **Exhibit A** as the "ORFR Property." In the event Landlord receives an offer from a third-party to purchase or lease the ORFR Property during

the Initial Term of the Lease, Tenant shall have a Right of First Refusal for a period not to exceed thirty (30) days from the receipt of written notice from the Landlord of the third-party offer. Said Right of First Refusal must be exercised by the Tenant providing written notice to the Landlord of its intent to exercise the Right of First Refusal on the same terms and conditions in the third-party offer for the ORFR Property.

## **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, licensees, 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, licensees, or visitors.

## **3. RENT AND RENT INVOICES**

(a) Rent. Tenant agrees to pay to Landlord the Base Rent set forth in Section 1(o), in advance, on the 1st business day of each calendar month during the Term, without deduction or setoff, commencing on the Commencement Date. Rent will be considered past Due and in default if not received by the 10<sup>th</sup> of the month.

(b) Rent Invoices. All invoices from Landlord to Tenant for any Rent or other fee 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. The Board of Directors of the Landlord have designated the Ground Lease Property and its Permitted Use a “Redevelopment Project” by resolution dated

\_\_\_\_\_ pursuant to Special District Local Laws Code § 3501.1024. Consequently, the Premises and for purposes of this Section any structure that may be attached to or constructed on the Ground Lease Property are exempt from Real Estate Taxes. "Real Estate Taxes" means all real property taxes and assessments that become due and payable during the Term or any extension thereof that are assessed by the applicable taxing governmental authority against the Premises. Tenant shall not be responsible for any back taxes or assessments incurred by a third party or prior to the Delivery Date.

(b) Notice Regarding Other Taxes. If assessed, 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. If applicable, 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 suitable for the Permitted Use.

(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, Operating Manual, Section 1, Construction Project Review, as amended, and as may be amended from time to time.

(4) Pay a late charge of five (5) percent of any Rent or fee not received by Landlord by the tenth (10<sup>th</sup>) 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) [NOT USED]

(7) [NOT USED]

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

(9) If requested, deliver to Landlord a financing statement perfecting the security interest created by this lease.

(10) Vacate the Premises and return all keys to the Premises on the last day of the Term.

(11) If accessed, pay an additional cleaning fee in the event such cleaning 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. 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.

**(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 tenant's 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 sublease any portion of the Premises without Landlord's prior express written consent.
- (8) [NOT USED]
- (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) [NOT USED]
- (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 for the entire Term beginning on the Delivery Date and ending on the Termination Date.
- (2) Obey all applicable laws with respect to Landlord's operation of the Premises and Project.
- (3) [NOT USED]
- (4) [NOT USED]
- (5) [NOT USED]

### **(b) Landlord agrees not to—**

- (1) Interfere with Tenant's possession of the Premises as long as Tenant is not in default.

- (2) 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, wastewater, gas, telephone service, sewer service, and other utilities furnished to the Premises directly to the provider of such service.

(b) Trash Removal. Tenant shall install, in compliance with applicable Laws at a location on the outside of the Premises, a trash dumpster. Tenant shall pay for collection of its own trash.

## **9. OWNERSHIP OF ANY STRUCTURE ON GROUND**

(a) During the Term of the Ground Lease. The Tenant shall have all right, title and interest in any structure built on the Ground Lease Property.

(b) After Termination of the Ground Lease. The Landlord shall assume all right, title and interest in any structure built on the Ground Lease Property, subject to Tenant's continuing requirement to service any debt secured by an interest in the Property.

## **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. 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. Notwithstanding anything to the contrary contained herein, in no event shall Tenant be liable for Hazardous Materials existing in, on or about the Premises or the Project prior the Tenant's occupancy of the Premises. 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 10(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 Premises and Tenant's use thereof, not including Common Areas, against claims for bodily injury, death or property damage occurring upon, in or about the Premises (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. Landlord to maintain proper insurance coverage of the building, Tenant is only responsible for its owned fixtures, equipment and leasehold improvements

(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 OR BUILDING, DAMAGE TO OR LOSS OF PERSONAL PROPERTY WITHIN THE BUILDING, 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. Construction or Alterations to Structures. Any construction, physical additions, or improvements to the Premises made by Tenant will become the property of Landlord, as set forth in Section 9(b), above. 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 construction and alterations shall require the prior written consent of Landlord. Tenant agrees at its sole cost and expense to comply with all laws, regulations, ordinances, or Landlord construction standards when performing any construction, physical additions, or 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; however, it is expressly understood and agreed that Landlord expressly reserves the right to deny any request for alterations submitted by the Tenant. 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 and Landlord's covenants are independent. Except as otherwise provided herein, Tenant will not be entitled to abate Rent 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. Tenant grants Landlord a security interest in Tenant's personal property now or subsequently located on the Premises. This lease is a security agreement under the Uniform Commercial Code.

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 Rent;

(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; and (3) 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 and Landlord each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder in connection with this Lease, and that no one is entitled to any commission or finder's fee in connection herewith. Tenant and Landlord do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar Party by reason of any dealings or actions of the indemnifying Party, 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, subject to the provisions of Section 1(k). 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(o) 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) 885-6592  
Email: mmusa@reeseccenter.com

**TENANT:**

Royal Bengal Logistics, Inc.  
Sanjay Singh, President  
9600 West Samples Road, Suite 100  
Coral Springs, FL 33065  
Telephone: (954) 228-7277  
Email: admin@rbl-inc.com

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 Licensor or Licensee may designate to the other by notice. Notice may also be given by regular mail, personal delivery, courier delivery, 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. Without limiting the foregoing, any notice required or permitted to be given under this License may be sent by e-mail at the appropriate e-mail address set forth in this Section 12.1, as the same may be amended, or to such other e-mail address as Licensor or Licensee may from time to time designate in a notice to the other; provided that such e-mailed notice expressly states that it represents a notice under Section 12.1. of this Lease. Any e-mailed notice shall be deemed given on the date of delivery, provided that (i) such delivery is reasonably confirmed as received by the recipient (i.e., no error report is received by the sender); and (ii) if delivery occurs after 5:00 p.m. in the time zone of the recipient or on a non-business day, then such notice shall be deemed received on the first business day after the day of delivery.

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, is the entire agreement of the Parties, 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.

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 hereof will not be affected thereby; and each term and provision hereof will be valid and enforceable to the fullest extent permitted by Laws.

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.

z. Trafficking of Persons. Under §2155.0061, Texas Government Code, Tenant certifies that the individual or business entity named in the Agreement is not ineligible to receive the specified Agreement and acknowledges that the Agreement may be terminated if this certification is inaccurate.

aa. Chapter 2270 of the Texas Government Code. Tenant acknowledges that in accordance with Chapter 2270 of the Texas Government Code, the Landlord is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the Tenant that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms “boycott Israel” and “company” shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this Lease, Tenant certifies that Tenant’s signature provides written verification to the Landlord that Tenant: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the Lease.***

bb. Counterparts; Signatures. This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Lease and of signature pages by facsimile transmission, email or other electronic means (including, without limitation, DocuSign or other third party electronic signature verification service) shall constitute effective execution and delivery of this Lease as to the parties and may be used in lieu of the original Lease for all purposes. Signatures of the parties transmitted by facsimile, email or other electronic means (including, without limitation, DocuSign or other third party electronic signature verification service) shall be deemed to be their original signatures for all purposes.

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

a. Free Trade Zone (FTZ). The Lubbock Economic Development Authority (“LEDA”) has applied and previously received approval for eligible tenants of the Project to be able to take advantage of the benefits of its FTZ. Tenants that are eligible to participate must apply through LEDA and pay the application fees and any monthly fees associated with the volume of goods that are transported into and out of the FTZ. Interested tenants should contact the LEDA 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 (including that the westernmost runway is non-operational, except in the case of a federal, state or local emergency), 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. With regard to the westernmost runway, Landlord has restricted use of such runway based on the operation of the commercial grade wind turbines that exist on the Project to the west of such runway, and Tenant agrees that it may not have access to such runway. 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.

#### **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.

The execution of this Agreement 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 Lease on the date(s) set forth below.

/SIGNATURE PAGE FOLLOWS/

LUBBOCK REESE  
REDEVELOPMENT AUTHORITY  
("Landlord")

ROYAL BENGAL LOGISTICS, INC.  
("Tenant")

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

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

## EXHIBIT A

### Ground Lease Property



## EXHIBIT B

### Base Rent Payment Schedule

<b>Initial Term Lease Year</b>	<b>Total Annual Rent</b>	<b>Total Monthly Payment</b>	<b>Annual Base Rent Per Square Foot Area (87,120 square feet)</b>
1	\$22,651.20	\$1,887.60	\$0.26
2	\$23,330.74	\$1,944.23	\$0.27
3	\$24,030.66	\$2,002.55	\$0.28
4	\$24,751.58	\$2,062.63	\$0.28
5	\$25,494.13	\$2,124.51	\$0.29
6	\$26,258.95	\$2,188.25	\$0.30
7	\$27,046.72	\$2,253.89	\$0.31
8	\$27,858.12	\$2,321.51	\$0.32
9	\$28,693.86	\$2,391.16	\$0.33
10	\$29,554.68	\$2,462.89	\$0.34
11	\$30,441.32	\$2,536.78	\$0.35
12	\$31,354.56	\$2,612.88	\$0.36
13	\$32,295.20	\$2,691.27	\$0.37
14	\$33,264.05	\$2,772.00	\$0.38
15	\$34,261.97	\$2,855.16	\$0.39
16	\$35,289.83	\$2,940.82	\$0.41
17	\$36,348.53	\$3,029.04	\$0.42
18	\$37,438.98	\$3,119.92	\$0.43
19	\$38,562.15	\$3,213.51	\$0.44
20	\$39,719.02	\$3,309.92	\$0.46
Renewal Year 1	\$40,910.59	\$3,409.22	\$0.47
Renewal Year 2	\$42,137.90	\$3,511.49	\$0.48
Renewal Year 3	\$43,402.04	\$3,616.84	\$0.50
Renewal Year 4	\$44,704.10	\$3,725.34	\$0.51
Renewal Year 5	\$46,045.23	\$3,837.10	\$0.53
Renewal Year 6	\$47,426.58	\$3,952.22	\$0.54
Renewal Year 7	\$48,849.38	\$4,070.78	\$0.56
Renewal Year 8	\$50,314.86	\$4,192.91	\$0.58
Renewal Year 9	\$51,824.31	\$4,318.69	\$0.59
Renewal Year 10	\$53,379.04	\$4,448.25	\$0.61
Renewal Year 11	\$54,980.41	\$4,581.70	\$0.63
Renewal Year 12	\$56,629.82	\$4,719.15	\$0.65
Renewal Year 13	\$58,328.71	\$4,860.73	\$0.67

Renewal Year 14	\$60,078.58	\$5,006.55	\$0.69
Renewal Year 15	\$61,880.93	\$5,156.74	\$0.71
Renewal Year 16	\$63,737.36	\$5,311.45	\$0.73
Renewal Year 17	\$65,649.48	\$5,470.79	\$0.75
Renewal Year 18	\$67,618.97	\$5,634.91	\$0.78
Renewal Year 19	\$69,647.54	\$5,803.96	\$0.80
Renewal Year 20	\$71,736.96	\$5,978.08	\$0.82

**BOARD ACTION ITEM No. 2023-0426-134  
GROUND LEASE FOR ROYAL BENGAL LOGISTICS, INC.**

**BOARD OF DIRECTORS  
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)  
April 26, 2023**

Item to be Considered:

Consider 2 Acre Ground Lease for Royal Bengal Logistics, Inc., "RBL Project"

Previous Board Action:

The Board previously approved a Resolution designating the RBL Project, which will construct a new hanger on a ground lease, as a Redevelopment Project

Statement of Pertinent Facts:

1. Two-acre area with a right of first refusal to lease additional adjacent land at the then existing terms
2. 20 year lease with one option to renew for an additional 20 years
3. Rent starting at \$.26 per square foot with annual escalations of 3% or CPI-U, whichever is greater
4. Any assignment or subletting will require the consent of LRRRA
5. All construction will require the prior approval of LRRRA and must comply with all LRRRA construction standards and building codes

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 its CEO/Executive Director to Execute the Ground Lease for Royal Bengal Logistics, Inc., subject to negotiation of final terms and conditions, on this 26th day of April 2023."

\_\_\_\_\_  
Steve Verett, President

ATTEST:

\_\_\_\_\_  
Board Member



**AGENDA ITEM 8**  
**Executive Summary**  
**GL Texas, LLC - Greenlight**  
**Ratify Executive Committee Approval of**  
**Contingent Lease for Building 1130**

At the March 22, 2023, Board meeting, discussion about whether to entertain a cannabis cultivation and manufacturing facility at Reese took place. Overall, the Board was receptive to the idea and wanted to ensure there were no political issues to deal with so staff were directed to contact Senator Perry's office to ensure there are no political issues associated with locating such a facility at Reese. After having found there was no resistance to the idea, staff continued with the discussions with Greenlight.

Greenlight operates cannabis cultivation and manufacturing facilities in several states and is seeking a license to operate in Texas. Because the deadline to file an application was quickly approaching, staff required the Executive Committee to approve the lease prior to the regularly scheduled board meeting to meet the state deadline. Therefore, on April 21, 2023, the Executive Committee approved the contingent lease for GL Texas, LLC for Building 1130.

This lease is contingent upon Greenlight receiving one of only five (maybe fewer) licenses that will be issued by Texas.

Lease terms:

- The premises will be used for cannabis cultivation and manufacturing
- 10 years with two options to renew for five years each
- \$4.50/SF with escalations beginning in year 5 at 2.5% or the CPI-U, whichever is greater
- Tenant may terminate the Lease if they cannot expand operations on the property but must pay an early termination fee of 24 month's rent
- Tenant will pay one month's rent as security deposit which will be credited to the first months' rent if they receive a license and if they do not, LRRRA will retain the deposit in consideration for its work related to this project

See attached Deal Sheet and Contingent Lease for more details.

Staff is requesting the Board of Directors ratify the actions of the Executive Committee of approving the Contingent Lease for GL Texas, LLC, Greenlight on April 21, 2023.

April 17, 2023

### **DEAL SHEET**

Building 1130 (former Officers Club), Approximately 22,389 square feet  
GL Texas, LLC - Greenlight  
“Subject to Board Approval”

### **TENANT**

GL Texas, LLC - Greenlight  
Jim Mueller - Chairman  
John Mueller – CEO/President

### **BROKER**

None. Greenlight came to Reese through a broker but they are paying his commission and he has been removed from our process, so we are now working directly with Greenlight. Reese will not be responsible for broker fees and the lease rate reflects that.

### **BACKGROUND**

Greenlight, based in St. Louis, Missouri, is one of the leading cannabis brands in the United States, with operations in Missouri, Arkansas, West Virginia, Illinois, and South Dakota. Greenlight focuses only on limited license states. With over 30 cannabis dispensary licenses and more than 180,000 square feet of cultivation and manufacturing space, Greenlight is a vertically integrated operator. The company employs over 400 people.

If granted a license by the state of Texas, Greenlight will operate a cultivation facility at Reese with satellite locations in Lubbock, Amarillo, Midland, El Paso, and Fort Stockton. Additionally, Greenlight has partnered with TTUHSC, Drs. Daniel Hardy and Celeste Fralick as well as Mark Ozdarski, Lieutenant Commander (Retired) US Navy, on several research projects including the use of cannabis in treatment of cancer. The location at Reese will help further the collaboration they have with TTUHSC.

Greenlight’s total income ending 12/31/2022 was over \$53 million and gross profits of over \$19 million and EBITDA of \$7.8 million. Greenlight is part of the holding company, Mid American Capital, Inc. a private equity firm specializing in distressed assets. The majority owners of Greenlight’s parent, GL Partners, are brothers, Jim and John Mueller. Greenlight will be making a significant investment in Building 1130, estimated to be \$2.5 million, and the lease rate reflects that investment.

This agreement is conditioned upon Greenlight receiving a license to operate in Texas.

**PERMITTED USES**

Tenant may use the premises for a marijuana facility as licensed by Texas via the Texas DPS. This agreement is conditional upon Greenlight receiving a Texas License to operate.

**PREMISES**

Building 1130 – former Officers Club and Conference Center

**TYPE OF LEASE**

Modified Gross Lease

**PRIMARY TERM**

Tenant will pay \$4.50 per square foot for a term of ten years with annual increases, beginning in Year 5, of the greater of 2.50% or the CPI-U. The rent chart below assumes 2.50% increases but will be modified as needed based on the CPI-U at the time.

**Rent**

<b>Initial Term Lease Years</b>	<b>Total Annual Base Rent</b>	<b>Total Monthly Base Rent</b>	<b>Annual Base Rent Per Square Foot of Floor Area of the Premises (22,389 sq ft)</b>
Year 1	\$100,750.50	\$8,395.88	\$4.50
Year 2	\$100,750.50	\$8,395.88	\$4.50
Year 3	\$100,750.50	\$8,395.88	\$4.50
Year 4	\$100,750.50	\$8,395.88	\$4.50
Year 5	\$103,437.18	\$8,619.77	\$4.62
Year 6	\$106,123.86	\$8,843.66	\$4.74
Year 7	\$108,810.54	\$9,067.55	\$4.86
Year 8	\$111,497.22	\$9,291.44	\$4.98
Year 9	\$114,183.90	\$9,515.33	\$5.10
Year 10	\$117,094.47	\$9,757.87	\$5.23
<b>Total</b>	<b>\$1,064,149.17</b>		

**RENEWAL OPTIONS**

Two options to renew for five years each.

**SECURITY DEPOSIT**

Tenant agrees to pay to Landlord one month's Rent on the Effective Date. If the Texas Department of Public Safety Dispensary License is granted to the Tenant, Landlord shall credit the Security Deposit toward the first month's Rent. If the license is not granted to the Tenant, Landlord shall retain the Security Deposit in consideration for its work relating to this project.

**TERMINATION OPTION**

If Tenant's business increases to the point that the Premises, to include any property identified by the Landlord for expansion immediately adjacent to the Premises, cannot accommodate the cultivation requirements of the Tenant for its business, Tenant may terminate the lease by the payment of an Early Termination Fee equal to twenty-four (24) months of the then existent Base Rent.

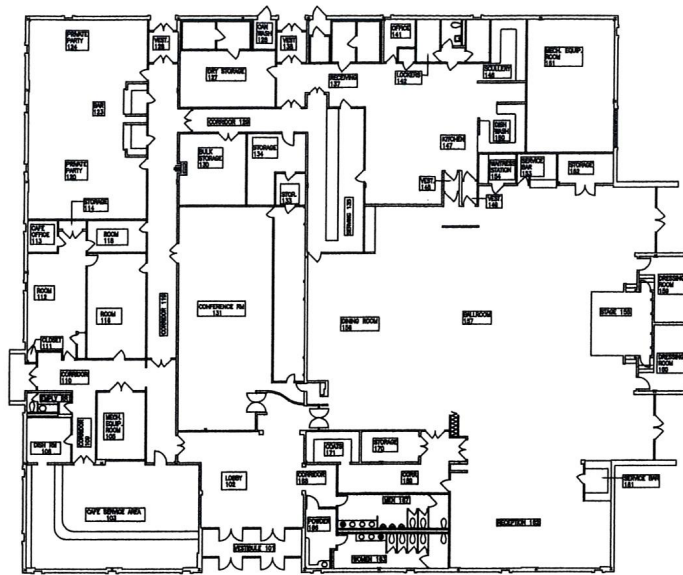
**UTILITIES**

Utilities will be paid directly to the provider.



# Floor Plan

BUILDING #1130  
APPROXIMATELY 22,389 sq ft



FLOOR PLAN  
SCALE 1/8"=1'-0"



DATE		BY	
PROJECT		JOB	
UNITED STATES AIR FORCE		AIR ENGINEER & ARCHITECT	
REESE AIR FORCE BASE, TEXAS 79489			
BUILDING 1130 OFFICER'S CLUB			
RECORD DRAWING FLOOR PLAN			
SCALE	DATE	1/8"=1'-0"	NO. 1130
DATE	DATE	PROJECT NUMBER	NO. 1130

## Contingent Lease

THIS LEASE is made and entered into by and between the "**Landlord**" (defined hereinbelow) and "**Tenant**" (defined hereinbelow). Landlord and Tenant may sometimes individually be referred to as a "**Party**" and collectively as the "**Parties**".

WITNESSETH:

- 1. BASIC LEASE PROVISIONS.** For purposes of this Lease, the following terms and definitions shall be applicable; provided however, in the event there is any conflict between these Basic Lease Provisions and the balance of the Lease and the Landlord's Addendum, the latter shall control:

<b>(a) Landlord:</b>	LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas
<b>(b) Tenant:</b>	GL Texas, LLC
<b>(c) Premises:</b> <i>[Section 2]</i>	Building 1130 and adjacent parking lot and land (the "Property"), more fully described in <b>Exhibit A</b> , attached hereto, including any and all improvements and buildings thereon, including, but not limited to, a marijuana facility as authorized under the rules and regulations of the State of Texas ("Texas") to be remodeled and constructed by Tenant on the Property at Tenant's cost (the "Facility").
<b>(d) Term:</b> <i>[Section 4]</i>	<p>Ten (10) years, or earlier, subject to the terms and conditions set forth in Section 35(j) below, the Texas Department of Public Safety (TDPS) Approval Contingency.</p> <p>(1) <u>Extensions</u>: Two (2) renewal options of five (5) years each, subject to the rights set forth in Section 1(d)(1).</p> <p>(2) <u>Options to Extend Term</u>: Tenant shall have two (2) renewal options of five (5) years each, each of said options 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 an amended <b>Exhibit B</b>.</p>
<b>(e) Commencement Date:</b> <i>[Section 4]</i>	The date after which the Facility has passed its Commencement Inspection pursuant to the rules and regulations of Texas.
<b>(f) Expiration Date:</b> <i>[Section 4]</i>	Ten (10) years after the Commencement Date, subject to the terms set forth in Section 35(j) below, the TDPS Approval Contingency.
<b>(g) Rent:</b>	Annual rent for the Premises will be: See <b>Exhibit B</b> .

<i>[Section 5]</i>	
<b>(h) Landlord's Address for Rent Payments:</b> <i>[Section 25]</i>	<b>Landlord's Address for Payment of Monthly Charge:</b> Payment of Rent and other monthly charges may be made by check and delivered to Landlord's Address for Notices, or by electronic funds transfer to Landlord's bank account at: Plains Capital Bank 5010 University Lubbock, TX 79413 Routing Number - 111322994 Account Number - 7260002003 Deposits need to indicate: LUBBOCK REESE REDEVELOPMENT AUTHORITY
<b>(i) Landlord's Address for Notices:</b> <i>[Section 25]</i>	9801 Reese Blvd., Suite 200, Lubbock, TX 79416
<b>(j) Tenant's Notice Address:</b> <i>[Section 25]</i>	Greenlight Shelby Story 10777 Barkley St, Suite 200 Overland Park, KS 66211  Email: <a href="mailto:shelby@greenlightcorporation.com">shelby@greenlightcorporation.com</a>
<b>(k) Tenant's Billing Address:</b>	Greenlight Dawn Walser 10777 Barkley St, Suite 200 Overland Park, KS 66211  Email: <a href="mailto:dawn@greenlightcorporation.com">dawn@greenlightcorporation.com</a>
<b>(l) Security Deposit:</b> <i>[Section 27]</i>	Tenant agrees to pay to Landlord one month's Rent, as set forth in <b>Exhibit B</b> , on the Effective Date. If the Texas Department of Public Safety Dispensary License is granted to the Tenant, Landlord shall credit the Security Deposit toward the first month's Rent. If the license is not granted to the Tenant, Landlord shall retain the Security Deposit in consideration for its work relating to this project.
<b>(m) Landlord's Broker:</b> <i>[Section 33 – Intentionally Omitted]</i>	N/A
<b>(n) Tenant's Broker:</b> <i>[Section 33 – Intentionally Omitted]</i>	N/A
<b>(o) Effective Date:</b>	The Effective Date of this Lease shall be the date that the Lease is fully executed by all parties.
<b>(p) Exhibits:</b>	<b>Exhibit "A":</b> Description of Premises (Site Plan)



	<b>Exhibit "B":</b> Rent Schedule  <b>Exhibit "C":</b> Landlord's Addendum to Lease
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**2. PREMISES.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises described in Section 1(c).

**3. USE.** The Premises shall be used by Tenant only as a marijuana facility as licensed by Texas via the Texas Department of Public Safety ("TDPS") Dispensary License \_\_\_TBD\_\_\_ ("License") and as permitted by zoning and other applicable governmental regulations, which may be amended from time to time. Tenant shall obtain and maintain, at Tenant's sole cost and expense, all licenses and permits necessary for Tenant's contemplated use of the Premises.

**4. TERM.**

(a) The Term of this Lease shall be for the period designated in Section 1(d), commencing on the Commencement Date set forth in Section 1(e), and expiring on the date set forth in Section 1(f), both inclusive, or earlier subject to the terms set forth in Section 35(j) below. Notwithstanding the aforesaid, in the event Landlord is delayed in delivering the Premises to Tenant for any reason including but not limited to, labor strikes, casualty, legal actions, riots, protests, suits or injunctions, conditions of the elements, the completion of any construction agreed to be performed within the Premises by Tenant, or the inability to secure the Premises or any materials, Landlord shall deliver the Premises to Tenant as soon thereafter as possible. In the event of any such delay, the validity of this Lease be impaired, but the Commencement Date shall be postponed a number of days equal to such delay, and the Expiration Date shall be extended a like number of days to reflect the term of this Lease, plus an additional number of days through the end of the then current month.

(b) The Parties shall enter into a separate written memorandum, setting forth the actual Commencement Date, the Expiration Date, the date when all Rent shall commence, and any other information reasonably requested by the Parties.

**5. RENT.** Tenant shall pay to Landlord or to Landlord's designated agent the annual rent ("Rent"), as set forth in Exhibit B (Rent Schedule). In the event any Rent or other charge is payable for a partial calendar month or year, such amount shall be prorated to reflect only that portion of the Term within such month or year. All accrued unpaid amounts shall survive the Term. It is expressly understood and agreed to by the Parties that Rent shall be based on the square footage of the Premises and any additions to the existing Premises.

A schedule of the Base Rent under this Lease is attached hereto as **Exhibit B** (the "Base Rent Schedule") and revised as necessary; provided that beginning in June 2027, Base Rent shall increase annually (from June 1 of the calendar year in question through the following May) by the greater of 2.50% (as set forth on **Exhibit B**) or the percentage increase, if any, in the index known as the Consumer Price Index for all Urban Consumers ("CPI-U") published for March of the calendar year during the applicable Base Rent increase goes into effect year over the CPI-U published for March of the immediately preceding calendar year. Notwithstanding the foregoing, if at the time Landlord determines the annual Base Rent increase that will go into effect in June of a particular calendar year, the CPI U has not been published for March of such calendar year, Landlord may determine such annual Base Rent increase on the CPI-U for the month of such calendar year that the CPI-U was most recently published and the CPI-U published for the same month twelve months earlier.

**6. UTILITIES.** Landlord agrees to supply gas, electricity, water, and sewer connections to the Premises, which shall be separately metered. On and after the Commencement Date, Tenant shall pay for the use of all said utilities and any other utilities used by Tenant within the Premises, together with any taxes, penalties, surcharges, or the like pertaining thereto. On and after the Commencement Date, Tenant shall also be liable for all maintenance and equipment with respect to the continued operation of such utilities including, without limitation, all fixtures, electric light bulbs, tubes and starters, including the HVAC system or any other building system, such as electrical or plumbing systems; and, upon the termination of this Lease, Tenant shall return all such equipment to Landlord in good condition and repair, including the re-lamping of all light fixtures within the Premises. In the event water and sewer service, or any other utility service to the Premises is not separately metered, Tenant shall pay to Landlord, of all such utility charges incurred by the Premises (on and after the Commencement Date). It is expressly understood by the Tenant that water and wastewater services are provided via agreements between the Landlord and the City of Lubbock. Therefore, Tenant agrees to abide by any ordinances, rules, or regulations established by the City of Lubbock relating to consumption, drought restrictions, and water treatment requirements prior to disposal in the wastewater system.

**7. LANDLORD'S AND TENANT'S RIGHTS.** (a) Landlord may designate all sources of all services used in the common areas, if any, of the Property; Landlord reserves the right to designate, from time to time, for the Premises, all utilities used by Landlord and/or Tenant including, without limitation, all gas, electric, water and sewer service, subject to the approval of Tenant. Tenant and its assignees, invitees, licensees, contractors and utility providers shall have reasonable access in and through the Premises, upon at least forty-eight (48) hours prior written notice from Landlord, for the benefit of Landlord and Tenant to perform such installations, maintenance, repairs or replacements as Tenant may determine, subject to the rules and regulations of Texas.

(b) Tenant shall comply with voluntary controls or guidelines promulgated by any governmental entity relating to the use or conservation of energy, water, gas, light or electricity.

(c) Tenant with Landlord's prior written approval, such approval not to be unreasonably withheld, may make alterations, repairs, additions, and improvements to the Property or any part thereof, including the installation and maintenance of pipes, ducts, conduits, wires and structural elements within the Premises to service the Premises.

(d) Landlord may have pass keys to the Premises and all portions thereof, pursuant to the rules and regulations of Texas.

(e) Upon notice and agreement with Tenant, Landlord may change the name or street address of the Premises; and install, affix and maintain one or more signs within or about the Premises.

(f) Landlord may take such reasonable measures as Landlord deems advisable for the security of the Premises and its occupants if Tenant fails to properly secure the Premises, as required.

(g) Landlord may re-enter the Premises or may repair or otherwise prepare the Premises for re-occupancy (without affecting Tenant's obligation to pay Rent and not disturbing Tenant's business operations) during the last one hundred ninety (90) days of the Term, if prior to that time Tenant has vacated the Premises.

**8. LANDLORD'S REPAIRS AND MAINTENANCE.** See **Exhibit C** attached hereto.

**9. LANDLORD'S WORK.** *Not Applicable.*

**10. TENANT'S SECURITY, REPAIRS AND MAINTENANCE.** Tenant shall provide all physical and electronic security for the Premises and the Facility at Tenant's cost and keep the Premises in a clean and sanitary condition and shall keep the Premises free of debris. Tenant shall not store materials, waste, or pallets outside of the Facilities, and Tenant shall timely arrange for the removal and/or disposal of all pallets, crates, trash, and refuse owned by Tenant, or placed on or about the Premises by Tenant or any of Tenant's agents, employees, contractors and invitees, and to this end, Tenant shall separately contract for dumpster and trash removal service to the Premises.

Tenant shall periodically inspect, maintain, service, and repair all equipment on the Premises including, without limitation, the lighting and other utilities, plumbing, transformers, wiring, security equipment, air conditioning chillers, dehumidifiers, filters, vents and all other air cleaning and conditioning equipment and all other equipment located on the Premises (the "Equipment"), in a manner and as often as is reasonably required to keep said Equipment operating properly and efficiently. In the event said Equipment exclusively servicing the Premises requires replacement during the Term, or any extension thereto, Tenant shall make such replacement at Tenant's sole cost and expense. Notwithstanding the aforesaid, Tenant shall have the option to enter into a regularly scheduled preventative maintenance/service contract on said air conditioning chiller, for and on behalf of Tenant. Such contract may include, without limitation, all services suggested or recommended by the equipment manufacturer in the operation and maintenance of such system. Notwithstanding the foregoing, Landlord shall grant Tenant the following permissions and access (if needed): (i) permission to install HVAC equipment on the Facility or the Premises; (ii) designate space to install chillers for HVAC; (iii) designate space to install backup generators; (iv) designate space to install waste storage system; and (v) permission to install venting systems for manufacturing. All installations, repairs, and maintenance shall be at the sole cost of Tenant.

**11. ALTERATIONS AND IMPROVEMENTS.** See **Exhibit C** attached hereto.

**12. CASUALTY.** See **Exhibit C** attached hereto.

**13. INSPECTION.** Landlord and its agents shall have the right to enter and inspect the Premises from time to time, upon at least forty-eight (48) hours prior written notice, for the purpose of ascertaining the condition thereof, or in order to make such repairs as may be required or permitted to be made by Landlord under the terms of this Lease.

**14. SIGNAGE.** Tenant, with Landlord's prior written approval, shall have the right but not the obligation to maintain one or more signs within or about the Premises, identifying Tenant, the Premises or tenants therein. Any such signs shall be subject to any applicable governmental or quasi-governmental laws, ordinances, regulations and other requirements.

**15. SUBLETTING AND ASSIGNING.** See **Exhibit C** attached hereto.

**16. DEFAULT.** See **Exhibit C** attached hereto.

In the event Landlord elects not to terminate this Lease, but only to terminate Tenant's right of possession to the Premises, Tenant shall immediately vacate the Premises and pay to Landlord all Rent accrued through the effective date of repossession due to the unique nature of the use and the agreed difficulty, due to Texas regulations, of reletting the Premises to another tenant. Tenant shall also pay Landlord's reasonable attorneys' fees and expenses, court costs, and expert fees and expenses and all other costs and damages arising from the Default. Tenant shall remain liable for all Rent accruing after the date of repossession (together with all interest), payable monthly as such Rent accrues, in an amount equal to the Rent payable under this Lease, less the rent (if any) collected by Landlord from any reletting.

**17. RIGHT TO CURE TENANT'S DEFAULT.** See **Exhibit C** attached hereto.

**18. RETURN OF PREMISES.** Upon the expiration or earlier termination of this Lease, Tenant shall surrender and return the Premises and all Equipment to Landlord in substantially the same condition as when received, reasonable wear and tear excepted. Notwithstanding the aforesaid, upon Landlord's written election, any such alterations, additions or improvements (other than trade fixtures) shall become the property of Landlord and shall remain within the Premises.

**19. HOLDOVER.** If Tenant fails to surrender the Premises upon the expiration or earlier termination of this Lease, Tenant's tenancy shall be subject to the terms and conditions hereof; provided, however, that such tenancy shall be a tenancy at sufferance only, for the entire Premises, and Tenant shall pay Rent (on a per-month basis without reduction for any partial month) at a rate equal to 150% of the Rent applicable during the last calendar month of the Term. The parties agree this is not a penalty, but rather an estimation of the damage done to Landlord from a holdover. Nothing in this Section shall limit Landlord's rights or remedies or be deemed a consent to any holdover. If Landlord is unable to deliver possession of the Premises to a new tenant or to perform improvements for a new tenant as a result of Tenant's holdover, Tenant shall be liable for all resulting damages, including lost profits, incurred by Landlord.

**20. HOLD HARMLESS.**

A. Tenant shall not be liable to Landlord for any damage to or loss of any property of Landlord's agents, employees, licensees, invitees, contractors or other persons, which Landlord places or permits to be placed within the Premises; and to the extent permitted by federal and state law and the Constitution of the state of Texas, Landlord agrees to indemnify, hold harmless, and defend Tenant, at Landlord's sole cost and expenses, from all claims liabilities and expenses (including reasonable attorney's fees) incurred by Tenant arising from any such damage or loss, except for any damage arising from Tenant or Tenant's agents negligence, reckless disregard or willful misconduct. Tenant shall be liable for any injuries to Landlord, its agents, employees, licensees, invitees, contractors or other persons, caused by: the condition, operation or maintenance of the Premises; to the extent permitted by federal and state law and the Constitution of the state of Texas, Landlord shall be liable for, and shall indemnify, hold harmless and defend Tenant, at Landlord's sole cost and expense, from any act or permitted act or omission of Landlord or any of Landlord's employees, agents, licensees, invitees and contractors within the Premises; or Landlord's breach of any covenant under this Lease. In the event any suit shall be instituted against Tenant by any third person for which Landlord is hereby indemnifying and holding Tenant harmless, Landlord shall defend such suit at Landlord's sole cost and expense with counsel reasonably satisfactory to Tenant; or, at Tenant's election, Tenant may defend such suit, in which event Landlord shall pay Tenant, Tenant's costs of such defense. The aforesaid indemnifications and obligations shall survive the Term.

B. Landlord shall not be liable to Tenant for any damage to or loss of any property of Tenant's agents, employees, licensees, invitees, contractors or other persons, which Tenant places or permits to be placed within the Premises; and Tenant agrees to indemnify, hold harmless, and defend Landlord, at Tenant's sole cost and expenses, from all claims liabilities and expenses (including reasonable attorney's fees) incurred by Landlord arising from any such damage or loss, except for any damage arising from Landlord or Landlord's agents negligence, reckless disregard or willful misconduct. Landlord shall not be liable for any injuries to Tenant, its agents, employees, licensees, invitees, contractors or other persons, caused by: the condition, operation or maintenance of the Premises) in that Tenant shall be responsible for the condition, operation and maintenance of the Premises. Tenant shall be liable for, and shall indemnify, hold harmless and defend Landlord, at Tenant's sole cost and expense, from any act or permitted act or omission of Tenant or any of Tenant's employees, agents, licensees, invitees and contractors within the Premises; or Tenant's breach of any covenant under this Lease. In the event any suit shall be instituted against Landlord by any third person for which Tenant is hereby indemnifying and holding Landlord harmless, Tenant shall defend such suit at Tenant's sole cost and expense with counsel reasonably satisfactory to Landlord; or, at Landlord's election, Landlord may defend such suit, in which event Tenant

shall pay Landlord, Landlord's costs of such defense. The aforesaid indemnifications and obligations shall survive the Term.

**21. CONDEMNATION.** If the whole of the Premises or any substantial portion of the Premises shall be taken for any public or quasi-public use under any statute or by right of eminent domain or by purchase under threat of condemnation (collectively, "Condemned"), this Lease shall automatically terminate effective as of the taking date. In the event only a portion of the Premises is Condemned, either Party shall have the right to terminate this Lease effective as of the taking date, provided the remaining portion of the Premises are untenantable for Tenant's use (subject to Tenant's sole judgment). In the event this Lease is not terminated, then this Lease shall terminate on the taking date only as to that portion of the Premises so Condemned, and the Rent and other charges payable by Tenant shall be reduced in proportion to that portion of the Premises which is Condemned. Landlord shall be entitled to the entire Condemnation award for all realty and improvements. Tenant shall have no right to claim or receive any award for any unexpired term of this Lease, or for any unexercised renewal or expansion options; and Tenant shall only be entitled to an award for Tenant's personal property and the unamortized portion of any improvements which were installed with the Landlord's approval within the Premises by Tenant at Tenant's cost, provided Tenant independently petitions the Condemning authority for same, and further provided any such award does not reduce or adversely affect Landlord's award.

**22. INSURANCE.** Tenant shall maintain in full force and effect throughout the term of this Lease the following insurance policies: (a) commercial general liability insurance, on an occurrence basis, in amounts of not less than a per occurrence limit of \$2,000,000, with not less than a \$3,000,000 general aggregate applying to the Premises, or such other amounts as Landlord may from time to time reasonably require, insuring Tenant and Landlord, against all liability or injury to or death of persons, or damage to property, arising from the use and/or occupancy of the Premises by Tenant or any of Tenant's agents, employees, licensees, invitees or contractors; (b) special form or all-risk property insurance covering the full value of all property within the Premises including, without limitation, equipment, inventory (EXCEPT marijuana inventory, which Tenant may obtain crop insurance) trade fixtures and supplies, all interior finish constructed by either Landlord or Tenant within the Premises, all alterations and improvements made by or on behalf of Tenant within the Premises, and all property of any third persons placed or otherwise located within the Premises; (c) worker's compensation insurance in statutory form and amounts containing a waiver of subrogation and endorsement acceptable to the Parties; and (d) business interruption insurance, in such amounts as will reimburse Tenant for 100% of all direct and indirect loss of earnings attributable to prevention of access to or use of the Premises, or any additional costs incurred in connection therewith. All insurance deductibles under Tenant's insurance coverages shall be the sole responsibility of Tenant without right of reimbursement from Landlord for any reason. Tenant's insurance shall be primary and non-contributing with or in excess of any insurance coverage carried by Landlord. All policies of insurance shall contain a cross liability endorsement and be in amounts sufficient at all times to satisfy any coinsurance requirements thereof. Each policy of insurance shall insure Landlord, and shall name Tenant, Tenant's managing agent, Tenant's lenders and their respective affiliates as additional insureds, all as their respective interests may appear. Prior to taking occupancy, Tenant shall furnish certificates of all insurance required hereunder to be carried by Tenant, executed by a duly authorized representative of each insurer, or such other evidence satisfactory to the Parties of the maintenance of all insurance coverages required hereunder. All such insurance policies shall be in a form, and issued by companies reasonably satisfactory to the Parties, and with a Best's rating of A:X. For purposes of this Section, the term, "affiliate", shall mean any person or entity which directly or indirectly, controls, is controlled by, or is under common control with the Party in question.

**23. MORTGAGES/TITLE.** Tenant agrees that the Lease is subordinated to all existing and future mortgages upon the Premises (or associated land), and that upon the request of Landlord in writing, it will subordinate the Lease and the lien thereof to the lien of any existing or future mortgage or mortgages (including all renewals, extensions and modifications thereof), provided that the holder or any assignee thereof, shall agree that the Lease and the rights of Tenant hereunder shall continue in full force and effect

and shall not be terminated or disturbed except in accordance with the provisions of the Lease. Tenant shall if requested by Landlord (or any successor) or the holder of any such mortgage, execute and deliver such agreements or documents necessary to agree in substance that if the mortgagee (including a purchaser at foreclosure sale, its successors, and assigns) shall succeed to the interest of Landlord in the Lease, Tenant will recognize said mortgage or person and its successors and assigns as its Landlord under the terms of the Lease, consistent with such reasonable terms, and conditions as requested by mortgagee. Tenant agrees on Landlord's request to execute, acknowledge, and deliver any and all instruments necessary or desirable to give effect to or notice of such subordination and attornment. The word "mortgage" includes mortgages, deeds or trust, or other, similar instruments and modifications, consolidations, extensions, replacements and substitutes therefore.

**24. LIENS.** The Parties shall not mortgage or otherwise encumber or allow to be encumbered its interest; nor shall the Parties permit any mechanic's or other lien to be filed against the Premises or any interests. In the event a party authorizes, contracts or otherwise undertakes to perform or provide any construction, alterations, installations or other work or materials to the Premises for which a mechanic's lien or other lien can be filed, the parties shall obtain an enforceable, unconditional and final lien releases or waivers for all such work and materials within fifteen (15) days after completion of the work, but in all events before the earliest date any such lien can be filed.

**25. NOTICES.** All Rents which are required to be paid by Tenant shall be deposited to Landlord's designated bank account by wire, ACH or check only. All notices that are required to be given under this Lease shall be in writing, and delivered by either (a) United States registered or certified mail, return receipt requested, or (b) a reputable overnight commercial courier/delivery service, or (c) hand-delivery. All notices to Landlord and Tenant shall be sent postage prepaid, addressed to the parties hereto at their respective addresses set forth in Section 1. Either Party may designate a different address by giving notice to the other Party at the address set forth herein, or at any other address as the parties may subsequently designate. Notices shall be deemed received upon the earlier of actual receipt or the date of the return receipt. If any such notices are refused, or if the Party to whom any such notice is sent has relocated without leaving a forwarding address, then the notice shall be deemed received on the date the notice-receipt is returned stating that the same was refused or is undeliverable at such address.

**26. OWNERSHIP.** Notwithstanding anything in this Lease to the contrary, the term "Landlord" as used in this Lease shall be defined as the from time to time current owner(s) of the Premises.

**27. SECURITY DEPOSIT.** *Intentionally Deleted.*

**28. PARKING.** See **Exhibit A.**

**29. GOVERNMENT REGULATIONS.** The Tenant shall comply with all laws and regulations of all local and state authorities now in force, or which may hereafter be in force, pertaining to, or in connection with, the Premises or Tenant's use thereof (collectively, "Laws"). The Tenant shall not use or permit the Premises to be used in violation of any Law or in violation of any recorded covenant, condition or restriction. In addition, the Tenant shall comply with all requirements of any board of fire underwriters, or any similar body having jurisdiction over the Premises, together with any reasonable requirements of the Parties' insurance carriers with respect to Tenant's use of the Premises.

**30. PERSONAL PROPERTY TAXES.** See **Exhibit C** attached hereto.

**31. REAL PROPERTY TAXES.** See **Exhibit C** attached hereto.

**32. BROKERAGE.** The parties warrant that they have dealt with no broker or other person claiming a commission in connection with this transaction and each Party shall hold the other Party harmless for any breach of such warranty.

**33. CONFIDENTIALITY.** The Parties acknowledge that the terms and conditions set forth in this Lease are confidential in nature.

**34. GUARANTY.** *Intentionally Deleted.*

**35. MISCELLANEOUS.**

**(a) Covenants and Conditions.** All of the covenants of Tenant hereunder shall be deemed and construed to be "conditions" as well as "covenants" as though both words were used in each separate instance.

**(b) Recording.** This Lease shall not be recorded but Landlord may, in its discretion, record a Certificate of Lease or other document naming the parties to the lease and other terms typical in such a filing.

**(c) Section Headings, Severability, and Interpretation.** The Section headings appearing in this Lease are inserted only as a matter of convenience, and in no way define or limit the scope of any Section. In the event any provision of this Lease is found to be invalid or unenforceable, the same shall not affect or impair the validity or enforceability of any other provision. Words in the singular number include the plural, and vice versa; and masculine references shall include the feminine and neuter, and vice versa. All references to "days" shall mean calendar days, unless specifically stated to be "business days"; provided, however for purposes of receipt of notices under Section 25, notices received after 5:00 p.m. in the then current time zone of the recipient shall be deemed to have been delivered on the next calendar day, unless the recipient otherwise acknowledges receipt to the sender on the actual day of delivery.

**(d) Non-Discrimination.** The Parties shall not permit discrimination against, or segregation of, any person, group of persons, or entity on the basis of race, color, creed, religion, age, sex, marital status, national origin, or ancestry in the use or occupancy of the Premises.

**(e) Integrated Instrument and Amendments.** This Lease represents the final product and integration of all negotiations between Landlord and Tenant; and the terms and conditions set forth herein shall incorporate and supersede all prior discussions and writings. Except as specifically set forth in this Lease or in the Agreement or related documents, no representations, warranties or agreements have been made by Landlord or Tenant to the other with respect to this Lease or with respect to the obligations of Landlord or Tenant in connection therewith. In the event any term or condition of this Lease is inconsistent with any term or condition of any prior or contemporaneous verbal or written understanding or agreement between the parties, the terms and conditions of this Lease shall prevail. In the event any term or condition of any prior verbal or written understanding or agreement between the parties is omitted in this Lease, such omission is the specific intent of the parties. No provision of this Lease may be amended except by agreement in writing signed by both of the parties.

**(f) Binding Effect.** The terms and conditions contained in this Lease shall inure to the benefit of and be binding upon the parties hereto, and upon their respective successors in interest and legal representatives, except as otherwise herein expressly provided.

**(g) Governing Law.** This Lease and the parties' respective rights hereunder shall be governed by the laws of the State of Texas. Landlord and Tenant hereby waive any and all right to a trial by jury on any issue to enforce any term or condition of this Lease, or with respect to Landlord's right to terminate this Lease, or terminate Tenant's right of possession.

**(h) Authority.** The Parties executing this Lease on behalf of Landlord and Tenant, respectively, represent and warrant that: (i) said individual has the authority to bind the respective Party under this Lease; and (ii) the Party is a duly organized entity in good standing and qualified to do business in the State of Texas, and that all necessary approvals and resolutions of each Party have been secured to authorize execution of this Lease.

**(i) Exhibits.** This Lease is modified and affected by the Exhibits listed in Section 1(p) which are attached hereto and made a part hereof.

**(j) TDPS Approval:** If Tenant is unable to secure approval from Texas to operate a marijuana facility at this location request, this Lease is null and void.

**(k) Force Majeure.** Whenever a period of time is herein prescribed for action to be taken by either party hereto, such party shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, pandemic, or post Effective Date governmental laws, regulations, or restrictions, or any other causes of any kind whatsoever which are beyond the control of such party.

**(l) Counterparts.** This Lease may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

**(m) Non-Waiver.** No delay or failure by either Party to exercise any right under this Lease, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

**(n) Successors and Assigns.** This Lease shall be binding upon and inure to the benefit of the Parties and their respective legal representatives, successors, and assigns.

**(o) No Passage of Title.** This Lease is a lease, and Tenant does not acquire hereby any right or title whatsoever, legal or equitable, in the Premises or to the proceeds of the sale of the Premises, except its interests as a Tenant under this Lease.

**(p) Cumulative Remedies.** Landlord's rights and remedies with respect to any of the terms and conditions of this Lease shall be cumulative and not exclusive, and shall be in addition to all other rights and remedies available to Landlord.

**(q) Modification.** This Lease constitutes the entire Lease between the Parties, and any change or modification to this Lease must be in writing and signed by the Parties.

EXCEPT TO THE EXTENT SOVEREIGN IMMUNITY IS WAIVED BY STATUTE OR THE CONSTITUTION OF TEXAS, LANDLORD DOES NOT WAIVE SOVEREIGN IMMUNITY BY ITS EXECUTION OF OR BY ANY CONDUCT OF THEIR REPRESENTATIVES UNDER THIS LEASE.

*[Signature Page Follows]*



WHEREFORE, Landlord and Tenant have respectively executed this Lease the day and year set forth below.

---

**LANDLORD:**

Lubbock Reese Redevelopment Authority

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

**TENANT:**

**GL Texas, LLC**

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

Printed Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

## Exhibit A



## Exhibit B (Base Rent Schedule)

### PRIMARY TERM

Tenant will pay \$4.50 per square foot for a term of ten years with annual increases, beginning in Year 5, of the greater of 2.50% or the CPI-U. The rent chart below assumes 2.50% increases but will be modified as needed based on the CPI-U at the time.

#### Rent

<b>Initial Term Lease Years</b>	<b>Total Annual Base Rent</b>	<b>Total Monthly Base Rent</b>	<b>Annual Base Rent Per Square Foot of Floor Area of the Premises (22,389 sq ft)</b>
Year 1	\$100,750.50	\$8,395.88	\$4.50
Year 2	\$100,750.50	\$8,395.88	\$4.50
Year 3	\$100,750.50	\$8,395.88	\$4.50
Year 4	\$100,750.50	\$8,395.88	\$4.50
Year 5	\$103,437.18	\$8,619.77	\$4.62
Year 6	\$106,123.86	\$8,843.66	\$4.74
Year 7	\$108,810.54	\$9,067.55	\$4.86
Year 8	\$111,497.22	\$9,291.44	\$4.98
Year 9	\$114,183.90	\$9,515.33	\$5.10
Year 10	\$117,094.47	\$9,757.87	\$5.23
<b>Total</b>	<b>\$1,064,149.17</b>		

# Exhibit C (Landlord's Addendum)

References to Section Numbers in this Landlord's Addendum are to sections within Landlord's Addendum. References to the Lease are inclusive of the Lease as a whole.

## 1. Additional Basic Lease Provisions

(a) 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, a research and business park located in Lubbock County, Texas. A map of Reese Technology Center is attached hereto as **Exhibit C-1**.

(b) Base Rent: The parties agree that this Lease is what is commonly referred to as a "modified gross lease" and that Base Rent under this Lease covers, and Tenant shall not have to pay, any amounts for (i) maintenance of the Common Area (as defined in Section 2(a), below), (ii) grounds keeping/mowing expenses, (iii) parking, (iv) Landlord's insurance, and (iv) any other charges incurred by Landlord with respect to the Common Areas, except as otherwise expressly provided in this Lease. Except as otherwise provided in this Lease, Tenant shall be solely responsible for any and all charges associated with the cost of utility service separately metered to the Buildings, dumpsters utilized by Tenant, telephone service to the Buildings, internet service to the Buildings, Tenant renovations to the Buildings, maintenance of the Buildings, and housekeeping services for the Buildings. Subject to the terms of this Lease, Landlord shall also be responsible for the maintenance and repair of the Parking, at Landlord's sole expense (even though such areas are part of the Premises).

(c) Early Termination: In the event that Tenant's business increases to the point that the Premises, to include any property identified by the Landlord for expansion immediately adjacent to the Premises, cannot accommodate the cultivation requirements of the Tenant for its business, Tenant may terminate the lease by the payment of an Early Termination Fee equal to twenty-four (24) months of the then existent Base Rent.

## 2. REAL ESTATE TAXES AND OTHER TAXES

(a) Real Estate Taxes. Tenant will pay or cause to be paid all Real Estate Taxes. "Real Estate Taxes" means any 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. Landlord represents that no Real Estate Taxes have been assessed against the Premises since the development of the Project. If Real Estate Taxes are in the future assessed against the Premises, or a larger parcel of which the Premises is a part, Tenant shall (ii) pay all Real Estate Taxes separately assessed against the Premises, and (ii) a reasonable portion of all Real Estate Taxes assessed against a larger parcel of which the Premises is a part.

(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. Landlord represents that no such sales or rental taxes have been assessed since the development of the Project. 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. Notwithstanding the foregoing, Tenant shall not be responsible for any inheritance, personal income or estate taxes that may be payable by Landlord.

## 3. 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 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 negligent conduct or intentional misconduct on the Common Areas, or the negligent conduct or intentional misconduct on the Common Areas of its agents, employees and persons invited onto the Common Areas or Premises by Tenant.

(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) "Rent" means Base Rent plus any other amounts of money payable by Tenant to Landlord pursuant to the terms of this Lease.

(d) "Term" means the Initial Term as set forth in Section 1(i), together with any extensions of the Initial Term by the exercise of Tenant's renewal options set forth in Section 1(k).

Subject to the terms and conditions of this Lease, Landlord hereby grants Tenant, for the Term of this Agreement, the right to use the Premises for the Permitted Use and the right to use the Common Areas, including without limitation, the streets, alleys and other portions of the Project necessary to obtain access to the Premises for the Permitted Use.

#### **4. 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, subject, however, to (i) Landlord's repair and maintenance obligations under this Lease, (ii) Landlord's obligations to deliver the Premises on the Delivery Date in the condition set forth in Section 4(a)(3), and (iii) Landlord's obligations and representations under Section 7(a). Tenant shall have the right to perform improvements to the Premises, subject to Landlord's approval of the plans and specifications for such improvements 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 Reese Technology Center Operating Manual, 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 Operating Manual, 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 business day after it is due.

(5) Following at least twenty (24) hours advance 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 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. When entering the Premises, Landlord shall comply with all reasonable rules of Tenant regarding safety, security and confidentiality that have been previously provided in writing to the Landlord.

(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 reasonable satisfaction of the Landlord, provided that if Tenant fails to perform any such repair, replacement or maintenance activity, Landlord may perform the same for the account of Tenant, in which event Tenant shall reimburse Landlord for the cost incurred by Landlord in performing the subject repair, replacement or maintenance activity within ten business days of Tenant's receipt of Landlord's invoice therefor. Notwithstanding the foregoing, before undertaking a repair, replacement or maintenance activity for the account of Tenant pursuant to this subsection, Landlord will (i) notify Tenant in writing of the repair, replacement or maintenance activity that Tenant failed to perform and that Landlord intends to perform for the account of Tenant, and (ii) allow Tenant at least three (3) calendar days following Tenant's receipt of such notice to commence performing the subject repair, replacement or maintenance activity and to diligently complete the same.

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

(10) Pay an additional cleaning, maintenance and repair fee ("CMR Fee") in the event such cleaning, maintenance or repair is required as a result of any extraordinary act of the Tenant or as a result of Tenant's activities, which are part of the Tenant's use of the Premises.

(11) 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 factual information reasonably requested. Tenant shall deliver any such estoppel certificate within fifteen (15) business days following the date of Landlord's request therefor.

(12) 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 ARISING FROM TENANT'S PRESENCE ON OR USE OF THE PREMISES OR PROJECT. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF TENANT'S INSURANCE, (b) WILL NOT BE LIMITED BY DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, AND (c) WILL SURVIVE THE END OF THE TERM. NOTWITHSTANDING THE FOREGOING, THE ABOVE PROVISIONS OF THIS SECTION 5(a) (13) WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD.

**(b) Tenant agrees not to —**

- (1) Use the Premises for any purpose other than the Permitted Use.
- (2) Create a nuisance.
- (3) Materially 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 Landlord's insurance premiums or void insurance on the Premises or the Project, provided that such insurance does not impose unreasonable limitations given the variety of uses in the Project.
- (5) Change Landlord's lock system on other facilities within the Project. It is expressly understood and agreed to by the Landlord the Premises lock system is governed by the TDPS regulations.
- (6) Allow a lien to be placed on the Premises.
- (7) Except as provided in Section 12q, assign this Lease or sublet any portion of the Premises without Landlord's prior express written consent, such consent not to be unreasonably withheld, and any assignment of this Lease without such consent (except as provided in Section 12q) will give Landlord the right to terminate the Lease.
- (8) Use the roof of the Premises, except as may specifically authorized in writing by the Landlord (such authorization not to be unreasonably withheld).
- (9) Place any signs on the Premises without Landlord's written consent (such consent not to be unreasonably withheld).
- (10) Use any portion of the Premises for renewable energy development or the installation or use of any facilities related to renewable energy development or generation.
- (11) 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.

## **6. LANDLORD COVENANTS**

### **(a) Landlord agrees to –**

- (1) Lease to Tenant the Premises for the entire Term beginning on the Delivery Date and ending on the Termination Date, unless otherwise terminated sooner 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) Throughout the term of this Lease (including all extensions of such term), Landlord shall be responsible for repairing and maintaining (i) the Project Common Areas, as the Landlord deems appropriate, (ii) the Parking Area, (iii) the roof of the Building 1130, (iv) the roof membrane of Building 1130, (v) the foundation of Building 1130, including floor slab, (vi) the structural soundness of load bearing walls of Building 1130, and (vii) all utility lines located outside of Building 1130 and serving it.

### **(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) Unreasonably withhold consent to a proposed assignment or sublease.

## **7. COMMON AREAS**

(1) 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.

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

## **8. DAMAGE BY CASUALTY**

(1) 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, subject to the provisions of Section 11 (Insurance and Waiver of Subrogation).

(2) Tenant's Right to Terminate. If (i) more than fifty percent (50%) of the floor area of the Buildings comprising the Premises is damaged or destroyed due to Casualty, or (ii) Tenant reasonably determines, after receiving Landlord's estimate described in paragraph (a) of this Section 9, that it is no longer feasible for Tenant to occupy the Premises, 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

(3) 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.

(4) 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. 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 events beyond Landlord's control, then, Tenant will have the right to terminate this Lease, effective as of the date of the Casualty 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 effective date of termination and will have no liability for obligations arising after that date, except for those obligations which expressly survive termination.



- (5) Abatement of Rent. In the event of a Casualty, Rent will be equitably abated with respect to the portions of the Premises that are not usable by Tenant, and such abatement will extend until Landlord completes the repair and/or replacement of the subject damage.

## **7. HAZARDOUS MATERIALS**

- (1) 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.
- (2) 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 to the extent such Hazardous Materials Liabilities are 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.
- (3) Definitions. As used herein,
- (i) "Landlord's Affiliated Parties" shall be construed broadly to include its officers, employees, agents, subcontractors, and the United States Air Force Real Property Agency and its contractors in their role to remediate certain groundwater issues, as set forth in 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, and to include but not limited to per-and polyfluoroalkyl substances (PFAS) around the former Reese Air Force Base.
- (ii) "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;
- (iii) "Environmental Laws" means all federal, state, regional or local statutes, laws, regulations, codes, orders, permits, ordinances, decrees, rulings or judicial or administrative interpretations thereof applicable to the Premises, -the Project, or Tenant's operations conducted on the Premises, whether currently in existence or hereinafter enacted or promulgated, any of which 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

(iv) "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 10(a) and 10(b), as applicable, 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.

(4) Survival. The provisions of this Section 10 will survive the expiration or earlier termination of this Lease for a period of three (3) years.

## **8. OTHER REQUIREMENTS OF INSURANCE; WAIVER OF SUBROGATION**

(a) Other Requirements of Insurance. 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.

(b) Release of Claims/Subrogation. NOTWITHSTANDING ANY PROVISION OF THIS LEASE TO THE CONTRARY, LANDLORD AND TENANT RELEASE EACH OTHER FROM ALL CLAIMS OR LIABILITIES FOR DAMAGE TO THE PREMISES OR OTHER PARTS OF THE PROJECT, 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. 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.

## **9. Additional Agreements**

(a) Alterations. Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require, at the time Landlord approves any addition or improvements, that Tenant, at the end of the Term and at Tenant's expense, remove such addition or improvement, and restore the Premises to the condition existing at the Delivery Date prior to the installation of such addition or improvement, 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) Default by Landlord/Events. Defaults by Landlord are failing to comply with any provision of this Lease within thirty (30) days after written notice.

(d) Default by Landlord/Tenant's Remedies. Tenant's remedies for Landlord's default are to sue for damages or specific performance. Tenant shall also have the right to perform any obligation of Landlord the nonperformance of which is the basis of the Landlord Default, in whole or in part, and recover from Landlord the costs incurred by Tenant in connection therewith promptly following Landlord's receipt of an invoice describing such costs. Notwithstanding the foregoing, if Landlord fails to perform any term, condition, covenant or obligation required under this Lease and such failure results in a condition causing, or in Tenant's reasonable judgment, threatening to cause, immediate and material damage or injury to person or property (an "Emergency"), Tenant may take such action as Tenant reasonably determines to be necessary to abate the Emergency, provided Tenant provides Landlord notice and Landlord is unable to abate the Emergency, the Landlord shall be obligated to reimburse Tenant for the cost incurred in connection with abating the Emergency within thirty (30) days following Landlord's receipt of Tenant's invoice therefor. Said invoice must set out in reasonable detail the Emergency repairs made to the Premises by the Tenant such that Landlord may evaluate and dispute said charges, if unreasonable, pursuant to Section 15. Further notwithstanding any provision of this Lease to the contrary, if Tenant obtains a judgment against Landlord under the terms of the Lease, Tenant may offset the amount of such judgement any obligations to pay Rent hereunder.

(e) 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, Real Estate Taxes and Other Taxes, or any other charges due hereunder and the continuance of such failure for more than five (5) business days following Tenant's receipt of notice of such failure from Landlord;

(6) failure by Tenant to perform or observe any of Tenant's non-monetary covenants contained in this Lease and the continuance of such failure for more than thirty (30) days following Tenant's receipt of notice of such failure from Landlord; provided if such failure cannot reasonably be corrected within the above 30-day period, such 30-day period shall be extended as reasonably necessary so long a Tenant commences correcting such failure within the above 30-day period and diligently pursues the completion thereof; and

(7) abandoning a substantial portion of the Premises.

(f) Default by Tenant/Landlord's Remedies. Landlord's remedies for Tenant's default are to (1) enter and take possession of the Premises (subject to legal process); (2) enter the Premises and perform Tenant's obligations; (3) [intentionally deleted]; and (4) terminate this Lease by written notice and sue for damages.

(g) 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.

(h) 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.

(i) Representations and Indemnities of Broker Relationships. Tenant acknowledges that Tenant has used the services of Dany Koe, Colliers, Atlanta, Georgia ("Broker") in connection with this Lease. Tenant represents and warrants to Landlord that Tenant has dealt with no broker other than Broker in connection with this Lease. Tenant agrees that it shall be solely responsible for the payment of any commission or finder's fee owed to Broker in connection with this Lease. Landlord represents and warrants to Tenant that Landlord has dealt with no broker other than Broker 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. Each party (the "indemnifying party") hereby agrees to indemnify and hold harmless the other party from all loss, cost and expense, including reasonable attorney's fees, suffered or incurred by the other party as a result of any inaccuracy in the warranties and representations of the indemnifying party in this paragraph.

(j) 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.

(k) 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.

(l) 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.

(m) Assignment and Subletting by Tenant. Tenant may have the right, with the prior written consent of Landlord, which consent shall not be unreasonably 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; and (2) 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. The term "purchase" shall mean a purchase of substantially all of the assets of Tenant or a purchase of substantially all of the assets of the line of business of Tenant that is operating in the Premises. Tenant's notice to Landlord shall include information and documentation showing that each of the above conditions has been satisfied.

(n) 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.

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

(p) 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.

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

(r) 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.

(s) 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.

(t) 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.

(u) 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.

(v) Chapter 2270 of the Texas Government Code. Tenant acknowledges that in accordance with Chapter 2270 of the Texas Government Code, the Landlord is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the Tenant that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms "boycott Israel" and "company" shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. By signing this Lease, Tenant certifies that Tenant's signature provides written verification to the Landlord that Tenant: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the Lease.

(w) Counterparts; Signatures. This Lease may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Lease and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Lease and of signature pages by facsimile transmission, email or other electronic means (including, without limitation, DocuSign or other third party electronic signature verification service) shall constitute effective execution and delivery of this Lease as to the parties and may be used in lieu of the original Lease for all purposes. Signatures of the parties transmitted by facsimile, email or other electronic means (including, without limitation, DocuSign or other third party electronic signature verification service) shall be deemed to be their original signatures for all purposes.

(x) AFFIRMATIVE REPRESENTATIONS CONCERNING FREE TRADE ZONE AND OPERATION OF AIRFIELD

(1) Free Trade Zone (FTZ). The Lubbock Economic Development Authority ("LEDA") has applied and previously received approval for eligible tenants of the Project to be able to take advantage of the benefits of its FTZ. Tenants that are eligible to participate must apply through LEDA and pay the application fees and any monthly fees associated with the volume of goods that are transported into and out of the FTZ. Interested tenants should contact the LEDA for specific details regarding the application process and the fees and regulations associated with the program.

(2) 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.

(3) 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.

#### **10. CONTRACT CLAIMS RESOLUTION**

If there is a dispute between Landlord and Tenant regarding this Lease and the performance hereunder, the parties will, within ten (10) days following mailing of written notice of a dispute, engage in face-to-face negotiations (which may be conducted by Zoom, Microsoft Teams or similar online video conference medium) in an attempt to resolve the dispute and shall, upon failing to negotiate a resolution, choose a mutually agreeable third party neutral, who shall mediate the dispute between the parties. To the extent authorized by the Constitution and the laws of the State of Texas, the mediator shall be a person qualified under the Texas Alternative Dispute Resolution Procedures Act and shall be appointed by a state district judge or the American Arbitration Association if the parties are unable to agree upon a qualified person. Mediation shall be non-binding and shall be confidential. The parties shall refrain from court proceedings during the mediation process insofar as they can do so without prejudicing their legal rights. The parties shall participate in good faith in accordance with the recommendations of the mediator and shall follow the procedures for mediation as suggested by the mediator. Each party will only be responsible for their specific mediation related expenses. Each party shall be represented in the mediation by a person with authority to settle the dispute. If the parties are unable to resolve the dispute in mediation after sixty (60) days following the appointment of a mediator, then the default remedy provisions of this Lease apply. In no case shall the provisions of this Paragraph delay any other time periods set forth in this Lease except by the written agreement of the parties.

## Exhibit C-1 (Project Diagram)





**BOARD ACTION ITEM No. 2023-0421-135**  
**RATIFY GL TEXAS, LLC (GREENLIGHT) CONTINGENT LEASE FOR B1130**

**BOARD OF DIRECTORS**  
**LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)**  
**APRIL 26, 2023**

Item to be Considered:

Ratify Contingent Lease for GL Texas, LLC (Greenlight) for Building 1130

Previous Board Action:

On April 21, 2023, the Executive Committee approved the contingent lease for GL Texas, LLC for Building 1130. This action was necessary for Greenlight to timely submit their application to operate to the state of Texas.

Statement of Pertinent Facts:

- a. Greenlight operates cannabis cultivation and manufacturing facilities in several states and is seeking a license to operate in Texas.
- b. This agreement is contingent upon them receiving a license. Greenlight will be making a \$2.5 million investment in the building.
- c. The premises will be used for cannabis cultivation and manufacturing.
- d. Proposed Lease for Building 1130
  1. Term: 10 years with two options to renew for five years each
  2. Rate: \$4.50/SF with escalations beginning in year 5 at 2.5% or the CPI-U, whichever is greater
- e. Tenant may terminate the Lease if they cannot expand operations on the property but must pay an early termination fee of 24 month's rent.
- f. Tenant will pay one month's rent as security deposit which will be credited to the first months rent if they receive a license to operate in Texas and if they do not, LRRRA shall retain the deposit in consideration for its work related to this project.

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 ratifies the actions of the Executive Committee of the Board taken on April 21, 2023, in which they approved the Contingent Lease for GL Texas, LLC for Building 1130, on this 26<sup>th</sup> day of April 2023."

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Steve Verett, President

ATTEST:

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Board Member

**AGENDA ITEM 9**  
**EXECUTIVE SUMMARY**  
**LRRA – SPAG INTERLOCAL AGREEMENT FOR**  
**APPLICATION DEVELOPMENT AND ADMINISTRATIVE SERVICES**  
**FOR EDA GRANT**

Attached is an interlocal agreement between LRRA and the South Plains Association of Governments (SPAG) for Application Development and Administrative Services for a US EDA grant application for infrastructure improvements in the Reese Business Park.

Staff is requesting board approval for the Executive Director to execute this agreement.

INTERLOCAL COOPERATION AGREEMENT  
FOR APPLICATION DEVELOPMENT AND ADMINISTRATION SERVICES  
U.S. EDA PUBLIC WORKS AND ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM

\*\*\*\*\*

THE STATE OF TEXAS	§	
	§	AGREEMENT FOR SERVICES
COUNTY OF LUBBOCK	§	

This Agreement is made and entered into this 26th day of April 2023 by and between the Lubbock Reese Redevelopment Authority, hereinafter referred to as "LRRRA", being a political subdivision of the State of Texas, and the South Plains Association of Governments, hereinafter referred to as "SPAG", a political subdivision of the State of Texas organized under Chapter 391 of the local government code, acting by and through its Executive Director.

WHEREAS, both parties to this Agreement are local governments as defined in Chapter 791 of the Texas Government Code, and this Agreement is entered into pursuant to the provisions of said Code which is commonly referred to as The Interlocal Cooperation Act.

WHEREAS, SPAG is agreeable to provide grant application preparation and grant administration expertise (if funded) needed by LRRRA for the FY 2023 EDA Public Works and Economic Adjustment Assistance Program under the terms and conditions found in this Agreement.

WHEREAS, this Interlocal Agreement is comprised of Part A (Application Development) services to be rendered at no cost to LRRRA and Part B (Project Management) services to be rendered at a cost to be agreed to in an amendment to this Agreement in the event that LRRRA receives funding under the FY 2023 EDA Public Works and Economic Adjustment Assistance Program from the U.S. Economic Development Administration (EDA).

NOW, THEREFORE SPAG agrees to provide application development services at no cost to LRRRA. The following described application development and management services to LRRRA, to-wit:

A. Application Development

1. Pre-Development (unrelated to project specific development & which may have occurred prior to interlocal agreement under existing SPAG/LRRRA relationships)
  - a. Coordinate public hearing as required for application submittal.
  - b. Assist in the preparation and presentation of required resolution for application submittal to the U.S. Economic Development Administration.
2. Provide general advice and technical assistance to LRRRA on application development and regulatory matters.
3. Assist LRRRA in application preparation and development meeting all grant application requirements.

4. Assist in pre-application engineering selection including proper procurement methods as dictated by the U.S. Economic Development Administration as appropriate to LRRRA.
5. Coordinate with project engineer to develop and include required service area maps, cost estimates and other documentation as required by the grant application process.
6. Prepare and publish final notice of application submittal as required for application submittal.
7. Final determination on the submission of an application under the FY 2023 EDA Public Works and Economic Adjustment Assistance Program will be at LRRRA's discretion as noted in their resolution authorizing a local official to submit said application.

#### B. Project Management

1. Development of details related to project management activities and fees will be specified via an amendment to this Agreement at such time as the FY 2023 EDA Public Works and Economic Adjustment Assistance Program Grant Application is selected for funding (if selected).
2. The Project Management amendment will include administrative fees as developed in LRRRA's FY 2023 EDA Public Works and Economic Adjustment Assistance Program Grant Application and all EDA required language for administrative Agreements at the time of FY 2023 EDA Public Works and Economic Adjustment Assistance Program funding award.
3. It is expressly understood that the execution of this Interlocal Agreement does not imply or guarantee that LRRRA will receive funding under the FY 2023 EDA Public Works and Economic Adjustment Assistance Program.
4. The execution of this interlocal agreement establishes a contractual relationship between SPAG and LRRRA prior to the development of an application to the FY 2023 EDA Public Works and Economic Adjustment Assistance Program and pursuant to the interpretation of 2 CFR 200.317-200.326.

In consideration of the services described in the foregoing paragraph, and in consideration of a future amendment to include project management activities and cost, to be rendered by SPAG, to LRRRA, SPAG agrees that application development activities will be at no cost to LRRRA.

#### TERMS AND CONDITIONS

##### **Modification/Amendment:**

LRRRA and SPAG may, upon mutual agreement, modify or amend this Agreement. Modifications, including any increase or decrease in the amount of compensation or scope of services, will be incorporated into this Agreement, and finalized through a signed, written amendment.

##### **Assignability:**

The LRRRA and SPAG may assign interest in this Agreement (whether by assignment or novation) with the written consent of the other.

**Termination of Agreement for Cause:**

If, through any cause, SPAG shall fail to fulfill in a timely and proper manner its obligations under this Agreement, or if SPAG shall violate any of the covenants, conditions, agreements, or stipulations of this Agreement, LRRRA shall thereupon have the right to terminate this Agreement by giving written notice to SPAG of such termination and specifying the effective date thereof, at least thirty (30) days before the effective date of such termination. In such event, all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by SPAG under this Agreement shall, at the option of LRRRA, become its property and SPAG shall be entitled to receive just and equitable compensation for any work satisfactorily completed hereunder.

Notwithstanding the above, SPAG shall not be relieved of liability to LRRRA for damages sustained by LRRRA by virtue of any breach of the Agreement by SPAG, and LRRRA may withhold any payments to SPAG for the purpose of set off until such time as the exact amount of damages due LRRRA from SPAG is determined.

**Termination for Convenience of LRRRA:**

LRRRA may terminate this Agreement at any time by giving at least thirty (30) days' notice in writing to SPAG. If the Agreement is terminated by LRRRA as provided herein, SPAG will be paid for the time provided and expenses incurred up to the termination date.

**Termination for Convenience of SPAG:**

SPAG may terminate this Agreement at any time by giving at least thirty (30) days' notice in writing to LRRRA. If the Agreement is terminated by SPAG as provided herein, LRRRA will be provided all finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by SPAG under this Agreement.

**Waiver of Extra-Agreementual Liability**

SPAG shall not be held liable or responsible for the funding selection and project performance determinations by the U.S. Economic Development Administration. It is LRRRA's final responsibility to meet all FY 2023 EDA Public Works and Economic Adjustment Assistance Program application requirements and project administration requirements (contingent upon funding) associated with the program.

**Severability**

Should any one or more of the provisions of this agreement be held to be null, void, voidable, or for any reason whatsoever, of no force and effect, such provision(s) shall be construed as severable from the remainder of this agreement and shall not affect the validity of all other provisions of this agreement, which shall remain in full force and effect.

**Interest of Members of LRRRA:**

No member of the governing body of LRRRA and no other officer, employee, or agent of LRRRA, who exercises any functions or responsibilities in connection with the administration, construction, engineering or implementation of the FY 2023 EDA Public Works and Economic Adjustment Assistance Program award between EDA and LRRRA, shall have any personal financial interest, direct or indirect, in this Agreement. SPAG shall take appropriate steps to assure compliance.

**Interest of Other Local Public Officials:**

No member of the governing body of the Grant Recipient and no other public official of such Grant Recipient, who exercises any functions or responsibilities in connection with the administration, construction, engineering or implementation of the FY 2023 EDA Public Works and Economic Adjustment Assistance Program award between EDA and LRRRA, shall have any personal financial interest, direct or indirect, in this Agreement; and SPAG shall take appropriate steps to assure compliance.

**Interest of SPAG and Employees:**

SPAG covenants that it presently has no interest and shall not acquire interest, direct or indirect, with the FY 2023 EDA Public Works and Economic Adjustment Assistance Program award between EDA and LRRRA, or any other interest which would conflict in any manner or degree with the performance of its services hereunder. SPAG further covenants that in the performance of this Agreement, no person having any such interest shall be employed.

## EXECUTION

Executed this \_\_\_\_ day of \_\_\_\_\_, 2023.

Lubbock Reese Redevelopment Authority

BY: \_\_\_\_\_

Murvat Musa, Chief Executive Officer

The South Plains Association of Governments (SPAG)

BY: \_\_\_\_\_

Tim Pierce, Executive Director

REVIEWED: \_\_\_\_\_

Tim Schwartz, SPAG Director of Finance

**BOARD ACTION ITEM No. 2023-0426-136**  
**INTERLOCAL AGREEMENT FOR GRANT SERVICES WITH SPAG**

**BOARD OF DIRECTORS**  
**LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)**  
**April 26, 2023**

**Item to Be Considered:**

Consider Interlocal Agreement with SPAG for Application Development and Administrative Service for Economic Development Administration (EDA) Grant

**Previous Board Action:**

- a. The Board has previously approved agreements for SPAG to provide application development and administrative services for the management of an EDA grant

**Statement of Pertinent Facts:**

- b. In April 2023, EDA received additional funding for grants and LRRRA desires to apply for grant funding for the infrastructure development of the Reese Business Park
- c. As with previous EDA grants, SPAG will be providing application development and administrative services to LRRRA for the grant
- d. An agreement between LRRRA and SPAG must be executed for these services
- e. Tim Pierce will recuse himself from this vote and a recusal affidavit is attached

**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 CEO/Executive Director to execute the Interlocal Agreement for Application Development and Administrative Service with SPAG for US EDA Grant, on the 26<sup>th</sup> day of April 2023.”

Approved by:

\_\_\_\_\_  
Steve Verett – Board President

ATTEST:

\_\_\_\_\_  
LRRRA Board Member



## CASH BALANCES - MARCH 31, 2023

	2/28/2023	3/31/2023	Change
General Fund Bank Accounts	\$ 3,159,400	\$ 3,345,464	\$ 186,064
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 36,456	\$ 26,353	\$ (10,103)
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ -	\$ -	\$ -
<b>Total Cash</b>	<b>\$ 4,050,856</b>	<b>\$ 4,226,817</b>	<b>\$ 175,961</b>
Accounts Receivable - G/F	\$ 250,781	\$ 203,734	\$ (47,047)
Accounts Receivable - F/O	\$ 14,116	\$ 13,818	\$ (298)
<b>Total Accounts Receivable</b>	<b>\$ 264,897</b>	<b>\$ 217,552</b>	<b>\$ (47,345)</b>
<b>Total Cash &amp; Accounts Receivable</b>	<b>\$ 4,315,753</b>	<b>\$ 4,444,369</b>	<b>\$ 128,616</b>

### Aged Accounts Receivable as of 03/31/2023

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
165,698.01	43,782.58	8,102.67	-	(31.38)	217,551.88

### Aged Accounts Receivable as of 04/21/2023

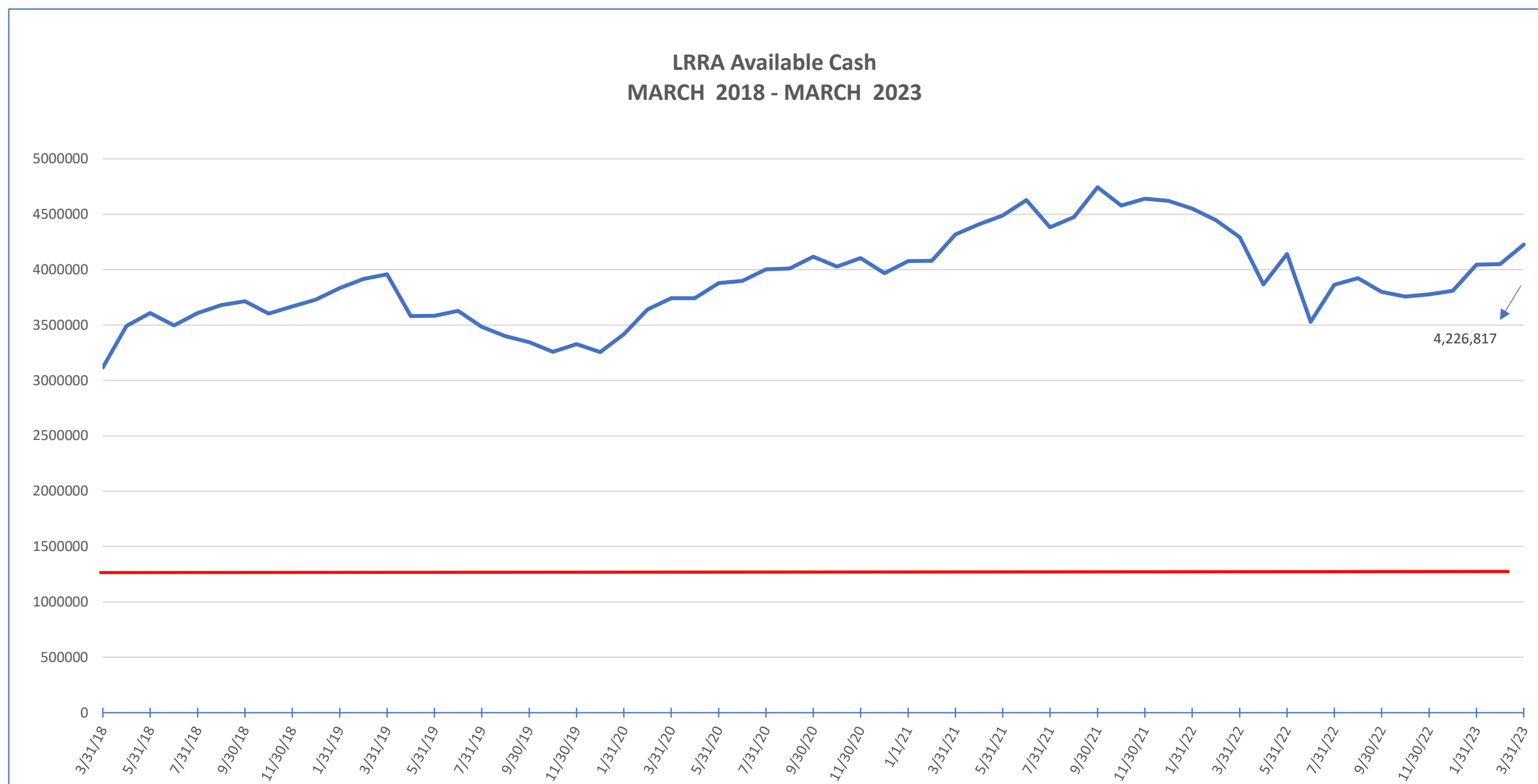
-	-	-	-	(31.38)	(31.38)
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### EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

CAMPUS LIGHTING

10,103.00 CIP-EDA PROJECT- CAPITALIZED AT  
COMPLETION OF PROJECT

\$ 10,103.00



## FINANCIAL HIGHLIGHTS - MARCH 31, 2023

DESCRIPTION	Month G/F	Month F/O	Month's Total	YTD	G/F YTD	F/O	YTD Total
Operating Revenue	\$ 292,928	\$ 18,694	\$ 311,622	\$ 1,587,362	\$ 112,163	\$ 1,699,525	
Other Revenue - Usage Fees	\$ 16,357	\$ 2,197	\$ 18,554	\$ 111,371	\$ 13,472	\$ 124,843	
Total Revenue	\$ 309,285	\$ 20,891	\$ 330,176	\$ 1,698,733	\$ 125,635	\$ 1,824,368	
Expenses	\$ 155,846	\$ 18,397	\$ 174,243	\$ 1,072,592	\$ 79,751	\$ 1,152,343	
Net Income BPSID	\$ 153,439	\$ 2,494	\$ 155,933	\$ 626,141	\$ 45,884	\$ 672,025	
Interest Income - Plus	\$ 12,758	\$ -	\$ 12,758	\$ 58,236	\$ -	\$ 58,236	
Depreciation - Less	\$ (49,924)	\$ (3,283)	\$ (53,207)	\$ (299,547)	\$ (19,701)	\$ (319,248)	
Net Income	\$ 116,273	\$ (789)	\$ 115,484	\$ 384,830	\$ 26,183	\$ 411,013	

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet  
As of 3/31/2023

(In Whole Numbers)

	<u>General Fund</u>	<u>EDA Grant Fund</u>	<u>Fiber Optic Fund</u>	<u>Total</u>
<b>ASSETS</b>				
CASH	3,345,464	26,353	-	3,371,817
DESIGNATED-CAPITAL MAINT	610,000	-	-	610,000
WATER INFRASTRUCTURE RESERVE	245,000	-	-	245,000
INVESTMENTS	-	-	-	-
ACCOUNTS RECEIVABLE	203,734	-	13,818	217,552
ALLOWANCE FOR DOUBTFUL	-	-	-	-
INTERFUND TRANSFERS	-	-	-	-
NOTES RECEIVABLE	3,777	-	-	3,777
CONSTRUCTION IN PROGRESS	26,194	1,708,772	-	1,734,966
PROPERTY AND EQUIPMENT, NET	6,442,120	-	121,071	6,563,191
OTHER ASSETS	158,582	-	8,243	166,825
<b>Total ASSETS</b>	<b><u>11,034,871</u></b>	<b><u>1,735,124</u></b>	<b><u>143,132</u></b>	<b><u>12,913,128</u></b>
<b>LIABILITIES</b>				
ACCOUNTS PAYABLE	150	-	-	150
ACCRUED EXPENSES	93,100	-	-	93,100
DEFERRED REVENUE	345,779	-	18,694	364,472
NET PENSION LIABILITIES	(1,713)	-	-	(1,713)
NOTES PAYABLE	3,366	-	-	3,366
INTERFUND TRANSFERS	-	-	-	-
REFUNDABLE DEPOSITS	80,581	-	223	80,803
OTHER LIABILITIES	1,470	-	-	1,470
<b>Total LIABILITIES</b>	<b><u>522,732</u></b>	<b><u>-</u></b>	<b><u>18,917</u></b>	<b><u>541,648</u></b>
<b>FUND EQUITY</b>				
BEGINNING OF PERIOD	9,911,574	1,910,124	138,768	11,960,466
TRANSFERS IN (OUT)	215,734	(175,000)	(40,734)	-
YEAR TO DATE EARNINGS	384,831	-	26,182	411,014
<b>Total FUND EQUITY</b>	<b><u>10,512,140</u></b>	<b><u>1,735,124</u></b>	<b><u>124,216</u></b>	<b><u>12,371,480</u></b>
<b>TOTAL LIABILITY AND FUND</b>	<b><u>11,034,871</u></b>	<b><u>1,735,124</u></b>	<b><u>143,132</u></b>	<b><u>12,913,128</u></b>

LUBBOCK REESE REDEVELOPMENT AUTHORITY  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
 From 10/1/2022 Through 3/31/2023

(In Whole Numbers)

	<b><u>General Fund</u></b>	<b><u>EDA Grant Fund</u></b>	<b><u>Data Center / Fiber Optic Fund</u></b>	<b><u>Total</u></b>
OPERATING REVENUES	1,698,734	-	125,634	1,824,368
OPERATING EXPENSES	1,372,138	-	99,452	1,471,590
<b>OPERATING INCOME(LOSS)</b>	<b><u>326,596</u></b>	<b><u>-</u></b>	<b><u>26,182</u></b>	<b><u>352,778</u></b>
NONOPERATING INTEREST INCOME	58,236	-	-	58,236
TRANSFERS IN (OUT)	215,734	(175,000)	(40,734)	-
<b>NET NONOPERATING REVENUES</b>	<b><u>273,970</u></b>	<b><u>(175,000)</u></b>	<b><u>(40,734)</u></b>	<b><u>58,236</u></b>
<b>INCREASE (DECREASE) IN FUND</b>	<b><u>600,566</u></b>	<b><u>(175,000)</u></b>	<b><u>(14,552)</u></b>	<b><u>411,014</u></b>
<b>FUND EQUITY, BEGINNING</b>	<b>9,911,574</b>	<b>1,910,124</b>	<b>138,768</b>	<b>11,960,466</b>
<b>FUND EQUITY, ENDING</b>	<b>10,512,140</b>	<b>1,735,124</b>	<b>124,216</b>	<b>12,371,480</b>

## LUBBOCK REESE REDEVELOPMENT AUTHORITY

## SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2022 Through 3/31/2023

*(In Whole Numbers)*

	<b>General Fund</b>	<b>Data Center / Fiber Optic Fund</b>	<b>Total</b>
LEASES	1,192,888	-	1,192,888
USAGE FEES	111,371	13,472	124,843
PBT CAM FEES	367,347	-	367,347
CONTRACT SERVICES	4,549	-	4,549
DATA CENTER / FIBER OPTIC	-	112,163	112,163
<b>TOTAL OPERATING REVENUE</b>	<b>1,676,156</b>	<b>125,634</b>	<b>1,801,790</b>
UTILITY FRANCHISE FEES	22,444	-	22,444
OTHER MISCELLANEOUS	134	-	134
<b>TOTAL REVENUES</b>	<b>1,698,734</b>	<b>125,634</b>	<b>1,824,368</b>

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2022 Through 3/31/2023

(In Whole Numbers)

	<b>General Fund</b>	<b>Data Center / Fiber Optic Fund</b>	<b>Total</b>
<b>OPERATING EXPENSES</b>			
SALARIES & TAXES	367,690	-	367,690
BENEFITS - HEALTH, RETIREMENT & WKR'S COMP	64,971	-	64,971
INSURANCE - PROPERTY & GENERAL LIABILITY	101,889	5,363	107,252
ADMINISTRATIVE EXPENSES	6,742	-	6,742
GENERAL OFFICE EXPENSES	29,978	1,885	31,863
ACCTG. & AUDITING SERVICES	493	-	493
COMPUTER SOFTWARE & MAINT.	-	20,575	20,575
INTERNET	-	10,333	10,333
LEGAL SERVICES	31,718	-	31,718
NETWORK MAINTENANCE CONTRACT	4,157	-	4,157
TRAINING & TRAVEL	9,715	-	9,715
MARKETING EXPENSES	37,452	-	37,452
OPERATIONS - GROUND MAINT. AND ENGINEERING CONTRACTS	263,384	-	263,384
UTILITIES	154,404	35,002	189,406
DEPRECIATION EXPENSE	299,547	19,701	319,247
<b>Total OPERATING EXPENSES</b>	<b>1,372,138</b>	<b>92,858</b>	<b>1,464,996</b>

LUBBOCK REESE REDEVELOPMENT AUTHORITY  
Statement of Revenues and Expenditures  
From 3/1/2023 Through 3/31/2023

***GENERAL FUND***

(In Whole Numbers)


	Current Month Actual	Current Month Budget	Current Month Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
<b>REVENUES</b>						
Leases	229,622	179,167	50,455	1,192,888	1,075,000	117,888
PBT Cam Fees	61,224	61,200	24	367,347	367,200	147
Usage Fees	16,357	22,917	(6,559)	111,371	137,500	(26,129)
Contract Services	-	833	(833)	4,549	5,000	(451)
Utility Franchise Fees	2,082	2,417	(335)	22,444	14,500	7,944
Other-Miscellaneous	-	-	-	134	-	134
<b>Total REVENUES</b>	<b>309,285</b>	<b>266,533</b>	<b>42,752</b>	<b>1,698,734</b>	<b>1,599,200</b>	<b>99,534</b>
<b>EXPENSES</b>						
Salaries & Taxes	46,536	71,333	24,798	367,690	428,000	60,310
Benefits - Health, Retirement & Wkr's	11,414	12,621	1,207	64,971	75,725	10,754
Insurance -Property & General Liabilities	16,982	18,333	1,352	101,889	110,000	8,111
Administrative Expenses	409	1,017	607	6,742	8,350	1,608
General Office Expenses	7,273	6,133	(1,140)	29,978	36,800	6,822
Accounting & Auditing Services	82	117	35	493	30,200	29,707
Legal Services	7,348	4,167	(3,181)	31,718	25,000	(6,718)
Network Maintenance Contract	817	667	(150)	4,157	4,000	(157)
Training & Travel	2,947	833	(2,114)	9,715	5,000	(4,715)
Marketing Expenses	4,248	5,333	1,085	37,452	32,000	(5,452)
Operations	33,519	49,167	15,648	263,384	295,000	31,616
Utilities	24,272	37,267	12,994	154,404	162,600	8,196
<b>Total EXPENSES</b>	<b>155,846</b>	<b>206,988</b>	<b>51,141</b>	<b>1,072,592</b>	<b>1,212,675</b>	<b>140,083</b>
<b>NIBPSID</b>	<b>153,439</b>	<b>59,546</b>	<b>93,893</b>	<b>626,142</b>	<b>386,525</b>	<b>239,617</b>
<b>NON OPERATING REVENUE</b>						
Interest Income	12,758	833	11,924	58,236	5,000	53,236
<b>Total NON OPERATING REVENUE</b>	<b>12,758</b>	<b>833</b>	<b>11,924</b>	<b>58,236</b>	<b>5,000</b>	<b>53,236</b>
<b>DEPRECIATION</b>						
Depreciation Expense	(49,924)	(50,000)	76	(299,547)	(300,000)	453
<b>Total DEPRECIATION</b>	<b>(49,924)</b>	<b>(50,000)</b>	<b>76</b>	<b>(299,547)</b>	<b>(300,000)</b>	<b>453</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>116,272</b>	<b>10,379</b>	<b>105,893</b>	<b>384,831</b>	<b>91,525</b>	<b>293,307</b>



GENERAL FUND

Explanation of Significant Budget Variances

2023 MARCH

		Month Variance	YTD Variance	Explanations	Projected Outcome at Year End
Revenues, Leases	4200, 4201	\$ 50,455	\$ 117,888	Penske Event & new customer Texas Industrial = 42,000.00 (20,000.00 will move to Pre-paid	Year End is expected to be over budget.
Expenses, Salaries & Taxes	5100, 5110	\$ 24,798	\$ 60,310	Payroll is missing the MBD salary	Year End is expected to be under budget
Expenses, Accounting & Auditing Services	5700	\$ 35	\$ 29,707	Audit costs have not been billed nor paid	Year End is expected to be on budget.
Expenses, Marketing Expenses	5430	\$ 1,085	\$ (5,452)	Higher expense for YWCA event	Year End is expected to be over budget

LUBBOCK REESE REDEVELOPMENT AUTHORITY  
Statement of Revenues and Expenditures  
From 3/1/2023 Through 3/31/2023

***DATA CENTER / FIBER OPTIC FUND***

(In Whole Numbers)

	Current Month Actual	Current Month Budget	Current Month Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
<b>REVENUES</b>						
Usage Fees	2,197	2,250	(53)	13,472	13,500	(28)
Fiber Optic/Wireless Income	18,694	17,500	1,194	112,163	105,000	7,163
<b>Total REVENUES</b>	<b>20,891</b>	<b>19,750</b>	<b>1,141</b>	<b>125,634</b>	<b>118,500</b>	<b>7,134</b>
<b>EXPENSES</b>						
Insurance -Property & General Liabilities	894	917	23	5,363	5,500	137
General Office Expenses	314	317	3	1,885	1,900	15
Computer Software & Maintenance	4,876	3,833	(1,042)	20,575	23,000	2,425
Internet	1,722	1,833	111	10,333	11,000	667
Building Maintenance & Repairs	3,943	833	(3,110)	6,594	5,000	(1,594)
Utilities	6,649	6,442	(207)	35,002	38,650	3,648
<b>Total EXPENSES</b>	<b>18,397</b>	<b>14,175</b>	<b>(4,222)</b>	<b>79,751</b>	<b>85,050</b>	<b>5,299</b>
<b>NIBPSID</b>	<b>2,494</b>	<b>5,575</b>	<b>(3,081)</b>	<b>45,883</b>	<b>33,450</b>	<b>12,433</b>
<b>DEPRECIATION</b>						
Depreciation Expense	(3,283)	(2,917)	(367)	(19,701)	(17,500)	(2,201)
<b>Total DEPRECIATION</b>	<b>(3,283)</b>	<b>(2,917)</b>	<b>(367)</b>	<b>(19,701)</b>	<b>(17,500)</b>	<b>(2,201)</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>(790)</b>	<b>2,658</b>	<b>(3,448)</b>	<b>26,182</b>	<b>15,950</b>	<b>10,232</b>

FIBER OPTIC FUND

Explanation of Significant Budget Variances

2023 MARCH

	Month Variance	YTD Variance	Explanations	Projected Outcome at Year End
EXPENSES, Building Maintenance & Repairs	\$ (3,110)	\$ (1,594)	CRAC UNIT - MOTOR	Year End is expected to be over budget

LUBBOCK REESE REDEVELOPMENT AUTHORITY  
Statement of Revenues and Expenditures  
From 3/1/2023 Through 3/31/2023

## 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
<b>REVENUES</b>						
Leases	229,622	179,167	50,455	1,192,888	1,075,000	117,888
PBT Cam Fees	61,224	61,200	24	367,347	367,200	147
Usage Fees	18,554	25,167	(6,612)	124,843	151,000	(26,157)
Contract Services	-	833	(833)	4,549	5,000	(451)
Utility Franchise Fees	2,082	2,417	(335)	22,444	14,500	7,944
Other-Miscellaneous	-	-	-	134	-	134
Fiber Optic/Wireless Income	18,694	17,500	1,194	112,163	105,000	7,163
<b>Total REVENUES</b>	<b>330,176</b>	<b>286,283</b>	<b>43,893</b>	<b>1,824,368</b>	<b>1,717,700</b>	<b>106,668</b>
<b>EXPENSES</b>						
Salaries & Taxes	46,536	71,333	24,798	367,690	428,000	60,310
Benefits - Health, Retirement & Wkr's Comp	11,414	12,621	1,207	64,971	75,725	10,754
Insurance -Property & General Liabilities	17,875	19,250	1,375	107,252	115,500	8,248
Administrative Expenses	409	1,017	607	6,742	8,350	1,608
General Office Expenses	7,587	6,450	(1,137)	31,863	38,700	6,837
Accounting & Auditing Services	82	117	35	493	30,200	29,707
Computer Software & Maintenance	4,876	3,833	(1,042)	20,575	23,000	2,425
Internet	1,722	1,833	111	10,333	11,000	667
Legal Services	7,348	4,167	(3,181)	31,718	25,000	(6,718)
Network Maintenance Contract	817	667	(150)	4,157	4,000	(157)
Training & Travel	2,947	833	(2,114)	9,715	5,000	(4,715)
Marketing Expenses	4,248	5,333	1,085	37,452	32,000	(5,452)
Operations	33,519	49,167	15,648	263,384	295,000	31,616
Building Maintenance & Repairs	3,943	833	(3,110)	6,594	5,000	(1,594)
Utilities	30,921	43,708	12,787	189,406	201,250	11,844
<b>Total EXPENSES</b>	<b>174,244</b>	<b>221,163</b>	<b>46,919</b>	<b>1,152,343</b>	<b>1,297,725</b>	<b>145,382</b>
<b>NIBPSID</b>	<b>155,932</b>	<b>65,121</b>	<b>90,812</b>	<b>672,025</b>	<b>419,975</b>	<b>252,050</b>
<b>NON OPERATING REVENUE</b>						
Interest Income	12,758	833	11,924	58,236	5,000	53,236
<b>Total NON OPERATING REVENUE</b>	<b>12,758</b>	<b>833</b>	<b>11,924</b>	<b>58,236</b>	<b>5,000</b>	<b>53,236</b>
<b>DEPRECIATION</b>						
Depreciation Expense	(53,208)	(52,917)	(291)	(319,247)	(317,500)	(1,747)
<b>Total DEPRECIATION</b>	<b>(53,208)</b>	<b>(52,917)</b>	<b>(291)</b>	<b>(319,247)</b>	<b>(317,500)</b>	<b>(1,747)</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>115,482</b>	<b>13,037</b>	<b>102,445</b>	<b>411,014</b>	<b>107,475</b>	<b>303,539</b>


## 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
<b>REVENUES</b>						
Leases	229,622	160,949	68,673	1,192,888	989,143	203,745
PBT Cam Fees	61,224	60,024	1,200	367,347	360,144	7,203
Usage Fees	18,554	20,584	(2,030)	124,843	125,258	(415)
Contract Services	-	-	-	4,549	2,990	1,559
Utility Franchise Fees	2,082	1,777	305	22,444	19,891	2,553
Insurance Proceeds	-	-	-	-	3,975	(3,975)
Other-Miscellaneous	-	-	-	134	-	134
Fiber Optic/Wireless Income	18,694	18,579	115	112,163	112,385	(222)
<b>Total REVENUES</b>	<b>330,176</b>	<b>261,912</b>	<b>68,264</b>	<b>1,824,368</b>	<b>1,613,786</b>	<b>210,582</b>
<b>EXPENSES</b>						
Salaries & Taxes	46,536	133,845	(87,309)	367,690	501,129	(133,439)
Benefits - Health, Retirement & Wkr's Comp	11,414	12,011	(597)	64,971	59,276	5,695
Insurance -Property & General Liabilities	17,875	16,432	1,443	107,252	98,593	8,659
Administrative Expenses	409	1,376	(967)	6,742	5,841	901
General Office Expenses	7,587	4,614	2,973	31,863	33,249	(1,386)
Accounting & Auditing Services	82	6,152	(6,070)	493	11,632	(11,139)
Computer Software & Maintenance	4,876	2,941	1,935	20,575	18,495	2,080
Internet	1,722	1,722	-	10,333	10,333	-
Legal Services	7,348	(684)	8,032	31,718	17,808	13,910
Network Maintenance Contract	817	548	269	4,157	3,366	791
Training & Travel	2,947	11	2,936	9,715	6,163	3,552
Marketing Expenses	4,248	1,684	2,564	37,452	24,572	12,880
Operations	33,519	164,982	(131,463)	263,384	724,525	(461,141)
Building Maintenance & Repairs	3,943	531	3,412	6,594	9,681	(3,087)
Utilities	30,921	38,653	(7,732)	189,406	180,807	8,599
<b>Total EXPENSES</b>	<b>174,244</b>	<b>384,817</b>	<b>(210,573)</b>	<b>1,152,343</b>	<b>1,705,469</b>	<b>(553,126)</b>
<b>NIBPSID</b>	<b>155,932</b>	<b>(122,904)</b>	<b>278,836</b>	<b>672,025</b>	<b>(91,683)</b>	<b>763,708</b>
<b>NON OPERATING REVENUE</b>						
Interest Income	12,758	921	11,837	58,236	5,554	52,682
<b>Total NON OPERATING REVENUE</b>	<b>12,758</b>	<b>921</b>	<b>11,837</b>	<b>58,236</b>	<b>5,554</b>	<b>52,682</b>
<b>DEPRECIATION</b>						
Depreciation Expense	(53,208)	(47,995)	(5,213)	(319,247)	(287,972)	(31,275)
<b>Total DEPRECIATION</b>	<b>(53,208)</b>	<b>(47,995)</b>	<b>(5,213)</b>	<b>(319,247)</b>	<b>(287,972)</b>	<b>(31,275)</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>115,482</b>	<b>(169,978)</b>	<b>285,460</b>	<b>411,014</b>	<b>(374,102)</b>	<b>785,116</b>

April 26, 2023

LRRRA Quarterly Investments and Collatoralization Report

Bank and Account Title	Account Number Ending	Interest Yield	Benchmark Rate (6-Month US T-Bill)	Quarterly Interest Earned Jan - Mar 2023	Quarterly Interest Earned Oct - Dec 2022	FY2023 Interest Earned YTD	Balance as of 3/31/23	FDIC Insured or Collatoralization (market value)
PlainsCapital Operating Account	5256	3.41%	4.63%	\$ 5,642.15	\$ 20,691.39		\$ 680,927.61	\$ -
PlainsCapital Operating Account	2003	3.39%	4.63%	\$ 4,940.37	\$ 131.63		\$ 838,676.21	\$ -
Totals PlainsCapital				\$ 10,582.52	\$ 20,823.02	\$ 31,405.54	\$ 1,519,603.82	\$ 3,714,077.00
Peoples Bank ICS/Sweep Account*	151	3.81%	4.63%	\$ 24,145.57	\$ 2,684.80		\$ 2,721,892.99	\$ 250,000.00
Peoples Bank EDA	575	0.00%	4.63%	\$ -	\$ -	\$ -	\$ 36,455.56	\$ 250,000.00
Totals Peoples Bank				\$ 24,145.57	\$ 2,684.80	\$ 26,830.37	\$ 2,758,348.55	
Total of All Accounts				\$ 34,728.09	\$ 23,507.82	\$ 58,235.91	\$ 4,277,952.37	
<div> <div>Per our Investment Policy our Weighted Average Maturity (WAM) is 6 months. Our investments are all cash and available immediately</div> <div>  </div> </div>								
*No more than \$250,000 (the FDIC insured amount) is invested in each bank as part of this program								



## APRIL 2023 EVENTS & ACTIVITIES

	DATE	EVENT
<b>APRIL</b>	April 5, 2023	Visit to Port San Antonio & RELLIS
	April 7, 2023	LRRRA Closed for Good Friday
	April 26, 2023	LRRRA Board of Directors Meeting
<b>LOOKING AHEAD</b>		
<b>MAY</b>	May 2, 2023	Presentation to Hockley County Retired Teachers Association
	May 5, 2023	Helaina Graduates from UT – Yay!!
	May 18, 2023	Employee Health Screening with Catapult via TML Health
	May 24, 2023	LRRRA Board of Directors Meeting
	May 29, 2023	LRRRA Closed for Memorial Day Holiday