


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

Date: Wednesday, February 28, 2024

Time: 8:00 a.m.

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

AGENDA ITEMS	TAB	SPEAKER
Call the Meeting to Order		Tim Pierce
1. Citizen Comments - Any citizen wishing to appear before a regular meeting of the Lubbock Reese Redevelopment Authority Board of Directors, regarding any matter posted on the Board Agenda, shall complete the sign-up form provided at the meeting, no later than 7:45 a.m.	TAB 1	Tim Pierce
2. 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.	TAB 2	John Tye Murvati Musa
b. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters: <ul style="list-style-type: none"> <li>• Executive Director</li> <li>• Manager of Business Development</li> <li>• Manager of Accounting</li> <li>• Manager of Operations</li> <li>• Operations Lead</li> <li>• Service Technician</li> <li>• Service Technician</li> <li>• Service Technician</li> <li>• Operations, Marketing, Customer Care Coordinator</li> <li>• Administrative Assistant</li> <li>• Board of Directors</li> </ul>		Murvati Musa
c. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.071, Consultation with Attorney.		Darrell Guthrie
3. Action Item – Consider Minutes of the January 24, 2024, Board of Directors Meeting	TAB 3	Tim Pierce
4. Action Item – Consider Lease Agreement for Building 170, Blank Slate Innovation, LLC	TAB 4	Murvati Musa
5. Discussion Item – Financial Reports	TAB 5	Sandy Hamilton
6. Discussion Item – Reese Events & Activities	TAB 6	Murvati Musa

7. Presentation Item – Reese Technology Center Presentation in Preparation for the Strategic Framework Work Session	TAB 7	Murvat Musa
Adjourn the Meeting		
<p>Lubbock Reese Redevelopment Authority (LRRRA) will post this meeting agenda on its front doors and on its website at <a href="http://www.reesetechnologycenter.com/agendas/">http://www.reesetechnologycenter.com/agendas/</a> by 5:00 p.m., Friday, February 23, 2024.</p> <div style="text-align: center;">  </div> <p>by: _____ Murvat Musa, ED/CEO</p> <p>The LRRRA Board meetings are available to all persons regardless of disability. To notify the LRRRA of your attendance or if you require special assistance, please contact them at (806) 885-6592 or write Reese Technology Center, 9801 Reese Blvd., Suite 200, Lubbock, Texas 79416 at least 48 hours in advance of the meeting.</p>		

ITEM 1

# Citizen Comments

ITEM 2

# EXECUTIVE SESSION

Information to be provided at  
meeting  
(if applicable)

**Lubbock Reese Redevelopment Authority**  
**Minutes of the Regular Meeting of the Board of Directors**  
**January 24, 2024**

The Lubbock Reese Redevelopment Authority held its Regular Meeting at 8:00 a.m. January 24, 2024, 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.

**MEMBERS PRESENT**

Tim Pierce, President	John Tye	Jane Dever
Tim Collins, Vice President	George McMahan	
John Hamilton, Secretary/Treasurer	Jeff Mustin	

**MEMBERS ABSENT**

None

**OTHERS PRESENT**

**Reese Staff:**

Murvat Musa	CEO/Executive Director
Chris Evans	Operations Manager
Sandy Hamilton	Accounting Manager
Andrea Hamilton	Operations, Customer Care, & Marketing Coordinator
Cecilia Davila	Administrative Assistant

**Legal Counsel:** Darrell Guthrie

**Visitors:** Ty Harmon and Dr. Phil Sizer

**Call the meeting to order.**

Tim Pierce called the meeting to order at 8:04 a.m.

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

**ITEM 2**      **Matador UAS Consortium Presentation** - Ty Harmon & Dr. Phil Sizer presented an update on the Matador UAS Consortium.

**ITEM 3**      **Executive Session** – Tim Pierce called the Executive Session to order at 9:14 a.m.

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

No action was taken in the Executive Session.

**Reconvene the Board of Directors Meeting**

Tim Pierce adjourned the Executive Session at 9:44 a.m. and reconvened Open Session at 9:54 a.m.

**ITEM 4      Consider Minutes of the December 6, 2023, Board of Directors Meeting –**

John Tye moved to approve the minutes of the December 6, 2023, Board of Directors meeting, John Hamilton seconded; the motion passed 6-0.  
George McMahan was not present at the time of the vote.

**ITEM 5      Consider Lease Assignment of Building 51, Eburon Organics International II to A & B Ingredients (Organistry)**

Tim Collins moved to approve the lease assignment of Building 51, Eburon Organics International II to A & B Ingredients (Organistry), Jane Dever seconded; the motion passed 7-0.

**ITEM 6      Consider Second Lease Amendment for OXY USA to extend terms and remove Building 60 and Laydown**

Jeff Mustin moved to approve second lease amendment for OXY USA, to extend terms, and remove Building 60 and laydown, John Hamilton seconded; the motion passed 7-0

**ITEM 7      Consider LRRRA Use of Premises Policy**

Jeff Mustin moved to approve LRRRA Use of Premises policy, Jane Dever seconded; the motion passed 7-0.

**ITEM 8      Financial Reports**

Sandra Hamilton presented the November & December financial reports.

**ITEM 9      Reese Events and Activities**

Murvat Musa presented Reese activities and upcoming events to the Board.

**Adjournment**

Tim Pierce adjourned the meeting at 10:06 a.m.

Content of minutes agreed to and approved by:

Approved by \_\_\_\_\_  
Tim Pierce, President

ATTEST:

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

**AGENDA ITEM 4**  
**BLANK SLATE INNOVATION, LLC, BUILDING 170**  
**EXECUTIVE SUMMARY**

The Lease Review Committee has reviewed and supports this new lease.

Blank Slate Innovations is a startup created by Rob Duncan, PhD and Annie Sobel, MD. Rob and Annie are longtime customers of Reese. Rob is a TTU professor and operates the physics lab that TTU leases at Reese in Building 61. Annie formerly worked for TTU in several capacities. Rob and Annie co-founded Blank Slate Innovations, a veteran-owned and operated small business specializing in consulting, customer engineering, and the marketing of their emerging technology. Since this is a startup, there is no financial history and Rob and Annie will be funding this personally.

Building 170 will be used for office and lab space. This lease is for one year with two options to renew for one year each. The starting rent is \$12 per square foot.

See the attached deal sheet and lease for details.

Staff are requesting board approval for this lease.





# Reese Technology Center

Technology ★ Research ★ Engineering ★ Education ★ Manufacturing

## Deal Sheet

Blank Slate Innovation, LLC

Building 170

“Subject to Board Approval”

## Prospective Tenant:

Blank Slate Innovation, LLC, EIN 84-2707479

Robert Duncan

Annette Sobel

## Broker:

None

## Premises:

Building 170

1211 Runway Drive

Lubbock, TX 79416

## Permitted Uses:

Tenant may use the premises for office and lab space.

## Background:

Rob and Annie are longtime customers of Reese. Rob Duncan, PhD, is a professor of physics at TTU and operates the Center for Emerging Energy Sciences (CEES) at Reese which is in Building 61. Annie Sobel, MD, is a retired Major General and medical doctor and retired professor from TTU. Rob and Annie co-founded a start-up, Blank Slate Innovation, which is a veteran-owned and operated small business specializing in consulting, customer engineering, and the marketing of their emerging technology.

The building they want to lease, B170, was previously leased by TTU as a lab for Rob.

Rob and Annie have six patents pending (either patent disclosures or provisional patents) with TTU, and they have the ability to license them back to their company, if necessary, which is the purpose of this new company.

The products that they may develop are:

1) A ‘Sensor Integrated Block (SIB)’ to measure respiratory distress in humans and in horses, and to measure the respiratory efficiency in real-time, by quantitatively measuring the actual gas exchange in the lungs on every



# Reese Technology Center

Technology ★ Research ★ Engineering ★ Education ★ Manufacturing

breath. This is useful for home monitoring of 'long COVID symptoms, and other disorders such as COPD, HAPE, etc.

2) The development of optimal methods of producing numerous technical materials that are not available commercially from other suppliers, and to make these materials available commercially until the process licenses are sold to a major manufacturing concern. These materials presently include CR-39 resins, TiD2, ErD2, ErD3, LiOD, LiD, and may expand to include others in the future.

3) The development and commercial provision of scientific instruments that they have designed, developed, and built, including Ion-Cyclotron Mass Spectrometers, Calorimeters, Fast data-acquisition systems, radiation sensors (note, no radioisotopes or other nuclear processing will occur in this facility, just the construction of in-process instruments that are not hazardous), Raman spectrometers, and gas separation and purification systems.

4) General consulting and systems design services.

#### Financials:

There is no financial history for this company as it's a start-up and Rob and Annie will be funding it personally.

#### Type of Lease:

Modified Gross Lease

#### Primary Term for Building #170 (811 square feet):

Tenant will pay \$12.00 per square foot for a total of one (1) year.

Initial Term Lease Years	Total Annual Base Rent	Total Monthly Base Rent	Annual Base Rent Per Square Foot of Floor Area of the Premises (811 sq ft)
Year 1: March 1, 2024 – February 28, 2025	\$9,732.00	\$811.00	\$12.00
<b>Total</b>	<b>\$9,732.00</b>		

#### Renewal Options:

Tenant shall have two options to renew for one year each.

#### Termination Option:

None

# Reese Technology Center

Technology ★ Research ★ Engineering ★ Education ★ Manufacturing

## Security Deposit:

Tenant will pay a deposit equal to one month's rent in the amount of \$811.00.

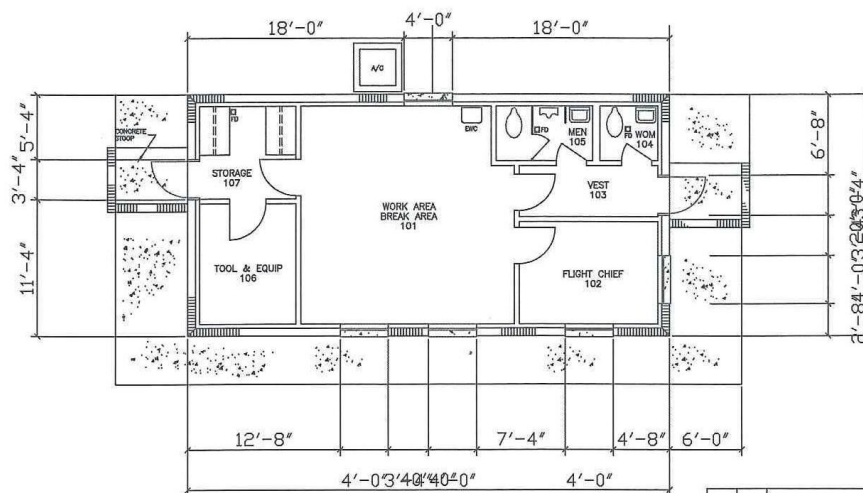
## Utilities:

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

## Maintenance & Expenses:

There is no make ready expense to Reese.

### BUILDING #170 APPROXIMATELY 811 SF



FLOOR PLAN  
SCALE 1/4"=1'-0"



REVISION	DATE	DESCRIPTION	DRAWN	APPROVED
UNITED STATES AIR FORCE REESE AIR FORCE BASE, TEXAS 79489				
FLIGHTLINE SHACKS BUILDING 170 RECORD DRAWING FLOOR PLAN				
DESIGNED A. VETTER	DRAWN JUNE 88	SCALE 1/4"=1'-0"	DRAWING NUMBER RD170	SHEET 1 OF 1

**STANDARD SHORT TERM INDUSTRIAL LEASE**

**BETWEEN**

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

**AS LANDLORD**

**AND**

**BLANK SLATE INNOVATION, L.L.C., a Texas limited liability company**

**AS TENANT**

**FOR PREMISES LOCATED AT**

**Reese Technology Center Building No. 170**

**1211 Runway Drive**

**Lubbock, Texas 79416**

## **STANDARD INDUSTRIAL LEASE**

This Standard Industrial Lease (the "Lease") is made this \_\_\_\_ day of February 2024, by and between LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas (hereinafter referred to as "Landlord") and BLANK SLATE INNOVATION, L.L.C., a Texas limited liability company, (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: Blank Slate Innovation, L.L.C., whose Federal Taxpayer Identification Number is 84-2707479.

(d) Tenant Address: 4500 Ocean Drive, Unit 1b, Corpus Christi, TX 78412.

(e) Guarantor: [NOT APPLICABLE].

(f) Guarantor's Address: [NOT APPLICABLE].

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

(h) Premises means that certain building ("Building") located at 1211 Runway Drive, Lubbock, Texas 79416, which is commonly known as Building #170, and identified as the "Premises" on the site plan attached hereto as **Exhibit A** (the "Site Plan"), and containing approximately 811 square feet of floor area, respectively.

(i) Initial Term (Years): One (1) year.

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

(k) Option to Extend Term: Tenant shall have two (2) renewal options of one (1) year each, such option to be exercised automatically unless Landlord receives written notice from Tenant of its desire not to exercise the option to extend term no less than one hundred eighty days (180) days prior to expiration of the Initial Term. Without receipt of such notice, this Lease shall be extended automatically for the period specified in Section 1(j) without the necessity for the execution of any further instrument and upon the same terms and conditions as are contained in this Lease, except the then existing Base Rent will be increased by a fixed four percent (4%) annually during each year of the extension period. 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, which will result in a "Revised Base Rent."

(l) Delivery Date: April 1, 2024.

(m) Commencement Date: April 1, 2024

(n) Termination Date: March 31, 2025.

(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:

<b>Initial Term Lease Years</b>	<b>Total Annual Base Rent</b>	<b>Total Monthly Base Rent</b>	<b>Annual Base Rent Per Square Foot of Floor Area of the Premises</b>
Year 1 March 1, 2024 – February 28, 2025	\$9,732.00	\$811.00	\$12.00
Renewal #1 March 1, 2025 – February 28, 2026	\$10,121.28	\$843.44	\$12.48
March 1, 2026 – February 28, 2027	\$10,526.78	\$877.23	\$12.98

(p) Security Deposit: Tenant will pay a security deposit of \$811.00 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.

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

(r) Early Termination Fee: [NOT APPLICABLE]

(s) Permitted Use: Tenant may use the Premises for office and lab space (collectively, "Permitted Use"). Any chemical storage in or near the building must meet Industry Safety

Standards, to include the marking of products with the appropriate chemical hazard warning labels and placards.

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

Plains Capital Bank

5010 University

Lubbock, TX 79413

Routing Number - 111322994

Account Number - 7260002003

Deposits need to indicate: LUBBOCK REESE REDEVELOPMENT AUTHORITY

## 2. DEFINITIONS

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

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

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

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

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

## 3. RENT AND RENT INVOICES

(a) Rent. Tenant agrees to pay to Landlord the Base Rent and any Utility charges billed by the Landlord set forth in Sections 1(o) and 8(a), respectfully, in advance, on the 1<sup>st</sup> day of each calendar month during the Term, without deduction or setoff, commencing on the Commencement Date. Rent will be considered past Due and in default if not received by the 10<sup>th</sup> of the month.

(b) Rent Invoices. All invoices from Landlord to Tenant for any Rent 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 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 Reese Technology Center Operating Manual, Land and Building Use Section, as amended, and as may be amended from time to time.

(3) Obey (i) all applicable federal, state, and local laws relating to the use, condition, and occupancy of the Premises and related to the Permitted Use; (ii) any requirements imposed by utility companies serving or insurance companies covering the Premises; and (iii) any rules and regulations for the Premises and Common Areas adopted by Landlord, to include the Reese Technology Center Operating Manual, Land and Building Use Section, as amended, and as may be amended from time to time.

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



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

(6) 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 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.

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

- (1) Use the Premises for any purpose other than the Permitted Use.
- (2) Create a nuisance, to include but not limited to excessive noise and noxious odors.
- (3) Interfere with any other tenant's normal business operations or Landlord's management of the Premises or Project.
- (4) Use the Premises in any way that would increase insurance premiums or void insurance on the Premises or the Project.
- (5) Change Landlord's lock system.
- (6) Allow a lien to be placed on the Premises.
- (7) Assign this lease or sublease any portion of the Premises without Landlord's prior express written consent.
- (8) Use the roof on the Premises, except as may be specifically authorized in writing by the Landlord.
- (9) Place any signs on the Premises without Landlord's written consent.
- (10) Bring suit against Landlord in connection with any claim or suit arising pursuant to Section 5(a)(13).

## **6. LANDLORD COVENANTS**

**(a) Landlord agrees to –**

- (1) Lease to Tenant the Premises for the entire Term beginning on the Delivery Date and ending on the Termination Date.
- (2) Obey all applicable laws with respect to Landlord's operation of the Premises and Project.
- (3) Subject to the requirements of Section 5(a)(2), repair and maintain the (i) roof, (ii) foundation, to include floor slab, (iii) structural soundness of load bearing and exterior walls, excluding windows, window glass, plate glass, and doors, and (iv) Common Areas, to include parking lots associated with the Premises and roads around the property and continuing to where these roads connect with roads maintained and repaired by Lubbock County, the City of Lubbock, the State of Texas, or the United States.

(4) 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 12(q), unreasonably withhold consent to a proposed assignment or sublease.

**7. COMMON AREAS**

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

(b) Maintenance of Common Areas. At all times during the Term, Landlord will maintain the Common Areas; 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, the 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. Subject to Section 3(a), Tenant shall promptly pay all charges for electricity, water, gas, telephone service, sewer service, and other utilities furnished to the Premises directly to the utility providing such service.

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

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

(e) Hazardous Waste Permit. Any hazardous waste permit under the Resource Conservation and Recovery Act, or its Texas equivalent, shall be limited to generation and transportation. The Tenant shall not, under any circumstances store any hazardous waste on or about the premises for any period in excess of ninety (90) days. Any violation of this requirement shall be deemed a material breach of this Lease. Hazardous storage facilities will not be available to the Tenant. The Tenant must provide at its own expense such storage facilities; complying with all laws and regulations it needs for temporary (less than ninety (90) days) storage.

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

## **11. INSURANCE AND WAIVER OF SUBROGATION**

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

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

(e) Release of Claims/Subrogation. LANDLORD AND TENANT RELEASE EACH OTHER AND 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. Tenant will not be entitled to abate Rent for any reason.

(c) Condemnation/Substantial or Partial Taking

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

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

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

(d) Uniform Commercial Code. Tenant grants Landlord a security interest in Tenant's personal property now or subsequently located on the Premises. This lease is a security agreement under the Uniform Commercial Code. Furthermore, Tenant authorizes Landlord to file a UCC-1 Financing Statement with the Texas Secretary of State to perfect its interest in Tenant's personal property now or subsequently located on the Premises, without any further signature or authorization of the Tenant, and this Lease and security agreement contained herein shall serve as a financing statement and may be filed if necessary. Notwithstanding the foregoing, if requested, Landlord shall execute a Subordination Agreement relating to any equipment or other personal property that is subject to third-party financing.

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

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

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

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

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

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

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

(5) failing to pay timely Rent;

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

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



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

(h) Default by Tenant/Landlord's Remedies. Landlord's remedies for Tenant's default are to (1) enter and take possession of the Premises; (2) enter the Premises and perform Tenant's obligations; and (3) terminate this Lease by written notice and sue for damages. Landlord may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be occupying the Premises, until the default is cured, without being liable for damages. If the Tenant fails to cure any default within ten (10) days after being locked out of the Premises, Landlord may consider all of Tenant's personal property Abandoned Property, as set forth in Section 12(u).

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

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

(k) Representations and Indemnities of Broker Relationships. Tenant 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:**

Blank Slate Innovation, LLC  
4500 Ocean Drive, Unit 1b  
Corpus Christi, TX 78412  
Attention: Annette Sobel  
Email: bigbitbucket@mac.com  
Telephone: 575-621-4284

Notices will be deemed given on the date received (or refused) when addressed to the parties at the addresses set forth above or in either case to such other addresses as Landlord or Tenant may designate to the other by notice. Notice may also be given by regular mail, personal delivery, courier delivery, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein. Without limiting the foregoing, any notice required or permitted to be given under this Lease may be sent by e-mail at the appropriate e-mail address set forth in this Section 12.m, as the same may be amended, or to such other e-mail address as Landlord or Tenant may from time to time designate in a notice to the other; provided that such e-mailed notice expressly states that it represents a notice under Section 12(m) of this Lease. Any e-mailed notice shall be deemed given on the date of delivery, provided that (i) such delivery is reasonably confirmed as received by the recipient (i.e., no error report is received by the sender); and (ii) if delivery occurs after 5:00 p.m. in the time zone of the recipient or on a non-business day, then such notice shall be deemed received on the first business day after the day of delivery.

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

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

(p) Entire Agreement. This Lease, together with the attached exhibits and riders, is the entire agreement of the Parties, and there are no oral representations, warranties, agreements, or promises pertaining to this lease or to any expressly mentioned exhibits and riders not incorporated in writing in this lease.

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

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

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

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

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

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

(v) Heirs, Successors, and Assigns. This Lease and the covenants, agreements and representations herein contained will be binding upon, and inure to the benefit of, the Parties hereto and their respective heirs, executors, administrators, successors, and assigns.

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

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

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

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

(aa) Chapter 2271 of the Texas Government Code. Tenant acknowledges that in accordance with Chapter 2270 of the Texas Government Code, the Landlord is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the Tenant that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms “boycott Israel” and “company” shall have the meanings ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this Lease, Tenant certifies that Tenant’s signature provides written verification to the Landlord that Tenant: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the Lease.***

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

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

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

(b) Airfield. Landlord currently has Federal Aviation Administration approval to operate the airstrips located within the Project. The 6,500-foot north-south runway can accommodate large cargo aircraft such as a C-130. While Landlord anticipates that there may be changes with respect to the use of the three (3) primary landing strips that are now in operation (including that the westernmost runway is non-operational, except in the case of a federal, state or local emergency), Landlord intends to continue to operate the 6,500-foot north-south runway and will make the use of such runway available to Tenant in accordance with the existing Federal Aviation Administration certification. With regard to the westernmost runway, Landlord has restricted use of such runway based on the operation of the commercial grade wind turbines that exist on the Project to the west of such runway, and Tenant agrees that it may not have access to

such runway. All flight arrangements must be approved through Landlord and any tenant utilizing the runway for such flights must comply with the daytime Visual Flight Rule. Notwithstanding the foregoing, Landlord agrees that it will not cause or permit any material change in size, location or configuration of any airstrip or runway which will have an adverse effect on Tenant's ability to operate in the Premises or which will adversely affect access to the Premises.

#### **14. SECURITY CONDITIONS**

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

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

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

**{SIGNATURE PAGE FOLLOWS}**

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

LUBBOCK REESE  
REDEVELOPMENT AUTHORITY  
("Landlord")

BLANK SLATE INNOVATION, L.L.C.  
("Tenant")

\_\_\_\_\_  
By: Murvat Musa  
Its: Chief Executive Officer

\_\_\_\_\_  
Date

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

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

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

\_\_\_\_\_  
Date

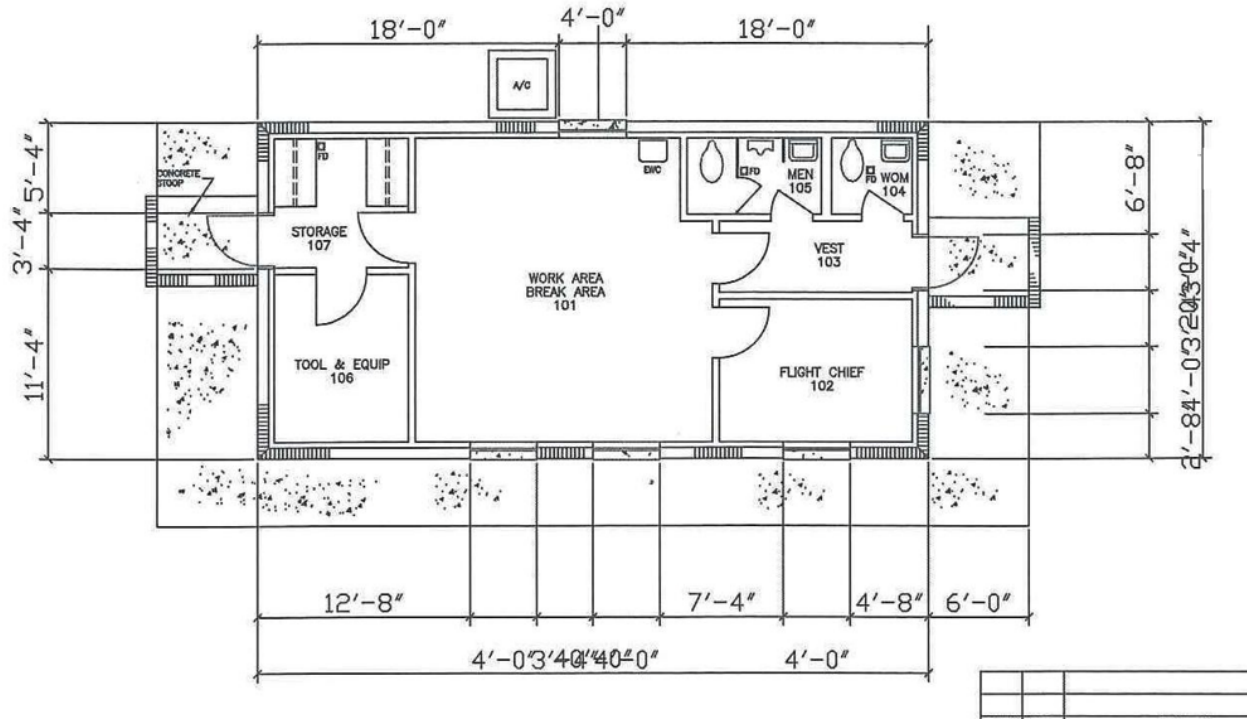
## EXHIBIT A

### Site Plan



Floor Plan

**BUILDING #170**  
**APPROXIMATELY 811 SF**





**BOARD ACTION ITEM No. 2024-0228-011**  
**BUILDING 170 LEASE FOR BLANK SLATE INNOVATION, LLC**

**BOARD OF DIRECTORS**  
**LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)**  
**February 28, 2024**

Item to be Considered:

Consider lease for Building 170 for Blank Slate Innovation, LLC

Previous Board Action:

There has been no previous Board action.

Statement of Pertinent Facts:

- One year lease with two options to renew for one year each.
- Starting rent is \$12 per square foot with 4% increases in the options years.
- There will be no make ready expense to LRRRA.

Advice, Opinions, Recommendations, and Motion:

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

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby authorizes its CEO/Executive Director to Execute the Lease for Building 170 to Blank Slate Innovation, LLC, subject to negotiation of final terms and conditions, on this 28<sup>th</sup> day of February 2024.”

\_\_\_\_\_  
Tim Pierce, President

ATTEST:

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

## CASH BALANCES - JANUARY 31, 2024

	12/31/2023	1/31/2024	Change
General Fund Bank Accounts	\$ 4,013,924	\$ 4,214,656	\$ 200,732
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 113,820	\$ 113,820	\$ -
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ -	\$ -	\$ -
<b>Total Cash</b>	<b>\$ 4,982,744</b>	<b>\$ 5,183,476</b>	<b>\$ 200,732</b>
Accounts Receivable - G/F	\$ 215,739	\$ 184,377	\$ (31,362)
Accounts Receivable - F/O	\$ 23,184	\$ 14,121	\$ (9,063)
<b>Total Accounts Receivable</b>	<b>\$ 238,923</b>	<b>\$ 198,498</b>	<b>\$ (40,425)</b>
<b>Total Cash &amp; Accounts Receivable</b>	<b>\$ 5,221,667</b>	<b>\$ 5,381,974</b>	<b>\$ 160,307</b>

### Aged Accounts Receivable as of 01/31/2024

1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
180,020.15	7,255.62	871.40	1,351.21	189,498.38

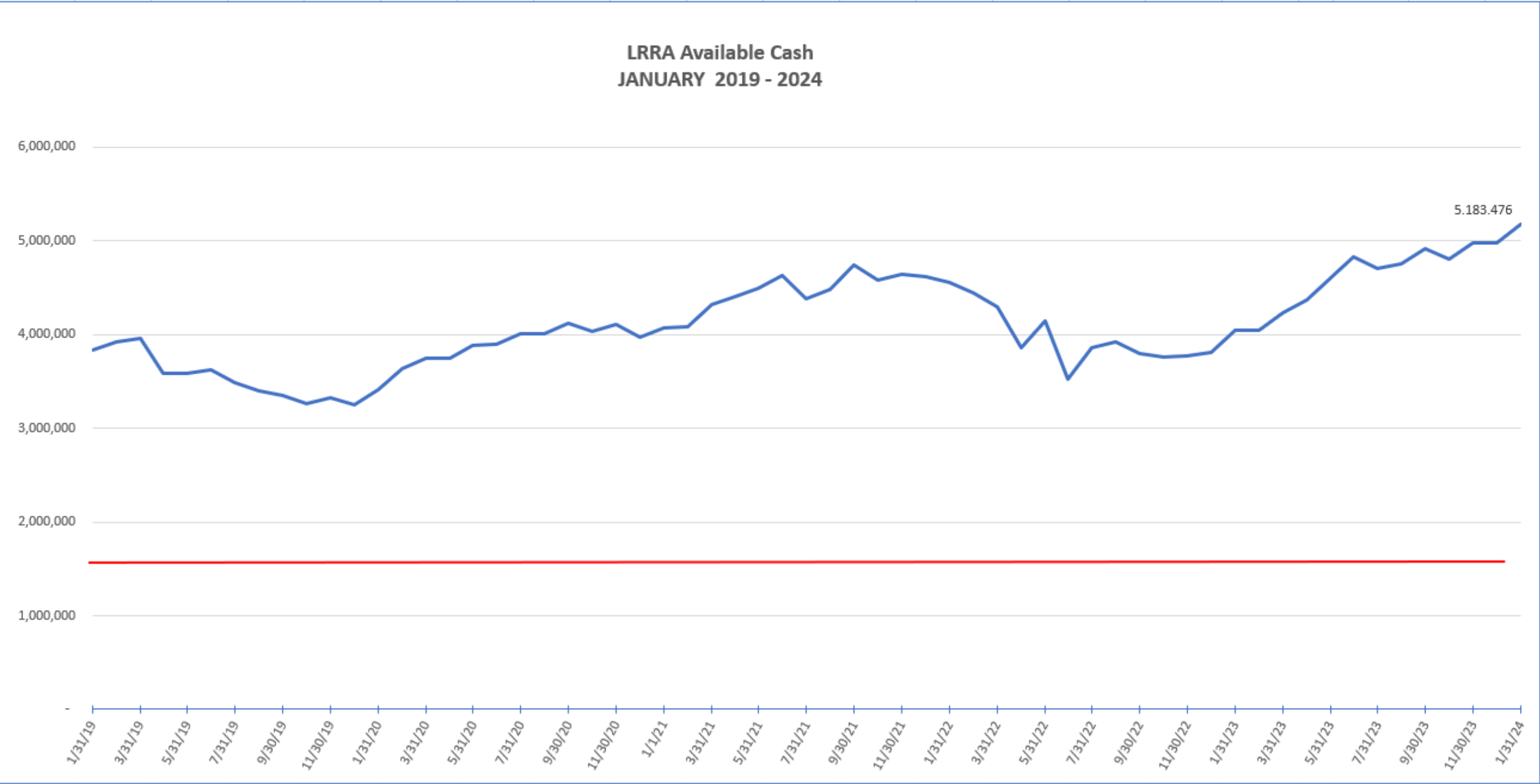
### Aged Accounts Receivable as of 02/20/2024

29,842.79	8,971.09	9,871.40	(6,989.10)	41,696.18
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### EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

\$ -
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LRRA Available Cash  
JANUARY 2019 - 2024



## FINANCIAL HIGHLIGHTS - JANUARY 31, 2024

DESCRIPTION	Month	Month	Month's Total	YTD	G/F YTD	F/O	YTD
	G/F	F/O					Total
Operating Revenue	\$ 251,031	\$ 20,216	\$ 271,247	\$ 1,017,024	\$ 80,863	\$ 1,097,887	
Other Revenue - Usage Fees	\$ 21,597	\$ 2,918	\$ 24,515	\$ 86,067	\$ 8,677	\$ 94,744	
Total Revenue	\$ 272,628	\$ 23,134	\$ 295,762	\$ 1,103,091	\$ 89,540	\$ 1,192,631	
Expenses	\$ 179,931	\$ 12,035	\$ 191,966	\$ 752,604	\$ 39,010	\$ 791,614	
Net Income BPSID	\$ 92,697	\$ 11,099	\$ 103,796	\$ 350,487	\$ 50,530	\$ 401,017	
Interest Income - Plus	\$ 19,586	\$ -	\$ 19,586	\$ 76,248	\$ -	\$ 76,248	
Depreciation - Less	\$ (49,924)	\$ (3,283)	\$ (53,207)	\$ (199,698)	\$ (13,134)	\$ (212,832)	
Net Income	\$ 62,359	\$ 7,816	\$ 70,175	\$ 227,037	\$ 37,396	\$ 264,433	

## LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet  
As of 1/31/2024

(In Whole Numbers)

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
<b>CURRENT ASSETS</b>				
CASH AND CASH EQUIVALENTS	5,069,656	-	-	5,069,656
RESTRICTED CASH AND CASH EQUIVALENTS	-	113,820	-	113,820
ACCOUNTS RECEIVABLE	184,377	-	14,121	198,498
LEASES RECEIVABLE, CURRENT - GASB 87	1,694,234	-	80,874	1,775,108
INVESTMENT	-	-	-	-
DUE FROM FEDERAL GOVERNMENT	-	(112,157)	-	(112,157)
PREPAID EXPENSES	180,364	-	8,328	188,692
DUE FROM TRANSFERS	-	-	-	-
<b>Total CURRENT ASSETS</b>	<b>7,128,632</b>	<b>1,663</b>	<b>103,323</b>	<b>7,233,617</b>
<b>NONCURRENT ASSETS</b>				
LEASES RECEIVABLE, NET OF CURRENT PORTION	4,938,173	-	112,654	5,050,827
<b>Total NONCURRENT ASSETS</b>	<b>4,938,173</b>	<b>-</b>	<b>112,654</b>	<b>5,050,827</b>
<b>CAPITAL ASSETS</b>				
LAND	1,481,401	-	-	1,481,401
CONSTRUCTION IN PROGRESS	-	1,683,462	-	1,683,462
BUILDINGS	2,070,050	-	-	2,070,050
INFRASTRUCTURE AND RELATED IMPROVEMENTS	3,941,066	-	1,751,519	5,692,586
COMPUTERS AND OFFICE EQUIPMENT	94,024	-	147,431	241,455
BUILDINGS IMPROVEMENTS	4,420,876	-	250,840	4,671,716
VEHICLES	226,903	-	-	226,903
GROUND MAINTENANCE EQUIPMENT	277,450	-	158,387	435,837
RIGHT TO USE LEASE ASSET - GASB 87	15,500	-	-	15,500
BASE CONVEYANCE	-	-	-	-
BASE HOUSING	-	-	-	-
OTHER	-	-	-	-
LESS ACCUMULATED DEPRECIATION	(6,249,608)	-	(2,158,026)	(8,407,634)
LESS ACCUMULATED DEPRECIATION - GASB 87	(15,500)	-	-	(15,500)
<b>Total CAPITAL ASSETS</b>	<b>6,262,163</b>	<b>1,683,462</b>	<b>150,151</b>	<b>8,095,776</b>
<b>NET PENSION ASSET</b>				
NET PENSION ASSETS, NET	215,327	-	-	215,327
<b>Total NET PENSION ASSET</b>	<b>215,327</b>	<b>-</b>	<b>-</b>	<b>215,327</b>
<b>Total ASSETS</b>	<b>18,544,295</b>	<b>1,685,124</b>	<b>366,128</b>	<b>20,595,547</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
EMPLOYER CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT	16,500	-	-	16,500
CHANGE IN ASSUMPTIONS	21,691	-	-	21,691
DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE	24,739	-	-	24,739
<b>Total DEFERRED OUTFLOWS OF RESOURCES</b>	<b>62,930</b>	<b>-</b>	<b>-</b>	<b>62,930</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>18,607,225</b>	<b>1,685,124</b>	<b>366,128</b>	<b>20,658,477</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	21,282	-	713	21,995
ACCRUED EXPENSES	56,555	-	-	56,555
REFUNDABLE DEPOSITS	109,006	-	-	109,006
UNEARNED REVENUES	444,560	-	20,216	464,775
COMPENSATED ABSENSES	9,604	-	-	9,604
LEASE LIABILITY, CURRENT	1,645	-	-	1,645
LEASE PAYABLES	-	-	-	-
DUE TO TRANSFERS	-	-	-	-
OTHER LIABILITIES	-	-	-	-
<b>Total CURRENT LIABILITIES</b>	<b>642,652</b>	<b>-</b>	<b>20,929</b>	<b>663,580</b>
<b>NON-CURRENT LIABILITIES</b>				
LEASE LIABILITY, NET OF CURRENT PORTION	(1,173)	-	-	(1,173)
<b>Total NON-CURRENT LIABILITIES</b>	<b>(1,173)</b>	<b>-</b>	<b>-</b>	<b>(1,173)</b>
<b>Total LIABILITIES</b>	<b>641,479</b>	<b>-</b>	<b>20,929</b>	<b>662,408</b>

LUBBOCK REESE REDEVELOPMENT AUTHORITY  
Balance Sheet  
As of 1/31/2024

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
<b>DEFERRED INFLOWS OF RESOURCES</b>				
NET DIFF BETWEEN PROJECTED AND ACTUAL INVESTMENT	183,474	-	-	183,474
CHANGE IN ASSUMPTION	6,460	-	-	6,460
LEASES - GASB 87	6,422,697	-	189,160	6,611,857
<b>Total DEFERRED INFLOWS OF RESOURCES</b>	<b>6,612,631</b>	<b>-</b>	<b>189,160</b>	<b>6,801,791</b>
<b>TOTAL LIABILITIES</b>	<b>7,254,110</b>	<b>-</b>	<b>210,089</b>	<b>7,464,199</b>
<b>FUND EQUITY</b>				
BEGINNING OF PERIOD	11,150,875	1,685,124	93,846	12,929,845
TRANSFERS IN (OUT)	(24,797)	-	24,797	-
YEAR TO DATE EARNINGS	227,037	-	37,396	264,434
<b>Total FUND EQUITY</b>	<b>11,353,115</b>	<b>1,685,124</b>	<b>156,039</b>	<b>13,194,279</b>
<b>TOTAL LIABILITY, FUND BALANCE, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>18,607,225</b>	<b>1,685,124</b>	<b>366,128</b>	<b>20,658,477</b>
Total report	-	-	-	-

LUBBOCK REESE REDEVELOPMENT AUTHORITY  
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
 From 10/1/2023 Through 1/31/2024

(In Whole Numbers)

	<b>General Fund</b>	<b>EDA Grant Fund</b>	<b>Data Center / Fiber Optic Fund</b>	<b>Total</b>
OPERATING REVENUES	1,103,091	-	89,541	1,192,632
OPERATING EXPENSES	952,302	-	52,144	1,004,446
<b>OPERATING INCOME(LOSS)</b>	<b>150,789</b>	<b>-</b>	<b>37,396</b>	<b>188,185</b>
NONOPERATING INTEREST INCOME	76,248	-	-	76,248
TRANSFERS IN (OUT)	(24,797)	-	24,797	-
<b>NET NONOPERATING REVENUES</b>	<b>51,451</b>	<b>-</b>	<b>24,797</b>	<b>76,248</b>
<b>INCREASE (DECREASE) IN FUND</b>	<b>202,240</b>	<b>-</b>	<b>62,193</b>	<b>264,434</b>
<b>FUND EQUITY, BEGINNING</b>	<b>11,150,875</b>	<b>1,685,124</b>	<b>93,846</b>	<b>12,929,845</b>
<b>FUND EQUITY, ENDING</b>	<b>11,353,115</b>	<b>1,685,124</b>	<b>156,039</b>	<b>13,194,279</b>

## LUBBOCK REESE REDEVELOPMENT AUTHORITY

## SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2023 Through 1/31/2024

*(In Whole Numbers)*

	<b>General Fund</b>	<b>Data Center / Fiber Optic Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
LEASE INCOME	732,101	0	732,101
DATA CENTER / FIBER OPTIC INCOME	0	80,863	80,863
COMMON AREA MAINTENANCE/PBT CAM	250,582	0	250,582
USAGE FEES	86,067	8,677	94,745
CONTRACT WORK INCOME	12,450	0	12,450
UTILITY FRANCHISE FEES	18,447	0	18,447
<b>Total OPERATING REVENUES</b>	<b>1,099,648</b>	<b>89,541</b>	<b>1,189,189</b>
<b>NON-OPERATING REVENUES</b>			
INTEREST EXPENSE / BANK CHARGES	(21)	0	(21)
MISCELLANEOUS INCOME	3,443	0	3,443
INTEREST INCOME	76,248	0	76,248
<b>Total NON-OPERATING REVENUES</b>	<b>79,670</b>	<b>0</b>	<b>79,670</b>
<b>TOTAL REVENUES</b>	<b>1,179,318</b>	<b>89,541</b>	<b>1,268,859</b>



**LUBBOCK REESE REDEVELOPMENT AUTHORITY**

Statement of Revenues and Expenditures

From 10/1/2023 Through 1/31/2024

(In Whole Numbers)

	Data Center /		
	Fiber Optic		
	General Fund	Fund	Total
<b>OPERATING EXPENSES</b>			
<b>COMPENSATION AND BENEFITS:</b>			
SALARIES AND BENEFITS	321,356	-	321,356
CONTRACT SERVICES	7,888	832	8,720
GENERAL AND LIABILITY INSURANCE	81,416	4,285	85,701
<b>Total COMPENSATION AND BENEFITS:</b>	<b>410,660</b>	<b>5,117</b>	<b>415,777</b>
<b>BUILDING REPAIRS AND MAINTENANCE:</b>			
REPAIRS AND MAINTENANCE	175,402	-	175,402
BUILDING MAINTENANCE MATERIALS	8,720	180	8,900
MARKETING AND PROMOTIONAL EXPENSES	25,025	-	25,025
TRAVEL EXPENSES	5,065	-	5,065
PRINTING AND ADVERTISING	1,236	-	1,236
DEPRECIATION EXPENSE	199,698	13,134	212,832
TELEPHONE	623	-	623
OFFICE SUPPLIES	14,981	-	14,981
TRAINING AND TUITION EXPENSES	3,115	-	3,115
UTILITIES	81,015	15,950	96,965
<b>Total BUILDING REPAIRS AND MAINTENANCE:</b>	<b>514,881</b>	<b>29,264</b>	<b>544,145</b>
<b>PROFESSIONAL SERVICES</b>			
ACCOUNTING AND AUDITING FEES	370	-	370
LEGAL FEES	20,547	-	20,547
<b>Total PROFESSIONAL SERVICES</b>	<b>20,916</b>	<b>-</b>	<b>20,916</b>
<b>COMPUTER SOFTWARE AND MAINTENANCE</b>			
COMPUTER SOFTWARE AND MAINTENANCE	-	10,875	10,875
<b>Total COMPUTER SOFTWARE AND</b>	<b>-</b>	<b>10,875</b>	<b>10,875</b>
<b>OTHER OPERATING EXPENSES</b>			
BOARD EXPENSES	453	-	453
BANK CHARGES	21	-	21
INTERNET CHARGES	-	6,889	6,889
POSTAGE	854	-	854
MEETING EXPENSES	4,496	-	4,496
LICENSES AND FEES	20	-	20
<b>Total OTHER OPERATING EXPENSES</b>	<b>5,845</b>	<b>6,889</b>	<b>12,733</b>
<b>Total OPERATING EXPENSES</b>	<b>952,302</b>	<b>52,144</b>	<b>1,004,446</b>

LUBBOCK REESE REDEVELOPMENT AUTHORITY  
Statement of Revenues and Expenditures  
From 1/1/2024 Through 1/31/2024

**GENERAL FUND**


(In Whole Numbers)

	Current Month Actual	Current Month Budget	Current Month Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
<b>REVENUES</b>						
Leases	185,392	183,333	2,059	732,101	733,333	(1,232)
PBT Cam Fees	62,646	62,417	229	250,582	249,667	916
Usage Fees	21,597	22,917	(1,320)	86,067	91,667	(5,599)
Contract Services	-	667	(667)	12,450	2,667	9,784
Utility Franchise Fees	-	1,667	(1,667)	18,447	14,736	3,711
Other-Miscellaneous	2,993	-	2,993	3,443	-	3,443
<b>Total REVENUES</b>	<b>272,628</b>	<b>271,000</b>	<b>1,628</b>	<b>1,103,091</b>	<b>1,092,070</b>	<b>11,022</b>
<b>EXPENSES</b>						
Salaries & Taxes	49,444	65,083	15,639	273,608	260,333	(13,275)
Benefits - Health, Retirement & Wkr's Comp	14,479	13,208	(1,271)	47,747	52,833	5,086
Insurance -Property & General Liabilities	21,505	20,417	(1,088)	81,416	81,667	251
Administrative Expenses	1,619	1,025	(594)	5,464	6,350	886
General Office Expenses	5,595	6,287	692	26,889	25,148	(1,741)
Accounting & Auditing Services	82	8,600	8,518	370	15,100	14,731
Legal Services	5,850	6,250	400	20,547	25,000	4,453
Network Maintenance Contract	1,599	1,167	(432)	7,062	4,667	(2,395)
Training & Travel	413	1,083	671	8,180	4,333	(3,847)
Marketing Expenses	8,116	5,833	(2,282)	24,904	23,333	(1,571)
Operations	40,292	45,908	5,616	175,402	183,633	8,231
Utilities	30,938	34,917	3,979	81,015	129,667	48,651
<b>Total EXPENSES</b>	<b>179,931</b>	<b>209,779</b>	<b>29,848</b>	<b>752,604</b>	<b>812,065</b>	<b>59,461</b>
<b>NIBPSID</b>	<b>92,697</b>	<b>61,221</b>	<b>31,476</b>	<b>350,487</b>	<b>280,005</b>	<b>70,482</b>
<b>NON OPERATING REVENUE</b>						
Interest Income	19,586	8,333	11,253	76,248	33,333	42,915
<b>Total NON OPERATING REVENUE</b>	<b>19,586</b>	<b>8,333</b>	<b>11,253</b>	<b>76,248</b>	<b>33,333</b>	<b>42,915</b>
<b>DEPRECIATION</b>						
Depreciation Expense	(49,924)	(52,083)	2,159	(199,698)	(208,333)	8,636
<b>Total DEPRECIATION</b>	<b>(49,924)</b>	<b>(52,083)</b>	<b>2,159</b>	<b>(199,698)</b>	<b>(208,333)</b>	<b>8,636</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>62,359</b>	<b>17,471</b>	<b>44,887</b>	<b>227,037</b>	<b>105,005</b>	<b>122,033</b>

GENERAL FUND

Explanation of Significant Budget Variances

2024 JANUARY

			Month Variance	YTD Variance	Explanations	Projected Outcome at Year End
Expenses, Salaries & Taxes	5100, 5110	\$	15,639	\$ (13,275)	Staff vacancy	Year End is expected to be under budget
Expenses, Accounting & Auditing Services	5700	\$	8,518	\$ 14,731	Audit costs have not been billed	Year End is expected to be on budget.
Expenses, Utilities	5380	\$	3,979	\$ 48,651	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 1/1/2024 Through 1/31/2024

**DATA CENTER / FIBER OPTIC FUND**

(In Whole Numbers)

	Current Month Actual	Current Month Budget	Current Month Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
<b>REVENUES</b>						
Usage Fees	2,918	2,250	668	8,677	9,000	(323)
Fiber Optic/Wireless Income	20,216	17,917	2,299	80,863	71,667	9,196
<b>Total REVENUES</b>	<b>23,134</b>	<b>20,167</b>	<b>2,967</b>	<b>89,541</b>	<b>80,667</b>	<b>8,874</b>
<b>EXPENSES</b>						
Insurance -Property & General Liabilities	1,132	1,083	(48)	4,285	4,333	48
General Office Expenses	45	83	38	180	333	153
Computer Software & Maintenance	2,450	3,833	1,383	10,875	15,333	4,458
Internet	1,722	1,833	111	6,889	7,333	445
Building Maintenance & Repairs	832	1,250	418	832	5,000	4,168
Utilities	5,854	6,442	588	15,950	25,767	9,817
<b>Total EXPENSES</b>	<b>12,035</b>	<b>14,525</b>	<b>2,490</b>	<b>39,010</b>	<b>58,100</b>	<b>19,090</b>
<b>NIBPSID</b>	<b>11,099</b>	<b>5,642</b>	<b>5,457</b>	<b>50,530</b>	<b>22,567</b>	<b>27,963</b>
<b>DEPRECIATION</b>						
Depreciation Expense	(3,283)	(3,333)	50	(13,134)	(13,333)	199
<b>Total DEPRECIATION</b>	<b>(3,283)</b>	<b>(3,333)</b>	<b>50</b>	<b>(13,134)</b>	<b>(13,333)</b>	<b>199</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>7,816</b>	<b>2,308</b>	<b>5,507</b>	<b>37,396</b>	<b>9,233</b>	<b>28,163</b>

## COMBINED FUNDS

	Current Month Actual	Current Month Budget	Current Month Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
REVENUES						
<b>Leases</b>	185,392	183,333	2,059	732,101	733,333	(1,232)
PBT Cam Fees	62,646	62,417	229	250,582	249,667	916
Usage Fees	24,515	25,167	(652)	94,745	100,667	(5,922)
Contract Services	-	667	(667)	12,450	2,667	9,784
Utility Franchise Fees	-	1,667	(1,667)	18,447	14,736	3,711
Other-Miscellaneous	2,993	-	2,993	3,443	-	3,443
Fiber Optic/Wireless Income	20,216	17,917	2,299	80,863	71,667	9,196
<b>Total REVENUES</b>	<b>295,761</b>	<b>291,167</b>	<b>4,595</b>	<b>1,192,632</b>	<b>1,172,736</b>	<b>19,896</b>
EXPENSES						
Salaries & Taxes	49,444	65,083	15,639	273,608	260,333	(13,275)
Benefits - Health, Retirement & Wkr's Comp	14,479	13,208	(1,271)	47,747	52,833	5,086
Insurance -Property & General Liabilities	22,636	21,500	(1,136)	85,701	86,000	299
Administrative Expenses	1,619	1,025	(594)	5,464	6,350	886
General Office Expenses	5,640	6,370	731	27,069	25,482	(1,587)
Accounting & Auditing Services	82	8,600	8,518	370	15,100	14,731
Computer Software & Maintenance	2,450	3,833	1,383	10,875	15,333	4,458
Internet	1,722	1,833	111	6,889	7,333	445
Legal Services	5,850	6,250	400	20,547	25,000	4,453
Network Maintenance Contract	1,599	1,167	(432)	7,062	4,667	(2,395)
Training & Travel	413	1,083	671	8,180	4,333	(3,847)
Marketing Expenses	8,116	5,833	(2,282)	24,904	23,333	(1,571)
Operations	40,292	45,908	5,616	175,402	183,633	8,231
Building Maintenance & Repairs	832	1,250	418	832	5,000	4,168
Utilities	36,792	41,358	4,566	96,965	155,433	58,468
<b>Total EXPENSES</b>	<b>191,966</b>	<b>224,304</b>	<b>32,338</b>	<b>791,615</b>	<b>870,165</b>	<b>78,550</b>
<b>NIBPSID</b>	<b>103,796</b>	<b>66,863</b>	<b>36,933</b>	<b>401,017</b>	<b>302,571</b>	<b>98,446</b>
NON OPERATING REVENUE						
Interest Income	19,586	8,333	11,253	76,248	33,333	42,915
<b>Total NON OPERATING REVENUE</b>	<b>19,586</b>	<b>8,333</b>	<b>11,253</b>	<b>76,248</b>	<b>33,333</b>	<b>42,915</b>
DEPRECIATION						
Depreciation Expense	(53,208)	(55,417)	2,209	(212,832)	(221,667)	8,835
<b>Total DEPRECIATION</b>	<b>(53,208)</b>	<b>(55,417)</b>	<b>2,209</b>	<b>(212,832)</b>	<b>(221,667)</b>	<b>8,835</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>70,174</b>	<b>19,780</b>	<b>50,395</b>	<b>264,434</b>	<b>114,238</b>	<b>150,196</b>

## 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
<b>REVENUES</b>						
Leases	185,392	159,426	25,966	732,101	769,685	(37,584)
PBT Cam Fees	62,646	61,224	1,422	250,582	244,898	5,684
Usage Fees	24,515	20,169	4,346	94,745	84,188	10,557
Contract Services	-	-	-	12,450	3,308	9,142
Utility Franchise Fees	-	2,163	(2,163)	18,447	18,083	364
Other-Miscellaneous	2,993	1	2,992	3,443	134	3,309
Fiber Optic/Wireless Income	20,216	18,694	1,522	80,863	74,775	6,088
<b>Total REVENUES</b>	<b>295,761</b>	<b>261,677</b>	<b>34,084</b>	<b>1,192,632</b>	<b>1,195,071</b>	<b>(2,439)</b>
<b>EXPENSES</b>						
Salaries & Taxes	49,444	47,998	1,446	273,608	280,300	(6,692)
Benefits - Health, Retirement & Wkr's	14,479	10,410	4,069	47,747	42,190	5,557
Insurance -Property & General Liabilities	22,636	17,875	4,761	85,701	71,501	14,200
Administrative Expenses	1,619	1,676	(57)	5,464	6,227	(763)
General Office Expenses	5,640	7,327	(1,687)	27,069	20,808	6,261
Accounting & Auditing Services	82	82	-	370	329	41
Computer Software & Maintenance	2,450	2,941	(491)	10,875	12,758	(1,883)
Internet	1,722	2,212	(490)	6,889	6,889	-
Legal Services	5,850	7,620	(1,770)	20,547	17,670	2,877
Network Maintenance Contract	1,599	550	1,049	7,062	2,699	4,363
Training & Travel	413	1,125	(712)	8,180	5,540	2,640
Marketing Expenses	8,116	3,391	4,725	24,904	22,264	2,640
Operations	40,292	40,957	(665)	175,402	143,989	31,413
Building Maintenance & Repairs	832	-	832	832	1,067	(235)
Utilities	36,792	36,717	75	96,965	120,322	(23,357)
<b>Total EXPENSES</b>	<b>191,966</b>	<b>180,881</b>	<b>11,085</b>	<b>791,615</b>	<b>754,553</b>	<b>37,062</b>
<b>NIBPSID</b>	<b>103,796</b>	<b>80,796</b>	<b>23,000</b>	<b>401,017</b>	<b>440,518</b>	<b>(39,501)</b>
<b>NON OPERATING REVENUE</b>						
Interest Income	19,586	10,940	8,646	76,248	34,448	41,800
<b>Total NON OPERATING REVENUE</b>	<b>19,586</b>	<b>10,940</b>	<b>8,646</b>	<b>76,248</b>	<b>34,448</b>	<b>41,800</b>
<b>DEPRECIATION</b>						
Depreciation Expense	(53,208)	(53,208)	-	(212,832)	(212,832)	-
<b>Total DEPRECIATION</b>	<b>(53,208)</b>	<b>(53,208)</b>	<b>-</b>	<b>(212,832)</b>	<b>(212,832)</b>	<b>-</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>70,174</b>	<b>38,529</b>	<b>31,645</b>	<b>264,434</b>	<b>262,135</b>	<b>2,299</b>



## February 2024 EVENTS & ACTIVITIES

	DATE	EVENT
February	February 5	Chris presents at the American Public Works Association
	February 13	Lubbock Chamber Legislative Appreciation Luncheon
	February 24	SPC Scholarship Gala
	February 28	LRRA Board Meeting Lubbock Apartment Association State of the City Address
	February 29	PlainsCapital Bank 2024 Economic Outlook Luncheon
Looking Ahead		
March	March 2	Murvat - Reese Presentation to The Round Table
	March 6	LRRA Strategic Framework Work Session
	March 7	YWCA Women of Excellence Celebration
	March 21	TML Quarterly
	March 27	LRRA Board Meeting

ITEM 7

Reese  
Technology  
Center  
Presentation