

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

Date: Wednesday, April 24, 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. Action Item – Administer Oath of Office to Julie Holladay as Board Member	TAB 2	Tim Pierce
3. Presentation Item – KBR	TAB 3	Mark Dieter Eric Nardo
4. a. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.072, regarding certain matters concerning real property. Discussions regarding interest in the lease, sale, or value of buildings and property. b. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters: <ul style="list-style-type: none"> • Executive Director • Manager of Accounting • Manager of Operations • Operations Lead • Service Technician • Service Technician • Service Technician • Operations, Marketing, Customer Care Coordinator • Administrative Assistant • Board of Directors c. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.071, Consultation with Attorney.	TAB 4	John Tye Muvat Musa Muvat Musa Darrell Guthrie
5. Action Item – Consider Minutes of the March 27, 2024, Board of Directors Meeting	TAB 5	Tim Pierce
6. Action Item – Consider Board Nomination of Brian Kimberly to replace Tim Collins who resigned to run for Lubbock City Councilman, District 6	TAB 6	Tim Pierce

7. Action Item – Consider Clean Energy Services CES, LLC, Lease Termination Agreement	TAB 7	Murvat Musa
8. Action Item – Consider Amended Resolution Designating Building 930 Being Leased to Vulpes Corp (“Vulpes Project”) as a Redevelopment Project	TAB 8	Murvat Musa
9. Action Item – Consider New Lease for KBR, Inc.	TAB 9	Murvat Musa
10. Discussion Item – Financial Reports	TAB 10	Sandy Hamilton
11. Discussion Item – Reese Events & Activities	TAB 11	Murvat Musa
Adjourn the Meeting		Tim Pierce

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

Oath of Office

ITEM 3

KBR

Presentation



ITEM 4

EXECUTIVE SESSION

Information to be provided at
meeting
(if applicable)

Lubbock Reese Redevelopment Authority
Minutes of the Regular Meeting of the Board of Directors
March 27, 2024

The Lubbock Reese Redevelopment Authority held its Regular Meeting at 8:00 a.m. March 27, 2024, at the Reese Technology Center, LRRRA Board Room, 9801 Reese Boulevard, Suite 200, Lubbock, TX 79416.

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

MEMBERS PRESENT

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

MEMBERS ABSENT

Julie Holladay was appointed to the Board by Lubbock County on March 25, 2024, to replace Jane Dever. She was unable to attend this meeting.

OTHERS PRESENT

Reese Staff:

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

Legal Counsel: Darrell Guthrie via video conference

Visitors: None

Call the meeting to order.

Tim Pierce called the meeting to order at 8:05 a.m.

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

ITEM 2 **Executive Session** – Tim Pierce called the Executive Session to order at 8:06 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 taken in the Executive Session.

Reconvene the Board of Directors Meeting

Tim Pierce adjourned the Executive Session at 9:19 a.m. and reconvened Open Session at 9:28 a.m.

- ITEM 3** **Approved the Minutes of the February 28, 2024, Board of Directors Meeting –**
Tim Collins moved to approve the minutes of the February 28, 2024, Board of Directors meeting, Jeff Mustin seconded; the motion passed 6-0.

- ITEM 4** **Approved the LRRRA Investment Policy and Strategy**
John Tye moved to approve the LRRRA Investment Policy and Strategy, John Hamilton seconded; the motion passed 6-0.

- ITEM 5** **Financial Reports**
Muvat Musa presented the February financial reports.

- ITEM 6** **Reese Events and Activities**
Muvat Musa presented Reese Technology Center activities and upcoming events to the Board of Directors.

Adjournment

Tim Pierce adjourned the meeting at 9:42 a.m.

Content of minutes agreed to and approved by:

Approved by _____
Tim Pierce, President

ATTEST:

LRRRA Board Member

**AGENDA ITEM 6
EXECUTIVE SUMMARY
BOARD NOMINATION OF
BRIAN KIMBERLY TO REPLACE TIM COLLINS**

The Board vacancy left by Tim Collins, who resigned in April 2024 to run for Lubbock City Council, has necessitated a replacement. Brian Kimberly, Director of Real Estate and Facilities for City Bank, is being considered for that position. This appointment would be for Brian to finish out Tim's unexpired term which ends September 30, 2027, after which, he may serve two more four-year terms. Once this board makes the nomination, the city of Lubbock will consider Brian for appointment at their May 14 city council meeting.

See the attached biography for more details on Brian.



Brian Kimberly's Biography

Brian Kimberly joined City Bank in May of 2015 as the Director of Real Estate & Facilities. Brian is responsible for the day to day operations and property management of all the City Bank locations. City Bank has owned and leased facilities in the Dallas metroplex area, Houston, the Permian Basin, El Paso and Ruidoso. City Bank has multi-tenant facilities in Lubbock, Forney, El Paso and Ruidoso, which Brian is responsible for the leasing, space modifications/construction and property management. In 2017 Brian added Bank Security Officer to his role. In this role Brian is responsible for employee and customer safety & security as well as facility security.

Prior to joining City Bank, Brian worked for a Lubbock Commercial Real Estate Company as a Tenant Representative. Brian has held his Texas Real Estate License since 1994. Brian and his family moved to Lubbock in September of 2012 when he accepted the role as Director of Business Development for Reese Technology Center where he spent two years cultivating relationships.

Before moving to Lubbock from Dallas where Brian was born and raised, he spent 18 years as a National Tenant Representative for two national commercial real estate firms traveling the country and managing real estate portfolios for national & international companies.

When not at work, Brian is an avid outdoorsman and enjoys camping, hunting, golfing and traveling with his wife of 24 years and his son.

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

BOARD ACTION ITEM No.2024-0424-013
NOMINATION OF BRIAN KIMBERLY TO LRRRA BOARD

Item to be Considered:

Consider Nomination of Brian Kimberly for Board Appointment to Replace Unexpired Term of Tim Collins who resigned to run for Lubbock City Council

Previous Board Action:

- a. The LRRRA Board of Directors nominates individuals to serve as board members to fill vacancies as provided for in the LRRRA by-laws.

Statement of Pertinent Facts:

- a. Article 3.02 of the Amended By-Laws of the Authority stipulates that there be seven (7) directors, each with experience in one of five (5) areas.
- b. Tim Collins, whose term is 10/1/2023 through 9/30/2027, has resigned his position as of 4/24/2024 to run for Lubbock City Council.
- c. The LRRRA Board has met to consider the nomination of Brian Kimberly.
- d. The City Council of Lubbock will make the final appointment.

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 nominates Brian Kimberly to fill a board vacancy, as submitted, on this 24th day of April 2024.”

Tim Pierce, Board President

ATTEST:

LRRRA Board Member

**AGENDA ITEM 7
EXECUTIVE SUMMARY
CLEAN ENERGY SERVICES
LEASE TERMINATION AGREEMENT**

Clean Energy Services (CES) leases 588 square feet of office space in Building 36. Their lease is for 3 years which started February 1, 2023. They pay \$12.36 per square foot and the remaining value of the lease is \$13,541.64. They have been a good customer with no issues. CES is requesting early termination of their lease due to the following market conditions:

- The wind industry is experiencing significant slowdown, including a materially slower roll out of new government subsidies that were announced via the Inflation Reduction Act in 2022. One and a half years later Wind activity is significantly slower than expected.
- Customers are pausing projects due to the upcoming election and the unknown impacts to government programs that support the deployment of renewables, including wind.
- Decreased activity in the industry has affected their company significantly.
- CES doesn't have the financial liquidity to wait around and see if market conditions strengthen. They need to be agile with a reduced cost structure to survive the downturn.
- While they value the partnership with Reese, they are currently in survival mode. They have laid off personnel and are consolidating our cost structure.

As was previously discussed with the Board, staff have negotiated an early lease termination upon CES paying for the remainder of the second year (10 months), which is \$6,056.40. CES agrees with these terms.

Staff recommends the Board approve the attached Early Termination Agreement.

LEASE TERMINATION AGREEMENT

This Lease Termination Agreement (the "Agreement") is entered into by and between Lubbock Reese Development Authority ("Landlord") and Clean Energy Services CES LLC ("Tenant") sets forth as follows:

WHEREAS, on or about January 27, 2023, the Parties entered into a Standard Industrial Lease (the "Lease") for the premises known as Building No. 36 located physically at Suite No. 120, 9924 Research Boulevard North, Lubbock, TX 79416 and containing approximately 588 square feet (the "Leased Premises");

WHEREAS, the Lease commenced on February 1, 2023, for an initial term of three (3) years and only provided for termination should the Tenant move into another space owned by the Landlord:

WHEREAS, the Tenant intends to terminated its business operations located on the Leased Premises on or about May 1, 2024; and

WHEREAS, the Parties have reached an agreement with respect to the Tenant's termination of the Lease, which the Parties desire to memorialize in this Agreement;

NOW THEREFORE, in consideration of the mutual promises herein contained, the Parties agree as follows:

1. Landlord shall retain the Security Deposit in the sum of \$588.00.
2. Tenant shall pay to Landlord on or before May 1, 2024, the sum of \$6,056.40 (the "Lease Termination Payment").
3. Upon payment of the Lease Termination Payment by the Tenant to the Landlord, the Landlord shall release the Tenant from any and all obligations under the provisions of the Lease;

and the Tenant shall release the Landlord from any and all obligations under the provisions of the Lease.

4. It is further understood and agreed that the Landlord has no obligation to the Tenant to mitigate or return any portion of the Lease Termination Payment should the Landlord lease the Leased Premises to another tenant.

5. This Agreement shall be construed, interpreted, and enforced according to the laws of the State of Texas.

6. Counterparts; Signatures. This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original copy of this Agreement and all of which, when taken together, will be deemed to constitute one and the same agreement. The exchange of copies of this Agreement 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 Agreement as to the parties and may be used in lieu of the original Agreement 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 Agreement by Landlord shall not be considered a waiver of Landlord's sovereign immunity to suit.

IN WITNESS WHEREOF, the Parties have executed this Agreement as of April ____, 2024.

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

**LUBBOCK REESE DEVELOPMENT
AUTHORITY**

By: Murvat Musa

Its: Chief Executive Officer

CLEAN ENERGY SERVICES CES LLC

By: _____

Its: _____

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

BOARD ACTION ITEM No. 2024-0424-014
CLEAN ENERGY SERVICES (CES) LEASE TERMINATION AGREEMENT

Item to be Considered:

Lease Termination Agreement for Clean Energy Services CES, LLC

Previous Board Action:

The LRRRA Board of Directors approved a lease for CES for 588 square feet of office space in Building 36 on January 25, 2023

Statement of Pertinent Facts:

For the following reasons, CES wishes to terminate this lease early:

- The wind industry is experiencing significant slowdown, including a materially slower roll out of new government subsidies that were announced via the Inflation Reduction Act in 2022. One and a half years later Wind activity is significantly slower than expected.
- Customers are pausing projects due to the upcoming election and the unknown impacts to government programs that support the deployment of renewables, including wind.
- Decreased activity in the industry has affected their company significantly.
- CES doesn't have the financial liquidity to wait around and see if market conditions strengthen. They need to be agile with a reduced cost structure to survive the downturn.
- While they value the partnership with Reese, they are currently in survival mode. They have laid off personnel and are consolidating our cost structure.

Staff have negotiated an early termination agreement which requires CES to pay the balance of the current years' rent, which is \$6,056.40, in exchange for the right to terminate early.

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 Early Termination Agreement for Clean Energy Services CES, LLC, and authorizes its CEO/Executive Director to execute the agreement as submitted, on this 24th day of April 2024.”

Tim Pierce, Board President

ATTEST:

LRRRA Board Member

**AGENDA ITEM 8
EXECUTIVE SUMMARY
VULPES CORP (“VULPES PROJECT”)
AMENDED RESOLUTION
BUILDING 930 DESIGNATED AS REDEVELOPMENT PROJECT**

On December 6, 2023, the Board designated Building 930, the “Vulpes Project” as a Redevelopment Project. With that designation comes benefits to both Reese and Vulpes. The tax benefits that Vulpes will enjoy with that designation will include both property tax and sales tax exemptions. The sales tax exemption will be for certain items that will be fixtures of the building which LRRRA will own and will remain in the building after Vulpes vacates the building. However, the sales tax exemption was left out of the original resolution, and we are now requesting amending that resolution to allow for the sales tax exemption. See the attached amended resolution.

The process will look like this: Vulpes will identify vendors and negotiate acceptable terms and conditions. LRRRA will place the order and Vulpes will reimburse LRRRA prior to the order being placed.

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

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

BOARD ACTION ITEM No. 2024-0424-015
AMENDED “VULPES PROJECT” BUILDING 930 AS REDEVELOPMENT PROJECT

Items to be Considered:

- a. Approve an amended resolution regarding the designation of Building No. 930 being leased to Vulpes Corp as a Redevelopment Project under Texas Special District Local Laws Code Chapter 3501 (the “Enabling Statute”) sec. 3501.1024, Redevelopment Projects that encompasses the extension of LRRRA’s sales tax exemption to Vulpes Corp for the purchase of certain items that will become fixtures to Building No. 930 and remain the property of LRRRA upon the termination of the standard industrial lease with Vulpes Corp.

- b. Pursuant to Section 3.10 of the Procurement Policy rescind application of Section 3.8 (Bid Requirements) to allow Vulpes to identify vendors and negotiate acceptable terms and conditions and reimburse LRRRA for the cost of said materials for installation of Tenant Improvements to Building No. 930 prior to LRRRA purchasing said items.

Previous Board Action:

- a. The Board approved a Resolution on December 6, 2023, designating the Vulpes Project as a “Redevelopment Project”.

Statement of Pertinent Facts:

- a. During the 87th Legislature (2021), the Texas legislature revised the LRRRA Enabling Statute to grant LRRRA additional powers to designate redevelopment projects that relate to the development of base property and surrounding areas, or development of property directly related to the purposes or goals of the authority. A project so designated is considered for a “public purpose.”
- b. Vulpes Corp approached staff regarding entering into a lease for Building No. 930 for the production of chemical processing relating to agriculture fertilizer and semi-conductor coatings (the “Vulpes Project”). The Vulpes Project includes Tenant improvements valued in excess of \$9,000,000.00 over the term of the lease.
- c. On December 6, 2023, the Board approved by resolution Board Action Item No. 2023-1206-006 (the “Original Resolution”) designating the Vulpes Project as a “Redevelopment Project” pursuant to Section 3501.024(a) of the Enabling Statute is envisioned to redevelop the base property by leasing a large hard to lease facility to a new business, positively impact employment in the surrounding area, and directly relate to the purpose of the authority to undertake projects necessary or incidental to the industrial, commercial, or business development of a new business on the

- property by the construction of property and other infrastructure, as provided for in section 3501.003(a)(1) of the Enabling Statute.
- d. Pursuant to Section 3501.004(a), “the property, income, and operations of the authority are exempt from taxes imposed by the state or a political subdivision of the state.” Among the exemptions granted to LRRRA pursuant to this section is a sales tax exemption.
 - e. As noted in the Original Resolution, once designated a “Redevelopment Project,” section 25.07(a) of the Tax Code applies to a leasehold or other possessory interest in real property constituting a project described by section 505.161(a) of the Local Government Code. This means that the ground and improvements constructed thereon (collectively, “real property”) are exempt from real property taxes and that the property shall remain in the name of LRRRA during the period of the standard industrial lease.
 - f. Consequently, it is appropriate for LRRRA to extend its sales tax exemption to Vulpes Corp for the purchase of equipment and materials that shall remain as fixtures to the real property upon the termination of the standard industrial lease between LRRRA and Vulpes Corp.

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 amends the resolution associated with Board Item No. 2023-1206-006 dated December 6, 2023 and designates the property identified in the standard industrial lease with Vulpes Corp and hereby approves the following resolution designating the redevelopment of the property as a “Redevelopment Project” pursuant to section 3501.1024 of the Enabling Statute, and, therefore, for a public purpose, and exempt from real property taxes as set forth in section 3501.004(b) of the Enabling Statute; and pursuant to Section 3.10 of the Procurement Policy rescinds application of Section 3.8 (Bid Requirements) to allow Vulpes to identify vendors and negotiate acceptable terms and conditions, and reimburse LRRRA for the cost of said materials for installation of Tenant Improvements to Building No. 930 prior to LRRRA purchasing said items; and thereby extend its sales tax exemption to Vulpes Corp for the purchase of items that shall remain as fixtures to the real property upon the termination of the standard industrial lease between LRRRA and Vulpes Corp, subject to rules and regulations adopted by the Board relating to redevelopment projects, as submitted on this 24th day of April 2024.

Approved by: _____
Tim Pierce, President

ATTEST: _____
LRRRA Board Member

AGENDA ITEM 9
EXECUTIVE SUMMARY
KBR INC
COMPOUND AND LAYDOWN LEASE

KBR has been a valuable partner for Reese since 2012 and has performed exceptionally well under the current lease which supports a NAVAIR test facility contract. KBR currently leases Buildings 96, 102, 110, 770, 870, and 970 totaling an estimated square footage of 12,946. For this upcoming renewal, they wish to add Building 3122 (900 sq ft) for a new total square footage of 13,846. Their current lease expires August 31, 2024.

As you know, we have two agreements with KBR, one is for the buildings and laydown while the other is for events. This lease is for the buildings and laydown only. There will be a new Event Services Agreement soon; the current agreement expires October 8, 2024.

Lease Summary for Buildings and Laydown

- Initial term, beginning September 1, 2024, of 2 years with three extension periods of one year each.
- They currently pay \$4.98 per square foot. Rent for years 1 and 2 is \$5.18 per square foot. In the extension years there will be a 4% increase each year. These rates include all utilities.
- This lease also includes the laydown area that is by their compound as well as the airfield pad sites, both shown below.

See the attached lease for full details.

Make Ready Expenses

There will be make ready expenses associated with getting Building 3122 up and running. This will include repairing the roof, new lights, and a new air conditioner, totaling approximately \$10,000.

Staff is requesting Board approval of this new lease for KBR.

Site Plan and Laydown



Airfield Pad Sites



KBR COMPOUND AND LAYDOWN LEASE

BETWEEN

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

AS LANDLORD

AND

**KBR, INC., a Delaware Corporation
AS TENANT**

FOR PREMISES LOCATED AT

**Reese Technology Center Building Nos. 96, 102, 110, 770, 870, 970, 3122 and surrounding
real property (collectively referred to as “The KBR Compound”); adjacent Apron
Laydown Area, and Permanent Pad Sites**

203 Runway Drive

Lubbock, Texas 79416

KBR COMPOUND LEASE

This KBR Compound Lease (the "Lease") is made this ____ day of August ___, 2024, by and between LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas (hereinafter referred to as "Landlord") and KBR, INC., a Delaware Corporation (hereinafter referred to as "Tenant"). Landlord and Tenant are also referred to herein individually as a "Party" and collectively as the "Parties".

W I T N E S S E T H:

1. BASIC LEASE PROVISIONS

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

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

(c) Tenant: KBR, INC., whose Federal Taxpayer Identification Number is 20-4536774.

(d) Tenant Address: ATTN: Director, Real Estate Services – KT301, 601 Jefferson, Houston, TX 77002

(e) Guarantor: [NOT APPLICABLE]

(f) Guarantor's 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, to include all areas not listed in the "Premises," to include open field areas, runways, taxiways, maintenance roads, perimeter roads, and Reese Campus area, subject to Landlord's review and written approval of Tenant's request for use.

(h) Premises means those certain buildings, hangars, air traffic control tower, and adjacent real property ("the KBR Compound") that comprise the test support facility located at 203 Runway Drive, Lubbock, Texas 79416, which is commonly known as Building Nos. 96 (maintenance building), 102 (paint hanger), 110 (control tower), 770 (flight line shack), 870 (flight line shack), 970 (flight line shack), 3122 (VORTAC), and that certain area to the immediate northeast of Building No. 110, providing a covered site area on Runway Drive, and identified as "the KBR Compound" and the "Apron Laydown Area" on the site plan attached hereto as **Exhibit A** (the "Site Plan"); and the "Permanent Pad Sites," identified on the airfield plan attached hereto as **Exhibit B** (the "Airfield Pad Sites"); and containing approximately 13,846 square feet (the KBR Compound), approximately 90,000 square feet of Apron Laydown Area, and Five (5) 10' x 10' Permanent Pad Sites, respectively.

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

(j) Extensions: Three (3) 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 three (3) renewal options of one (1) year each, such options 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 sixty (60) days prior to the 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 (as defined below) will be increased by a fixed four percent (4%). The adjustment in the Base Rent (as defined below) will be determined by multiplying the then existing Base Rent (as defined below) specified in the lease by 1.04, which will result in a "Revised Base Rent."

(l) Delivery Date: September 1, 2024.

(m) Commencement Date: September 1, 2024.

(n) Termination Date: August 31, 2026.

(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 also includes the Apron Laydown Area, the Permanent Pad Sites, any and all charges associated with utilities, trash dumpsters, telephone service, and internet service, subject to Landlord may separately bill Tenant for any extraordinary charges as agreed to by the Parties. Said Base Rent does not include, and Tenant is solely responsible for any and all charges associated with 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:

Initial Term Lease Years	Total Annual Base Rent	Total Monthly Base Rent	Square Foot Rate
Year 1, September 1, 2024 – August 31, 2025	\$71,722.28	\$5,976.86	\$5.18
Year 2, September 1, 2025 – August 31, 2026	\$71,722.28	\$5,976.86	\$5.18
Renewal Year 1, September 1, 2026 – August 31, 2027	\$74,629.94	\$6,219.16	\$5.39
Renewal Year 2, September 1, 2027 – August 31, 2028	\$77,676.06	\$6,473.01	\$5.61
Renewal Year 3, September 1, 2028 – August 31, 2029	\$80,722.18	\$6,726.85	\$5.83

(p) Security Deposit: Landlord shall retain the previous security deposit in the amount of \$4,167.00. 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: Tenant reserves the right to terminate this lease in the event that they lose/fail to win that certain new United States Government contract with NAVAIR.

(r) Early Termination Fee: Tenant shall pay an Early Termination Fee of two percent (2%) of the balance remaining due to the Landlord under the terms of the Lease or any renewal thereof.

(s) Permitted Use: Tenant may use the Premises as a test support facility; and use the Project, as described in 1(g), as mutually agreed to by the Parties on a case by case basis (collectively, "Permitted Use"). Should Tenant desire to make alterations or improvements to the Premises, said alterations or improvements would be at Tenant's sole cost and expense, subject to Landlord approval, or as otherwise agreed to by the parties. Landlord reserves the right to market the remaining space to potential tenants.

(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 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, sub-lessees, 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 day of each calendar month during the Term, without deduction or setoff, commencing on the Commencement Date.

(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.

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

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

(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) 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 assessed, 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 INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF THE PREMISES OR PROJECT, OR ARISING FROM TENANT'S ACCESS TO, PRESENCE ON, OR USE OF THE PREMISES OR PROJECT. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF TENANT'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, AND (c) WILL SURVIVE THE END OF THE TERM.

(b) Tenant agrees not to—

- (1) Use the Premises for any purpose other than the Permitted Use.
- (2) Create a nuisance.
- (3) Interfere with any other tenant's normal business operations or Landlord's management of the Premises or Project.
- (4) Use the Premises in any way that would increase insurance premiums or void insurance on the Premises or the Project.
- (5) Change Landlord's lock system, unless agreed to by the Parties.
- (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) Repair and maintain the (i) roof, (ii) foundation, (iii) structural soundness of the exterior walls, including windows, window glass, plate glass, and doors, (iv) plumbing, (v) lighting, (vi) electrical wiring, (vii) water and wastewater systems, (viii) HVAC maintenance, (ix) fire extinguisher inspection and maintenance, (x) Permanent Pad Site, (xi) test site, and (xii) Common Areas.

(4) Provide basic building furniture, limited to tables, chairs, and work benches of sufficient quantity and quality to support Tenant's Permitted Use. Said furniture shall remain the property of Landlord.

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

(6) Subject to the current "AS IS, WHERE IS" condition of the Premises and force majeure events or conditions, prevent any action that shall "significantly interfere with or impair" (hereinafter defined) the availability, accessibility, security, or otherwise impair the conduct of test support services provided by the tenant to its customers. The term "significantly interfere with or impair" is defined as preventing the conduct of test support services or delaying the availability or accessibility of the Premises by Tenant for more than 72 hours of a prior coordinated testing event.

(b) Landlord agrees not to—

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

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

7. COMMON AREAS

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

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

8. UTILITIES

(a) Payment of Utility Bills. Tenant will promptly pay to Landlord or other utility provider all extraordinary charges for electricity, water, gas, telephone service, sewer service, and other utilities furnished to the Premises for test event support.

9. DAMAGE BY CASUALTY

It is expressly understood and agreed to by the Parties that Landlord's obligation to repair and/or restore the Premises is limited to Landlord's insurance on the Premises. It is also expressly understood and agreed to by the Parties that Tenant shall insure the contents and equipment contained in the Premises and that Landlord has no obligation to insure Tenant's contents and/or equipment. Further, it is expressly understood and agreed to by the Parties that damage to contents and/or equipment does not invoke Tenant's or Landlord's Right to Terminate the Agreement, as set forth below.

(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.

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

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

(d) Landlord's Repair Obligation. Landlord's obligation will be to restore all portions of the Premises and the Common Areas in the immediate vicinity of and surrounding the Premises (including but not limited all parking areas surrounding the Premises and all sidewalks, roadways, driveways and access ways leading to and from the Premises) affected by a Casualty (exclusive of Tenant's fixtures and equipment) to their condition immediately preceding such Casualty, subject to available insurance proceeds. If Landlord for any reason whatsoever fails (1) to commence the repair and restoration work required hereunder within sixty (60) 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. During the Term, Landlord will not use, generate, place, store, release or otherwise dispose of, or permit the use, generation, placing, storage, release or disposal of, Hazardous Materials in the Project, except in accordance with all Environmental Laws.

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

(c) Definitions. As used herein,

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

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

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

(iii) "Hazardous Materials Liabilities" means all claims, damages, losses, forfeitures, expenses or liabilities arising from or caused in whole or in part, directly or indirectly, by a breach by the other Party of its representations, warranties or covenants under Section 10(a) or (b), including, without limitation, all costs of defense (including reasonable attorneys' fees and other costs of litigation), all consultants' fees, and all costs of investigation, repair, remediation, restoration, cleanup, detoxification or decontamination, and/or preparation and implementation of any closure, remedial action or other required plan.

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

11. INSURANCE AND WAIVER OF SUBROGATION

A Certificate of Insurance for each coverage identified below shall be submitted to Landlord prior to the Delivery Date. Tenant shall provide to Landlord proof of the required insurance upon each policy renewal, and cause each required policy to require insurer to give notice of termination of any policy prior to the expiry of its term which shall immediately be forwarded to Landlord. 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), and such insurance to provide coverage of \$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 to the extent of the indemnity obligations assumed under this Contract by Tenant. In the event that Tenant's Commercial General Liability Insurance has an aviation exclusion, Tenant shall provide Aviation General Liability Insurance in amounts per occurrence and in annual aggregate that provide the same coverage amounts as those set forth for Commercial General Liability Insurance, above, or as mutually agreed to in writing by the Parties.

(b) Property Insurance. The Landlord will maintain property insurance on an all-risk basis (including flood, wind and earthquake) on the premises for one hundred percent (100%) replacement cost of the facility. Such policy shall be written in the name of the Landlord. The Tenant will maintain property insurance on an all-risk basis (including flood, wind and earthquake)

covering all Tenant owned fixtures, equipment, and leasehold improvements, and other personal property located in the Premises for one hundred percent (100%) replacement cost coverage. Such policy shall be written in the name of Tenant. Subrogation will not be waived on either Parties property policy allowing each of the respective insurance companies to subrogate against the Landlord or the 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 of \$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 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) Environmental Insurance. [NOT APPLICABLE]

(f) Release of Claims/Subrogation. SUBJECT TO THE PROVISIONS SET FORTH ABOVE, 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 COVERAGE'S 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. 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; 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 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(o) for the twelve (12) month period prior to expiration of the Term, except that thereafter either Landlord or Tenant may terminate this Lease upon thirty (30) days' notice to the other; provided that Landlord, by the terms hereof, is not deemed to consent to any such holdover by Tenant and may exercise all rights provided by law to remove Tenant from the Premises upon giving Tenant the notice described herein.

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

LANDLORD:

Lubbock Reese Redevelopment Authority
9801 Reese Boulevard
Suite 200
Lubbock, Texas 79416
Attn: Executive Director
Telephone: (806) 885-6592

TENANT:

KBR
c/o: Colby Stevens
3860 West NW Hwy, Suite 365
Dallas, TX 75220
Phone: 469.291.1031
Email: Colby.stevens@us.kbr.com

And a copy to:

KBR
c/o: Director, Real Estate Services
601 Jefferson – KT390
Houston, TX 77002

PH: 713 753 7583
Email: frank.antene@kbr.com

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

(n) Attorney's Fees. If either Party retains an attorney to enforce 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, all obligations of the Parties are performable in Lubbock County, Texas, and venue shall be proper in Lubbock County, Texas.

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

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

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

controlled by or under common control with Tenant. Tenant's notice to Landlord shall include information and documentation showing that each of the above conditions has been satisfied.

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

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

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

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

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

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

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

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

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

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

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

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

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

b. Airfield. Landlord currently has Federal Aviation Administration approval to operate the airstrips located within the Project. The 6,500-foot north-south runway can accommodate large cargo aircrafts such as a C-130. While Landlord anticipates that there may be changes with respect to the use of the three (3) primary landing strips that are now in operation (including that the westernmost runway is non-operational, except in the case of a federal, state or local emergency), Landlord intends to continue to operate the 6,500-foot north-south runway and will make the use of such runway available to Tenant in accordance with the existing Federal Aviation Administration certification. With regard to the westernmost runway, Landlord has restricted use of such runway based on the operation of the commercial grade wind turbines that exist on the Project to the west of such runway, and Tenant agrees that it may not have access to such runway. All flight arrangements must be approved through Landlord and any tenant utilizing the runway for such flights must comply with the daytime Visual Flight Rule. Notwithstanding the foregoing, Landlord agrees that it will not cause or permit any material change in size, location or configuration of any airstrip or runway which will have an adverse effect on Tenant's ability to operate in the Premises or which will adversely affect access to the Premises.

14. SECURITY CONDITIONS

Landlord and Tenant acknowledge and agree that the Project is located on property formerly owned and operated by the United States Air Force as the Reese Air Force Base, and that certain portions of the Project have been previously utilized by local, state and federal governmental entities (hereinafter, “the Government”) in times of state or national emergencies to provide temporary evacuation shelters and other such uses. Additionally, Landlord has other tenants of the Project that require controlled access to the Airfield during certain operations.

Landlord represents that the Government may continue to utilize the Project during the Term of this Lease in times of state or national emergency (with or without Landlord's express consent), and other tenants of the Project, when approved by the Landlord, may require controlled access to the Airfield, and that such use could adversely affect Tenant's ability to access the Premises and/or use the Common Areas due to additional security measures; provided, however, that such adverse impact shall only delay and shall not unreasonably deny access by Tenant to the Premises.

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

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

/SIGNATURE PAGE FOLLOWS/

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

LUBBOCK REESE
REDEVELOPMENT AUTHORITY
("Landlord")

KBR, INC., a Delaware Corporation
("Tenant")

By: Murvat Musa
Its: Chief Executive Officer

By: _____
Its: _____

Date

Date

EXHIBIT A
SITE PLAN AND LAYDOWN



EXHIBIT B
AIRFIELD PAD SITES



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

BOARD ACTION ITEM No. 2024-0424-0016
KBR LEASE

Item to be Considered:

KBR Inc. Building and Laydown Lease

Previous Board Action:

The Board has previously approved leases and agreements with KBR as they have been a customer since 2012.

Statement of Pertinent Facts:

- a) KBR will be leasing
 - 13,846 SF of space in Buildings 96, 102, 110, 770, 870, 970, and 3122 with road and use area
 - 90,000 SF of laydown space on the apron
 - Five (5) 10' X 10' pad sites
- b) Rent is \$5.18/SF for the initial term which is a 4% increase over current rate
- c) Initial lease term is two years, with no increase in rent during this term
- d) Renewal options are three options to renew for one year each that, if exercised, rent will increase by 4% at each renewal
- e) Make Ready Expenses for Building 3122 are estimated at \$10,000

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 lease for KBR Inc. and authorizes its CEO/Executive Director to execute the lease subject to negotiation of final terms and conditions, as submitted on this 24th day of April 2024."

Tim Pierce, Board President

ATTEST:

LRRRA Board Member

CASH BALANCES - MARCH 31, 2024

	2/29/2024	3/31/2024	Change
General Fund Bank Accounts	\$ 4,334,771	\$ 4,426,362	\$ 91,591
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 113,820	\$ 102,870	\$ (10,950)
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ -	\$ -	\$ -
Total Cash	\$ 5,303,591	\$ 5,384,232	\$ 80,641
Accounts Receivable - G/F	\$ 200,828	\$ 230,448	\$ 29,620
Accounts Receivable - F/O	\$ 14,517	\$ 14,620	\$ 103
Total Accounts Receivable	\$ 215,345	\$ 245,068	\$ 29,723
Total Cash & Accounts Receivable	\$ 5,518,936	\$ 5,629,300	\$ 110,364

Aged Accounts Receivable as of 03/31/2024

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
177,833.78	58,954.13	6,808.85	8,345.47	(6,874.30)	245,067.93

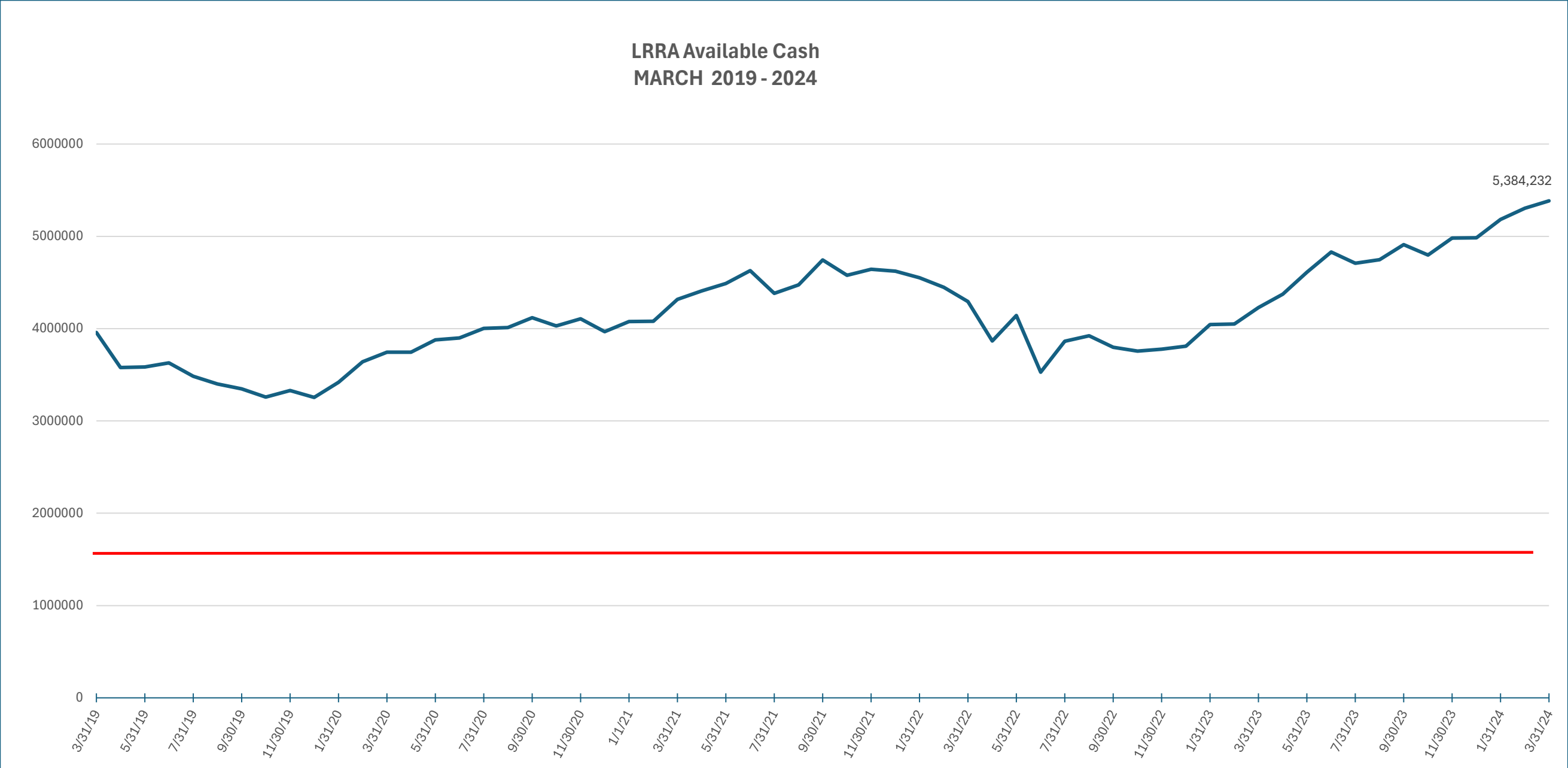
EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

1st INSTALLMENT FOR HANGAR DOORS
HVAC CONTROLS B20 & B36

7,200.00 EXPENSES
39,947.00 CAPITALIZED

\$ 47,147.00

**LRRRA Available Cash
MARCH 2019 - 2024**



FINANCIAL HIGHLIGHTS - MARCH 31, 2024

DESCRIPTION	Month	G/F	Month	F/O	Month's Total	YTD	G/F	YTD	F/O	YTD	Total
Operating Revenue	\$ 279,393		\$ 20,216		\$ 299,609		\$ 1,532,506		\$ 121,295		\$ 1,653,801
Other Revenue - Usage Fees	\$ 19,857		\$ 2,809		\$ 22,666		\$ 125,257		\$ 14,214		\$ 139,471
Total Revenue	\$ 299,250		\$ 23,025		\$ 322,275		\$ 1,657,763		\$ 135,509		\$ 1,793,272
Expenses	\$ 152,177		\$ 11,338		\$ 163,515		\$ 1,071,389		\$ 63,919		\$ 1,135,308
Net Income BPSID	\$ 147,073		\$ 11,687		\$ 158,760		\$ 586,374		\$ 71,590		\$ 657,964
Interest Income - Plus	\$ 20,722		\$ -		\$ 20,722		\$ 115,896		\$ -		\$ 115,896
Depreciation - Less	\$ (49,924)		\$ (3,283)		\$ (53,207)		\$ (299,547)		\$ (19,701)		\$ (319,248)
Net Income	\$ 117,871		\$ 8,404		\$ 126,275		\$ 402,723		\$ 51,889		\$ 454,612

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 3/31/2024

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENTS	5,281,362	-	-	5,281,362
RESTRICTED CASH AND CASH EQUIVALENTS	-	102,870	-	102,870
ACCOUNTS RECEIVABLE	230,448	-	14,620	245,068
LEASES RECEIVABLE, CURRENT - GASB 87	1,694,234	-	80,874	1,775,108
INVESTMENT	-	-	-	-
DUE FROM FEDERAL GOVERNMENT	-	(112,157)	-	(112,157)
PREPAID EXPENSES	158,082	-	7,196	165,279
DUE FROM TRANSFERS	-	-	-	-
Total CURRENT ASSETS	7,364,127	(9,287)	102,690	7,457,529
NONCURRENT ASSETS				
LEASES RECEIVABLE, NET OF CURRENT PORTION	4,938,173	-	112,654	5,050,827
Total NONCURRENT ASSETS	4,938,173	-	112,654	5,050,827
CAPITAL ASSETS				
LAND	1,481,401	-	-	1,481,401
CONSTRUCTION IN PROGRESS	-	37,674	-	37,674
BUILDINGS	2,070,050	-	-	2,070,050
INFRASTRUCTURE AND RELATED IMPROVEMENTS	5,611,189	-	1,751,519	7,362,708
COMPUTERS AND OFFICE EQUIPMENT	133,971	-	147,431	281,402
BUILDINGS IMPROVEMENTS	4,420,876	-	250,840	4,671,716
VEHICLES	226,903	-	-	226,903
GROUNDS 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	(6,404,041)	-	(2,154,628)	(8,558,668)
LESS ACCUMULATED DEPRECIATION - GASB 87	(15,500)	-	-	(15,500)
Total CAPITAL ASSETS	7,817,800	37,674	153,550	8,009,024
NET PENSION ASSET				
NET PENSION ASSETS, NET	215,327	-	-	215,327
Total NET PENSION ASSET	215,327	-	-	215,327
Total ASSETS	20,335,427	28,387	368,894	20,732,707
DEFERRED OUTFLOWS OF RESOURCES				
EMPLOYER CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATE	16,500	-	-	16,500
CHANGE IN ASSUMPTIONS	21,691	-	-	21,691
DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE	24,739	-	-	24,739
Total DEFERRED OUTFLOWS OF RESOURCES	62,930	-	-	62,930
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	20,398,357	28,387	368,894	20,795,637

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 3/31/2024

LIABILITIES

CURRENT LIABILITIES

ACCOUNTS PAYABLE	9,100	13,385	1,922	24,406
ACCRUED EXPENSES	56,727	-	-	56,727
REFUNDABLE DEPOSITS	97,918	-	-	97,918
UNEARNED REVENUES	434,374	-	20,216	454,590
COMPENSATED ABSENCES	9,604	-	-	9,604
LEASE LIABILITY, CURRENT	1,645	-	-	1,645
LEASE PAYABLES	-	-	-	-
DUE TO TRANSFERS	-	-	-	-
OTHER LIABILITIES	-	-	-	-
Total CURRENT LIABILITIES	609,368	13,385	22,137	644,890

NON-CURRENT LIABILITIES

LEASE LIABILITY, NET OF CURRENT PORTION	(1,768)	-	-	(1,768)
Total NON-CURRENT LIABILITIES	(1,768)	-	-	(1,768)

Total LIABILITIES

607,599	13,385	22,137	643,121
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DEFERRED INFLOWS OF RESOURCES

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

TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES

7,220,230	13,385	211,297	7,444,912
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FUND EQUITY

BEGINNING OF PERIOD	12,777,298	15,002	103,812	12,896,112
TRANSFERS IN (OUT)	(1,895)	-	1,895	-
YEAR TO DATE EARNINGS	402,724	-	51,890	454,613
Total FUND EQUITY	13,178,126	15,002	157,597	13,350,725

DEFERRED INFLOWS OF RESOURCES AND NET POSITION

20,398,357	28,387	368,894	20,795,637
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Total report

-	-	-	-
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LUBBOCK REESE REDEVELOPMENT AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 From 10/1/2023 Through 3/31/2024

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES	1,657,764	-	135,509	1,793,273
OPERATING EXPENSES	1,370,936	-	83,619	1,454,555
OPERATING INCOME(LOSS)	286,828	-	51,890	338,718
NONOPERATING INTEREST INCOME	115,896	-	-	115,896
TRANSFERS IN (OUT)	(1,895)	-	1,895	-
NET NONOPERATING REVENUES	114,000	-	1,895	115,896
INCREASE (DECREASE) IN FUND EQUITY	400,828	-	53,785	454,613
FUND EQUITY, BEGINNING	12,777,298	15,002	103,812	12,896,112
FUND EQUITY, ENDING	13,178,126	15,002	157,597	13,350,725

LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2023 Through 3/31/2024

(In Whole Numbers)

	General Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES			
LEASE INCOME	1,086,377	-	1,086,377
DATA CENTER / FIBER OPTIC INCOME	-	121,295	121,295
COMMON AREA MAINTENANCE/PBT CAM	375,874	-	375,874
USAGE FEES	125,257	14,214	139,472
CONTRACT WORK INCOME	12,450	-	12,450
UTILITY FRANCHISE FEES	21,891	-	21,891
Total OPERATING REVENUES	1,621,849	135,509	1,757,358
NON-OPERATING REVENUES			
INSURANCE PROCEEDS	23,103	-	23,103
INTEREST EXPENSE / BANK CHARGES	(23)	-	(23)
MISCELLANEOUS INCOME	12,811	-	12,811
INTEREST INCOME	115,896	-	115,896
Total NON-OPERATING REVENUES	151,788	-	151,788
TOTAL REVENUES	1,773,637	135,509	1,909,146

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2023 Through 3/31/2024

(In Whole Numbers)

	General Fund	Data Center / Fiber Optic Fund	Total
OPERATING EXPENSES			
COMPENSATION AND BENEFITS:			
SALARIES AND BENEFITS	432,221	-	432,221
CONTRACT SERVICES	12,250	6,228	18,478
GENERAL AND LIABILITY INSURANCE	102,921	5,417	108,338
Total COMPENSATION AND BENEFITS:	547,392	11,645	559,037
BUILDING REPAIRS AND MAINTENANCE:			
REPAIRS AND MAINTENANCE	257,850	-	257,850
BUILDING MAINTENANCE MATERIALS	13,430	270	13,700
MARKETING AND PROMOTIONAL EXPENSES	32,097	-	32,097
TRAVEL EXPENSES	5,642	-	5,642
PRINTING AND ADVERTISING	1,184	-	1,184
DEPRECIATION EXPENSE	299,547	19,701	319,247
TELEPHONE	900	-	900
OFFICE SUPPLIES	19,550	-	19,550
TRAINING AND TUITION EXPENSES	4,718	-	4,718
UTILITIES	139,560	25,746	165,306
Total BUILDING REPAIRS AND MAINTENANCE:	774,479	45,716	820,195
PROFESSIONAL SERVICES			
ACCOUNTING AND AUDITING FEES	10,894	-	10,894
LEGAL FEES	31,087	-	31,087
Total PROFESSIONAL SERVICES	41,981	-	41,981
COMPUTER SOFTWARE AND MAINTENANCE			
COMPUTER SOFTWARE AND MAINTENANCE	-	15,925	15,925
Total COMPUTER SOFTWARE AND	-	15,925	15,925
OTHER OPERATING EXPENSES			
BOARD EXPENSES	1,061	-	1,061
BANK CHARGES	23	-	23
INTERNET CHARGES	-	10,333	10,333
POSTAGE	942	-	942
MEETING EXPENSES	5,014	-	5,014
LICENSES AND FEES	46	-	46
Total OTHER OPERATING EXPENSES	7,085	10,333	17,418
Total OPERATING EXPENSES	1,370,936	83,619	1,454,555

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures
From 3/1/2024 Through 3/31/2024

GENERAL FUND

(In Whole Numbers)

	Current Month Actual	Current Month Budget	vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
	Actual	Budget	Variance	YTD Actual	YTD Budget	Variance
REVENUES						
Leases	189,025	183,333	5,691	1,086,377	1,100,000	(13,623)
PBT Cam Fees	62,646	62,417	229	375,874	374,500	1,374
Usage Fees	19,857	22,917	(3,060)	125,257	137,500	(12,243)
Contract Services	-	667	(667)	12,450	4,000	8,450
Utility Franchise Fees	1,749	1,667	83	21,891	18,070	3,821
Insurance Proceeds	17,905	-	17,905	23,103	-	23,103
Other-Miscellaneous	8,068	-	8,068	12,811	-	12,811
Total REVENUES	299,249	271,000	28,249	1,657,764	1,634,070	23,694
EXPENSES						
Salaries & Taxes	47,316	65,083	17,767	368,653	390,500	21,847
Benefits - Health, Retirement & Wkr's Comp	6,382	13,208	6,826	63,568	79,250	15,682
Insurance -Property & General Liabilities	-	20,417	20,417	102,921	122,500	19,579
Administrative Expenses	467	1,025	558	6,339	8,400	2,061
General Office Expenses	5,308	6,287	979	37,089	37,722	633
Accounting & Auditing	6,500	100	(6,400)	10,894	30,300	19,406
Legal Services	5,340	6,250	910	31,087	37,500	6,413
Network Maintenance	2,430	1,167	(1,264)	11,093	7,000	(4,093)
Training & Travel	963	1,083	120	10,360	6,500	(3,860)
Marketing Expenses	2,271	5,833	3,562	31,975	35,000	3,025
Operations	45,830	45,908	78	257,850	275,450	17,600
Utilities	29,368	35,817	6,449	139,560	195,400	55,840
Total EXPENSES	152,177	202,179	50,002	1,071,389	1,225,523	154,133
NIBPSID	147,072	68,821	78,251	586,375	408,547	177,827
NON OPERATING REVENUE						
Interest Income	20,722	8,333	12,388	115,896	50,000	65,896
Total NON OPERATING REVENUE	20,722	8,333	12,388	115,896	50,000	65,896
DEPRECIATION						
Depreciation Expense	(49,924)	(52,083)	2,159	(299,547)	(312,500)	12,953
Total DEPRECIATION	(49,924)	(52,083)	2,159	(299,547)	(312,500)	12,953
Increase (Decrease) In Fund Equity	117,869	25,071	92,798	402,724	146,047	256,677

GENERAL FUND

Explanation of Significant Budget Variances

2024 APRIL

		Month Variance	YTD Variance	Explanations	Projected Outcome at Year End
Expenses, Salaries & Taxes	5100, 5110	\$ 17,767	\$ 21,847	Staff vacancy	Year End is expected to be under budget
Expenses, Accounting & Auditing Services	5700	\$ (6,400)	\$ 19,406	One partial invoice has been paid.	Year End is expected to be over budget.
Expenses, Utilities	5380	\$ 6,449	\$ 55,840	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 3/1/2024 Through 3/31/2024

DATA CENTER / FIBER OPTIC FUND

(In Whole Numbers)

	Current Month Actual	Current Month Budget	vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
	Actual	Budget	Variance	YTD Actual	YTD Budget	Variance
REVENUES						
Usage Fees	2,809	2,250	559	14,214	13,500	714
Fiber Optic/Wireless Income	20,216	17,917	2,299	121,295	107,500	13,795
Total REVENUES	23,025	20,167	2,858	135,509	121,000	14,509
EXPENSES						
Insurance -Property & General Liabilities	-	1,083	1,083	5,417	6,500	1,083
General Office Expenses	45	83	38	270	500	230
Computer Software & Maintenance	2,450	3,833	1,383	15,925	23,000	7,075
Internet	1,722	1,833	111	10,333	11,000	667
Building Maintenance & Utilities	2,243	1,250	(993)	6,228	7,500	1,272
	4,877	6,442	1,564	25,746	38,650	12,904
Total EXPENSES	11,338	14,525	3,187	63,919	87,150	23,231
NIBPSID	11,687	5,642	6,045	71,590	33,850	37,740
DEPRECIATION						
Depreciation Expense	(3,283)	(3,333)	50	(19,701)	(20,000)	299
Total DEPRECIATION	(3,283)	(3,333)	50	(19,701)	(20,000)	299
Increase (Decrease) In Fund Equity	8,403	2,308	6,095	51,890	13,850	38,039

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	189,025	183,333	5,691	1,086,377	1,100,000	(13,623)
PBT Cam Fees	62,646	62,417	229	375,874	374,500	1,374
Usage Fees	22,666	25,167	(2,501)	139,472	151,000	(11,528)
Contract Services	-	667	(667)	12,450	4,000	8,450
Utility Franchise Fees	1,749	1,667	83	21,891	18,070	3,821
Insurance Proceeds	17,905	-	17,905	23,103	-	23,103
Other-Miscellaneous	8,068	-	8,068	12,811	-	12,811
Fiber Optic/Wireless Income	20,216	17,917	2,299	121,295	107,500	13,795
Total REVENUES	322,273	291,167	31,107	1,793,273	1,755,070	38,203
EXPENSES						
Salaries & Taxes	47,316	65,083	17,767	368,653	390,500	21,847
Benefits - Health, Retirement & Wkr's Comp	6,382	13,208	6,826	63,568	79,250	15,682
Insurance -Property & General Liabilities	-	21,500	21,500	108,338	129,000	20,662
Administrative Expenses	467	1,025	558	6,339	8,400	2,061
General Office Expenses	5,353	6,370	1,017	37,359	38,222	863
Accounting & Auditing Services	6,500	100	(6,400)	10,894	30,300	19,406
Computer Software & Maintenance	2,450	3,833	1,383	15,925	23,000	7,075
Internet	1,722	1,833	111	10,333	11,000	667
Legal Services	5,340	6,250	910	31,087	37,500	6,413
Network Maintenance Contract	2,430	1,167	(1,264)	11,093	7,000	(4,093)
Training & Travel	963	1,083	120	10,360	6,500	(3,860)
Marketing Expenses	2,271	5,833	3,562	31,975	35,000	3,025
Operations	45,830	45,908	78	257,850	275,450	17,600
Building Maintenance & Repairs	2,243	1,250	(993)	6,228	7,500	1,272
Utilities	34,246	42,258	8,013	165,306	234,050	68,744
Total EXPENSES	163,514	216,704	53,189	1,135,308	1,312,672	177,364
NIBPSID	158,759	74,463	84,296	657,965	442,397	215,568
NON OPERATING REVENUE						
Interest Income	20,722	8,333	12,388	115,896	50,000	65,896
Total NON OPERATING REVENUE	20,722	8,333	12,388	115,896	50,000	65,896
DEPRECIATION						
Depreciation Expense	(53,208)	(55,417)	2,209	(319,247)	(332,500)	13,253
Total DEPRECIATION	(53,208)	(55,417)	2,209	(319,247)	(332,500)	13,253
Increase (Decrease) In Fund Equity	126,273	27,380	98,893	454,613	159,897	294,716


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	189,025	229,622	(40,597)	1,086,377	1,192,888	(106,511)
PBT Cam Fees	62,646	61,224	1,422	375,874	367,347	8,527
Usage Fees	22,666	18,554	4,112	139,472	124,843	14,629
Contract Services	-	-	-	12,450	4,549	7,901
Utility Franchise Fees	1,749	2,082	(333)	21,891	22,444	(553)
Insurance Proceeds	17,905	-	-	23,103	-	-
Other-Miscellaneous	8,068	-	8,068	12,811	134	12,677
Fiber Optic/Wireless Income	20,216	18,694	1,522	121,295	112,163	9,132
Total REVENUES	322,273	330,176	(7,903)	1,793,273	1,824,368	(31,095)
EXPENSES						
Salaries & Taxes	47,316	46,536	780	368,653	374,246	(5,593)
Benefits - Health, Retirement & Wkr's	6,382	11,414	(5,032)	63,568	64,971	(1,403)
Insurance -Property & General Liabilities	-	17,875	(17,875)	108,338	107,252	1,086
Administrative Expenses	467	409	58	6,339	6,742	(403)
General Office Expenses	5,353	7,587	(2,234)	37,359	31,863	5,496
Accounting & Auditing Services	6,500	82	6,418	10,894	493	10,401
Computer Software & Maintenance	2,450	4,876	(2,426)	15,925	20,575	(4,650)
Internet	1,722	1,722	-	10,333	10,333	-
Legal Services	5,340	7,348	(2,008)	31,087	31,718	(631)
Network Maintenance Contract	2,430	817	1,613	11,093	4,157	6,936
Training & Travel	963	2,947	(1,984)	10,360	9,715	645
Marketing Expenses	2,271	4,248	(1,977)	31,975	37,452	(5,477)
Operations	45,830	33,519	12,311	257,850	263,384	(5,534)
Building Maintenance & Repairs	2,243	3,943	(1,700)	6,228	6,594	(366)
Utilities	34,246	30,921	3,325	165,306	189,406	(24,100)
Total EXPENSES	163,514	174,244	(10,730)	1,135,308	1,158,899	(23,591)
NIBPSID	158,759	155,932	2,827	657,965	665,469	(7,504)
NON OPERATING REVENUE						
Interest Income	20,722	12,758	7,964	115,896	58,236	57,660
Total NON OPERATING REVENUE	20,722	12,758	7,964	115,896	58,236	57,660
DEPRECIATION						
Depreciation Expense	(53,208)	(53,208)	-	(319,247)	(319,247)	-
Total DEPRECIATION	(53,208)	(53,208)	-	(319,247)	(319,247)	-
Increase (Decrease) In Fund Equity	126,273	115,482	10,791	454,613	404,458	50,155

April 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 Interest Earned - Dec 2023	Oct	Quarter 2 Interest Earned Jan - Mar 2024	FY2024 Interest Earned YTD	Account Balance as of 3/31/24	FDIC Insured or Collatoralization (market value)
PlainsCapital Operating Account	2003	5.12%	5.38%	\$ 10,462.32	\$	\$ 13,017.88	\$ 23,480.20	\$ 1,190,810.44	\$ 1,296,214.00
Totals PlainsCapital				\$ 10,462.32		\$ 13,017.88	\$ 23,480.20	\$ 1,190,810.44	
Peoples Bank ICS/Sweep Account*	288	4.60%	5.38%	\$ 46,199.62	\$	\$ 46,215.89	\$ 92,415.51	\$ 4,142,798.17	\$ 250,000.00
Peoples Bank EDA	575	0.00%	5.38%	\$ -	\$	\$ -	\$ -	\$ 102,869.87	\$ 250,000.00
Totals Peoples Bank				\$ 46,199.62		\$ 46,215.89	\$ 92,415.51	\$ 4,245,668.04	
Total of All Accounts				\$ 56,661.94		\$ 59,233.77	\$ 115,895.71	\$ 5,436,478.48	
<p>Per our Investment Policy our Weighted Average Maturity (WAM) is 6 months. Our investments are all cash and available immediately</p>									
<p>*No more than \$250,000 (the FDIC insured amount) is invested in each bank as part of this program</p>									



April 2024 EVENTS & ACTIVITIES

	DATE	EVENT
April	April 4	TTU HUB Discoveries to Impact Event
	April 17	EDA Emerging Leaders Presentation and Tour
	April 24	LRRA Board Meeting
	April 24	TTU Research Showcase
Looking Ahead		
May	May 1-2	High Ground of Texas Site Selector Summit
	May 11	Murvat's Daughter, Sarah, Graduates from UNC – MPH – Yay!!
	May 22	LRRA Board Meeting
	May 27	LRRA Offices Closed – Memorial Day