

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

Date: Wednesday, April 23, 2025

Time: 8:00 a.m.

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

AGENDA ITEMS	TAB	SPEAKER
Call the Meeting to Order		Tim Pierce
1. Citizen Comments - Any citizen wishing to appear before a regular meeting of the Lubbock Reese Redevelopment Authority Board of Directors, regarding any matter posted on the Board Agenda, shall complete the sign-up form provided at the meeting, no later than 7:45 a.m.	TAB 1	Tim Pierce
2. Presentation Item – KBR	TAB 2	Mark Dieter
3. a. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.072, regarding certain matters concerning real property. Discussions regarding interest in the lease, sale, or value of buildings and property. b. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters: <ul style="list-style-type: none"> • Executive Director • Manager of Business Development • Manager of Accounting • Manager of Operations • Operations Lead • Service Technician • Service Technician • Service Technician • Operations, Marketing, Customer Care Coordinator • Administrative Assistant • Board of Directors c. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.071, Consultation with Attorney.	TAB 3	John Tye Muvat Musa Muvat Musa Darrell Guthrie
4. Action Item – Consider Minutes of the March 26, 2025, Board of Directors Meeting	TAB 4	Tim Pierce
5. Action Item – Consider South Plains College Agreement for Use of Dark Fiber Optic Strands	TAB 5	Muvat Musa

6. Action Item – Resolution Delegating Authority to the ED/CEO to act on the Board’s Behalf to Amend Lease Terms Necessitated by the Delay or Loss of Grant Funding.	TAB 6	Murvat Musa
7. Action Item – Consider First Amendment to Blank Slate Innovation Lease for 6 Month’s Rent Forbearance	TAB 7	Murvat Musa
8. Discussion Item – Financial Reports and Quarterly Investment and Collateral Report	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, April 18, 2025.

by: _____
Murvat 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

KBR Presentation

ITEM 3

EXECUTIVE SESSION

Information to be provided at
meeting
(if applicable)

Lubbock Reese Redevelopment Authority
Minutes of the Regular Meeting of the Board of Directors
March 26, 2025

The Lubbock Reese Redevelopment Authority held its Regular Meeting at 8:00 a.m. March 26, 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	Jeff Mustin
John Hamilton, Vice President	Julie Holladay	Brian Kimberly
George McMahan, Secretary/Treasurer		

MEMBERS ABSENT

OTHERS PRESENT

Reese Staff:

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

Legal Counsel: Darrell Guthrie

Visitors: None

Call the meeting to order.

Tim Pierce called the meeting to order at 8:00 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 8:00 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 9:46 a.m. and reconvened Open Session at 9:59 a.m.

ITEM 3 Approved the Minutes of February 26, 2025, Board of Directors Meeting

John Tye moved to approve the minutes of February 26, 2025, Board of Directors Meeting; John Hamilton seconded; the motion passed 7-0.

ITEM 4 Approved the LRRR Investment Policy and Strategy and took action stating the policy and strategy have been reviewed. There were no changes proposed for the policy.

John Tye moved to approve the LRRR Investment Policy and Strategy and took action stating the policy and strategy have been reviewed. There were no changes proposed for the policy; Brian Kimberly seconded; the motion passed 7-0.

ITEM 5

Financial Reports

Murvat Musa presented the February financial reports.

ITEM 6

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 10:13 a.m.

Content of minutes agreed to and approved by:

Approved by _____
Tim Pierce, President

ATTEST:

LRRRA Board Member

**AGENDA ITEM 5
SOUTH PLAINS COLLEGE
INTERLOCAL CONTRACT AGREEMENT
FOR USE OF DARK FIBER OPTIC STRANDS
EXECUTIVE SUMMARY**

South Plains College has been leasing dark fiber from Reese since 2004. The current agreement expires April 30, 2025.

This new agreement is very similar to the previous one. It is for five years at \$250 per strand per month. This new agreement allows SPC to pay for dark fiber as it's added or subtracted, they currently lease 23 strands.

Staff are requesting Board approval of this agreement.

**INTERLOCAL CONTRACT AGREEMENT
FOR USE OF DARK FIBER OPTIC STRANDS**

BETWEEN

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

AS PROVIDER

AND

SOUTH PLAINS COLLEGE, a Texas Community College

AS CUSTOMER

FOR DARK FIBER OPTIC STRANDS AND RELATED SERVICES

Reese Technology Center

Lubbock, Texas 79416

INTERLOCAL CONTRACT AGREEMENT
FOR USE OF DARK FIBER OPTIC STRANDS

This Interlocal Contract Agreement for Use of Dark Fiber Optic Strands (the “Agreement”), is made as of the ____ day of April 2025 by and between LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas (hereinafter referred to as “Provider”) and SOUTH PLAINS COLLEGE, a Texas Community College (hereinafter referred to as “Customer”). Provider and Customer may be referred to herein as “Party” in the singular and “Parties” in the plural.

W I T N E S S E T H:

1. DEFINITIONS

- (a) Effective Date: means May 1, 2025.
- (b) Provider: Lubbock Reese Redevelopment Authority, a political subdivision of the State of Texas, whose Federal Taxpayer Identification Number is 75-2713717.
- (c) Customer: South Plains College, whose Federal Taxpayer Identification Number is 75-6004667.
- (d) Leased Space: Not Applicable.
- (e) Customer Equipment: Means any and all computer equipment, software, networking hardware or other materials used by or for Customer, other than Provider Equipment.
- (f) Dark Fiber Strands: Means those certain single-mode connectivity dark fiber optic cable being connected or used by the Customer that are leased from the Provider (the “Leased Dark Fiber Strands”). Provider agrees to allow Customer the exclusive right to use the Leased Dark Fiber Strands under the terms of this Agreement.
- (g) Initial Term: Five (5) Years.
- (h) Service Fee: Means the “Monthly Fixed Service Fees,” as set forth in Section 1(i), and “Additional Services Fees,” which may be provided for pursuant to the terms of this Agreement (collectively “Service Fees”) and payable pursuant to Section 4, associated with the use of the Leased Dark Fiber Strands, subject to Customer may add or subtract strands of single-mode connectivity dark fiber optic cable as the set forth in Section 5.6.a. upon thirty (30) days written notice to Provider and approval of said addition or subtraction by its Chief Executive Officer, which shall not be unreasonably withheld. The Parties agree that the Service Fees set forth herein are for other services that may be provided by the Provider at the request of the Customer, to include but limited to additional site security.

(i) Monthly Fixed Service Fee:

<u>Equipment Type</u>	<u>Number</u>	<u>Fee Per Equipment Type</u>	<u>Monthly Fixed Service Fee</u>
Dark Fiber Optic Cable Strands	X	\$ 250.00	Number of Leased Dark Fiber Strands multiplied by \$250.00

The parties agree that the Monthly Fixed Service Fee set forth herein is for the use of the number of Leased Dark Fiber Strands being used by the Customer on the first day of the month. There shall be no proration of the Monthly Fixed Service Fee for use of a Leased Dark Fiber Strand for a partial month.

(j) Permitted Use: Means Customers use of the Leased Dark Fiber Strands to provide data and voice transfer for its operations.

(k) Service Fee Commencement Date: Means the Effective Date (as defined above).

(l) Network Manager and Maintenance Service Provider: Means Provider or its designated agent for network management and maintenance services. On the effective date of this Agreement, Provider identifies, the below, as its network manager and maintenance provider. Provider reserves the right to provide these services directly; or at its sole discretion to employ a different network manager and maintenance provider. Notwithstanding the above, Provider represents and warrants that network management and maintenance services are presently provided pursuant to a contract between Provider and:

Switch-IT Support.
Attention: Jamie Langlois
1655 Main St., Suite 207
Lubbock, TX 79401
(806) 798-2600
support@switchitsupport.com

(m) Provider's Address for Payment of Fees: Payment of Service Fees shall be made to Provider by electronic funds transfer to Provider'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. SCOPE OF THE AGREEMENT

2.1 Make Ready. While the Leased Dark Fiber Strands are presently installed and ready for use, Customer shall be responsible for installation and professional engineering services to make ready the Leased Dark Fiber Strands for Customer's requirements.

2.2 Commencement of Service. Shall begin on the Effective Date and payment of the Monthly Fixed Service Fee, set forth in Section 1(i), above. Provider shall comply in all material respects with any and all applicable building, construction and safety codes for the construction and installation of the Leased Dark Fiber Strands as well as any and all other applicable federal, state and local laws, codes, ordinances, statutes and regulations. Provider shall allow Customer to connect to the Leased Dark Fiber Strands in Provider's facilities, and shall provide all electricity and other utilities at its locations as Customer may reasonably require to provide safe and convenient working conditions for its personnel for the installation of the Leased Dark Fiber Strands into Customer's locations and for the maintenance and repair of the Leased Dark Fiber Strands. Provider shall have no responsibility for any damage or loss to the Leased Dark Fiber Strands or any portion or component thereof which is on or in an Customer controlled (whether by lease or ownership) location, including any building leased or owned by Customer, either before or after installation, if such damage or loss results from a fire, other casualty, theft, mysterious disappearance, vandalism or condemnation.

2.3 Grant of Right to Use and License to Use. Unless sooner terminated in accordance with the terms of this Agreement, Provider hereby grants to Customer an Indefeasible Right of Use ("IRU") in the Dark Strand Fibers for an initial term of five (5) years (hereinafter referred to as the "Initial Term"), commencing on the Effective Date. Customer shall have the option to renew this Agreement as provided below.

3. INITIAL TERM AND OPTION TO EXTEND

3.1 Initial Term. This Agreement shall be in effect for a period of five (5) years beginning on the Effective Date, as indicated above, unless extended or terminated as otherwise provided in this Agreement. For the purposes hereof, "Agreement Year" shall be that twelve (12) month period during the Initial Term or any Extension commencing on the Effective Date or the annual anniversary thereof, as may be applicable; provided, however, that if the Effective Date is a day other than the first day of a calendar month, then the first Agreement Year shall include that period of time from the Effective Date up to the first day of the next calendar month and the following twelve (12) months, and any subsequent Agreement Year shall be the twelve (12) month period beginning on the anniversary of the first day of the next calendar month following the Effective Date.

Customer is a junior college district under the laws of the State of Texas. This Contract shall constitute an "interlocal contract" for purposes of Chapter 41, Subchapter B, of the Texas Education Code, and Customer certifies, represents and warrants that it has complied with all purchasing contract requirements under such laws, specifically including but not limited to Section 41.031 of the Texas Education Code.

4. SERVICE FEES AND INVOICES

4.1 Service Fees. Customer agrees to pay to Provider the Monthly Fixed Service Fee set forth in Section 1(i), in advance, on or before the 5th day of each calendar month during the Term, without deduction or setoff (except as set forth in this Agreement). If the Effective Date does not occur on the first day of a calendar month, the Monthly Fixed Service Fee for the first partial calendar month that the Monthly Fixed Service Fee is due will be prorated based on the actual number of days within such calendar month after the Effective Date. If the Term expires or is terminated on a day which is not the last day of the calendar month, the Monthly Fixed Service Fee for the final partial calendar month that the Monthly Fixed Service Fee is due will be prorated based on the actual number of days within such calendar month prior to the end of the Term. All charges other than Monthly Fixed Service Fee payable by Customer under this Agreement shall be “Additional Service Fees”.

4.2 Service Fee Invoices; Waiver of Recovery of Certain Charges. All invoices from Provider to Customer for any Service Fee due under this Agreement will be sent by mail or electronic transfer to the address set forth in Section 14.5 or to such other address as Customer may designate by notice to Provider. Payment for Additional Service Fees shall be due pursuant to Tex. Govt. Code Ch. 2251. All invoices shall provide support for the basis of the charge(s). All data and information of any kind whatsoever relied upon by Provider in preparing invoices shall be available at all reasonable times to authorized agents and employees of Customer for purposes of determining the accuracy of such invoices. Customer shall pay Provider all Monthly Fixed Service Fees and undisputed Additional Service Fees by the respective due date. Any invoiced amount that is either undisputed or which is disputed and subsequently found to be due Provider and which shall remain unpaid after the due date shall accrue interest at the rate allowed by Tex. Gov. Code Ch. 2251 (hereinafter, “the Interest Rate”). If Customer disputes any Additional Service Fee, Customer shall notify Provider in writing of the dispute within 21 days and shall pay the undisputed portion by the due date. If Provider fails to invoice Customer for any Service Fee due from Customer within two (2) months after the last day of the calendar year during which such obligation was incurred, Provider’s right to recover such charge or expense will be deemed to have been waived.

4.3 Taxes. All payments required by the Agreement are exclusive of applicable taxes and shipping charges. Customer will be liable for and will pay in full all such amounts (exclusive of income taxes payable by Provider).

5. LEASED DARK FIBER STRANDS

5.1 Installation. Provider’s grant to Customer of the IRU for the Leased Dark Fiber Strands is for the Permitted Use and is provided on an “AS-IS” basis.

5.2 Maintenance of Leased Dark Fiber Strands. All routine maintenance and repair functions and emergency maintenance and repair functions, including cable locate services, for the Leased Fiber Strands shall be performed by or under the direction of Provider at Customer’s sole cost and expense. Customer shall have the right to have an employee or representative available at Customer’s sole cost and expense to assist Provider in any maintenance or repair of the Leased Dark Fiber Strands. Provider shall use best efforts to provide Customer with forty-eight (48) hours

advance notice for all routine maintenance and repair functions by notifying Customer as provided herein. In the event of an emergency, similar notice shall be given to Customer as soon as the emergency is discovered.

(a) Emergency Maintenance. Provider shall use best efforts to respond to any failure, interruption or impairment in the operation of the Leased Dark Fiber Strands within four (4) hours after receiving a report from Customer of any such failure, interruption or impairment and Customer reserves the right to have a representative present to assist in any maintenance or repair. Provider recognizes that Customer's objective is to have all fibers restored within twenty-four (24) hours of any failure, interruption or impairment and Provider will use its best efforts to accomplish this objective. When trouble is encountered on the Leased Dark Fiber Strands, Customer, to assist Provider in its maintenance activities, will diagnose the trouble through optical time-domain reflectometer (OTDR) testing, if possible, and ascertain and notify Provider of the location address to the nearest cross street. Provider shall use its best efforts to perform maintenance and repair to correct any failure, interruption or impairment in the operation of the Leased Dark Fiber Strands in accordance with its standard emergency maintenance procedures. In the event Provider fails to perform any necessary Emergency Maintenance in accordance with its standard procedures, Customer shall have the right, with notice to Provider, but not the obligation, to immediately undertake such Emergency Maintenance of the Leased Dark Fiber Strands, at Customer's sole cost and expense.

(b) Routine Maintenance. Provider will schedule and perform specific periodic maintenance and repair checks and services, as set forth in Provider's standard Routine Maintenance Standards, from time to time on the Leased Dark Strand Fibers, at Provider's reasonable discretion, upon adequate advance notice to Customer, or at Customer's reasonable request. Customer may request reasonable Routine Maintenance by delivering to Provider, not more than twice per agreement year, for Provider's approval, a statement detailing the maintenance checks and services Customer desires to be performed on the Leased Dark Strand Fibers. In the event Provider fails to perform any Routine Maintenance in accordance with Provider's Routine Maintenance Standards, after written notice by Customer, Customer shall have the right, but not the obligation, to undertake such Routine Maintenance of the Leased Dark Strand Fibers, at Provider's sole cost and expense, using contractors pre-approved by Provider.

(c) In the event Provider after written notice to Customer, at any time during the term of this Agreement discontinues maintenance and/or repair of the Leased Dark Fiber Strands, Customer, or others acting in Customer's behalf, shall have the right, but not the obligation, to thereafter provide for the maintenance and repair of the Leased Dark Fiber Strands, at Customer's sole cost and expense. Any such discontinuance shall be upon no less than six (6) months' prior written notice to Customer. In the event of such discontinuance, Provider hereby grants to Customer or person's acting on Customer's behalf to repair the Leased Dark Fiber Strands, adequate access and easements to the Rights-of-Way and easements on or within where the Leased Dark Strand Fibers are located, for the purpose of permitting Customer, or others acting in Customer's behalf, to undertake such maintenance and repair of the Leased Dark Fiber Strands.

(d) In the event all or any part of the Leased Dark Fiber Strands shall require replacement during the Initial Term of this Agreement, such replacement shall be made as soon as reasonably practical, at Provider's sole cost and expense, unless the reason for replacement is due to the intentional or negligent conduct, actions or inactions of Customer. If replacement of the Leased Dark Fiber Strands is required in accordance with the preceding sentence, Provider shall give Customer written notice of such replacement as soon as reasonably practical before the replacement optical fiber cable is ordered from the manufacturer.

5.3 Addition or Removal of Customer Equipment. Not Applicable.

5.4 Technical Assistance. Not Applicable.

5.5 Relocation of Customer Equipment. Not Applicable.

5.6 Customer Expansion. Customer may add additional Leased Dark Fiber strands or subtract Leased Dark Fiber stands, with a minimum of thirty (30) days written notice to the Provider, in accordance with this Agreement at a rate of no less than \$250.00 per month per strand without the necessity of entering into a new Agreement. The Provider reserves the right to refuse any request for additional or reduction of Leased Dark Fiber Strands.

6. SECURITY

6.1 Provider does not guarantee security of the Leased Dark Fiber Strands. Only Customer Representatives will be permitted to request Services on your behalf or to request any support services with respect to Customer Equipment or Leased Dark Fiber Strands. For good cause, Provider may suspend the right of any Customer Representative or other person to visit the Provider's property. Provider will assist in security breach detection and identification, but shall not be liable for any inability, failure or mistake in doing so.

7. INTERNET, LOCAL, AND LONG DISTANCE SERVICES

7.1 Internet, Local and Long Distance Services. Customer is responsible for ordering all Internet, local and long-distance lines from carriers and ordering any and all necessary cross-connects from Provider. Provider Recurring Service Fees for such cross-connects are as indicated on the Order Form. The carriers will install such circuits in Customer's name. Customer will be solely responsible for such circuits and for all payments due to the carriers. Customer will notify the carrier directly when Customer wishes to terminate or modify such circuit. Customer understands that Provider does not own or control these services and that Provider is not responsible or liable for performance (or non-performance) of such services.

8. NO RESALE

8.1 Customer shall not resell any portion of the Leased Dark Fiber Strands to any other party.

9. ACCEPTABLE USE GUIDELINES

9.1 Customer must at all times conform its use of and comply with all state and federal laws with respect to its operations of its use of the Leased Dark Fiber Strands. If Provider is informed by government authorities or other parties of illegal use of Provider's facilities or Provider otherwise learns of such use or has reason to believe such use may be occurring, then Customer will cooperate in any resulting investigation by Provider or government authorities. Any government determinations will be binding on Customer. If Customer fails to cooperate with any such investigation or determination, or fails to immediately rectify any illegal use, Customer will be in Breach (defined below) of this Agreement and Provider may immediately suspend Customer's Service.

9.2 Customer Content. Customer, not Provider, has sole and exclusive control over the content residing on its Equipment or being transmitted over the Leased Dark Fiber Strands (the "Customer Content"), and must respond to any notices that the Customer Content violates the Digital Millennium Copyright Act, 17 U.S.C. § 101 et. seq. (the "DMCA") or any other law, rule, or regulation, as amended.

9.3 Equipment. Customer will immediately remove or render non-infringing, at Customer's expense, any of its Equipment alleged to infringe any patent, trademark, copyright, or other intellectual property right. Customer will promptly notify Provider of any lien(s) on or security interest(s) in the Customer's Equipment.

9.4 Third-Party Software. Customer is fully responsible for any third-party software it uses. Customer shall indemnify, defend, and hold Provider harmless from any action against Provider to the extent that it is based on an allegation that such third-party software has infringed an intellectual property right or trade secret, and pay those damages or costs related to the settlement of such action or finally awarded against Provider. Customer's obligation to indemnify shall apply only to the extent permitted by Constitution and laws of the State of Texas and without waiving sovereign immunity.

10. INSURANCE

10.1 Customer will keep in full force and effect during the term of this Agreement insurance or self-insurance in amounts necessary to protect Customer and Provider against: (i) business loss and interruption; (ii) comprehensive general liability; (iii) employer's liability; and (iv) worker's compensation.

11. LIMITATIONS OF LIABILITY

11.1 Personal Injury. Each Customer Representative and any other persons visiting Provider facilities does so at his or her own risk and Provider shall not be liable for any harm to such persons resulting from any cause other than Provider's acts or omissions resulting in personal injury to such persons during such a visit. Customer agrees to indemnify, defend, protect and save Provider harmless from and against any claim, damage, loss, liability, cost and expense (including reasonable attorney's fees) in connection with any personal injury, including death, loss or damage

to any property, or facilities of any party (including Provider, Customer or any other party operating or using any part of the Leased Dark Fiber Strands) arising out of or resulting in any way from the acts or omissions to act, negligent or otherwise, of Customer, its employees, servants, contractors and/or agents in connection with the exercise of its rights and obligations under the terms of this Agreement or any breach by such party of any obligation contained herein. Customer's obligation to indemnify shall apply only to the extent permitted by Constitution and laws of the State of Texas and without waiving sovereign immunity.

11.2 Damage to Business. In no event shall either party be liable to the other, any Representative, or any third party for any claims arising out of or related to a party's business, customers or clients, activities at Provider or Customers property or otherwise, or for any lost revenue, lost profits, replacement goods, loss of technology, rights or service, incidental, punitive, indirect, special, or consequential damages, loss of data, or interruption or loss of use of Service or of any party's business, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise. To the extent that this section creates an obligation to indemnify, Customer's obligation to indemnify shall apply only to the extent permitted by the Constitution and laws of the State of Texas and without waiving sovereign immunity.

11.3 Damage to Equipment. Neither party assumes liability for any damage to, or loss of, any of the other party's Equipment resulting from any cause other than a party's acts or omissions. Unless caused by a party's acts or omissions, neither party shall be liable to the other, any Representative, or any third party for any claims arising out of or related to Equipment for any lost revenue, lost profits, replacement good, loss of technology, rights or services incidental, punitive, indirect or consequential damages, loss of data, or interruption or loss of use of any Equipment, even if advised of the possibility of such damages, whether under theory of contract, tort (including negligence), strict liability or otherwise.

11.4 Limitations. THE PARTIES ARE AWARE THAT THERE MAY BE CONSTITUTIONAL AND STATUTORY LIMITATIONS ON THE AUTHORITY OF CUSTOMER TO ENTER INTO CERTAIN TERMS AND CONDITIONS, INCLUDING TERMS AND CONDITIONS (IF ANY) RELATING TO LIENS ON CUSTOMER'S PROPERTY; DISCLAIMERS AND LIMITATIONS OF WARRANTIES; DISCLAIMERS AND LIMITATIONS OF LIABILITY FOR DAMAGES; WAIVERS, DISCLAIMERS AND LIMITATIONS OF CUSTOMER'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 CUSTOMER EXCEPT TO THE EXTENT AUTHORIZED BY THE LAWS AND CONSTITUTION OF THE STATE OF TEXAS.

12. RELEASE AND DEFENSE OF THIRD-PARTY CLAIMS AND INDEMNIFICATION

12.1 Release and Defense. To extent permitted pursuant to state or federal law, both parties will release and defend the other, its director, officer, employees, affiliate and customers (collectively, the “Covered Entities”) from and against any and all claims, actions or demand brought by or against either party and/or any of the Covered Entities by third parties alleging: (a) with respect to the party’s business: (i) infringement or misappropriation of any intellectual property rights; (ii) defamation, libel, slander, obscenity, pornography, or violation of the rights of privacy or publicity; or (iii) spamming, or any other offensive harassing or illegal conduct or violation of the Acceptable Use Guidelines or Anti-Spam Policy; (b) any damage or destruction to the Leased Dark Fiber Strands, premises, Equipment or to any other customer which damage is caused by or otherwise results from the intentional or negligent acts or omissions by a party, representative or designees; (c) any personal injury or property damage to any employee, Representative or other designee arising out of such individual’s activities related to the Services, unless such injury or property damage is caused by a party’s acts or omissions; or (d) any other damage arising from the Equipment or business (collectively, the “Covered Claims”). In the event of any claim under this paragraph, the damaged party may select its own counsel.

12.2 Notification. Each party will provide the other with prompt written notice of each Covered Claim of which either party becomes aware, and, at the party’s sole option, party may elect to participate in the defense and settlement of a Covered Claim, provided that such participation shall not relieve either party of any of its obligation under this Section.

13. TERMINATION AND DEFAULT

13.1 Conditions of Breach. Breach of this Agreement will occur if either party does not fulfill its obligations under this Agreement and such Breach is not cured within thirty (30) days of written notice by the other party. Specifically relating to payment of Service Fees, the Customer will be in Breach of this Agreement if Customer has not paid its undisputed invoice within sixty (60) days of the invoice due date.

13.2 Remedies for Breach. If Customer is in Breach of this Agreement, Provider may (a) discontinue all Services to Customer, including use of the Leased Dark Fiber Strands; and (b) disconnect Customer from its Internet, power and telecommunications services. If Provider is in Breach of this Agreement, Customer may (a) be released from any further payment obligations to Provider, and (b) Provider shall pay any and all reasonable Customer cost to replace the services Provider has promised to provide pursuant to this Agreement, subject to availability of additional fiber strands on Providers network.

13.3 Estoppel and Waiver. No breach under this Agreement will be deemed to have been waived, nor will either party be guilty of laches, because of the failure of either party to take action pertaining to such breach.

13.4 Remedies Cumulative. The rights and remedies given to Provider and Customer in this Agreement are distinct, separate and cumulative remedies, and the exercise of any one or more of them will not be deemed to exclude Provider’s or Customer’s rights to exercise any or all of the

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

13.5 Litigation, Court Costs and Attorneys' Fees. In the event that at any time either Provider and Customer institutes any action or proceeding against the other relating to the provisions of this Agreement or any default hereunder, including an action for declaratory relief, the prevailing party in such action or proceeding will be entitled to recover from the other party, in addition to any other relief that may be awarded, reasonable and necessary attorneys' fees and costs.

14. MISCELLANEOUS PROVISIONS

14.1 Force Majeure. "Event of Force Majeure" means an event beyond the control of Provider or Customer which prevents or makes a party's compliance with any of its obligations under the Agreement illegal or impracticable, including but not limited to: act of God (including, without limitation, fire, explosion, earthquake, tornado, drought, and flood); war, act or threats of terrorism, hostilities (whether or not war be declared), invasion, act of enemies, mobilization, requisition, or embargo; rebellion, insurrection, military or usurped power, or civil war; contamination or destruction from any nuclear, chemical, or biological event; riot, commotion, strikes, go slows, lock outs, or disorder; epidemic, pandemic, viral outbreak, or health crisis; or directive of governmental authority. No party will be considered in breach of the Agreement to the extent that performance of their respective obligations is prevented or made illegal or impracticable by an Event of Force Majeure that arises during the term (or after execution of the Agreement but prior to the beginning of the term). A party asserting an Event of Force Majeure hereunder ("Affected Party") will give reasonable notice to the other party of an Event of Force Majeure upon it being foreseen by, or becoming known to, Affected Party. In the event of an Event of Force Majeure, Affected Party will endeavor to continue to perform its obligations under the Agreement only so far as reasonably practicable.

14.2 No Lease. This Agreement is a services agreement and is not intended to and will not constitute a lease of any real or personal property. In particular, Customer acknowledges and agrees that Customer has not been granted any real property interest in the Provider premises, and Customer has no rights as a Customer or otherwise under any real property or Provider/Customer laws, regulation or ordinances. This Agreement is an indefeasible right to use and license to use the Leased Dark Fiber Strands for the Permitted Use.

14.3 Government Regulations. Customer will not export, re-export, transfer, or make available, whether directly or indirectly, any regulated item or information to anyone outside the U.S. in connection with this Agreement without first complying with all export control laws and regulations which may be imposed by the U.S. Government and any country or organization of nations within whose jurisdiction Customer operates or does business.

14.4 Assignment. Customer may assign its rights or delegate its duties under this Agreement either in whole or in part with the prior written consent of the Provider, which should not be unreasonably withheld. Any attempted assignment or delegation without such consent will be void. This Agreement will bind and inure to the benefit of each party's successors and permitted assigns.

14.5 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:

Provider: Lubbock Reese Redevelopment Authority
9801 Reese Boulevard, Suite 200
Lubbock, Texas 79416
Attn: Executive Director
Telephone: (806) 885-3597
E-mail: mmusa@reesecenter.com

Customer: South Plains College
c/o Dr. Robin Satterwhite
1401 S. College Avenue
Levelland, TX 79336
Telephone: (806) 894-9611
Fax: (806) 897-2800
Email: rsatterwhite@southplainscollege.edu

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 Provider or Customer may designate to the other by notice. Notice may also be given by regular mail, personal delivery, courier delivery, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein. Without limiting the foregoing, any notice required or permitted to be given under this Agreement may be sent by e-mail at the appropriate e-mail address set forth in this Section 14.5, as the same may be amended, or to such other e-mail address as Provider or Customer 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 14.5 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.

14.6 Relationship of Parties. Provider and Customer are independent contractors and this Agreement will not establish any relationship of partnership, joint venture, employment, franchise or agency between Provider and Customer. Neither Provider nor Customer will have the power to bind the other or incur obligations on the other's behalf without the other's prior written consent, except as otherwise expressly provided herein.

14.7 Governing Law. This Agreement 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.

14.8 Authority. Customer is duly organized and validly existing and has full power and authority to enter into this Agreement and to perform the obligations of Customer under this Agreement. Provider is duly organized and validly existing and has full power and authority to enter into this Agreement and to perform its obligations under this Agreement.

14.9 Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but all of which together shall constitute one and the same instrument.

14.10 Entire Agreement. This Agreement, together with the Order Form and Provider policies referred to in this Agreement represents the complete agreement and understanding of the parties with respect to the subject matter herein, and supersedes any other agreement or understanding, written or oral with respect to the subject matter herein. This Agreement may be modified only through a written instrument signed by both parties. Both parties represent and warrant that they have full corporate power and authority to execute and deliver this Agreement and to perform their obligations under this Agreement and the person whose signature appears above is duly authorized to enter into this Agreement on behalf of the respective party. Should any terms of this Agreement be declared void or unenforceable by any arbitrator or court of competent jurisdiction, such terms will be amended to achieve as nearly as possible the same economic effect as the original terms and the remainder of the Agreement will remain in full force and effect.

14.11 Security Conditions. Provider and Customer 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, Provider has other Customers of the Project that require controlled access to the Airfield during certain operations. Provider 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 Provider’s express consent), and other Customers of the Project, when approved by the Provider, may require controlled access to the Airfield, and that such use could adversely affect Customer’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 Customer to the Premises.

Customer 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 Provider authorizes other Customers of the Project to control access to the Airfield, Customer, its employees, officers, agents, and contractors will comply with all reasonable security regulations imposed by the Provider or applicable governmental agency, including the requirement to obtain and display security identification cards and to comply with reasonable security procedures.

15. WARRANTIES

15.1 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.

THE CUSTOMER AND PROVIDER DO NOT WAIVE SOVEREIGN IMMUNITY BY ITS EXECUTION OF OR BY ANY CONDUCT OF ITS REPRESENTATIVES UNDER THIS AGREEMENT.

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
("Provider")

SOUTH PLAINS COLLEGE
("Customer")

By: Murvat Musa
Its: Chief Executive Officer

By: Dr. Robin Satterwhite
Its: President

Date

Date

BOARD ACTION ITEM No. 2025-0423-011
SOUTH PLAINS COLLEGE
INTERLOCAL CONTRACT AGREEMENT FOR DARK FIBER OPTIC STRANDS

BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
April 23, 2025

Item to Be Considered:

Interlocal Contract Agreement for Dark Fiber Optic Strands for South Plains College (SPC)

Previous Board Action:

- a. SPC has leased dark fiber from Reese since 2004, with their current agreement expiring on April 30, 2025.

Statement of Pertinent Facts:

- a. Term of agreement: 5 years
- b. Rate: \$250 per strand per month
- c. SPC will be billed for the number of strands they use, which is currently 23.
- d. SPC can add or remove strands as needed

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 Interlocal Contract Agreement for Dark Fiber Optic Strands for South Plains College, subject to negotiation of final terms and conditions, on the 23rd day of April 2025.”

Approved by:

Tim Pierce - President

ATTEST:

LRRRA Board Member

AGENDA ITEM 6
RESOLUTION DELEGATING AUTHORITY TO CEO/ED
EXECUTIVE SUMMARY

Due to various Executive Orders of the President of the United States, research grant funding has been suspended pending review, cancelled, or withdrawn and LRRRA has several customers that depend on federal grant funding. Specifically, Blank Slate Innovations (a request to amend their lease will be considered under Agenda Item 7 of this Board Book) has been adversely affected by the President's order and staff are anticipating that other LRRRA customers will be affected.

Staff are recommending the Board delegate authority to the Executive Director/CEO to allow her to act on the Board's behalf to address changes to leases that become necessary due to lack of funding. These lease changes may include forbearance of rent, extension of lease terms, renegotiation of lease terms, or any combination thereof that may be necessitated by the delay in receipt or loss of federal grant funding. Staff will report to the Board any customers that request these modification and the outcome of those requests.

See the attached Board Action Item for details of the Resolution.

**BOARD ACTION ITEM No. 2025-0423-012
RESOLUTION DELEGATING AUTHORITY TO ED/CEO TO AMEND LEASES**

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
April 23, 2025**

Items to be Considered:

- a. Approve a resolution regarding delegating to the Executive Director/Chief Executive Officer (the “CEO”) the authority to act on the Board’s behalf in to address the forbearance of rent, extension of lease terms, renegotiation of lease terms, or any combination thereof that may be necessitated by the delay in receipt or loss of federal grant funding.

Previous Board Action: None.

Statement of Pertinent Facts:

- a. By various Executive Orders of the President of the United States research grant funding has been suspended pending review, cancelled, or withdrawn.
- b. Lubbock Reese Redevelopment Authority has several customers who are wholly or partially dependent on federal grant funding.
- c. Specifically, Blank Slate Innovation L.L.C., has requested a 6-month period of rent forbearance that is being considered under a separate action item.

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 delegates to the CEO the authority to amend existing leases or other similar agreements for the purpose of granting the forbearance of rent, extension of lease terms, renegotiation of lease terms, or any combination thereof that may be necessitated by the delay in receipt or loss of federal grant funding by tenants that may be wholly or partially dependent on federal grants, as submitted on this 23rd day of April 2025.”

Approved by: _____
Tim Pierce, President

ATTEST: _____
LRRRA Board Member

AGENDA ITEM 7
BLANK SLATE INNOVATION
FIRST AMENDMENT TO LEASE, B170
EXECUTIVE SUMMARY

Due to Executive Orders of the President of the United States, Blank Slate Innovation's federal grant funding has been delayed and may be cancelled or withdrawn.

Blank Slate, in collaboration with TTU, currently has four grant proposals outstanding with such agencies as NSF, DOE, and NASA. They have requested a lease modification to accommodate this delay. The attached First Amendment allows for rent forbearance for six months but with those months added to the back end of their lease. In essence, they won't pay rent for six months, but they will have to make those months up later.

Attached are the First Amendment as well as the original lease.

Staff are requesting Board approval of this First Amendment to Blank Slate Innovation Lease.

**FIRST AMENDMENT TO
STANDARD SHORT TERM INDUSTRIAL LEASE
COMMENCEMENT DATE: APRIL 1, 2024**

THIS FIRST AMENDMENT (“Amendment”) between the LANDLORD, LUBBOCK REESE REDEVELOPMENT AUTHORITY (“LRRA”) and TENANT, BLANK SLATE INNOVATION, L.L.C. (“Blank Slate Innovation”) is hereby incorporated into a certain STANDARD SHORT TERM INDUSTRIAL LEASE, previously executed by both parties and dated February 28, 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. Lease Extension and the Forbearance of Rent for a period of six (6) months –

In consideration for the extension of the dates of the Option to Extend Term (Renewal #1 and Renewal #2), as set forth in the revised chart set forth below, and recognition of the impact on Tenant from the review of federal grant funding, Landlord agrees to forego the payment of Rent for a period of six (6) months beginning May 1, 2025.

2. Section 1, Subsection (o) Base Rent –

Replace the chart with the following, which recognizes the Landlord forgoing six (6) months of lease payments beginning May 1, 2025, and ending October 31, 2025, during Renewal #1 and the adjustment of the end date of Renewal #1 and the start date of Renewal #2, if exercised by the Tenant.

Initial Term Lease Years	Total Annual Base Rent	Total Monthly Base Rent	Annual Base Rent Per Square Foot of Floor Area of the Premises
Year 1 March 1, 2024 – February 28, 2025	\$9,732.00	\$811.00	\$12.00
Renewal #1 March 1, 2025 – August 31, 2026 (no monthly Base Rent due May 1, 2025 – October 31, 2025)	\$10,121.28	\$843.44	\$12.48
Renewal #2 September 1, 2026 – August 31, 2027	\$10,526.78	\$877.23	\$12.98

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.

LUBBOCK REESE
REDEVELOPMENT AUTHORITY
("Landlord")

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

By: Murvat Musa, CEO

By: Annette Sobel, CEO

Date

Date

STANDARD SHORT TERM INDUSTRIAL LEASE

BETWEEN

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

AS LANDLORD

AND

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

AS TENANT

FOR PREMISES LOCATED AT

Reese Technology Center Building No. 170

1211 Runway Drive

Lubbock, Texas 79416

STANDARD INDUSTRIAL LEASE

This Standard Industrial Lease (the "Lease") is made this ____ day of February 2024, by and between LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas (hereinafter referred to as "Landlord") and BLANK SLATE INNOVATION, L.L.C., a Texas limited liability company, (hereinafter referred to as "Tenant"). Landlord and Tenant are also referred to herein individually as a "Party" and collectively as the "Parties".

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: Blank Slate Innovation, L.L.C., whose Federal Taxpayer Identification Number is 84-2707479.

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

(e) Guarantor: [NOT APPLICABLE].

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

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

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

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

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

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

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

- (l) Delivery Date: April 1, 2024.
- (m) Commencement Date: April 1, 2024
- (n) Termination Date: March 31, 2025.

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

Initial Term Lease Years	Total Annual Base Rent	Total Monthly Base Rent	Annual Base Rent Per Square Foot of Floor Area of the Premises
Year 1 April 1, 2024 – March 31, 2025	\$9,732.00	\$811.00	\$12.00
Renewal #1 April 1, 2025 – March 31, 2026	\$10,121.28	\$843.44	\$12.48
April 1, 2026 – March 31, 2027	\$10,526.78	\$877.23	\$12.98

(p) Security Deposit: Tenant will pay a security deposit of \$811.00 on the Premises. Landlord agrees to accept this security deposit as security on the Premises. If Tenant defaults, Landlord may use the Security Deposit to pay arrears of Rent, to repair any damage or injury, or to pay any expense or liability incurred by Landlord as a result of the default.

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

(r) Early Termination Fee: [NOT APPLICABLE]

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

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

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

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

2. DEFINITIONS

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

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

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

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

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

3. RENT AND RENT INVOICES

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

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

4. REAL ESTATE TAXES AND OTHER TAXES

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

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

5. TENANT COVENANTS

(a) **Tenant Agrees to –**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

6. LANDLORD COVENANTS

(a) Landlord agrees to –

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

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

(b) Landlord agrees not to—

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

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

7. COMMON AREAS

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

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

8. UTILITIES AND TRASH REMOVAL

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

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

9. DAMAGE BY CASUALTY

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

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

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

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

10. HAZARDOUS MATERIALS

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

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

(c) Definitions. As used herein,

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

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

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

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

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

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

11. INSURANCE AND WAIVER OF SUBROGATION

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

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

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

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

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

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

12. ADDITIONAL LANDLORD AND TENANT AGREEMENTS

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

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

(c) Condemnation/Substantial or Partial Taking

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

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

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

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

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

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

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

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

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

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

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

(5) failing to pay timely Rent;

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

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

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

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

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

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

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

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

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

LANDLORD:

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

TENANT:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14. SECURITY CONDITIONS

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

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

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

{SIGNATURE PAGE FOLLOWS}

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

LUBBOCK REESE
REDEVELOPMENT AUTHORITY
("Landlord")

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



By: Murvat Musa
Its: Chief Executive Officer

Date 2/28/2024



By:

Anne Sobel

Printed Name:

CEO, BSI

Title:

Date 2-28-24

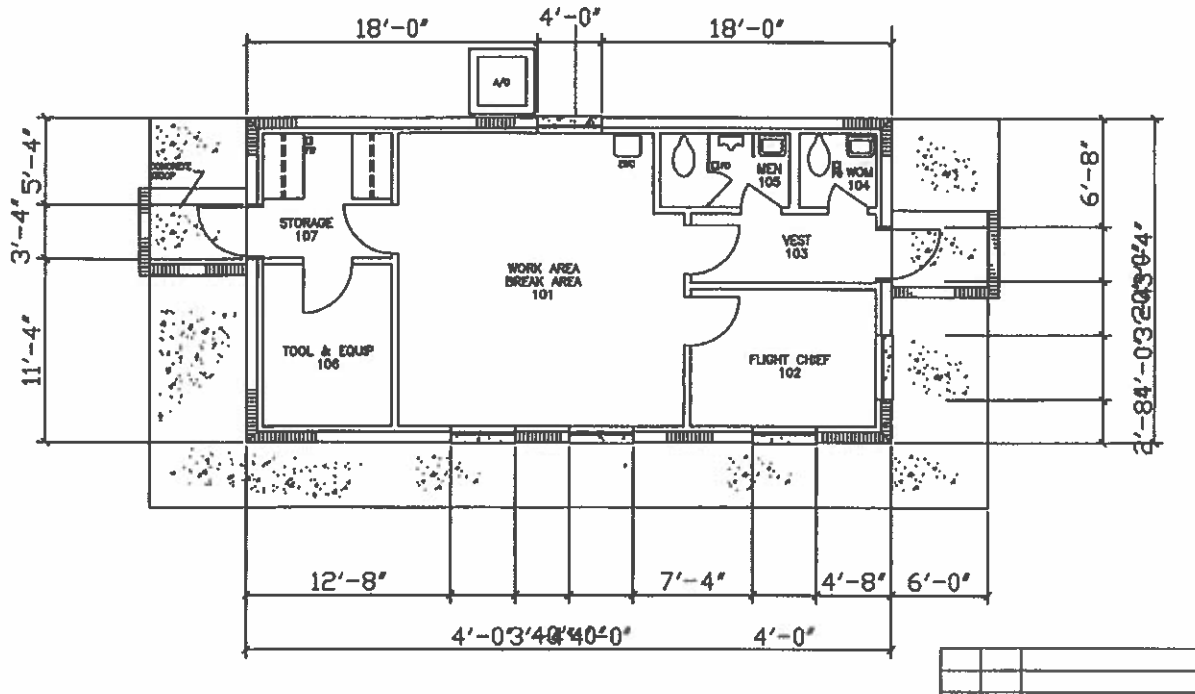
EXHIBIT A

Site Plan



Floor Plan

BUILDING #170
APPROXIMATELY 811 SF



**BOARD ACTION ITEM No. 2025-0423-013
FIRST LEASE AMENDMENT FOR BLANK SLATE INNOVATION, BUILDING 170**

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
April 23, 2025**

Items to be Considered:

Approve the First Lease Amendment for Blank Slate Innovation for Building 170 allowing for forbearance of rent for 6 months due to a delay in federal grant funding.

Previous Board Action:

The Board approved the Lease for Blank Slate Innovation at the February 28, 2024, Board meeting.

Statement of Pertinent Facts:

- a. By various Executive Orders of the President of the United States research grant funding has been suspended pending review, cancelled, or withdrawn.
- b. Blank Slate Innovation is wholly or partially dependent on federal grant funding.
- c. The First Amendment allows for a 6-month period of rent forbearance that will be added back at the end of their lease term.

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 First Amendment for Blank Slate Innovation, subject to negotiation of final terms and conditions, on the 23rd day of April 2025.”

Approved by: _____
Tim Pierce, President

ATTEST: _____
LRRRA Board Member

CASH BALANCES - MARCH 31, 2025

	2/28/2025	3/31/2025	Change
General Fund Bank Accounts	\$ 5,025,730	\$ 5,271,638	\$ 245,908
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 115,951	\$ 113,108	\$ (2,843)
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ -	\$ -	\$ -
Total Cash	\$ 5,996,681	\$ 6,239,746	\$ 243,065
Accounts Receivable - G/F	\$ 365,699	\$ 388,574	\$ 22,875
Accounts Receivable - F/O	\$ 9,084	\$ 10,453	\$ 1,369
Total Accounts Receivable	\$ 374,783	\$ 399,027	\$ 24,244
Total Cash & Accounts Receivable	\$ 6,371,464	\$ 6,638,773	\$ 267,309

Aged Accounts Receivable as of 03/31/2025

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
205,545.01	52,527.77	138,244.93	(19.75)	2,728.41	399,026.37

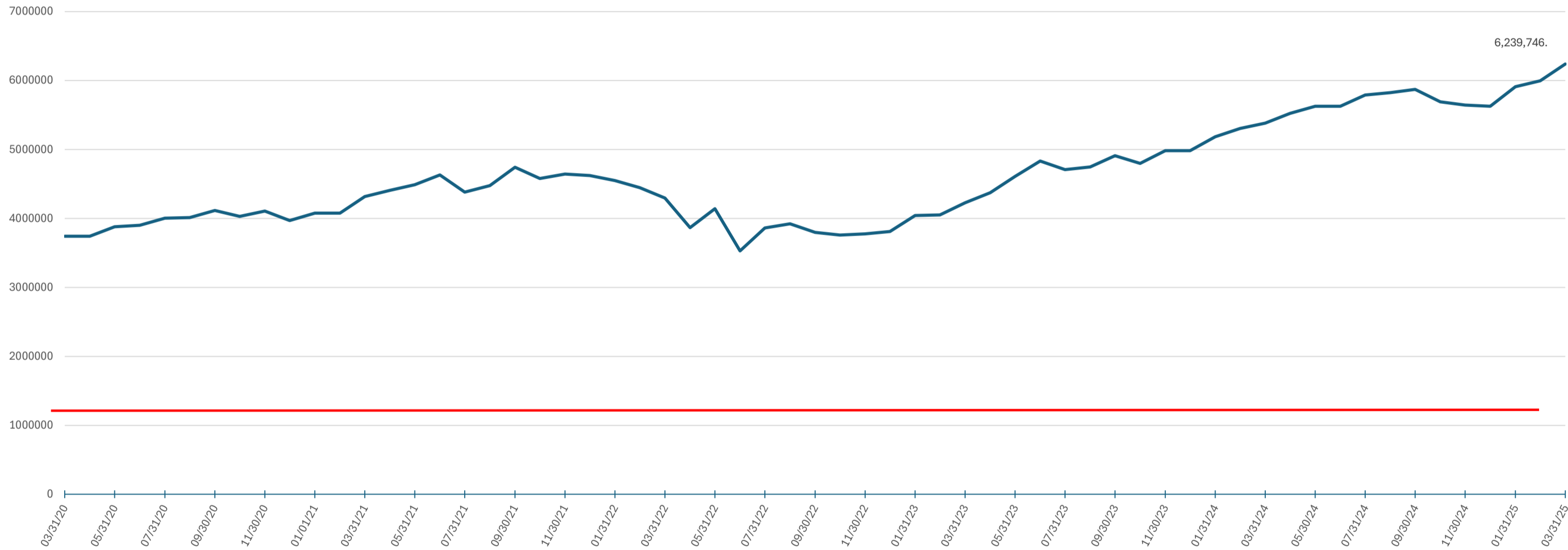
Aged Accounts Receivable as of 04/17/2025

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
27,494.06	5,519.55	479.72	(238.41)	2,273.19	35,528.11

EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

\$ -

LRRR Available Cash
MARCH 2020 - 2025



FINANCIAL HIGHLIGHTS - MARCH 31, 2025

DESCRIPTION	Month	G/F	Month	F/O	Month's Total	YTD	G/F	YTD	F/O	YTD	Total
Operating Revenue	\$ 262,673		\$ 17,694		\$ 280,367		\$ 1,615,862		\$ 106,163		\$ 1,722,025
Other Revenue - Usage Fees	\$ 17,107		\$ 1,497		\$ 18,604		\$ 172,979		\$ 9,971		\$ 182,950
Total Revenue	\$ 279,780		\$ 19,191		\$ 298,971		\$ 1,788,841		\$ 116,134		\$ 1,904,975
Expenses	\$ 180,047		\$ 10,499		\$ 190,546		\$ 1,285,000		\$ 58,782		\$ 1,343,782
Net Income BPSID	\$ 99,733		\$ 8,692		\$ 108,425		\$ 503,841		\$ 57,352		\$ 561,193
Interest Income - Plus	\$ 19,484		\$ -		\$ 19,484		\$ 110,451		\$ -		\$ 110,451
Depreciation - Less	\$ (49,924)		\$ (3,283)		\$ (53,207)		\$ (299,547)		\$ (19,701)		\$ (319,248)
Net Income	\$ 69,293		\$ 5,409		\$ 74,702		\$ 314,745		\$ 37,651		\$ 352,396

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 3/31/2025

(In Whole Numbers)

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENTS	6,126,638	-	-	6,126,638
RESTRICTED CASH AND CASH EQUIVALENTS	-	113,108	-	113,108
ACCOUNTS RECEIVABLE	388,574	-	10,453	399,026
LEASES RECEIVABLE, CURRENT - GASB 87	1,624,951	-	86,032	1,710,983
INVESTMENT	-	-	-	-
DUE FROM FEDERAL GOVERNMENT	-	53,129	-	53,129
PREPAID EXPENSES	148,755	-	8,907	157,662
DUE FROM TRANSFERS	-	-	-	-
Total CURRENT ASSETS	8,288,918	166,237	105,392	8,560,546
NONCURRENT ASSETS				
LEASES RECEIVABLE, NET OF CURRENT PORTION	4,203,727	-	26,621	4,230,348
Total NONCURRENT ASSETS	4,203,727	-	26,621	4,230,348
CAPITAL ASSETS				
LAND	1,481,401	-	-	1,481,401
CONSTRUCTION IN PROGRESS	-	133,065	28,674	161,739
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
GROUNDS 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	(7,068,052)	-	(2,187,154)	(9,255,206)
LESS ACCUMULATED DEPRECIATION - GASB 87	(15,500)	-	-	(15,500)
Total CAPITAL ASSETS	7,424,359	133,065	174,730	7,732,154
NET PENSION ASSET				
NET PENSION ASSETS, NET	156,524	-	-	156,524
Total NET PENSION ASSET	156,524	-	-	156,524
Total ASSETS	20,073,528	299,302	306,743	20,679,573
DEFERRED OUTFLOWS OF RESOURCES				
EMPLOYER CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT CHANGE IN ASSUMPTIONS	16,224	-	-	16,224
DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE	11,941	-	-	11,941
Total DEFERRED OUTFLOWS OF RESOURCES	28,165	-	-	28,165
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	20,101,693	299,302	306,743	20,707,738

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 3/31/2025

(In Whole Numbers)

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	145,780	19,014	2,590	167,384
ACCRUED EXPENSES	(73,670)	-	-	(73,670)
REFUNDABLE DEPOSITS	127,017	-	-	127,017
UNEARNED REVENUES	(96,010)	-	(16,694)	(112,704)
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	219,373	19,014	(14,104)	224,283
NON-CURRENT LIABILITIES				
LEASE LIABILITY, NET OF CURRENT PORTION	12,477	-	-	12,477
Total NON-CURRENT LIABILITIES	12,477	-	-	12,477
Total LIABILITIES	231,850	19,014	(14,104)	236,760
DEFERRED INFLOWS OF RESOURCES				
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	5,688,810	19,014	92,785	5,800,609
FUND EQUITY				
BEGINNING OF PERIOD	14,081,568	280,288	192,876	14,554,732
TRANSFERS IN (OUT)	16,569	-	(16,569)	-
YEAR TO DATE EARNINGS	314,746	-	37,651	352,397
Total FUND EQUITY	14,412,883	280,288	213,958	14,907,129
TOTAL LIABILITY, FUND BALANCE, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	20,101,693	299,302	306,743	20,707,738

Total report

- - - -

LUBBOCK REESE REDEVELOPMENT AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 From 10/1/2024 Through 3/31/2025

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES	1,788,842	-	116,134	1,904,976
OPERATING EXPENSES	1,584,547	-	78,483	1,663,029
OPERATING INCOME(LOSS)	204,295	-	37,651	241,946
NONOPERATING INTEREST INCOME	110,451	-	-	110,451
TRANSFERS IN (OUT)	16,569	-	(16,569)	-
NET NONOPERATING REVENUES	127,020	-	(16,569)	110,451
INCREASE (DECREASE) IN FUND	331,315	-	21,082	352,397
FUND EQUITY, BEGINNING	14,081,568	280,288	192,876	14,554,732
FUND EQUITY, ENDING	14,412,883	280,288	213,958	14,907,129

LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2024 Through 3/31/2025

(In Whole Numbers)

	General	Data Center / Fiber Optic	
	Fund	Fund	Total
OPERATING REVENUES			
LEASE INCOME	1,191,529	-	1,191,529
DATA CENTER / FIBER OPTIC INCOME	-	106,163	106,163
COMMON AREA MAINTENANCE/PBT CAM FEES	389,891	-	389,891
USAGE FEES	172,979	9,971	182,950
CONTRACT WORK INCOME	12,979	-	12,979
UTILITY FRANCHISE FEES	18,098	-	18,098
Total OPERATING REVENUES	1,785,477	116,134	1,901,611
NON-OPERATING REVENUES			
INTEREST EXPENSE / BANK CHARGES	(490)	-	(490)
MISCELLANEOUS INCOME	3,365	-	3,365
INTEREST INCOME	110,451	-	110,451
Total NON-OPERATING REVENUES	113,326	-	113,326
TOTAL REVENUES	1,898,803	116,134	2,014,937

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2024 Through 3/31/2025

(In Whole Numbers)

	General Fund	Data Center / Fiber Optic Fund	Total
OPERATING EXPENSES			
COMPENSATION AND BENEFITS:			
SALARIES AND BENEFITS	472,253	-	472,253
CONTRACT SERVICES	11,519	3,985	15,504
GENERAL AND LIABILITY INSURANCE	145,055	7,634	152,689
Total COMPENSATION AND BENEFITS:	628,826	11,619	640,446
BUILDING REPAIRS AND MAINTENANCE:			
REPAIRS AND MAINTENANCE	345,482	-	345,482
BUILDING MAINTENANCE MATERIALS	15,445	270	15,715
MARKETING AND PROMOTIONAL EXPENSES	35,727	-	35,727
TRAVEL EXPENSES	6,111	-	6,111
PRINTING AND ADVERTISING	418	-	418
DEPRECIATION EXPENSE	299,547	19,701	319,247
TELEPHONE	1,177	-	1,177
OFFICE SUPPLIES	18,053	-	18,053
TRAINING AND TUITION EXPENSES	5,684	-	5,684
UTILITIES	160,435	20,609	181,044
Total BUILDING REPAIRS AND MAINTENANCE:	888,079	40,580	928,659
PROFESSIONAL SERVICES			
ACCOUNTING AND AUDITING FEES	632	-	632
LEGAL FEES	58,593	-	58,593
Total PROFESSIONAL SERVICES	59,225	-	59,225
COMPUTER SOFTWARE AND MAINTENANCE			
COMPUTER SOFTWARE AND MAINTENANCE	-	15,950	15,950
Total COMPUTER SOFTWARE AND MAINTENANCE	-	15,950	15,950
OTHER OPERATING EXPENSES			
BOARD EXPENSES	774	-	774
BANK CHARGES	490	-	490
INTERNET CHARGES	-	10,333	10,333
POSTAGE	885	-	885
MEETING EXPENSES	5,847	-	5,847
LICENSES AND FEES	421	-	421
Total OTHER OPERATING EXPENSES	8,417	10,333	18,750
Total OPERATING EXPENSES	1,584,547	78,483	1,663,029

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 3/1/2025 Through 3/31/2025

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
REVENUES						
Leases	196,294	191,667	4,628	1,191,529	1,150,000	41,529
PBT Cam Fees	64,982	63,667	1,315	389,891	382,000	7,891
Usage Fees	17,107	22,917	(5,809)	172,979	137,500	35,479
Contract Services	-	667	(667)	12,979	4,000	8,979
Utility Franchise Fees	1,397	1,667	(270)	18,098	19,000	(902)
Other-Miscellaneous	-	-	-	3,365	-	3,365
Total REVENUES	279,781	280,583	(803)	1,788,842	1,692,500	96,342
EXPENSES						
Salaries & Taxes	55,329	62,526	7,197	411,263	404,000	(7,263)
Benefits - Health, Retirement & Wkr's Comp	9,490	12,792	3,302	60,989	76,750	15,761
Insurance -Property & General Liabilities	24,176	25,000	824	145,055	150,000	4,945
Administrative Expenses	480	1,033	553	7,619	8,200	581
General Office Expenses	8,870	6,488	(2,383)	37,242	38,925	1,683
Accounting & Auditing Services	108	9,600	9,493	632	33,600	32,968
Legal Services	8,032	6,250	(1,782)	58,593	37,500	(21,093)
Network Maintenance Contract	1,560	1,667	107	10,490	10,000	(490)
Training & Travel	1,163	1,417	254	11,795	8,500	(3,295)
Marketing Expenses	4,966	6,750	1,784	35,405	40,500	5,095
Operations	51,126	54,242	3,116	345,482	325,450	(20,032)
Utilities	14,747	32,250	17,503	160,435	182,903	22,468
Total EXPENSES	180,047	220,013	39,966	1,285,000	1,316,328	31,328
NIBPSID	99,734	60,570	39,163	503,841	376,172	127,669
NON OPERATING REVENUE						
Interest Income	19,484	8,333	11,151	110,451	50,000	60,451
Total NON OPERATING REVENUE	19,484	8,333	11,151	110,451	50,000	60,451
DEPRECIATION						
Depreciation Expense	(49,924)	(54,167)	4,242	(299,547)	(325,000)	25,453
Total DEPRECIATION	(49,924)	(54,167)	4,242	(299,547)	(325,000)	25,453
Increase (Decrease) In Fund Equity	69,293	14,737	54,556	314,746	101,172	213,574

GENERAL FUND

Explanation of Significant Budget Variances

2025 MARCH

		Month Variance	YTD Variance	Explanations	
Revenues, Usage	4260	\$ (5,809)	\$ 35,479	Water Usage fluctuates month to month	Year End is expected to be over budget
Revenues, Contract Services	4300	\$ (667)	\$ 8,979	KBR had large event that included use of the Abernathy Airport	Year End is expected to be on budget.
Expenses, Salaries & Taxes	5100, 5110	\$ 7,197	\$ (7,263)	YTD is over budget due to Bonuses paid out in December 2024	Year End is expected to be under budget
Expenses, Accounting & Auditing Services	5700	\$ 9,493	\$ 32,968	Auditors have not billed for services	Year End is expected to be on budget.
Expenses, Legal Services	5710	\$ (1,782)	\$ (21,093)	Extra Fees for Texas Tech Project	Year End is expected to be over budget
Expenses, Operations	5900	\$ 3,116	\$ (20,032)	YTD actual is higher due to extra expenses for electrical and water system	Year End is expected to be over budget
Expenses, Utilities	5380	\$ 17,503	\$ 22,468	Have not paid a water bill for 3 months due to a meter issue. Met with city to resolve this.	Year End is expected to be over budget

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 3/1/2025 Through 3/31/2025

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
REVENUES						
Usage Fees	1,497	2,083	(586)	9,971	12,500	(2,529)
Fiber Optic/Wireless Income	17,694	17,500	194	106,163	105,000	1,163
Total REVENUES	19,191	19,583	(392)	116,134	117,500	(1,366)
EXPENSES						
Insurance -Property & General Liabilities	1,272	1,333	61	7,634	8,000	366
General Office Expenses	45	83	38	270	500	230
Computer Software & Maintenance	2,450	3,333	883	15,950	20,000	4,050
Internet	1,722	1,833	111	10,333	11,000	667
Building Maintenance & Repairs	769	1,250	481	3,985	7,500	3,515
Utilities	4,240	5,192	951	20,609	31,150	10,541
Total EXPENSES	10,499	13,025	2,526	58,782	78,150	19,368
NIBPSID	8,692	6,558	2,134	57,352	39,350	18,002
DEPRECIATION						
Depreciation Expense	(3,283)	(3,833)	550	(19,701)	(23,000)	3,299
Total DEPRECIATION	(3,283)	(3,833)	550	(19,701)	(23,000)	3,299
Increase (Decrease) In Fund Equity	5,408	2,725	2,683	37,651	16,350	21,301

COMBINED FUNDS

(In Whole Numbers)

	Current Month Actual	Current Month Budget	Current Month Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
REVENUES						
Leases	196,294	191,667	4,628	1,191,529	1,150,000	41,529
PBT Cam Fees	64,982	63,667	1,315	389,891	382,000	7,891
Usage Fees	18,604	25,000	(6,396)	182,950	150,000	32,950
Contract Services	-	667	(667)	12,979	4,000	8,979
Utility Franchise Fees	1,397	1,667	(270)	18,098	19,000	(902)
Other-Miscellaneous	-	-	-	3,365	-	3,365
Fiber Optic/Wireless Income	17,694	17,500	194	106,163	105,000	1,163
Total REVENUES	298,972	300,167	(1,195)	1,904,976	1,810,000	94,976
EXPENSES						
Salaries & Taxes	55,329	62,526	7,197	411,263	404,000	(7,263)
Benefits - Health, Retirement & Wkr's Comp	9,490	12,792	3,302	60,989	76,750	15,761
Insurance -Property & General Liabilities	25,448	26,333	885	152,689	158,000	5,311
Administrative Expenses	480	1,033	553	7,619	8,200	581
General Office Expenses	8,915	6,571	(2,345)	37,512	39,425	1,913
Accounting & Auditing Services	108	9,600	9,493	632	33,600	32,968
Computer Software & Maintenance	2,450	3,333	883	15,950	20,000	4,050
Internet	1,722	1,833	111	10,333	11,000	667
Legal Services	8,032	6,250	(1,782)	58,593	37,500	(21,093)
Network Maintenance Contract	1,560	1,667	107	10,490	10,000	(490)
Training & Travel	1,163	1,417	254	11,795	8,500	(3,295)
Marketing Expenses	4,966	6,750	1,784	35,405	40,500	5,095
Operations	51,126	54,242	3,116	345,482	325,450	(20,032)
Building Maintenance & Repairs	769	1,250	481	3,985	7,500	3,515
Utilities	18,988	37,442	18,454	181,044	214,053	33,009
Total EXPENSES	190,546	233,038	42,492	1,343,782	1,394,478	50,696
NIBPSID	108,426	67,129	41,297	561,194	415,522	145,671
NON OPERATING REVENUE						
Interest Income	19,484	8,333	11,151	110,451	50,000	60,451
Total NON OPERATING REVENUE	19,484	8,333	11,151	110,451	50,000	60,451
DEPRECIATION						
Depreciation Expense	(53,208)	(58,000)	4,792	(319,247)	(348,000)	28,753
Total DEPRECIATION	(53,208)	(58,000)	4,792	(319,247)	(348,000)	28,753
Increase (Decrease) In Fund Equity	74,702	17,462	57,240	352,397	117,522	234,875


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

(In Whole Numbers)

	Current Month	Prior Year's		Prior Year's		
	Actual	Month Actual	Variance	YTD Actual	YTD Actual	
					Variance	
REVENUES						
Leases	196,294	189,025	7,269	1,191,529	1,086,377	105,152
PBT Cam Fees	64,982	62,646	2,336	389,891	375,874	14,017
Usage Fees	18,604	22,666	(4,062)	182,950	139,472	43,478
Contract Services	-	-	-	12,979	12,450	529
Utility Franchise Fees	1,397	1,749	(352)	18,098	21,891	(3,793)
Insurance Proceeds	-	17,905	(17,905)	-	23,103	(23,103)
Other-Miscellaneous	-	8,068	(8,068)	3,365	12,811	(9,446)
Fiber Optic/Wireless Income	17,694	20,216	(2,522)	106,163	121,295	(15,132)
Total REVENUES	298,972	322,273	(23,301)	1,904,976	1,793,273	111,703
EXPENSES						
Salaries & Taxes	55,329	47,316	8,013	411,263	368,653	42,610
Benefits - Health, Retirement & Wkr's	9,490	7,159	2,331	60,989	64,345	(3,356)
Insurance -Property & General Liabilities	25,448	23,607	1,841	152,689	131,944	20,745
Administrative Expenses	480	467	13	7,619	6,339	1,280
General Office Expenses	8,915	5,353	3,562	37,512	37,359	153
Accounting & Auditing Services	108	6,500	(6,392)	632	10,894	(10,262)
Computer Software & Maintenance	2,450	2,450	-	15,950	15,925	25
Internet	1,722	1,722	-	10,333	10,333	-
Legal Services	8,032	5,340	2,692	58,593	31,087	27,506
Network Maintenance Contract	1,560	2,430	(870)	10,490	11,093	(603)
Training & Travel	1,163	963	200	11,795	10,360	1,435
Marketing Expenses	4,966	2,271	2,695	35,405	31,975	3,430
Operations	51,126	45,830	5,296	345,482	257,850	87,632
Building Maintenance & Repairs	769	2,243	(1,474)	3,985	6,228	(2,243)
Utilities	18,988	34,246	(15,258)	181,044	165,306	15,738
Total EXPENSES	190,546	187,898	2,648	1,343,782	1,159,692	184,090
NIBPSID	108,426	134,375	(25,949)	561,194	633,581	(72,387)
NON OPERATING REVENUE						
Interest Income	19,484	20,722	(1,238)	110,451	115,896	(5,445)
Total NON OPERATING REVENUE	19,484	20,722	(1,238)	110,451	115,896	(5,445)
DEPRECIATION						
Depreciation Expense	(53,208)	(53,208)	-	(319,247)	(319,247)	-
Total DEPRECIATION	(53,208)	(53,208)	-	(319,247)	(319,247)	-
Increase (Decrease) In Fund Equity	74,702	101,889	(27,187)	352,397	430,229	(77,832)

April 23, 2025

LRRRA Quarterly Investments and Collateralization Report

Bank and Account Title	Account Number Ending	Interest Yield	Benchmark Rate (6-Month US T-Bill)	Quarter 1 Interest Earned Oct - Dec 2024	Quarter 2 Interest Earned Jan - Mar 2025	Quarter 3 Interest Earned Apr - June 2025	Quarter 4 Interest Earned July - Sept 2025	FY2025 Interest Earned YTD	Account Balance as of 03/31/25	FDIC Insured or Collateralization (market value)
PlainsCapital Operating Account	2003	4.00%	4.23%	\$ 16,207.45	\$ 29,796.49			\$ 46,003.94	\$ 4,438,388.19	\$ 4,695,830.00
Totals PlainsCapital				\$ 16,207.45	\$ 29,796.49	\$ -	\$ -	\$ 46,003.94	\$ 4,438,388.19	\$ 4,695,830.00
Peoples Bank ICS/Sweep Account*	288	3.56%	4.23%	\$ 40,023.78	\$ 24,423.05			\$ 64,446.83	\$ 1,700,792.86	\$ 250,000.00
Peoples Bank EDA	575	0.00%	4.23%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 113,108.14	\$ 250,000.00
Totals Peoples Bank				\$ 40,023.78	\$ 24,423.05	\$ -	\$ -	\$ 64,446.83	\$ 1,813,901.00	
Total of All Accounts				\$ 56,231.23	\$ 54,219.54	\$ -	\$ -	\$ 110,450.77	\$ 6,252,289.19	
Per our Investment Policy our Weighted Average Maturity (WAM) is 6 months. Our investments are all cash and available immediately										
*No more than \$250,000 (the FDIC insured amount) is invested in each bank as part of this program										

DATE		EVENT
April	April 10	TTU HUB Expo
	April 18	Good Friday – Reese Office Closed
	April 23	LRRR Board of Directors Meeting
May	May 26	Memorial Day – Reese Office Closed
NO MAY BOARD MEETING		
June	June 18	LRRR Board of Directors Meeting