

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

Date: Wednesday, February 26, 2025

Time: 8:00 a.m.

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

<b>AGENDA ITEMS</b>	<b>TAB</b>	<b>SPEAKER</b>
Call the Meeting to Order		Tim Pierce
1. Citizen Comments - Any citizen wishing to appear before a regular meeting of the Lubbock Reese Redevelopment Authority Board of Directors, regarding any matter posted on the Board Agenda, shall complete the sign-up form provided at the meeting, no later than 7:45 a.m.	TAB 1	Tim Pierce
2. a. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.072, regarding certain matters concerning real property. Discussions regarding interest in the lease, sale, or value of buildings and property.	TAB 2	John Tye Muvat Musa
b. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters: <ul style="list-style-type: none"> <li>• Executive Director</li> <li>• Manager of Business Development</li> <li>• Manager of Accounting</li> <li>• Manager of Operations</li> <li>• Operations Lead</li> <li>• Service Technician</li> <li>• Service Technician</li> <li>• Service Technician</li> <li>• Operations, Marketing, Customer Care Coordinator</li> <li>• Administrative Assistant</li> <li>• Board of Directors</li> </ul>		Muvat Musa
c. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.071, Consultation with Attorney.		Darrell Guthrie
3. Action Item – Consider Minutes of the January 22, 2025, Board of Directors Meeting	TAB 3	Tim Pierce
4. Action Item – Consider First Amendment to Helicopter Express Lease, Building 82, for Tenant Improvements	TAB 4	Muvat Musa
5. Action Item – Consider Lease Assignment for Group NIRE Building 540 and 2-Acre Land Lease to Texas Tech University	TAB 5	Muvat Musa

6. Action Item – Consider First Amendment to Rhodes USA Lease Building 92 for Early Termination	TAB 6	Murvat Musa
7. Action Item – Consider Water Well Use Agreement for Matlock Development	TAB 7	Murvat Musa
8. Discussion Item – Financial Reports	TAB 8	Sandy Hamilton
9. Discussion Item – Reese Events & Activities	TAB 9	Murvat Musa
Adjourn the Meeting		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, February 21, 2025.



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

The LRRRA Board meetings are available to all people regardless of disability. To notify the LRRRA of your attendance or if you require special assistance, please contact them at (806) 885-6592 or write Reese Technology Center, 9801 Reese Blvd., Suite 200, Lubbock, Texas 79416 at least 48 hours in advance of the meeting.

ITEM 1

# Citizen Comments

ITEM 2

# EXECUTIVE SESSION

Information to be provided at  
meeting  
(if applicable)



**Lubbock Reese Redevelopment Authority**  
**Minutes of the Regular Meeting of the Board of Directors**  
**January 22, 2025**

The Lubbock Reese Redevelopment Authority held its Regular Meeting at 8:00 a.m. January 22, 2025, 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	Brian Kimberly
George McMahan, Secretary/Treasurer	Julie Holladay	
John Hamilton, Vice President		

**MEMBERS ABSENT**

Jeff Mustin

**OTHERS PRESENT**

**Reese Staff:**

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

**Legal Counsel:** Darrell Guthrie

**Visitors:** None

**Call the meeting to order.**

Tim Pierce called the meeting to order at 8:03 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 8:04 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 9:12 a.m. and reconvened Open Session at 9:21 a.m.

**ITEM 3**

**Approved the Minutes of December 11, 2024, Board of Directors Meeting**

Brian Kimberly moved to approve the minutes of December 11, 2024, Board of Directors Meeting; George McMahan seconded; the motion passed 6-0.

**ITEM 4**

**Ratified the Decision of the President to adopt the Compensation Committee Recommendation for Raise, Bonus, and Car Allowance for the CEO/Executive Director effective December 1, 2024.**

John Hamilton moved to ratify the decision of the President to adopt the Compensation Committee recommendation for raise, bonus and car allowance for the CEO/Executive Director effective December 1, 2024; John Tye seconded; the motion passed 6-0.

John Hamilton exited the meeting after Agenda Item 4 and therefore was not present for discussion or vote on the remainder of the agenda items below.

**ITEM 5      Approved the FY2025 Employee Performance Incentive Bonus Plan.**

George McMahan moved to approve the FY2025 Employee Performance Incentive Bonus Plan; John Tye seconded; the motion passed 5-0.

**ITEM 6      Approved Lease for Edge Logistics, Inc. d/b/a Aerolane for Building 60**

Julie Holladay moved to approve the Lease for Edge Logistics, Inc. d/b/a for Building 60; Brian Kimberly seconded; the motion passed 5-0.

**ITEM 7      Approved Increasing the LRRR Match & Awarding Bids for Reese East 90 Business Park Utility Infrastructure Improvements and Pavement Improvements**

George McMahan moved to increase the LRRR match by \$478,222 and award utility infrastructure improvements to Thunder Well and award pavement improvements to West Texas Paving; John Tye seconded; the motion passed 5-0.

**Item 8      Financial Reports**

Sandra Hamilton presented the December financial reports, and quarterly investment and collateral reports

**ITEM 7      Reese Events and Activities**

Murvat Musa presented Reese Technology Center activities and upcoming events to the Board of Directors.

**Adjournment**

Tim Pierce adjourned the meeting at 9:49 a.m.

Content of minutes agreed to and approved by:

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

ATTEST:

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

**AGENDA ITEM 4**  
**EXECUTIVE SUMMARY**  
**FIRST AMENDMENT TO HELICOPTER EXPRESS LEASE**  
**BUILDING 82, TENANT IMPROVEMENTS**

Helicopter Express, located in Building 82, wishes to install heaters in the hanger, at their cost, as a reimbursement to LRRRA. Reese will hire the vendor and pay them then Helicopter Express will reimburse Reese. Helicopter Express will also reimburse Reese for the cost of repairing any roof penetrations. Additionally, they will be responsible for maintaining the units.

The First Lease Amendment as well as the Lease are attached for your review.

Staff are requesting Board approval for the attached First Amendment for Helicopter Express.

**FIRST AMENDMENT TO  
STANDARD INDUSTRIAL LEASE  
COMMENCEMENT DATE: OCTOBER 1, 2024**

THIS FIRST AMENDMENT (“Amendment”) between the LANDLORD, LUBBOCK REESE REDEVELOPMENT AUTHORITY (“LRRA”) and TENANT, HELICOPTER EXPRESS, L.L.C. (“Helicopter Express”) is hereby incorporated into a certain STANDARD INDUSTRIAL LEASE, previously executed by both parties and dated September 18, 2024 (collectively, the “Lease”).

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

The Lease is supplemented as stated below:

**1. Section 5, Subsection (a) Tenant Agrees to –**

(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, to include the designated parking areas (collectively, “Tenant Improvements”), subject to Landlord’s approval of the plan and specifications prior to any work being initiated, which approval shall not be unreasonably withheld, delayed, or conditioned. Furthermore, Tenant agrees and assures that any plans submitted and subsequent work performed for any renovation or alteration to the Premises must comply with the federal Americans with Disabilities Act (“ADA”) and the Texas Accessibility Standards (“TAS”) requirements and adhere to the International Building Code, as required by the LRRA Reese Operating Manual, Land and Building Use Section as may be amended from time to time.

(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 Tenant Improvements thereon (including, but not limited to, special electrical outlets, interior utility lines, and heating system), to the reasonable 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. As set forth in Section 6(a)(4)(iii), Tenant understands and agrees that Tenant is required to repair, replace, and maintain the large hangar doors, windows, window glass, plate glass, and doors associated with the Premises; and repair, replace, and maintain the heating system being installed as a Tenant Improvement.

(9) Pay Landlord the sum of \$108,246.00 on or before the commencement of the installation of the requested Tenant Improvement (as set forth in **Exhibit A**, attached hereto) plus the cost to repair the roof from any roof penetrations necessitated by the Tenant Improvements.

**2. Section 6, Subsection (a) Landlord Agrees to –**

(4) Subject to the requirements of Section 5(a)(2) and (6), repair and maintain the (i) roof, to include roof membrane, (ii) foundation, to include floor slab, (iii) structural soundness of load bearing and exterior walls, specifically excluding the large hangar doors, windows, window glass, plate glass, and doors, and (iv) Common Areas.

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

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

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

**{SIGNATURE PAGE FOLLOWS}**

LUBBOCK REESE  
REDEVELOPMENT AUTHORITY  
("Landlord")

HELICOPTER EXPRESS, L.L.C.  
("Tenant")

*Richie Kittrell*

---

By: Murvat Musa, CEO

---

By: Richie Kittrell, COO

---

Date

*2/5/25*

---

Date

**Exhibit A – HVAC System Specifications**

## **EXHIBIT A**

### HVAC System Specifications

(attached)



**STANDARD INDUSTRIAL LEASE**

**BETWEEN**

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

**AS LANDLORD**

**AND**

**HELICOPTER EXPRESS, LLC, a Delaware limited liability company**

**AS TENANT**

**FOR PREMISES LOCATED AT**

**Reese Technology Center Building No. 82**

**402 Davis Drive**

**Lubbock, Texas 79416**

## **STANDARD INDUSTRIAL LEASE**

This Standard Industrial Lease (the "Lease") is made this 18<sup>th</sup> day of September, 2024, by and between LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas (hereinafter referred to as "Landlord") and HELICOPTER EXPRESS, LLC, a Delaware limited liability company (hereinafter referred to as the "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:**

#### **4. 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: HELICOPTER EXPRESS, LLC, a Delaware limited liability company, whose Federal Taxpayer Identification Number \_\_\_\_\_.

(d) Tenant Address: 2025 Flightway Drive, Chamblee, Georgia 30341.

(e) Guarantors: N/A

(f) Guarantors' Addresses: N/A

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

(h) Premises means that certain building ("Building") located at 402 Davis Drive, Lubbock, Texas 79416, which is commonly known as Building # 82 (a/k/a "Hangar #82"), and identified as the "Premises" on the site plan attached hereto as **Exhibit A** (the "Site Plan"), and containing approximately 53,615 square feet of floor area. Additionally, the Premises shall include the parking areas and helicopter takeoff and landing area as shown on **Exhibit A**.

(i) Initial Term (Years): Five (5) Years (as extended pursuant to subpart (k), the "Term").

(j) Extensions: Two (2) extension periods of three (3) years each, subject to the rights set forth in Section 1(k).

(k) Option to Extend Term: Tenant shall have the option for two (2) extension periods of three (3) years each. Tenant may exercise each option by providing Landlord with written notice of its desire to exercise the option to extend Term no less than one hundred eighty days (180) days prior to expiration of the Initial Term or the first extension period, or another period of time mutually agreed by the Parties. With the receipt of such notice, this Lease shall be extended for the period specified in Section 1(j), which shall be memorialized in writing and executed by

the Parties confirming the same terms and conditions as are contained in this Lease, except the existing Base Rent will be increased by a fixed three percent (3%) annually during each year of the Extension Period. The adjustment in the Base Rent will be determined by multiplying the then existing Base Rent specified in the Lease ("Base Rent") by 1.03, which will result in a "Revised Renewal Period Base Rent."

- (l) Delivery Date: October 1, 2024.
- (m) Commencement Date: October 1, 2024.
- (n) Termination Date: September 30, 2029.

(o) Base Rent: The Parties agree that the Base Rent set forth herein is what is commonly referred to as a "modified gross lease" and that Base Rent already includes, and Tenant shall not have to pay for Common Area (as defined below) Maintenance fees, grounds keeping-mowing expenses, parking, Landlord's insurance, and any other charges incurred by Landlord with respect to the Premises, except as otherwise provided in this Lease. Said Base Rent does not include, and Tenant is solely responsible for any and all charges associated with utilities, trash dumpsters, telephone service, internet service, Tenant renovations, Premises maintenance, or housekeeping services, except as otherwise provided in this Lease. Subject to this paragraph, Base Rent shall be as set forth below, which represents a fixed increase of three percent (3%) annually during each year of the Lease Term. The adjustment in the Base Rent will be determined by multiplying the then existing Base Rent specified during the Lease Term ("Base Rent") by 1.03.

<b>Initial Term Lease Year</b>	<b>Total Annual Rent</b>	<b>Total Monthly Payment</b>	<b>Annual Base Rent Per Square Foot Area (53,615 square feet)</b>
Year 1 (10/1/2024 – 9/30/2025)	\$268,075.00	\$22,339.58	\$5.00
Year 2 (10/1/2025 – 9/30/2026)	\$276,117.25	\$23,009.77	\$5.15
Year 3 (10/1/2026 – 9/30/2027)	\$284,159.50	\$23,679.96	\$5.30
Year 4 (10/1/2027 – 9/30/2028)	\$292,737.90	\$24,394.83	\$5.46
Year 5 (10/1/2028 – 9/30/2029)	\$301,316.30	\$25,109.69	\$5.62

(p) Security Deposit: Landlord agrees to accept as a security deposit one (1) months Base Rent in the amount of \$22,339.58. 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. Landlord will promptly refund to Tenant the Security Deposit (or remainder thereof, to the extent applied to expenses for which Tenant is expressly liable for herein) at the expiration or termination of this Lease.

(q) Termination: This Lease is terminable by either Party if the other is in default of this Lease, provided that so long as that Party is not in default of this Lease, as further provided in Section 12 herein.

(r) Early Termination Fee: None.

(s) Permitted Use: Tenant may use the Premises for office space and support to its helicopter operations and training, to include heavy lifting, utility construction, disaster relief, aerial cinematography, charter trips, and firefighting services, as well as equipment maintenance.

(t) Relocation Option: Landlord reserves the right to re-locate Tenant at any time during the Term of the Lease at Landlord's expense to a building of similar size and use on the Property (the "Re-location Space"). If Tenant does not find the Re-location Space acceptable then Tenant shall be released of all liability under the Lease, including the payment of any further Rent.

(u) Option to Lease Apron Parking Area: Tenant shall have the option to lease additional helicopter parking space, on the airfield apron, for \$0.25 per square foot (with annual increase of two percent (2%), which shall result in "Additional Rent." The exact location and amount of space will be agreed upon in writing in advance by the Parties.

(v) Landlord's Address for Payment of Rent: Payment of Rent may be made by check and delivered to Landlord's address, or by electronic funds transfer to Landlord's bank account at:

Plains Capital Bank  
5010 University  
Lubbock, TX 79413  
Routing Number - 111322994  
Account Number - 7260002003  
Deposits need to indicate: LUBBOCK REESE REDEVELOPMENT AUTHORITY

## **2. DEFINITIONS**

(a) "Common Areas" means all facilities and areas of the Project that are intended and designated by Landlord from time to time for the common, general, and nonexclusive use of all tenants of the Project, including parking lots. Landlord has the exclusive control over and right to manage the Common Areas. 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 Lease, and to use the streets, alleys and other portions of the Project necessary to obtain access to the Premises for the Permitted Use, and further subject to the access to the Premises as set forth in Section 5(a)(15) ("Gate 1180 Access").

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

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

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

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

(f) “Uncontrollable Event” means any obligation hereunder is prevented or substantially restricted or interfered with by reason of an event of “Force Majeure” (defined below), the affected party, upon giving notice to the other party, shall be excused from such performance to the extent of and for the duration of such prevention, restriction or interference. The affected party shall use its reasonable efforts to avoid or remove such causes of nonperformance and shall continue performance hereunder whenever such causes are removed. “Force Majeure” means flood, drought, earthquake, storm, fire, tornado, lightning, windstorm, or other natural catastrophe; acts of God, casualty or accident; war, sabotage, vandalism, civil strife or other violence; strikes or labor disputes; pandemics; any law, order, proclamation, regulation, ordinance, action, demand or requirement of any government agency; or any other act or condition beyond the reasonable control of a party hereto.

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

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

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

### **4. REAL ESTATE TAXES AND OTHER TAXES**

(a) Real Estate Taxes. Tenant will pay or cause to be paid to the appropriate governmental authorities, prior to delinquency, all Real Estate Taxes. “Real Estate Taxes” means all real property taxes and assessments that become due and payable during the Term and are assessed by the applicable taxing governmental authority against the Premises. Tenant shall only be responsible for said taxes incurred by Tenant during the Term, to include any extension, of this Lease. Tenant shall not be responsible for any back taxes or assessments incurred by a third party or prior to the Delivery Date.

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

## **5. TENANT COVENANTS**

### **(a) Tenant Agrees to –**

(1) Lease the Premises for the entire Term beginning on the Delivery Date and ending on the Termination Date, unless otherwise terminated under the terms of the Lease.

(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, to include the designated parking areas, subject to Landlord’s approval of the plan and specifications prior to any work being initiated, which approval shall not be unreasonably withheld, delayed, or conditioned. Furthermore, Tenant agrees and assures that any plans submitted and subsequent work performed for any renovation or alteration to the Premises must comply with the federal Americans with Disabilities Act (“ADA”) and the Texas Accessibility Standards (“TAS”) requirements and adhere to the International Building Code, as required by the LRRR Reese Operating Manual, Land and Building Use Section as may be amended from time to time.

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

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

(5) Following receipt of a twenty four (24) hour written notice (including e-mail) by Landlord, allow Landlord to enter the Premises during reasonable times 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 in writing Tenant as soon after the entry as is reasonably possible.

(6) Repair, replace, and maintain any part of the Premises that Landlord is not obligated to repair, replace, or maintain, reasonable wear excepted, including any improvements thereon (including, but not limited to, special electrical outlets and interior utility lines), to the reasonable 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. As set forth in Section 6(a)(4)(iii), Tenant understands and agrees that Tenant is required to repair, replace, and maintain the large hangar doors, windows, window glass, plate glass, and doors associated with the Premises.

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

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

(9) Not used.

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

(11) If accessed, pay an additional reasonable 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 thirty (30) days of its receipt of written notification of the fee assessment.

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

(13) INDEMNIFY, DEFEND, AND HOLD LANDLORD HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) IN CONNECTION WITH ANY ACT OR OMISSION BY THE TENANT OCCURRING IN ANY PORTION OF THE PREMISES, OR ARISING FROM TENANT'S ACCESS TO, PRESENCE ON, OR USE OF THE PREMISES OR PROJECT; OR THAT IS RELATED TO TENANT'S PERMITTED USE. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF TENANT'S INSURANCE, (b) WILL NOT BE LIMITED BY DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, AND (c) WILL SURVIVE THE END OF THE TERM. HOWEVER, THE INDEMNITY CONTAINED IN THIS PARAGRAPH SHALL NOT APPLY IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE, STRICT LIABILITY, GROSS NEGLIGENCE, OR WILLFUL MISCONDUCT OF LANDLORD.

(14) Tenant acknowledges and agrees that Landlord has notified Tenant that three (3) or more commercial grade wind turbines are or shall be located on the westernmost boundary of the Project, to the west of the westernmost runway of the Project. Tenant acknowledges that such wind turbines generate noise, vibration, air turbulence, wake, shadow

flicker, electromagnetic interference, and could interfere with television reception, audio, visual, view, or light, or cause other interference, and Tenant releases and holds Landlord harmless from any claim for damages, losses, liabilities, losses of rent, business opportunities, profits and the like that may result from the normal operation of the wind turbines on the Project.

(15) Tenant acknowledges the existence of and agrees to use the entrance off of Research Blvd. for the delivery or shipment of all products used in and associated with the Permitted Use, when the means of delivery or shipment is a vehicle has more than two axles (the “Gate 1180 Access Point”).

(16) Not used.

(17) Not used.

(18) Tenant shall abide by all directions regarding availability and use of the central 10,500-foot runway and eastern 6,500-foot runway. Additionally, Tenant shall provide at least twenty-four (24) hours’ notice of any use of the runways.

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

(1) Use the Premises for any purpose other than the Permitted Use.

(2) Create a nuisance, to include but not limited to noxious odors.

(3) Interfere with any other tenant’s normal business operations or Landlord’s management of the Premises or Project.

(4) Use the Premises in any way that would increase insurance premiums or void insurance on the Premises or the Project.

(5) Change Landlord’s lock system.

(6) Allow a lien to be placed on the Premises.

(7) Assign this Lease or sublease any portion of the Premises without Landlord’s prior express written consent.

(8) Use the roof on the Premises, except as may be specifically authorized in writing by the Landlord.

(9) Place any signs on the Premises without Landlord’s written consent, which shall not be unreasonably withheld, delayed, or conditioned.

(10) Bring suit against Landlord in connection with any claim or suit for which Tenant bears responsibility pursuant to Section 5(a)(13).



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

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

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

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

## **6. LANDLORD COVENANTS**

### **(a) Landlord agrees to –**

(1) Lease to Tenant the Premises for the entire Term beginning on the Delivery Date and ending on the Termination Date, unless terminated earlier in accordance with the terms of the Lease.

(2) To deliver the Premises in broom clean condition. As agreed to by the Parties, Landlord will do one-time spot touch up painting post-Commencement Date. Landlord represents that all missing/broken windows have been replaced and the heating system is operational in the areas where heating is provided to inside the Premises.

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

(4) Subject to the requirements of Section 5(a)(2), repair and maintain the (i) roof, to include roof membrane, (ii) foundation, to include floor slab, (iii) structural soundness of load bearing and exterior walls, specifically excluding the large hangar doors, windows, window glass, plate glass, and doors, and (iv) Common Areas.

### **(b) Landlord agrees not to—**

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

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

## **7. COMMON AREAS**

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

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

## **8. UTILITIES AND TRASH REMOVAL**

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

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

## **9. DAMAGE BY CASUALTY**

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

(b) Tenant's Right to Terminate. If more than thirty-five percent (35%) of the floor area of the Premises is damaged or destroyed due to Casualty, then Tenant will have the right to terminate this Lease, effective as of the date of Casualty, by notice given to Landlord within fifteen (15) days after Tenant's receipt of Landlord's Casualty Notice.

(c) Landlord's Right to Terminate. If more than thirty-five percent (35%) of the floor area of the Premises is damaged or destroyed by Casualty during the Term, then Landlord may elect to terminate this Lease effective as of the date of the Casualty by notice given to Tenant not later than fifteen (15) days after Landlord delivers Landlord's Casualty Notice to Tenant.

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

set forth in Landlord's Casualty Notice, plus the number of days of delay caused by Uncontrollable Events, then, Tenant will have the right to terminate this Lease by giving Landlord notice and upon the giving of such notice, this Lease will terminate and the Parties will be liable for their respective obligations to the date of termination and will have no liability for obligations arising after that date, except for those obligations which expressly survive termination. Landlord agrees should damage occur in over thirty-five percent (35%) of the floor area no Rent will be due or if mutually agreed a reduced Rent will be paid, provided Tenant can use the portion of the Premises not damaged.

## **10. HAZARDOUS MATERIALS**

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

(b) Tenant's Obligations. During the Term, Tenant will not use, generate, place, store, release or otherwise dispose of Hazardous Materials in the Premises or the Common Areas, except in accordance with all Environmental Laws, and subject to the Reservations recorded in the Deed Without Warranty Between the United States of America and Landlord recorded in the Real Property Records of Lubbock County, Texas at Deed Record 2006041652. Notwithstanding anything to the contrary contained in this Lease, Landlord acknowledges and agrees that Tenant shall have the right to use and store in the Premises in Tenant's ordinary course of business Hazardous Materials in accordance with Environmental Laws, and subject to Section 10(e), below. In the event of a breach of the foregoing, Tenant will promptly undertake remediation or removal in accordance with all Environmental Laws. Tenant will indemnify, defend and hold Landlord and Landlord's Affiliated Parties harmless from and against, and reimburse Landlord and Landlord's Affiliated Parties for, all Hazardous Materials Liabilities asserted against or incurred by Landlord or Landlord's Affiliated Parties as a result of a breach of Tenant's obligations under this paragraph. Notwithstanding anything to the contrary contained herein, in no event shall Tenant be liable for Hazardous Materials existing in, on or about the Premises or the Project prior the Tenant's occupancy of the Premises. Tenant shall provide Landlord a copy of Tenant's plan for responding to hazardous waste, fuel, and chemical spills no later than the Commencement Date.

(c) Definitions. As used herein,

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

(ii) "Environmental Laws" means all federal, state, regional or local statutes, laws, regulations, codes, orders, permits, ordinances, decrees, rulings or judicial or administrative interpretations thereof, or similar laws of foreign jurisdictions where the Tenant conducts business,

whether currently in existence or hereinafter enacted or promulgated, any of which govern, or purport to govern, or relate to pollution, protection of the environment, public health and safety, air emissions, water discharges, hazardous or toxic substances, solid or hazardous waste or occupational health and safety, as any of these terms are or may be defined in such statutes, laws, rules, regulations, codes, orders, permits, ordinances, decrees, rulings or judicial or administrative interpretations thereof, including, without limitation: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendment and Reauthorization Act of 1986, 42 U.S.C. §9601, et seq. (collectively "CERCLA"); the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and subsequent Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §6901 et seq. (collectively "RCRA"); the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801, et seq.; the Clean Water Act, as amended, 33 U.S.C. §1311, et seq.; the Clean Air Act, as amended (42 U.S.C. §7401-7642); the Toxic Substances Control Act, as amended, 15 U.S.C. §2601 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act as amended, 7 U.S.C. §136-136y ("FIFRA"); the Emergency Planning and Community Right-to-Know Act of 1986 as amended, 42 U.S.C. §11001, et seq. (Title III of SARA) ("EPCRA"); and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §651, et seq. ("OSHA"); and

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

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

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

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

## 11. INSURANCE AND WAIVER OF SUBROGATION

A Certificate of Insurance for each coverage identified below shall be submitted by each Party to the other prior to the Delivery Date. Each Party shall provide to the other proof of the required insurance on or before the expiration date of each expiring policy and Tenant shall cause each required policy to require insurer to give Landlord notice of termination of any policy prior to the expiry of its term. Landlord shall provide Tenant notice of termination of any policy to the expiry of its term. It is expressly understood and agreed by the Parties that Landlord's insurer, Texas Municipal League Intergovernmental Risk Pool, may not add a private party as an additional insured party to its policies. Specifically, the Parties are required to have:

(a) Commercial General Liability Insurance. Commercial General Liability Insurance covering the Premises and its use thereof, not including Common Areas (with regard to Tenant's policy), against claims for bodily injury, death or property damage occurring upon, in or about the Premises (including contractual indemnity and liability coverage), such insurance to provide coverage of not less than \$1,000,000.00 per occurrence and \$5,000,000.00 annual aggregate. Landlord shall be included as an additional insured against claims for bodily injury, death, or property damage occurring upon, in or about the Premises; or that is related to the Permitted Use.

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

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

(d) Tenant's Aircraft and Aircraft Operation Insurance. Tenant shall maintain 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), to include use of the runways and apron, such insurance to provide coverage of not less than \$1,000,000.00 per occurrence and \$5,000,000.00 annual aggregate relating to the use, storage, or operation of aircraft. Landlord shall be included as an additional insured against claims for bodily injury, death, or property damage occurring upon, in or about the Premises; or that is related to the Permitted Use.

(e) Landlord's Hangarkeepers Liability Insurance. Landlord shall maintain hangarkeepers liability insurance covering the Premises and Common Areas, including protection against fire and other hazards, and covering incidental movement of aircraft, in the sum of not less than \$1,000,000.00 per occurrence and \$5,000,000.00 annual aggregate.

(f) 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 each

Party will use good faith efforts to obtain a policy that will contain endorsements that (1) such insurance may not lapse with respect to the other Party or be canceled with respect to the other Party without the insurance company giving such Party at least thirty (30) days prior written notice of such cancellation, (2) each Party 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.

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

## **12. ADDITIONAL LANDLORD AND TENANT AGREEMENTS**

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

(b) Abatement. Tenant's covenant to pay Rent and Landlord's covenants are independent. Tenant will not be entitled to abate Rent for any reason.

(c) Condemnation/Substantial or Partial Taking

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

(2) If there is a condemnation or purchase in lieu of condemnation and this Lease is not terminated by the Tenant, 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) Not used.

(e) Default by Landlord/Events. Defaults by Landlord are:

(1) failing to comply with any provision of this Lease within thirty (30) days after written notice is received by the Landlord from the Tenant; or

(2) commencement of proceedings for the reorganization, liquidation, or voluntary dissolution of Landlord, or for its adjudication as a bankrupt or insolvent, or for the appointment of a receiver of the Landlord'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.

(f) Default by Landlord/Tenant's Remedies. Tenant's remedies for Landlord's default are to (1) terminate this Lease; (2) recover all Tenant's property on or in the Premises with the cooperation of the Landlord; (3) recover from the Landlord all costs, loss and damage suffered by the Tenant, including all costs in relation to any default by the Landlord under this Lease; (4) sue for damages, and/or (5) exercise any of the Tenant's other legal rights.

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

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

(2) not used;

(3) commencement 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 or materialman'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 or materialman's lien, provided, however, that Tenant shall have an affirmative duty to notify Landlord of the existence or threat of any such mechanic's or materialman's lien being filed against the Premises if and when Tenant receives any notice of the threatened mechanic's or materialman's lien from any claimant;

(5) failing to pay timely Rent, in accordance with Section 3(a);

(6) failure by Tenant to perform or observe any of Tenant's non-monetary covenants contained in this Lease within thirty (30) days after written notice is received by the Tenant from the Landlord;

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

(8) failing to comply within thirty (30) days after written notice with any provision of this Lease; and

(9) failing to comply with the requirements set forth in Sections 5(a)(2) within thirty (30) days after written notice is received by the Tenant from the Landlord.

(h) Default by Tenant/Landlord's Remedies. Landlord's remedies for Tenant's default are to (1) enter and take possession of the Premises; (2) enter the Premises and perform Tenant's obligations; and (3) terminate this Lease by written notice and sue for damages. Landlord may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be occupying the Premises, until the default is cured, without being liable for damages.

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

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

(k) Representations and Indemnities of Broker Relationships. Tenant and Landlord each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder in connection with this Lease, and that no one is entitled to any commission or finder's fee in connection herewith. Tenant and Landlord do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar Party by reason of any dealings or



actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

(l) Holdover. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term. If Tenant remains in possession of the Premises after the expiration of the Term without execution of a new lease, amendment, or other instrument extending the Term, Tenant will be deemed to be occupying the Premises as a Tenant at will, subject to all of the terms of this Lease as may be applicable to a month to month tenancy and at One Hundred Fifty Percent (150%) of the monthly installment of the Base Rent set forth in Section 1(m) for the twelve (12) month period prior to expiration of the Term, except that thereafter either Landlord or Tenant may terminate this Lease upon thirty (30) days' notice to the other; provided that Landlord, by the terms hereof, is not deemed to consent to any such holdover by Tenant and may exercise all rights provided by law to remove Tenant from the Premises upon giving Tenant the notice described herein.

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

**LANDLORD:**

Lubbock Reese Redevelopment Authority  
9801 Reese Boulevard  
Suite 200  
Lubbock, Texas 79416  
Attn: Executive Director  
Telephone: (806) 885-6592  
Email: [mmusa@reesecenter.com](mailto:mmusa@reesecenter.com)

**TENANT:**

Helicopter Express, LLC  
Richie Kittrell, COO  
2025 Flightway Drive  
Chamblee, GA 30341  
Telephone: 770-330-3684  
Fax: N/A  
Email: [richie@helicopterexpress.com](mailto:richie@helicopterexpress.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 written 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, including all matters of construction, validity and performance, without giving effect to conflict of laws provisions. Exclusive jurisdiction and venue over any and all disputes between the Parties arising under this Lease shall be in, and for such purpose each Party hereby submits to the jurisdiction of, the state and federal courts serving Lubbock County, Texas. THE PARTIES HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS LEASE.

(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, and executes an amendment with this Lease with the Tenant.

(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) Not used.

(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 applicable 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 Lease is not ineligible to receive the specified Lease and acknowledges that the Lease may be terminated if this certification is inaccurate.

(aa) Chapter 2271 of the Texas Government Code. Tenant acknowledges that in accordance with Chapter 2271 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.

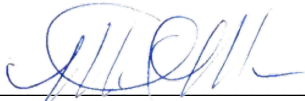
The execution of this Lease by Landlord shall not be considered a waiver of Landlord's sovereign immunity to suit.

**/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")

HELICOPTER EXPRESS, LLC.  
("Tenant")

  
\_\_\_\_\_  
By: Murvat Musa/CEO

September 18, 2024  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
By: Scott Runyan, President/CEO

September 23, 2024  
\_\_\_\_\_  
Date

## EXHIBIT A

### Site Plan



## **EXHIBIT B**

### **Reese Airpark Rates and Charges**

The Tenant will be subject to rates and charges imposed for use of the Reese Technology Airpark by fixed wing aircraft. These charges may be amended from time to time but are currently:

1. Fuel Flowage Fee of \$0.08 per gallon.
2. Landing fees \$3.00 per 1,000 pounds Maximum Gross Landing Weight (MGLW).
3. Landing fees do not apply to aircraft with maximum certificated takeoff weights of 12,500 pounds or less.



**BOARD ACTION ITEM No. 2025-0226-006**  
**HELICOPTER EXPRESS, BUILDING 82, FIRST LEASE AMENDMENT**

**BOARD OF DIRECTORS**  
**LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)**  
**February 26, 2025**

**Items to be Considered:**

- a. Approve a First Lease Amendment for Helicopter Express, Building 82

**Previous Board Action:**

- a. The Board approved a lease for Helicopter Express for Hangar 82 on August 28, 2024.

**Statement of Pertinent Facts:**

- a. Helicopter Express desires to install heaters in Hangar 82, at their cost and as a reimbursement to LRRRA
- b. Reese will hire and pay the vendor and Helicopter Express will reimburse Reese
- c. Helicopter Express will be responsible for maintenance of the units

**Advice, Opinions, Recommendations, and Motion:**

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

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby authorizes the CEO/Executive Director to execute the First Lease Amendment for Helicopter Express., subject to negotiations of final terms and conditions, on this 26<sup>th</sup> day of February 2025”

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

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

**AGENDA ITEM 5**  
**EXECUTIVE SUMMARY**  
**LEASE ASSIGNMENTS AND AMENDMENTS**  
**GROUP NIRE TO TEXAS TECH UNIVERSITY**  
**BUILDING 540 AND 2-ACRE GROUND LEASE**

As you are aware, Group NIRE has become insolvent. Staff have been in discussions with Texas Tech to assume their leases as they own 80% of Group NIRE and there is valuable research associated with the building and 2-acre site.

Tech has agreed to assume the leases with modifications to bring them up to include state required language.

Attached, for your review, you will find:

1. Assignment and First Amendment to 2 Acre Ground Lease from Group NIRE to Texas Tech University
2. Group NIRE 2 Acre Ground Lease
3. Assignment and Second Amendment to Building 540 Lease from Group NIRE to Texas Tech University
4. Group NIRE Building 540 Lease
5. Group NIRE Building 540 First Amendment

Staff are requesting Board approval for the attached Assignment and First Amendment to 2 Acre Ground Lease and Assignment and Second Amendment to Building 540 from Group NIRE to Texas Tech University.

## Assignment and 1<sup>st</sup> Amendment to Ground Lease

This Assignment and First Amendment to Ground Lease (the “Amendment”) is by and between NIRE Holdings Corporation, a Texas corporation (“NIRE”), Lubbock Reese Redevelopment Authority, a political subdivision of the State of Texas, doing business as Reese Technology Center (herein referred to as “Landlord” or “RTC”), and Texas Tech University, Texas public institution of higher education (herein referred to as “Lessee” or “TTU”). Collectively NIRE, RTC, and TTU are referred to herein as the Parties.

WHEREAS, NIRE previously entered into a lease agreement with Reese, entitled Ground Lease (the “Lease”), whereby NIRE leased an approximate two-acre tract from RTC that commenced on March 1, 2015;

WHEREAS, the Lease is currently in Year 3, as described by the First Amendment;

WHEREAS, a copy of the Lease is attached hereto as **Exhibit A**; and

WHEREAS, NIRE wishes to assign to TTU the Lease in its entirety and as amended herein.

NOW THEREFORE, for good and valuable consideration, the mutuality and sufficiency of which is mutually recognized by the Parties, the Parties recognize and agree to the following:

1. Effective as 1<sup>st</sup> day of March 2025 (the “Effective Date”), NIRE hereby assigns and conveys all right, title, interest, and obligation under Lease to TTU, which TTU accepts subject to the changes to the Lease stated herein. Accordingly, TTU agrees to acquire and be subject to the Lease as amended herein and assumes each and every obligation of the tenant under the Lease arising after the Effective Date. Pursuant to sections 12.q. and 5.(b)(7) of the Lease, RTC expressly approves and consents to the assignment of the Lease from NIRE to TTU. Accordingly, from and after the Effective Date, all references to “Tenant” in the Lease, as amended herein, shall refer to TTU. RTC further agrees that NIRE is hereby released from any and all obligations arising under the Lease from and after the Effective Date.

In addition to assigning its interest in the Lease to TTU, NIRE hereby transfers and conveys to TTU all furniture, fixtures and equipment owned by NIRE which is currently located on the Premises (collectively, the “FFE”). TTU acknowledges the FFE is used, that it has inspected and is accepting the Furniture in its current condition, as-is, where is, without warranty or representation of any kind. NIRE represents only that it is the owner of FFE, which is not subject to any security interest, lien or encumbrance arising from the acts or omissions of NIRE, but NIRE MAKES NO OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE FFE AND THE SAME IS CONVEYED “AS-IS”.

2. RTC recognizes that TTU is a Texas state entity and is subject to certain requirements in its contracts. As a result, as of the Effective Date, the Lease is hereby amended to contain the following additional clauses:

a. TTU, an agency of the State of Texas, is exempt from Texas Sales & Use Tax on goods

and services in accordance with §151.309, Texas Tax Code, and Title 34 Texas Administrative Code (“TAC”) §3.322.

- b. THE PARTIES ARE AWARE THAT THERE MAY BE CONSTITUTIONAL AND STATUTORY LIMITATIONS ON THE AUTHORITY OF TTU (A STATE AGENCY) TO ENTER INTO CERTAIN TERMS AND CONDITIONS, INCLUDING TERMS AND CONDITIONS (IF ANY) RELATING TO LIENS ON TTU’S PROPERTY; DISCLAIMERS AND LIMITATIONS OF WARRANTIES; DISCLAIMERS AND LIMITATIONS OF LIABILITY FOR DAMAGES; WAIVERS, DISCLAIMERS AND LIMITATIONS OF TTU’S LEGAL RIGHTS, REMEDIES, REQUIREMENTS AND PROCESSES; LIMITATIONS OF PERIODS TO BRING LEGAL ACTION; GRANTING CONTROL OF LITIGATION OR SETTLEMENT TO ANOTHER PARTY; LIABILITY FOR ACTS OR OMISSIONS OF THIRD PARTIES; PAYMENT OF ATTORNEYS’ FEES; DISPUTE RESOLUTION; INDEMNITIES; ANY PROVISION THAT CREATES AN UNKNOWN OR UNFUNDED LIABILITY; AND CONFIDENTIALITY (COLLECTIVELY, THE “LIMITATIONS”), AND TERMS AND CONDITIONS RELATED TO THE LIMITATIONS WILL NOT BE BINDING ON TTU EXCEPT TO THE EXTENT AUTHORIZED BY THE LAWS AND CONSTITUTION OF THE STATE OF TEXAS.
- c. The dispute resolution process provided for in Chapter 2260 and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260 will be used by TTU and Landlord to attempt to resolve any claim for breach of contract made by Landlord that cannot be resolved in the ordinary course of business. The chief procurement officer of TTU will examine Landlord's claim and any counterclaim and negotiate with Landlord in an effort to resolve such claims. The parties specifically agree that (i) neither the execution of the Lease by TTU nor any other conduct, action, or inaction of any representative of TTU relating to the Lease constitutes or is intended to constitute a waiver of TTU’s or the state's sovereign immunity to suit except with respect to any claims that may be brought under this Lease, the enforcement thereof, or for damages, to the extent allowed by the Constitution of the State of Texas and applicable law; and (ii) TTU has not waived its right to seek redress in the courts. Any term or provision in the Landlord Terms indicating agreement to arbitration, other alternative dispute resolution, or litigation options in the event of a dispute between the parties is expressly rejected and is null and void.
- d. Landlord agrees that it will comply with all federal, state, or local laws or regulations applicable to Landlord’s performance under the Lease. Landlord also agrees that pursuant to Texas Education Code §51.9335(h), in any contract for the acquisition of goods or services to which TTU is a party, any provision required by applicable law to be included in the Lease is considered to be part of the Lease whether or not the provision appears on the face of the contract or if the Lease contains any provision to the contrary. Notwithstanding the foregoing, beginning on the Effective Date of the assignment, TTU shall periodically update LRRAs on federal and state laws that TTU determines should apply to the Lease.

- e. Clery Act. The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act, part of the Federal Higher Education Act of 1965, as amended, and as further amended by the Higher Education Opportunity Act and the Violence Against Women Reauthorization Act of 2013, (collectively known as the “Clery Act”) requires that colleges and universities participating in federal student aid programs gather and report to the campus community and federal government statistics for certain crimes that occur on or near campuses and publish policy statements concerning campus safety and security. “Clery-Reportable Incidents” are alleged criminal offenses and arrests based on the definitions provided by the Federal Bureau of Investigation Uniform Crime Reporting Program (“UCR”) and the Clery Act, as each may be amended from time to time, which currently include: murder, manslaughter, rape (including statutory rape), forcible fondling, incest, robbery, aggravated assault, burglary, motor vehicle theft, arson, weapons violations, drug violations, alcohol violations, domestic violence, dating violence, and stalking. These incidents must be reported to the Tenant regardless of whether a police investigation has begun (except for arson, which must only be disclosed if evidence arises during the course of an investigation that indicates arson caused a fire). Landlord will comply with requirements of the Clery Act concerning crime statistic disclosures by reporting all Clery-Reportable Incidents to University as described herein. Landlord’s requirement to disclose Clery-Reportable Incidents is limited to such incidents that occur in space used by Tenant and in public areas through which an individually would normally pass during the time in which the Tenant is utilizing the space. Landlord’s disclosure to Tenant of Clery-Reportable Incidents shall include the occurrence, date, time, and location of the incident, and the number of victims involved in the incident. Landlord’s disclosure shall comply with federal and Texas state privacy laws. If evidence arises showing the incident was motivated by the offender’s bias, and that bias was motivated by race, religion, ethnicity, gender, sexual orientation, or disability, then Landlord must notify the Tenant. In addition to the above-named Clery-Reportable Incidents, larceny, simple assault, intimidation, and vandalism must also be reported to the Tenant if they are motivated by one of the biases stated in this paragraph. Landlord agrees to provide the required disclosures to Tenant within three (3) business days of the incident being reported to Landlord, by email, to:

Texas Tech Police Department  
Attention: Chief of Police  
Email: police@ttu.edu

Notwithstanding the foregoing, LRRRA is under no obligation to report to TTU Clery-Reportable Incidents to the extent that TTU otherwise has knowledge, or otherwise informs LRRRA, of an incident. It is understood and agreed by the Parties, if LRRRA receives knowledge through some source other than TTU, LRRRA shall inform TTU, as set forth in the paragraph above.

3. To the extent any of the above clauses contradict anything in the Lease, the language, clauses and changes contained in this Amendment shall supersede all prior agreements.

4. The Lease is hereby further amended by the modification of the following additional clauses:

- a. Paragraph/subsection 1.(c) is modified to read as follows:

Tenant: Texas Tech University (“TTU” or “Tenant”), whose Federal Taxpayer Identification Number is 756002622.

- b. Paragraph/subsection 1.(d) is modified to read as follows:

Tenant Address: Texas Tech Plaza, 1901 University Avenue, Suite 408, Lubbock, Texas 79411 contracting@ttu.edu.

- c. Paragraph/subsection 2.(b) is modified to read as follows:

“Injury” means (1) harm to or impairment or loss of property or its use, or (2) harm to or death of a person.

- d. Paragraph/subsection 4.(b) is modified to read, in its entirety, as follows:

Other Taxes. At the present time the Landlord and Tenant are not taxable entities, and are exempt from ad valorem taxes. However, if the Premises become taxable at some point in the future during the Term, then Tenant agrees that in addition to the Rent due hereunder, to the fullest extent permitted by Texas law, then the following provisions shall apply: 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.

- e. Paragraph/subsection 5.(a)(11) is modified to read, and replace in its entirety, as follows:

TO THE EXTENT ALLOWED BY TEXAS LAW, RELEASE LANDLORD FROM ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY’S FEES AND OTHER FEES AND COURT AND OTHER COSTS ARISING FROM TENANT’S ACCESS TO, PRESENCE ON, OR USE OF THE PREMISES UNDER THIS LEASE (INCLUDING ANY ACCESS TO, PRESENCE ON, OR USE OF THE PREMISES BY TENANT’S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES, LICENSEES, OR VISITORS). THIS PARAGRAPH (a) WILL SURVIVE THE END OF THE TERM AND (b) WILL NOT APPLY IF AN INJURY IS CAUSED IN WHOLE OR IN PART

BY THE ORDINARY NEGLIGENCE, STRICT LIABILITY, INTENTIONAL ACT,  
GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD.

- f. Paragraph/section 11 is amended to read, in its entirety, as follows:

Landlord shall not be obligated to insure any furnishings, equipment, trade fixtures, or other personal property, which Tenant may place or cause to be placed upon the Premises. Landlord and Tenant waive any requirement of contents insurance, or property casualty coverage on the building. Landlord will maintain a policy or policies of comprehensive general liability insurance Landlord against loss of life, bodily injury and/or property damage with respect to Common Areas, operation of the Premises, parking lots and other improvements associated with the land upon which the Premises are located, and any other losses caused by or related to the duties and obligations of Landlord under this Lease.

Landlord acknowledges that, because Tenant is an agency of the State of Texas, liability for the tortious conduct of the agents and employees of Tenant (other than medical liability of medical staff physicians) or for injuries cause by conditions of tangible state property is provided for solely by the provisions of the Texas Tort Claims Act, and the Workers' Compensation Insurance coverage for employees of Tenant is provided by Tenant as mandated by Texas law. Tenant shall have no obligation under this Lease to purchase policies of insurance. No insurance carrier of either Party shall have a right of subrogation against the other party of this Lease.

- g. Paragraph/subsection 12.m. is amended to reflect the contact information for TTU as the Tenant and incorporates the following additional language:

Contracting Procurement Services  
Texas Tech University  
Texas Tech Plaza  
1901 University Avenue  
Suite 408  
Lubbock, Texas 79411  
contracting@ttu.edu

or such other person or address as may be given in writing by TTU to Landlord.

Notwithstanding any other requirements for notices given by a party under the Lease, if Landlord intends to deliver written notice to TTU pursuant to §2251.054, Texas Government Code, then Landlord will send that notice to TTU as follows:

Contracting  
Procurement Services Texas  
Tech University PO Box 41094  
Lubbock, Texas 79409

- h. Paragraph/section 16 is modified to read, in its entirety, as follows:

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

5. This Amendment shall be binding upon, and inure to the benefit of, the parties hereto, their respective successors in interest, and their respective assigns.

6. This Amendment may not be changed, modified, discharged, or terminated orally or in any other manner than by an agreement in writing executed by the Parties hereto or their respective successors and assigns.

7. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and same instrument.

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



**TEXAS TECH UNIVERSITY**

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

**LUBBOCK REESE REDEVELOPMENT AUTHORITY**

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

**NIRE HOLDINGS CORPORATION**

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

**EXHIBIT A**  
**COPY OF THE LEASE**

**GROUND LEASE**  
**BETWEEN**  
**LUBBOCK REESE REDEVELOPMENT AUTHORITY, a Political**  
**Subdivision of the State of Texas**  
**AS LANDLORD**  
**AND**  
**NIRE HOLDINGS CORPORATION, a Texas corporation, also known as GROUP NIRE**  
**AS TENANT**  
**FOR LAND LOCATED AT**  
**Reese Technology Center**  
**Lubbock, Texas 79416**

## **STANDARD INDUSTRIAL LEASE**

This Ground Lease (the "Lease") is made this \_\_\_\_ day of \_\_\_\_\_ 2022, by and between LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas (hereinafter referred to as "Landlord") and NIRE HOLDINGS CORPORATION, a Texas corporation, also known as GROUP NIRE (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: NIRE HOLDINGS CORPORATION, a Texas corporation, whose Federal Taxpayer Identification Number is \_\_\_\_\_.

(d) Tenant Address: 1011 Gilbert Dr, Lubbock, TX 79416.

(e) Guarantor: [NOT APPLICABLE].

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

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

(h) Premises means that approximate two-acre tract ("Ground") and identified on the site plan attached hereto as **Exhibit A** and shall comprise the "**Premises**."

(i) Initial Term (Months): Sixty (60) Months.

(j) Extensions: Two (2) extension periods of five (5) years each, subject to the rights set forth in Section 1(k). The New Initial Term and any Extensions shall be referred to herein as the "Term."

(k) Option to Extend Term: Tenant shall have two (2) renewal option of five (5) years, such option to be exercised automatically unless Landlord receives written notice from Tenant of its desire not to exercise the option to extend term no less than one hundred eighty (180) days prior to expiration of the Initial Term or any subsequent renewal term. Without receipt of such notice, this Lease shall be extended automatically for the period specified in Section 1(j) without the necessity for the execution of any further instrument and upon the same terms and conditions as are contained in this Lease, except the then existing Base Rent will be increased by a fixed four percent (4%) during the extension period. The adjustment in the Base Rent will be determined by

multiplying the then existing Base Rent specified in the lease ("Base Rent") by 1.04, which will result in a "Revised Base Rent."

- (l) Delivery Date: March 1, 2022.
- (m) Commencement Date: March 1, 2022.
- (n) Termination Date: February 28, 2027.

(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, parking, Landlord's insurance, and any other charges incurred by Landlord with respect to the Premises, except as otherwise provided in this Lease. Said Base Rent does not include, and Tenant is solely responsible for any and all charges associated with utilities, dumpsters, telephone service, internet service, Tenant renovations, Premises maintenance, or housekeeping services, as set forth in Section 8. Subject to this paragraph, Base Rent shall be as set forth below:

<b>Initial Term Lease Years</b>	<b>Total Annual Base Rent</b>
Year 1	\$1,764.70
Year 2	\$1,764.70
Year 3	\$1,764.70
Year 4	\$1,764.70
Year 5	\$1,764.70
Renewal Period 1 (Annual Rent)	\$1,835.29
Renewal Period 2 (Annual Rent)	\$1,908.70

- (p) Security Deposit: [NOT APPLICABLE]
- (q) Termination: [NOT APPLICABLE]
- (r) Option to Expand Premises: [NOT APPLICABLE]
- (s) Permitted Use: Tenant may use the Premises for the purpose of renewable energy projects, agriculture research, and to support field communications, and other activities or uses which are related or incident to the foregoing (collectively, "Permitted Use").
- (t) Landlord's Address for Payment of Rent: Payment of Rent may be made by check and delivered to Landlord's address, or by electronic funds transfer to Landlord's bank account at:

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

## 2. DEFINITIONS

(a) “Common Areas” means all facilities and areas of the Project that are intended and designated by Landlord from time to time for the common, general, and nonexclusive use of all Tenants and Tenants of the Project, including parking lots. Landlord has the exclusive control over and right to manage the Common Areas. Subject to the terms and conditions of this Lease, Landlord hereby grants Tenant the right to use the Premises for the Permitted Use for the Term of this Agreement, and to use the streets, alleys and other portions of the Project necessary to obtain access to the Premises for the Permitted Use.

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

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

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

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

## 3. RENT AND RENT INVOICES

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

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

## 4. REAL ESTATE TAXES AND OTHER TAXES

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

be responsible for said taxes incurred by Tenant during the term, to include any extension, of this Lease. Tenant shall not be responsible for any back taxes or assessments incurred by a third party or prior to the Delivery Date. Real Estate Taxes for the calendar years in which the Term commences and ends will be prorated by days.

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

## **5. TENANT COVENANTS**

### **(a) Tenant Agrees to –**

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

(2) Accept the Premises in its then existing condition. Tenant shall have the right to perform additional improvements to the Premises, subject to Landlord's approval of the plan and specifications prior to any work being initiated. Tenant agrees and assures that any plans submitted, and subsequent work performed for any improvements, Non-Structural Alteration, or alteration to the Premises shall 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 LRRA Covenants, Restrictions and Landscape Standards, as may be amended from time to time.

(3) Obey (i) all applicable federal, state, and local laws relating to the use, condition, and occupancy of the Premises; (ii) any requirements imposed by utility companies serving or insurance companies covering the Premises; and (iii) any rules and regulations for the Premises and Common Areas adopted by Landlord, to include the Reese Technology Center, Operating Manual, Section 1, Construction Project Review, as amended, and as may be amended from time to time.

(4) Pay a late charge of five (5) percent of any Rent or fee not received by Landlord by the tenth (10<sup>th</sup>) day after written notice of delinquency.

(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 and to include any fencing on or immediately adjacent to the Premises, 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) Submit in writing to Landlord any request for repairs, replacement, and maintenance that are the obligations of Landlord.

(8) Vacate the Premises and return all keys, if any, to the Premises on the last day of the Term.

(9) If accessed, pay an additional cleaning fee in a market rate amount in the event trash or garbage remain on the Premises as a result of Tenant's use of the Premises. Tenant hereby agrees to pay such fee within ten (10) days of notification of fee assessment.

(10) 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.

(11) INDEMNIFY, DEFEND, AND HOLD LANDLORD HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF THE PREMISES OR PROJECT, OR ARISING FROM TENANT'S ACCESS TO, PRESENCE ON, OR USE OF THE PREMISES OR PROJECT. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF TENANT'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES, (c) WILL SURVIVE THE END OF THE TERM, AND (d) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD.

**(b) Tenant agrees not to—**

(1) Use the Premises for any purpose other than the Permitted Use.

(2) Create a nuisance.

(3) Interfere with any other tenant's normal business operations or Landlord's management of the Premises or Project.

(4) Use the Premises in any way that would increase insurance premiums or void insurance on the Premises or the Project.



(5) Allow a lien to be placed on the Premises and not removed by bonding or otherwise within thirty (30) days after written notice to Tenant.

(6) Assign this lease or sublease any portion of the Premises without Landlord's prior express written consent, subject to the provisions of Section 12.o.

(7) Place any signs on the Premises except as reasonably approved in writing by Landlord.

## **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 and, absent a default by Tenant which continues beyond the applicable notice and cure period, to afford Tenant the peaceful and quiet enjoyment of the Parties without interference or hindrance from Landlord or anyone claiming by, through, or under Landlord.

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

### **(b) Landlord agrees not to—**

(1) Interfere with Tenant's possession of the Premises as long as Tenant is not in default, beyond applicable cure periods.

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

## **7. COMMON AREAS**

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

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

## **8. UTILITIES AND TRASH REMOVAL**

(a) Installation Costs. Tenant, at Tenant's sole cost and expense, shall be responsible for the installation and use of all utility services to all portions of the Premises and for all other related utility expenses, including, but not limited to, deposits and expenses required for the installation of meters. Tenant further covenants and agrees to pay all costs and expenses for any extension, maintenance or repair of any and all utilities serving the Premises. In addition, Tenant agrees that all utilities, air conditioning and heating equipment and other electrically-operated equipment which may be used on the Premises shall fully comply with the International Building

Code, as required by the LRRRA Covenants, Restrictions and Landscape Standards, as they exist or may hereafter be amended.

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

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

## **9. DAMAGE BY CASUALTY**

If all or part of the Premises are damaged by any casualty, Landlord shall restore the Premises to the reasonable equivalent of its prior condition (ordinary wear and tear excepted) to the extent of the insurance proceeds paid to Landlord by Tenant therefor. In the event insurance proceeds are not sufficient to restore the Premises, Landlord may elect either to (i) terminate the Lease by giving written notice to Tenant within thirty (30) days after the occurrence of the event causing the damage or destruction, or (ii) proceed to restore the Premises. In the event Landlord is required or elects to restore the damaged Premises, such restoration must commence within sixty (60) days of the casualty. In the event Landlord fails to commence such work within said sixty (60) days or after commencing such work fails to diligently pursue completion, Tenant may thereupon terminate the Lease. If the damage or destruction shall render the Premises untenantable, in whole or in part, a proportionate abatement of rent shall be allowed from the date upon which such damage occurred until the date of completion of the repairs or restoration. The proportionate abatement of rent required hereunder shall be calculated by multiplying the total square footage of the space rendered untenantable by the rental rate per square foot for the space rendered untenantable.

## **10. HAZARDOUS MATERIALS**

(a) Landlord's Obligations. Landlord represents, warrants, and covenants as follows:

(i) To Landlord's knowledge and belief, Landlord has disclosed to Tenant, and provided to Tenant, all accounts and complete copies of all information, data, documents, reports, notices, and other materials whether in draft form or final form, exclusive of duplication, regarding Hazardous Materials at, on, in, or under the Premises or any property adjacent to or in the vicinity of the Premises which may impact the Premises (the "Reports"), including all Reports in Landlord's actual or constructive possession or control, whether prepared for Landlord or for others, and all other Reports of which Landlord has or should have knowledge after due inquiry; and

(ii) Except as set forth in writing in the Reports which have been disclosed to Tenant, if any, and information publicly available regarding Department of Defense and U.S. Air Force efforts to address the presence of per-and polyfluoroalkyl substances (PFAS) around the former Reese Air Force Base, to Landlord's knowledge and belief, Landlord has no actual or constructive knowledge of any Release or threatened Release of Hazardous Materials at, on, in, or under the Premises, or any property adjacent to or in the vicinity of the Premises which may impact

the Premises. Landlord shall promptly notify Tenant in writing if Landlord obtains any such knowledge after the date hereof and shall promptly deliver to Tenant copies of all Reports which Landlord obtains, or of which Landlord obtained knowledge, after the date hereof.

The representations, warranties and covenants of this Section are continuing. If at any time any of the representations, warranties or covenants made by Landlord in this Section shall become untrue or are breached, then Landlord shall immediately notify Tenant of the facts that render such representations, warranties or covenants untrue or breached. Landlord shall immediately notify Tenant of any audit, inquiry, test, investigation, claim or enforcement proceeding relating to the Premises or by or against Landlord involving any Release or threatened Release. Within five (5) business days after receipt by Landlord, Landlord shall provide to Tenant the results of any audit, inquiry or investigation regarding Hazardous Materials at, on, in, or under the Premises or any property adjacent to or in the vicinity of the Premises that may impact the Premises. It is understood and agreed that Landlord has no obligation to provide any information to Tenant regarding property adjacent to or in the vicinity of the Premises that is not owned by the Landlord.

To the extent permitted by the Constitution and Laws of the State of Texas, Landlord shall indemnify, defend and hold harmless Tenant (and its employees, agents, officers, directors, successors, assigns) from all claims, actions, suits, proceedings, judgments, losses, costs, damages, penalties, fines, and liabilities (including, without limitation, reasonable attorneys' fees and consultants' fees, investigation, engineering, and laboratory fees, court costs and litigation expenses, including experts' fees) ("Claims") directly or indirectly resulting from, arising out of, or based upon a Release or threatened Release of Hazardous Materials at, on, in, or under the Premises (including, without limitation, Releases originating or emanating from any property adjacent to or in the vicinity of the Premises that may impact the Premises or from ground water) or the violation of any Environmental Laws, or under or on account of the Environmental Laws. This indemnity shall include without limitation, (A) any damage, liability, fine, penalty, punitive damage, cost, or expense arising from or out of any claim, action, suit, or proceeding for personal injury (including, without limitation, sickness, disease, or death or fear of same), tangible property damage, nuisance, pollution, contamination, leak, spill, release, or other effect on the environment, and (B) the cost of any required, necessary or appropriate response, investigation, repair, clean-up, treatment, removal, remediation, or detoxification of the Premises or other properties affected by such Release or threatened Release, and the preparation and implementation of any other required, necessary or appropriate actions in connection with the Premises or other properties affected by such Release or threatened Release. Landlord's obligations under this Section shall survive the termination of this Lease. Notwithstanding anything to the contrary contained herein, Landlord shall not be liable to Tenant for indemnification with regard to any Claims relating to a Release or threatened Release at the Premises that is caused by Tenant. Upon the occurrence of a Release or threatened Release (other than Releases caused by Tenant), whether or not the same originates or emanates from the Premises or any adjacent property or from ground water, Landlord shall at Landlord's sole cost and expense promptly, and in any event within thirty (30) days after the occurrence of the Release, commence and diligently pursue any and all lawful actions as are necessary or advisable (including any necessary or advisable investigation, repair, clean-up, treatment, or appropriate response, remediation, or detoxification) in order to abate the Release or threatened Release, remove the Substance, and minimize, mitigate and remedy any resulting environmental harm, regardless of whether such abatement, removal, minimization, mitigation or remediation is required by the Environmental Laws and regardless of whether such actions are

required by any governmental authority. If Landlord shall fail to comply with any of the requirements of the preceding sentence, or any of the requirements of the Environmental Laws, within any applicable time period, Tenant may, in addition to Tenant's other rights under this Lease, terminate this Lease by written notice to Landlord. Notwithstanding the foregoing, it is expressly understood by Tenant that the U.S. Air Force has certain continuing obligations to clean up and remediate groundwater contamination relating to the leaking of petroleum products during its operation of Reese Air Force Base, as set forth 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, to include but not limited to per-and polyfluoroalkyl substances (PFAS) around the former Reese Air Force Base. Additionally, 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, imposes certain Restrictive Covenants applicable to Landlord and its Tenants.

(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" means (A) petroleum in any form, (B) asbestos in any form, (C) polychlorinated biphenyls, (D) radioactive materials, (E) paint containing lead, (F) radon gas, (G) urea formaldehyde foam insulation, and (H) any liquid, solid, or gaseous chemicals, materials, wastes, products or substances whose Release or threatened Release may pose a risk to human health or the environment or impairment of property value, or which is defined as or included in the definition of "hazardous substances," "hazardous waste," "hazardous materials," "hazardous pollutants," "extremely hazardous substances," "restricted hazardous waste," "toxic substance," or words of similar meaning, under any applicable Environmental Laws, including, but not limited to, the Federal Water Pollution Control Act, as amended, the Resource Conservation and Recovery Act, as amended, Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), as amended, the Clean Air Act, as amended, the Toxic Substances Control Act, as amended, and the Hazardous Materials Transportation Act, as amended.

(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.

(iv) "Release" means the presence, storage, disposal, discharge, seepage, uncontrolled loss, infiltration, placement, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing (including the abandonment or discarding of barrels, containers, and other closed receptacles containing any Substance) of any Substance at, on, in, or under the Premises.

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

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

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

(a) Commercial General Liability Insurance. Commercial General Liability Insurance covering the Premises and Tenant's use thereof, not including Common Areas, against claims for

bodily injury, death or property damage occurring upon, in or about the Premises (including contractual indemnity and liability coverage), such insurance to provide coverage of not less than \$500,000.00 per occurrence and \$1,000,000.00 annual aggregate. Landlord shall be included as an additional insured against claims for bodily injury, death, or property damage occurring upon, in or about the Premises.

(b) Property Insurance. Property insurance on an all-risk basis (including coverage against fire, wind, tornado, vandalism, malicious mischief, water damage and sprinkler leakage) covering all Tenant owned fixtures, equipment, and leasehold improvements, and other personal property located in the Premises and endorsed to provide one hundred percent (100%) replacement cost coverage. Such policy shall be written in the name of Tenant. Landlord will maintain proper and reasonable insurance coverage of the land associated with the Premises and will provide evidence of such insurance to Tenant upon execution of this Lease and at each policy renewal, Tenant is responsible for its Tenant's Personal Property, owned fixtures, equipment and leasehold improvements.

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

(d) Other Requirements of Insurance. All such insurance will be issued and underwritten by companies with an A.M. Best rating of "A" or better and size rating of "VI" or better and Tenant will use good faith efforts to obtain a policy that will contain endorsements that Tenant will be solely responsible for payment of premiums, and 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. Notice of cancellation will be provided according to policy provisions to Tenant, who will forward such notice to Landlord.

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

## 12. ADDITIONAL LANDLORD AND TENANT AGREEMENTS

a. 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 all personal property, goods and effects, and shall cap all utilities. Subject to Section 5(a)(2) regarding a Non-Structural Alteration, 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 herein, Tenant will not be entitled to abate Rent for any reason.

c. Condemnation/Substantial or Partial Taking

If the entire Premises shall be taken (either temporarily or permanently) for public purposes, or in the event Landlord shall convey or lease the property to any public authority in settlement of a threat of condemnation or taking, the rent shall be adjusted to the date of such taking or leasing or conveyance, and this Lease shall thereupon terminate. If only a portion of the Premises shall be so taken, leased or condemned, and as a result of such partial taking, Tenant is reasonably able to use the remainder of the Premises for the purposes intended hereunder, then this Lease shall not terminate, but effective as of the date of such taking, leasing or condemnation, the rent hereunder shall be abated in any amount thereof proportionate to the area of the Premises so taken, leased or condemned. If, following such partial taking, Tenant shall not be reasonably able to use the remainder of the Premises for the purposes intended hereunder, then this Lease shall terminate as if the entire Premises had been taken, leased or condemned. In the event of a taking, lease or condemnation as described in this paragraph, whether or not there is a termination hereunder, Tenant shall have no claim against Landlord other than an adjustment of rent, to the date of taking, lease or condemnation, and Tenant shall not be entitled to any portion of any amount that may be awarded as damages or paid as a result or in settlement of such proceedings or threat except as to its relocation and moving expenses and any value of Tenant's improvements installed at the Premises which are taken.

d. Default by Landlord/Tenant's Renters.

The occurrence of any one or more of the following events shall constitute a "Landlord Default" of this Lease:

(a) If Landlord shall breach, in any material respect, any representation or warranty made by Landlord in this Lease;

(b) If Landlord shall fail to observe or perform, within any applicable time period provided therefor in this Lease, any of the covenants, conditions or provisions of this Lease to be observed or performed by Landlord;

(c) If Landlord shall fail to observe or perform any of the covenants, conditions or provisions of this Lease, which failure is not addressed within the scope of clauses (a) or (b) of this paragraph 12(d) and such failure shall continue for a period of thirty (30) days.

In the event of any such Landlord Default, upon notice to Landlord and the expiration of any applicable cure period, Tenant shall be entitled to such rights and remedies as may be provided by applicable law. In addition to such rights and remedies as may be provided by law, upon notice to Landlord and the expiration of any applicable cure period, Rent shall abate upon the occurrence and during the continuance of any event or circumstance which constitutes, or which with notice and the passage of time would constitute, a default by Landlord, which materially interferes with Tenant's use and enjoyment of the Premises. It is expressly understood and agreed that unless a specific notice period is identified herein the Landlord shall have thirty (30) days to cure any Landlord Default following appropriate written notice by the Tenant to the Landlord.

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

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

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

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

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

(5) failing to pay timely Rent and to cure such failure within ten (10) days after written notice thereof;



(6) failure by Tenant to perform or observe any of Tenant's non-monetary covenants contained in this Lease and to cure such failure within thirty (30) days after written notice thereof; provided, however, that if the nature of Tenant's default is such that more than thirty (30) days are reasonably required for cure of such default, then Tenant shall not be deemed to be in default if Tenant diligently and in good faith commences such cure within said thirty (30) day period and thereafter diligently and in good faith prosecutes such cure to completion.

f. 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) [NOT USED]; 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.

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

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

i. Representations and Indemnities of Broker Relationships. It is expressly understood and agreed that the Tenant shall be solely responsible for the payment of any commission or finder's fee to any broker in connection with this Lease, to include but not limited to any Extension of the Term or relating to the exercise of Option to Expand Premises. Tenant does hereby agree to indemnify, protect, defend and hold the Landlord harmless from and against any and all liability for compensation or charges which may be claimed by the Broker or any such unnamed broker, finder or other similar Party by reason of any dealings or actions of the Tenant, including any costs, expenses, and attorneys' fees reasonably incurred with respect thereto.

j. Holdover. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term, subject to the provisions of Section 1(k). If Tenant remains in possession of the Premises after the expiration of the Term without execution of a new lease extending the Term, Tenant will be deemed to be occupying the Premises as a tenant at will, subject to all of the terms of this Lease as may be applicable to a month to month tenancy and at One Hundred Fifty Percent (150%) of the monthly installment of the Base Rent set forth in Section 1(o) for the twelve (12) month period prior to expiration of the Term, except that thereafter either Landlord or Tenant may terminate this Lease upon thirty (30) days' notice to the other; provided that Landlord, by the terms hereof, is not deemed to consent to any such holdover by Tenant and may exercise all rights provided by law to remove Tenant from the Premises upon giving Tenant the notice described herein.

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

**LANDLORD:**

Lubbock Reese Redevelopment Authority  
9801 Reese Boulevard  
Suite 200  
Lubbock, Texas 79416  
Attn: Executive Director  
Telephone: (806) 885-6592  
Email: mmusa@reeseccenter.com

**TENANT:**

NIRE Holdings Corporation  
1011 Gilbert Drive  
Lubbock, Texas 79416  
Attn: Chief Executive Officer  
Telephone: (806) 771-7722  
Cell: (806) 632-0284  
Fax: (806) 771-7723  
Email: joshua.macfie@groupnire.com

Notices given in the manner aforesaid shall be deemed given on the earlier of (a) the date received or (b) the third (3<sup>rd</sup>) calendar day after such notice, renewal, or request is made as aforesaid. Any address for notice may be changed by written notice delivered as provided herein.

l. 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.

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

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

o. 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 "Affiliated Entity", provided that (1) no uncured event of default exists under this Lease; and (2) Tenant shall give Landlord written notice at least fifteen (15) days prior to the effective date of the proposed purchase, merger, consolidation or reorganization. The term "Affiliated Entity" includes any parent, successor by merger, or subsidiary of the Tenant, and any person controlled by or under the common control of the Tenant, and any partnership of which the Tenant or any Affiliated Entity is a partner; provided, however, that Tenant shall not, without Landlord's prior written consent and approval (which written consent and approval shall not be unreasonably withheld, conditioned or delayed) assign or sublet the Premises to any partnership of which the Tenant or any Affiliated Entity is a partner unless the partnership of which the Tenant or any Affiliated Entity is a partner has a net worth equal to or surpassing that of Tenant. Tenant's notice to Landlord shall include information and documentation showing that each of the above conditions has been satisfied.

p. 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.

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

r. 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.

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

t. 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.

u. 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.

v. 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.

w. 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.

x. 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.

### **13. AFFIRMATIVE REPRESENTATIONS CONCERNING FREE TRADE ZONE 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 not deny daily 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.

**15. CHAPTER 2270 OF THE TEXAS GOVERNMENT CODE**

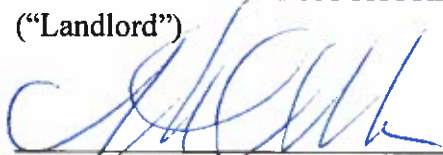
Tenant acknowledges that in accordance with Chapter 2270 of the Texas Government Code, the Landlord is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the company that it: (1) does not boycott Israel; and (2) will 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.*

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

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

/SIGNATURE PAGE FOLLOWS/

LUBBOCK REESE  
REDEVELOPMENT AUTHORITY  
("Landlord")



By: Murvat Musa, Chief Executive Officer

March 16, 2022  
Date

NIRE HOLDINGS CORPORATION.  
("Tenant")



By: Joshua MacFie

CEO  
Title:

3/16/2022  
Date

## EXHIBIT A

### Ground



## **Assignment and 2<sup>nd</sup> Amendment to Standard Short Term Industrial Lease**

This Assignment and Second Amendment to Standard Industrial Lease (the “Amendment”) is by and between NIRE Lease, L.L.C., a Texas limited liability company (“NIRE”), Lubbock Reese Redevelopment Authority, a political subdivision of the State of Texas, doing business as Reese Technology Center (herein referred to as “Landlord” or “RTC”), and Texas Tech University, Texas public institution of higher education (herein referred to as “Lessee” or “TTU”). Collectively NIRE, RTC, and TTU are referred to herein as the Parties.

WHEREAS, NIRE previously entered into a lease agreement with Reese, entitled Standard Industrial Lease (the “Original Lease”), whereby NIRE leased Building No. 540 from RTC that commenced on June 1, 2015;

WHEREAS, NIRE and RTC entered into a First Amendment to Standard Short Term Industrial Lease (the “First Amendment,” and with the Original Lease, are collectively referred to as the “Lease”), dated effective February 28, 2018;

WHEREAS, the Lease is currently in Year 7, as described by the First Amendment;

WHEREAS, a copy of the Lease is attached hereto as **Exhibit A**; and

WHEREAS, NIRE wishes to assign to TTU the Lease in its entirety and as amended herein.

NOW THEREFORE, for good and valuable consideration, the mutuality and sufficiency of which is mutually recognized by the Parties, the Parties recognize and agree to the following:

1. Effective as 1<sup>st</sup> day of March 2025 (the “Effective Date”), NIRE hereby assigns and conveys all right, title, interest, and obligation under Lease to TTU, which TTU accepts subject to the changes to the Lease stated herein. Accordingly, TTU agrees to acquire and be subject to the Lease as amended herein and assumes each and every obligation of the tenant under the Lease arising after the Effective Date. Pursuant to sections 12.q. and 5.(b)(7) of the Lease, RTC expressly approves and consents to the assignment of the Lease from NIRE to TTU. Accordingly, from and after the Effective Date, all references to “Tenant” in the Lease, as amended herein, shall refer to TTU. RTC further agrees that NIRE is hereby released from any and all obligations arising under the Lease from and after the Effective Date.

In addition to assigning its interest in the Lease to TTU, NIRE hereby transfers and conveys to TTU all furniture, fixtures and equipment owned by NIRE which is currently located in or on the Premises (collectively, the “FFE”). TTU acknowledges the FFE is used, that it has inspected and is accepting the Furniture in its current condition, as-is, where is, without warranty or representation of any kind. NIRE represents only that it is the owner of FFE, which is not subject to any security interest, lien or encumbrance arising from the acts or omissions of NIRE, but NIRE MAKES NO OTHER REPRESENTATION OR WARRANTY WITH RESPECT TO THE FFE AND THE SAME IS CONVEYED “AS-IS”.

2. RTC recognizes that TTU is a Texas state entity and is subject to certain requirements in



its contracts. As a result, as of the Effective Date, the Lease is hereby amended to contain the following additional clauses:

- a. TTU, an agency of the State of Texas, is exempt from Texas Sales & Use Tax on goods and services in accordance with §151.309, Texas Tax Code, and Title 34 Texas Administrative Code ("TAC") §3.322.
- b. THE PARTIES ARE AWARE THAT THERE MAY BE CONSTITUTIONAL AND STATUTORY LIMITATIONS ON THE AUTHORITY OF TTU (A STATE AGENCY) TO ENTER INTO CERTAIN TERMS AND CONDITIONS, INCLUDING TERMS AND CONDITIONS (IF ANY) RELATING TO LIENS ON TTU'S PROPERTY; DISCLAIMERS AND LIMITATIONS OF WARRANTIES; DISCLAIMERS AND LIMITATIONS OF LIABILITY FOR DAMAGES; WAIVERS, DISCLAIMERS AND LIMITATIONS OF TTU'S LEGAL RIGHTS, REMEDIES, REQUIREMENTS AND PROCESSES; LIMITATIONS OF PERIODS TO BRING LEGAL ACTION; GRANTING CONTROL OF LITIGATION OR SETTLEMENT TO ANOTHER PARTY; LIABILITY FOR ACTS OR OMISSIONS OF THIRD PARTIES; PAYMENT OF ATTORNEYS' FEES; DISPUTE RESOLUTION; INDEMNITIES; ANY PROVISION THAT CREATES AN UNKNOWN OR UNFUNDED LIABILITY; AND CONFIDENTIALITY (COLLECTIVELY, THE "LIMITATIONS"), AND TERMS AND CONDITIONS RELATED TO THE LIMITATIONS WILL NOT BE BINDING ON TTU EXCEPT TO THE EXTENT AUTHORIZED BY THE LAWS AND CONSTITUTION OF THE STATE OF TEXAS.
- c. The dispute resolution process provided for in Chapter 2260 and the related rules adopted by the Texas Attorney General pursuant to Chapter 2260 will be used by TTU and Landlord to attempt to resolve any claim for breach of contract made by Landlord that cannot be resolved in the ordinary course of business. The chief procurement officer of TTU will examine Landlord's claim and any counterclaim and negotiate with Landlord in an effort to resolve such claims. The parties specifically agree that (i) neither the execution of the Lease by TTU nor any other conduct, action, or inaction of any representative of TTU relating to the Lease constitutes or is intended to constitute a waiver of TTU's or the state's sovereign immunity to suit except with respect to any claims that may be brought under this Lease, the enforcement thereof, or for damages, to the extent allowed by the Constitution of the State of Texas and applicable law; and (ii) TTU has not waived its right to seek redress in the courts. Any term or provision in the Landlord Terms indicating agreement to arbitration, other alternative dispute resolution, or litigation options in the event of a dispute between the parties is expressly rejected and is null and void.
- d. Landlord agrees that it will comply with all federal, state, or local laws or regulations applicable to Landlord's performance under the Lease. Landlord also agrees that pursuant to Texas Education Code §51.9335(h), in any contract for the acquisition of goods or services to which TTU is a party, any provision required by applicable law to be included in the Lease is considered to be part of the Lease whether or not the

provision appears on the face of the contract or if the Lease contains any provision to the contrary. Notwithstanding the foregoing, beginning on the Effective Date of the assignment, TTU shall periodically update LRRA on federal and state laws that TTU determines should apply to the Lease.

- e. Clery Act. The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act, part of the Federal Higher Education Act of 1965, as amended, and as further amended by the Higher Education Opportunity Act and the Violence Against Women Reauthorization Act of 2013, (collectively known as the “Clery Act”) requires that colleges and universities participating in federal student aid programs gather and report to the campus community and federal government statistics for certain crimes that occur on or near campuses and publish policy statements concerning campus safety and security. “Clery-Reportable Incidents” are alleged criminal offenses and arrests based on the definitions provided by the Federal Bureau of Investigation Uniform Crime Reporting Program (“UCR”) and the Clery Act, as each may be amended from time to time, which currently include: murder, manslaughter, rape (including statutory rape), forcible fondling, incest, robbery, aggravated assault, burglary, motor vehicle theft, arson, weapons violations, drug violations, alcohol violations, domestic violence, dating violence, and stalking. These incidents must be reported to the Tenant regardless of whether a police investigation has begun (except for arson, which must only be disclosed if evidence arises during the course of an investigation that indicates arson caused a fire). Landlord will comply with requirements of the Clery Act concerning crime statistic disclosures by reporting all Clery-Reportable Incidents to University as described herein. Landlord’s requirement to disclose Clery-Reportable Incidents is limited to such incidents that occur in space used by Tenant and in public areas through which an individually would normally pass during the time in which the Tenant is utilizing the space. Landlord’s disclosure to Tenant of Clery-Reportable Incidents shall include the occurrence, date, time, and location of the incident, and the number of victims involved in the incident. Landlord’s disclosure shall comply with federal and Texas state privacy laws. If evidence arises showing the incident was motivated by the offender’s bias, and that bias was motivated by race, religion, ethnicity, gender, sexual orientation, or disability, then Landlord must notify the Tenant. In addition to the above-named Clery-Reportable Incidents, larceny, simple assault, intimidation, and vandalism must also be reported to the Tenant if they are motivated by one of the biases stated in this paragraph. Landlord agrees to provide the required disclosures to Tenant within three (3) business days of the incident being reported to Landlord, by email, to:

Texas Tech Police Department  
Attention: Chief of Police  
Email: [police@ttu.edu](mailto:police@ttu.edu)

Notwithstanding the foregoing, LRRA is under no obligation to report to TTU Clery-Reportable Incidents to the extent that TTU otherwise has knowledge, or otherwise informs LRRA, of an incident. It is understood and agreed by the Parties, if LRRA receives knowledge through some source other than TTU, LRRA shall inform TTU, as set forth in the paragraph above.

3. To the extent any of the above clauses contradict anything in the Lease, the language, clauses and changes contained in this Amendment shall supersede all prior agreements.

4. The Lease is hereby further amended by the modification of the following additional clauses:

a. Paragraph/subsection 1.(c) is modified to read as follows:

Tenant: Texas Tech University (“TTU” or “Tenant”), whose Federal Taxpayer Identification Number is 756002622.

b. Paragraph/subsection 1.(d) is modified to read as follows:

Tenant Address: Texas Tech Plaza, 1901 University Avenue, Suite 408, Lubbock, Texas 79411 contracting@ttu.edu.

c. Paragraph/subsection 2.(b) is modified to read as follows:

“Injury” means (1) harm to or impairment or loss of property or its use, or (2) harm to or death of a person.

d. Paragraph/subsection 4.(b) is modified to read, in its entirety, as follows:

Other Taxes. At the present time the Landlord and Tenant are not taxable entities, and are exempt from ad valorem taxes. However, if the Premises become taxable at some point in the future during the Term, then Tenant agrees that in addition to the Rent due hereunder, to the fullest extent permitted by Texas law, then the following provisions shall apply: 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.

e. Paragraph/subsection 5.(a)(13) is modified to read, and replace in its entirety, as follows:

TO THE EXTENT ALLOWED BY TEXAS LAW, RELEASE LANDLORD FROM ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY’S FEES AND OTHER FEES AND COURT AND OTHER COSTS ARISING FROM TENANT’S ACCESS TO, PRESENCE ON, OR USE OF THE PREMISES UNDER THIS LEASE (INCLUDING ANY ACCESS TO, PRESENCE ON, OR USE OF THE PREMISES BY TENANT’S

AGENTS, CONTRACTORS, EMPLOYEES, INVITEES, LICENSEES, OR VISITORS). THIS PARAGRAPH (a) WILL SURVIVE THE END OF THE TERM AND (b) WILL NOT APPLY IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE, STRICT LIABILITY, INTENTIONAL ACT, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD.

- f. Paragraph/section 11 is amended to read, in its entirety, as follows:

Landlord shall not be obligated to insure any furnishings, equipment, trade fixtures, or other personal property, which Tenant may place or cause to be placed upon the Premises. Landlord and Tenant waive any requirement of contents insurance, or property casualty coverage on the building. Landlord will maintain a policy or policies of comprehensive general liability insurance Landlord against loss of life, bodily injury and/or property damage with respect to Common Areas, operation of the Premises, parking lots and other improvements associated with the land upon which the Premises are located, and any other losses caused by or related to the duties and obligations of Landlord under this Lease.

Landlord acknowledges that, because Tenant is an agency of the State of Texas, liability for the tortious conduct of the agents and employees of Tenant (other than medical liability of medical staff physicians) or for injuries cause by conditions of tangible state property is provided for solely by the provisions of the Texas Tort Claims Act, and the Workers' Compensation Insurance coverage for employees of Tenant is provided by Tenant as mandated by Texas law. Tenant shall have no obligation under this Lease to purchase policies of insurance. No insurance carrier of either Party shall have a right of subrogation against the other party of this Lease.

- g. Paragraph/subsection 12.m. is amended to reflect the contact information for TTU as the Tenant and incorporates the following additional language:

Contracting Procurement Services  
Texas Tech University  
Texas Tech Plaza  
1901 University Avenue  
Suite 408  
Lubbock, Texas 79411  
contracting@ttu.edu

or such other person or address as may be given in writing by TTU to Landlord.

Notwithstanding any other requirements for notices given by a party under the Lease, if Landlord intends to deliver written notice to TTU

pursuant to §2251.054, Texas Government Code, then Landlord will send that notice to TTU as follows:

Contracting  
Procurement Services Texas  
Tech University PO Box 41094  
Lubbock, Texas 79409

- h. Paragraph/section 16 is modified to read, in its entirety, as follows:

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

5. This Amendment shall be binding upon, and inure to the benefit of, the parties hereto, their respective successors in interest, and their respective assigns.

6. This Amendment may not be changed, modified, discharged, or terminated orally or in any other manner than by an agreement in writing executed by the Parties hereto or their respective successors and assigns.

7. This Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and same instrument.

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

**TEXAS TECH UNIVERSITY**

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

**LUBBOCK REESE REDEVELOPMENT AUTHORITY**

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

**NIRE LEASE, L.L.C.**

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

**EXHIBIT A**  
**COPY OF THE LEASE**  
**(ORIGINAL LEASE AND FIRST AMENDMENT)**

**STANDARD SHORT TERM INDUSTRIAL LEASE**

**BETWEEN**

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

**AS LANDLORD**

**AND**

**NIRE Lease, LLC, a Texas Limited Company**

**AS TENANT**

**FOR PREMISES LOCATED AT**

**Reese Technology Center Building No. 540**

**1011 Gilbert Drive**

**Lubbock, Texas 79416**



## **STANDARD INDUSTRIAL LEASE**

This Standard Industrial Lease (the "Lease") is made this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas (hereinafter referred to as "Landlord") and NIRE Lease, LLC., a Texas Limited Liability Company, (hereinafter referred to as "Tenant"). Landlord and Tenant are also referred to herein individually as a "Party" and collectively as the "Parties".

### **WITNESSETH:**

#### **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: NIRE Lease, LLC, whose Federal Taxpayer Identification Number 27-3709913.

(d) Tenant Address: c/o Mark Harral-CEO, NIRE Lease, LLC. 4415 71<sup>st</sup> – Suite 24, Lubbock, TX 79424.

(e) Guarantors: N/A

(f) Guarantors' Addresses: N/A

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

(h) Premises means that certain building ("Building") located at 1011 Gilbert Drive, Lubbock, Texas 79416, which is commonly known as Building # 540, and identified as the "Premises" on the site plan attached hereto as Exhibit A (the "Site Plan"), and containing approximately 6,185 square feet of floor area, respectively.

(i) Initial Term (Years): Four (4) Years.

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

(k) Option to Extend Term: Tenant shall have two (2) renewal options of two (2) years 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 one hundred twenty days (120) days prior to expiration of the Initial Term or any subsequent renewal term. Without receipt of such notice, this Lease shall be extended automatically for the period specified in Section 1(j) without the necessity for the execution of any further instrument and upon the same terms and conditions as are contained in this Lease, except the then existing Base Rent will be increased by

a fixed four percent (4%). The adjustment in the Base Rent will be determined by multiplying the then existing Base Rent specified in the lease ("Base Rent") by 1.04, which will result in a "Revised Base Rent."

(l) Delivery Date: June 1, 2015.

(m) Commencement Date: June 1, 2015.

(n) Termination Date: May 31, 2019.

(o) Base Rent: The parties agree that the Base Rent set forth herein is what is commonly referred to as a "modified gross lease" and that Base Rent already includes, and Tenant shall not have to pay for Common Area (as defined below) Maintenance fees, grounds keeping-mowing expenses, parking, Landlord's insurance, and any other charges incurred by Landlord with respect to the Premises, except as otherwise provided in this Lease. Said Base Rent does not include, and Tenant is solely responsible for any and all charges associated with utilities, dumpsters, telephone service, internet service, Tenant renovations, Premises maintenance, or housekeeping services, except as otherwise provided in this Lease. Subject to this paragraph, Base Rent shall be no less than set forth below:

<u>Initial Term Lease Years</u>	<u>Total Annual Base Rent</u>	<u>Total Monthly Base Rent</u>	<u>Annual Base Rent Per Square Foot of Floor Area of the Premises</u>
Year 1	\$37,110.00	\$3,092.50	\$6.00
Year 2	\$38,594.40	\$3,216.20	\$6.24
Year 3	\$40,138.18	\$3,344.85	\$6.49
Year 4	\$41,743.70	\$3,478.64	\$6.75

(p) Security Deposit: One (1) month's rent equal to \$3,092.50. If Tenant defaults, Landlord may use the Security Deposit to pay arrears of Rent, to repair any damage or injury, or to pay any expense or liability incurred by Landlord as a result of the default. Said Security Deposit is separate and independent of any guaranty of this Lease.

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

(r) Early Termination Fee: N/A.

(s) Permitted Use: Tenant may use the Premises for (1) the storage of Tenant's equipment necessary for Tenant's current ongoing activities and (2) the research and development of energy storage and battery development research (collectively, "Permitted Use"). Any testing, assembly, manufacturing or hazardous material manufacturing or storage in or near the building must meet Industry Safety Standards, adhere to Good Manufacturing Practice ("GMP") standards,

to include meeting the relevant standards for occupational health and safety, fire protection, and chemical handling procedures, and comply with Section 10 of this Lease.

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

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

## 2. DEFINITIONS

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

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

(c) "Good Manufacturing Practice" means those commercially reasonable manufacturing practices commonly followed by those engaged in the research and development of energy storage and battery development, to include but not limited to the testing, assembly, and manufacturing of lithium ion batteries.

(d) "Industry Safety Standards" means those safety standards commonly followed by those engaged in the research and development of energy storage and battery development, to include but not limited to the testing, assembly, and manufacturing of lithium ion batteries.

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

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

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

## 3. RENT AND RENT INVOICES

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

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

#### 4. REAL ESTATE TAXES AND OTHER TAXES

(a) Real Estate Taxes. Tenant will pay or cause to be paid to the appropriate governmental authorities, prior to delinquency, all Real Estate Taxes. "Real Estate Taxes" means all real property taxes and assessments that become due and payable during the Term and are assessed by the applicable taxing governmental authority against the Premises. Tenant shall only be responsible for said taxes incurred by Tenant during the term, to include any extension, of this Lease. Tenant shall not be responsible for any back taxes or assessments incurred by a third party or prior to the Delivery Date.

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

#### 5. TENANT COVENANTS

(a) **Tenant Agrees to –**

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

(2) Accept the Premises in their present condition "AS IS, WHERE IS CONDITION," the Premises being currently suitable for the Permitted Use. Tenant shall have the right to perform improvements to the Premises, subject to Landlord's approval of the plan and specifications prior to any work being initiated. Tenant understands and agrees that any plans submitted and subsequent work performed for any renovation or alteration to the Premises must comply with the federal Americans with Disabilities Act ("ADA") and the Texas Accessibility Standards ("TAS") requirements and adhere to the International Building Code, as required by the LRRRA Covenants, Restrictions and Landscape Standards, as may be amended, and as may be amended from time to time, to include meeting the relevant standards for occupational health and safety, fire protection, and chemical handling procedures. Furthermore, Tenant understands and agrees that it is solely responsible for the costs associated with the following electrical contractor work:

- i. Installation of a new 480 volt 3-phase disconnect in the mechanical room (Room 105) for the incoming line voltage.

- ii. From the new disconnect, installation of conduit and wire to a new 400amp 480 volt 3-phase disconnect in the area yet to be determined by Tenant in the Premises for the Permitted Use.
- iii. From the new disconnect in mechanical room, installation of a step down transformer. The step down transformer will be supplied by Landlord.
- iv. From the step down transformer, installation of conduit and wire to the existing breaker box panels to power the rest of the Premises.

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

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

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

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

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

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

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

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

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

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

(13) INDEMNIFY, DEFEND, AND HOLD LANDLORD HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF THE PREMISES OR PROJECT, OR ARISING FROM TENANT'S ACCESS TO, PRESENCE ON, OR USE OF THE PREMISES OR PROJECT; OR THAT IS RELATED TO TENANT'S PERMITTED USE. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF TENANT'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (c) WILL SURVIVE THE END OF THE TERM, AND (d) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD.

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

**(b) Tenant agrees not to—**

- (1) Use the Premises for any purpose other than the Permitted Use.
- (2) Create a nuisance, to include but not limited to noxious odors.
- (3) Interfere with any other tenant's normal business operations or Landlord's management of the Premises or Project.
- (4) Use the Premises in any way that would increase insurance premiums or void insurance on the Premises or the Project.
- (5) Change Landlord's lock system.

- (6) Allow a lien to be placed on the Premises.
- (7) Assign this lease or sublease any portion of the Premises without Landlord's prior express written consent.
- (8) Use the roof on the Premises, except as may be specifically authorized in writing by the Landlord.
- (9) Place any signs on the Premises without Landlord's written consent.
- (10) Bring suit against Landlord in connection with any claim or suit arising pursuant to Section 5(a)(13).
- (11) Use any portion of the Premises for wind energy development or the installation or use of any facilities related to wind energy development or generation.
- (12) Interfere with the wind energy project being conducted on the westernmost boundary of the Project.
- (13) Take any action that shall significantly interfere with or impair the availability, accessibility, flow, frequency or direction of air and wind over and above any portion of the Premises or the Project.
- (14) Take any action that in any way interferes with or impairs the transmission of electric, electromagnetic or other forms of energy to or from the wind energy project, or interferes with or impairs Landlord's wind energy tenant's access to the wind energy project.

## **6. LANDLORD COVENANTS**

### **(a) Landlord agrees to –**

- (1) Lease to Tenant the Premises for the entire Term beginning on the Delivery Date and ending on the Termination Date.
- (2) To deliver the Premises in broom clean condition.
- (3) Obey all applicable laws with respect to Landlord's operation of the Premises and Project.
- (4) Subject to the requirements of Section 5(a)(2), repair and maintain the (i) roof, (ii) foundation, (iii) structural soundness of the exterior walls, excluding windows, window glass, plate glass, and doors, and (iv) Common Areas. Additionally, the Landlord agrees to provide the HVAC system in good working order and repair upon delivery of the Premises to the Tenant and, in the event of the HVAC system requires replacement during the term of this Agreement, replace the HVAC system with a similar existing system (i.e. evaporative cooling and panel ray heaters), subject to Tenant's requirements to repair and maintain the HVAC system, as set forth in Section 5(a)(6).

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

(6) Ensure all restrooms on the Premises are in proper working order.

**(b) Landlord agrees not to—**

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

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

**7. COMMON AREAS**

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

(b) Maintenance of Common Areas. At all times during the Term, Landlord will maintain the Common Areas; provided however, that if the Tenant causes any injuries, damage or other calamity to occur in the Common Areas with respect to the chemicals or processes that Tenant is using on its Leased Premises, then Tenant shall be responsible for the repair and maintenance of the Common Areas so effected by such injury, calamity or damage.

**8. UTILITIES AND TRASH REMOVAL**

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

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

**9. DAMAGE BY CASUALTY**

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



(b) Tenant's Right to Terminate. If more than thirty-five percent (35%) of the floor area of the Premises is damaged or destroyed due to Casualty, then Tenant will have the right to terminate this Lease, effective as of the date of Casualty, by notice given to Landlord within fifteen (15) days after Tenant's receipt of Landlord's Casualty Notice.

(c) Landlord's Right to Terminate. If more than thirty-five percent (35%) of the floor area of the Premises is damaged or destroyed by Casualty during the Term, then Landlord may elect to terminate this Lease effective as of the date of the Casualty by notice given to Tenant not later than fifteen (15) days after Landlord delivers Landlord's Casualty Notice to Tenant.

(d) Landlord's Repair Obligation. Landlord's obligation will be to restore all portions of the Premises and the Common Areas in the immediate vicinity of and surrounding the Premises (including but not limited all parking areas surrounding the Premises and all sidewalks, roadways, driveways and access ways leading to and from the Premises) affected by a Casualty (exclusive of Tenant's fixtures and equipment) to their condition immediately preceding such Casualty, subject to available insurance proceeds. If Landlord for any reason whatsoever fails (1) to commence the repair and restoration work required hereunder within ninety (90) days from the date of the Casualty, (2) to proceed diligently to complete such repair and restoration work, or (3) fails to complete same within the estimated time set forth in Landlord's Casualty Notice, plus the number of days of delay caused by Uncontrollable Events, then, Tenant will have the right to terminate this Lease by giving Landlord notice and upon the giving of such notice, this Lease will terminate and the Parties will be liable for their respective obligations to the date of termination and will have no liability for obligations arising after that date, except for those obligations which expressly survive termination. Landlord agrees should damage occur in over thirty-five percent (35%) of the floor area no rent will be due or if mutually agreed a reduced rent will be paid, provided Tenant can use the portion of the Premises not damaged.

## **10. HAZARDOUS MATERIALS**

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

(b) Tenant's Obligations. During the Term, Tenant will not use, generate, place, store, release or otherwise dispose of Hazardous Materials in the Premises or the Common Areas, except in accordance with all Environmental Laws, and subject to the Reservations recorded in the Deed Without Warranty Between the United States of America and Landlord recorded in the Real Property Records of Lubbock County, Texas at Deed Record 2006041652. Notwithstanding anything to the contrary contained in this Lease, Landlord acknowledges and agrees that Tenant shall have the right to use and store in the Premises in Tenant's ordinary course of business Hazardous Materials in accordance with Environmental Laws. In the event of a breach of the foregoing, Tenant will promptly undertake remediation or removal in accordance with all Environmental Laws. Tenant will indemnify, defend and hold Landlord and Landlord's Affiliated Parties harmless from and against, and reimburse Landlord and Landlord's Affiliated Parties for, all Hazardous Materials Liabilities asserted against or incurred by Landlord or Landlord's

Affiliated Parties as a result of a breach of Tenant's obligations under this paragraph. Notwithstanding anything to the contrary contained herein, in no event shall Tenant be liable for Hazardous Materials existing in, on or about the Premises or the Project prior the Tenant's occupancy of the Premises. Tenant shall provide Landlord a copy of Tenant's plan for responding to hazardous waste, fuel, and chemical spills no later than the Commencement Date.

(c) Definitions. As used herein,

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

(ii) "Environmental Laws" means all federal, state, regional or local statutes, laws, regulations, codes, orders, permits, ordinances, decrees, rulings or judicial or administrative interpretations thereof, or similar laws of foreign jurisdictions where the Tenant conducts business, whether currently in existence or hereinafter enacted or promulgated, any of which govern, or purport to govern, or relate to pollution, protection of the environment, public health and safety, air emissions, water discharges, hazardous or toxic substances, solid or hazardous waste or occupational health and safety, as any of these terms are or may be defined in such statutes, laws, rules, regulations, codes, orders, permits, ordinances, decrees, rulings or judicial or administrative interpretations thereof, including, without limitation: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendment and Reauthorization Act of 1986, 42 U.S.C. §9601, et seq. (collectively "CERCLA"); the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and subsequent Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §6901 et seq. (collectively "RCRA"); the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801, et seq.; the Clean Water Act, as amended, 33 U.S.C. §1311, et seq.; the Clean Air Act, as amended (42 U.S.C. §7401-7642); the Toxic Substances Control Act, as amended, 15 U.S.C. §2601 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act as amended, 7 U.S.C. §136-136y ("FIFRA"); the Emergency Planning and Community Right-to-Know Act of 1986 as amended, 42 U.S.C. §11001, et seq. (Title III of SARA) ("EPCRA"); and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §651, et seq. ("OSHA"); and

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

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

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

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

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

(a) Commercial General Liability Insurance. Commercial General Liability Insurance covering the Premises and Tenant's use thereof, not including Common Areas, against claims for bodily injury, death or property damage occurring upon, in or about the Premises (including contractual indemnity and liability coverage), such insurance to provide coverage of not less than \$500,000.00 per occurrence and \$1,000,000.00 annual aggregate. Landlord shall be included as an additional insured against claims for bodily injury, death, or property damage occurring upon, in or about the Premises; or that is related to the Permitted Use.

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

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

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

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

## 12. ADDITIONAL LANDLORD AND TENANT AGREEMENTS

a. Alterations. Any physical additions or improvements to the Premises made by Tenant will become the property of Landlord. Landlord may require that Tenant, at the end of the Term and at Tenant's expense, remove any physical additions and improvements, repair any alterations, and restore the Premises to the condition existing at the Delivery Date, normal wear excepted. All alterations shall require the prior written consent of Landlord. In addition to the requirements of Section 5(a)(2), Tenant agrees at its sole cost and expense to comply with all Laws when performing any alterations, including obtaining any governmental permits which may be required in connection therewith. Should Tenant desire to renovate the Premises and such renovations would require alterations to the Premises, then Tenant shall submit plans and specifications for such renovations to Landlord for its approval, such approval not to be unreasonably withheld, delayed or conditioned. Landlord shall have fourteen (14) days from receipt of Tenant's plans and specifications to approve or disapprove same. In the event Landlord fails to disapprove of said plans and specifications within such fourteen (14) day period, then the plans and specifications shall be deemed approved. After completion of any alterations or improvements that require consent of Landlord hereunder, Tenant shall provide Landlord with a copy of Tenant's plans and specifications for such alterations or improvements.

b. Abatement. Tenant's covenant to pay Rent and Landlord's covenants are independent. Except as otherwise provided, Tenant will not be entitled to abate Rent for any reason.

c. Condemnation/Substantial or Partial Taking

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

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

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

d. Uniform Commercial Code. Tenant grants Landlord a security interest in Tenant's personal property now or subsequently located on the Premises. This lease is a security agreement under the Uniform Commercial Code.

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

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

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

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

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

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

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

(5) failing to pay timely Rent;

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

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

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

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

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

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

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

k. Representations and Indemnities of Broker Relationships. Tenant and Landlord each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder in connection with this Lease, and that no one is entitled to any commission or finder's fee in connection herewith. Tenant and Landlord do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar Party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

l. Holdover. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term. If Tenant remains in possession of the Premises after the expiration of the Term without execution of a new lease extending the Term, Tenant will be deemed to be occupying the Premises as a tenant at will, subject to all of the terms of this Lease as may be applicable to a month to month tenancy and at One Hundred Fifty Percent (150%) of the monthly installment of the Base Rent set forth in Section 1(m) for the twelve (12) month period prior to expiration of the Term, except that thereafter either Landlord or Tenant may terminate this Lease upon thirty (30) days' notice to the other; provided that Landlord, by the terms hereof, is not deemed to consent to any such holdover by Tenant and may exercise all rights provided by law to remove Tenant from the Premises upon giving Tenant the notice described herein.

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

**LANDLORD:**

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

**TENANT:**

NIRE Lease, LLC.  
c/o Mark Harral, JD - CEO  
4415 71<sup>st</sup> – suite 24  
Lubbock, TX 79424  
Telephone: (806) 771-7722  
Fax: (806) 771-7723  
Mark.harral@groupnire.com

Notices will be deemed given on the date received (or refused) when addressed to the Parties at the addresses set forth above or in either case to such other addresses as Landlord or Tenant may designate to the other by notice. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

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

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

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

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

The foregoing notwithstanding, Tenant may assign its entire interest under this Lease to an Affiliate or to a successor to Tenant by purchase, merger, consolidation or reorganization without

the consent of Landlord, provided that all of the following conditions are satisfied (a "Permitted Transfer"): (1) no uncured event of default exists under this Lease; (2) Tenant's successor shall own all or substantially all of the assets of Tenant; and (3) Tenant shall give Landlord written notice at least thirty (30) days prior to the effective date of the proposed purchase, merger, consolidation or reorganization. The term "Affiliate" means any person or entity controlling, controlled by or under common control with Tenant. Tenant's notice to Landlord shall include information and documentation showing that each of the above conditions has been satisfied.

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

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

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

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

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

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

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

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

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

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



Lubbock Economic Development Alliance for specific details regarding the application process and the fees and regulations associated with the program.

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

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

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

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

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

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

LUBBOCK REESE  
REDEVELOPMENT AUTHORITY  
("Landlord")

NIRE Lease, LLC.  
("Tenant")

  
By: Jerry L. Bell, President

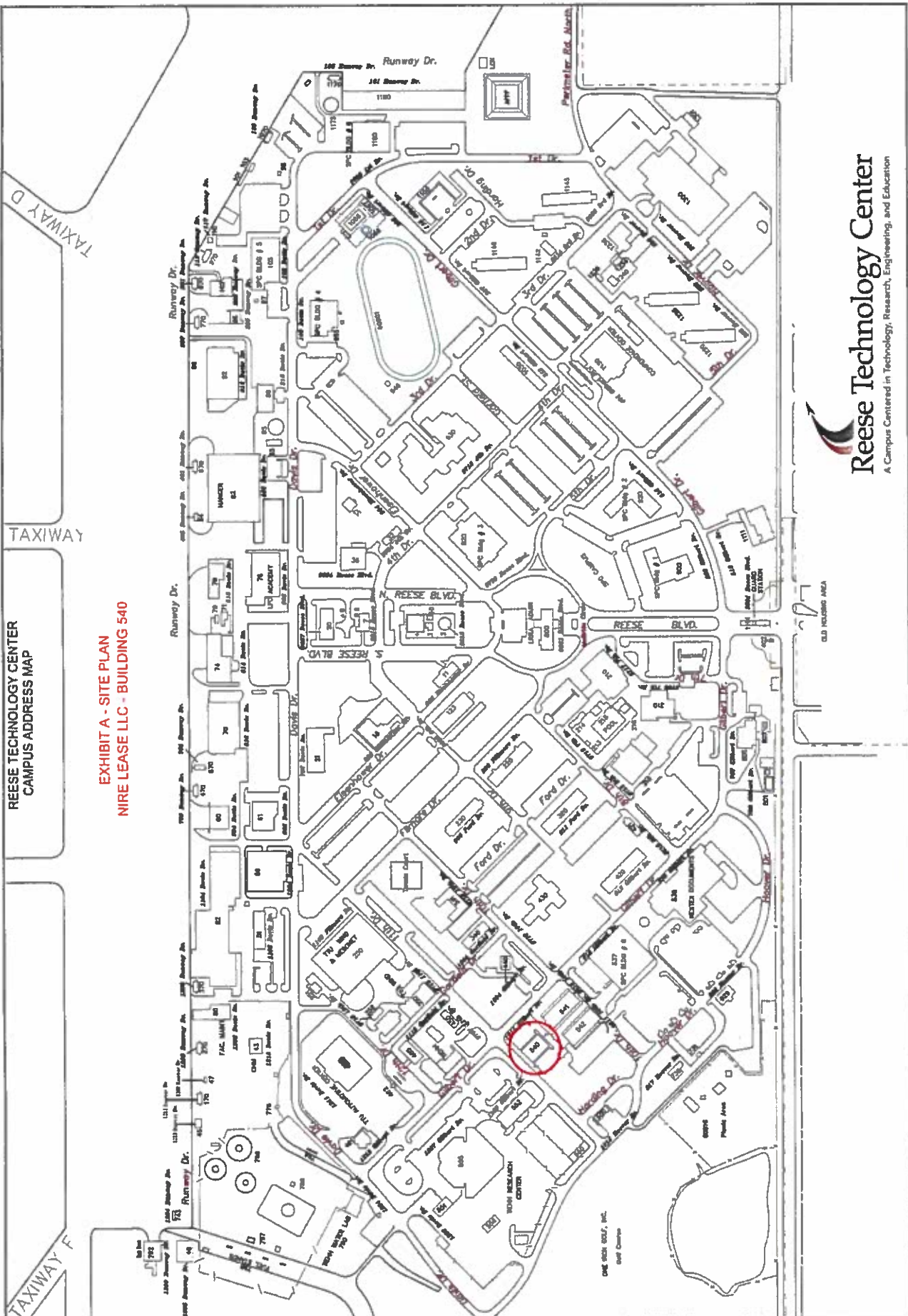
5/27/15  
Date

  
By: Mark Harrell, CEO

5/27/15  
Date

REESE TECHNOLOGY CENTER  
CAMPUS ADDRESS MAP

EXHIBIT A - SITE PLAN  
NIRE LEASE LLC - BUILDING 540



**FIRST AMENDMENT TO  
STANDARD SHORT TERM INDUSTRIAL LEASE  
EFFECTIVE DATE: March 1, 2018**

THIS FIRST AMENDMENT ("Amendment") between the LANDLORD, LUBBOCK REESE REDEVELOPMENT AUTHORITY ("LRRA") and TENANT, NIRE LEASE, LLC ("NIRE") is hereby incorporated into a certain STANDARD SHORT TERM INDUSTRIAL LEASE, previously executed by both parties and dated May 27, 2015 (the "Lease").

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

The Lease is supplemented as stated below:

1. Section 1, Subsection (i)

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

2. Section 1, Subsection (j)

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

3. Section 1, Subsection (k)

(k) Option to Extend Term: Tenant shall have two (2) renewal options of five (5) years each, such options to be exercised upon the mutual written agreement of each Party to the renewal of the Lease. If the Lease is extended by the Parties, there is no necessity for the execution of any further instrument and upon the same terms and conditions as are contained in this Lease, except the then existing Base Rent will be increased by the greater of a fixed four percent (4%) or in accordance with the most currently available CPI-U (South Region) data available from the Bureau of Labor Statistics. The adjustment in the Base Rent will be determined by multiplying the then existing Base Rent specified in the lease ("Base Rent") by 1.04, which will result in a "Revised Base Rent," as set forth in Section 1(o) or by applying the CPI-U. If the CPI-U is used, the Landlord shall provide Tenant a revised Section 1(o) for the remaining term of the Lease.

4. Section 1, Subsection (l)

(l) Delivery Date: March 1, 2018.

5. Section 1, Subsection (m)

(m) Commencement Date: March 1, 2018.

6. Section 1, Subsection (n)

(n) Termination Date: February 28, 2028.

7. Section 1, Subsection (o)

**Base Rent:** The parties agree that the Base Rent set forth herein is what is commonly referred to as a "modified gross lease" and that Base Rent already includes, and Tenant shall not have to pay for Common Area (as defined below) Maintenance fees, grounds keeping-mowing expenses, parking, Landlord's insurance, and any other charges incurred by Landlord with respect to the Premises, except as otherwise provided in this Lease. Said Base Rent does not include, and Tenant is solely responsible for any and all charges associated with utilities, dumpsters, telephone service, internet service, Tenant renovations, Premises maintenance, or housekeeping services, except as otherwise provided in this Lease. Subject to this paragraph, Base Rent shall be no less than set forth below, unless the CPI-U exceeds 4% in Year 2 - 10:

<b>BUILDING 540 – 6,185 Square Feet</b>			
<b>RENT</b>	<b>ANNUAL</b>	<b>MONTHLY</b>	<b>P/SF</b>
Year 1 3/1/2018 – 2/28/2019	\$41,748.75	\$3,479.06	\$6.75
Year 2 3/1/2019 – 2/29/2020	\$43,418.70	\$3,618.23	\$7.02
Year 3 3/1/2020 – 2/28/2021	\$45,150.50	\$3,762.54	\$7.30
Year 4 3/1/2021 – 2/28/2022	\$46,944.15	\$3,912.01	\$7.59
Year 5 3/1/2022 – 2/28/2023	\$48,861.50	\$4,071.79	\$7.90
Year 6 3/1/2023 – 2/29/2024	\$50,778.85	\$4,231.57	\$8.21
Year 7 3/1/2024 – 2/28/2025	\$52,819.90	\$4,401.66	\$8.54
Year 8 3/1/2025 – 2/28/2026	\$54,922.80	\$4,576.90	\$8.88
Year 9 3/1/2026 – 2/28/2027	\$57,149.40	\$4,762.45	\$9.24
Year 10 3/1/2027 – 2/29/2028	\$59,437.85	\$4,953.15	\$9.61

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

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

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

**{SIGNATURE PAGE FOLLOWS}**

LUBBOCK REESE  
REDEVELOPMENT AUTHORITY  
("Landlord")

NIRE Lease, L.L.C.  
("Tenant")

By: Jerry L. Bell  
Jerry L. Bell, President

Date 2/28/18

By: Mark Harral  
Mark Harral, CEO

Date 2/28/18



**BOARD ACTION ITEM No. 2025-0226-007  
LEASE ASSIGNMENT GROUP NIRE TO TEXAS TECH UNIVERSITY  
BUILDING 540 AND 2-ACRE GROUND LEASE**

**BOARD OF DIRECTORS  
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)  
February 26, 2025**

**Items to be Considered:**

- a. Approve Assignment and Second Amendment to Building 540 and Assignment and First Amendment to 2-Acre Ground Lease from Group NIRE to Texas Tech University

**Previous Board Action:**

- a. The Group NIRE lease for Building 540 was approved on May 27, 2015, and a First Amendment to the Lease was approved on February 28, 2018
- b. The Group NIRE 2-acre Ground Lease was approved on March 16, 2022

**Statement of Pertinent Facts:**

- a. Group NIRE is insolvent
- b. Both leases will be assigned to Texas Tech University

**Advice, Opinions, Recommendations, and Motion:**

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

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby authorizes its CEO/Executive Director to execute the Assignment and First Amendment to 2 Acre Ground Lease and Assignment and Second Amendment to Building 540 from Group NIRE to Texas Tech University, subject to negotiation of final terms and conditions, on this 26<sup>th</sup> day of February 2025.

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

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



**AGENDA ITEM 6**  
**EXECUTIVE SUMMARY**  
**FIRST AMENDMENT TO RHODES USA LEASE**  
**BUILDING 92, EARLY TERMINATION**

Rhodes USA wishes to terminate their lease early. This unfortunate business decision is needed as their sales have plummeted over the past few years. They are currently in an option period which expires March 2026. As for an early termination fee, we are requiring them to pay two months' rent plus we will be keeping their security deposit of \$6,020.00.

Staff have begun marketing the building for a new customer and we are confident it will lease quickly as it's a desirable hanger.

The First Lease Amendment as well as the Lease are attached for your review.

Staff are requesting Board approval for the attached First Amendment for Rhodes USA.

**FIRST AMENDMENT TO  
STANDARD INDUSTRIAL LEASE  
EFFECTIVE DATE: February \_\_, 2025**

THIS FIRST AMENDMENT (“Amendment”) between the LANDLORD, LUBBOCK REESE REDEVELOPMENT AUTHORITY (“LRRA”) and TENANT, RHODES USA, L.L.C. (“Rhodes”) is hereby incorporated into a certain STANDARD OFFICE LEASE previously executed by both parties and dated March 15, 2021, to include that certain document that changed Section 1(l) (Delivery Date) and Section 1(m) (Commencement Date) to April 1, 2021; and the chart in Section 1(o) (Base Rent) to reflect the Initial Term Lease Year as (April 1 to March 31), respectively (collectively, the “Lease”).

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

The Lease is supplemented as stated below:

**1. Section 1, Subsection (q)**

(q) Termination: This Lease shall terminate on March 31, 2025 (the “New Termination Date”). Subject to Section 1(r) (Early Termination Fee) and Section 10 (Hazardous Materials), the termination of this Agreement shall relieve the Tenant of the obligation to pay the Rent and other charges set forth in the Lease.

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

(j) Early Termination Fee: Payment of Rent and Utilities for February 2025 and March 2025. Additionally, Landlord shall retain the Security Deposit set forth in Section 1(p).

**3. Section 5, Subsection (a)**

(5) Allow Landlord, with or without notice, to enter the Premises to perform Landlord’s obligations, inspect the Premises, show the Premises to prospective purchasers or tenants, and perform Landlord's obligations on the Premises, to include but limited to an actual emergency situation that Landlord reasonably believes will result in personal injury, loss of life or property damage to the Premises. Landlord will notify Tenant as soon after any entry as is reasonably possible.

**4. Additional Agreements**

a. Tenant shall immediately begin preparation of all equipment and materials presently onsite for removal from the Premises. All equipment and materials shall be moved to an agreed upon open corner of the Premises.

b. No later than the New Termination Date, Tenant shall vacate the Premises and, if necessary, move all remaining equipment and materials into a storage building identified by the Landlord located on the Project.

c. If a new tenant is found prior to the New Termination Date, Tenant agrees to vacate the Premises and move all remaining equipment and materials into a storage building identified by the Landlord located on the Project.

d. The new storage building identified by the Landlord located on the Project shall be leased on a month-to-month basis pursuant to the terms set forth in a new written agreement.

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

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

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

**{SIGNATURE PAGE FOLLOWS}**

LUBBOCK REESE  
REDEVELOPMENT AUTHORITY  
("Landlord")

RHODES USA, L.L.C..  
("Tenant")

\_\_\_\_\_  
By: Murvat Musa  
Its: CEO

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

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

**STANDARD INDUSTRIAL LEASE**

**BETWEEN**

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

**AS LANDLORD**

**AND**

**RHODES USA, L.L.C., a Texas limited company**

**AS TENANT**

**FOR PREMISES LOCATED AT**

**Reese Technology Center Hangar No. 92**

**212 Davis Drive**

**Lubbock, Texas 79416**

## **STANDARD INDUSTRIAL LEASE**

This Standard Industrial Lease (the "Lease") is made this 15<sup>th</sup> day of march, 2021, by and between LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas (hereinafter referred to as "Landlord") and RHODES USA, L.L.C., a Texas limited company (hereinafter referred to as "Tenant"). Landlord and Tenant are also referred to herein individually as a "Party" and collectively as the "Parties".

### **WITNESSETH:**

#### **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: RHODES USA, L.L.C., a Texas limited company, whose Federal Taxpayer Identification Number 85-1189900

(d) Tenant Address: 6720 28<sup>th</sup> St., Apt. 1403, Lubbock, TX 79407.

(e) Guarantors: N/A

(f) Guarantors' Addresses: N/A

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

(h) Premises means that certain building ("Building") located at 212 Davis Drive, Lubbock, Texas 79416, which is commonly known as Building # 92 (a/k/a "Hangar #92"), and identified as the "Premises" on the site plan attached hereto as **Exhibit A** (the "Site Plan"), and containing approximately 24,080 square feet of floor area.

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

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

(k) Option to Extend Term: Tenant shall have one (1) renewal option of two (2) years, such option to be exercised automatically unless Landlord receives written notice from Tenant of its desire not to exercise the option to extend term no less than one hundred eighty days (180) days prior to expiration of the Initial Term. Without receipt of such notice, this Lease shall be extended automatically for the period specified in Section 1(j) without the necessity for the execution of any further instrument and upon the same terms and conditions as are contained in this Lease, except the then existing Base Rent will be increased by a fixed three percent (3%) each year of the extension period. The adjustment in the Base Rent will be determined by multiplying the then

existing Base Rent specified in the lease ("Base Rent") by 1.03, which will result in a "Revised Base Rent" for each year of the extension period.

- (l) Delivery Date: ~~February 1, 2021~~ *march 15, 2021*
- (m) Commencement Date: ~~February 1, 2021~~ *march 15, 2021*
- (n) Termination Date: January 31, 2024.

(o) Base Rent: The parties agree that the Base Rent set forth herein is what is commonly referred to as a "modified gross lease" and that Base Rent already includes, and Tenant shall not have to pay for Common Area (as defined below) Maintenance fees, grounds keeping-mowing expenses, parking, Landlord's insurance, and any other charges incurred by Landlord with respect to the Premises, except as otherwise provided in this Lease. Said Base Rent does not include, and Tenant is solely responsible for any and all charges associated with utilities, dumpsters, telephone service, internet service, Tenant renovations, Premises maintenance, or housekeeping services, except as otherwise provided in this Lease. Subject to this paragraph, Base Rent shall be no less than set forth below:

<u>Initial Term Lease Years</u>	<u>Total Annual Base Rent</u>	<u>Total Monthly Base Rent</u>	<u>Annual Base Rent Per Square Foot of Floor Area of the Premises</u>
February 1, 2021 to January 31, 2022	\$72,240.00	\$6,020.00	\$3.00
February 1, 2022 to January 31, 2023	\$74,407.20	\$6,200.60	\$3.09
February 1, 2023 to January 31, 2024	\$76,574.40	\$6,381.20	\$3.18
Renewal Year 1	\$78,982.40	\$6,581.87	\$3.28
Renewal Year 2	\$81,390.40	\$6,782.53	\$3.38

(p) Security Deposit: \$6,020.00. 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: This Lease is terminable by Landlord if Tenant is in default on this Lease, provided that so long as Landlord is not in default on this Agreement, Tenant's termination of this Agreement shall not relieve Tenant of the obligation to pay the Rent and other charges set forth in this Agreement for the term of the Agreement.

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



(s) Permitted Use: Tenant may use the Premises for the purpose of manufacturing and distributing building materials with Tenant's existing business model (collectively, "Permitted Use").

(t) Right of First Refusal: Beginning on the Commencement Date and expiring eighteen (18) months from the Commencement Date, the Tenant shall have a Right of First Refusal to Buildings 82 and/or 1180 (the "Expansion Property"). Landlord may continue to market the Expansion Property. In the event that the Landlord receives an offer for the Expansion Property, the Landlord shall forward the offer and the Tenant shall have seven (7) days to respond in writing if it will exercise its Right of First Refusal to the Expansion Property and by agreeing to pay the offered amount or the then existing Base Rent, whichever is greater.

(u) Landlord's Address for Payment of Rent: Payment of Rent may be made by check and delivered to Landlord's address, or by electronic funds transfer to Landlord's bank account at:

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

## **2. DEFINITIONS**

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

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

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

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

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

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

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



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

#### **4. REAL ESTATE TAXES AND OTHER TAXES**

(a) Real Estate Taxes. Tenant will pay or cause to be paid to the appropriate governmental authorities, prior to delinquency, all Real Estate Taxes. "Real Estate Taxes" means all real property taxes and assessments that become due and payable during the Term and are assessed by the applicable taxing governmental authority against the Premises. Tenant shall only be responsible for said taxes incurred by Tenant during the term, to include any extension, of this Lease. Tenant shall not be responsible for any back taxes or assessments incurred by a third party or prior to the Delivery Date.

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

#### **5. TENANT COVENANTS**

**(a) Tenant Agrees to –**

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

(15) Tenant acknowledges the existence of and agrees to use the entrance off of Highway 114 for the delivery or shipment of all products used in and associated with the Permitted Use, when the means of delivery or shipment is a vehicle has more than two axels.

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

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

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

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

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

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

## **6. LANDLORD COVENANTS**

### **(a) Landlord agrees to –**

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

(2) To deliver the Premises in broom clean condition.

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

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

(5) Perform the Landlord Make Ready Improvements, as set forth in **Exhibit B (the "Landlord Make Ready Improvements")**.

### **(b) Landlord agrees not to—**

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

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

## 7. COMMON AREAS

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

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

## 8. UTILITIES AND TRASH REMOVAL

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

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

## 9. DAMAGE BY CASUALTY

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

(b) Tenant's Right to Terminate. If more than thirty-five percent (35%) of the floor area of the Premises is damaged or destroyed due to Casualty, then Tenant will have the right to terminate this Lease, effective as of the date of Casualty, by notice given to Landlord within fifteen (15) days after Tenant's receipt of Landlord's Casualty Notice.

(c) Landlord's Right to Terminate. If more than thirty-five percent (35%) of the floor area of the Premises is damaged or destroyed by Casualty during the Term, then Landlord may elect to terminate this Lease effective as of the date of the Casualty by notice given to Tenant not later than fifteen (15) days after Landlord delivers Landlord's Casualty Notice to Tenant.

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



complete same within the estimated time set forth in Landlord's Casualty Notice, plus the number of days of delay caused by Uncontrollable Events, then, Tenant will have the right to terminate this Lease by giving Landlord notice and upon the giving of such notice, this Lease will terminate and the Parties will be liable for their respective obligations to the date of termination and will have no liability for obligations arising after that date, except for those obligations which expressly survive termination. Landlord agrees should damage occur in over thirty-five percent (35%) of the floor area no rent will be due or if mutually agreed a reduced rent will be paid, provided Tenant can use the portion of the Premises not damaged.

## **10. HAZARDOUS MATERIALS**

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

(b) Tenant's Obligations. During the Term, Tenant will not use, generate, place, store, release or otherwise dispose of Hazardous Materials in the Premises or the Common Areas, except in accordance with all Environmental Laws, and subject to the Reservations recorded in the Deed Without Warranty Between the United States of America and Landlord recorded in the Real Property Records of Lubbock County, Texas at Deed Record 2006041652. Notwithstanding anything to the contrary contained in this Lease, Landlord acknowledges and agrees that Tenant shall have the right to use and store in the Premises in Tenant's ordinary course of business Hazardous Materials in accordance with Environmental Laws, and subject to Section 10(c), below. In the event of a breach of the foregoing, Tenant will promptly undertake remediation or removal in accordance with all Environmental Laws. Tenant will indemnify, defend and hold Landlord and Landlord's Affiliated Parties harmless from and against, and reimburse Landlord and Landlord's Affiliated Parties for, all Hazardous Materials Liabilities asserted against or incurred by Landlord or Landlord's Affiliated Parties as a result of a breach of Tenant's obligations under this paragraph. Notwithstanding anything to the contrary contained herein, in no event shall Tenant be liable for Hazardous Materials existing in, on or about the Premises or the Project prior the Tenant's occupancy of the Premises. Tenant shall provide Landlord a copy of Tenant's plan for responding to hazardous waste, fuel, and chemical spills no later than the Commencement Date.

(c) Definitions. As used herein,

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

(ii) "Environmental Laws" means all federal, state, regional or local statutes, laws, regulations, codes, orders, permits, ordinances, decrees, rulings or judicial or administrative interpretations thereof, or similar laws of foreign jurisdictions where the Tenant conducts business,

whether currently in existence or hereinafter enacted or promulgated, any of which govern, or purport to govern, or relate to pollution, protection of the environment, public health and safety, air emissions, water discharges, hazardous or toxic substances, solid or hazardous waste or occupational health and safety, as any of these terms are or may be defined in such statutes, laws, rules, regulations, codes, orders, permits, ordinances, decrees, rulings or judicial or administrative interpretations thereof, including, without limitation: the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendment and Reauthorization Act of 1986, 42 U.S.C. §9601, et seq. (collectively "CERCLA"); the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976 and subsequent Hazardous and Solid Waste Amendments of 1984, 42 U.S.C. §6901 et seq. (collectively "RCRA"); the Hazardous Materials Transportation Act, as amended, 49 U.S.C. §1801, et seq.; the Clean Water Act, as amended, 33 U.S.C. §1311, et seq.; the Clean Air Act, as amended (42 U.S.C. §7401-7642); the Toxic Substances Control Act, as amended, 15 U.S.C. §2601 et seq.; the Federal Insecticide, Fungicide, and Rodenticide Act as amended, 7 U.S.C. §136-136y ("FIFRA"); the Emergency Planning and Community Right-to-Know Act of 1986 as amended, 42 U.S.C. §11001, et seq. (Title III of SARA) ("EPCRA"); and the Occupational Safety and Health Act of 1970, as amended, 29 U.S.C. §651, et seq. ("OSHA"); and

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

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

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

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



## 11. INSURANCE AND WAIVER OF SUBROGATION

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

X (a) Commercial General Liability Insurance. Commercial General Liability Insurance covering the Premises and Tenant's use thereof, not including Common Areas, against claims for bodily injury, death or property damage occurring upon, in or about the Premises (including contractual indemnity and liability coverage), such insurance to provide coverage of not less than \$1,000,000.00 per occurrence and \$5,000,000.00 annual aggregate. Landlord shall be included as an additional insured against claims for bodily injury, death, or property damage occurring upon, in or about the Premises; or that is related to the Permitted Use.

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

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

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

(e) Release of Claims/Subrogation. LANDLORD AND TENANT RELEASE EACH OTHER AND ANY LIENHOLDER FROM ALL CLAIMS OR LIABILITIES FOR DAMAGE TO THE PREMISES OR BUILDING, DAMAGE TO OR LOSS OF PERSONAL PROPERTY WITHIN THE BUILDING, AND LOSS OF BUSINESS OR REVENUES THAT ARE COVERED BY THE RELEASING PARTY'S PROPERTY INSURANCE OR THAT WOULD HAVE BEEN COVERED BY THE REQUIRED INSURANCE IF THE PARTY FAILS TO MAINTAIN THE PROPERTY COVERAGES REQUIRED BY THIS LEASE. THE PARTY INCURRING THE DAMAGE OR LOSS WILL BE RESPONSIBLE FOR ANY DEDUCTIBLE OR SELF-INSURED RETENTION UNDER ITS PROPERTY INSURANCE. LANDLORD AND TENANT WILL NOTIFY THE ISSUING PROPERTY INSURANCE COMPANIES OF THE RELEASE SET FORTH IN THIS PARAGRAPH AND WILL HAVE THE PROPERTY INSURANCE POLICIES ENDORSED, IF NECESSARY, TO PREVENT INVALIDATION OF COVERAGE. THIS RELEASE WILL NOT



APPLY IF IT INVALIDATES THE PROPERTY INSURANCE COVERAGE OF THE RELEASING PARTY. THE RELEASE IN THIS PARAGRAPH WILL APPLY EVEN IF THE DAMAGE OR LOSS IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF THE RELEASED PARTY BUT WILL NOT APPLY TO THE EXTENT THE DAMAGE OR LOSS IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE RELEASED PARTY.

## 12. ADDITIONAL LANDLORD AND TENANT AGREEMENTS

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

b. Abatement. Tenant's covenant to pay Rent and Landlord's covenants are independent. Tenant will not be entitled to abate Rent for any reason.

c. Condemnation/Substantial or Partial Taking

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

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

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

d. Uniform Commercial Code. Tenant grants Landlord a security interest in Tenant's personal property now or subsequently located on the Premises. This lease is a security agreement under the Uniform Commercial Code.

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

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

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

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

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

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

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

(5) failing to pay timely Rent;

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

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

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

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

h. Default by Tenant/Landlord's Remedies. Landlord's remedies for Tenant's default are to (1) enter and take possession of the Premises; (2) enter the Premises and perform Tenant's obligations; and (3) terminate this Lease by written notice and sue for damages. Landlord may enter and take possession of the Premises by self-help, by picking or changing locks if necessary, and may lock out Tenant or any other person who may be occupying the Premises, until the default is cured, without being liable for damages.

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



others which are given in this Lease, or at law or in equity, unless such remedies are expressly excluded.

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

k. Representations and Indemnities of Broker Relationships. Tenant and Landlord each represent and warrant to the other that it has had no dealings with any person, firm, broker or finder in connection with this Lease, and that no one is entitled to any commission or finder's fee in connection herewith. Tenant and Landlord do each hereby agree to indemnify, protect, defend and hold the other harmless from and against liability for compensation or charges which may be claimed by any such unnamed broker, finder or other similar Party by reason of any dealings or actions of the indemnifying Party, including any costs, expenses, attorneys' fees reasonably incurred with respect thereto.

l. Holdover. No holding over by Tenant, whether with or without the consent of Landlord, will extend the Term. If Tenant remains in possession of the Premises after the expiration of the Term without execution of a new lease extending the Term, Tenant will be deemed to be occupying the Premises as a tenant at will, subject to all of the terms of this Lease as may be applicable to a month to month tenancy and at One Hundred Fifty Percent (150%) of the monthly installment of the Base Rent set forth in Section 1(m) for the twelve (12) month period prior to expiration of the Term, except that thereafter either Landlord or Tenant may terminate this Lease upon thirty (30) days' notice to the other; provided that Landlord, by the terms hereof, is not deemed to consent to any such holdover by Tenant and may exercise all rights provided by law to remove Tenant from the Premises upon giving Tenant the notice described herein.

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

**LANDLORD:**

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

**TENANT:**

Rhodes USA, LLC  
6720 28<sup>th</sup> St., Apt. 1403  
Lubbock, TX 79407

Telephone: 559-940-5790

Fax: \_\_\_\_\_

Email: scott@rhodes-usa.com

Notices will be deemed given on the date received (or refused) when addressed to the Parties at the addresses set forth above or in either case to such other addresses as Landlord or Tenant may designate to the other by notice. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile transmission, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein.

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

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

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

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

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

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

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



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

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

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

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

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

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

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.***

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

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

Lubbock Economic Development Alliance for specific details regarding the application process and the fees and regulations associated with the program.

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

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

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

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

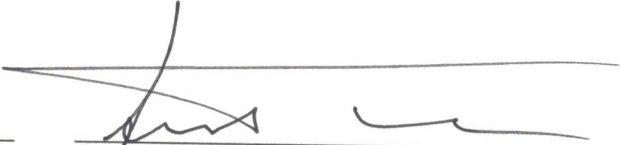
The execution of this Agreement by Landlord shall not be considered a waiver of Landlord's sovereign immunity to suit.

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

LUBBOCK REESE  
REDEVELOPMENT AUTHORITY  
("Landlord")

RHODES USA, L.L.C.  
("Tenant")


By: Joseph R. Rapier, President

By:   
Scott Turner

Date

2-22-21  
Date

LUBBOCK REESE  
REDEVELOPMENT AUTHORITY  
("Landlord")

  
By: Joseph R. Rapier, President

1-27-21  
Date

RHODES USA, L.L.C.  
("Tenant")

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

Date \_\_\_\_\_



## EXHIBIT A

Building 92 – Campus Location



## **Exhibit B**

### **Landlord Make Ready Improvements**

Landlord agrees to make the following make ready improvements to the Premises:

- Replace 70 high bay lights.
- Replace bulbs in office area where needed.
- Replace ceiling tiles where needed.
- Miscellaneous Plumbing repairs.
- Door repairs and rekeys.

Said Landlord make ready improvements shall not exceed \$17,000.

**BOARD ACTION ITEM No. 2025-0226-008  
RHODES USA LEASE AMENDMENT FOR  
BUILDING 92, EARLY TERMINATION**

**BOARD OF DIRECTORS  
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)  
February 26, 2025**

**Items to be Considered:**

- a. Approve a First Lease Amendment for early termination of lease for Building 92 with Rhodes USA.

**Previous Board Action:**

- a. The Board approved a lease for Rhodes USA for Building 92 on February 24, 2021.

**Statement of Pertinent Facts:**

- a. Rhodes USA wishes to terminate their lease for Building 92 early
- b. The current option period expires March 2026.
- c. Early termination fee will be two months' rent plus retention of security deposit of \$6,020.00

**Advice, Opinions, Recommendations, and Motion:**

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

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby authorizes the CEO/Executive Director to execute the First Lease Amendment for Rhodes USA, subject to negotiations of final terms and conditions, on this 26<sup>th</sup> day of February 2025”

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

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

**AGENDA ITEM 7**  
**EXECUTIVE SUMMARY**  
**MATLOCK DEVELOPMENT WATER WELL AGREEMENT**

We have been leasing two water wells to Matlock Development to irrigate the golf course since about 2004. The current agreement expired December 31, 2024, and we have been negotiating with them on a new agreement. Under the current agreement, we are paid a total of \$4,100 per year.

The new agreement calls for the following:

- 5-year initial term with two extensions for 5 years each with a 3% increase for each year of the extension years
- We can terminate the agreement with 180 days' notice
- They will pay us a \$5,000 annual fee plus \$1,000 monthly for a total of \$17,000 each year for the first five years
- They will reimburse us for replacing any non-working water meters
- Their water consumption is limited and once they start receiving water from the Air Force, what we supply will be offset by the amount they receive
- We will also be receiving an avigation easement over a portion of the golf course to protect the east 6,500-foot runway

The Water Well Agreement is attached for your review.

Staff are requesting Board approval for the attached Water Well Agreement for Matlock Development.

## **WATER WELL USE AGREEMENT**

On this the \_\_\_\_ day of March 2025, MATLOCK DEVELOPMENT, INC., a Texas corporation, and ONE IRON GOLF, INC., a Texas corporation by and through the Independent Administrator of the Estate of Evan Doyle Matlock (collectively, “Matlock”) desires to enter into this Water Well Use Agreement (the “Agreement”) with LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas, (“LRRA”). Collectively, Matlock and LRRA may be referred to as the “Parties.”

### **RECITALS**

WHEREAS, Matlock desires to continue to use two (2) water wells presently located on LRRA property. These two (2) water wells are presently permitted by the High Plains Underground Water District (“HPUWD”) to produce no more than 265 gallons per minute;

WHEREAS, HPUWD has promulgated rules and regulations for the metering of permitted wells within its area. These rules and regulations are applicable to the two (2) water wells, which were granted HPUWD GIS Permit Nos. 8652 and 8653 on August 10, 2004;

WHEREAS, the United States Air Force Real Property Authority (“USAFRPA”) continues to exercise oversight of the groundwater environmental cleanup at the former Reese Air Force Base;

WHEREAS, Matlock agrees to cooperate with LRRA to transfer the two (2) water well permits to LRRA; and

WHEREAS, Matlock retains the right to remove any equipment associated with the two (2) water wells upon termination of this Agreement, subject to if Matlock removes the equipment, LRRA may require Matlock to cap the wells at Matlock’s sole cost and expense.

### **AGREEMENT**

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto covenant and agree to the following terms and conditions:

1. Use of Water Wells. LRRA agrees to allow Matlock to use the two (2) water wells, as identified on **Exhibit A**, attached hereto, and the water produced therefrom pursuant to the terms and conditions set forth herein.
2. Initial Term. Five (5) years, beginning on March 1, 2025 and ending on February 28, 2030 (“Initial Agreement Year”).
3. Option to Extend Term (the “Extension Period”). Two periods of five (5) years each, subject to an increase in the annual fee and monthly payments of three percent (3%) during each year of the extension period. The Agreement shall renew automatically unless Matlock provides

written notice to LRRRA at least one hundred and twenty (120) days prior to the expiration of the Initial Term or the then effective Extension Period.

4. Termination: LRRRA may terminate the Agreement if Matlock defaults on any of the provisions of the Agreement that are not cured within thirty (30) days of receipt of written notice. Additionally, LRRRA may terminate the Agreement with cause or as set forth in the Agreement with 180 days prior written notice to Matlock. In the event, LRRRA terminates the Agreement, Matlock may collect the equipment associated with the water wells that it owns, subject to if Matlock removes the equipment, LRRRA may require Matlock to cap the wells at Matlock's sole cost and expense.
5. Payment for Use of Water.
  - (a) Matlock shall make an annual payment of Five Thousand Dollars and no cents (\$5,000.00) at the beginning of the Initial Term and paid annually on March 1<sup>st</sup> of each year thereafter and, if exercised, continuing during any Extension Period, as set forth in **Exhibit B**, attached hereto.
  - (b) Additionally, Matlock shall make a payment of One Thousand Dollars and no cents (\$1,000.00) on the 1<sup>st</sup> day of the month beginning March 1, 2025 and continuing on the first day of the month during the Initial Term and, if exercised, continuing during any Extension Period, as set forth in **Exhibit B**, attached hereto.
  - (c) In the event that Matlock does not make the payments set forth in Section 5(a) and (b) by the fifth day of the month, Matlock shall pay a five percent (5%) late fee for each month the payment is past due.
6. Electric Charges, Meter Charges and HPUWD Requirements.
  - (a) Matlock agrees to pay for the cost of all electric service directly to South Plains Electric Cooperative.
  - (b) Matlock agrees to reimburse LRRRA for all costs associated with maintaining the meters and the two (2) water wells during the term of this Agreement.
  - (c) LRRRA shall be responsible for all HPUWD reporting requirements.
7. Water Consumption Limits. The peak maximum usage per month shall be equal to the peak maximum usage per twenty-four (24) hour period times the number of days in a given month (the "Monthly Consumption Limit"). The peak maximum usage per twenty-four (24) hour period of time shall be **189,000 gallons**, which is equal to 58.3% of the "Historical Average Production Capacity" per well in gallons per minute ("gpm") (well #1 – 75 gpm and well #2 – 150 gpm for a total of **225 gpm**). In the event Matlock exceeds the Monthly Consumption Limit, Matlock shall pay an amount equal to two (2x) times the pro rata water rate set forth in Section 5(b) for that amount of water that exceeds the allotted maximum quantity.

8. Revision of Water Rate. In the event the average production capacity of either water wells drops to below 15 agm, the parties agree that the price structure in monthly payments will be adjusted, and the payment schedule revised on a pro rata basis.
9. Transfer of Water Permits. Matlock shall assist LRRA with transferring to LRRA the two (2) water well permits with HPUWD.
10. USAF Water Reclamation Project Adjustment. LRRA shall cooperate with Matlock in acquiring rights to reclamation water from the proposed U.S. Air Force water treatment plant. Any water rights acquired shall be offset against the water being provided by LRRA and the payment schedule revised on a pro rata basis.
11. Providing Water to Third Parties Prohibited. It is expressly understood and agreed that Matlock shall not sell, provide, or enter into any agreement that provides water to a third party.
12. Additional Wells Prohibited. This Agreement is limited solely to the two (2) water wells identified in **Exhibit A**. It is expressly understood and agreed that this Agreement does not grant Matlock the right to drill additional or replacement water wells on LRRA property.
13. Indemnify, Defend, and Hold Harmless.  
MATLOCK SHALL INDEMNIFY, DEFEND, AND HOLD LRRA HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF LRRA'S OR MATLOCK'S PROPERTY FOR WHICH MATLOCK OR ITS AGENTS, ASSIGNS, OR EMPLOYEES ARE RESPONSIBLE. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF MATLOCK'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (c) WILL SURVIVE THE END OF THE TERM, AND (d) WILL APPLY EVEN IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LRRA BUT WILL NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LRRA.
14. LRRA Rules, Regulations, and Security Protocols. Matlock agrees to abide by all rules, regulations, and security protocols that are now in existence or that may come into existence in the future. Specifically, Matlock agrees to coordinate access to the site of the two (2) water wells at least seven (7) days in advance. LRRA agrees not to unreasonably deny Matlock access to service the two (2) water wells, provided Matlock makes a good faith effort to comply with the seven (7) day advance notice requirement. Matlock, further, understands and agrees that the airfield property may be closed to access for controlled events, to include but not limited to use of the runways. LRRA shall make commercially reasonable efforts to notify Matlock in advance of such controlled events. In the event of an emergency, LRRA may take action to shut off the flow of water from the wells.



15. Assignment. Matlock may not assign this Agreement without the written consent of LRRRA. Notwithstanding the foregoing, Matlock may assign its rights or delegate its duties under this Agreement either in whole or in part with the prior written consent of the LRRRA to a Matlock subsidiary or affiliate, which should not be unreasonably withheld. This Agreement will bind and inure to the benefit of each party's successors and permitted assigns.
16. Default by LRRRA/Events. Defaults by LRRRA are failing to comply with any provision of this Agreement within thirty (30) days after written notice and failing to resolve the non-compliance within thirty (30) days after written notice.
17. Default by LRRRA/Matlock's Remedies. Matlock's remedies for LRRRA's default are to sue for damages and, if LRRRA does not remedy the default for thirty (30) days after default, terminate this Agreement.
18. Default by Matlock/Events. Defaults by Matlock are:
- (a) Failing to pay for the Use of Water, as set forth herein, and/or Electric Charges, Meter Charges, or comply with HPUWD requirements within thirty (30) days of being invoiced by LRRRA or being given written notice of not complying with HPUWD requirements.
  - (b) Providing water to third parties.
  - (c) Failing to comply within ten (10) days after written notice with any provision of this Agreement other than the defaults set forth in (a) and (b) above.
19. Default by Matlock/LRRRA's Remedies. LRRRA's remedies for Matlock's default are to (a) cut off the flow of water from the two (2) water wells, and Matlock agrees to reimburse LRRRA for any expenditures made in order to cut off the flow of water from the wells; and (b) terminate this Agreement by written notice and sue for damages.
20. Holdover. No holding over by Matlock, whether with or without the consent of LRRRA, will extend the Term.
21. Notices. Any notices sent or required to be given hereunder must be in writing and sent by certified mail, return receipt requested, or nationally recognized overnight courier to the following addresses:

Lubbock Reese Redevelopment Authority  
9801 Reese Boulevard  
Suite 200  
Lubbock, Texas 79416  
Attn: Executive Director  
Telephone: (806) 885-6592  
E-mail: [mmusa@reesecenter.com](mailto:mmusa@reesecenter.com)

Matlock Development, Inc.  
Attn: Michael Mason Matlock



\_\_\_\_\_  
Telephone: \_\_\_\_\_

E-mail: \_\_\_\_\_

One Iron Golf, Inc.

Attn: Michael Mason Matlock

\_\_\_\_\_  
Telephone: \_\_\_\_\_

E-mail: \_\_\_\_\_

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 LRRA or Matlock may designate to the other by written 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 Agreement 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 LRRA or Matlock 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 21 of this Agreement. 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.

22. Further Instruments. Each party agrees to execute such further instruments as may be reasonably required to consummate the transactions contemplated by this Agreement, as long as the terms thereof are fully consistent with the terms of this Agreement.
23. Terms of This Agreement. In the event of any conflict or inconsistency between the terms of the Easement and the terms of this Agreement, the terms of the Easement shall govern as between the Parties.
24. Governing Law. This Agreement constitutes a contract made under and shall be construed and interpreted in accordance with the laws of the State of Texas, and all obligations of the parties are performable in Lubbock County, Texas. THE PARTIES HEREBY WAIVE THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS AGREEMENT.
25. Entire Agreement. This Agreement, 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 Agreement or to any expressly mentioned exhibits and riders not incorporated in writing in this Agreement.

26. Authority. The Independent Administrator, Michael Mason Matlock, of the Estate of Evan Doyle Matlock in Cause Number CC-2024-PR-0449 by virtue of the Letters of Independent Administration signed January 2, 2025. The Matlock entities are duly organized and validly existing and have full power and authority to enter into this Agreement and to perform the obligations of the Matlock entities under this Agreement. LRRA is duly organized and validly existing and has full power and authority to enter into this Agreement and to perform the obligations of LRRA under this Agreement.
27. Successors and Assigns. All terms and provisions of this Agreement shall bind the successors and assigns of the parties hereto.
28. Headings. The headings of the articles, sections, and subdivisions of this Agreement are for convenience of reference only, are not to be considered a part hereof, and shall not limit or expand or otherwise affect any of the terms hereof.
29. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed and original and all of which, taken together, shall constitute one instrument.
30. 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 AGREEMENT, AND THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY STATED IN THIS AGREEMENT.
31. Rules of Construction. This Agreement 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.
32. Severability. If any term or provision of this Agreement 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 applicable laws.
33. Headings. The captions, section numbers and paragraph numbers appearing in this Agreement 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 Agreement.
34. Trafficking of Persons. Under §2155.0061, Texas Government Code, Matlock certifies that the individual or business entities named in the Agreement are not ineligible to receive the specified Agreement and acknowledges that the Agreement may be terminated if this certification is inaccurate.
35. Chapter 2271 of the Texas Government Code. Matlock acknowledges that in accordance with Chapter 2271 of the Texas Government Code, LRRA is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from Matlock 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 Agreement, Matlock certifies that its signature provides written verification to LRRRA that Matlock: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the Agreement.

36. 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 LRRRA shall not be considered a waiver of its sovereign immunity to suit.

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

***[SIGNATURE PAGES FOLLOW]***

Lubbock Reese Redevelopment Authority,  
a political subdivision of the State of Texas

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

THE STATE OF TEXAS           §  
  §  
COUNTY OF LUBBOCK       §

BEFORE ME, the undersigned authority, on this day personally appeared Muvat Musa, Chief Executive Officer of the Lubbock Reese Redevelopment Authority, a political subdivision of the State of Texas, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_\_ day of March 2025.

\_\_\_\_\_  
Notary Public, State of Texas  
My commission expires:

Matlock Development, Inc.,  
a Texas Corporation

---

By: Michael Mason Matlock  
Its: Independent Administrator of the Estate of  
Evan Doyle Matlock, deceased

THE STATE OF TEXAS           §  
   §  
COUNTY OF LUBBOCK       §

BEFORE ME, the undersigned authority, on this day personally appeared Michael Mason Matlock, the Independent Administrator of the Estate of Evan Doyle Matlock, on behalf of Matlock Development, Inc., a Texas corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_\_ day of March 2025.

---

Notary Public, State of Texas  
My commission expires:

One Iron Golf, Inc.,  
a Texas Corporation

---

By: Michael Mason Matlock  
Its: Independent Administrator of the Estate of  
Evan Doyle Matlock, deceased

THE STATE OF TEXAS           §  
   §  
COUNTY OF LUBBOCK       §

BEFORE ME, the undersigned authority, on this day personally appeared Michael Mason Matlock, the Independent Administrator of the Estate of Evan Doyle Matlock, on behalf of One Iron Golf, Inc., a Texas corporation, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this \_\_\_\_ day of March 2025.

---

Notary Public, State of Texas  
My commission expires:

## **EXHIBIT A**

### **Water Well Locations**

[see attached]

## EXHIBIT B

### Extension Period Annual Fee and Monthly Payment

<b>Extension Period and Year</b>	<b>Annual Fee</b>	<b>Monthly Payment</b>
<b>Extension Period 1</b>		
Year 1	\$5,150.00	\$1,030.00
Year 2	\$5,304.50	\$1,060.90
Year 3	\$5,463.64	\$1,092.73
Year 4	\$5,627.54	\$1,125.51
Year 5	\$5,796.37	\$1,159.27
<b>Extension Period 2</b>		
Year 1	\$5,970.26	\$1,194.05
Year 2	\$6,149.37	\$1,229.87
Year 3	\$6,333.85	\$1,266.77
Year 4	\$6,523.87	\$1,304.77
Year 5	\$6,719.58	\$1,343.92



**BOARD ACTION ITEM No. 2025-0226-009**  
**MATLOCK DEVELOPMENT INC. and ONE IRON GOLF INC.**  
**WATER WELL USE AGREEMENT**

**BOARD OF DIRECTORS**  
**LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRA)**  
**February 26, 2025**

**Items to be Considered:**

- a. Approve the Lease for the use of 2 water wells located on Lubbock Reese Redevelopment Authority property with Matlock Development Inc. and One Iron Golf, Inc.

**Previous Board Action:**

- a. LRRA has been selling well water to Matlock Development since about 2004
- b. The previous water well use agreement was approved November 20, 2019, and expired on December 31, 2024

**Statement of Pertinent Facts:**

- a. This agreement is for 5 years with two options to renew for an additional 5 years each
- b. The option years will have 3% annual rate increases
- c. This agreement can be terminated with notice
- d. There will be an annual fee of \$5,000 and monthly fee of \$1,000 for a total of \$17,000 each year for the first five years
- e. We will be reimbursed if we need to replace any non-working water meters
- f. Water consumption will be limited and reduced by what they receive from the Air Force
- g. We will receive an avigation easement over a portion of the golf course to protect the 6,500-foot runway

**Advice, Opinions, Recommendations, and Motion:**

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

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby authorizes its CEO/Executive Director to execute the Water Well Agreement for Matlock Development Inc and One Iron Golf Inc., subject to negotiation of final terms and conditions, on this 26<sup>th</sup> day of February 2025.

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

ATTEST: \_\_\_\_\_  
LRRA Board Member

CASH BALANCES - JANUARY 31, 2025

	12/31/2024	1/31/2025	Change
General Fund Bank Accounts	\$ 4,773,235	\$ 4,925,269	\$ 152,034
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 128,944	\$ 128,344	\$ (600)
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ -	\$ -	\$ -
Total Cash	\$ 5,757,179	\$ 5,908,613	\$ 151,434
Accounts Receivable - G/F	\$ 266,131	\$ 326,799	\$ 60,668
Accounts Receivable - F/O	\$ 22,416	\$ 11,584	\$ (10,832)
Total Accounts Receivable	\$ 288,547	\$ 338,383	\$ 49,836
Total Cash & Accounts Receivable	\$ 6,045,726	\$ 6,246,996	\$ 201,270

Aged Accounts Receivable as of 01/31/2025

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
273,223.03	19,906.21	16,340.53	10,960.21	17,953.21	338,383.19

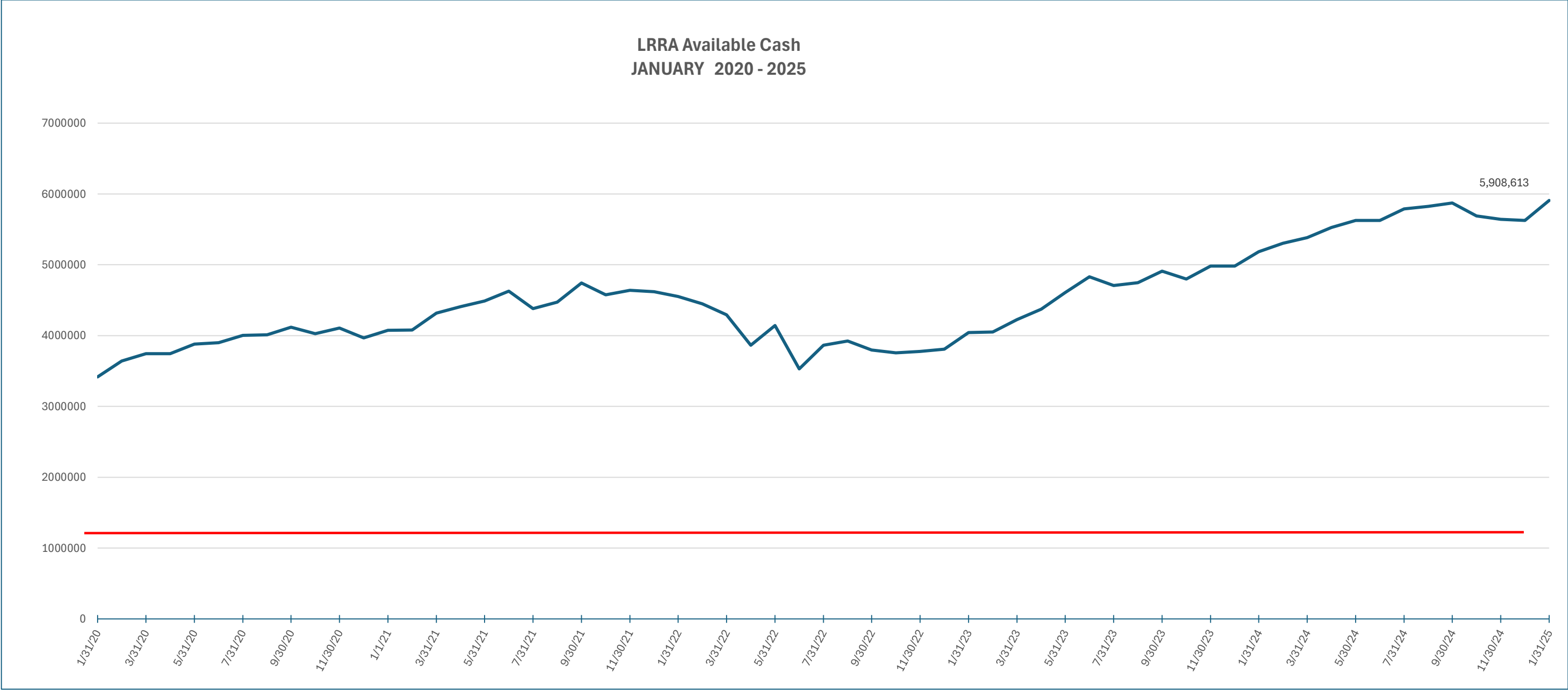
Aged Accounts Receivable as of 02/21/2025

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
148,977.77	8,639.50	(354.12)	-	1,885.77	159,148.92

EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

BLDG 60 - KEYS, LOCK, DEADBOLTS 9,328.32

\$ 9,328.32



## FINANCIAL HIGHLIGHTS - JANUARY 31, 2025

DESCRIPTION	Month	G/F	Month	F/O	Month's Total	YTD	G/F	YTD	F/O	YTD	Total
Operating Revenue	\$ 373,266		\$ 11,944		\$ 385,210		\$ 1,069,014		\$ 70,775		\$ 1,139,789
Other Revenue - Usage Fees	\$ 18,948		\$ 2,083		\$ 21,031		\$ 136,578		\$ 6,670		\$ 143,248
Total Revenue	\$ 392,214		\$ 14,027		\$ 406,241		\$ 1,205,592		\$ 77,445		\$ 1,283,037
Expenses	\$ 210,169		\$ 13,025		\$ 223,194		\$ 927,578		\$ 38,319		\$ 965,897
Net Income BPSID	\$ 182,045		\$ 1,002		\$ 183,047		\$ 278,014		\$ 39,126		\$ 317,140
Interest Income - Plus	\$ 17,593		\$ -		\$ 17,593		\$ 73,824		\$ -		\$ 73,824
Depreciation - Less	\$ (49,924)		\$ (3,283)		\$ (53,207)		\$ (199,698)		\$ (13,134)		\$ (212,832)
Net Income	\$ 149,714		\$ (2,281)		\$ 147,433		\$ 152,140		\$ 25,992		\$ 178,132

LUBBOCK REESE REDEVELOPMENT AUTHORITY  
Balance Sheet  
As of 1/31/2025

(In Whole Numbers)

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
CASH AND CASH EQUIVALENTS	5,780,269	-	-	5,780,269
RESTRICTED CASH AND CASH EQUIVALENTS	-	128,344	-	128,344
ACCOUNTS RECEIVABLE	326,799	-	11,584	338,383
LEASES RECEIVABLE, CURRENT - GASB 87	1,624,951	-	86,032	1,710,983
INVESTMENT	-	-	-	-
DUE FROM FEDERAL GOVERNMENT	-	53,129	-	53,129
PREPAID EXPENSES	201,047	-	9,755	210,801
DUE FROM TRANSFERS	-	-	-	-
<b>Total CURRENT ASSETS</b>	<b>7,933,065</b>	<b>181,473</b>	<b>107,371</b>	<b>8,221,909</b>
<b>NONCURRENT ASSETS</b>				
LEASES RECEIVABLE, NET OF CURRENT PORTION	4,203,727	-	26,621	4,230,348
<b>Total NONCURRENT ASSETS</b>	<b>4,203,727</b>	<b>-</b>	<b>26,621</b>	<b>4,230,348</b>
<b>CAPITAL ASSETS</b>				
LAND	1,481,401	-	-	1,481,401
CONSTRUCTION IN PROGRESS	5,303	111,209	23,674	140,185
BUILDINGS	2,070,050	-	-	2,070,050
INFRASTRUCTURE AND RELATED IMPROVEMENTS	5,706,011	-	1,751,519	7,457,530
COMPUTERS AND OFFICE EQUIPMENT	113,997	-	172,465	286,463
BUILDINGS IMPROVEMENTS	4,536,721	-	250,840	4,787,561
VEHICLES	287,230	-	-	287,230
GROUND MAINTENANCE EQUIPMENT	277,450	-	158,387	435,837
RIGHT TO USE LEASE ASSET - GASB 87	35,050	-	-	35,050
BASE CONVEYANCE	-	-	-	-
BASE HOUSING	-	-	-	-
OTHER	-	-	-	-
LESS ACCUMULATED DEPRECIATION	(6,968,203)	-	(2,180,588)	(9,148,791)
LESS ACCUMULATED DEPRECIATION - GASB 87	(15,500)	-	-	(15,500)
<b>Total CAPITAL ASSETS</b>	<b>7,529,511</b>	<b>111,209</b>	<b>176,297</b>	<b>7,817,017</b>
<b>NET PENSION ASSET</b>				
NET PENSION ASSETS, NET	156,524	-	-	156,524
<b>Total NET PENSION ASSET</b>	<b>156,524</b>	<b>-</b>	<b>-</b>	<b>156,524</b>
<b>Total ASSETS</b>	<b>19,822,828</b>	<b>292,682</b>	<b>310,289</b>	<b>20,425,798</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
EMPLOYER CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT CHANGE IN ASSUMPTIONS				
DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE	11,941	-	-	11,941
<b>Total DEFERRED OUTFLOWS OF RESOURCES</b>	<b>28,165</b>	<b>-</b>	<b>-</b>	<b>28,165</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>19,850,993</b>	<b>292,682</b>	<b>310,289</b>	<b>20,453,963</b>

LUBBOCK REESE REDEVELOPMENT AUTHORITY  
Balance Sheet  
As of 1/31/2025

(In Whole Numbers)

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
ACCOUNTS PAYABLE	55,777	12,394	4,301	72,472
ACCRUED EXPENSES	(73,652)	-	-	(73,652)
REFUNDABLE DEPOSITS	125,534	-	-	125,534
UNEARNED REVENUES	(85,646)	-	(16,694)	(102,340)
COMPENSATED ABSENSES	14,259	-	-	14,259
LEASE LIABILITY, CURRENT	3,563	-	-	3,563
LEASE PAYABLES	-	-	-	-
DUE TO TRANSFERS	-	-	-	-
OTHER LIABILITIES	98,432	-	-	98,432
Total CURRENT LIABILITIES	138,267	12,394	(12,393)	138,268
<b>NON-CURRENT LIABILITIES</b>				
LEASE LIABILITY, NET OF CURRENT PORTION	13,092	-	-	13,092
Total NON-CURRENT LIABILITIES	13,092	-	-	13,092
Total LIABILITIES	151,360	12,394	(12,393)	151,360
<b>DEFERRED INFLOWS OF RESOURCES</b>				
NET DIFF BETWEEN PROJECTED AND ACTUAL INVESTMENT	(29,371)	-	-	(29,371)
CHANGE IN ASSUMPTION	3,230	-	-	3,230
LEASES - GASB 87	5,483,101	-	106,889	5,589,990
Total DEFERRED INFLOWS OF RESOURCES	5,456,960	-	106,889	5,563,849
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	5,608,320	12,394	94,496	5,715,209
<b>FUND EQUITY</b>				
BEGINNING OF PERIOD	14,089,153	280,288	191,179	14,560,620
TRANSFERS IN (OUT)	1,379	-	(1,379)	-
YEAR TO DATE EARNINGS	152,141	-	25,993	178,134
Total FUND EQUITY	14,242,673	280,288	215,793	14,738,753
TOTAL LIABILITY, FUND BALANCE, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	19,850,993	292,682	310,289	20,453,963
Total report	-	-	-	-

LUBBOCK REESE REDEVELOPMENT AUTHORITY  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY  
From 10/1/2024 Through 1/31/2025

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES	1,205,593	-	77,445	1,283,038
OPERATING EXPENSES	1,127,276	-	51,452	1,178,728
<b>OPERATING INCOME(LOSS)</b>	<b>78,317</b>	<b>-</b>	<b>25,993</b>	<b>104,310</b>
NONOPERATING INTEREST INCOME	73,824	-	-	73,824
TRANSFERS IN (OUT)	1,379	-	(1,379)	-
<b>NET NONOPERATING REVENUES</b>	<b>75,203</b>	<b>-</b>	<b>(1,379)</b>	<b>73,824</b>
<b>INCREASE (DECREASE) IN FUND</b>	<b>153,520</b>	<b>-</b>	<b>24,614</b>	<b>178,134</b>
<b>FUND EQUITY, BEGINNING</b>	<b>14,089,153</b>	<b>280,288</b>	<b>191,179</b>	<b>14,560,620</b>
<b>FUND EQUITY, ENDING</b>	<b>14,242,673</b>	<b>280,288</b>	<b>215,793</b>	<b>14,738,753</b>

## LUBBOCK REESE REDEVELOPMENT AUTHORITY

## SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2024 Through 1/31/2025

*(In Whole Numbers)*

	<b>General Fund</b>	<b>Data Center / Fiber Optic Fund</b>	<b>Total</b>
<b>OPERATING REVENUES</b>			
LEASE INCOME	787,690	-	787,690
DATA CENTER / FIBER OPTIC INCOME	-	70,775	70,775
COMMON AREA MAINTENANCE/PBT CAM	259,927	-	259,927
USAGE FEES	136,578	6,670	143,248
CONTRACT WORK INCOME	2,719	-	2,719
UTILITY FRANCHISE FEES	15,313	-	15,313
<b>Total OPERATING REVENUES</b>	<b>1,202,228</b>	<b>77,445</b>	<b>1,279,673</b>
<b>NON-OPERATING REVENUES</b>			
INTEREST EXPENSE / BANK CHARGES	(349)	-	(349)
MISCELLANEOUS INCOME	3,365	-	3,365
INTEREST INCOME	73,824	-	73,824
<b>Total NON-OPERATING REVENUES</b>	<b>76,840</b>	<b>-</b>	<b>76,840</b>
<b>TOTAL REVENUES</b>	<b>1,279,068</b>	<b>77,445</b>	<b>1,356,513</b>



LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2024 Through 1/31/2025

(In Whole Numbers)

	General Fund	Oper Fund	Total
<b>OPERATING EXPENSES</b>			
<b>COMPENSATION AND BENEFITS:</b>			
SALARIES AND BENEFITS	342,207	-	342,207
CONTRACT SERVICES	8,021	2,721	10,742
GENERAL AND LIABILITY INSURANCE	96,703	5,090	101,793
<b>Total COMPENSATION AND BENEFITS:</b>	<b>446,931</b>	<b>7,811</b>	<b>454,742</b>
<b>BUILDING REPAIRS AND MAINTENANCE:</b>			
REPAIRS AND MAINTENANCE	253,242	-	253,242
BUILDING MAINTENANCE MATERIALS	10,555	180	10,735
MARKETING AND PROMOTIONAL EXPENSES	25,098	-	25,098
TRAVEL EXPENSES	4,567	-	4,567
PRINTING AND ADVERTISING	264	-	264
DEPRECIATION EXPENSE	199,698	13,134	212,832
TELEPHONE	808	-	808
OFFICE SUPPLIES	8,568	-	8,568
TRAINING AND TUITION EXPENSES	3,019	-	3,019
UTILITIES	131,115	12,389	143,505
<b>Total BUILDING REPAIRS AND MAINTENANCE:</b>	<b>636,934</b>	<b>25,703</b>	<b>662,638</b>
<b>PROFESSIONAL SERVICES</b>			
ACCOUNTING AND AUDITING FEES	438	-	438
LEGAL FEES	36,241	-	36,241
<b>Total PROFESSIONAL SERVICES</b>	<b>36,678</b>	<b>-</b>	<b>36,678</b>
<b>COMPUTER SOFTWARE AND MAINTENANCE</b>			
COMPUTER SOFTWARE AND MAINTENANCE	-	11,050	11,050
<b>Total COMPUTER SOFTWARE AND</b>	<b>-</b>	<b>11,050</b>	<b>11,050</b>
<b>OTHER OPERATING EXPENSES</b>			
BANK CHARGES	349	-	349
INTERNET CHARGES	-	6,889	6,889
POSTAGE	583	-	583
MEETING EXPENSES	5,399	-	5,399
LICENSES AND FEES	401	-	401
<b>Total OTHER OPERATING EXPENSES</b>	<b>6,732</b>	<b>6,889</b>	<b>13,620</b>
<b>Total OPERATING EXPENSES</b>	<b>1,127,276</b>	<b>51,452</b>	<b>1,178,728</b>

LUBBOCK REESE REDEVELOPMENT AUTHORITY  
Statement of Revenues and Expenditures - Unposted Transactions Included In Report  
From 1/1/2025 Through 1/31/2025

**GENERAL FUND**


(In Whole Numbers)

	Current Month Actual	Current Month Budget	Month Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
<b>REVENUES</b>						
Leases	304,960	191,667	113,293	787,690	766,667	21,023
PBT Cam Fees	64,982	63,667	1,315	259,927	254,667	5,261
Usage Fees	18,948	22,917	(3,969)	136,578	91,667	44,911
Contract Services	1,986	667	1,319	2,719	2,667	53
Utility Franchise Fees	1,338	1,667	(329)	15,313	15,667	(354)
Other-Miscellaneous	-	-	-	3,365	-	3,365
<b>Total REVENUES</b>	<b>392,213</b>	<b>280,583</b>	<b>111,630</b>	<b>1,205,593</b>	<b>1,131,333</b>	<b>74,259</b>
<b>EXPENSES</b>						
Salaries & Taxes	55,578	62,526	6,948	300,040	278,948	(21,092)
Benefits - Health, Retirement & Wkr's Comp	12,567	12,792	224	42,166	51,167	9,000
Insurance -Property & General Liabilities	24,176	25,000	824	96,703	100,000	3,297
Administrative Expenses	1,277	1,033	(244)	6,830	6,133	(697)
General Office Expenses	3,927	6,488	2,561	21,127	25,950	4,823
Accounting & Auditing Services	122	8,600	8,478	438	8,900	8,463
Legal Services	9,152	6,250	(2,902)	36,241	25,000	(11,241)
Network Maintenance Contract	1,620	1,667	47	7,312	6,667	(646)
Training & Travel	1,299	1,417	117	7,586	5,667	(1,919)
Marketing Expenses	5,593	6,750	1,157	24,776	27,000	2,224
Operations	81,182	54,242	(26,941)	253,242	216,967	(36,275)
Utilities	13,676	30,509	16,833	131,115	120,103	(11,012)
<b>Total EXPENSES</b>	<b>210,169</b>	<b>217,272</b>	<b>7,104</b>	<b>927,578</b>	<b>872,502</b>	<b>(55,076)</b>
<b>NIBPSID</b>	<b>182,045</b>	<b>63,311</b>	<b>118,733</b>	<b>278,015</b>	<b>258,832</b>	<b>19,183</b>
<b>NON OPERATING REVENUE</b>						
Interest Income	17,593	8,333	9,259	73,824	33,333	40,491
<b>Total NON OPERATING REVENUE</b>	<b>17,593</b>	<b>8,333</b>	<b>9,259</b>	<b>73,824</b>	<b>33,333</b>	<b>40,491</b>
<b>DEPRECIATION</b>						
Depreciation Expense	(49,924)	(54,167)	4,242	(199,698)	(216,667)	16,969
<b>Total DEPRECIATION</b>	<b>(49,924)</b>	<b>(54,167)</b>	<b>4,242</b>	<b>(199,698)</b>	<b>(216,667)</b>	<b>16,969</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>149,713</b>	<b>17,478</b>	<b>132,235</b>	<b>152,141</b>	<b>75,499</b>	<b>76,643</b>

GENERAL FUND

Explanation of Significant Budget Variances

2025 JANUARY

			Month Variance	YTD Variance	Explanations	
Revenues, Leases	4200, 4201	\$	113,293	\$ 21,023	KBR Billing for 4 months - had to wait on PO approval	Year End is expected to be over budget
Revenues, Usage	4260	\$	(3,969)	\$ 44,911	Water usage is always low in winter - should catch in the summer	Year End is expected to be over budget
Expenses, Salaries & Taxes	5100, 5110	\$	6,948	\$ (21,092)	YTD is over budget due to Bonuses paid out in December 2024	Year End is expected to be under budget
Expenses, Legal Services	5710	\$	(2,902)	\$ (11,241)	Extra Fees for Texas Tech Project	Year End is expected to be over budget
Expenses, Operations	5900	\$	(26,941)	\$ (36,275)	\$ 21,646.76 for Runway & Taxinway Edge Grading, \$ 9,328.22 Keys, Locks, Deadbolts 4 B # 60	Year End is expected to be over budget
Expenses, Utilities	5380	\$	16,833	\$ (11,012)	LP&L bill was overstated - did not pay - City's water meter went bad	Year End is expected to be over budget

LUBBOCK REESE REDEVELOPMENT AUTHORITY  
Statement of Revenues and Expenditures - Unposted Transactions Included In Report  
From 1/1/2025 Through 1/31/2025

**DATA CENTER / FIBER OPTIC FUND**

(In Whole Numbers)

	Current Month Actual	Current Month Budget	Month Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
<b>REVENUES</b>						
Usage Fees	870	2,083	(1,213)	6,670	8,333	(1,663)
Fiber Optic/Wireless Income	11,944	17,500	(5,556)	70,775	70,000	775
<b>Total REVENUES</b>	<b>12,814</b>	<b>19,583</b>	<b>(6,769)</b>	<b>77,445</b>	<b>78,333</b>	<b>(888)</b>
<b>EXPENSES</b>						
Insurance -Property & General Liabilities	1,272	1,333	61	5,090	5,333	244
General Office Expenses	45	83	38	180	333	153
Computer Software & Maintenance	1,200	3,333	2,133	11,050	13,333	2,283
Internet	1,722	1,833	111	6,889	7,333	445
Building Maintenance & Repairs	2,106	1,250	(856)	2,721	5,000	2,279
Utilities	4,505	5,192	686	12,389	20,767	8,377
<b>Total EXPENSES</b>	<b>10,851</b>	<b>13,025</b>	<b>2,174</b>	<b>38,319</b>	<b>52,100</b>	<b>13,781</b>
<b>NIBPSID</b>	1,963	6,558	(4,595)	39,127	26,233	12,893
<b>DEPRECIATION</b>						
Depreciation Expense	(3,283)	(3,833)	550	(13,134)	(15,333)	2,199
<b>Total DEPRECIATION</b>	<b>(3,283)</b>	<b>(3,833)</b>	<b>550</b>	<b>(13,134)</b>	<b>(15,333)</b>	<b>2,199</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>(1,320)</b>	<b>2,725</b>	<b>(4,045)</b>	<b>25,993</b>	<b>10,900</b>	<b>15,093</b>

## COMBINED FUNDS

(In Whole Numbers)

	Current Month Actual	Current Month Budget	Current Month Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
<b>REVENUES</b>						
<b>Leases</b>	304,960	191,667	113,293	787,690	766,667	21,023
PBT Cam Fees	64,982	63,667	1,315	259,927	254,667	5,261
Usage Fees	19,818	25,000	(5,182)	143,248	100,000	43,248
Contract Services	1,986	667	1,319	2,719	2,667	53
Utility Franchise Fees	1,338	1,667	(329)	15,313	15,667	(354)
Other-Miscellaneous	-	-	-	3,365	-	3,365
Fiber Optic/Wireless Income	11,944	17,500	(5,556)	70,775	70,000	775
<b>Total REVENUES</b>	<b>405,027</b>	<b>300,167</b>	<b>104,860</b>	<b>1,283,038</b>	<b>1,209,667</b>	<b>73,371</b>
<b>EXPENSES</b>						
Salaries & Taxes	55,578	62,526	6,948	300,040	278,948	(21,092)
Benefits - Health, Retirement & Wkr's Comp	12,567	12,792	224	42,166	51,167	9,000
Insurance -Property & General Liabilities	25,448	26,333	885	101,793	105,333	3,540
Administrative Expenses	1,277	1,033	(244)	6,830	6,133	(697)
General Office Expenses	3,972	6,571	2,599	21,307	26,283	4,976
Accounting & Auditing Services	122	8,600	8,478	438	8,900	8,463
Computer Software & Maintenance	1,200	3,333	2,133	11,050	13,333	2,283
Internet	1,722	1,833	111	6,889	7,333	445
Legal Services	9,152	6,250	(2,902)	36,241	25,000	(11,241)
Network Maintenance Contract	1,620	1,667	47	7,312	6,667	(646)
Training & Travel	1,299	1,417	117	7,586	5,667	(1,919)
Marketing Expenses	5,593	6,750	1,157	24,776	27,000	2,224
Operations	81,182	54,242	(26,941)	253,242	216,967	(36,275)
Building Maintenance & Repairs	2,106	1,250	(856)	2,721	5,000	2,279
Utilities	18,181	35,701	17,520	143,505	140,870	(2,635)
<b>Total EXPENSES</b>	<b>221,019</b>	<b>230,297</b>	<b>9,278</b>	<b>965,896</b>	<b>924,601</b>	<b>(41,295)</b>
<b>NIBPSID</b>	<b>184,008</b>	<b>69,870</b>	<b>114,138</b>	<b>317,141</b>	<b>285,065</b>	<b>32,076</b>
<b>NON OPERATING REVENUE</b>						
Interest Income	17,593	8,333	9,259	73,824	33,333	40,491
<b>Total NON OPERATING REVENUE</b>	<b>17,593</b>	<b>8,333</b>	<b>9,259</b>	<b>73,824</b>	<b>33,333</b>	<b>40,491</b>
<b>DEPRECIATION</b>						
Depreciation Expense	(53,208)	(58,000)	4,792	(212,832)	(232,000)	19,168
<b>Total DEPRECIATION</b>	<b>(53,208)</b>	<b>(58,000)</b>	<b>4,792</b>	<b>(212,832)</b>	<b>(232,000)</b>	<b>19,168</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>148,393</b>	<b>20,203</b>	<b>128,190</b>	<b>178,134</b>	<b>86,399</b>	<b>91,735</b>

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

(In Whole Numbers)

	Current Month	Prior Year's			Prior Year's	
	Actual	Month Actual	Variance	YTD Actual	YTD Actual	Variance
<b>REVENUES</b>						
Leases	304,960	185,392	119,568	787,690	732,101	55,589
PBT Cam Fees	64,982	62,646	2,336	259,927	250,582	9,345
Usage Fees	19,818	24,515	(4,697)	143,248	94,745	48,503
Contract Services	1,986	-	1,986	2,719	12,450	(9,731)
Utility Franchise Fees	1,338	-	1,338	15,313	18,447	(3,134)
Other-Miscellaneous	-	2,993	(2,993)	3,365	3,443	(78)
Fiber Optic/Wireless Income	11,944	20,216	(8,272)	70,775	80,863	(10,088)
<b>Total REVENUES</b>	<b>405,027</b>	<b>295,761</b>	<b>109,266</b>	<b>1,283,038</b>	<b>1,192,632</b>	<b>90,406</b>
<b>EXPENSES</b>						
Salaries & Taxes	55,578	49,444	6,134	300,040	273,608	26,432
Benefits - Health, Retirement & Wkr's	12,567	14,479	(1,912)	42,166	47,747	(5,581)
Insurance -Property & General Liabilities	25,448	22,636	2,812	101,793	85,701	16,092
Administrative Expenses	1,277	1,619	(342)	6,830	5,464	1,366
General Office Expenses	3,972	5,640	(1,668)	21,307	27,069	(5,762)
Accounting & Auditing Services	122	82	40	438	370	68
Computer Software & Maintenance	1,200	2,450	(1,250)	11,050	10,875	175
Internet	1,722	1,722	-	6,889	6,889	-
Legal Services	9,152	5,850	3,302	36,241	20,547	15,694
Network Maintenance Contract	1,620	1,599	21	7,312	7,062	250
Training & Travel	1,299	413	886	7,586	8,180	(594)
Marketing Expenses	5,593	8,116	(2,523)	24,776	24,904	(128)
Operations	81,182	40,292	40,890	253,242	175,402	77,840
Building Maintenance & Repairs	2,106	832	1,274	2,721	832	1,889
Utilities	18,181	36,792	(18,611)	143,505	96,965	46,540
<b>Total EXPENSES</b>	<b>221,019</b>	<b>191,966</b>	<b>29,053</b>	<b>965,896</b>	<b>791,615</b>	<b>174,281</b>
<b>NIBPSID</b>	<b>184,008</b>	<b>103,796</b>	<b>80,212</b>	<b>317,141</b>	<b>401,017</b>	<b>(83,876)</b>
<b>NON OPERATING REVENUE</b>						
Interest Income	17,593	19,586	(1,993)	73,824	76,248	(2,424)
<b>Total NON OPERATING REVENUE</b>	<b>17,593</b>	<b>19,586</b>	<b>(1,993)</b>	<b>73,824</b>	<b>76,248</b>	<b>(2,424)</b>
<b>DEPRECIATION</b>						
Depreciation Expense	(53,208)	(53,208)	-	(212,832)	(212,832)	-
<b>Total DEPRECIATION</b>	<b>(53,208)</b>	<b>(53,208)</b>	<b>-</b>	<b>(212,832)</b>	<b>(212,832)</b>	<b>-</b>
<b>Increase (Decrease) In Fund Equity</b>	<b>148,393</b>	<b>70,174</b>	<b>78,219</b>	<b>178,134</b>	<b>264,434</b>	<b>(86,300)</b>

## February 2025 EVENTS & ACTIVITIES

	DATE	EVENT
<b>February</b>	February 21	South Plains College Scholarship Gala
	February 18-19	Lubbock Day – Austin
	February 26	LRRA Board of Directors Meeting
<b>Looking Ahead</b>		
<b>March</b>	March 5	State of the City Address
	March 11	PlainsCapital Bank 2025 Economic Outlook Luncheon
	March 18	Lubbock Chamber Salute to Ag Luncheon
	March 25	YWCA Women of Excellence Celebration – Celebrating Kelly Criswell
	March 26	LRRA Board of Directors Meeting
	March 27	TML Regional Meeting