

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

Date: Wednesday, January 24, 2024
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.

[illegible]

6. Action Item – Consider Second Lease Amendment for OXY USA to extend terms and remove Building 60 and Laydown.	TAB 6	Murvat Musa
7. Action Item – Consider LRRRA Use of Premises Policy	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		

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, January 19, 2024.



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

Matador UAS Consortium Presentation

ITEM 3

EXECUTIVE SESSION

Information to be provided at
meeting
(if applicable)

Lubbock Reese Redevelopment Authority
Minutes of the Regular Meeting of the Board of Directors
December 6, 2023

The Lubbock Reese Redevelopment Authority held its Regular Meeting at 8:00 a.m. December 6, 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	John Tye
	Jane Dever		

MEMBERS ABSENT: None

OTHERS PRESENT:

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 via video conference

Others:

Call the meeting to order.

Tim Pierce called the meeting to order at 8:02 a.m.

ITEM 1 **Citizen Comments** - Tim Pierce called for any citizen comments. There were none.

ITEM 2 **Update from USAF AFCEC on PFAS Contamination at Reese**
Paul Carroll, USAF AFCED, presented an update on PFAS contamination at Reese.

ITEM 3 **Executive Session** Tim Pierce called the Executive Session to order at 9:05 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 10:02 a.m. and reconvened Open Session at 10:03 a.m.

ITEM 4 Consider Minutes of the October 25, 2023 Regular Meeting and Annual Meeting of the Board of Directors and the November 7, 2023, Executive Committee/Compensation Committee Meeting –

John Hamilton moved to approve the minutes of the October 25, 2023, Regular Meeting and Annual Meetings of the Board of Directors and the November 7, 2023, Executive Committee/Compensation Committee Meeting, John Tye seconded; the motion passed 7-0.

ITEM 5 Consider Compensation Committee Recommendations for Employee Raises and Bonuses

Tim Collins moved to approve the Compensation Committee recommendations for employee raises and bonuses, George McMahan seconded; the motion passed 7-0.

ITEM 6 Consider Resolution Designating Building 930 Being Leased to Vulpes Corp (“Vulpes Project”) as a Redevelopment Project

Tim Collins moved to approve the resolution designating Building 930 being leased to Vulpes Corp (“Vulpes Project”) as a Redevelopment Project, John Tye seconded; the motion passed 7-0.

ITEM 7 Consider Lease for Vulpes Corp for Building 930

John Tye moved to approve the lease for Vulpes Corp for Building 930, John Hamilton seconded; the motion passed 7-0.

ITEM 8 Financial Reports

No action required. Sandra Hamilton presented the October financial reports.

ITEM 9 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 10:10 a.m.

Content of minutes agreed to and approved by:

Approved by _____
Tim Pierce, President

ATTEST:

LRRRA Board Member

AGENDA ITEM 5
EBURON ORGANICS INTERNATIONAL II BUILDING 51
LEASE ASSIGNMENT TO A&B INGREDIENTS (ORGANISTRY)
EXECUTIVE SUMMARY

Eburon has been a Reese customer since 2011 and Organistry became a Reese customer in 2015 due to the business relationship between the two companies. Organistry originally came to occupy buildings, 270 and 43, as a result of a lease assignment from Eburon. Organistry no longer occupies Building 270 as that lease expired March 2023 and their lease for Building 43 will expire March 2024; they will not be renewing that lease but rather, want to sublease Building 51 from Eburon.

Building 51 has been under lease by Eburon since 2015 and they are now requesting that the building be assigned to Organistry. The current lease will expire on October 31, 2025, at which time, if Organistry desires to continue leasing the building, we will negotiate a new lease agreement with them.

See the attached original lease for Building 51 and the Lease Assignment for details.

Staff is requesting board approval for this lease assignment.

Lease Assignment
Building 51
Eburon Organics International to A&B Ingredients (Organistry)

Date: January __, 2024

Assignor: Eburon Organics International II, LLC, a Texas limited liability company

Assignee: Organistry, LLC, a Texas limited liability company

Address: c/o A&B Ingredients, Inc.
Attn: Gil Bakal, Manager
24 Spielman Road
Fairfield, New Jersey 07004

Lease, attached hereto as **Exhibit A**:

Date: Signed by Landlord on February 20, 2020
Signed by Tenant on June 16, 2020
Lease Commencement date November 1, 2019

Landlord: Lubbock Reese Redevelopment Authority, a Texas political sub-division

Tenant: Eburon Organics International II, LLC, a Texas limited liability company

Premises: That certain building ("Building") located at 1102 Davis Drive, Lubbock, Texas, which is commonly known as Building #51 and containing approximately 6,750 square feet of floor space.

Assignor assigns to Assignee Tenant's interest in the Lease. Assignor agrees that Assignee is liable on the Lease.

Assignee agrees to assume Tenant's obligations under the Lease. Assignee agrees to accept the Premises in their present "AS IS WHERE IS" condition, and further Assignee agrees, acknowledges, and understands that "AS IS WHERE IS" conditions includes, but is not limited to, the Premises meeting any federal, state, or local regulatory requirements for the operation of the Premises for the "Permitted Use" so designated in the Lease. Assignee further agrees and understands that any costs and/or expenses necessary to bring the Premises into compliance with any federal, state, or local regulatory requirement shall be at the sole cost and/or expense of the Assignee. Notwithstanding the foregoing, Assignor retains the right to use the building for the purposes set forth in the Lease, subject to a sub-lease agreed to by the Assignor and Assignee that is subject to the same terms and conditions set forth in the Lease, to include but not limited to the Personal, Unconditional and Absolute Guaranty of Lease signed by Dr. Ted Reid, 6038 75th Street, Lubbock, Texas 79424, as identified in the Lease.

Landlord consents to this assignment. Consequently, the Assignee certifies and acknowledges the following:

1. Trafficking of Persons. Under §2155.0061, Texas Government Code, Assignee certifies that the individual or business entity named in this Assignment is not ineligible to receive the specified Agreement and acknowledges that the Agreement may be terminated if this certification is inaccurate.
2. Chapter 2271 of the Texas Government Code. Assignee 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 (Assignee) 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 Assignment, Tenant certifies that Tenant’s signature provides written verification to the Landlord that Tenant (Assignee): (1) does not boycott Israel; and (2) will not boycott Israel during the term of the Lease.***

This Assignment may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Assignment and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Assignment 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 Assignment as to the parties and may be used in lieu of the original Assignment 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.

The execution of this Assignment 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 Assignment on the date(s) set forth above.

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

ASSIGNOR:

EBURON ORGANICS INTERNATIONAL II,
L.L.C., a Texas limited liability company

By: Mayank Shashtri
Its: Vice President

ASSIGNEE:

ORGANISTRY, LLC,
a Texas limited liability company

By: Gil Bakal
Its: Manager

LANDLORD:

LUBBOCK REESE REDEVELOPMENT
AUTHORITY, a Texas political sub-division

By: Murvat Musa
Its: Chief Executive Officer

Exhibit A

Lease

(attached hereto)

STANDARD INDUSTRIAL LEASE

BETWEEN

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

AS LANDLORD

AND

EBURON ORGANICS INTERNATIONAL II, LLC, a Texas Corporation

AS TENANT

FOR PREMISES LOCATED AT

Reese Technology Center Building No. 51

1102 Davis Drive

Lubbock, Texas 79416

STANDARD INDUSTRIAL LEASE

This Standard Industrial Lease (the "Lease") is made this ____ day of _____, 2019, by and between LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas (hereinafter referred to as "Landlord") and EBURON ORGANICS INTERNATIONAL II, LLC., 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: Eburon Organics International II, LLC, whose Federal Taxpayer Identification Number is 75-1670975.

(d) Tenant Address: c/o Dr. Ted Reid, Eburon Organics International II, LLC., 902 North Avenue U, Lubbock, TX 79415.

(e) Guarantors: Dr. Ted Reid

(f) Guarantors' Addresses: 6038 75th Street, Lubbock, TX 79424

(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 1102 Davis Drive, Lubbock, Texas 79416, which is commonly known as Building #51, and identified as the "Premises" on the site plan attached hereto as Exhibit A (the "Site Plan"), and containing approximately 6,750 square feet of floor area, respectively.

(i) Initial Term (Years): Three (3) Years.

(j) Extensions: One (1) extension period of Three (3) Years, subject to the rights set forth in Section 1(k).

(k) Option to Extend Term: Tenant shall have one (1) renewal option of Three (3) 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 twenty days (120) 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 four percent (4%). In the event that the CPI-U exceeds 4% in any year after the first year of the Lease, to include any option year, the Landlord shall provide Tenant a new Base Rent chart, as set forth in Section 1(o), below. The adjustment in the Base Rent will be determined by multiplying the then existing Base Rent specified in the lease ("Base Rent") by 1.04 or by 1 plus the CPI-U percentage, which will result in a "Revised Base Rent."

(l) Delivery Date: November 1, 2019.

(m) Commencement Date: November 1, 2019.

(n) Termination Date: October 31, 2022.

(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, 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</u> <u>Lease Years</u>	<u>Total Annual</u> <u>Base Rent</u>	<u>Total Monthly</u> <u>Base Rent</u>	<u>Annual Base Rent Per</u> <u>Square Foot of Floor</u> <u>Area of the Premises</u>
Year 1: 11/01/2019 - 10/31/2020	\$25,312.50	\$2,109.38	\$3.75
Year 2: 11/01/2020 - 10/31/2021	\$27,675.00	\$2,306.25	\$4.10
Year 3: 11/01/2021 - 10/31/2022	\$30,375.00	\$2,531.25	\$4.50
<u>Renewal Term</u> <u>Lease Years</u>			
Renewal Year 1	\$31,590.00	\$2,632.50	\$4.68
Renewal Year 2	\$32,872.50	\$2,739.38	\$4.87
Renewal Year 3	\$34,155.00	\$2,846.25	\$5.06

In the event that the CPI-U exceeds 4% in any year after the first year of the Lease the Landlord shall provide Tenant a new Base Rent chart, as set forth above. The Revised Base Rent for that year will be determined by multiplying the then existing Base Rent by 1 plus the CPI-U percentage (e.g. a CPI-U of 5% would result in the then existing Base Rent being multiplied by 1.05), which will result in a "Revised Base Rent" for that year and each subsequent year thereafter even if the CPI-U returns to 4% or less.

(p) Security Deposit: Tenant has previously paid a security deposit of \$3,375.00 on the Premises. 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. Said Security Deposit is separate and independent of any guaranty of this Lease.

(q) Termination: [NOT APPLICABLE]

(r) Early Termination Fee: [NOT APPLICABLE]

(s) Permitted Use: Tenant may use the Premises for lab space for the research and development and manufacturing of fine chemicals (collectively, "Permitted Use"). Any chemical manufacturing or hazardous material manufacturing or storage in or near the building must meet Industry Safety Standards and adhere to Good Manufacturing Practice ("GMP") standards.

(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 - 185256
Deposits need to indicate: LUBBOCK REESE REDEVELOPMENT AUTHORITY

2. DEFINITIONS

(a) "Common Areas" means all facilities and areas of the Project that are intended and designated by Landlord from time to time for the common, general, and nonexclusive use of all Tenants and Tenants of the Project, including parking lots. Landlord has the exclusive control over and right to manage the Common Areas. Tenant shall have the right to use the Common Areas, but shall maintain all responsibility and liability for its conduct, or the conduct of its agents, employees and persons invited onto the Common Areas or Premises by Tenant. Subject to the terms and conditions of this Lease, Landlord hereby grants Tenant the right to use the Premises for the Permitted Use for the Term of this Agreement, and to use the streets, alleys and other portions of the Project necessary to obtain access to the Premises for the Permitted Use.

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

(c) "Landlord" means Landlord and its agents, officers, servants, employees, consultants, invitees, 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 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 notice to Landlord.

4. REAL ESTATE TAXES AND OTHER TAXES

(a) Real Estate Taxes. Tenant will pay or cause to be paid to the appropriate governmental authorities, prior to delinquency, all Real Estate Taxes. "Real Estate Taxes" means all real property taxes and assessments that become due and payable during the Term and are assessed by the applicable taxing governmental authority against the Premises. Tenant shall only be responsible for said taxes incurred by Tenant during the term, to include any extension, of this Lease. 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 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 LRRRA Covenants, Restrictions and Landscape Standards, as may be amended.

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

(b) Tenant agrees not to—

- (1) Use the Premises for any purpose other than the Permitted Use.
- (2) Create a nuisance, to include but not limited to 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).

(11) Use any portion of the Premises for wind energy development or the installation or use of any facilities related to wind energy development or generation.

(12) Interfere with the wind energy project being conducted on the westernmost boundary of the Project.

(13) Take any action that shall significantly interfere with or impair the availability, accessibility, flow, frequency or direction of air and wind over and above any portion of the Premises or the Project.

(14) Take any action that in any way interferes with or impairs the transmission of electric, electromagnetic or other forms of energy to or from the wind energy project, or interferes with or impairs Landlord's wind energy tenant's access to the wind energy project.

6. LANDLORD COVENANTS

(a) Landlord agrees to –

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

(2) Not Applicable.

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

(4) Subject to the requirements of Section 5(a)(2), repair and maintain the (i) roof, (ii) foundation, (iii) structural soundness of the exterior walls, excluding windows, window glass, plate glass, and doors, and (iv) Common Areas.

(5) Return the Security Deposit to Tenant, less itemized deductions, if any, within sixty (60) days after the last day of the Term.

(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 12q., 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; provided however, that if the Tenant causes any injuries, damage or other calamity to occur in the Common Areas with respect to the chemicals that Tenant is using on its Leased Premises, then Tenant shall be responsible for the repair and maintenance of the Common Areas so effected by such injury, calamity or damage.

8. UTILITIES AND TRASH REMOVAL

(a) Payment of Utility Bills. Tenant will promptly pay all charges for electricity, water, gas, telephone service, stormwater 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. 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 thirty-five percent (35%) 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 thirty-five percent (35%) 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 thirty-five percent (35%) 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 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.

(e) 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.

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; 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) Landlord'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 the Building. It is understood and agreed that the Tenant is only responsible for Tenant owned fixtures, equipment and leasehold improvements and other personal property located in the Premises.

(d) 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.

(e) 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.

(f) Release of Claims/Subrogation. LANDLORD AND TENANT RELEASE EACH OTHER AND 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. 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. In addition to the requirements of Section 5(a)(2), 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. Except as otherwise provided, 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;

(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; (3) apply the Security Deposit and Early Termination Fee to pay arrears of Rent, to repair any damage or injury, or to pay any expense or liability incurred by Landlord as a result of

the default; and (4) terminate this Lease by written notice and sue for damages. Landlord may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be occupying the Premises, until the default is cured, without being liable for damages.

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

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

k. Representations and Indemnities of Broker Relationships. Tenant 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. If Tenant remains in possession of the Premises after the expiration of the Term without execution of a new lease extending the Term, Tenant will be deemed to be occupying the Premises as a tenant at will, subject to all of the terms of this Lease as may be applicable to a month to month tenancy and at One Hundred Fifty Percent (150%) of the monthly installment of the Base Rent set forth in Section 1(m) for the twelve (12) month period prior to expiration of the Term, except that thereafter either Landlord or Tenant may terminate this Lease upon thirty (30) days' notice to the other; provided that Landlord, by the terms hereof, is not deemed to consent to any such holdover by Tenant and may exercise all rights provided by law to remove Tenant from the Premises upon giving Tenant the notice described herein.

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

LANDLORD:

Lubbock Reese Redevelopment Authority
9801 Reese Boulevard
Suite 200
Lubbock, Texas 79416

Attn: Executive Director
Telephone: (806) 885-3597

TENANT:

Eburon Organics International II, LLC.
c/o Dr. Ted Reid
6038 75th Street
Lubbock, TX 79424
Telephone: (806) 784-0104 or cell (806) 773-6662
Fax: (806) 687-0998
eburonorganics@yahoo.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, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

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

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

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

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

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

b. Airfield. Landlord currently has Federal Aviation Administration approval to operate the airstrips located within the Project. The 6,500-foot north-south runway can

accommodate large cargo aircrafts such as a C-130. While Landlord anticipates that there may be changes with respect to the use of the three (3) primary landing strips that are now in operation (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 affect 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")

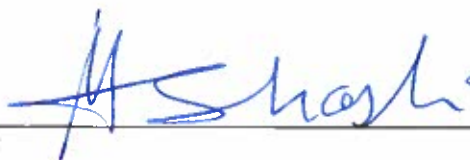


By: Joseph R. Rapier, President

2-20-2020

Date

EBURON ORGANICS INTERNATIONAL
II, LLC.
("Tenant")



By:

MAYANK SHASTRI

Printed Name:

V. P.

Title:

06-16-2020

Date

EXHIBIT A



BOARD ACTION ITEM No. 2024-0124-008
EBURON BUILDING 51 LEASE ASSIGNMENT TO A&B INGREDIENTS (Organistry)

BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRA)
January 24, 2024

Items to be Considered:

- a. Approve the Lease Assignment of Building 51 to A&B Ingredients (Organistry) under the lease agreement with Eburon Organics International.

Previous Board Action:

- a. The Eburon lease for Building 51 was approved by the Board October 23, 2019.
- b. The Board has previously approved assignments from Eburon to Organistry.

Statement of Pertinent Facts:

- a. Organistry no longer occupies Building 270 and the lease for Building 43 will expire March 31, 2024. They will not renew that lease.
- b. Eburon is requesting Building 51 be assigned to Organistry. The lease end date is October 31, 2025.

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 Assignment of Building 51 from Eburon Organics International to A & B Ingredients (Organistry), subject to negotiation of final terms and conditions, on this 24th day of January 2024.

Approved by: _____
Tim Pierce, President

ATTEST: _____
LRRA Board Member

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

OXY USA has been a valued customer of Reese since 2012. Their current lease, amended in December 2021 to extend terms, requires another amendment. OXY is at the end of their 2nd renewal option and want to exercise their third option to renew with modifications. Specifically, Oxy wants to add two additional options to renew for two years each and they want to remove Building 60 and the laydown area from their lease which would leave them with Building 52.

Below is a summary of their agreements:

Original lease: included Buildings 60 and 52 and 20,000 square feet of laydown. The terms were for two years with one renewal option for an additional two years. This lease expired January 31, 2022, and to extend it a First Amendment was approved by the Board (in lieu of a new lease) December 2021. It's easier for OXY to extend an existing lease than to go through an arduous approval process for a new lease.

First Amendment: this first amendment added two additional renewal options for two years each. Exercising a renewal option requires agreement in writing between Reese and Oxy. Oxy's renewal option is upcoming, and they are willing to exercise that option with modification which necessitates another amendment.

Second Amendment: this second amendment will extend the terms by adding two more options to renew for two years each with 3% annual increases. That will put the lease end January 31, 2030. Additionally, they will be removing Building 60 and the laydown area.

See the attached Original Lease, First Amendment, and Second Amendment for details.

Staff is requesting board approval for this second lease amendment.

**SECOND AMENDMENT TO
STANDARD OFFICE LEASE
EFFECTIVE DATE: February 1, 2024**

THIS SECOND AMENDMENT ("Amendment") between the LANDLORD, LUBBOCK REESE REDEVELOPMENT AUTHORITY ("LRRA") and TENANT, OXY USA INC. ("Oxy") is hereby incorporated into a certain STANDARD OFFICE LEASE previously executed by both parties and dated January 24, 2018, and subsequently amended in that FIRST AMENDMENT TO STANDARD OFFICE LEASE dated December 8, 2021, and effective February 1, 2022, (collectively, the "Lease").

This Amendment reflects the agreement of the Parties as to the following and is incorporated herein by reference:

1. Oxy's decision to exercise its Option to Extend the Term (sec. 1.(k) of the First Amendment to Standard Office Lease) as to Building No. 52 for the period February 1, 2024 to January 31, 2026.
2. Oxy's decision not to exercise its Option to Extend the Term (sec. 1.(k) of the First Amendment to Standard Office Lease) as to Building No. 60 and the approximately 20,000 square feet of Laydown Area for the period February 1, 2024 to January 31, 2026.
3. The Parties acknowledge that the Lease is thereby terminated as to Building No. 60 and the approximately 20,000 square feet of Laydown Area effective January 31, 2024, subject to the Survival provision in sec. 10.(d) of the Lease.
4. To provide for two (2) additional Options to Extend Term, as to Building No. 52, for the periods February 1, 2026 to January 31, 2028 and February 1, 2028 to January 31, 2030.

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 amended as stated below:

1. Revise Section 1, Subsection (h) to read:

(h) Premises: means that approximate 44,654 square feet occupied by Tenant of that certain building located at 1104 Davis Drive, Lubbock, Texas 79416, which is commonly known as Building or Hangar #52 and identified on the site plan attached hereto as **Exhibit A** (the "Site Plan").

(i) Revise Section 1, Subsection (j) to read:

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

2. Revise Section 1, Subsection (k) to read:

(j) Option to Extend Term: Tenant shall have five (5) renewal options of two (2) years each. The Lease shall renew only upon the express written agreement of the Parties hereto for the period specified in Section 1(j) and without the necessity for the execution of any further instrument and upon the same terms and conditions as are contained in this Lease, except the Base Rent will be as set forth in Section 1(o).

3. Revise Section 1, Subsection (o) to read:

(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 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 charges further do not include, and Tenant is solely responsible for any and all charges associated with utilities, dumpsters, telephone service, internet service, Tenant renovations, or general surface cleaning, except as otherwise provided in this Lease. The Base Rent shall increase annually during the 4th and 5th Renewal Options as set forth below.

Building Nos. 52 – 44,654 Sq. Ft.

TERM	ANNUAL RENT	MONTHLY RENT	Price/SF
4th Renewal Year 1 (02/01/2026 – 01/31/2027)	\$ 223,270.00	\$ 18,605.83	\$ 5.00
4th Renewal Year 2 (02/01/2027 – 01/31/2028)	\$ 229,968.10	\$ 19,164.01	\$ 5.15
5th Renewal Year 1 (02/01/2028 – 01/31/2029)	\$ 236,666.20	\$ 19,722.18	\$ 5.30
5th Renewal Year 2 (02/01/2029 – 01/31/2030)	\$ 243,810.84	\$ 20,317.57	\$ 5.46

4. Delete Section 1, Subsection (q) and replace with the following:

(q) NOT USED.

5. Delete Section 12, Subsection s. and replace with the following:

s. NOT USED.

6. Add Sections 12, Subsections aa.:

aa. 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.

7. Revise Section 13, Subsection a. to read:

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.

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

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

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

{SIGNATURE PAGE FOLLOWS}

LUBBOCK REESE
REDEVELOPMENT AUTHORITY
("Landlord")

OXY USA, INC.
("Tenant")

By: Murvat Musa, Chief Executive Officer

By:

Date

Printed Name:

Title:

Date

Exhibit A – Site Plan



STANDARD SHORT TERM INDUSTRIAL LEASE

BETWEEN

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

AS LANDLORD

AND

OXY USA Inc., a Delaware Corporation

AS TENANT

FOR PREMISES LOCATED AT

Reese Technology Center Building Nos. 52 and 60 and Laydown Area

1104 Davis Drive

Lubbock, Texas 79416

STANDARD SHORT TERM INDUSTRIAL LEASE

This Standard Short Term Industrial Lease (the "Lease" or "Agreement") is made this ____ day of January, 2018, by and between LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas (hereinafter referred to as "Landlord") and OXY USA Inc., a Delaware corporation (hereinafter referred to as "Tenant"). Landlord and Tenant may be referred to herein as "Party" in the singular and "Parties" in the plural.

W I T N E S S E T H:

1. BASIC LEASE PROVISIONS

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

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

(c) Tenant: OXY USA Inc., whose Federal Taxpayer Identification Number is 75-2713717.

(d) Tenant Address: OXY USA Inc., 5 Greenway Plaza, Suite 110, Houston, Texas 77046-0521.

(e) Guarantors: [NOT APPLICABLE]

(f) Guarantors' Addresses: [NOT APPLICABLE]

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

(h) Premises: means that approximate 51,404 square feet occupied by Tenant of that certain building located at 1104 Davis Drive, Lubbock, Texas 79416, which is commonly known as Building or Hangar #52 and that certain building located at 904 Davis Drive, Lubbock, Texas 79416, which is commonly known as Building or Hangar #60 (collectively, referred to herein as "Building"); and, that approximate 20,000 square feet of laydown area (the "Laydown Area"); and, identified on the site plan attached hereto as **Exhibit A** (the "Site Plan").

(i) Initial Term: Two (2) years.

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

(k) Option to Extend Term: Tenant shall have one (1) renewal option of two (2) years. The Lease shall renew only upon the express written agreement of the Parties hereto for the period specified in Section 1(j) and upon the same terms and conditions as are contained in this Lease, except the Base Rent will be as set forth in Section 1(o).

(l) Delivery Date: February 1, 2018.

(m) Commencement Date: February 1, 2018.

(n) Termination Date: January 31, 2020.

(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 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 charges further do not include, and Tenant is solely responsible for any and all charges associated with utilities, dumpsters, telephone service, internet service, Tenant renovations, or general surface cleaning, except as otherwise provided in this Lease.

BUILDING Nos. 52 and 60 – 51,404 Sq. Ft.				
TERM	ANNUAL RENT	MONTHLY RENT	Sq. Ft.	P/SF
Year 1 (2/1/2018 – 1/31/2019)	\$167,063	\$13,921.92	51,404	\$3.25
Year 2 (2/1/2019 – 1/31/2020)	\$205,616	\$17,134.67	51,404	\$4.00
OPTION TERM FIXED RATES				
Year 1 (2/1/2020 – 1/31/2021)	\$218,467	\$18,205.58	51,404	\$4.25
Year 2 (2/1/2021 – 1/31/2022)	\$231,318	\$19,276.50	51,404	\$4.50

Laydown Area – 20,000 Sq. Ft.				
TERM	ANNUAL RENT	MONTHLY RENT	Sq. Ft.	P/SF
Year 1 (2/1/2018 – 1/31/2019)	\$17,000	\$1,416.67	20,000	\$0.85
Year 2 (2/1/2019 – 1/31/2020)	\$20,000	\$1,666.67	20,000	\$1.00
OPTION TERM FIXED RATES				
Year 1 (2/1/2020 – 1/31/2021)	\$23,000	\$1,916.67	20,000	\$1.15
Year 2 (2/1/2021 – 1/31/2022)	\$26,000	\$2,166.67	20,000	\$1.30

(p) Security Deposit: [NOT APPLICABLE]

(q) Termination Option: Subject to Tenant's right of first refusal set forth in Section 12.s. below, Landlord may terminate the Lease effective ninety (90) days following written notice to the Tenant that Landlord has received and desires to accept a bona fide written offer from a new tenant(s) for the Premises that is willing to pay base rent for the Premises in amounts greater than

then-applicable Base Rent rates set forth in Section 1(o) above. Landlord agrees to notify any such prospective new tenant(s) of Tenant's right of first refusal under Section 12.s. below.

(r) Termination Payment. [NOT APPLICABLE]

(s) Permitted Use: Tenant may use the Premises for the purpose of storage facilities for heavy machinery, related equipment, or any other lawful purpose (collectively, the "Permitted Use"). Tenant's permitted use is exclusive for the time period of this Lease.

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

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

2. DEFINITIONS

(a) "Common Areas" means all facilities and areas of the Project that are intended and designated by Landlord from time to time for the common, general, and nonexclusive use of all Tenants and Tenants of the Project, including parking lots. Landlord has the exclusive control over and right to manage the Common Areas. Tenant shall have the right to use the Common Areas, but shall maintain all responsibility and liability for its conduct, or the conduct of its agents, employees and persons invited onto the Common Areas or Premises by Tenant. Subject to the terms and conditions of this Lease, Landlord hereby grants Tenant the right to use the Premises for the Permitted Use for the Term of this Agreement, and to use the streets, alleys and other portions of the Project necessary to obtain access to the Premises for the Permitted Use.

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

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

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

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

3. RENT, TENANT REQUESTED IMPROVEMENT PAYMENTS, AND INVOICES

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

(b) Invoices. All invoices from Landlord to Tenant for any Rent due under this Lease and the Tenant Requested Improvement Payments will be sent to the address set forth in Section 1(d) or to such other address as Tenant may designate by notice to Landlord.

4. REAL ESTATE TAXES AND OTHER TAXES

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

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

5. TENANT COVENANTS

(a) Tenant Agrees to –

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

(2) Accept the Premises in their present condition "AS IS, WHERE IS CONDITION," the Premises being currently suitable for the Permitted Use. Tenant shall have the right to perform improvements to the Premises, subject to Landlord's approval of the plan and specifications prior to any work being initiated. Furthermore, Tenant agrees and assures that any plans submitted and subsequent work perform for any renovation or alteration to the Premises must comply with the federal Americans with Disabilities Act ("ADA") and the Texas Accessibility Standards ("TAS") requirements and adhere to the International Building Code, as required by the LRRRA Covenants, Restrictions and Landscape Standards, as may be amended from time to time.

(3) Obey (i) all applicable federal, state, and local laws relating to the use, condition, and occupancy of the Premises; (ii) any requirements imposed by utility companies serving or insurance companies covering the Premises; and (iii) any rules and regulations for the Premises and Common Areas adopted by Landlord, to include the Reese Technology Center Covenants, Restrictions, and Landscape Standards, as amended, and as may be amended from time

to time.

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

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

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

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

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

(9) [Not Applicable].

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

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

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

(13) INDEMNIFY, DEFEND, AND HOLD LANDLORD HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF THE PREMISES OR PROJECT, OR ARISING FROM TENANT'S ACCESS TO, PRESENCE ON, OR USE OF THE PREMISES OR PROJECT OR ARISING IN ANY WAY FROM TENANT'S EXERCISE OF THE LEASE GRANTED UNDER THIS AGREEMENT. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF TENANT'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE

STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (c) WILL SURVIVE THE END OF THE TERM, AND (d) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD.

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

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

(16) Tenant acknowledges and agrees to adhere to Section 8.04 of the Reese Technology Center, Covenants, Restrictions and Landscape Standards, as revised, regarding the Laydown Area; and no equipment of any kind placed in the Laydown will be permanently attached to the concrete taxiway without the expressed written consent of the Landlord.

(b) Tenant agrees not to —

- (1) Use the Premises for any purpose other than the Permitted Use.
- (2) Create a nuisance.
- (3) Interfere with any other parties' normal business operations or Landlord's management of the Premises or Project.
- (4) Use the Premises in any way that would increase insurance premiums or void insurance on the Premises or the Project.
- (5) Change Landlord's lock system.
- (6) Allow a lien to be placed on the Premises.
- (7) Assign this Lease or sublet any portion of the Premises without Landlord's prior express written consent. This Lease is personal to the Tenant, and therefore it is not assignable and any attempt to assign this Lease, without Landlord's prior written permission, will terminate the Lease.
- (8) Use the roof of the Premises, except as may specifically authorized in writing by the Landlord.

(9) Place any signs on the Premises without Landlord's written consent.

(10) Bring suit against Landlord in connection with any claim or suit arising pursuant to Section 5(a)(13).

(11) Use any portion of the Premises for wind energy development or the installation or use of any facilities related to wind energy development or generation.

(12) Interfere with the wind energy project being conducted on the westernmost boundary of the Project.

(13) Take any action that shall significantly interfere with or impair the availability, accessibility, flow, frequency or direction of air and wind over and above any portion of the Premises or the Project.

(14) Take any action that in any way interferes with or impairs the transmission of electric, electromagnetic or other forms of energy to or from the wind energy project, or interferes with or impairs Landlord's wind energy tenant's access to the wind energy project.

6. LANDLORD COVENANTS

(a) Landlord agrees to –

(1) Lease to Tenant the Premises, or premises of similar quality, suitable for Tenant's Permitted Use on the Reese Technology Center campus, for the entire Term beginning on the Delivery Date and ending on the Termination Date, unless otherwise terminated sooner by the Landlord pursuant to the other terms and conditions of this Agreement.

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

(3) Landlord has provided the Premises on an "as is" basis for the use of the Premises by the Tenant, and in this regard Tenant accepts the Premises in their present "as is" condition. Landlord shall only be responsible for repairing and maintaining the (i) roof, (ii) roof membrane, (iii) foundation, (iv) the structural soundness of the walls, excluding windows, window glass, plate glass, and doors, and (v) Common Areas.

(b) Landlord agrees not to -

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

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

7. COMMON AREAS

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

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

8. UTILITIES AND TRASH REMOVAL

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

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

9. DAMAGE BY CASUALTY

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

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

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

(d) Landlord's Repair Obligation. Landlord's obligation will be to restore all portions of the Premises and the Common Areas in the immediate vicinity of and surrounding the Premises (including but not limited all parking areas surrounding the Premises and all sidewalks, roadways, driveways and access ways leading to and from the Premises) affected by a Casualty (exclusive of Tenant's fixtures and equipment) to their condition immediately preceding such Casualty, subject to available insurance proceeds. If Landlord for any reason whatsoever fails (1) to commence the repair and restoration work required hereunder within ninety (90) days from the date of the Casualty, (2) to proceed diligently to complete such repair and restoration work, or (3) fails to complete same within the estimated time set forth in Landlord's Casualty Notice, plus the number

of days of delay caused by Uncontrollable Events, then, Tenant will have the right to terminate this Lease by giving Landlord notice and upon the giving of such notice, this Lease will terminate and the Parties will be liable for their respective obligations to the date of termination and will have no liability for obligations arising after that date, except for those obligations which expressly survive termination.

10. HAZARDOUS MATERIALS

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

(b) Tenant's Obligations. During the Term, Tenant will not use, generate, place, store, release or otherwise dispose of Hazardous Materials in the Premises or the Common Areas, except in accordance with all Environmental Laws, and subject to the Reservations recorded in the Deed Without Warranty Between the United States of America and Landlord recorded in the Real Property Records of Lubbock County, Texas at Deed Record 2006041652. Notwithstanding anything to the contrary contained in this Lease, Landlord acknowledges and agrees that Tenant shall have the right to use and store in the Premises in Tenant's ordinary course of business Hazardous Materials in accordance with Environmental Laws. In the event of a breach of the foregoing, Tenant will promptly undertake remediation or removal in accordance with all Environmental Laws. Tenant will indemnify, defend and hold Landlord and Landlord's Affiliated Parties harmless from and against, and reimburse Landlord and Landlord's Affiliated Parties for, all Hazardous Materials Liabilities asserted against or incurred by Landlord or Landlord's Affiliated Parties as a result of a breach of Tenant's obligations under this paragraph. Tenant shall provide Landlord a copy of Tenant's plan for responding to hazardous waste, fuel, and chemical spills no later than the Commencement Date.

(c) Definitions. As used herein,

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

(ii) "Environmental Laws" means all federal, state, regional or local statutes, laws, regulations, codes, orders, permits, ordinances, decrees, rulings or judicial or administrative interpretations thereof, or similar laws of foreign jurisdictions where the Tenant conducts business, whether currently in existence or hereinafter enacted or promulgated, any of which govern, or purport to govern, or relate to pollution, protection of the environment, public health and safety, air emissions, water discharges, hazardous or toxic substances, solid or hazardous waste or occupational health and safety, as any of these terms are or may be defined in such statutes, laws, rules, regulations, codes, orders, permits, ordinances, decrees, rulings or judicial or administrative interpretations thereof, including, without limitation: the Comprehensive Environmental

Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendment and Reauthorization Act of 1986, 42 U.S.C. §9601, et seq. (collectively “CERCLA”); the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and subsequent Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §6901 et seq. (collectively “RCRA”); the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801, et seq.; the Clean Water Act, as amended, 33 U.S.C. §1311, et seq.; the Clean Air Act, as amended (42 U.S.C. §7401-7642); the Toxic Substances Control Act, as amended, 15 U.S.C. §2601 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act as amended, 7 U.S.C. §136-136y (“FIFRA”); the Emergency Planning and Community Right-to-Know Act of 1986 as amended, 42 U.S.C. §11001, et seq. (Title III of SARA) (“EPCRA”); and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §651, et seq. (“OSHA”); and

(iii) “Hazardous Materials Liabilities” means all claims, damages, losses, forfeitures, expenses or liabilities arising from or caused in whole or in part, directly or indirectly, by a breach by the other party of its representations, warranties or covenants under Section 13(a) or (b), including, without limitation, all costs of defense (including reasonable attorneys’ fees and other costs of litigation), all consultants’ fees, and all costs of investigation, repair, remediation, restoration, cleanup, detoxification or decontamination, and/or preparation and implementation of any closure, remedial action or other required plan.

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

11. INSURANCE AND WAIVER OF SUBROGATION

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

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

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

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

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

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

(f) Self-Insurance. Notwithstanding (a) through (d) above, Landlord authorizes Tenant to self-insure.

12. ADDITIONAL LANDLORD AND TENANT AGREEMENTS

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

disapprove same. In the event Landlord fails to disapprove of said plans and specifications within such fourteen (14) day period, then the plans and specifications shall be deemed approved. After completion of any alterations or improvements that require consent of Landlord hereunder, Tenant shall provide Landlord with a copy of Tenant's plans and specifications for such alterations or improvements.

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

c. Condemnation/Substantial or Partial Taking

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

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

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

d. Uniform Commercial Code. [Not Applicable].

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

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

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

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

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

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

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

filed against the Premises if and when Tenant receives any notice of the threatened mechanic's lien from any claimant;

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

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

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

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

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

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

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

k. Representations and Indemnities of Broker Relationships. Tenant 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 hereby agree to indemnify, protect, defend and hold the Landlord 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, and attorneys' fees reasonably incurred with respect thereto.

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

the monthly installment of the Base Rent set forth in Section 1(m) for the twelve (12) month period prior to expiration of the Term, except that thereafter either Landlord or Tenant may terminate this Lease upon thirty (30) days' notice to the other; provided that Landlord, by the terms hereof, is not deemed to consent to any such holdover by Tenant and may exercise all rights provided by law to remove Tenant from the Premises upon giving Tenant the notice described herein.

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

LANDLORD:

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

TENANT:

Oxy USA Inc.
Attn: Director - Worldwide Real Estate
5 Greenway Plaza
Suite 110
Houston, TX 77046-0521
Telephone: 832-495-2668
Fax: 713-985-1834
Email: john_shakarjian@oxy.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, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

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

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

p. Entire Agreement. This Lease, together with the attached exhibits and riders, is the entire agreement of the parties with respect to the grant of the Lease and right to use the Premises for the Permitted Use hereunder, and there are no oral representations, warranties, agreements, or

promises pertaining to this Lease or to any expressly mentioned exhibits and riders not incorporated in writing in this Lease.

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

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

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

s. Tenant's Right of First Refusal. In the event that the Landlord exercises its Termination Option, as set forth in Section 1(q), above, the Tenant shall have thirty (30) days following receipt of Landlord's written notice thereof to notify Landlord in writing whether or not it elects to pay Base Rent equal to the amounts agreed to by the proposed new tenant(s). If Tenant elects to pay such higher Base Rent amounts, Landlord shall be deemed not to have terminated this Lease, which shall continue in full force and effect in accordance with its terms, except that Section 1(o) shall be deemed to have been amended to reflect such higher Base Rent amounts. In the event that the Tenant elects not to pay such higher Base Rent amounts or fails to timely deliver written notice to Landlord of its election, then the Lease shall terminate ninety (90) days following the Landlord's written notice to Tenant of exercising Landlord's Termination Option, and the Lease shall thereafter be of no further force or effect, except for provisions that expressly survive the termination hereof. The right of first refusal set forth above shall be a one-time right.

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

u. 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.

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

w. 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.

x. 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.

y. 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.

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

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

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

b. Airfield. Landlord currently has Federal Aviation Administration approval to operate the airstrips located within the Project. The 6,500-foot north-south runway can accommodate large cargo aircrafts such as a C-130. While Landlord anticipates that there may be changes with respect to the use of the three (3) primary landing strips that are now in operation, Landlord intends to continue to operate the 6,500-foot north-south runway and will make the use of such runway available to Tenant in accordance with the existing Federal Aviation Administration certification. All flight arrangements must be approved through Landlord and any Tenant utilizing the runway for such flights must comply with the daytime Visual Flight Rule. Notwithstanding the foregoing, Landlord agrees that it will not cause or permit any material change in size, location or configuration of any airstrip or runway which will have an adverse effect on Tenant's ability to operate in the Premises or which will adversely affect access to the Premises. If Landlord does, then Tenant shall have the right to terminate this Agreement without penalty.

14. SECURITY CONDITIONS

Landlord and Tenant acknowledge and agree that the Project is located on property formerly owned and operated by the United States Air Force as the Reese Air Force Base, and that certain portions of the Project have been previously utilized by local, state and federal

governmental entities (hereinafter, “the Government”) in times of state or national emergencies to provide temporary evacuation shelters and other such uses. Additionally, Landlord has other tenants of the Project that require controlled access to the Airfield during certain operations. Landlord represents that the Government may continue to utilize the Project during the Term of this Lease in times of state or national emergency (with or without Landlord’s express consent), and other tenants of the Project, when approved by the Landlord, may require controlled access to the Airfield, and that such use could adversely affect Tenant’s ability to access the Premises and/or use the Common Areas due to additional security measures; provided, however, that such adverse impact shall only delay and shall not unreasonably deny access by Tenant to the Premises.

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

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

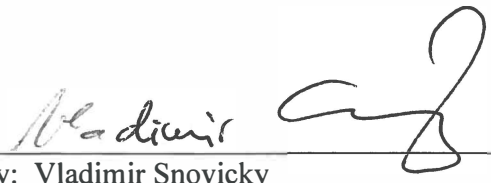
IN WITNESS WHEREOF, having read and intending to be bound by the terms hereof, the parties have signed this Lease on the date(s) set forth below.

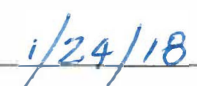
-----SIGNATURE PAGE FOLLOWS-----

LUBBOCK REESE
REDEVELOPMENT AUTHORITY
("Landlord")

OXY USA Inc.
("Tenant")


By: Jerry L. Bell
Its: President, Board of Directors


By: Vladimir Snovicky
Its: Controller


Date

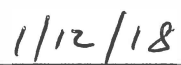

Date

EXHIBIT A

Site Plan



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

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

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

The Lease is supplemented as stated below:

1. Section 1, Subsection (j)

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

2. Section 1, Subsection (k)

(k) Option to Extend Term: Tenant shall have three (3) renewal options of two (2) years. The Lease shall renew only upon the express written agreement of the Parties hereto for the period specified in Section 1(j) and without the necessity for the execution of any further instrument and upon the same terms and conditions as are contained in this Lease, except the Base Rent will be as set forth in Section 1(o). For clarity, Tenant has previously elected the first (1st) renewal option, and as such this Amendment covers Tenant's election of the second (2nd) renewal option.

3. Section 1, Subsection (o)

Building Nos. 52 – 44,654 Sq. Ft.

TERM	ANNUAL RENT	MONTHLY RENT	Price/SF
2 nd Renewal Year 1 (02/1/2022 – 01/31/2023)	\$204,961.86	\$17,080.16	\$4.59
2 nd Renewal Year 2 (02/1/2023 – 01/31/2024)	\$208,980.72	\$17,415.06	\$4.68
3 rd Renewal Year 1 (02/01/2024 – 01/31/2025)	\$212,999.58	\$17,749.97	\$4.77
3 rd Renewal Year 2 (02/02/2025 – 01/31/2026)	\$217,464.98	\$18,122.08	\$4.87

Building Nos. 60 – 6,750 Sq. Ft.

TERM	ANNUAL RENT	MONTHLY RENT	Price/SF
2 nd Renewal Year 1 (02/1/2022 – 01/31/2023)	\$30,982.50	\$2,581.88	\$4.59
2 nd Renewal Year 2 (02/1/2023 – 01/31/2024)	\$31,590.00	\$2,632.50	\$4.68
3 rd Renewal Year 1 (02/01/2024 – 01/31/2025)	\$32,197.50	\$2,683.13	\$4.77
3 rd Renewal Year 2 (02/02/2025 – 01/31/2026)	\$32,872.50	\$2,739.38	\$4.87

20,000 Sq. Ft. of Laydown.

TERM	ANNUAL RENT	MONTHLY RENT	Price/SF
2 nd Renewal Year 1 (02/1/2022 – 01/31/2023)	\$26,600.00	\$2,216.67	\$1.33
2 nd Renewal Year 2 (02/1/2023 – 01/31/2024)	\$27,200.00	\$2,266.67	\$1.36
3 rd Renewal Year 1 (02/01/2024 – 01/31/2025)	\$27,800.00	\$2,316.67	\$1.39
3 rd Renewal Year 2 (02/02/2025 – 01/31/2026)	\$28,400.00	\$2,366.67	\$1.42

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

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

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

{SIGNATURE PAGE FOLLOWS}

LUBBOCK REESE
REDEVELOPMENT AUTHORITY
("Landlord")


By: Steve Verett, President

12/8/2021
Date

OXY USA, INC.
("Tenant")


By:

ANDREW WU
Printed Name:

ATTORNEY-IN-FACT
Title:

07 DECEMBER 2021
Date

EXHIBITS:

Exhibit A – Site Plan



BOARD ACTION ITEM No. 2024-0124-009
OXY USA, INC, SECOND LEASE AMENDMENT

BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
January 24, 2024

Items to be Considered:

- a. Approve a Second Lease Amendment for OXY USA.

Previous Board Action:

- a. The Board approved a lease for OXY that expired January 31, 2022.
- b. The Board approved a First Lease Amendment (in lieu of a new lease) December 2021 that extended terms by adding two additional renewal options for two years each extending the lease until January 31, 2026.

Statement of Pertinent Facts:

- a. OXY desires to exercise its option to renew the lease but requires modification.
- b. OXY desires to extend terms by adding two additional options to renew for two years each and by removing Building 60 and the laydown area.

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 Second Lease Amendment for OXY USA, Inc., subject to negotiations of final terms and conditions, on this 24th day of January 2024”

Approved by: _____
Tim Pierce, President

ATTEST: _____
LRRRA Board Member

AGENDA ITEM 7
LRRA USE OF PREMISES POLICY
EXECUTIVE SUMMARY

We have had many conversations about establishing a Use of Premises policy for the use of LRRA property for entities that do not have lease contracts with LRRA. Such use has accelerated over the years, specifically by first responders, and we currently do not charge first responders for such use, making it difficult and costly to accommodate all the needed uses. We estimate that our cost to manage and maintain the property for the specific areas used by first responders is about \$40,000 per year which does not include the added cost of having to purchase traffic barriers to ensure no one enters a restricted area or gets close to the runways. In researching similar uses around the state, we found that the Texas A&M facility, RELLIS (also a former air force base), recently started charging first responders for use of their facilities for training, so we began with their fees and policy in mind, and our costs, to establish our proposed policy. When comparing similar services, our proposed fees are significantly less than those charged at RELLIS.

See attached proposed policy for details.

Staff are requesting board approval for this policy.

Lubbock Reese Redevelopment Authority

Use of Premises Policy

Change Tracking

Version	Date	Approval Authority	Revision
v1	1/24/2024	LRRRA Board	Original Policy

Purpose and Objectives

The purpose of the LRRRA Use of Premises Policy is to establish guidelines and fees for use of LRRRA property to include, but not limited to, use of buildings, parking lots, the Driver Training Course, and airfield (collectively, “LRRRA facilities”). This Policy applies to Reese Technology Center (RTC) customers and property owners who do not have a separate agreement for use of LRRRA facilities; and other parties that may separately contract for use of the LRRRA facilities. LRRRA customers that have a contract for and pay a fee for use of the property are not subject to this policy.

The objectives are:

1. To manage and maintain the use of the property ensuring the safety and wellbeing of all RTC customers, property owners, their employees, and invitees.
2. To ensure fair and equitable cost sharing for use of the property by all customers and property owners.
3. To allow LRRRA to recover expenses associated with managing and maintaining the use of the LRRRA facilities.
4. This policy is intended for one-time, short-term, or periodic use of the property and is not appropriate for existing or future customers with which we have a long-term contract for such use.

Responsibility and Authority

The Manager of Operations shall be responsible for the management of this policy.

Overview

Use of LRRRA facilities, to include use of vacant buildings, parking lots, the designated driving course, and airfield has escalated in recent years by both private companies and public entities, particularly law enforcement agencies. Prior to this escalation, it had been relatively easy for LRRRA to coordinate and manage use of the LRRRA facilities at minimal cost to LRRRA. However, over the last two (2) years costs associated with overhead to manage the scheduling process (i.e., the cost of staff time) and to maintain the property including but not limited to the cost for weed control and foreign object debris removal on solid surfaces and the cost of clean up inside and around buildings after use, have escalated to the point that LRRRA must now recover such costs.

Allowable Use of Property

LRRA will allow property to be used for the following purposes:

1. Driver training for both public and private entities. This training shall take place solely inside the designated Driver Training Course, or in another area as designated by LRRA.
2. Research and development for vehicles and aircraft. This shall take place solely on the apron of the airfield or on a runway, as approved by LRRA.
3. First responder training in buildings for use by both public and private entities. Building use is limited to the former hospital, Building 1300, and the former law building, Building 123. At the sole discretion of the LRRA Chief Executive Officer (the “CEO”), LRRA may allow other buildings to be used.
4. Parking of large equipment or vehicles.
5. Other uses may be approved at the discretion of the CEO.

Right of Use/Right of Entry Agreement

Each entity wishing to use LRRA facilities will be required to enter into a Right of Use/Right of Entry Agreement, or other such agreement as may be determined by the CEO. Use of the LRRA facilities is not guaranteed and is not an exclusive right of use. LRRA may charge a no-show fee of up to 50% of the fees stated below if the customer reserves use of the property and does not cancel within 24 hours. There will be no charge for cancellation due to weather conditions.

Fees for Public Entities:

Area	Fee
Driver Training Course	\$500/day
Buildings	\$250/day
Parking Lots	\$50/day
Apron/Runways	\$1,000/day
Equipment/Vehicle Parking	\$75/month

The first 10 days of use during a calendar year shall be free of charge.

Fees for Private Entities:

Area	Fee
Driver Training Course	\$1,000/day
Buildings	\$500/day
Parking Lots	\$100/day
Apron/Runways	\$2,500/day
Equipment/Vehicle Parking	\$150/month

Note: Fees may be adjusted at the discretion of the CEO depending on other services provided or the scale of the scheduled event.

BOARD ACTION ITEM No. 2024-0124-010
LRRA USE OF PREMISES POLICY

BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRA)
January 24, 2024

Items to be Considered:

- a. Approve the LRRA Use of Premises Policy.

Previous Board Action:

- a. None.

Statement of Pertinent Facts:

- a. A Use of Premises Policy is needed to help establish guidelines and fees associated with public and private entities using LRRA facilities.

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 LRRA Use of Premises Policy as submitted, on this 24th day of January 2024.

Approved by: _____
Tim Pierce, President

ATTEST: _____
LRRA Board Member

CASH BALANCES - DECEMBER 31, 2023

	11/30/2023	12/31/2023	Change
General Fund Bank Accounts	\$ 4,006,471	\$ 4,013,924	\$ 7,453
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 119,875	\$ 113,820	\$ (6,055)
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ -	\$ -	\$ -
Total Cash	\$ 4,981,346	\$ 4,982,744	\$ 1,398
Accounts Receivable - G/F	\$ 166,874	\$ 215,739	\$ 48,865
Accounts Receivable - F/O	\$ 9,692	\$ 23,184	\$ 13,492
Total Accounts Receivable	\$ 176,566	\$ 238,923	\$ 62,357
Total Cash & Accounts Receivable	\$ 5,157,912	\$ 5,221,667	\$ 63,755

Aged Accounts Receivable as of 12/31/2023

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
222,723.95	14,848.36	1,351.21	-	-	238,923.52

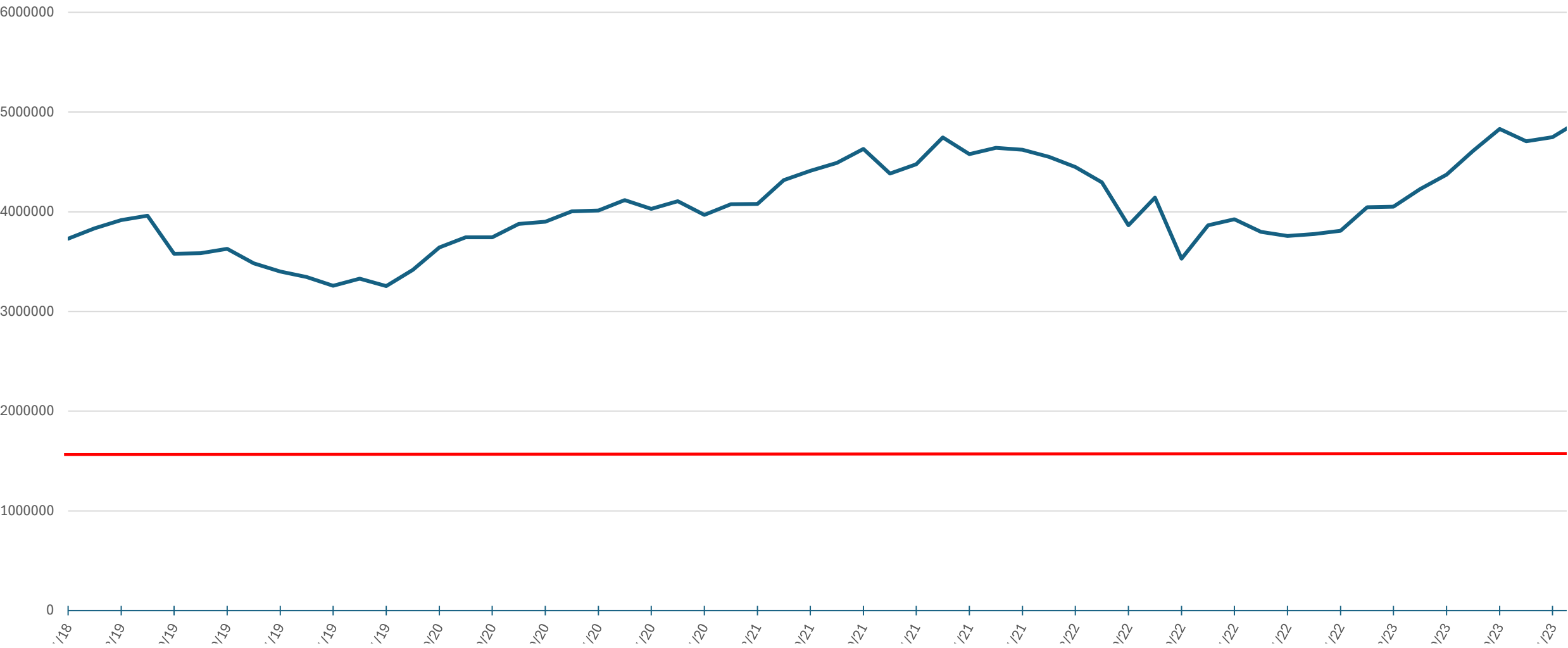
Aged Accounts Receivable as of 12/31/2023

222,723.95	14,848.36	1,351.21	-	-	238,923.52
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EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

\$ -

LRRA Available Cash
DECEMBER 2018 - 2023



FINANCIAL HIGHLIGHTS - DECEMBER 31, 2023

DESCRIPTION	Month G/F	Month F/O	Month's Total	YTD	G/F YTD	F/O	YTD Total
Operating Revenue	\$ 255,356	\$ 20,216	\$ 275,572	\$ 812,927	\$ 60,647	\$ 873,574	
Other Revenue - Usage Fees	\$ 16,186	\$ 2,430	\$ 18,616	\$ 64,471	\$ 5,759	\$ 70,230	
Total Revenue	\$ 271,542	\$ 22,646	\$ 294,188	\$ 877,398	\$ 66,406	\$ 943,804	
Expenses	\$ 244,136	\$ 9,970	\$ 254,106	\$ 572,674	\$ 26,976	\$ 599,650	
Net Income BPSID	\$ 27,406	\$ 12,676	\$ 40,082	\$ 304,724	\$ 39,430	\$ 344,154	
Interest Income - Plus	\$ 19,173	\$ -	\$ 19,173	\$ 56,662	\$ -	\$ 56,662	
Depreciation - Less	\$ (49,924)	\$ (3,283)	\$ (53,207)	\$ (149,773)	\$ (9,850)	\$ (159,623)	
Net Income	\$ (3,345)	\$ 9,393	\$ 6,048	\$ 211,613	\$ 29,580	\$ 241,193	

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 12/31/2023

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENTS	4,868,924	0	0	4,868,924
RESTRICTED CASH AND CASH EQUIVALENTS	0	113,820	0	113,820
ACCOUNTS RECEIVABLE	215,739	0	23,184	238,924
LEASES RECEIVABLE, CURRENT - GASB 87	1,694,234	0	80,874	1,775,108
INVESTMENT	0	0	0	0
DUE FROM FEDERAL GOVERNMENT	0	(21,528)	0	(21,528)
PREPAID EXPENSES	186,880	0	9,396	196,276
DUE FROM TRANSFERS	0	0	0	0
Total CURRENT ASSETS	6,965,777	92,292	113,454	7,171,523
NONCURRENT ASSETS				
LEASES RECEIVABLE, NET OF CURRENT PORTION	4,938,173	0	112,654	5,050,827
Total NONCURRENT ASSETS	4,938,173	0	112,654	5,050,827
CAPITAL ASSETS				
LAND	1,481,401	0	0	1,481,401
CONSTRUCTION IN PROGRESS	259,010	1,683,462	0	1,942,472
BUILDINGS	2,070,050	0	0	2,070,050
INFRASTRUCTURE AND RELATED IMPROVEMENTS	3,941,066	0	1,751,519	5,692,585
COMPUTERS AND OFFICE EQUIPMENT	83,702	0	147,431	231,133
BUILDINGS IMPROVEMENTS	4,172,188	0	250,840	4,423,027
VEHICLES	227,301	0	0	227,301
GROUND MAINTENANCE EQUIPMENT	277,450	0	158,387	435,837
RIGHT TO USE LEASE ASSET - GASB 87	15,500	0	0	15,500
BASE CONVEYANCE	0	0	0	0
BASE HOUSING	0	0	0	0
OTHER	0	0	0	0
LESS ACCUMULATED DEPRECIATION	(6,199,683)	0	(2,154,743)	(8,354,426)
LESS ACCUMULATED DEPRECIATION - GASB 87	(15,500)	0	0	(15,500)
Total CAPITAL ASSETS	6,312,485	1,683,462	153,434	8,149,381
NET PENSION ASSET				
NET PENSION ASSETS, NET	215,327	0	0	215,327
Total NET PENSION ASSET	215,327	0	0	215,327
Total ASSETS	18,431,762	1,775,753	379,542	20,587,058
DEFERRED OUTFLOWS OF RESOURCES				
EMPLOYER CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATE	16,500	0	0	16,500
CHANGE IN ASSUMPTIONS	21,691	0	0	21,691
DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE	24,739	0	0	24,739
Total DEFERRED OUTFLOWS OF RESOURCES	62,930	0	0	62,930
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	18,494,692	1,775,753	379,542	20,649,988

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 12/31/2023

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	2,849	0	490	3,339
ACCRUED EXPENSES	79,376	0	0	79,376
REFUNDABLE DEPOSITS	86,213	0	223	86,436
UNEARNED REVENUES	451,355	0	18,694	470,048
COMPENSATED ABSENSES	740	0	0	740
LEASE LIABILITY, CURRENT	3,392	0	0	3,392
LEASE PAYABLES	0	0	0	0
DUE TO TRANSFERS	0	0	0	0
OTHER LIABILITIES	0	0	0	0
Total CURRENT LIABILITIES	623,925	0	19,407	643,331
NON-CURRENT LIABILITIES				
LEASE LIABILITY, NET OF CURRENT PORTION	(2,625)	0	0	(2,625)
Total NON-CURRENT LIABILITIES	(2,625)	0	0	(2,625)
Total LIABILITIES	621,300	0	19,407	640,706
DEFERRED INFLOWS OF RESOURCES				
NET DIFF BETWEEN PROJECTED AND ACTUAL INVESTMENT EARNINGS	183,474	0	0	183,474
CHANGE IN ASSUMPTION	6,460	0	0	6,460
LEASES - GASB 87	6,422,697	0	189,160	6,611,857
Total DEFERRED INFLOWS OF RESOURCES	6,612,631	0	189,160	6,801,791
TOTAL LIABILITIES	7,233,931	0	208,567	7,442,497
FUND EQUITY				
BEGINNING OF PERIOD	11,094,842	1,775,753	95,304	12,965,899
TRANSFERS IN (OUT)	(45,184)	0	45,184	0
YEAR TO DATE EARNINGS	211,103	0	30,488	241,592
Total FUND EQUITY	11,260,762	1,775,753	170,976	13,207,491
TOTAL LIABILITY, FUND BALANCE, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	18,494,692	1,775,753	379,542	20,649,988

LUBBOCK REESE REDEVELOPMENT AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 From 10/1/2023 Through 12/31/2023

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES	877,398	-	66,407	943,805
OPERATING EXPENSES	722,447	-	36,826	759,273
OPERATING INCOME(LOSS)	154,951	-	29,581	184,532
NONOPERATING INTEREST INCOME	56,662	-	-	56,662
TRANSFERS IN (OUT)	(46,091)	-	46,091	-
NET NONOPERATING REVENUES	10,571	-	46,091	56,662
INCREASE (DECREASE) IN FUND EQUITY	165,522	-	75,672	241,194
FUND EQUITY, BEGINNING	11,094,842	1,775,753	95,304	12,965,899
FUND EQUITY, ENDING	11,260,364	1,775,753	170,976	13,207,093

LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2023 Through 12/31/2023

(In Whole Numbers)

	General Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES			
LEASE INCOME	593,643	0	593,643
DATA CENTER / FIBER OPTIC INCOME	0	60,647	60,647
COMMON AREA MAINTENANCE/PBT CAM	187,937	0	187,937
USAGE FEES	64,471	5,759	70,230
CONTRACT WORK INCOME	12,450	0	12,450
UTILITY FRANCHISE FEES	18,447	0	18,447
Total OPERATING REVENUES	876,948	66,407	943,355
NON-OPERATING REVENUES			
INTEREST EXPENSE / BANK CHARGES	(18)	0	(18)
MISCELLANEOUS INCOME	450	0	450
INTEREST INCOME	56,662	0	56,662
Total NON-OPERATING REVENUES	57,094	0	57,094
TOTAL REVENUES	934,042	66,407	1,000,449

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2023 Through 12/31/2023

(In Whole Numbers)

	Data Center / Fiber Optic		
	General Fund	Fund	Total
OPERATING EXPENSES			
COMPENSATION AND BENEFITS:			
SALARIES AND BENEFITS	257,433	-	257,433
CONTRACT SERVICES	6,094	-	6,094
GENERAL AND LIABILITY INSURANCE	59,912	3,153	63,065
Total COMPENSATION AND BENEFITS:	323,438	3,153	326,591
BUILDING REPAIRS AND MAINTENANCE:			
REPAIRS AND MAINTENANCE	135,110	-	135,110
BUILDING MAINTENANCE MATERIALS	6,565	135	6,700
MARKETING AND PROMOTIONAL EXPENSES	16,909	-	16,909
TRAVEL EXPENSES	5,065	-	5,065
PRINTING AND ADVERTISING	1,181	-	1,181
DEPRECIATION EXPENSE	149,773	9,850	159,624
TELEPHONE	485	-	485
OFFICE SUPPLIES	12,255	-	12,255
TRAINING AND TUITION EXPENSES	2,703	-	2,703
UTILITIES	50,077	10,096	60,173
Total BUILDING REPAIRS AND MAINTENANCE:	380,123	20,081	400,204
PROFESSIONAL SERVICES			
ACCOUNTING AND AUDITING FEES	288	-	288
LEGAL FEES	14,697	-	14,697
Total PROFESSIONAL SERVICES	14,985	-	14,985
COMPUTER SOFTWARE AND MAINTENANCE			
COMPUTER SOFTWARE AND MAINTENANCE	-	8,425	8,425
Total COMPUTER SOFTWARE AND MAINTENANCE	-	8,425	8,425
OTHER OPERATING EXPENSES			
BOARD EXPENSES	453	-	453
BANK CHARGES	18	-	18
INTERNET CHARGES	-	5,166	5,166
POSTAGE	338	-	338
MEETING EXPENSES	3,092	-	3,092
Total OTHER OPERATING EXPENSES	3,901	5,166	9,068
Total OPERATING EXPENSES	722,447	36,826	759,273

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 12/1/2023 Through 12/31/2023

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	186,009	183,333	2,676	593,643	550,000	43,643
PBT Cam Fees	62,646	62,417	229	187,937	187,250	687
Usage Fees	16,186	22,917	(6,730)	64,471	68,750	(4,279)
Contract Services	-	667	(667)	12,450	2,000	10,450
Utility Franchise Fees	6,701	1,667	5,035	18,447	13,070	5,377
Other-Miscellaneous	-	-	-	450	-	450
Total REVENUES	271,542	271,000	542	877,398	821,070	56,329
EXPENSES						
Salaries & Taxes	128,855	65,083	(63,772)	224,164	195,250	(28,914)
Benefits - Health, Retirement & Wkr's Comp	12,131	13,208	1,078	33,269	39,625	6,356
Insurance -Property & General Liabilities	19,971	20,417	446	59,912	61,250	1,338
Administrative Expenses	1,032	3,525	2,493	3,845	5,325	1,480
General Office Expenses	8,764	6,287	(2,477)	21,294	18,861	(2,433)
Accounting & Auditing Services	109	6,300	6,191	288	6,500	6,212
Legal Services	4,650	6,250	1,600	14,697	18,750	4,053
Network Maintenance Contract	1,599	1,167	(432)	5,463	3,500	(1,963)
Training & Travel	1,468	1,083	(385)	7,768	3,250	(4,518)
Marketing Expenses	10,133	5,833	(4,300)	16,788	17,500	712
Operations	30,771	45,908	15,137	135,110	137,725	2,615
Utilities	24,653	29,917	5,263	50,077	94,750	44,673
Total EXPENSES	244,136	204,979	(39,157)	572,674	602,286	29,613
NIBPSID	27,406	66,021	(38,615)	304,725	218,783	85,941
NON OPERATING REVENUE						
Interest Income	19,173	8,333	10,839	56,662	25,000	31,662
Total NON OPERATING REVENUE	19,173	8,333	10,839	56,662	25,000	31,662
DEPRECIATION						
Depreciation Expense	(49,924)	(52,083)	2,159	(149,773)	(156,250)	6,477
Total DEPRECIATION	(49,924)	(52,083)	2,159	(149,773)	(156,250)	6,477
Increase (Decrease) In Fund Equity	(3,345)	22,271	(25,617)	211,613	87,533	124,080

GENERAL FUND

Explanation of Significant Budget Variances

2023 DECEMBER

			Month Variance	YTD Variance	Explanations	Projected Outcome at Year End
Revenues, Usage	4260	\$	(6,730)	\$ (4,279)	Water usage is always low in winter - should catch in the summer	Year End is expected to be on budget
Revenues, Utility Franchise Fee	5,200	\$	5,035	\$ 5,377	SPEC check for Capital Credit received \$ 5,252.74	Year End is expected to be over budget
Expenses, Salaries & Taxes	5100, 5110	\$	(63,772)	\$ (28,914)	Staff vacancy	Year End is expected to be under budget
Expenses, General Office Expenses	,5200,5210,5250,5	\$	(2,477)	\$ (2,433)	Ice Maker	Year End is expected to be on budget.
Expenses, Marketing Expenses	5430	\$	(4,300)	\$ 712	Customer Christmas Gifts	Year End is expected to be on budget
Expenses, Operations	5900	\$	15,137	\$ 2,615	Repairs are as needed. Hard to calculate when they are needed	Year End is expected to be on budget.
Expenses, Utilities	5380	\$	5,263	\$ 44,673	Water usage is always low in winter - should catch in the summer	Year End is expected to be on budget.

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 12/1/2023 Through 12/31/2023

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	2,430	2,250	180	5,759	6,750	(991)
Fiber Optic/Wireless Income	20,216	17,917	2,299	60,647	53,750	6,897
Total REVENUES	22,646	20,167	2,480	66,407	60,500	5,907
EXPENSES						
Insurance -Property & General Liabilities	1,051	1,083	32	3,153	3,250	97
General Office Expenses	45	83	38	135	250	115
Computer Software & Maintenance	2,450	3,833	1,383	8,425	11,500	3,075
Internet	1,722	1,833	111	5,166	5,500	334
Building Maintenance & Repairs	-	1,250	1,250	-	3,750	3,750
Utilities	4,702	6,442	1,740	10,096	19,325	9,229
Total EXPENSES	9,970	14,525	4,555	26,976	43,575	16,599
NIBPSID	12,676	5,642	7,035	39,431	16,925	22,506
DEPRECIATION						
Depreciation Expense	(3,283)	(3,333)	50	(9,850)	(10,000)	150
Total DEPRECIATION	(3,283)	(3,333)	50	(9,850)	(10,000)	150
Increase (Decrease) In Fund Equity	9,393	2,308	7,084	29,581	6,925	22,656

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	186,009	183,333	2,676	593,643	550,000	43,643
PBT Cam Fees	62,646	62,417	229	187,937	187,250	687
Usage Fees	18,617	25,167	(6,550)	70,230	75,500	(5,270)
Contract Services	-	667	(667)	12,450	2,000	10,450
Utility Franchise Fees	6,701	1,667	5,035	18,447	13,070	5,377
Other-Miscellaneous	-	-	-	450	-	450
Fiber Optic/Wireless Income	20,216	17,917	2,299	60,647	53,750	6,897
Total REVENUES	294,189	291,167	3,022	943,805	881,570	62,235
EXPENSES						
Salaries & Taxes	128,855	65,083	(63,772)	224,164	195,250	(28,914)
Benefits - Health, Retirement & Wkr's Comp	12,131	13,208	1,078	33,269	39,625	6,356
Insurance -Property & General Liabilities	21,022	21,500	478	63,065	64,500	1,435
Administrative Expenses	1,032	3,525	2,493	3,845	5,325	1,480
General Office Expenses	8,809	6,370	(2,439)	21,429	19,111	(2,318)
Accounting & Auditing Services	109	6,300	6,191	288	6,500	6,212
Computer Software & Maintenance	2,450	3,833	1,383	8,425	11,500	3,075
Internet	1,722	1,833	111	5,166	5,500	334
Legal Services	4,650	6,250	1,600	14,697	18,750	4,053
Network Maintenance Contract	1,599	1,167	(432)	5,463	3,500	(1,963)
Training & Travel	1,468	1,083	(385)	7,768	3,250	(4,518)
Marketing Expenses	10,133	5,833	(4,300)	16,788	17,500	712
Operations	30,771	45,908	15,137	135,110	137,725	2,615
Building Maintenance & Repairs	-	1,250	1,250	-	3,750	3,750
Utilities	29,355	36,358	7,003	60,173	114,075	53,902
Total EXPENSES	254,106	219,504	(34,602)	599,649	645,861	46,212
NIBPSID	40,083	71,663	(31,580)	344,156	235,708	108,447
NON OPERATING REVENUE						
Interest Income	19,173	8,333	10,839	56,662	25,000	31,662
Total NON OPERATING REVENUE	19,173	8,333	10,839	56,662	25,000	31,662
DEPRECIATION						
Depreciation Expense	(53,208)	(55,417)	2,209	(159,624)	(166,250)	6,626
Total DEPRECIATION	(53,208)	(55,417)	2,209	(159,624)	(166,250)	6,626
Increase (Decrease) In Fund Equity	6,047	24,580	(18,532)	241,194	94,458	146,736

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

(In Whole Numbers)

	Current Month	Prior Year's			Prior Year's	
	Actual	Month Actual	Variance	YTD Actual	YTD Actual	Variance
REVENUES						
Leases	186,009	218,031	(32,022)	593,643	610,259	(16,616)
PBT Cam Fees	62,646	61,224	1,422	187,937	183,673	4,264
Usage Fees	18,617	18,948	(331)	70,230	64,019	6,211
Contract Services	-	2,388	(2,388)	12,450	3,308	9,142
Utility Franchise Fees	6,701	2,052	4,649	18,447	15,920	2,527
Other-Miscellaneous	-	-	-	450	133	317
Fiber Optic/Wireless Income	20,216	18,694	1,522	60,647	56,081	4,566
Total REVENUES	294,189	321,337	(27,148)	943,805	933,394	10,411
EXPENSES						
Salaries & Taxes	128,855	139,076	(10,221)	224,164	232,302	(8,138)
Benefits - Health, Retirement & Wkr's	12,131	12,912	(781)	33,269	31,780	1,489
Insurance -Property & General Liabilities	21,022	17,875	3,147	63,065	53,626	9,439
Administrative Expenses	1,032	3,882	(2,850)	3,845	4,552	(707)
General Office Expenses	8,809	6,331	2,478	21,429	13,481	7,948
Accounting & Auditing Services	109	82	27	288	248	40
Computer Software & Maintenance	2,450	2,941	(491)	8,425	9,817	(1,392)
Internet	1,722	1,232	490	5,166	4,676	490
Legal Services	4,650	-	4,650	14,697	10,050	4,647
Network Maintenance Contract	1,599	513	1,086	5,463	2,148	3,315
Training & Travel	1,468	1,328	140	7,768	4,415	3,353
Marketing Expenses	10,133	6,268	3,865	16,788	18,873	(2,085)
Operations	30,771	37,477	(6,706)	135,110	103,032	32,078
Building Maintenance & Repairs	-	-	-	-	1,067	(1,067)
Utilities	29,355	34,264	(4,909)	60,173	83,605	(23,432)
Total EXPENSES	254,106	264,181	(10,075)	599,649	573,672	25,977
NIBPSID	40,083	57,156	(17,073)	344,156	359,722	(15,566)
NON OPERATING REVENUE						
Interest Income	19,173	8,812	10,361	56,662	23,508	33,154
Total NON OPERATING REVENUE	19,173	8,812	10,361	56,662	23,508	33,154
DEPRECIATION						
Depreciation Expense	(53,208)	(53,208)	-	(159,624)	(159,624)	-
Total DEPRECIATION	(53,208)	(53,208)	-	(159,624)	(159,624)	-
Increase (Decrease) In Fund Equity	6,047	12,761	(6,714)	241,194	223,606	17,588

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 11/30/2023

(In Whole Numbers)

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENTS	4,861,471	0	0	4,861,471
RESTRICTED CASH AND CASH EQUIVALENTS	0	119,875	0	119,875
ACCOUNTS RECEIVABLE	166,874	0	9,692	176,567
LEASES RECEIVABLE, CURRENT - GASB 87	1,694,234	0	80,874	1,775,108
INVESTMENT	0	0	0	0
DUE FROM FEDERAL GOVERNMENT	0	(21,528)	0	(21,528)
PREPAID EXPENSES	207,719	0	10,447	218,166
DUE FROM TRANSFERS	0	0	0	0
Total CURRENT ASSETS	6,930,299	98,347	101,013	7,129,659
NONCURRENT ASSETS				
LEASES RECEIVABLE, NET OF CURRENT PORTION	4,938,173	0	112,654	5,050,827
Total NONCURRENT ASSETS	4,938,173	0	112,654	5,050,827
CAPITAL ASSETS				
LAND	1,481,401	0	0	1,481,401
CONSTRUCTION IN PROGRESS	259,010	1,683,462	0	1,942,472
BUILDINGS	2,070,050	0	0	2,070,050
INFRASTRUCTURE AND RELATED IMPROVEMENTS	3,941,066	0	1,751,519	5,692,585
COMPUTERS AND OFFICE EQUIPMENT	83,702	0	144,731	228,433
BUILDINGS IMPROVEMENTS	4,172,188	0	250,840	4,423,027
VEHICLES	227,301	0	0	227,301
GROUND MAINTENANCE EQUIPMENT	277,450	0	158,387	435,837
RIGHT TO USE LEASE ASSET - GASB 87	15,500	0	0	15,500
BASE CONVEYANCE	0	0	0	0
BASE HOUSING	0	0	0	0
OTHER	0	0	0	0
LESS ACCUMULATED DEPRECIATION	(6,149,759)	0	(2,151,459)	(8,301,218)
LESS ACCUMULATED DEPRECIATION - GASB 87	(15,500)	0	0	(15,500)
Total CAPITAL ASSETS	6,362,410	1,683,462	154,017	8,199,889
NET PENSION ASSET				
NET PENSION ASSETS, NET	215,327	0	0	215,327
Total NET PENSION ASSET	215,327	0	0	215,327
Total ASSETS	18,446,209	1,781,809	367,685	20,595,702
DEFERRED OUTFLOWS OF RESOURCES				
EMPLOYER CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATE	16,500	0	0	16,500
CHANGE IN ASSUMPTIONS	21,691	0	0	21,691
DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE	24,739	0	0	24,739
Total DEFERRED OUTFLOWS OF RESOURCES	62,930	0	0	62,930
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	18,509,139	1,781,809	367,685	20,658,632

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 11/30/2023

LIABILITIES

CURRENT LIABILITIES

ACCOUNTS PAYABLE	5,191	6,056	490	11,737
ACCRUED EXPENSES	78,953	0	0	78,953
REFUNDABLE DEPOSITS	86,213	0	223	86,436
UNEARNED REVENUES	458,176	0	18,694	476,869
COMPENSATED ABSENCES	740	0	0	740
LEASE LIABILITY, CURRENT	3,392	0	0	3,392
LEASE PAYABLES	0	0	0	0
DUE TO TRANSFERS	0	0	0	0
OTHER LIABILITIES	0	0	0	0
Total CURRENT LIABILITIES	632,664	6,056	19,407	658,126

NON-CURRENT LIABILITIES

LEASE LIABILITY, NET OF CURRENT PORTION	(2,331)	0	0	(2,331)
Total NON-CURRENT LIABILITIES	(2,331)	0	0	(2,331)

Total LIABILITIES

	630,333	6,056	19,407	655,795
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DEFERRED INFLOWS OF RESOURCES

NET DIFF BETWEEN PROJECTED AND ACTUAL INVESTMENT EARNINGS	183,474	0	0	183,474
CHANGE IN ASSUMPTION	6,460	0	0	6,460
LEASES - GASB 87	6,422,697	0	189,160	6,611,857
Total DEFERRED INFLOWS OF RESOURCES	6,612,631	0	189,160	6,801,791

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	7,242,964	6,056	208,567	7,457,586
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FUND EQUITY

BEGINNING OF PERIOD	11,094,842	1,775,753	95,304	12,965,899
TRANSFERS IN (OUT)	(43,627)	0	43,627	0
YEAR TO DATE EARNINGS	214,959	0	20,188	235,147
Total FUND EQUITY	11,266,174	1,775,753	159,118	13,201,046

**TOTAL LIABILITY, FUND BALANCE, DEFERRED
INFLOWS OF RESOURCES AND NET POSITION**

18,509,139	1,781,809	367,685	20,658,632
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LUBBOCK REESE REDEVELOPMENT AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 From 10/1/2023 Through 11/30/2023

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES	605,856	-	43,760	649,616
OPERATING EXPENSES	428,387	-	23,572	451,959
OPERATING INCOME(LOSS)	177,469	-	20,188	197,657
NONOPERATING INTEREST INCOME	37,489	-	-	37,489
TRANSFERS IN (OUT)	(43,627)	-	43,627	-
NET NONOPERATING REVENUES	(6,137)	-	43,627	37,489
INCREASE (DECREASE) IN FUND EQUITY	171,332	-	63,814	235,147
FUND EQUITY, BEGINNING	11,094,842	1,775,753	95,304	12,965,899
FUND EQUITY, ENDING	11,266,174	1,775,753	159,118	13,201,046

LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2023 Through 11/30/2023

(In Whole Numbers)

	General Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES			
LEASE INCOME	407,634	0	407,634
DATA CENTER / FIBER OPTIC INCOME	0	40,432	40,432
COMMON AREA MAINTENANCE/PBT CAM	125,291	0	125,291
USAGE FEES	48,284	3,329	51,613
CONTRACT WORK INCOME	12,450	0	12,450
UTILITY FRANCHISE FEES	11,746	0	11,746
Total OPERATING REVENUES	605,406	43,760	649,166
NON-OPERATING REVENUES			
INTEREST EXPENSE / BANK CHARGES	(13)	0	(13)
MISCELLANEOUS INCOME	450	0	450
INTEREST INCOME	37,489	0	37,489
Total NON-OPERATING REVENUES	37,926	0	37,926
TOTAL REVENUES	643,332	43,760	687,093

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2023 Through 11/30/2023

(In Whole Numbers)

	Data Center / Fiber Optic		
	General Fund	Fund	Total
OPERATING EXPENSES			
COMPENSATION AND BENEFITS:			
SALARIES AND BENEFITS	116,447	-	116,447
CONTRACT SERVICES	4,368	-	4,368
GENERAL AND LIABILITY INSURANCE	39,941	2,102	42,043
Total COMPENSATION AND BENEFITS:	160,756	2,102	162,858
BUILDING REPAIRS AND MAINTENANCE:			
REPAIRS AND MAINTENANCE	104,339	-	104,339
BUILDING MAINTENANCE MATERIALS	4,410	90	4,500
MARKETING AND PROMOTIONAL	6,776	-	6,776
TRAVEL EXPENSES	3,851	-	3,851
DEPRECIATION EXPENSE	99,849	6,567	106,416
TELEPHONE	277	-	277
OFFICE SUPPLIES	7,224	-	7,224
TRAINING AND TUITION EXPENSES	2,448	-	2,448
UTILITIES	25,424	5,394	30,818
Total BUILDING REPAIRS AND MAINTENANCE:	254,599	12,051	266,650
PROFESSIONAL SERVICES			
ACCOUNTING AND AUDITING FEES	179	-	179
LEGAL FEES	10,047	-	10,047
Total PROFESSIONAL SERVICES	10,226	-	10,226
COMPUTER SOFTWARE AND			
COMPUTER SOFTWARE AND	-	5,975	5,975
Total COMPUTER SOFTWARE AND	-	5,975	5,975
OTHER OPERATING EXPENSES			
BOARD EXPENSES	268	-	268
BANK CHARGES	13	-	13
INTERNET CHARGES	-	3,444	3,444
POSTAGE	338	-	338
MEETING EXPENSES	2,187	-	2,187
Total OTHER OPERATING EXPENSES	2,806	3,444	6,250
Total OPERATING EXPENSES	428,387	23,572	451,959

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 11/1/2023 Through 11/30/2023

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	185,701	183,333	2,367	407,634	366,667	40,968
PBT Cam Fees	62,646	62,417	229	125,291	124,833	458
Usage Fees	19,996	22,917	(2,921)	48,284	45,833	2,451
Contract Services	12,450	667	11,784	12,450	1,333	11,117
Utility Franchise Fees	1,746	1,667	79	11,746	11,403	343
Other-Miscellaneous	-	-	-	450	-	450
Total REVENUES	282,538	271,000	11,538	605,856	550,070	55,786
EXPENSES						
Salaries & Taxes	43,929	65,083	21,154	95,309	130,167	34,858
Benefits - Health, Retirement & Wkr's Comp	9,679	13,208	3,529	21,138	26,417	5,279
Insurance -Property & General Liabilities	19,971	20,417	446	39,941	40,833	892
Administrative Expenses	530	1,025	495	2,813	1,800	(1,013)
General Office Expenses	8,483	6,287	(2,196)	12,530	12,574	44
Accounting & Auditing Services	79	100	21	179	200	21
Legal Services	4,617	6,250	1,633	10,047	12,500	2,453
Network Maintenance Contract	2,316	1,167	(1,149)	3,864	2,333	(1,530)
Training & Travel	668	1,083	415	6,299	2,167	(4,132)
Marketing Expenses	1,979	5,833	3,854	6,655	11,667	5,012
Operations	39,007	45,908	6,902	104,339	91,817	(12,523)
Utilities	23,501	29,917	6,416	25,424	64,833	39,410
Total EXPENSES	154,758	196,279	41,521	328,538	397,308	68,770
NIBPSID	127,780	74,721	53,059	277,318	152,762	124,556
NON OPERATING REVENUE						
Interest Income	18,490	8,333	10,157	37,489	16,667	20,823
Total NON OPERATING REVENUE	18,490	8,333	10,157	37,489	16,667	20,823
DEPRECIATION						
Depreciation Expense	(49,924)	(52,083)	2,159	(99,849)	(104,167)	4,318
Total DEPRECIATION	(49,924)	(52,083)	2,159	(99,849)	(104,167)	4,318
Increase (Decrease) In Fund Equity	96,346	30,971	65,375	214,959	65,262	149,697

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 11/1/2023 Through 11/30/2023

DATA CENTER / FIBER OPTIC FUND

(In Whole Numbers)

	Current Month Actual	Current Period Budget - Original	Current Period Budget Variance - Original	YTD Actual	YTD Budget - Original	YTD Budget Variance - Original
REVENUES						
Usage Fees	2,418	2,250	168	3,329	4,500	(1,171)
Fiber Optic/Wireless Income	20,216	17,917	2,299	40,432	35,833	4,598
Total REVENUES	22,634	20,167	2,467	43,760	40,333	3,427
EXPENSES						
Insurance -Property & General Liabilities	1,051	1,083	32	2,102	2,167	65
General Office Expenses	45	83	38	90	167	77
Computer Software & Maintenance	2,450	3,833	1,383	5,975	7,667	1,692
Internet	1,722	1,833	111	3,444	3,667	222
Building Maintenance & Repairs	-	1,250	1,250	-	2,500	2,500
Utilities	5,039	6,442	1,403	5,394	12,883	7,489
Total EXPENSES	10,307	14,525	4,218	17,006	29,050	12,044
NIBPSID	12,327	5,642	6,685	26,755	11,283	15,472
DEPRECIATION						
Depreciation Expense	(3,283)	(3,333)	50	(6,567)	(6,667)	100
Total DEPRECIATION	(3,283)	(3,333)	50	(6,567)	(6,667)	100
Increase (Decrease) In Fund Equity	9,043	2,308	6,735	20,188	4,617	15,571

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	185,701	183,333	2,367	407,634	366,667	40,968
PBT Cam Fees	62,646	62,417	229	125,291	124,833	458
Usage Fees	22,414	25,167	(2,752)	51,613	50,333	1,280
Contract Services	12,450	667	11,784	12,450	1,333	11,117
Utility Franchise Fees	1,746	1,667	79	11,746	11,403	343
Other-Miscellaneous	-	-	-	450	-	450
Fiber Optic/Wireless Income	20,216	17,917	2,299	40,432	35,833	4,598
Total REVENUES	305,172	291,167	14,006	649,616	590,403	59,213
EXPENSES						
Salaries & Taxes	43,929	65,083	21,154	95,309	130,167	34,858
Benefits - Health, Retirement & Wkr's Comp	9,679	13,208	3,529	21,138	26,417	5,279
Insurance -Property & General Liabilities	21,022	21,500	478	42,043	43,000	957
Administrative Expenses	530	1,025	495	2,813	1,800	(1,013)
General Office Expenses	8,528	6,370	(2,157)	12,620	12,741	120
Accounting & Auditing Services	79	100	21	179	200	21
Computer Software & Maintenance	2,450	3,833	1,383	5,975	7,667	1,692
Internet	1,722	1,833	111	3,444	3,667	222
Legal Services	4,617	6,250	1,633	10,047	12,500	2,453
Network Maintenance Contract	2,316	1,167	(1,149)	3,864	2,333	(1,530)
Training & Travel	668	1,083	415	6,299	2,167	(4,132)
Marketing Expenses	1,979	5,833	3,854	6,655	11,667	5,012
Operations	39,007	45,908	6,902	104,339	91,817	(12,523)
Building Maintenance & Repairs	-	1,250	1,250	-	2,500	2,500
Utilities	28,540	36,358	7,818	30,818	77,717	46,899
Total EXPENSES	165,065	210,804	45,738	345,543	426,357	80,814
NIBPSID	140,107	80,363	59,744	304,073	164,045	140,028
NON OPERATING REVENUE						
Interest Income	18,490	8,333	10,157	37,489	16,667	20,823
Total NON OPERATING REVENUE	18,490	8,333	10,157	37,489	16,667	20,823
DEPRECIATION						
Depreciation Expense	(53,208)	(55,417)	2,209	(106,416)	(110,833)	4,418
Total DEPRECIATION	(53,208)	(55,417)	2,209	(106,416)	(110,833)	4,418
Increase (Decrease) In Fund Equity	105,389	33,280	72,110	235,147	69,879	165,268

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	185,701	206,141	(20,440)	407,634	392,228	15,406
PBT Cam Fees	62,646	61,224	1,422	125,291	122,449	2,842
Usage Fees	22,414	20,815	1,599	51,613	45,071	6,542
Contract Services	12,450	-	12,450	12,450	920	11,530
Utility Franchise Fees	1,746	11,120	(9,374)	11,746	13,868	(2,122)
Other-Miscellaneous	-	-	-	450	133	317
Fiber Optic/Wireless Income	20,216	18,694	1,522	40,432	37,388	3,044
Total REVENUES	305,172	317,995	(12,823)	649,616	612,057	37,559
EXPENSES						
Salaries & Taxes	43,929	46,668	(2,739)	95,309	93,226	2,083
Benefits - Health, Retirement & Wkr's	9,679	9,983	(304)	21,138	18,867	2,271
Insurance -Property & General Liabilities	21,022	17,875	3,147	42,043	35,751	6,292
Administrative Expenses	530	215	315	2,813	670	2,143
General Office Expenses	8,528	3,462	5,066	12,620	7,151	5,469
Accounting & Auditing Services	79	82	(3)	179	166	13
Computer Software & Maintenance	2,450	2,941	(491)	5,975	6,877	(902)
Internet	1,722	1,722	-	3,444	3,444	-
Legal Services	4,617	4,290	327	10,047	10,050	(3)
Network Maintenance Contract	2,316	1,086	1,230	3,864	1,635	2,229
Training & Travel	668	2,824	(2,156)	6,299	3,087	3,212
Marketing Expenses	1,979	9,797	(7,818)	6,655	12,605	(5,950)
Operations	39,007	30,567	8,440	104,339	65,555	38,784
Building Maintenance & Repairs	-	1,067	(1,067)	-	1,067	(1,067)
Utilities	28,540	32,259	(3,719)	30,818	49,341	(18,523)
Total EXPENSES	165,065	164,839	226	345,543	309,491	36,052
NIBPSID	140,107	153,156	(13,049)	304,073	302,566	1,507
NON OPERATING REVENUE						
Interest Income	18,490	7,625	10,865	37,489	14,695	22,794
Total NON OPERATING REVENUE	18,490	7,625	10,865	37,489	14,695	22,794
DEPRECIATION						
Depreciation Expense	(53,208)	(53,208)	-	(106,416)	(106,416)	-
Total DEPRECIATION	(53,208)	(53,208)	-	(106,416)	(106,416)	-
Increase (Decrease) In Fund Equity	105,389	107,573	(2,184)	235,147	210,845	24,302

January 24, 2024
LRRRA Quarterly Investments and Collatoralization Report

Bank and Account Title	Account Number Ending	Interest Yield	Benchmark Rate (6-Month US T-Bill)	Quarter 1		FY2024 Interest Earned YTD	Account	FDIC Insured or
				Interest Earned - Dec 2023	Oct		Balance as of 12/31/23	Collatoralization (market value)
PlainsCapital Operating Account	2003	5.12%	5.25%	\$ 10,462.32		\$ 10,462.32	\$ 819,948.58	\$ 1,449,201.00
Totals PlainsCapital				\$ 10,462.32		\$ 10,462.32	\$ 819,948.58	
Peoples Bank ICS/Sweep Account*	288	4.60%	5.25%	\$ 46,199.62		\$ 46,199.62	\$ 4,096,582.28	\$ 250,000.00
Peoples Bank EDA	575	0.00%	5.25%	\$ -		\$ -	\$ 113,819.87	\$ 250,000.00
Totals Peoples Bank				\$ 46,199.62		\$ 46,199.62	\$ 4,210,402.15	
Total of All Accounts				\$ 56,661.94		\$ 56,661.94	\$ 5,030,350.73	
Per our Investment Policy our Weighted Average Maturity (WAM) is 6 months. Our investments are all cash and available immediately								
*No more than \$250,000 (the FDIC insured amount) is invested in each bank as part of this program								



January 2024 EVENTS & ACTIVITIES

	DATE	EVENT
January	January 1	Closed for New Year's Day
	January 24	LRRA Board Meeting
Looking Ahead		
February	February 13	Lubbock Chamber Legislative Appreciation Luncheon
	February 24	SPC Scholarship Gala
	February 28	Lubbock Apartment Association State of the City Address