


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

Date: Wednesday, December 6, 2023
Time: 8:00 a.m.
Place: Reese Technology Center, LRRRA Board Room, 9801 Reese Blvd, Suite 200, Lubbock, TX 79416

Time: 8:00 a.m.

AGENDA ITEMS	TAB	SPEAKER
Call the Meeting to Order		Tim Pierce
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	Tim Pierce
2. Discussion Item – Update from USAF AFCEC on PFAS Contamination at Reese	TAB 2	Paul Carroll
3. a. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.072, regarding certain matters concerning real property. Discussions regarding interest in the lease, sale, or value of buildings and property. b. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters: <ul style="list-style-type: none"> • Executive Director • Manager of Business Development • Manager of Accounting • Manager of Operations • Operations Lead • Service Technician • Service Technician • Operations, Marketing, Customer Care Coordinator • Administrative Assistant • Board of Directors c. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.071, Consultation with Attorney.	TAB 3	John Tye Murvat Musa Murvat Musa Darrell Guthrie
4. Action Item – Consider Minutes of the October 25, 2023, Board of Directors Meeting and the November 7, 2023, Executive Committee/Compensation Committee Meeting	TAB 4	Tim Pierce
5. Action Item – Consider Compensation Committee Recommendations for Employee Raises and Bonuses	TAB 5	Tim Pierce
6. Action Item – Consider Resolution Designating Building 930 Being Leased to Vulpes Corp (“Vulpes Project”) as a Redevelopment Project	TAB 6	Murvrat Musa

7. Action Item – Consider Lease for Vulpes Corp for Building 930	TAB 7	Murvat Musa
8. Discussion Item – Financial Reports	TAB 8	Sandy Hamilton
9. Discussion Item – Reese Events & Activities	TAB 9	Murvat Musa
Adjourn the Meeting		
<p>Lubbock Reese Redevelopment Authority (LRRRA) will post this meeting agenda on its front doors and on its website at http://www.reesetechnologycenter.com/agendas/ by 5:00 p.m., Friday, December 1, 2023.</p> <div style="text-align: center;">  </div> <p>by: _____ Murvat Musa, ED/CEO</p> <p>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.</p>		

ITEM 1

Citizen Comments

ITEM 2

United States Air Force
Air Force Civil Engineer Center

Update on PFAS at
Reese Technology Center

ITEM 3

EXECUTIVE SESSION

Information to be provided at
meeting

Lubbock Reese Redevelopment Authority
Minutes of the Regular Meeting and Annual Meeting of the Board of Directors
October 25, 2023

The Lubbock Reese Redevelopment Authority held its Regular Meeting and its Annual Meeting at 8:00 a.m. October 25, 2023, at the Reese Technology Center, LRRRA Board Room, 9801 Reese Boulevard, Suite 200, Lubbock, TX 79416.

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

<u>MEMBERS PRESENT:</u>	Tim Pierce	Tim Collins	John Hamilton
	George McMahan	Jeff Mustin	

<u>MEMBERS ABSENT:</u>	John Tye	Jane Dever
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<u>OTHERS PRESENT:</u>	
Reese Staff:	Murvat Musa-Executive Director, Chris Evans-Operations Manager, Sandra Hamilton-Manager of Accounting, Andrea Hamilton-Operations, Customer Service, Marketing Coordinator, Cecilia Davila-Administrative Assistant

Legal Counsel:	Darrell Guthrie
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Others:

Call the meeting to order.

Tim Pierce called the meeting to order at 8:01 a.m.

ITEM 1 **Election of LRRRA Officers for fiscal Year 2024-** Nominations for President, Vice President, and Treasurer/Secretary per the recommendation of the Nominations Committee are as follows: Tim Pierce, Tim Collins, and John Hamilton, respectively. George McMahan moved to nominate those brought forth from the Nominations Committee to serve as LRRRA Officers FY2024, Jeff Mustin seconded; the motion passed 5-0.

ITEM 2 **LRRRA Committee Assignments for FY2024.**
Tim Pierce assigned the committees as follows:
Lease Review Committee: Chair George McMahan, Vice-Chair Tim Collins.
Compensation Committee: Chair Tim Pierce, Vice-Chair Tim Collins, Member John Hamilton
Major Real Estate Resolutions Committee: John Tye as Chair and John Hamilton as Vice-Chair

ITEM 3 **Citizen Comments** Tim Pierce called for any citizen comments. There were none.

ITEM 4 **Hold an Executive Session,** Tim Pierce called the Executive Session to order at 8:04 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 Accounting
Manager of Operations
Operations, Customer Care, Marketing Coordinator
Operations Lead
Service Technician
Service Technician
Service Technician
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

Tim Pierce adjourned the Executive Session at 9:43 a.m. and reconvened Open Session at 9:44 a.m.

ITEM 5 **Consider the Minutes of the September 27, 2023, Board of Directors Meeting.**

Tim Collins moved to approve the minutes of the September 27, 2023, Board of Directors meeting. John Hamilton seconded; the motion passed 5-0.

ITEM 6 **Consider a Resolution Authorizing the Execution of Signature Cards by the Executive Committee for Plains Capital Bank and Peoples Bank**

George McMahan moved to approve a Resolution Authorizing the Execution of Signature Cards by the Executive Committee for Plains Capital Bank and Peoples Bank. Tim Collins seconded; the motion passed 5-0.

- ITEM 7 Consider Lease for VRC Companies, LLC, Building 535.**
John Hamilton moved to approve the lease for VRC Companies, LLC, Building 535. George McMahan seconded; the motion passed 5-0
- ITEM 8 Consider Resolution Authorizing CEO/ED to Negotiate the Termination of Leases and Settle any Claims with Receivers for Royal Bengal Logistics and North American Aerospace**
George McMahan moved to approve the Resolution authorizing CEO/ED to negotiate the termination of leases and settle any claims with the Receivers for Royal Bengal Logistics and North American Aerospace. Jeff Mustin seconded; the motion passed 5-0.
- ITEM 9 Legislative Update**
No action required. Darrell Guthrie presented a legislative update from the 88th (2023) Texas Legislative Session.
- ITEM 10 Financial Reports**
No action required. Sandra Hamilton presented the September financial reports.
- ITEM 11 Reese Events and Activities**
No action required. Murvat Musa presented Reese activities and upcoming events to the Board.

Adjournment

Tim Pierce adjourned the meeting at 10:11 a.m.

Content of minutes agreed to and approved by:

Approved by _____
Tim Pierce, President

ATTEST:

LRRR Board Member

**LUBBOCK REESE REDEVELOPMENT AUTHORITY
EXECUTIVE / COMPENSATION COMMITTEE MEETING MINUTES
November 7, 2023**

The Lubbock Reese Redevelopment Authority held a meeting of the Executive / Compensation Committee of the Board of Directors at 9:00 a.m. on Tuesday, November 7, 2023, at South Plains Association of Governments, 1323 58th Street, Lubbock, TX 79412.

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

Members Present: Tim Pierce, Tim Collins, John Hamilton

Members Absent: None

Others Present

Reese Staff: Murvat Musa

Legal Counsel: None

Others: None

Call the meeting to order:

Tim Pierce called the meeting to order at 9:04 a.m.

Tim Pierce called the Executive Session to order at 9:04 a.m.

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

No action was taken in Executive Session.

Tim Pierce adjourned the Executive Session and the meeting at 10:31 a.m.

Content of minutes agreed to and approved by:

Approved by _____
Tim Pierce, Compensation Committee Chairman

ATTEST:

LRRRA Compensation Committee Member

AGENDA ITEM 5
COMPENSATION COMMITTEE RECOMMENDATIONS
EMPLOYEE RAISES/BONUSES
EXECUTIVE SUMMARY

Staff are requesting Board approval for employee raises and bonuses (raise and bonus recommendations will be handed out at the meeting) as recommended by the Compensation Committee.

Attached for your review are:

1. The Board approved FY2023 Employee Performance Incentive Bonus Plan. The plan requires that for a bonus to be given, the organization must exceed the General Operating Budget by 3%, which it did. The budgeted raise/bonus pool for FY23 was \$60,000 and the budgeted amount for employee raises/bonuses for FY2024 is \$75,000. Bonuses get posted to the previous fiscal year and raises get posted to the current fiscal year, per GAAP.
2. The LRRRA year-end statement of revenues and expenditures (unaudited). This report shows that we have exceeded the budget by 59% mostly due to an increase in revenues.

A list of recommended raises and bonuses will be handed out at the meeting.

Approved FY 2023 Employee Performance Incentive Bonus Plan

LRRA has two ways to reward and retain employees for their performance. One is through a merit increase and the other is through a performance incentive bonus plan.

The proposed FY 2023 Employee Bonus Plan is outlined below.

An employee may be eligible for a bonus after two tests are met: The Organization Eligibility Test and the Individual Eligibility Test.

- The Organization Eligibility Test – this test is needed to determine whether a bonus will be available to employees. The organization will need to meet these parameters to fund a bonus pool:
 - The organization must exceed the General Operating Budget (EBITDA) by 3%.
 - In determining if a bonus will be issued, the Compensation Committee and the Board will take into consideration any unusual events that may have affected the budget or in the Board's view the staff exceeded performance expectations during a particularly challenging period.
 - The total amount of the bonus pool for all employees shall not exceed the amount approved in the budget.
- The Compensation Committee will determine whether the organization will pay out a bonus and make a recommendation to the Board who will make the final decision.
- The Individual Eligibility Test – an employees' bonus will be calculated based on their individual performance.
 - For an employee to be eligible for a bonus, they must either "exceed" or "meet" standards. The Performance Score Scale is 0 – 3. A score below 1.5 is not eligible for a bonus, a score of 1.5 – 2.49 meets standards, and a score greater than or equal to 2.5 exceeds standards.
 - Notwithstanding an employee meeting the criteria above, and because a score does not always give a complete picture of an employee's performance, the CEO/Executive Director will have discretion in recommending who will and will not receive a bonus.
 - The CEO/Executive Director will recommend the amount of bonus to the Compensation Committee for support of the recommendation, and the Board will have final approval.

Every effort will be made to ensure bonuses will be determined and paid to the employee by December 1, 2023.

The above plan will be reviewed and approved annually by the Board.

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 9/1/2023 Through 9/30/2023

GENERAL FUND

(In Whole Numbers)

			YTD Actual vs Budget Variance	YTD Actual vs Budget Variance in Percent
	YTD Actual	YTD Budget		
REVENUES				
Leases	2,354,090	2,150,000	204,090	9.49%
PBT Cam Fees	736,114	734,400	1,714	0.23%
Usage Fees	291,558	275,000	16,558	6.02%
Contract Services	6,619	10,000	(3,381)	-33.81%
Utility Franchise Fees	33,641	29,000	4,641	16.00%
Insurance Proceeds	74,863	-	74,863	100.00%
Other-Miscellaneous	136	-	136	100.00%
Total REVENUES	3,497,022	3,198,400	298,622	9.34%
EXPENSES				
Salaries & Taxes	684,160	856,000	171,840	20.07%
Benefits - Health, Retirement & Wkr's Comp	128,466	151,450	22,984	15.18%
Insurance -Property & General Liabilities	203,778	220,000	16,222	7.37%
Administrative Expenses	45,117	14,200	(30,917)	-217.73%
General Office Expenses	61,701	73,600	11,899	16.17%
Accounting & Auditing Services	41,406	40,400	(1,006)	-2.49%
Legal Services	75,556	50,000	(25,556)	-51.11%
Network Maintenance Contract	12,372	8,000	(4,372)	-54.65%
Training & Travel	16,718	10,000	(6,718)	-67.18%
Marketing Expenses	79,784	64,000	(15,784)	-24.66%
Operations	600,882	590,000	(10,882)	-1.84%
Utilities	391,104	395,200	4,096	1.04%
Total EXPENSES	2,341,045	2,472,850	131,805	5.33%
NIBPSID	1,155,977	725,550	430,427	59.32%
NON OPERATING REVENUE				
Interest Income	161,231	10,000	151,231	1512.31%
Total NON OPERATING REVENUE	161,231	10,000	151,231	1512.31%
DEPRECIATION				
Depreciation Expense	(599,093)	(600,000)	907	-0.15%
Total DEPRECIATION	(599,093)	(600,000)	907	-0.15%
Increase (Decrease) In Fund Equity	718,115	135,550	582,565	429.78%

Bonus Plan: Exceed General Operating Budget -
EBITDA by 3%

EBIDTA = Earnings Before Interest, Texas,
Depreciation, and Amoritization

**BOARD ACTION ITEM No. 2023-1206-005
EMPLOYEE RAISES AND BONUSES**

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY
DECEMBER 6, 2023**

Item to be Considered:

Approval of the Compensation Committee Recommendation for Employee Raises/Bonuses

Previous Board Action:

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

Statement of Pertinent Facts:

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

See attached Recommendation for Employee Raises/Bonuses for FY 2024

Advice, Opinions, Recommendations, and Motion:

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

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby approves the Compensation Committee recommendations for employee raises/bonuses, attached, as submitted, on this 6th day of December 2023.”

Tim Pierce, President

ATTEST:

LRRA Board Member

AGENDA ITEM 6
Executive Summary
Vulpes Corp (“Vulpes Project”)
Building 930 Designated as Redevelopment Project

Vulpes Corp, a new Reese customer, intends to lease Building 930 for use as a chemical manufacturing facility. This project would help develop the base property with its intended vision and would positively impact the region and create jobs. In accordance with LRRRA Enabling Statute, LRRRA is empowered to designate such projects as Redevelopment Projects. To allow the lease of Building 930 and associated improvements to be exempt from property taxes, this project requires being designated as a Redevelopment Project. See attached Resolution for full details.

The Building 930 lease corresponding to this Resolution is the next item on the agenda.

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

**BOARD ACTION ITEM No. 2023-1206-006
VULPES PROJECT – REDEVELOPMENT PROJECT**

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
December 6, 2023**

Items to be Considered:

- a. Approve a resolution regarding the designation of Building No. 930 being leased to Vulpes Corp 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 87th 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. Vulpes Corp approached staff regarding entering into a lease for Building No. 930 for the production of chemical processing relating to agriculture fertilizer and semi-conductor coatings (the “Vulpes Project”). The Vulpes Project includes Tenant improvements valued in excess of \$9,000,000.00 over the term of the lease.
- c. The Vulpes Project as envisioned would redevelop the base property by leasing a large hard to lease facility to a new business, 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 a new 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(a) 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 standard industrial lease.

- f. Additionally, pursuant to Section 3501.1024(b), once designated as a “Redevelopment Project” the project is also deemed for a “public purpose.” Consequently, the exemption for “tangible personal property” pursuant to Section 11.11 of the Tax Code is also applicable: “Except as provided by Subsections (b) and (c) of the section [not applicable], property owned by this state, or a political subdivision of this state is exempt from taxation if the property is used for a public purpose.

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 standard industrial lease with Vulpes Corp 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, and tangible personal property taxes as set forth in Section 11.11 of the Texas Tax Code, subject to rules and regulations adopted by the Board relating to redevelopment projects, as submitted on this 6th day of December 2023.

Approved by: _____
Tim Pierce, President

ATTEST: _____
LRRRA Board Member

AGENDA ITEM 7
Executive Summary
Vulpes Corp Lease of Building 930

After many months of negotiations and in collaboration with LEDA and with the full Boards' involvement in this very needed project for the region, staff is pleased to provide you with the following new lease for Building 930 to Vulpes Corp for approval.

Vulpes Corp is a young entity created to onshore chemical manufacturing of agricultural chemicals (as well as others) from China. While the organization is young, the principals have been in the chemical manufacturing business for many years including its CEO, Rick Shang, and its CTO, Dihui Yu, who has over 30 years' experience.

Vulpes Corp will be leasing Building 930 for use as a chemical manufacturing facility. At the September 27, 2023, meeting we had detailed discussions about this lease which culminated into a Letter of Intent.

The lease terms are as follows:

- 10-year lease with two options to renew for an additional five years each.
- Year 1 rent starting at \$3.35 per square foot (57,725 square feet of space) to be abated.
- Each year in the original lease term will increase by 3% annually. Thereafter in the option years rent will increase by 3% or the CPI-U, whichever is greater.
- Total rent for the initial lease term is \$1,963,089.
- There will be no make ready expense to LRRRA.
- Vulpes will invest over \$9 million dollars into the building.
- See attached lease for all the details.

Staff is requesting that the Board approve the attached lease to Vulpes Corp for Building 930.

STANDARD INDUSTRIAL LEASE

BETWEEN

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

AS LANDLORD

AND

VULPES CORP, a Delaware corporation

AS TENANT

FOR PREMISES LOCATED AT

Reese Technology Center Building No. 930

9712 4th Drive

Lubbock, Texas 79416

STANDARD INDUSTRIAL LEASE

This Standard Industrial Lease (the "Lease") is made this ____ day of _____, 2023, by and between LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas (hereinafter referred to as "Landlord") and VULPES CORP, a Delaware 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: VULPES CORP, a Delaware corporation, whose Federal Taxpayer Identification Number 83-4081229.

(d) Tenant Address: 4625 Lindell Blvd., Suite 230, St. Louis, Missouri 63108.

(e) Guarantors: N/A

(f) Guarantors' Addresses: N/A

(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 certain building ("Building") located at 9712 4th Drive, Lubbock, Texas 79416, which is commonly known as Building #930, and identified as the "Premises" on the site plan attached hereto as **Exhibit A** (the "Site Plan"), and containing approximately 57,725 square feet of floor area.

(i) Initial Term (Years): Ten (10) Years.

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

(k) Option to Extend Term: Tenant shall have two (2) renewal options of five (5) years each, 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. 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 the greater of a fixed three percent (3%) or the CPI-U during the renewal option years. The adjustment in the Base Rent during

the renewal option years will be determined by multiplying the greater of the then existing Base Rent specified in the lease ("Base Rent") by 1.03 or the CPI-U, which will result in a "Revised Base Rent" for each year of the extension period.

- (l) Delivery Date: January 1, 2024.
- (m) Commencement Date: January 1, 2024.
- (n) Termination Date: December 31, 2034.

(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 for in this Lease. Said Base Rent does not include, and Tenant is solely responsible for any and all charges associated with utilities, 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:

<u>Initial Term Lease Years</u>	<u>Total Annual Base Rent</u>	<u>Total Monthly Base Rent</u>	<u>Annual Base Rent Per Square Foot of Floor Area of the Premises</u>
Year 1	\$ -	\$ -	\$3.25
Year 2	\$193,234	\$16,103	\$3.35
Year 3	\$199,031	\$16,586	\$3.45
Year 4	\$205,002	\$17,084	\$3.55
Year 5	\$211,152	\$17,596	\$3.66
Year 6	\$217,487	\$18,124	\$3.77
Year 7	\$224,012	\$18,668	\$3.88
Year 8	\$230,732	\$19,228	\$4.00
Year 9	\$237,654	\$19,804	\$4.12
Year 10	\$244,784	\$20,399	\$4.24

In consideration for certain Tenant Leasehold Improvements, as set forth more fully in **Exhibit B**, it is expressly understood and agreed to by the Parties that the Base Rent shall be abated during Year 1 of the Lease.

(p) Security Deposit: Tenant shall pay on the Commencement Date a security deposit in the amount of \$15,634.00. Landlord agrees to accept this security deposit as security on the Premises. If Tenant defaults, Landlord may use the Security Deposit to pay arrears of Rent, to repair any damage or injury, or to pay any expense or liability incurred by Landlord as a result of the default. Additionally, Tenant shall pay on the Commencement Date an abandoned chemical

“Cleanup Fund” in the amount of \$10,000.00. If Tenant defaults or abandons chemicals on the Premises or Project, Landlord may use the Cleanup Fund to dispose of abandon chemicals.

(q) Termination: This Lease is terminable by Landlord if Tenant is in default on this Lease, provided that so long as Landlord is not in default on this Agreement, Tenant’s termination of this Agreement shall not relieve Tenant of the obligation to pay the Rent and other charges set forth in this Agreement for the term of the Agreement.

(r) Early Termination Fee: Not Applicable.

(s) Permitted Use: Tenant may use the Premises for the purpose of chemical manufacturing and related offices (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

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 of the Project, including parking lots. Landlord has the exclusive control over and right to manage the Common Areas.

(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 and any Utility charges billed by the Landlord set forth in Sections 1(o) and 8(a), respectfully, in advance, on the 1st 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 10th of the month.

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

4. REAL ESTATE TAXES AND OTHER TAXES

Pursuant to Resolution No. 2023-1206-006 dated December 6, 2023 Landlord has designated Tenant's business located on the Premises as a "Redevelopment Project" pursuant to Texas Special District Local Laws Code sec. 3501.1024.

(a) Real Estate Taxes. Tenant has no obligation to pay the appropriate governmental authorities any Real Estate Taxes. "Real Estate Taxes" means all real property taxes and assessments that become due and payable during the Term and are assessed by the applicable taxing governmental authority against the Premises.

(b) 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. Based upon the "Redevelopment Project" designation, if taxes are assessed against the "tangible personal property" of the Tenant, Landlord shall cooperate with and support Tenant's efforts to extinguish the assessment of these taxes.

5. TENANT COVENANTS

(a) Tenant Agrees to –

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

(2) Accept the Premises in their present condition "AS IS, WHERE IS CONDITION," the Premises being currently suitable for the Permitted Use. Tenant shall have the right to perform improvements to the Premises, subject to Landlord's approval of the plan and specifications prior to any work being initiated. 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, Land and Building Use Section, as amended, and 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 and related to the Permitted Use; (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, Land and Building Use Section, as amended, and as may be amended from time to time.

(4) Pay a late charge of five (5) percent of any Rent not received by Landlord by the tenth (10th) day after it is due.

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

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

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

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

(9) 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 ARISING FROM TENANT'S ACCESS TO, PRESENCE ON, OR USE OF THE PREMISES OR PROJECT; OR THAT IS RELATED TO TENANT'S PERMITTED USE. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF TENANT'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (c) WILL SURVIVE THE END OF THE TERM, AND (d) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD.

(14) Tenant acknowledges the existence of and agrees to use Gate 1180 entrance, as designated in **Exhibit C**, for the delivery or shipment of all products used in and associated with the Permitted Use, when the means of delivery or shipment is a vehicle has more than two axels.

(15) Tenant shall provide no less than thirty (30) days' notice of its intent to add any chemical to the list of chemicals, as set forth in **Exhibit D**, attached hereto.

(16) Tenant shall pay for all Premises cleanup, including disposal of all items remaining after Landlord retrieves any items currently inside of the Premises, subject to the following terms: (a) Landlord shall have sixty (60) days to remove any personal property that is not a fixture or required for the operation of basic building infrastructure; (b) Landlord shall provide Tenant full access to the Premises on the Delivery Date to clean out the property in preparation for undertaking the Permitted Use; (c) Tenant may dispose of any remaining items not needed at their sole cost and expense or in any fashion that is legal under Texas law, subject to Landlord shall have the right to retain any item designated for disposal by Tenant; and (d) Tenant may utilize any items or personal property left in the building by the Landlord.

(b) Tenant agrees not to and agrees to ensure that its agents, contractors, employees, invitees, licensees, sub-lessees, or visitors do not do any of the following —

- (1) Use the Premises for any purpose other than the Permitted Use.
- (2) Create a nuisance, to include but not limited to excessive noise and noxious odors.
- (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) Use the roof on the Premises, except as may be specifically authorized in writing by the Landlord.
- (9) Place any signs on the Premises without Landlord's written consent.
- (10) Bring suit against Landlord in connection with any claim or suit arising pursuant to Section 5(a)(13).

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) Not Used.
- (3) Obey all applicable laws with respect to Landlord's operation of the Premises and Project.
- (4) Subject to the requirements of Sections 5(a)(2) and (6) and **Exhibit B**, repair and maintain the (i) foundation, to include floor slab, (ii) structural soundness of load bearing and exterior walls, excluding windows, window glass, plate glass, and doors, and (iii) Common Areas, to include parking lots associated with the Premises and roads around the property and continuing to where these roads connect with roads maintained and repaired by Lubbock County, the City of Lubbock, the State of Texas, or the United States.
- (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) Subject to Section 12(q), unreasonably withhold consent to a proposed assignment or sublease.

7. COMMON AREAS

(a) Right to Use Common Areas. Tenant will have the nonexclusive right to use the Common Areas subject to any reasonable rules and regulations that Landlord may prescribe, to include but not limited to designation of parking areas for Tenant events.

(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. Subject to Section 3(a), Tenant shall promptly pay all charges for electricity, water, gas, telephone service, sewer service, and other utilities furnished to the Premises directly to the utility providing such service.

(b) Trash Removal. Tenant shall install, in compliance with applicable Laws at a location immediately adjacent to the outside of the Premises or as designated by the Landlord, a trash dumpster. Tenant shall pay for collection of its own trash and cleaning of the Premises.

(c) Waste Water Pre-Treatment. Tenant shall comply with all applicable Landlord and City of Lubbock industrial wastewater pre-treatment requirements and as those requirements may be modified from time to time.

9. DAMAGE BY CASUALTY

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

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

(c) Landlord's Right to Terminate. If more than fifty percent (50%) of the floor area of the Premises is damaged or destroyed by Casualty during the Term, 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.

(d) Landlord's Repair Obligation. Landlord's obligation will be to restore all portions of the Premises and the Common Areas in the immediate vicinity of and surrounding the Premises (including but not limited all parking areas surrounding the Premises and all sidewalks, roadways, driveways and access ways leading to and from the Premises) affected by a Casualty (exclusive of

Tenant's fixtures and equipment) to their condition immediately preceding such Casualty, subject to available insurance proceeds. If Landlord for any reason whatsoever fails (1) to commence the repair and restoration work required hereunder within ninety (90) days from the date of the Casualty, (2) to proceed diligently to complete such repair and restoration work, or (3) fails to complete same within the estimated time set forth in Landlord's Casualty Notice, plus the number of days of delay caused by Uncontrollable Events, then, Tenant will have the right to terminate this Lease by giving Landlord notice and upon the giving of such notice, this Lease will terminate and the Parties will be liable for their respective obligations to the date of termination and will have no liability for obligations arising after that date, except for those obligations which expressly survive termination. Landlord agrees should damage occur in over fifty percent (50%) of the floor area no rent will be due or if mutually agreed a reduced rent will be paid, provided Tenant can use the portion of the Premises not damaged.

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 and the chemicals set forth in **Exhibit D** in accordance with Environmental Laws, and subject to Section 10(e), below. 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) Hazardous Materials. Tenant agrees to provide Landlord access to the Leased Premises for periodic inspections concerning the Hazardous Materials uses in its operations, to provide Landlord with a list of any and all Hazardous Materials used in its operations or which are brought on to the Leased Premises by Tenant, and shall provide Landlord with Material Safety Data Sheets for all Hazardous Materials, its security procedures and Hazardous Materials safety plans, policies and procedures to be utilized by the Tenant for protection of Tenant's employees health, safety and well-being, as well as for the plans, policies and procedures designed to protect the health, safety and well-being of any person on the Reese Technology Center Campus that may come in contact with the Hazardous Materials and chemicals in use by the Tenant.

(e) Hazardous Waste Permit. Any hazardous waste permit under the Resource Conservation and Recovery Act, or its Texas equivalent, shall be limited to generation and transportation. The Tenant shall not, under any circumstances store any hazardous waste on or about the premises for any period in excess of ninety (90) days. Any violation of this requirement shall be deemed a material breach of this Lease. Hazardous storage facilities will not be available

to the Tenant. The Tenant must provide at its own expense such storage facilities; complying with all laws and regulations it needs for temporary (less than ninety (90) days) storage.

(f) 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, identifying Landlord as an additional insured, 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 \$1,000,000.00 per occurrence and \$5,000,000.00 annual aggregate, to include a pollution liability insurance rider. Landlord shall be included as an additional insured against claims for bodily injury, death, or property damage occurring upon, in or about the Premises; or that is related to the Permitted Use.

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

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

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

(e) Release of Claims/Subrogation. LANDLORD AND TENANT RELEASE EACH OTHER AND ANY LIENHOLDER 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. Alterations or Tenant Improvements. Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at the end of the Term and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Delivery Date, normal wear excepted. All alterations shall require the prior written consent of Landlord. 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 and Landlord's covenants are independent. 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. Furthermore, Tenant authorizes Landlord to file a UCC-1 Financing Statement with the Texas Secretary of State to perfect its interest in Tenant's personal property now or subsequently located on the Premises, without any further signature or authorization of the Tenant, and this Lease and security agreement contained herein shall serve as a financing statement and may be filed if necessary. Notwithstanding the foregoing, if requested, Landlord shall execute a Subordination Agreement relating to any equipment or other personal property that is subject to third-party financing.

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;

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

(9) failing to comply with the requirements set forth in Sections 5(a)(2).

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. If the Tenant fails to cure any default within ten (10) days after being locked out of the Premises, Landlord may consider all of Tenant's personal property Abandoned Property, as set forth in Section 12.u.

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

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

k. Representations and Indemnities of Broker Relationships. Tenant represents and warrant to the Landlord that it has used the services of Shelli Echevarria, Westmark Commercial Real Estate (the "Broker") in connection with this Lease, and that Broker is entitled to a commission or finder's fee in connection herewith. Tenant or its agent shall be solely responsible for the payment of any commission or finder's fee to 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 or any such unnamed broker, finder, or other similar Party by reason of any dealings or actions of the Tenant, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

l. Holdover. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term. If Tenant remains in possession of the Premises after the expiration of the Term without execution of a new lease extending the Term, Tenant will be deemed to be occupying the Premises as a tenant at will, subject to all of the terms of this Lease as may be applicable to a month to month tenancy and at One Hundred Fifty Percent (150%) of the monthly installment of the Base Rent set forth in Section 1(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

TENANT:

Vulpes Corp
4625 Lindell Blvd., Suite 230
St. Louis, MO 63108
Attn: Rick Shang
Telephone: (314) 833-8683
Email: rick@vulpescorp.com

With a Copy to:

Growers Freedom Alliance
Attn: Billy Tiller
3911 4th Street, Suite 244
Lubbock, TX 79409-3005
Telephone: _____
Fax: _____
Email: btiller@gfatexas.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 Landlord or Tenant 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 Lease may be sent by e-mail at the appropriate e-mail address set forth in this Section 12.m, as the same may be amended, or to such other e-mail address as Landlord or Tenant 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.m. 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 the terms of this Lease, the Party prevailing in litigation is entitled to recover reasonable attorney's fees and other fees and court and other costs.

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

p. Entire Agreement. This Lease, together with the attached exhibits and riders, is the entire agreement of the Parties, 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 2271 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.

/-----Signature Page Follows-----/

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.

LUBBOCK REESE
REDEVELOPMENT AUTHORITY
("Landlord")

VULPES CORP
("Tenant")

By: Murvat Musa, CEO

By: _____

Date

Date

EXHIBIT A

Site Plan



EXHIBIT B

Tenant Leasehold Improvements

1. Landlord shall incur no make ready expenses for the Premises.
2. Tenant agrees to make the following improvements by phase:
 - (a) Launch Phase (Year 1) – clean up, bathrooms, environmental, wastewater and water treatment, roof repair, and engineering (estimated cost \$1.3 million).
 - (b) Phase 1 (Year 1) – HVAC, piping, electrical, automation controls, wastewater treatment, cooling tower, storage, and fire sprinkler for 2 bays (estimated cost \$1.69 million).
 - (c) Phase 2-5 (Post Year 1) – HVAC, piping, electrical, automation controls, wastewater treatment, cooling tower, storage, and fire sprinkler for expansion into remaining 6 bays (estimated cost \$6.85 million).
3. Roof. Tenant shall be responsible for the repair, maintenance, and replacement of the roof. The expected life span of the roof repair referenced in 2(a) is four (4) years. It is specifically understood and agreed by the Parties that Tenant shall replace the roof during the primary Lease Term.
4. Tenant shall comply with the requirements set forth in Texas Government Code Section 2252.909.

EXHIBIT C

Gate 1180 Entrance



EXHIBIT D

Chemicals Produced on the Premises

1. Petia
2. HAFB/Hydroxylamine
3. TTA/Tolyitriazole
4. 4 adjuvants – CBA/Calcium Butyrate
5. Acetate
6. Ethalfluralin
7. Flumi/Flumioxazin
8. HMPCA
9. Trifluralin
10. Fluazinam
11. L-glufosinate
12. S-metolachlor

**BOARD ACTION ITEM No. 2023-1206-007
BUILDING 930 LEASE FOR VULPES CORP**

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
December 6, 2023**

Item to be Considered:

Consider lease for Building 930 for Vulpes Corp, "Vulpes Project"

Previous Board Action:

The Board previously approved a Resolution designating the Vulpes Project as a Redevelopment Project

Statement of Pertinent Facts:

- 10-year lease with two options to renew for an additional five years each.
- Year 1 rent starting at \$3.35 per square foot (57,725 square feet of space) to be abated.
- Each year in the original lease term will increase by 3% annually. Thereafter in the option years rent will increase by 3% or the CPI-U, whichever is greater.
- Total rent for the initial lease term is \$1,963,089.
- There will be no make ready expense to LRRRA.
- Vulpes will invest over \$9 million dollars into the building.

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 Lease for Building 930 to Vulpes Corp, subject to negotiation of final terms and conditions, on this 6th day of December 2023."

Tim Pierce, President

ATTEST:

Board Member

CASH BALANCES - OCTOBER 31, 2023

	9/30/2023	10/31/2023	Change
General Fund Bank Accounts	\$ 4,040,179	\$ 3,928,354	\$ (111,825)
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 15,002	\$ 15,002	\$ -
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ -	\$ -	\$ -
Total Cash	\$ 4,910,181	\$ 4,798,356	\$ (111,825)

Accounts Receivable - G/F	\$ 243,725	\$ 185,891	\$ (57,834)
Accounts Receivable - F/O	\$ 9,682	\$ 19,330	\$ 9,648
Total Accounts Receivable	\$ 253,407	\$ 205,221	\$ (48,186)

Total Cash & Accounts Receivable	\$ 5,163,588	\$ 5,003,577	\$ (160,011)
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Aged Accounts Receivable as of 10/31/2023

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
181,033.89	24,187.57	-	-	-	205,221.46

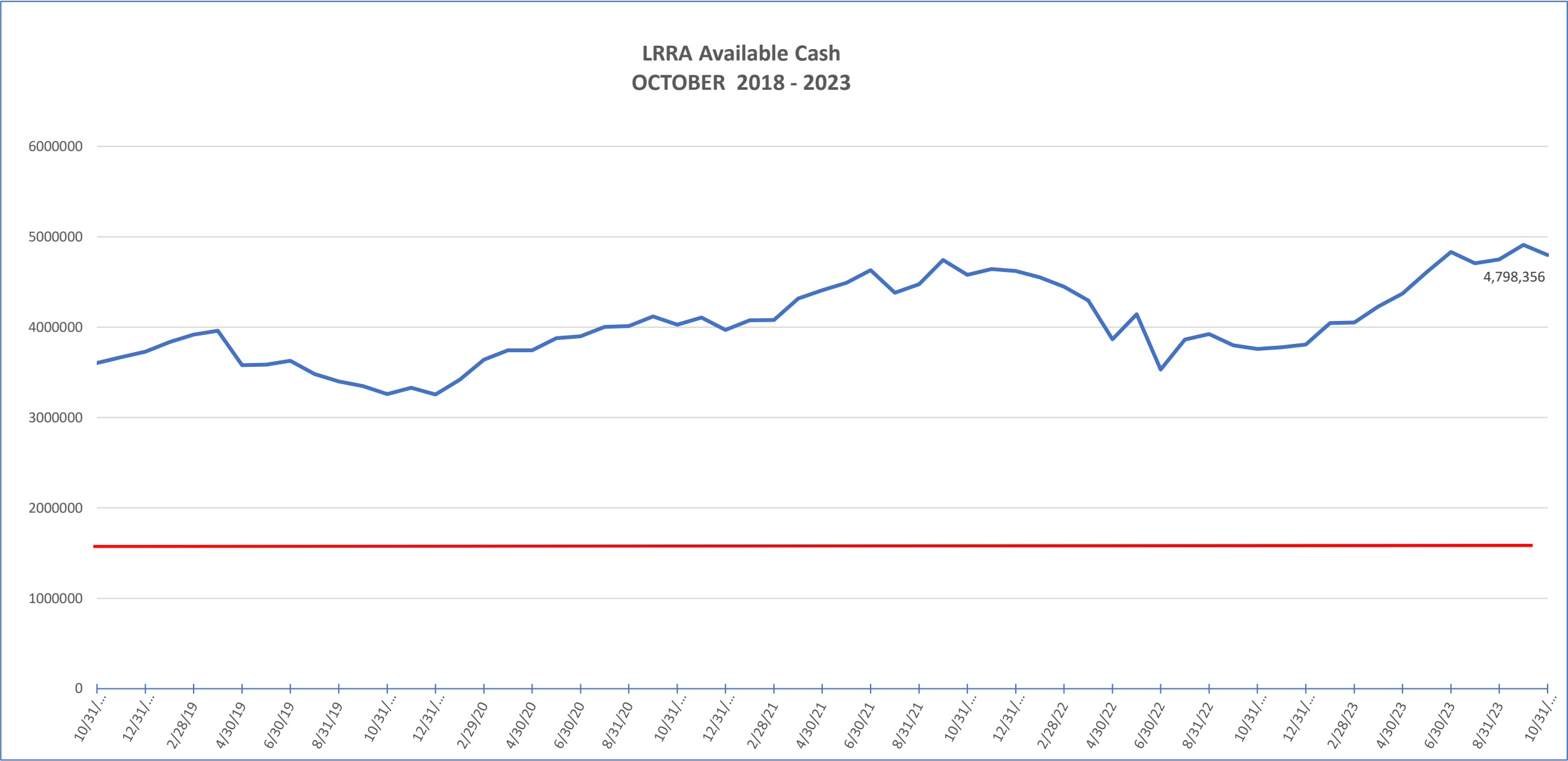
Aged Accounts Receivable as of 11/21/2023

25,036.22	8,233.34	-	-	-	33,269.56
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EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

LIGHTS FOR AIRFIELD 23,876.49 EXPENSES

\$ 23,876.49



FINANCIAL HIGHLIGHTS - OCTOBER 31, 2023

DESCRIPTION	Month G/F	Month F/O	Month's Total	YTD	G/F YTD	F/O	YTD Total
Operating Revenue	\$ 295,030	\$ 20,216	\$ 315,246	\$ 295,030	\$ 20,216	\$ 315,246	
Other Revenue - Usage Fees	\$ 28,288	\$ 911	\$ 29,199	\$ 28,288	\$ 911	\$ 29,199	
Total Revenue	\$ 323,318	\$ 21,127	\$ 344,445	\$ 323,318	\$ 21,127	\$ 344,445	
Expenses	\$ 173,780	\$ 6,698	\$ 180,478	\$ 173,780	\$ 6,698	\$ 180,478	
Net Income BPSID	\$ 149,538	\$ 14,429	\$ 163,967	\$ 149,538	\$ 14,429	\$ 163,967	
Interest Income - Plus	\$ 18,999	\$ -	\$ 18,999	\$ 18,999	\$ -	\$ 18,999	
Depreciation - Less	\$ (49,924)	\$ (3,283)	\$ (53,207)	\$ (49,924)	\$ (3,283)	\$ (53,207)	
Net Income	\$ 118,613	\$ 11,146	\$ 129,759	\$ 118,613	\$ 11,146	\$ 129,759	

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 10/31/2023

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
ASSETS				
CASH	3,928,354	15,002	-	3,943,356
DESIGNATED-CAPITAL MAINT	610,000	-	-	610,000
WATER INFRASTRUCTURE RESERVE	245,000	-	-	245,000
INVESTMENTS	-	-	-	-
ACCOUNTS RECEIVABLE	185,891	-	19,330	205,221
ALLOWANCE FOR DOUBTFUL	-	-	-	-
INTERFUND TRANSFERS	-	90,629	-	90,629
NOTES RECEIVABLE	-	-	-	-
CONSTRUCTION IN PROGRESS	259,010	1,670,123	-	1,929,133
PROPERTY AND EQUIPMENT, NET	6,092,649	-	106,892	6,199,541
OTHER ASSETS	298,573	-	11,498	310,071
Total ASSETS	11,619,478	1,775,753	137,720	13,532,951
LIABILITIES				
ACCOUNTS PAYABLE	10,639	7,000	-	17,639
ACCRUED EXPENSES	82,906	-	-	82,906
DEFERRED REVENUE	469,623	-	18,694	488,317
NET PENSION LIABILITIES	(24,739)	-	-	(24,739)
NOTES PAYABLE	1,353	-	-	1,353
INTERFUND TRANSFERS	-	-	-	-
REFUNDABLE DEPOSITS	86,213	-	223	86,436
OTHER LIABILITIES	-	-	-	-
Total LIABILITIES	625,996	7,000	18,917	651,912
FUND EQUITY				
BEGINNING OF PERIOD	11,094,842	1,775,753	95,304	12,965,899
TRANSFERS IN (OUT)	(16,723)	-	16,723	-
YEAR TO DATE EARNINGS	118,613	-	11,145	129,757
Total FUND EQUITY	11,196,732	1,775,753	123,172	13,095,657
TOTAL LIABILITY AND FUND	11,822,728	1,782,753	142,088	13,747,569

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

(In Whole Numbers)

	<u>General Fund</u>	<u>EDA Grant Fund</u>	<u>Data Center / Fiber Optic Fund</u>	<u>Total</u>
OPERATING REVENUES	323,317	-	21,126	344,444
OPERATING EXPENSES	223,704	-	9,982	233,686
OPERATING INCOME(LOSS)	<u>99,613</u>	<u>-</u>	<u>11,145</u>	<u>110,758</u>
NONOPERATING INTEREST INCOME	18,999	-	-	18,999
TRANSFERS IN (OUT)	(16,723)	-	16,723	-
NET NONOPERATING REVENUES	<u>2,276</u>	<u>-</u>	<u>16,723</u>	<u>18,999</u>
INCREASE (DECREASE) IN FUND EQUITY	<u>101,889</u>	<u>-</u>	<u>27,868</u>	<u>129,757</u>
FUND EQUITY, BEGINNING	11,094,842	1,775,753	95,304	12,965,899
FUND EQUITY, ENDING	11,196,732	1,775,753	123,172	13,095,657

LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2023 Through 10/31/2023

(In Whole Numbers)

	General Fund	Data Center / Fiber Optic Fund	Total
LEASES	221,934	-	221,934
USAGE FEES	28,288	911	29,199
PBT CAM FEES	62,646	-	62,646
DATA CENTER / FIBER OPTIC	-	20,216	20,216
TOTAL OPERATING REVENUE	312,868	21,126	333,994
UTILITY FRANCHISE FEES	10,000	-	10,000
OTHER MISCELLANEOUS	450	-	450
TOTAL REVENUES	323,317	21,126	344,444

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2023 Through 10/31/2023

(In Whole Numbers)

	General Fund	Data Center / Fiber Optic Fund	Total
OPERATING EXPENSES			
SALARIES & TAXES	51,380	-	51,380
BENEFITS - HEALTH, RETIREMENT & WKR'S COMP	11,459	-	11,459
INSURANCE - PROPERTY & GENERAL LIABILITY	19,971	1,051	21,022
ADMINISTRATIVE EXPENSES	2,283	-	2,283
GENERAL OFFICE EXPENSES	4,048	45	4,093
ACCTG. & AUDITING SERVICES	100	-	100
COMPUTER SOFTWARE & MAINT.	-	3,525	3,525
INTERNET	-	1,722	1,722
LEGAL SERVICES	5,430	-	5,430
NETWORK MAINTENANCE CONTRACT	1,547	-	1,547
TRAINING & TRAVEL	5,631	-	5,631
MARKETING EXPENSES	4,676	-	4,676
OPERATIONS - GROUND MAINT. AND ENGINEERING	65,333	-	65,333
UTILITIES	1,923	355	2,278
DEPRECIATION EXPENSE	49,924	3,283	53,208
Total OPERATING EXPENSES	223,704	9,982	233,686

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures
From 10/1/2023 Through 10/31/2023

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
REVENUES						
Leases	221,934	183,333	38,600	221,934	183,333	38,600
PBT Cam Fees	62,646	62,417	229	62,646	62,417	229
Usage Fees	28,288	22,917	5,372	28,288	22,917	5,372
Contract Services	-	667	(667)	-	667	(667)
Utility Franchise Fees	10,000	9,736	264	10,000	9,736	264
Other-Miscellaneous	450	-	450	450	-	450
Total REVENUES	323,317	279,070	44,248	323,317	279,070	44,248
EXPENSES						
Salaries & Taxes	51,380	65,083	13,703	51,380	65,083	13,703
Benefits - Health, Retirement & Wkr's Comp	11,459	13,208	1,750	11,459	13,208	1,750
Insurance -Property & General	19,971	20,417	446	19,971	20,417	446
Administrative Expenses	2,283	775	(1,508)	2,283	775	(1,508)
General Office Expenses	4,048	6,287	2,240	4,048	6,287	2,240
Accounting & Auditing Services	100	100	-	100	100	-
Legal Services	5,430	6,250	820	5,430	6,250	820
Network Maintenance Contract	1,547	1,167	(381)	1,547	1,167	(381)
Training & Travel	5,631	1,083	(4,548)	5,631	1,083	(4,548)
Marketing Expenses	4,676	5,833	1,157	4,676	5,833	1,157
Operations	65,333	45,908	(19,424)	65,333	45,908	(19,424)
Utilities	1,923	34,917	32,994	1,923	34,917	32,994
Total EXPENSES	173,780	201,029	27,249	173,780	201,029	27,249
NIBPSID	149,538	78,041	71,497	149,538	78,041	71,497
NON OPERATING REVENUE						
Interest Income	18,999	8,333	10,666	18,999	8,333	10,666
Total NON OPERATING REVENUE	18,999	8,333	10,666	18,999	8,333	10,666
DEPRECIATION						
Depreciation Expense	(49,924)	(52,083)	2,159	(49,924)	(52,083)	2,159
Total DEPRECIATION	(49,924)	(52,083)	2,159	(49,924)	(52,083)	2,159
Increase (Decrease) In Fund Equity	118,613	34,291	84,322	118,613	34,291	84,322

GENERAL FUND

Explanation of Significant Budget Variances

2023 OCTOBER

			Month Variance	YTD Variance	Explanations	Projected Outcome at Year End
Expenses, Training and Travel	5610 , 5620	\$	(4,548)	\$ (4,548)	TML Conference	Year End is expected to be on budget
Expenses, Operations	5900	\$	(19,424)	\$ (19,424)	Lights on airfield	Year End is expected to be on budget.
Expenses, Utilities	5380	\$	32,994	\$ 32,994	End of Year Utilities are paid back to September's expenses for Audit	Year End is expected to be on budget.

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 10/1/2023 Through 10/31/2023

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
REVENUES						
Usage Fees	911	2,250	(1,339)	911	2,250	(1,339)
Fiber Optic/Wireless Income	20,216	17,917	2,299	20,216	17,917	2,299
Total REVENUES	21,126	20,167	960	21,126	20,167	960
EXPENSES						
Insurance -Property & General Liabilities	1,051	1,083	32	1,051	1,083	32
General Office Expenses	45	83	38	45	83	38
Computer Software & Maintenance	3,525	3,833	308	3,525	3,833	308
Internet	1,722	1,833	111	1,722	1,833	111
Building Maintenance & Repairs	-	1,250	1,250	-	1,250	1,250
Utilities	355	6,442	6,087	355	6,442	6,087
Total EXPENSES	6,698	14,525	7,827	6,698	14,525	7,827
NIBPSID	14,428	5,642	8,786	14,428	5,642	8,786
DEPRECIATION						
Depreciation Expense	(3,283)	(3,333)	50	(3,283)	(3,333)	50
Total DEPRECIATION	(3,283)	(3,333)	50	(3,283)	(3,333)	50
Increase (Decrease) In Fund Equity	11,145	2,308	8,836	11,145	2,308	8,836

FIBER OPTIC FUND

Explanation of Significant Budget Variances

2023 OCTOBERBER

		Month Variance	YTD Variance	Explanations	Projected Outcome at Year End
Revenues, Usage Fees	4260	\$ (1,339)	\$ (1,339)	Reclass JV in November- billed to 400 instead of 600	Year End is expected to be on budget

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 10/1/2023 Through 10/31/2023

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
REVENUES						
Leases	221,934	183,333	38,600	221,934	183,333	38,600
PBT Cam Fees	62,646	62,417	229	62,646	62,417	229
Usage Fees	29,199	25,167	4,032	29,199	25,167	4,032
Contract Services	-	667	(667)	-	667	(667)
Utility Franchise Fees	10,000	9,736	264	10,000	9,736	264
Other-Miscellaneous	450	-	450	450	-	450
Fiber Optic/Wireless Income	20,216	17,917	2,299	20,216	17,917	2,299
Total REVENUES	344,444	299,236	45,208	344,444	299,236	45,208
EXPENSES						
Salaries & Taxes	51,380	65,083	13,703	51,380	65,083	13,703
Benefits - Health, Retirement & Wkr's Comp	11,459	13,208	1,750	11,459	13,208	1,750
Insurance -Property & General Liabilities	21,022	21,500	478	21,022	21,500	478
Administrative Expenses	2,283	775	(1,508)	2,283	775	(1,508)
General Office Expenses	4,093	6,370	2,278	4,093	6,370	2,278
Accounting & Auditing Services	100	100	-	100	100	-
Computer Software & Maintenance	3,525	3,833	308	3,525	3,833	308
Internet	1,722	1,833	111	1,722	1,833	111
Legal Services	5,430	6,250	820	5,430	6,250	820
Network Maintenance Contract	1,547	1,167	(381)	1,547	1,167	(381)
Training & Travel	5,631	1,083	(4,548)	5,631	1,083	(4,548)
Marketing Expenses	4,676	5,833	1,157	4,676	5,833	1,157
Operations	65,333	45,908	(19,424)	65,333	45,908	(19,424)
Building Maintenance & Repairs	-	1,250	1,250	-	1,250	1,250
Utilities	2,278	41,358	39,081	2,278	41,358	39,081
Total EXPENSES	180,478	215,554	35,076	180,478	215,554	35,076
NIBPSID	163,966	83,683	80,283	163,966	83,683	80,283
NON OPERATING REVENUE						
Interest Income	18,999	8,333	10,666	18,999	8,333	10,666
Total NON OPERATING REVENUE	18,999	8,333	10,666	18,999	8,333	10,666
DEPRECIATION						
Depreciation Expense	(53,208)	(55,417)	2,209	(53,208)	(55,417)	2,209
Total DEPRECIATION	(53,208)	(55,417)	2,209	(53,208)	(55,417)	2,209
Increase (Decrease) In Fund Equity	129,757	36,599	93,158	129,757	36,599	93,158

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

(In Whole Numbers)

	Current Month Actual	Prior Year's Month Actual	Variance	YTD Actual	Prior Year's YTD Actual	Variance
REVENUES						
Leases	221,934	186,086	35,848	221,934	186,086	35,848
PBT Cam Fees	62,646	61,224	1,422	62,646	61,224	1,422
Usage Fees	29,199	24,256	4,943	29,199	24,256	4,943
Contract Services	-	920	(920)	-	920	(920)
Utility Franchise Fees	10,000	2,748	7,252	10,000	2,748	7,252
Other-Miscellaneous	450	133	317	450	133	317
Fiber Optic/Wireless Income	20,216	18,694	1,522	20,216	18,694	1,522
Total REVENUES	344,444	294,062	50,382	344,444	294,062	50,382
EXPENSES						
Salaries & Taxes	51,380	46,557	4,823	51,380	46,557	4,823
Benefits - Health, Retirement & Wkr's	11,459	8,884	2,575	11,459	8,884	2,575
Insurance -Property & General Liabilities	21,022	17,875	3,147	21,022	17,875	3,147
Administrative Expenses	2,283	455	1,828	2,283	455	1,828
General Office Expenses	4,093	3,689	404	4,093	3,689	404
Accounting & Auditing Services	100	85	15	100	85	15
Computer Software & Maintenance	3,525	3,936	(411)	3,525	3,936	(411)
Internet	1,722	1,722	-	1,722	1,722	-
Legal Services	5,430	5,760	(330)	5,430	5,760	(330)
Network Maintenance Contract	1,547	549	998	1,547	549	998
Training & Travel	5,631	263	5,368	5,631	263	5,368
Marketing Expenses	4,676	2,808	1,868	4,676	2,808	1,868
Operations	65,333	34,987	30,346	65,333	34,987	30,346
Utilities	2,278	17,082	(14,804)	2,278	17,082	(14,804)
Total EXPENSES	180,478	144,653	35,825	180,478	144,653	35,825
NIBPSID	163,966	149,409	14,557	163,966	149,409	14,557
NON OPERATING REVENUE						
Interest Income	18,999	7,071	11,928	18,999	7,071	11,928
Total NON OPERATING REVENUE	18,999	7,071	11,928	18,999	7,071	11,928
DEPRECIATION						
Depreciation Expense	(53,208)	(53,208)	-	(53,208)	(53,208)	-
Total DEPRECIATION	(53,208)	(53,208)	-	(53,208)	(53,208)	-
Increase (Decrease) In Fund Equity	129,757	103,272	26,485	129,757	103,272	26,485

FYE 2024		BUDGET ITEMS - NON-LINEAR												
	Titles	OCTOBER	NOVEMBER	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPTEMBER	TOTAL
4650-439	UTILITY FRANCHISE FEE - GAS	8070	-	-	-	-	-	-	-	-	-	-	-	8,070
5363-124	MEETING EXP STAFF - STAFF	0	250	2,750	250	250	250	250	250	250	250	0	250	5,000
5380-405	UTILITIES - Water System	19,000	14,000	14,000	19,000	14,000	19,900	39,200	41,600	23,700	40,600	41,000	39,000	325,000
5700-203	ACCOUNTING & AUDIT	-	6,200	-	8,500	15,000	-	9,500	-	-	-	-	-	39,200
	THE ABOVE LINE ITEMS ARE NOT BUDGETED FOR EQUAL MONTHLY AMOUNTS													
	ALL OTHER ACCOUNTS ARE BUDGETED EQUALLY BY MONTH													



November 2023 EVENTS & ACTIVITIES

	DATE	EVENT
November	November 7	LEDA Lubbock Economic Forecast Luncheon
	November 16	Texas Conference for Women – Austin, TX
	November 23 -24	Thanksgiving Holiday, LRRRA Office Closed
	November 30	Lubbock Chamber Annual Meeting – Congratulations George!!
Looking Ahead		
December	December 6	LRRRA Board Meeting
	December 6	Lubbock Chamber Legislative Appreciation Luncheon
	December 9	LRRRA Staff Christmas Party
	December 11 & 13	TTUHSC Matador UAS Executive Demo Day, at Reese & TTUHSC Odessa
	December 25 week	Closed Except for December 28