

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

Date: Thursday, June 19, 2025
Time: 8:00 a.m.
Place: Reese Technology Center, LRRRA Board Room, 9801 Reese Blvd, Suite 200, Lubbock, TX 79416

Time: 8:00 a.m.

[illegible]

6. Action Item – Consider Extension of Lease Agreement for TTUHSC, Building 74	TAB 6	Murvat Musa
7. Action Item – Consider New Lease for Texas Tech University, Building 790	TAB 7	Murvat Musa
8. Discussion Item – Preliminary FY2026 Operating, Data Center/Fiber Optics, & Capital Budgets	TAB 8	Murvat Musa
9. Discussion Item – Financial Reports	TAB 9	Sandy Hamilton
10. Discussion Item – Reese Events & Activities	TAB 10	Murvat Musa
11. Presentation Item – Recognize Tim Pierce for his Service to LRRRA	TAB 11	George McMahan
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 2:00 p.m., Sunday, June 15, 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

LRRA
FY2024 Annual
Financial Audit
Information to be
Sent Separately

ITEM 3

EXECUTIVE SESSION

Information to be provided at
meeting
(if applicable)

ITEM 4

Minutes

Lubbock Reese Redevelopment Authority
Minutes of the Regular Meeting of the Board of Directors
April 23, 2025

The Lubbock Reese Redevelopment Authority held its Regular Meeting at 8:00 a.m. April 23, 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	
John Hamilton, Vice President	Julie Holladay	Brian Kimberly
George McMahan, Secretary/Treasurer	Jeff Mustin	via – video conference

MEMBERS ABSENT None

OTHERS PRESENT

Reese Staff:

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

Legal Counsel: Darrell Guthrie

Visitors: Mark Dieter, Mitchel Burt, Kelly Criswell

Call the meeting to order.

Tim Pierce called the meeting to order at 8:01 a.m.

ITEM 1 Citizen Comments

Tim Pierce called for any citizen comments. There were none.

ITEM 2 KBR Presentation

Mark Dieter presented KBR Annual Brief

ITEM 3

Executive Session

Tim Pierce called the Executive Session to order at 8:24 a.m.

- a. Held an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.072, regarding certain matters concerning real property. Discussions regarding interest in the lease, sale, or value of buildings and property.
- b. Held an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters.

Executive Director
Manager of Accounting
Manager of Operations
Operations, Customer Care, Marketing Coordinator
Operations Lead
Service Technician
Service Technician
Service Technician
Administrative Assistant
Board of Directors

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

No action was taken in the Executive Session.

Reconvene the Board of Directors Meeting

Tim Pierce adjourned the Executive Session at 9:26 a.m. and reconvened Open Session at 9:40 a.m.

ITEM 4

Approved the Minutes of March 26, 2025, Board of Directors Meeting

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

ITEM 5

Approved the South Plains College Agreement for Use of Dark Fiber Optic Strands.

Julie Holliday moved to approve the South Plains College Agreement for Use of Dark Fiber Optic Strands; John Tye seconded; the motion passed 7-0.

ITEM 6

Approved the 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

Brian Kimberly moved to approve the 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; George McMahan seconded; the motion passed 7-0.

ITEM 7 First Amendment to Blank Slate Innovation Lease for 6 Month's Rent Forbearance

There was discussion around this item, but no motions or votes were made.

ITEM 8 Financial Reports

Murvat Musa presented the March financial reports and Quarterly Investment and Collateral Report.

ITEM 3 Executive Session

Tim Pierce called for a second Executive Session to order at 10:13 a.m.

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

No action was taken in the Executive Session.

Reconvene the Board of Directors Meeting

Tim Pierce adjourned the second Executive Session at 10:36 a.m. and reconvened the Open Session at 10:37 a.m.

ITEM 9 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 10:48 a.m.

Content of minutes agreed to and approved by:

Approved by _____
Tim Pierce, President

ATTEST:

LRRR Board Member

AGENDA ITEM 5
EXECUTIVE SUMMARY
SOUTH PLAINS ASSOCIATION OF GOVERNMENTS (SPAG)
FIRST LEASE AMENDMENT

The attached First Amendment to the SPAG lease for the firing range and driving course adds additional option years to extend the lease. Currently, the lease has an initial term of three years with one option to renew for an additional three years (total of six years ending January 31, 2031).

This amendment will provide four additional renewal options for a total of five renewal options of 3 years each.

See attached First Amendment for more details.

Staff are requesting Board approval for this First Lease Amendment.

**FIRST AMENDMENT TO
STANDARD INDUSTRIAL LEASE
COMMENCEMENT DATE: FEBRUARY 1, 2025**

THIS FIRST AMENDMENT (“Amendment”) between the LANDLORD, LUBBOCK REESE REDEVELOPMENT AUTHORITY (“LRRA”) and TENANT, SOUTH PLAINS ASSOCIATION OF GOVERNMENT, a political subdivision of the state of Texas (“SPAG”) is hereby incorporated into a certain STANDARD INDUSTRIAL LEASE, previously executed by both parties and last dated January 20, 2025 (collectively, the “Lease”).

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

The Lease is supplemented as stated below:

1. Section 1, Subsection (j)

(j) Extensions: Five (5) extension periods of three (3) years each, subject to the rights set forth in Section 1(k).

2. Section 1, Subsection (k)

(k) Option to Extend Term: Tenant shall have five (5) renewal options of three (3) years, such option to be exercised automatically unless Landlord receives written notice from Tenant of its desire not to exercise the option to extend term no less than one hundred and eighty (180) days prior to expiration of the Initial Term. Without receipt of such notice, this Lease shall be extended automatically for the period specified in Section 1(j) without the necessity for the execution of any further instrument and upon the same terms and conditions as are contained in this Lease, except the then existing Base Rent will be increased by a fixed three percent (3%) annually during each year of the extension period. The adjustment in the Base Rent will be determined by multiplying the then existing Base Rent specified in the lease (“Base Rent”) by 1.03, which will result in a “Revised Base Rent.”

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

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

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

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

LUBBOCK REESE
REDEVELOPMENT AUTHORITY
("Landlord")

SOUTH PLAINS ASSOCIATION OF
GOVERNMENTS
("Tenant")

By: Murvat Musa
Its: Chief Executive Officer

By: Tim Pierce
Its: Executive Director

Date

Date

BOARD ACTION ITEM No. 2025-0619-014
FIRST LEASE AMENDMENT FOR SOUTH PLAINS ASSOCIATION OF GOVERNMENTS (SPAG)
FIRING RANGE AND DRIVING COURSE LEASE

BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRA)
June 19, 2025

Items to be Considered:

First Lease Amendment for SPAG to add addition options to renew lease for the firing range and driving course.

Previous Board Action:

The Board approved the Lease for SPAG at the December 11, 2024, Board meeting.

Statement of Pertinent Facts:

- a. The current SPAG lease has an initial term of three years with one option to renew for another three years which terminates the lease on January 31, 2031
- b. SPAG desires to add additional option years to their lease
- c. This First Amendment will add an additional four options to renew for three years each for a total of 12 more years.

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 South Plains Associations of Governments, subject to negotiation of final terms and conditions, on the 19th day of June 2025.”

Approved by: _____
Tim Pierce, President

ATTEST: _____
LRRA Board Member

AGENDA ITEM 6
EXECUTIVE SUMMARY
TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER (TTUHSC)
SECOND LEASE AMENDMENT

The attached Second Amendment to the TTUHSC short-term, \$1 per month lease is to extend the lease for an additional three months. The current extension expired May 31, 2025, and TTUHSC desires additional time to get the permanent lease approved through their organization.

See attached Second Amendment for more details.

Staff are requesting Board approval for this Lease Amendment.

TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER

**EXTENSION
of
LEASE AGREEMENT**

This Extension of Lease Agreement (“Amendment”) is entered into effective as of November 30, 2024, by and between Texas Tech University Health Sciences Center, a public institution of higher education in the state of Texas (“Tenant”), and Lubbock Reese Redevelopment Authority (“Landlord”). Landlord and Tenant are referred to herein as “Party” or collectively as “Parties.”

RECITALS

Effective May 1, 2024, Landlord and Tenant entered into that Lease Agreement (“Lease”) commencing on May 1, 2024, and ending on November 30, 2024, wherein Landlord leased to Tenant and Tenant leased from Landlord approximately 13,214 square feet of space located at 614 Davis Drive, Lubbock, Texas 79416, which is commonly known as Building #74 as more specifically described in the Lease.

Landlord and Tenant wish to modify the Lease to extend the Term of the Lease and to enter into this Amendment to evidence the extension of the Lease as provided herein.

AGREEMENT

In consideration of the terms and conditions set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant hereby agree to amend the Lease as follows:

Extension of Lease Term shall continue for three additional months ending on August 31, 2025. Landlord and Tenant agree that execution of this Amendment by both Parties is effective to extend the Term, and any other conditions for extension in the Lease are hereby waived for the purposes of this extension of the Lease Term. Following the extension of the Term pursuant to this Amendment, any additional extensions of the Term shall be governed by the provisions of the Lease.

Article IX is hereby amended to include that TTUHSC may terminate this lease by giving thirty (30) days written notice to Lubbock Reese Redevelopment Authority.

Ratification and Defined Terms. Except as amended or modified by this Amendment, the Lease shall continue in full force and effect. Landlord and Tenant each ratify, affirm, and agree that the Lease, as herein modified, represents the valid, binding, and enforceable obligations of Landlord and Tenant, respectively. In the event of any conflict or inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall control and govern. Except as otherwise defined in this Amendment, each of the terms used herein shall have the same meaning assigned to such terms of the Lease.

E-SIGNATURES. This Amendment may be executed in two or more counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which together shall constitute but one and the same instrument. Signatures to this Amendment transmitted by facsimile, by electronic mail in “portable document format” (“.pdf”), or by any other electronic means which preserves the original graphic and pictorial appearance of the Amendment, shall have the same effect as physical delivery of the paper document bearing the original signature.

IN WITNESS WHEREOF, the undersigned parties do hereby bind themselves to the faithful performance of this Amendment.

TEXAS TECH UNIVERSITY
HEALTH SCIENCES CENTER

LUBBOCK REESE REDEVELOPMENT
AUTHORITY

By: _____
Signature

Penny Harkey
Printed Name

Title

Date

By: _____
Signature

Murvat Musa_____
Printed Name

Title

Date

BOARD ACTION ITEM No. 2025-0619-015
LEASE AMENDMENT FOR TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER (TTUHSC)
\$1 MONTHLY TEMPORARY LEASE FOR BUILDING 74

BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRA)
June 19, 2025

Items to be Considered:

Lease Amendment for TTUHSC to add three additional months to the \$1 per month lease which will expire on August 31, 2025.

Previous Board Action:

The Board approved the temporary \$1 per month lease for TTUHSC, Building 74, on June 27, 2023.

Statement of Pertinent Facts:

- a. The current temporary lease expired on May 31, 2025, and TTUHSC desires additional time to get the permanent lease in place
- b. This Amendment will add an additional three months

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 Amendment for TTUHSC, subject to negotiation of final terms and conditions, on the 19th day of June 2025.”

Approved by: _____
Tim Pierce, President

ATTEST: _____
LRRA Board Member

**AGENDA ITEM 7
EXECUTIVE SUMMARY
TEXAS TECH UNIVERSITY
THE INSTITUTE OF ENVIRONMENTAL AND HUMAN HEALTH (TIEHH)
BUILDING 790**

The Lease Review Committee has reviewed and supports the following new lease.

Texas Tech University has been leasing building 790 since 2004 for use as lab and office for Drs. Kendall and Ramkumar. Their current lease expires September 30, 2025, therefore necessitating a new lease.

Lease Terms:

- This is a four-year lease with no renewal options.
- Rent will start at \$8.50 per square foot with \$.25 increases each year.

See attached Deal Sheet and Lease for more details.

Staff are requesting Board approval for this lease.



May 28, 2025

DEAL SHEET

Building 790

Texas Tech University, The Institute of Environmental and Human Health (TIEHH)

Subject to Board Approval

TENANT:

Texas Tech University (TTU)

The Institute of Environmental and Human Health (TIEHH)

BROKER:

None

FINANCIALS:

Texas Tech University, a state of Texas Institution of Higher Education, has been a co-property owner/customer since 1997.

PERMITTED USES:

TTU has leased Building 790 since 2004 for use as a lab and office. This proposal is for a new lease as their current lease will expire September 30, 2025.

PREMISES:

Building 790, approximately 4,220 square feet

1234 Davis Drive

Lubbock, TX 79416

TYPE OF LEASE:

Modified Gross Lease.

PRIMARY TERM:

TTU is limited to four-year contracts without having to acquire Board of Regent approval, therefore, this lease is for four years with no renewal options.

RENEWAL OPTION:

None



Reese Technology Center

Technology ★ Research ★ Engineering ★ Education ★ Manufacturing

TERMINATION OPTION:

TTU has the option to terminate the lease upon 90 days' notice if this program is discontinued for any reason. This is standard in every TTU lease.

BASE RENT

TTU is currently paying \$8.25 per square foot. Our proposal below comes after months of negotiations and brings them closer to market rates.

Initial Term Lease Years	Total Annual Base Rent per Square Foot	Total Monthly Base Rent	Total Annual Base Rent
Year 1 (October 1, 2025 – September 30, 2026)	\$8.50	\$2,989.17	\$35,870.00
Year 2 (October 1, 2026 – September 30, 2027)	\$8.75	\$3,077.08	\$36,925.00
Year 3 (October 1, 2027 – September 30, 2028)	\$9.00	\$3,165.00	\$37,980.00
Year 4 (October 1, 2028 – September 30, 2029)	\$9.25	\$3,252.92	\$39,035.00
Total Value of Lease			\$149,810.00

SECURITY DEPOSIT:

None

MAKE-READY & EXPENSES:

None

UTILITIES:

Tenant shall pay for all utilities directly to the provider.

STANDARD SHORT TERM INDUSTRIAL LEASE

BETWEEN

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

AS LANDLORD

AND

TEXAS TECH UNIVERSITY, a Texas Institution of Higher Education

AS TENANT

FOR PREMISES LOCATED AT

Reese Technology Building No. 790

1234 Davis Drive

Lubbock, Texas 79416

STANDARD INDUSTRIAL LEASE

This Standard Industrial Lease (the "Lease") is signed on the dates indicated below to be effective as of the 1st day of October 2025, by and between LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas (hereinafter referred to as "Landlord") and TEXAS TECH UNIVERSITY, a Texas Institution of Higher Education, (hereinafter referred to as "Tenant").

W I T N E S S E T H:

1. BASIC LEASE PROVISIONS

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

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

(c) Tenant: Texas Tech University, whose Federal Taxpayer Identification Number is 756002622.

(d) Tenant Address: Texas Tech University, Attn: Contract Management, P.O. Box 41094, Lubbock, TX 79409-1094

(e) Guarantors: Not applicable.

(f) Guarantors' Addresses: Not applicable.

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

(h) Premises means that certain building ("Building") located at 1234 Davis Drive, Lubbock, Texas 79416, which is commonly known as Building #790, and identified as the on the site plan attached hereto as **Exhibit A** (the "Site Plan"), and containing approximately 4,220 square feet of floor area.

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

(j) Extensions: Not applicable.

(k) Option to Extend Term: Not applicable.

(l) Delivery Date: October 1, 2025.

(m) Commencement Date: October 1, 2025.

(n) Termination Date: September 30, 2029.

(o) **Base Rent:** The parties further agree that the Base Rent set forth herein is what is commonly referred to as a "modified gross lease" and that Base Rent already includes, and Tenant shall not have to pay for Common Area Maintenance fees associated with the Premises, groundskeeping/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, Premise's maintenance, or housekeeping services, except as otherwise provided in this Lease.

<u>Initial Term Lease Years</u>	<u>Total Annual Base Rent</u>	<u>Total Monthly Base Rent</u>	<u>Annual Base Rent Per Square Foot of Floor Area of the Premises</u>
Year 1 (October 1, 2025 – September 30, 2026)	\$8.50	\$2,989.17	\$35,870.00
Year 2 (October 1, 2026 – September 30, 2027)	\$8.75	\$3,077.08	\$36,925.00
Year 3 (October 1, 2027 – September 30, 2028)	\$9.00	\$3,165.00	\$37,980.00
Year 4 (October 1, 2028 – September 30, 2029)	\$9.25	\$3,252.92	\$39,035.00

(p) **Security Deposit:** Not Applicable.

(q) **Termination:** It is expressly agreed by Landlord, that Tenant shall have the option to terminate this Lease, at any time during the Term or any renewal period thereof, upon ninety (90) days prior written notice to Landlord at the address provided herein if Tenant's program is discontinued for any reason.

(r) **Early Termination Fee:** Tenant agrees to pay to Landlord upon termination an early termination fee equal to one month of the existing Base Rent, which shall be used by the Landlord in the event Tenant exercises its right to terminate the Lease as set forth in 1(q).

(s) **Permitted Use:** Tenant may use the Premises for the purpose of lab and office space for Texas Tech University's The Institute of Environmental and Human Health (hereinafter referred to as "TIEHH").

(t) **Landlord's Address for Payment of Rent:** Payment of Rent shall be made to Landlord 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 LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the state of Texas.

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

(e) “Tenant” means TEXAS TECH UNIVERSITY, a Texas institution of higher education.

3. RENT AND RENT INVOICES

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

(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 1(d) or to such other address as Tenant may designate by notice to Landlord.

4. REAL ESTATE TAXES AND OTHER TAXES

Tenant is exempt from Texas Sales & Use Tax on goods and services in accordance with §151.309, Texas Tax Code, and Title 34 Texas Administrative Code (“TAC”) §3.322. Based upon these representations, Landlord understands that Tenant is a tax-exempt entity. Therefore, the following provisions of this Section 4 are applicable only if the tax-exempt status of Tenant is subsequently modified during the Term.

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

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

during the Term be responsible for payment, prior to delinquency, of all taxes assessed against and levied upon the trade fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises. In addition, Tenant shall during the Term pay to Landlord monthly with the payment of Base Rent all sales or rental taxes assessed by any governmental authority against the Rent payable by Tenant hereunder.

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.

(3) Obey and have the obligation to see that its agents, contractors, employees, invitees, licensees, or visitors obey (i) all applicable federal, state, and local laws relating to the use, condition, and occupancy of the Premises; (ii) reasonable requirements imposed by utility companies serving or insurance companies covering the Premises; and (iii) reasonable rules and regulations for the Premises and Common Areas adopted by Landlord, to include the Reese Technology Center Covenants, Restrictions, and Landscape Standards, as amended, which do not unreasonably interfere with Tenant's use of the Premises and are equally applicable to all Project tenants. For subparagraphs (ii) and (iii) of this paragraph, reasonableness is as determined in good faith by Tenant within 30 days after receiving from Landlord a written copy of the requirement, rule or regulation in question.

(4) Pay a late charge of the lesser of five (5%) percent, or the maximum amount permitted by Texas law, of any Rent not received by Landlord by the fifth day after it is due.

(5) Allow Landlord to enter the Premises to perform Landlord's obligations, inspect the Premises, and show the Premises to prospective purchasers or tenants.

(6) Repair, replace, and maintain any part of the Premises or sewer lines damaged, to include reimbursing Landlord the cost of unclogging sewer lines relating to the Tenant's use of the Premises, or destroyed by Tenant or any of Tenant's agents, contractors, employees, invitees, licensees, or visitors, that Landlord is not obligated to repair, replace, or maintain, reasonable wear excepted, including any improvements thereon, to the reasonable satisfaction of the Landlord or, in Tenant's sole discretion, 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 caused by Tenant or any of Tenant's agents, contractors, employees, invitees, licensees, or visitors.

(7) Keep the sidewalks, service ways, and loading areas adjacent to the Premises clean and unobstructed and Tenant agrees to ensure its agents, contractors, employees, invitees, licensees, or visitors comply with this provision.

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

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

(10) If accessed, pay an additional cleaning fee in the event such cleaning is required as a result of any act of the Tenant, or an act Tenant's agents, contractors, employees, invitees, licensees, or visitors, or as a result of activities, which are part of the Tenant's use of the Premises (including any use by Tenant's agents, contractors, employees, invitees, licensees, or visitors), to include but not limited to any cleaning associated with the backup of sewage related to flushing gloves, paper towels, or potentially hazardous waste down toilets. Tenant hereby agrees to pay such fee within ten (10) days of notification of fee assessment.

(11) 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.

(12) Except as prohibited by the Constitution and laws of the State of Texas, and to the fullest extent permitted, Tenant agrees to the following provision concerning its activities, use and occupancy of the Premises: HOLD LANDLORD HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE) ARISING FROM TENANT'S ACCESS TO, PRESENCE ON, OR USE OF THE PREMISES UNDER THIS LEASE (INCLUDING ANY ACCESS TO, PRESENCE ON, OR USE OF THE PREMISES BY TENANT'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES, LICENSEES, OR VISITORS). THIS PARAGRAPH (a) 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 NOT APPLY IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD OR TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD.

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

(b) Tenant agrees not to do any of the following (and agrees to ensure that its agents, contractors, employees, invitees, licensees, 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.
- (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). Tenant acknowledges this is not indemnity, but is an agreement to release and waiver of claims against Landlord for Tenant's activities, conduct, use and occupancy of the Premises.
- (11) Use any portion of the Premises for wind energy development or the installation or use of any facilities related to wind energy development or generation.
- (12) Interfere with the wind energy project being conducted on the westernmost boundary of the Project.
- (13) Take any action that shall significantly interfere with or impair the availability, accessibility, flow, frequency or direction of air and wind over and above any portion of the Premises or the Project.
- (14) Take any action that in any way interferes with or impairs the transmission of electric, electromagnetic or other forms of energy to or from the wind energy project, or interferes with or impairs Landlord's wind energy tenant's access to the wind energy project.
- (15) Flush gloves, paper towels, or potentially hazardous waste down toilets.

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. As between Landlord and Tenant, Landlord shall be responsible for compliance with all applicable Federal, State, municipal or other laws, ordinances, rules and regulations, including, without limitation, the Americans with Disabilities Act of 1990 (*Public Law 101-336*), applicable Texas law regarding the elimination of architectural barriers, and related administrative rules and regulations, with respect to maintaining the Premises.

(3) Landlord has provided the Premises on an "as is" basis for the use of the Premises as a lab and office space facility for Tenant, and in this regard, Tenant accepts the Premises in their present as is condition. Landlord shall only be responsible for repairs to the roof and the structural soundness of the walls, excluding doors and windows, if any, the foundation of the Premises, and all systems outside such walls, ordinary wear and tear excepted, and except for any damage caused by the Tenant or any of Tenant's agents, contractors, employees, invitees, licensees, or visitors. There is working plumbing, heating, venting, cooling, electrical, security and other mechanical systems in the Premises, in operable condition, and therefore Landlord shall not assume responsibility to maintain the same. Upon receipt of written notice of defect or needed repairs of items required to be maintained by Landlord under this Paragraph, Landlord shall commence repair within ten (10) business days after such notice and pursue such repairs with due diligence to completion. If any such condition for which Landlord is responsible prevents Tenant from making normal use of the Premises, then Tenant shall be relieved from any of its obligations under the Lease (including the obligation to pay Rent) from the date such condition commenced until normal use of the Premises is restored, and if such condition continues for more than thirty (30) consecutive days, then Tenant may terminate this Lease by written notice to Landlord and Tenant shall have no further liability under this Lease.

(4) Except as prohibited by the Constitution and laws of the State of Texas, and to the fullest extent permitted, Landlord agrees to the following provision concerning its activities, use and occupancy of the Premises: HOLD TENANT 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 COMMON AREAS. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF LANDLORD'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 NOT APPLY IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF TENANT, OR ANY OF TENANT'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES, LICENSEES, OR VISITORS, AND SHALL ALSO NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF TENANT, OR ANY OF TENANT'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES, LICENSEES, OR VISITORS.

(b) Landlord agrees not to—

- (1) Interfere with Tenant's possession of the Premises as long as Tenant is not in default.
- (2) Unreasonably withhold consent to a proposed assignment or sublease.

7. COMMON AREAS

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

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

8. UTILITIES AND TRASH REMOVAL

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

(b) Trash Removal. Tenant shall be responsible for installation of a trash dumpster at a location on the outside of the Premises and compliance with applicable Landlord rules and regulations. Tenant shall pay for collection of its own trash.

9. DAMAGE BY CASUALTY

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

(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 during the Term, 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 to all parking areas surrounding the Premises and all sidewalks,

roadways, driveways and accessways 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 events beyond Landlord's control, then, Tenant will have the right to terminate this Lease by giving Landlord notice and upon the giving of such notice, this Lease will terminate and the parties will be liable for their respective obligations to the date of termination and will have no liability for obligations arising after that date, except for those obligations which expressly survive termination.

10. HAZARDOUS MATERIALS

(a) Landlord's Obligations. Landlord represents and warrants that on the Delivery Date the Premises and the Project shall be in compliance with all Environmental Laws (as defined below). During the Term, Landlord will not use, generate, place, store, release or otherwise dispose of, or permit the use, generation, placing, storage, release or disposal of, Hazardous Materials in the Project, except in accordance with all Environmental Laws. To the extent permitted by Texas law, Landlord will indemnify, release, defend and hold Tenant harmless from and against, and reimburse Tenant for, all Hazardous Materials Liabilities asserted against or incurred by Tenant as a result of a breach of Landlord's representations, warranties, and obligations under this paragraph.

(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. Tenant shall be responsible for and ensure that its agents, contractors, employees, invitees, licensees, or visitors, do not use, generate, place, store, release or otherwise dispose of Hazardous Materials in the Premises or the Common Areas. 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 including but not limited to forklift propane, motor oil, anti-freeze, trans-fluid, brake fluid, hydraulic-fluid, air tool oil, WD-40, chain lubricants, bearing grease, oxygen/acetylene, spray paints, mineral spirits, water base paint, gasoline-welder-generator and stencil ink. In the event of a breach of the foregoing, Tenant will promptly undertake remediation or removal in accordance with all Environmental Laws. To the fullest extent permitted by Texas law, Tenant will indemnify, release, defend and hold Landlord harmless from and against, and reimburse Landlord for, all Hazardous Materials Liabilities asserted against or incurred by Landlord 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 13(a) or (b), including, without limitation, all consultants' fees, and all costs of investigation, repair, remediation, restoration, cleanup, detoxification or decontamination, and/or preparation and implementation of any closure, remedial action or other required plan.

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

11. INSURANCE

Landlord shall not be obligated to insure any furnishings, equipment, trade fixtures, or other personal property, which Tenant may place or cause to be placed upon the Premises.

Landlord and Tenant waive any requirement of contents insurance, or property casualty coverage on the building. Landlord will maintain a policy or policies of comprehensive general liability insurance Landlord against loss of life, bodily injury and/or property damage with respect to Common Areas, operation of the Premises, parking lots and other improvements associated with the land upon which the Premises are located, and any other losses caused by or related to the duties and obligations of Landlord under this Lease.

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

12. ADDITIONAL LANDLORD AND TENANT AGREEMENTS

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

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

c. Condemnation/Substantial or Partial Taking

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

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

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

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

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

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

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

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

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

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

(5) failing to pay timely Rent;

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

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

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

h. Default by Tenant/Landlord's Remedies. Landlord's remedies for Tenant's default are to (1) enter and take possession of the Premises; (2) enter the Premises and perform Tenant's obligations; (3) apply the Security Deposit and Early Termination Fee to pay arrears of Rent, to repair any damage or injury, or to pay any expense or liability incurred by Landlord as a result of the default; and (4) terminate this Lease by written notice and seek damages via the dispute resolution process provided for herein.

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

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

LANDLORD:

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

TENANT:

Contracting Procurement Services
Texas Tech University
Texas Tech Plaza
1901 University Avenue
Suite 408
Lubbock, Texas 79411
Phone: (806) 742-3844
Email: contracting@ttu.edu

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

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

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

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

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

n. Entire Agreement. This Lease, together with the attached exhibits 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.

o. Assignment and Subletting by Tenant. Tenant shall 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 (defined below) 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: (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.

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

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

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

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

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

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

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

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

x. Trafficking of Persons. Under §2155.0061, Texas Government Code, Landlord certifies that the individual or business entity named in this Lease is not ineligible to receive the specified Lease and acknowledges that this Lease may be terminated and payment withheld if this certification is inaccurate.

y. Texas Health and Safety Code. Landlord affirmatively states that it will comply with the requirements of Texas Health and Safety Code, § 161.0085(c).

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

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

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

14. SECURITY CONDITIONS

Landlord and Tenant acknowledge and agree that the Project is located on property formerly owned and operated by the United States Air Force as the Reese Air Force Base, and that certain portions of the Project have been previously utilized by local, state and federal governmental entities (hereinafter, "the Government") in times of state or national emergencies to provide temporary evacuation shelters and other such uses. 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 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, 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. Tenant further agrees that, if Tenant elects to install a security alarm system in the Premises, such alarm system will be compatible with the alarm system utilized by Landlord, if any.

15. CONTRACT CLAIMS RESOLUTION.

To the extent required by law, Landlord shall use the Tenant's dispute resolution process to attempt to resolve any claim for breach of contract arising under this Lease that is not resolved in

the ordinary course of business. To initiate the process, Landlord shall provide a written notice of a claim and begin negotiating with the University, as conditions precedent to the contested case process. Governed by rules adopted by the Texas Attorney General's Office, the contested case process is Landlord's sole and exclusive method to seek a remedy for breach, unless, after considering the Administrative Law Judge's report, the Legislature gives consent for Landlord to sue under Chapter 107 of the Civil Practices and Remedies Code.

If it is determined that Texas Government Code Chapter 2260 does not apply, and there is a dispute between Lessor and Lessee regarding this Lease and the performance hereunder, the parties will, within 10 days following mailing of written notice of a dispute, engage in face-to-face negotiations in an attempt to resolve the dispute and shall, upon failing to negotiate a resolution, choose a mutually agreeable third party neutral, who shall mediate the dispute between the parties. The mediator shall be a person qualified under the Texas Alternative Dispute Resolution Procedures Act and shall be appointed by a state district judge or the American Arbitration Association if the parties are unable to agree upon a qualified person. Mediation shall be non-binding and shall be confidential. The parties shall refrain from court proceedings during the mediation process insofar as they can do so without prejudicing their legal rights. The parties shall participate in good faith in accordance with the recommendations of the mediator and shall follow the procedures for mediation as suggested by the mediator. All expenses of mediation except expenses of the individual parties, shall be shared equally by the parties. Each party shall be represented in the mediation by a person with authority to settle the dispute. If the parties are unable to resolve the dispute in mediation, then the default remedy provisions of this Lease apply. In no case shall the provisions of this Paragraph delay any other time periods set forth in this Lease except by the written agreement of the parties.

THE UNIVERSITY AND LRRRA DO NOT WAIVE SOVEREIGN IMMUNITY BY ITS EXECUTION OF OR BY ANY CONDUCT OF THEIR REPRESENTATIVES UNDER THIS LEASE, AND THE DISPUTE RESOLUTION PROCESS DOES NOT AFFECT THE UNIVERSITY'S OR LRRRA'S RIGHT TO ASSERT ALL CLAIMS AND DEFENSES IN A LAWSUIT.

/-----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")

TEXAS TECH UNIVERSITY
("Tenant")

By: Murvat Musa, Chief Executive Officer

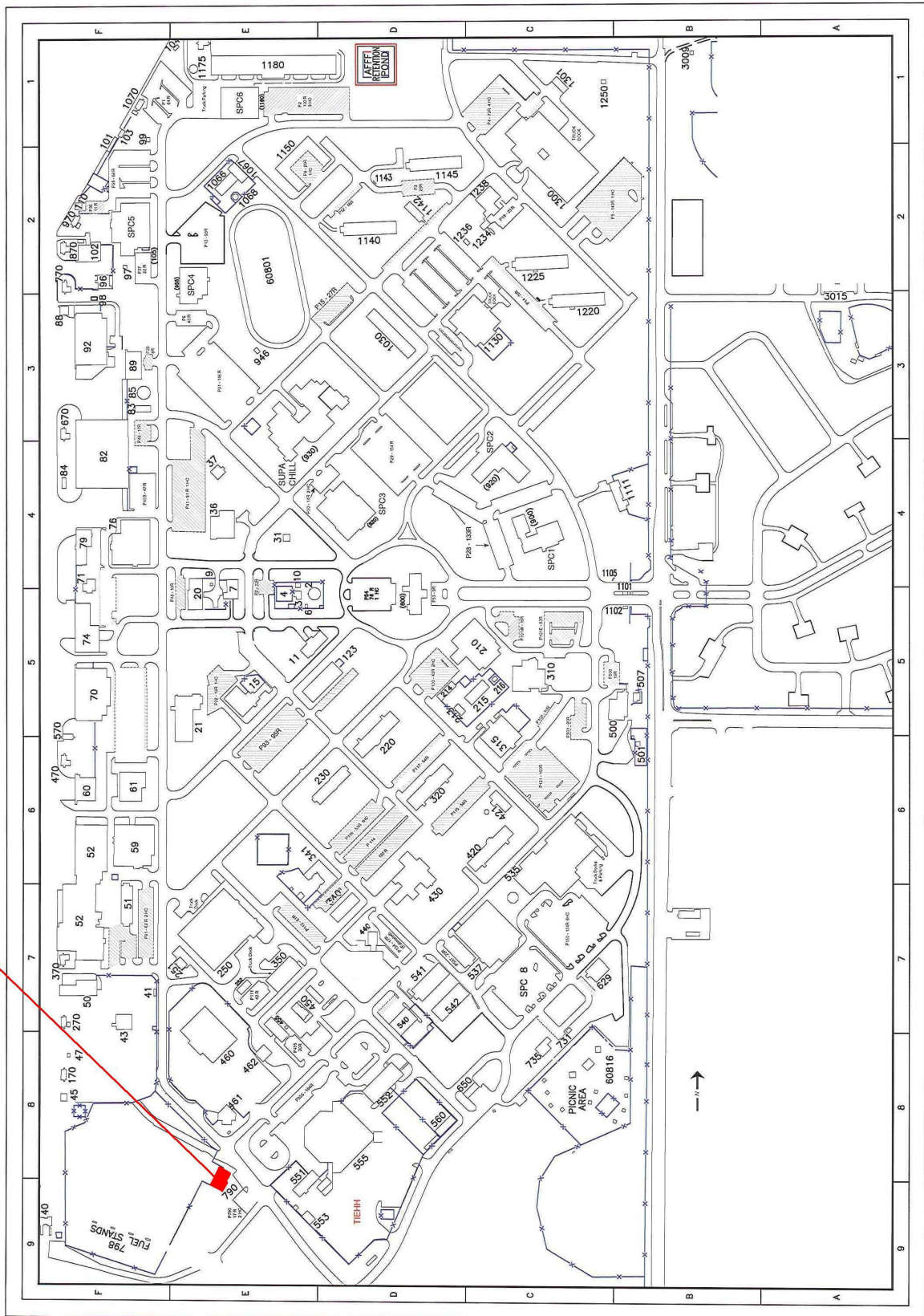
By: _____

Date

Date

EXHIBIT A

Reese Technology Center
Texas Tech Water Lab
Building #790



BOARD ACTION ITEM No. 2025-0619-016
LEASE AGREEMENT TEXAS TECH UNIVERSITY, BUILDING 790
THE INSTITUTE OF ENVIRONMENTAL AND HUMAN HEALTH (TIEHH)

BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
June 19, 2025

Item to be Considered:

Texas Tech University, The Institute of Environmental and Human Health (TIEHH), Building 790 Lease.

Previous Board Action:

The LRRRA Board of Directors has approved prior leases with Texas Tech University for Building 790 since 2004.

Statement of Pertinent Facts:

- a. TTU has leased the facility since 2004 for use as a lab and office
- b. This is a four-year lease with no renewal options
- c. Rent starts at \$8.50 per square foot with \$0.25 increase each year

Advice, Opinions, Recommendations and Motion:

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

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby authorizes its CEO/Executive Director to execute the Lease for Texas Tech University for Building 790, subject to negotiations of final terms and conditions, on the 19th day of June 2025.”

Approved by: _____
Tim Pierce - President

ATTEST: _____
LRRRA Board Member

ITEM 8

Fiscal Year 2026 Budgets

AGENDA ITEM 8

EXECUTIVE SUMMARY

FY2026 DATA CENTER/FIBER OPTICS BUDGET

We are pleased to present you with the following preliminary Data Center/Fiber Optics budget for Fiscal Year 2026. A summary of FY2025 and five years comparison are below.

Current Year – FY 2025

- We project total income at FYE to be approximately \$231,862, 1% less than the budgeted amount of \$235,000.
- On the expense side, we expect total expenses of \$120,734, an approximate 23% decrease compared to the budgeted amount of \$156,300.
- We project to end FY 2025 with net income before depreciation of approximately \$111,128, versus the budgeted amount of \$78,700 resulting in a 41% increase compared to what was projected.

Proposed Budget – FY 2026

- Our proposed FY 2026 budget calls for stable customers in the data center with income of \$232,000.
- FY 2026 projected expenses, \$149,700, are about 24% greater than the FY 2025 projected year end amount of \$120,734.

DATA CENTER/FIBER OPTICS FUND - COMPARISON

	FY 2022 - Audited	FY 2023 - Audited	FY 2024 - Audited	FY 2025 - Projected	FY 2026 - Proposed
TOTAL INCOME	\$ 265,147	\$ 263,336	\$ 264,595	\$ 231,862	\$ 232,000
TOTAL EXPENSES	\$ 168,516	\$ 172,903	\$ 140,289	\$ 120,734	\$ 149,700
NET INCOME	\$ 96,631	\$ 90,433	\$ 124,306	\$ 111,128	\$ 82,300

Amounts do not include depreciation & capital expenses

DATA CENTER/FIBER OPTICS BUDGET - FY2026 PROPOSED

	A	B	C	D	E		F	G	H	I	J	K	L
1				DESCRIPTION	FYE 2025 YTD	ACTUAL MAY 31, 2025	FYE 2025 APPROVED BUDGET	FYE 2025 PROJECTED YEAR END	FYE 2025 % Change Approved Budget to Projected Year End	FYE 2026 PROPOSED BUDGET	% Change FYE25 Projected YE to FYE26 Proposed	% Change FYE25 Approved Budget to FYE26 Proposed	NOTES
2	INCOME								Column F to G		Column G to I	Column F to I	
3		4260	0	Usage Fees	\$	13,024.25	\$ 25,000.00	\$ 19,536.38	-21.85%	\$ 22,000.00	12.61%	-12.00%	Metered usage charged to customers-United, TTU, & SitePro
5		4800	0	Fiber Optic Income	\$	141,550.16	\$ 210,000.00	\$ 212,325.24	1.11%	\$ 210,000.00	-1.10%	0.00%	Co-location leases, fiber & conduit fees. Include United
6	INCOME TOTAL				\$	154,574.41	\$ 235,000.00	\$ 231,861.62	-1.34%	\$ 232,000.00	0.06%	-1.28%	
7													
8	UTILITIES	5220	502	Internet Charges	\$	13,777.28	\$ 22,000.00	\$ 20,665.92	-6.06%	\$ 22,000.00	6.46%	0.00%	UPN \$1550/mo 80% billed to DC. Optimum \$490 100% to DC
9		5380	423	Electric	\$	28,357.11	\$ 60,000.00	\$ 42,535.67	-29.11%	\$ 50,000.00	17.55%	-16.67%	SPEC bill for data center, avg monthly \$4,200. Cost of electricity is expected to inc
10		5380	439	Gas	\$	1,742.72	\$ 2,300.00	\$ 2,614.08	13.66%	\$ 2,700.00	3.29%	17.39%	Atmos bill for data center, avg monthly \$190
11	UTILITIES TOTAL				\$	43,877.11	\$ 84,300.00	\$ 65,815.67	-21.93%	\$ 74,700.00	13.50%	-11.39%	
12													
13	ADMINISTRATION	5310	428	Janitorial Cleaning	\$	360.00	\$ 1,000.00	\$ 540.00	-46.00%	\$ 1,000.00	85.19%	0.00%	Cruz \$40 per month. Recently changed vendors and expect a price increase
14		5350	114	Insurance	\$	10,179.28	\$ 16,000.00	\$ 15,268.92	-4.57%	\$ 19,000.00	24.44%	18.75%	TML. Re-rates received 5/28
16	ADMIN TOTAL				\$	10,539.28	\$ 17,000.00	\$ 15,808.92	-7.01%	\$ 20,000.00	26.51%	17.65%	
17													
18	OPERATIONS	5560	0	Building Maintenance	\$	5,223.00	\$ 15,000.00	\$ 7,834.50	-47.77%	\$ 15,000.00	91.46%	0.00%	Expenses for all things related to B36. annual room alert (CPL) monitoring
19		5800	0	Equipment Maintenance	\$	1,250.00	\$ 10,000.00	\$ 1,875.00	-81.25%	\$ 10,000.00	433.33%	0.00%	Maint contracts. Anthony Mechanical \$7500
20		5800	414	IT Support/NOC Maint	\$	19,600.00	\$ 30,000.00	\$ 29,400.00	-2.00%	\$ 30,000.00	2.04%	0.00%	Switch \$1,950/mo & \$500/mo for United, ARIN
21	OPERATIONS TOTAL				\$	26,073.00	\$ 55,000.00	\$ 39,109.50	-28.89%	\$ 55,000.00	40.63%	0.00%	
22													
23	EXPENSE TOTAL				\$	80,489.39	\$ 156,300.00	\$ 120,734.09	-22.75%	\$ 149,700.00	23.99%	-4.22%	
24													
25	NET INCOME BEFORE DEPRECIATION				\$	74,085.02	\$ 78,700.00	\$ 111,127.53	41.20%	\$ 82,300.00	-25.94%	4.57%	
26	DEPRECIATION	5305	0	Depreciation	\$	26,267.68	\$ 46,000.00	\$ 39,401.52	-14.34%	\$ 46,000.00	16.75%	100.00%	
27	NET INCOME				\$	47,817.34	\$ 32,700.00	\$ 71,726.01	119.35%	\$ 36,300.00	-49.39%	11.01%	
28													
29													
30	FY 2025 APPROVED CAPITAL PROJECTS												
31	Equipment Replacement - Routers and Switches & Associated Softw				\$	28,673.53	\$ 35,000.00	\$ 28,673.53	-18.08%				

AGENDA ITEM 8

EXECUTIVE SUMMARY

FY2026 OPERATING BUDGET

We are pleased to present you with the following preliminary Operating Budget for Fiscal Year 2026. A summary of FY2025 and five years comparison are below.

Current Year – FY 2025

- We project total income at FYE to be \$3,803,994, which is about 9% greater than what was budgeted. Accounting for this increase is greater than expected usage fees and interest income.
- On the expense side, we expect total expenses of \$2,587,290, which is about 4.5% less than what was budgeted. Accounting for this is a decrease in payroll and utility costs.
- We project to end FY 2025 with net income before depreciation of \$1,216,704 versus the budgeted amount of \$766,650; a 59% increase.

Proposed Budget – FY 2026

- Our proposed FY 2026 budget calls for total income of \$3,532,600.
- Total expenses for FY2026 are projected to be \$3,362,375 which is significantly greater than the FY25 year-end amount because there is a large increase in payroll due to the addition of two staff positions, employee raises to be effective at fiscal year start, and an increase in the TCDRS. Also, there is a large increase in the cost of legal services as well as a 20% increase in insurance.
 - Staff proposes to change the TCDRS retirement plan from a 5% contribution 1:1 match to a 7% contribution 2:1 match which better aligns us with TTUs plan and other political subdivisions in the region and statewide. We are very far behind on the retirement plan.
 - The additional staff positions, a business development manager and an airfield coordinator, are needed to effectively implement the TTU/Reese project. Staff are working with TTU to shift the cost of the additional staff to TTU since if not for this new partnership, we would have no need for additional staff. What that means is we are asking TTU to fund the approximate \$500,000 difference. I will keep you informed of that progress.
- There is also an overarching plan to better align Reese internally with TTU which includes, for example, changing our fiscal year end to match theirs and other things. More on that as it evolves.

OPERATING FUND - COMPARISON

	FY 2022 - Audited	FY 2023 - Audited	FY 2024 - Audited	FY 2025 - Projected	FY 2026 - Proposed
TOTAL INCOME	\$ 3,535,019	\$ 3,858,249	\$ 3,480,908	\$ 3,803,994	\$ 3,532,600
TOTAL EXPENSES	\$ 2,971,355	\$ 2,298,020	\$ 2,350,774	\$ 2,587,290	\$ 3,362,375
NET INCOME	\$ 563,664	\$ 1,560,229	\$ 1,130,134	\$ 1,216,704	\$ 170,225

Amounts do not include depreciation & capital expenses.

The decrease in net income for FY2022 is due to expenses associated with the cleanup of the East 90 Business Park

The decrease in net income for FY2026 is due to increase in payroll burden

GENERAL OPERATING BUDGET - FY2026 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
1				DESCRIPTION	FYE 2025 ACTUAL YTD MAY 31, 2025	FYE 2025 APPROVED BUDGET	FYE 2025 PROJECTED YEAR END	FYE 2025 % Change Approved Budget to Projected Year End	FYE 2026 PROPOSED BUDGET	% Change FYE25 Projected YE to FYE26 Proposed	% Change FYE25 Approved Budget to FYE26 Proposed	Notes
2								Column F to G		Column G to I	Column F to I	
3	INCOME	4200	0	Lease	\$ 1,605,980.03	\$ 2,300,000.00	\$ 2,408,970.05	4.74%	\$ 2,300,000.00	-4.52%	0.00%	Leases currently in place. Assumes customers will exercise option
4		4250	0	CAM	\$ 519,854.96	\$ 764,000.00	\$ 779,782.44	2.07%	\$ 795,600.00	2.03%	4.14%	TTU, SPC, COL pay monthly. 2% increase
5		4260	0	Usage Fees	\$ 228,495.68	\$ 275,000.00	\$ 342,743.52	24.63%	\$ 300,000.00	-12.47%	9.09%	Mostly water usage
6		4300	0	Contract Work	\$ 12,979.17	\$ 8,000.00	\$ 15,979.17	99.74%	\$ 8,000.00	-49.93%	0.00%	KBR Event extras
7		4350	0	Insurance Proceeds	\$ 2,500.00	\$ -	\$ 2,500.00	100.00%	\$ -	-100.00%	0.00%	Not budgeted
8		4400	0	Interest Income	\$ 148,920.09	\$ 100,000.00	\$ 223,380.14	123.38%	\$ 100,000.00	-55.23%	0.00%	Averaging 4%. Projecting 2.5%
9		4600	0	Misc	\$ 3,364.80	\$ -	\$ 3,364.80	100.00%	\$ -	-100.00%	0.00%	Not budgeted
10		4650	423	Utility Franchise Fee - Electric	\$ 12,084.45	\$ 20,000.00	\$ 18,126.68	-9.37%	\$ 20,000.00	10.33%	0.00%	SPEC franchise fees, pays monthly based on customer usage
11		4650	439	Utility Franchise Fee - Gas	\$ 9,147.13	\$ 9,000.00	\$ 9,147.13	1.63%	\$ 9,000.00	-1.61%	0.00%	Atmos franchise fees pays once per year
12	INCOME TOTAL				\$ 2,543,326.31	\$ 3,476,000.00	\$ 3,803,993.92	9.44%	\$ 3,532,600.00	-7.13%	1.63%	
13												
14	PAYROLL	5100	0	Salaries	\$ 523,431.73	\$ 750,000.00	\$ 735,431.73	-1.94%	\$ 1,177,600.00	60.12%	57.01%	Includes pay raises and 2 new positions
15		5110	0	Payroll Taxes	\$ 26,797.38	\$ 58,000.00	\$ 40,196.07	-30.70%	\$ 89,500.00	122.66%	54.31%	Based on number above
16		5120	116	Insurance - Health	\$ 51,047.67	\$ 105,000.00	\$ 76,571.51	-27.07%	\$ 117,000.00	52.80%	11.43%	Estimated rate increase of 8%
17		5120	117	Insurance - Dental/Vision	\$ 2,938.30	\$ 5,700.00	\$ 4,407.45	-22.68%	\$ 6,700.00	52.02%	17.54%	Principal
18		5120	118	Insurance - Life/AD&D	\$ 238.12	\$ 400.00	\$ 357.18	-10.71%	\$ 600.00	67.98%	50.00%	Principal
19		5120	119	Insurance - LTD	\$ 5,115.30	\$ 9,500.00	\$ 7,672.95	-19.23%	\$ 13,000.00	69.43%	36.84%	Principal. Increase based on age and pay
20		5120	120	Insurance - Dread Disease	\$ 2,176.40	\$ 3,900.00	\$ 3,264.60	-16.29%	\$ 5,000.00	53.16%	28.21%	Manhattan
21		5140	121	Insurance - Workers Comp	\$ 6,630.72	\$ 11,000.00	\$ 9,946.08	-9.58%	\$ 12,000.00	20.65%	9.09%	TML rerate is -5% but budget amount is higher due to new staff positions
22		5150	131	Retirement - TCDRS	\$ 12,696.80	\$ 18,000.00	\$ 19,045.20	5.81%	\$ 88,000.00	362.06%	388.89%	Includes change of program from 5% 1:1 to 7% 2:1
23		5700	211	Payroll Service	\$ 810.00	\$ 1,200.00	\$ 1,215.00	1.25%	\$ 1,200.00	-1.23%	0.00%	Snelling fees for processing payroll
24	PAYROLL TOTAL				\$ 631,882.42	\$ 962,700.00	\$ 898,107.77	-6.71%	\$ 1,510,600.00	68.20%	56.91%	

GENERAL OPERATING BUDGET - FY2026 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
				DESCRIPTION	FYE 2025 ACTUAL YTD MAY 31, 2025	FYE 2025 APPROVED BUDGET	FYE 2025 PROJECTED YEAR END	FYE 2025 % Change Approved Budget to Projected Year End	FYE 2026 PROPOSED BUDGET	% Change FYE25 Projected YE to FYE26 Proposed	% Change FYE25 Approved Budget to FYE26 Proposed	Notes
1												
2								Column F to G		Column G to I	Column F to I	
25	ADMINISTRATION											
26		2651	111	Prin Exp Xerox Lease Copier Payment	\$ 2,384.64	\$ 3,500.00	\$ 3,576.96	2.20%	\$ 4,000.00	11.83%	14.29%	Principle portion of Xerox lease payment, new lease in March 2024
27		5200	101	General Office Supplies	\$ 7,087.80	\$ 16,000.00	\$ 10,631.70	-33.55%	\$ 15,000.00	41.09%	-6.25%	General office supplies. Includes Xerox usage expenses
28		5200	103	Office Equip/Software	\$ 13,610.64	\$ 20,000.00	\$ 20,415.96	2.08%	\$ 20,000.00	-2.04%	0.00%	software/hardware. \$13K is software
29		5210	101	Board Expenses	\$ 1,243.20	\$ 3,000.00	\$ 1,864.80	-37.84%	\$ 3,000.00	60.88%	0.00%	Board breakfast
30		5250	111	Interest Exp Xerox Copier Lease	\$ 650.80	\$ 950.00	\$ 976.20	2.76%	\$ 750.00	-23.17%	-21.05%	Interest portion of lease payment
31		5310	107	Janitorial/Building Maint	\$ 20,335.00	\$ 30,000.00	\$ 30,502.50	1.68%	\$ 30,000.00	-1.65%	0.00%	\$2160/month. Added KBR \$160 and Sandia Bathroom \$130
32		5320	106	Telephone Admin Cell	\$ 1,638.68	\$ 2,400.00	\$ 2,458.02	2.42%	\$ 3,000.00	22.05%	25.00%	Cell phone reimbursements for 5 emp at \$50 per month
33		5340	127	Postage	\$ 1,354.91	\$ 2,500.00	\$ 2,032.37	-18.71%	\$ 2,500.00	23.01%	0.00%	Postage and cost of machine and equipment
34		5350	114	Insurance - Liability & Property	\$ 193,406.56	\$ 300,000.00	\$ 290,109.84	-3.30%	\$ 355,000.00	22.37%	18.33%	TML rerates received 5/28
35		5360	208	License and Fee	\$ 458.00	\$ 1,500.00	\$ 687.00	-54.20%	\$ 1,500.00	118.34%	0.00%	TCEQ , boiler, and elevator licenses/fees
36		5363	124	Staff Meetings	\$ 3,130.03	\$ 5,000.00	\$ 4,695.05	-6.10%	\$ 5,000.00	6.50%	0.00%	Staff lunch meetings/training & employee Christmas Party
37		5363	305	Meetings & Memberships	\$ 3,524.72	\$ 4,000.00	\$ 5,287.08	32.18%	\$ -	-100.00%	-100.00%	moved to 5430 305
40		5400	125	Recruitment - Customer and New Emp	\$ 264.00	\$ 1,000.00	\$ 264.00	-73.60%	\$ 1,000.00	278.79%	0.00%	D&B used for vetting customers
41		5400	303	Advertising & Printing	\$ 308.00	\$ 2,000.00	\$ 462.00	-76.90%	\$ 2,000.00	100.00%	0.00%	Stationary - letterhead, envelopes, checks
42		5410	132	Awards & Recognition	\$ 322.00	\$ 500.00	\$ 483.00	-3.40%	\$ 500.00	3.52%	0.00%	Employee service awards and berevement expenses
43		5540	134	Prof Services - Document Shredding	\$ 1,010.08	\$ 1,400.00	\$ 1,515.12	8.22%	\$ 1,500.00	-1.00%	7.14%	VRC storage and shredding
44		5540	401	Prof Services - Campus	\$ 371.90	\$ 2,000.00	\$ 557.85	-72.11%	\$ 2,000.00	258.52%	0.00%	Other Staff training and other misc. services. CC fees/CC revenues to offset
45		5545	112	Serv Contract - Network Maintenance	\$ 13,487.46	\$ 20,000.00	\$ 20,231.19	1.16%	\$ 22,000.00	8.74%	10.00%	Switch IT support. Maint contract is \$1600 per month
46		5610	110	ED Travel/Meetings	\$ 6,706.61	\$ 10,000.00	\$ 10,059.92	0.60%	\$ 30,000.00	198.21%	200.00%	ED training/travel. Consolidated with 5430 302
47		5620	404	Campus Training	\$ 5,684.00	\$ 7,000.00	\$ 5,684.00	-18.80%	\$ -	-100.00%	-100.00%	Moved to 5900 410 for ops training
48		5700	203	Audit Fee	\$ 28,200.00	\$ 43,000.00	\$ 43,000.00	0.00%	\$ 55,125.00	28.20%	28.20%	Audit = \$38,500, CenterLease = \$5,625, Single audit = \$11,000
49		5710	113	Legal Fees	\$ 76,449.34	\$ 75,000.00	\$ 114,674.01	52.90%	\$ 150,000.00	30.81%	100.00%	Increase due to TTU project
50	ADMIN TOTAL				\$ 381,628.37	\$ 550,750.00	\$ 570,168.56	3.53%	\$ 703,875.00	23.45%	27.80%	

GENERAL OPERATING BUDGET - FY2026 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
1				DESCRIPTION	FYE 2025 ACTUAL YTD MAY 31, 2025	FYE 2025 APPROVED BUDGET	FYE 2025 PROJECTED YEAR END	FYE 2025 % Change Approved Budget to Projected Year End	FYE 2026 PROPOSED BUDGET	% Change FYE25 Projected YE to FYE26 Proposed	% Change FYE25 Approved Budget to FYE26 Proposed	Notes
2								Column F to G		Column G to I	Column F to I	
51												
52	UTILITIES	5380	122	Telephone Land Line	\$ 5,378.25	\$ 8,000.00	\$ 8,067.38	0.84%	\$ 8,000.00	-0.84%	0.00%	Sangoma \$270/mo and Vexus (soon to be Tmobile) \$380/mo
53		5380	405	Water/Wastewater	\$ 133,413.79	\$ 275,000.00	\$ 233,413.79	-15.12%	\$ 250,000.00	7.11%	-9.09%	Water multiplier 1.50 and WW of 1.27
54		5380	423	Electricity	\$ 67,685.57	\$ 150,000.00	\$ 101,528.36	-32.31%	\$ 125,000.00	23.12%	-16.67%	SPEC bill
55		5380	439	Gas	\$ 16,056.35	\$ 25,000.00	\$ 24,084.53	-3.66%	\$ 25,000.00	3.80%	0.00%	Atmos bill
56		5380	502	Internet	\$ 3,314.88	\$ 6,000.00	\$ 4,972.32	-17.13%	\$ 6,000.00	20.67%	0.00%	Vexus for KBR = \$100/mo and UPN billed 20% = \$325/mo
57	UTILITIES TOTAL				\$ 225,848.84	\$ 464,000.00	\$ 372,066.37	-19.81%	\$ 414,000.00	11.27%	-10.78%	
58												
59	MARKETING	5430	102	Office Enhancements	\$ 189.97	\$ 1,000.00	\$ 284.96	-71.50%	\$ 1,000.00	250.93%	0.00%	Office enhancements
60		5430	133	Sponsorships	\$ 14,405.00	\$ 18,000.00	\$ 21,607.50	20.04%	\$ 20,000.00	-7.44%	11.11%	Chamber, LEDA, LBB Apt Assn, FISD, SPC Events, United Way
61		5430	301	Marketing General	\$ 774.72	\$ 4,000.00	\$ 1,162.08	-70.95%	\$ 4,000.00	244.21%	0.00%	Other marketing . Annual customer cookout
62		5430	302	ED Expenses & Customer Gifts	\$ 13,383.17	\$ 20,000.00	\$ 20,074.76	0.37%	\$ -	-100.00%	-100.00%	Moved \$ to 5610 110
63		5430	303	Advertisement & Printing	\$ -	\$ 2,000.00	\$ -	-100.00%	\$ 2,000.00	100.00%	0.00%	Other marketing ads
64		5430	304	Ads in Publications	\$ -	\$ 1,000.00	\$ -	-100.00%	\$ 1,000.00	100.00%	0.00%	Magazine ads
65		5430	305	Meetings & Memberships	\$ 687.00	\$ 3,000.00	\$ 1,030.50	-65.65%	\$ 7,000.00	579.28%	133.33%	Marketing Memberships. Moved \$ from 5363 305 to here
66		5430	307	Meals and Entertainment	\$ 635.86	\$ 2,000.00	\$ 953.79	-52.31%	\$ 3,000.00	214.53%	50.00%	Marketing customer and potential customer lunches
67		5430	310	Travel	\$ 768.11	\$ 3,000.00	\$ 1,152.17	-61.59%	\$ 10,000.00	767.93%	233.33%	Conference travel
68		5430	311	Marketing Training	\$ -	\$ 2,000.00	\$ -	0.00%	\$ 3,000.00	100.00%	100.00%	Leadership Lubbock, other
69		5430	312	Technology	\$ 12,015.60	\$ 25,000.00	\$ 18,023.40	-27.91%	\$ 25,000.00	38.71%	0.00%	LoopNet \$6480/yr, Contract Cre8tive \$3800/yr, Adobe Suite \$2820/yr
71	MARKETING TOTAL				\$ 42,859.43	\$ 81,000.00	\$ 64,289.15	-20.63%	\$ 76,000.00	18.22%	-6.17%	
72												

GENERAL OPERATING BUDGET - FY2026 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
				DESCRIPTION	FYE 2025 ACTUAL YTD MAY 31, 2025	FYE 2025 APPROVED BUDGET	FYE 2025 PROJECTED YEAR END	FYE 2025 % Change Approved Budget to Projected Year End	FYE 2026 PROPOSED BUDGET	% Change FYE25 Projected YE to FYE26 Proposed	% Change FYE25 Approved Budget to FYE26 Proposed	Notes
1												
2								Column F to G		Column G to I	Column F to I	
73	OPERATIONS	5900	401	Campus General	\$ 10,255.42	\$ 30,000.00	\$ 15,383.13	-48.72%	\$ 30,000.00	95.02%	0.00%	general campus expenses
74		5900	402	Shop Supplies	\$ 4,969.09	\$ 7,000.00	\$ 7,453.64	6.48%	\$ 7,000.00	-6.09%	0.00%	Supplies for shop
75		5900	403	Tools & Tool Repair	\$ 6,110.23	\$ 5,000.00	\$ 9,165.35	83.31%	\$ 5,000.00	-45.45%	0.00%	Tools and small repairs
76		5900	405	Water System	\$ 28,047.92	\$ 15,000.00	\$ 42,071.88	180.48%	\$ 20,000.00	-52.46%	33.33%	Repairs for water system breaks
77		5900	406	Ops Cell Phone	\$ 3,500.76	\$ 5,400.00	\$ 5,251.14	-2.76%	\$ 5,400.00	2.83%	0.00%	4 cell phone reimb = \$2400 per yr plus Verizon iPad at \$240/mo
78		5900	407	Work Clothes	\$ 1,316.97	\$ 2,000.00	\$ 1,316.97	-34.15%	\$ 2,000.00	51.86%	0.00%	Per policy, 11 shirts, 6 pants, 3 shorts, 1 jacket, 1 shoes
79		5900	410	Operations Training/Travel	\$ -	\$ -	\$ -	#DIV/0!	\$ 10,000.00			New account for Ops specific training moved \$ from 5620 404
80		5900	417	Animal/Pest control	\$ 1,330.00	\$ 1,000.00	\$ 1,995.00	99.50%	\$ 1,000.00	-49.87%	0.00%	Terminix and other bills associated with pest removal (L. Watson)
81		5900	419	Security/Safety	\$ 17,867.50	\$ 10,000.00	\$ 26,801.25	168.01%	\$ 20,000.00	-25.38%	100.00%	All security: S2, software, Corvus. keys and cores, all fire related
82		5900	420	Roof	\$ 2,375.60	\$ 5,000.00	\$ 3,563.40	-28.73%	\$ 5,000.00	40.32%	0.00%	Roof repairs
83		5900	421	HVAC	\$ 32,951.62	\$ 25,000.00	\$ 49,427.43	97.71%	\$ 25,000.00	-49.42%	0.00%	Anthony Mechanical annual maint fees \$9750
84		5900	422	Painting	\$ 127.67	\$ 15,000.00	\$ 191.51	-98.72%	\$ 15,000.00	100.00%	0.00%	No large paint projects planned
85		5900	423	Electric	\$ 45,168.07	\$ 55,000.00	\$ 52,168.07	-5.15%	\$ 50,000.00	-4.16%	-9.09%	LED replacements
86		5900	424	Fence Repair	\$ 2,400.76	\$ 5,000.00	\$ 3,601.14	-27.98%	\$ 5,000.00	38.84%	0.00%	Fence repairs - mostly collected from insurance
87		5900	425	Plumbing & Irrigation	\$ 10,408.07	\$ 20,000.00	\$ 15,612.11	-21.94%	\$ 20,000.00	28.11%	0.00%	Plumbing repairs
88		5900	428	Cleaning	\$ 7,072.83	\$ 3,000.00	\$ 10,609.25	253.64%	\$ 5,000.00	-52.87%	66.67%	Building cleaning to enable customer walk through. Cintas mat cleaning
90		5900	430	Ground Maintenance	\$ 231,309.21	\$ 315,000.00	\$ 346,963.82	10.15%	\$ 325,000.00	-6.33%	3.17%	L&N and Local Land Management
91		5900	434	Signage	\$ 105.00	\$ 3,000.00	\$ 157.50	-94.75%	\$ 3,000.00	1804.76%	0.00%	Signs as needed for new customers
92		5900	440	Door Repair	\$ 17,513.63	\$ 20,000.00	\$ 26,270.45	31.35%	\$ 20,000.00	-23.87%	0.00%	Repair of doors
93		5900	441	Environmental	\$ -	\$ 2,500.00	\$ -	-100.00%	\$ 2,500.00	100.00%	0.00%	Misc. environmental
94		5900	442	Safety Supplies	\$ 132.67	\$ 4,000.00	\$ 199.01	-95.02%	\$ 2,000.00	905.00%	-50.00%	Safety equipment; harnesses, etc..
95		5900	445	Architect & Engineering	\$ -	\$ 50,000.00	\$ -	-100.00%	\$ 25,000.00	#DIV/0!	-50.00%	Parkhill misc engineering fees
96		5900	446	Solid Waste	\$ 13,440.86	\$ 30,000.00	\$ 20,161.29	-32.80%	\$ 25,000.00	24.00%	-16.67%	solid waste removal
97		5900	448	KBR Event Expenses	\$ 8,200.08	\$ 5,000.00	\$ 12,300.12	146.00%	\$ 8,000.00	-34.96%	60.00%	Equipment rented for KBR events. Mostly vehicles.
98		5900	449	Vehicle Repair & Maint	\$ 13,586.36	\$ 5,000.00	\$ 20,379.54	307.59%	\$ 7,000.00	-65.65%	40.00%	Vehicle repairs
99		5900	450	Gas/Fuel	\$ 2,570.60	\$ 10,000.00	\$ 3,855.90	-61.44%	\$ 10,000.00	159.34%	0.00%	Fuel for vehicles and equipment
100		5900	451	Windows	\$ 5,172.60	\$ 3,000.00	\$ 7,758.90	158.63%	\$ 5,000.00	100.00%	66.67%	Broken window repairs
101	OPERATIONS TOTAL				\$ 465,933.52	\$ 650,900.00	\$ 682,657.76	4.88%	\$ 657,900.00	-3.63%	1.08%	
102												
103	EXPENSE TOTAL				\$ 1,748,152.58	\$ 2,709,350.00	\$ 2,587,289.59	-4.51%	\$ 3,362,375.00	29.96%	24.10%	
104	NET INCOME BEFORE DEPRECIATION				\$ 795,173.73	\$ 766,650.00	\$ 1,216,704.33	58.70%	\$ 170,225.00	-86.01%	-77.80%	
105	DEPRECIATION	5305		Depreciation	\$ 399,395.44	\$ 650,000.00	\$ 599,093.16	-7.83%	\$ 650,000.00	8.50%	0.00%	
106	NET INCOME				\$ 395,778.29	\$ 116,650.00	\$ 617,611.16	429.46%	\$ (479,775.00)	-177.68%	-511.29%	

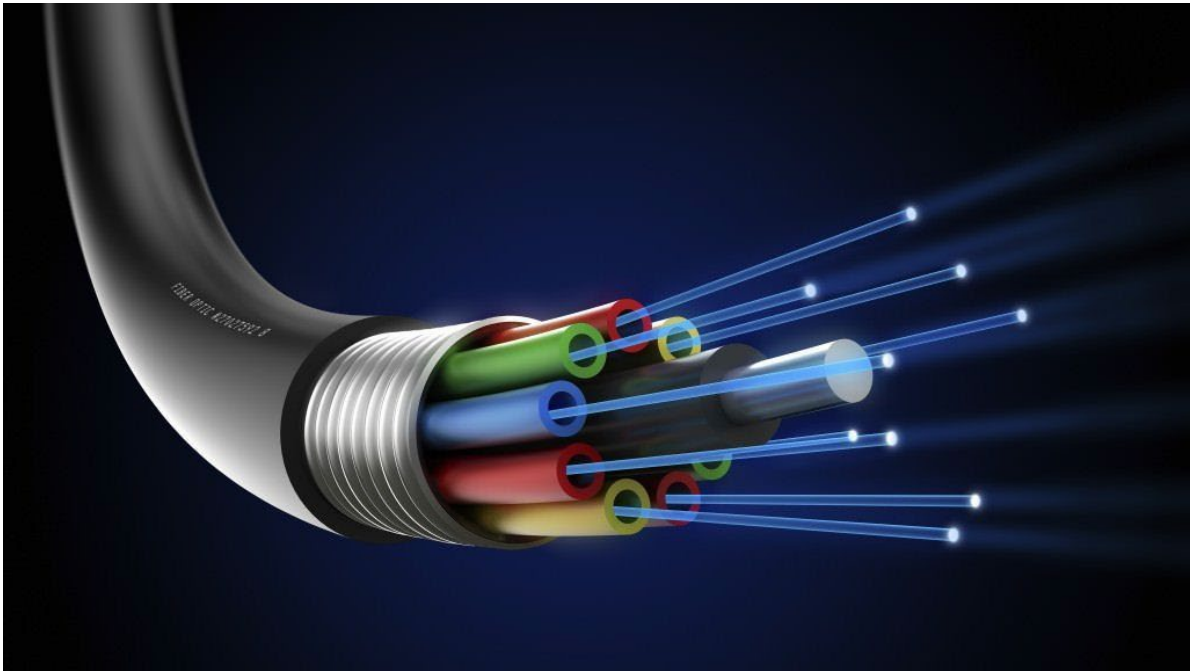
GENERAL OPERATING BUDGET - FY2026 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
				DESCRIPTION	FYE 2025 ACTUAL YTD MAY 31, 2025	FYE 2025 APPROVED BUDGET	FYE 2025 PROJECTED YEAR END	FYE 2025 % Change Approved Budget to Projected Year End	FYE 2026 PROPOSED BUDGET	% Change FYE25 Projected YE to FYE26 Proposed	% Change FYE25 Approved Budget to FYE26 Proposed	Notes
1												
2								Column F to G		Column G to I	Column F to I	
107												
108												
109	TOTAL APPROVED AND OUTSTANDING CAPITAL PROJECTS AS OF OCTOBER 2024											
110	B1238 Rehab. New roof, lighting - Carry over from FY2023 Budget POSTPONED UNTIL NEEDED					PROJECT HAS BEEN CANCELLED			\$ 60,000.00			
111	TOTAL								\$ 60,000.00			
112												
113	FY 2024 OUTSTANDING CAPITAL PROJECTS											
114	EDA GRANT MATCH- EAST 90 BUSINESS PARK					\$ 865,829.19	\$ 3,520,542.00	\$ 3,520,542.00	0.00%			
115	TOTAL					\$ 865,829.19	\$ 3,520,542.00	\$ 3,520,542.00				
116												
117												
118	FY 2025 PROPOSED CAPITAL PROJECTS											
119	6,500 Runway Rejuvenate in lieu of Annual Seal Coat					\$ 86,666.66	\$ 90,000.00	\$ 86,666.66	-3.70%			
120	Work Truck to replace totalled pick up truck					\$ 60,326.73	\$ 60,000.00	\$ 60,326.73	0.54%			
121	Automated Meter Reading (AMR) Meters					\$ 58,990.00	\$ 100,000.00	\$ 74,884.36	-25.12%			
122	Building 800, 2nd Floor, Floor ReplacePROJECT HAS BEEN CANCELLED					\$ -	\$ 27,000.00	\$ -	-100.00%			
123	TOTAL					\$ 205,983.39	\$ 277,000.00	\$ 221,877.75				
124												
125												
126	FY 2026 PROPOSED CAPITAL PROJECTS											
127	Fiber to Guard Shack, Gate 74, and Gate 1180								\$ 20,000.00			
128	B800 Elevator Replacement								\$ 100,000.00			
129	TOTAL								\$ 120,000.00			

AGENDA ITEM 8 EXECUTIVE SUMMARY FY2026 CAPITAL BUDGET

Fiber to Guard Shack, Gate 74 and Gate 1180

Fiber is needed at the guard shack and two gates on the property to ensure consistent communication of the equipment installed at those locations. At the guard shack are security cameras that often lose signals. Fiber will solve that problem. Additionally, fiber is needed at two gates for the same reason. The radio feeds that supply the current communications are often down. The estimated cost is \$20,000.



Elevator – Building 800

The elevator in Building 800 is in desperate need of replacement. We have repaired it numerous times, but it often goes down and most times with someone stuck inside. We are concerned about safety. The estimated cost is \$100,000.



ITEM 9

Financial Reports April 2025

CASH BALANCES - APRIL 30, 2025

	3/31/2025	4/30/2025	Change
General Fund Bank Accounts	\$ 5,271,638	\$ 5,362,128	\$ 90,490
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 113,108	\$ 94,094	\$ (19,014)
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ -	\$ -	\$ -
Total Cash	\$ 6,239,746	\$ 6,311,222	\$ 71,476
Accounts Receivable - G/F	\$ 388,574	\$ 215,168	\$ (173,406)
Accounts Receivable - F/O	\$ 10,453	\$ 11,922	\$ 1,469
Total Accounts Receivable	\$ 399,027	\$ 227,090	\$ (171,937)
Total Cash & Accounts Receivable	\$ 6,638,773	\$ 6,538,312	\$ (100,461)

Aged Accounts Receivable as of 04/30/2025

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
211,805.03	7,012.70	5,519.55	479.72	2,273.19	227,090.19

EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

2024 FORD SUPER DUTY F-350	47,346.41	CAPITALIZED
2024 TOYOTA RAV 4	33,127.99	CAPITALIZED

\$ 80,474.40

FINANCIAL HIGHLIGHTS - APRIL 30, 2025

DESCRIPTION	Month	G/F	Month	F/O	Month's Total	YTD	G/F	YTD	F/O	YTD	Total
Operating Revenue	\$ 272,852		\$ 17,694		\$ 290,546		\$ 1,888,715		\$ 123,856		\$ 2,012,571
Other Revenue - Usage Fees	\$ 25,738		\$ 1,585		\$ 27,323		\$ 198,717		\$ 11,556		\$ 210,273
Total Revenue	\$ 298,590		\$ 19,279		\$ 317,869		\$ 2,087,432		\$ 135,412		\$ 2,222,844
Expenses	\$ 209,527		\$ 10,943		\$ 220,470		\$ 1,494,528		\$ 69,725		\$ 1,564,253
Net Income BPSID	\$ 89,063		\$ 8,336		\$ 97,399		\$ 592,904		\$ 65,687		\$ 658,591
Interest Income - Plus	\$ 19,665		\$ -		\$ 19,665		\$ 130,116		\$ -		\$ 130,116
Depreciation - Less	\$ (49,924)		\$ (3,283)		\$ (53,207)		\$ (349,471)		\$ (22,984)		\$ (372,455)
Net Income	\$ 58,804		\$ 5,053		\$ 63,857		\$ 373,549		\$ 42,703		\$ 416,252

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Balance Sheet
As of 4/30/2025

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENTS	6,217,128	-	-	6,217,128
RESTRICTED CASH AND CASH EQUIVALENTS	-	94,094	-	94,094
ACCOUNTS RECEIVABLE	215,168	-	11,922	227,090
LEASES RECEIVABLE, CURRENT - GASB 87	1,624,951	-	86,032	1,710,983
INVESTMENT	-	-	-	-
DUE FROM FEDERAL GOVERNMENT	-	53,129	-	53,129
PREPAID EXPENSES	123,751	-	7,634	131,385
DUE FROM TRANSFERS	-	-	-	-
Total CURRENT ASSETS	8,180,997	147,223	105,589	8,433,809
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	29,918	139,396	28,674	197,988
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	367,701	-	-	367,701
GROUND MAINTENANCE EQUIPMENT	277,450	-	158,387	435,837
RIGHT TO USE LEASE ASSET - GASB 87	35,050	-	-	35,050
BASE CONVEYANCE	-	-	-	-
BASE HOUSING	-	-	-	-
OTHER	-	-	-	-
LESS ACCUMULATED DEPRECIATION	(7,117,976)	-	(2,190,438)	(9,308,414)
LESS ACCUMULATED DEPRECIATION - GASB 87	(15,500)	-	-	(15,500)
Total CAPITAL ASSETS	7,484,825	139,396	171,447	7,795,668
NET PENSION ASSET				
NET PENSION ASSETS, NET	156,524	-	-	156,524
Total NET PENSION ASSET	156,524	-	-	156,524
Total ASSETS	20,026,073	286,619	303,657	20,616,348
DEFERRED OUTFLOWS OF RESOURCES				
EMPLOYER CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATE	16,224	-	-	16,224
CHANGE IN ASSUMPTIONS	-	-	-	-
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	20,054,238	286,619	303,657	20,644,513

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Balance Sheet
As of 4/30/2025

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	38,979	6,331	490	45,800
ACCRUED EXPENSES	(73,680)	-	-	(73,680)
REFUNDABLE DEPOSITS	127,017	-	-	127,017
UNEARNED REVENUES	(101,191)	-	(16,694)	(117,885)
COMPENSATED ABSENCES	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	107,379	6,331	(16,204)	97,507
NON-CURRENT LIABILITIES				
LEASE LIABILITY, NET OF CURRENT PORTION	12,174	-	-	12,174
Total NON-CURRENT LIABILITIES	12,174	-	-	12,174
Total LIABILITIES	119,553	6,331	(16,204)	109,680
DEFERRED INFLOWS OF RESOURCES				
NET DIFF BETWEEN PROJECTED AND ACTUAL INVESTMENT EARNINGS	(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 ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	5,576,513	6,331	90,685	5,673,529
FUND EQUITY				
BEGINNING OF PERIOD	14,081,568	280,288	192,876	14,554,732
TRANSFERS IN (OUT)	22,608	-	(22,608)	-
YEAR TO DATE EARNINGS	373,549	-	42,703	416,252
Total FUND EQUITY	14,477,725	280,288	212,971	14,970,984
TOTAL LIABILITY, FUND BALANCE, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	20,054,238	286,619	303,657	20,644,513

LUBBOCK REESE REDEVELOPMENT AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 From 10/1/2024 Through 4/30/2025

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES	2,087,432	-	135,412	2,222,844
OPERATING EXPENSES	1,843,999	-	92,709	1,936,708
OPERATING INCOME(LOSS)	243,433	-	42,703	286,136
NONOPERATING INTEREST INCOME	130,116	-	-	130,116
TRANSFERS IN (OUT)	22,608	-	(22,608)	-
NET NONOPERATING REVENUES	152,724	-	(22,608)	130,116
INCREASE (DECREASE) IN FUND EQUITY	396,157	-	20,096	416,252
FUND EQUITY, BEGINNING	14,081,568	280,288	192,876	14,554,732
FUND EQUITY, ENDING	14,477,725	280,288	212,971	14,970,984

LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2024 Through 4/30/2025

(In Whole Numbers)

	General Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES			
LEASE INCOME	1,395,374	-	1,395,374
DATA CENTER / FIBER OPTIC INCOME	-	123,856	123,856
COMMON AREA MAINTENANCE/PBT CAM	454,873	-	454,873
USAGE FEES	198,717	11,556	210,273
CONTRACT WORK INCOME	12,979	-	12,979
UTILITY FRANCHISE FEES	19,624	-	19,624
Total OPERATING REVENUES	2,081,567	135,412	2,216,979
NON-OPERATING REVENUES			
INSURANCE PROCEEDS	2,500	-	2,500
INTEREST EXPENSE / BANK CHARGES	(570)	-	(570)
MISCELLANEOUS INCOME	3,365	-	3,365
INTEREST INCOME	130,116	-	130,116
Total NON-OPERATING REVENUES	135,410	-	135,410
TOTAL REVENUES	2,216,977	135,412	2,352,389

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2024 Through 4/30/2025

(In Whole Numbers)

	Data Center / Fiber Optic		
	General Fund	Fund	Total
OPERATING EXPENSES			
COMPENSATION AND BENEFITS:			
SALARIES AND BENEFITS	537,472	-	537,472
CONTRACT SERVICES	13,253	4,604	17,857
GENERAL AND LIABILITY INSURANCE	169,231	8,907	178,138
Total COMPENSATION AND BENEFITS:	719,956	13,511	733,467
BUILDING REPAIRS AND MAINTENANCE:			
REPAIRS AND MAINTENANCE	399,761	-	399,761
BUILDING MAINTENANCE MATERIALS	17,890	315	18,205
MARKETING AND PROMOTIONAL EXPENSES	37,659	-	37,659
TRAVEL EXPENSES	6,111	-	6,111
PRINTING AND ADVERTISING	418	-	418
DEPRECIATION EXPENSE	349,471	22,984	372,455
TELEPHONE	1,362	-	1,362
OFFICE SUPPLIES	19,531	-	19,531
TRAINING AND TUITION EXPENSES	5,684	-	5,684
UTILITIES	186,003	25,444	211,447
Total BUILDING REPAIRS AND MAINTENANCE:	1,023,889	48,743	1,072,632
PROFESSIONAL SERVICES			
ACCOUNTING AND AUDITING FEES	22,923	-	22,923
LEGAL FEES	67,873	-	67,873
Total PROFESSIONAL SERVICES	90,796	-	90,796
COMPUTER SOFTWARE AND MAINTENANCE			
COMPUTER SOFTWARE AND MAINTENANCE	-	18,400	18,400
Total COMPUTER SOFTWARE AND MAINTENANCE	-	18,400	18,400
OTHER OPERATING EXPENSES			
BOARD EXPENSES	986	-	986
BANK CHARGES	570	-	570
INTERNET CHARGES	-	12,055	12,055
POSTAGE	1,133	-	1,133
MEETING EXPENSES	6,210	-	6,210
LICENSES AND FEES	458	-	458
Total OTHER OPERATING EXPENSES	9,357	12,055	21,412
Total OPERATING EXPENSES	1,843,999	92,709	1,936,708

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LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 4/1/2025 Through 4/30/2025

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	203,844	191,667	12,178	1,395,374	1,341,667	53,707
PBT Cam Fees	64,982	63,667	1,315	454,873	445,667	9,206
Usage Fees	25,738	22,917	2,821	198,717	160,417	38,300
Contract Services	-	667	(667)	12,979	4,667	8,312
Utility Franchise Fees	1,526	1,667	(141)	19,624	20,667	(1,043)
Insurance Proceeds	2,500	-	2,500	2,500	-	2,500
Other-Miscellaneous	-	-	-	3,365	-	3,365
Total REVENUES	298,590	280,583	18,007	2,087,432	1,973,083	114,348
EXPENSES						
Salaries & Taxes	55,829	62,526	6,697	467,092	466,526	(566)
Benefits - Health, Retirement & Wkr's Comp	9,391	12,792	3,401	70,380	89,542	19,161
Insurance -Property & General Liabilities	24,176	25,000	824	169,231	175,000	5,769
Administrative Expenses	588	1,033	445	8,207	9,233	1,026
General Office Expenses	4,647	6,488	1,840	41,889	45,413	3,523
Accounting & Auditing Services	22,291	10,100	(12,191)	22,923	43,700	20,777
Legal Services	9,280	6,250	(3,030)	67,873	43,750	(24,123)
Network Maintenance Contract	1,546	1,667	121	12,036	11,667	(370)
Training & Travel	-	1,417	1,417	11,795	9,917	(1,878)
Marketing Expenses	1,932	6,750	4,818	37,337	47,250	9,913
Operations	54,279	54,242	(37)	399,761	379,692	(20,069)
Utilities	25,569	40,950	15,381	186,003	223,853	37,850
Total EXPENSES	209,527	229,213	19,686	1,494,528	1,545,541	51,014
NIBPSID	89,063	51,370	37,692	592,904	427,542	165,362
NON OPERATING REVENUE						
Interest Income	19,665	8,333	11,332	130,116	58,333	71,783
Total NON OPERATING REVENUE	19,665	8,333	11,332	130,116	58,333	71,783
DEPRECIATION						
Depreciation Expense	(49,924)	(54,167)	4,242	(349,471)	(379,167)	29,696
Total DEPRECIATION	(49,924)	(54,167)	4,242	(349,471)	(379,167)	29,696
Increase (Decrease) In Fund Equity	58,803	5,537	53,266	373,549	106,709	266,840

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 4/1/2025 Through 4/30/2025

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	1,585	2,083	(499)	11,556	14,583	(3,027)
Fiber Optic/Wireless Income	17,694	17,500	194	123,856	122,500	1,356
Total REVENUES	19,278	19,583	(305)	135,412	137,083	(1,671)
EXPENSES						
Insurance -Property & General Liabilities	1,272	1,333	61	8,907	9,333	426
General Office Expenses	45	83	38	315	583	268
Computer Software & Maintenance	2,450	3,333	883	18,400	23,333	4,933
Internet	1,722	1,833	111	12,055	12,833	778
Building Maintenance & Repairs	619	1,250	631	4,604	8,750	4,146
Utilities	4,834	5,192	357	25,444	36,342	10,898
Total EXPENSES	10,943	13,025	2,082	69,725	91,175	21,450
NIBPSID	8,335	6,558	1,777	65,687	45,908	19,779
DEPRECIATION						
Depreciation Expense	(3,283)	(3,833)	550	(22,984)	(26,833)	3,849
Total DEPRECIATION	(3,283)	(3,833)	550	(22,984)	(26,833)	3,849
Increase (Decrease) In Fund Equity	5,052	2,725	2,327	42,703	19,075	23,628

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	203,844	191,667	12,178	1,395,374	1,341,667	53,707
PBT Cam Fees	64,982	63,667	1,315	454,873	445,667	9,206
Usage Fees	27,322	25,000	2,322	210,273	175,000	35,273
Contract Services	-	667	(667)	12,979	4,667	8,312
Utility Franchise Fees	1,526	1,667	(141)	19,624	20,667	(1,043)
Insurance Proceeds	2,500	-	2,500	2,500	-	2,500
Other-Miscellaneous	-	-	-	3,365	-	3,365
Fiber Optic/Wireless Income	17,694	17,500	194	123,856	122,500	1,356
Total REVENUES	317,868	300,167	17,701	2,222,844	2,110,167	112,677
EXPENSES						
Salaries & Taxes	55,829	62,526	6,697	467,092	466,526	(566)
Benefits - Health, Retirement & Wkr's Comp	9,391	12,792	3,401	70,380	89,542	19,161
Insurance -Property & General Liabilities	25,448	26,333	885	178,138	184,333	6,196
Administrative Expenses	588	1,033	445	8,207	9,233	1,026
General Office Expenses	4,692	6,571	1,879	42,204	45,996	3,792
Accounting & Auditing Services	22,291	10,100	(12,191)	22,923	43,700	20,777
Computer Software & Maintenance	2,450	3,333	883	18,400	23,333	4,933
Internet	1,722	1,833	111	12,055	12,833	778
Legal Services	9,280	6,250	(3,030)	67,873	43,750	(24,123)
Network Maintenance Contract	1,546	1,667	121	12,036	11,667	(370)
Training & Travel	-	1,417	1,417	11,795	9,917	(1,878)
Marketing Expenses	1,932	6,750	4,818	37,337	47,250	9,913
Operations	54,279	54,242	(37)	399,761	379,692	(20,069)
Building Maintenance & Repairs	619	1,250	631	4,604	8,750	4,146
Utilities	30,403	46,142	15,739	211,447	260,195	48,748
Total EXPENSES	220,470	242,238	21,768	1,564,252	1,636,716	72,464
NIBPSID	97,398	57,929	39,469	658,591	473,451	185,141
NON OPERATING REVENUE						
Interest Income	19,665	8,333	11,332	130,116	58,333	71,783
Total NON OPERATING REVENUE	19,665	8,333	11,332	130,116	58,333	71,783
DEPRECIATION						
Depreciation Expense	(53,208)	(58,000)	4,792	(372,455)	(406,000)	33,545
Total DEPRECIATION	(53,208)	(58,000)	4,792	(372,455)	(406,000)	33,545
Increase (Decrease) In Fund Equity	63,855	8,262	55,593	416,252	125,784	290,468

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

(In Whole Numbers)

	Current Month	Prior Year			Prior Year	
	Actual	Actual	Variance	YTD Actual	YTD Actual	Variance
REVENUES						
Leases	203,844	164,191	39,653	1,395,374	1,250,568	144,806
PBT Cam Fees	64,982	62,646	2,336	454,873	438,519	16,354
Usage Fees	27,322	28,038	(716)	210,273	167,510	42,763
Contract Services	-	3,174	(3,174)	12,979	15,624	(2,645)
Utility Franchise Fees	1,526	1,584	(58)	19,624	23,475	(3,851)
Insurance Proceeds	2,500	25,450	(22,950)	2,500	48,553	(46,053)
Other-Miscellaneous	-	533		3,365	13,344	
Fiber Optic/Wireless Income	17,694	20,216	(2,522)	123,856	141,510	(17,654)
Total REVENUES	317,868	305,831	12,037	2,222,844	2,099,104	123,740
EXPENSES						
Salaries & Taxes	55,829	50,981	4,848	467,092	419,634	47,458
Benefits - Health, Retirement & Wkr's	9,391	8,312	1,079	70,380	72,657	(2,277)
Insurance -Property & General Liabilities	25,448	22,636	2,812	178,138	154,581	23,557
Administrative Expenses	588	502	86	8,207	6,841	1,366
General Office Expenses	4,692	10,051	(5,359)	42,204	47,411	(5,207)
Accounting & Auditing Services	22,291	10,202	12,089	22,923	21,096	1,827
Computer Software & Maintenance	2,450	2,450	-	18,400	18,375	25
Internet	1,722	1,722	-	12,055	12,055	-
Legal Services	9,280	5,220		67,873	36,307	
Network Maintenance Contract	1,546	1,676	(130)	12,036	12,769	(733)
Training & Travel	-	395	(395)	11,795	10,755	1,040
Marketing Expenses	1,932	4,032	(2,100)	37,337	36,007	1,330
Operations	54,279	83,823	(29,544)	399,761	341,673	58,088
Building Maintenance & Repairs	619	2,275	(1,656)	4,604	8,503	(3,899)
Utilities	30,403	35,009	(4,606)	211,447	200,315	11,132
Total EXPENSES	220,470	239,286	(18,816)	1,564,252	1,398,978	165,274
NIBPSID	97,398	66,545	30,853	658,591	700,126	(41,535)
NON OPERATING REVENUE						
Interest Income	19,665	20,511	(846)	130,116	136,406	(6,290)
Total NON OPERATING REVENUE	19,665	20,511	(846)	130,116	136,406	(6,290)
DEPRECIATION						
Depreciation Expense	(53,208)	(53,208)	-	(372,455)	(372,455)	-
Total DEPRECIATION	(53,208)	(53,208)	-	(372,455)	(372,455)	-
Increase (Decrease) In Fund Equity	63,855	33,848	30,007	416,252	464,077	(47,825)

ITEM 9

Financial Reports May 2025

CASH BALANCES - MAY 31, 2025

	4/30/2025	5/31/2025	Change
General Fund Bank Accounts	\$ 5,362,128	\$ 4,371,975	\$ (990,153)
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 94,094	\$ 485,830	\$ 391,736
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ -	\$ -	\$ -
Total Cash	\$ 6,311,222	\$ 5,712,805	\$ (598,417)
Accounts Receivable - G/F	\$ 215,168	\$ 225,558	\$ 10,390
Accounts Receivable - F/O	\$ 11,922	\$ 10,206	\$ (1,716)
Total Accounts Receivable	\$ 227,090	\$ 235,764	\$ 8,674
Total Cash & Accounts Receivable	\$ 6,538,312	\$ 5,948,569	\$ (589,743)

Aged Accounts Receivable as of 05/31/2025

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
224,529.66	5,425.70	5,328.10	479.72	-	235,763.18

Aged Accounts Receivable as of 06/13/2025

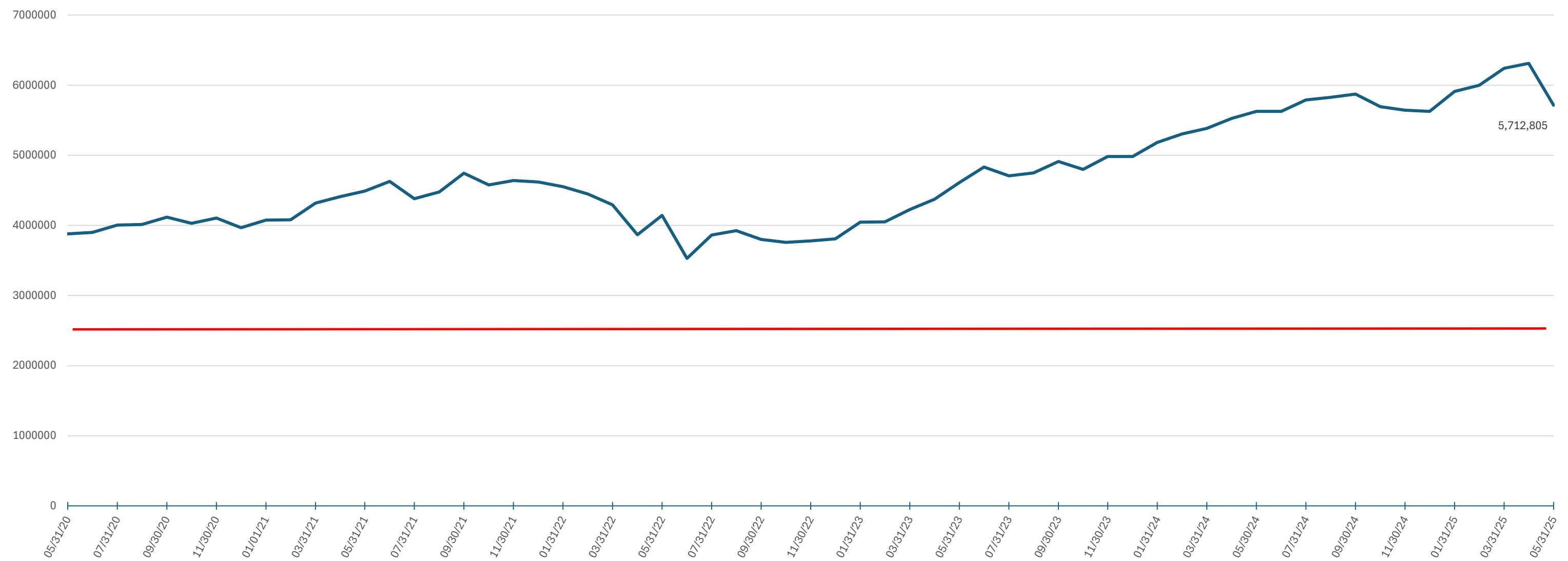
CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
104,186.29	5,094.27	5,328.10	479.72	-	115,088.38

EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

APRIL	PREMIER FORD - LAMESA 2024 FORD SUPER DUTY F-350 FOR KBR	47,346.41	CAPITALIZED
APRIL	PREMIER FORD - LAMESA 2024 TOYOTA RAV 4 FOR KBR	33,127.99	CAPITALIZED
APRIL	DUNCAN HEATING - HEATERS FOR HANGAR 92 - REIMBURSED BY CUSTOMER	109,024.50	
APRIL	PARKHILL - AIRFIELD UPGRADE PROJECT	29,918.50	CIP
APRIL	CRI, AUDIT	22,000.00	EXPENSES
APRIL	PARKHILL - EAST 90 BUSINESS PARK	19,014.22	CIP
MAY	WESTERN BUILD - BLDG 60 DOOR INSTALLATION	6,957.75	EXPENSES
MAY	PAVEMENT RESTORATION - RESEALED SHORT RUNWAY	86,666.66	CAPITALIZED
MAY	PARKHILL - EAST 90 BUSINESS PARK	19,255.32	CIP
MAY	SPAG - EDA GRANT - PRE CONSTRUCTION	15,000.00	CIP
MAY	CRI - AUDIT	6,000.00	EXPENSES
MAY	WEST TX PAVEING - EAST 90 BUSINESS PARK	459,831.00	CIP
MAY	THUNDER WELL - EAST 90 BUSINESS PARK	187,351.63	CIP
MAY	PARKHILL - BLDG 74 RENOVATIONS	28,820.00	CIP

\$ 1,070,313.98

LRRA Available Cash
MAY 2020 - 2025



FINANCIAL HIGHLIGHTS - MAY 31, 2025

DESCRIPTION	Month	G/F	Month	F/O	Month's Total	YTD	G/F	YTD	F/O	YTD	Total
Operating Revenue	\$ 277,195		\$ 17,694		\$ 294,889		\$ 2,165,911		\$ 141,550		\$ 2,307,461
Other Revenue - Usage Fees	\$ 29,779		\$ 1,468		\$ 31,247		\$ 228,496		\$ 13,024		\$ 241,520
Total Revenue	\$ 306,974		\$ 19,162		\$ 326,136		\$ 2,394,407		\$ 154,574		\$ 2,548,981
Expenses	\$ 250,990		\$ 10,765		\$ 261,755		\$ 1,745,518		\$ 80,489		\$ 1,826,007
Net Income BPSID	\$ 55,984		\$ 8,397		\$ 64,381		\$ 648,889		\$ 74,085		\$ 722,974
Interest Income - Plus	\$ 18,804		\$ -		\$ 18,804		\$ 148,920		\$ -		\$ 148,920
Depreciation - Less	\$ (49,924)		\$ (3,283)		\$ (53,207)		\$ (399,395)		\$ (26,268)		\$ (425,663)
Net Income	\$ 24,864		\$ 5,114		\$ 29,978		\$ 398,414		\$ 47,817		\$ 446,231

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Balance Sheet
As of 5/31/2025

(In Whole Numbers)

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENTS	5,226,975	-	-	5,226,975
RESTRICTED CASH AND CASH EQUIVALENTS	-	485,830	-	485,830
ACCOUNTS RECEIVABLE	225,558	-	10,206	235,763
LEASES RECEIVABLE, CURRENT - GASB 87	1,624,951	-	86,032	1,710,983
INVESTMENT	-	-	-	-
DUE FROM FEDERAL GOVERNMENT	-	15,628	-	15,628
PREPAID EXPENSES	98,746	-	6,362	105,108
DUE FROM TRANSFERS	-	-	-	-
Total CURRENT ASSETS	7,176,230	501,459	102,600	7,780,288
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	156,635	799,503	28,674	984,812
BUILDINGS	2,070,050	-	-	2,070,050
INFRASTRUCTURE AND RELATED IMPROVEMENTS	5,792,678	-	1,751,519	7,544,197
COMPUTERS AND OFFICE EQUIPMENT	113,997	-	172,465	286,463
BUILDINGS IMPROVEMENTS	4,569,656	-	250,840	4,820,496
VEHICLES	367,701	-	-	367,701
GROUND MAINTENANCE EQUIPMENT	277,450	-	158,387	435,837
RIGHT TO USE LEASE ASSET - GASB 87	35,050	-	-	35,050
BASE CONVEYANCE	-	-	-	-
BASE HOUSING	-	-	-	-
OTHER	-	-	-	-
LESS ACCUMULATED DEPRECIATION	(7,167,901)	-	(2,193,721)	(9,361,622)
LESS ACCUMULATED DEPRECIATION - GASB 87	(15,500)	-	-	(15,500)
Total CAPITAL ASSETS	7,681,219	799,503	168,163	8,648,885
NET PENSION ASSET				
NET PENSION ASSETS, NET	156,524	-	-	156,524
Total NET PENSION ASSET	156,524	-	-	156,524
Total ASSETS	19,217,699	1,300,962	297,384	20,816,045
DEFERRED OUTFLOWS OF RESOURCES				
EMPLOYER CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT DATE	16,224	-	-	16,224
CHANGE IN ASSUMPTIONS	-	-	-	-
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	19,245,864	1,300,962	297,384	20,844,210

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Balance Sheet
As of 5/31/2025

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	199,133	-	490	199,623
ACCRUED EXPENSES	(72,973)	-	-	(72,973)
REFUNDABLE DEPOSITS	127,017	-	-	127,017
UNEARNED REVENUES	(106,373)	-	(16,694)	(123,067)
COMPENSATED ABSENCES	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	263,058	-	(16,204)	246,855
NON-CURRENT LIABILITIES				
LEASE LIABILITY, NET OF CURRENT PORTION	11,871	-	-	11,871
Total NON-CURRENT LIABILITIES	11,871	-	-	11,871
Total LIABILITIES	274,929	-	(16,204)	258,725
DEFERRED INFLOWS OF RESOURCES				
NET DIFF BETWEEN PROJECTED AND ACTUAL INVESTMENT EARNINGS	(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	5,731,889	-	90,685	5,822,574
FUND EQUITY				
BEGINNING OF PERIOD	14,081,568	280,288	192,876	14,554,732
TRANSFERS IN (OUT)	(966,006)	1,000,000	(33,994)	-
YEAR TO DATE EARNINGS	398,413	20,674	47,817	466,904
Total FUND EQUITY	13,513,975	1,300,962	206,699	15,021,636
TOTAL LIABILITY, FUND BALANCE, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	19,245,864	1,300,962	297,384	20,844,210

LUBBOCK REESE REDEVELOPMENT AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
From 10/1/2024 Through 5/31/2025

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES	2,394,406	35,679	154,574	2,584,660
OPERATING EXPENSES	2,144,913	15,005	106,757	2,266,675
OPERATING INCOME(LOSS)	249,493	20,674	47,817	317,984
NONOPERATING INTEREST INCOME	148,920	-	-	148,920
TRANSFERS IN (OUT)	(966,006)	1,000,000	(33,994)	-
NET NONOPERATING REVENUES	(817,085)	1,000,000	(33,994)	148,920
INCREASE (DECREASE) IN FUND	(567,593)	1,020,674	13,823	466,904
FUND EQUITY, BEGINNING	14,081,568	280,288	192,876	14,554,732
FUND EQUITY, ENDING	13,513,975	1,300,962	206,699	15,021,636

LUBBOCK REESE REDEVELOPMENT AUTHORITY
SUPPLEMENTAL SCHEDULE OF REVENUES
From 10/1/2024 Through 5/31/2025

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES				
LEASE INCOME	1,605,980	-	-	1,605,980
DATA CENTER / FIBER OPTIC INCOME	-	-	141,550	141,550
COMMON AREA MAINTENANCE/PBT CAM	519,855	-	-	519,855
USAGE FEES	228,496	-	13,024	241,520
CONTRACT WORK INCOME	12,979	-	-	12,979
UTILITY FRANCHISE FEES	21,232	-	-	21,232
Total OPERATING REVENUES	2,388,541	-	154,574	2,543,116
NON-OPERATING REVENUES				
INSURANCE PROCEEDS	2,500	-	-	2,500
INTEREST EXPENSE / BANK CHARGES	(651)	(5)	-	(651)
MISCELLANEOUS INCOME	3,365	-	-	3,365
FEDERAL GRANT	-	35,679	-	35,679
INTEREST INCOME	148,920	-	-	148,920
Total NON-OPERATING REVENUES	154,134	-	-	189,808
TOTAL REVENUES	2,542,676	35,674	154,574	2,732,924

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2024 Through 05/31/2025

	General Fund	EDA Grant Fund	Fiber Optic Oper Fund	Total
OPERATING EXPENSES				
COMPENSATION AND BENEFITS:				
SALARIES AND BENEFITS	631,072	-	-	631,072
CONTRACT SERVICES	14,869	15,000	5,223	35,092
GENERAL AND LIABILITY INSURANCE	193,407	-	10,179	203,586
Total COMPENSATION AND BENEFITS:	839,348	15,000	15,402	869,751
BUILDING REPAIRS AND MAINTENANCE:				
REPAIRS AND MAINTENANCE	465,684	-	-	465,684
BUILDING MAINTENANCE MATERIALS	20,335	-	360	20,695
MARKETING AND PROMOTIONAL EXPENSES	43,181	-	-	43,181
TRAVEL EXPENSES	6,707	-	-	6,707
PRINTING AND ADVERTISING	572	-	-	572
DEPRECIATION EXPENSE	399,395	-	26,268	425,663
TELEPHONE	1,639	-	-	1,639
OFFICE SUPPLIES	20,698	-	-	20,698
TRAINING AND TUITION EXPENSES	5,684	-	-	5,684
UTILITIES	225,849	-	30,100	255,949
Total BUILDING REPAIRS AND MAINTENANCE:	1,189,744	-	56,728	1,246,471
PROFESSIONAL SERVICES				
ACCOUNTING AND AUDITING FEES	29,010	-	-	29,010
LEGAL FEES	76,449	-	-	76,449
Total PROFESSIONAL SERVICES	105,459	-	-	105,459
COMPUTER SOFTWARE AND MAINTENANCE				
COMPUTER SOFTWARE AND MAINTENANCE	-	-	20,850	20,850
Total COMPUTER SOFTWARE AND	-	-	20,850	20,850
OTHER OPERATING EXPENSES				
BOARD EXPENSES	1,243	-	-	1,243
BANK CHARGES	651	5	-	656
INTERNET CHARGES	-	-	13,777	13,777
POSTAGE	1,355	-	-	1,355
MEETING EXPENSES	6,655	-	-	6,655
LICENSES AND FEES	458	-	-	458
Total OTHER OPERATING EXPENSES	10,362	5	13,777	24,144
Total OPERATING EXPENSES	2,144,913	15,005	106,757	2,266,675

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 5/1/2025 Through 5/31/2025

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	210,606	191,667	18,940	1,605,980	1,533,333	72,647
PBT Cam Fees	64,982	63,667	1,315	519,855	509,333	10,522
Usage Fees	29,779	22,917	6,862	228,496	183,333	45,162
Contract Services	-	667	(667)	12,979	5,333	7,646
Utility Franchise Fees	1,607	1,667	(59)	21,232	22,333	(1,102)
Insurance Proceeds	-	-	-	2,500	-	2,500
Other-Miscellaneous	-	-	-	3,365	-	3,365
Total REVENUES	306,975	280,583	26,391	2,394,406	2,253,667	140,739
EXPENSES						
Salaries & Taxes	83,137	62,526	(20,612)	550,229	529,051	(21,178)
Benefits - Health, Retirement & Wkr's Comp	10,463	12,792	2,329	80,843	102,333	21,490
Insurance -Property & General Liabilities	24,176	25,000	824	193,407	200,000	6,593
Administrative Expenses	610	1,033	424	8,817	10,267	1,450
General Office Expenses	4,604	6,488	1,884	46,493	51,900	5,407
Accounting & Auditing Services	6,087	100	(5,987)	29,010	43,800	14,790
Legal Services	8,576	6,250	(2,326)	76,449	50,000	(26,449)
Network Maintenance Contract	1,451	1,667	216	13,487	13,333	(154)
Training & Travel	596	1,417	821	12,391	11,333	(1,057)
Marketing Expenses	5,522	6,750	1,228	42,859	54,000	11,141
Operations	65,923	54,242	(11,681)	465,684	433,933	(31,750)
Utilities	39,846	44,550	4,704	225,849	268,403	42,554
Total EXPENSES	250,990	222,813	(28,177)	1,745,518	1,768,354	22,836
NIBPSID	55,984	57,770	(1,786)	648,888	485,312	163,576
NON OPERATING REVENUE						
Interest Income	18,804	8,333	10,471	148,920	66,667	82,253
Total NON OPERATING REVENUE	18,804	8,333	10,471	148,920	66,667	82,253
DEPRECIATION						
Depreciation Expense	(49,924)	(54,167)	4,242	(399,395)	(433,333)	33,938
Total DEPRECIATION	(49,924)	(54,167)	4,242	(399,395)	(433,333)	33,938
Increase (Decrease) In Fund Equity	24,864	11,937	12,927	398,413	118,646	279,767

GENERAL FUND

Explanation of Significant Budget Variances

2025 MAY

			Month Variance	YTD Variance	Explanations	
Revenues, Usage	4260	\$	6,862	\$ 35,479	Water Usage fluctuates month to month	Year End is expected to be over budget
Expenses, Salaries & Taxes	5100, 5110	\$	(20,612)	\$ (21,178)	There were 3 payrolls in May	Year End is expected to be under budget
Expenses, Accounting & Auditing Services	5700	\$	(5,987)	\$ 14,790	Auditors will have another bill after audit completed	Year End is expected to be on budget.
Expenses, Legal Services	5710	\$	(2,326)	\$ (26,449)	Extra Fees for Texas Tech Project	Year End is expected to be over budget
Expenses, Operations	5900	\$	(11,681)	\$ (31,750)	Accumulative repairs to equipment, new equipment (Boiler Pump 800, replace roll-up door B 52)	Year End is expected to be over budget

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 5/1/2025 Through 5/31/2025

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	1,468	2,083	(615)	13,024	16,667	(3,642)
Fiber Optic/Wireless Income	17,694	17,500	194	141,550	140,000	1,550
Total REVENUES	19,162	19,583	(421)	154,574	156,667	(2,092)
EXPENSES						
Insurance -Property & General Liabilities	1,272	1,333	61	10,179	10,667	487
General Office Expenses	45	83	38	360	667	307
Computer Software & Maintenance	2,450	3,333	883	20,850	26,667	5,817
Internet	1,722	1,833	111	13,777	14,667	889
Building Maintenance & Repairs	619	1,250	631	5,223	10,000	4,777
Utilities	4,656	5,192	536	30,100	41,533	11,434
Total EXPENSES	10,765	13,025	2,260	80,489	104,200	23,711
NIBPSID	8,398	6,558	1,839	74,085	52,467	21,618
DEPRECIATION						
Depreciation Expense	(3,283)	(3,833)	550	(26,268)	(30,667)	4,399
Total DEPRECIATION	(3,283)	(3,833)	550	(26,268)	(30,667)	4,399
Increase (Decrease) In Fund Equity	5,114	2,725	2,389	47,817	21,800	26,017

COMBINED FUNDS

(In Whole Numbers)

	Current Month Actual	Period Budget - Original	Current Period Budget Variance - Original	YTD Actual	YTD Budget - Original	YTD Budget Variance - Original
REVENUES						
EDA Grant	35,679	-	35,679	35,679	-	35,679
Leases	210,606	191,667	18,940	1,605,980	1,533,333	72,647
PBT Cam Fees	64,982	63,667	1,315	519,855	509,333	10,522
Usage Fees	31,247	25,000	6,247	241,520	200,000	41,520
Contract Services	-	667	(667)	12,979	5,333	7,646
Utility Franchise Fees	1,607	1,667	(59)	21,232	22,333	(1,102)
Insurance Proceeds	-	-	-	2,500	-	2,500
Other-Miscellaneous	-	-	-	3,365	-	3,365
Fiber Optic/Wireless Income	17,694	17,500	194	141,550	140,000	1,550
Total REVENUES	361,816	300,167	61,649	2,584,660	2,410,333	174,326
EXPENSES						
Salaries & Taxes	83,137	62,526	(20,612)	550,229	529,051	(21,178)
Benefits - Health, Retirement & Wkr's Comp	10,463	12,792	2,329	80,843	102,333	21,490
Insurance -Property & General Liabilities	25,448	26,333	885	203,586	210,667	7,081
Administrative Expenses	15,610	1,033	(14,576)	23,817	10,267	(13,550)
General Office Expenses	4,654	6,571	1,917	46,858	52,567	5,709
Accounting & Auditing Services	6,087	100	(5,987)	29,010	43,800	14,790
Computer Software & Maintenance	2,450	3,333	883	20,850	26,667	5,817
Internet	1,722	1,833	111	13,777	14,667	889
Legal Services	8,576	6,250	(2,326)	76,449	50,000	(26,449)
Network Maintenance Contract	1,451	1,667	216	13,487	13,333	(154)
Training & Travel	596	1,417	821	12,391	11,333	(1,057)
Marketing Expenses	5,522	6,750	1,228	42,859	54,000	11,141
Operations	65,923	54,242	(11,681)	465,684	433,933	(31,750)
Building Maintenance & Repairs	619	1,250	631	5,223	10,000	4,777
Utilities	44,502	49,742	5,240	255,949	309,936	53,988
Total EXPENSES	276,760	235,838	(40,922)	1,841,012	1,872,554	31,542
NIBPSID	85,056	64,329	20,727	743,647	537,779	205,868
NON OPERATING REVENUE						
Interest Income	18,804	8,333	10,471	148,920	66,667	82,253
Total NON OPERATING REVENUE	18,804	8,333	10,471	148,920	66,667	82,253
DEPRECIATION						
Depreciation Expense	(53,208)	(58,000)	4,792	(425,663)	(464,000)	38,337
Total DEPRECIATION	(53,208)	(58,000)	4,792	(425,663)	(464,000)	38,337
Increase (Decrease) In Fund Equity	50,652	14,662	35,990	466,904	140,446	326,459

DATE		EVENT
June	June 18	Tim Pierce Retirement Party
	June 19	LRRA Board of Directors Meeting
	June 20-22	TCMA Conference - Murvat
	June 26	Business Growth Masterclass – Murvat with Albert Gillispie
July	July 4	LRRA Holiday
August		
	August 27	LRRA Board of Directors Meeting

TIM PIERCE BOARD MEMBER 2005-2025

Thank you for all your years of service
to LRRRA and the community of
Lubbock, Texas.



Item 11