

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

Date: Wednesday, August 27, 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.

AGENDA ITEMS	TAB	SPEAKER
Call the Meeting to Order		John Hamilton
1. Citizen Comments - Any citizen wishing to appear before a regular meeting of the Lubbock Reese Redevelopment Authority Board of Directors, regarding any matter posted on the Board Agenda, shall complete the sign-up form provided at the meeting, no later than 7:45 a.m.	TAB 1	John Hamilton
2. Action Item – Administer Oath of Office to Kelly Criswell as Board Member	TAB 2	John Hamilton
3. Presentation Item – USAF AFCED PFAS Update	TAB 3	Paul Carroll
4. a. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.072, regarding certain matters concerning real property. Discussions regarding interest in the lease, sale, or value of buildings and property.	TAB 4	Murvat Musa
b. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters: <ul style="list-style-type: none"> • Executive Director • Manager of Business Development • Manager of Accounting • Manager of Operations • Operations Lead • Service Technician • Service Technician • Service Technician • Operations, Marketing, Customer Care Coordinator • Administrative Assistant • Board of Directors 		Murvat Musa
c. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.071, Consultation with Attorney.		Darrell Guthrie
5. Action Item – Consider Minutes of the June 18, 2025, Board of Directors Meeting and the July 30, 2025, Executive Committee Meeting	TAB 5	John Hamilton

6. Action Item – Consider GL Texas, LLC (“Greenlight”) Lease Termination Agreement	TAB 6	Murvat Musa
7. Action Item – Consider Lease Agreement for Building 74 with Texas Tech University Health Sciences Center	TAB 7	Murvat Musa
8. Action Item – Consider Agreement for Employer of Record Program with South Plains Association of Governments in order to Participate in Texas Association of Counties (TAC) Health Plans	TAB 8	Murvat Musa
9. Action Item – Consider changes to LRRRA Employee Policy Manual	TAB 9	Murvat Musa
10. Discussion Item – Preliminary FY2026 Operating, Data Center/Fiber Optics, & Capital Budgets	TAB 10	Murvat Musa
11. Discussion Item – Financial Reports	TAB 11	Sandy Hamilton
12. Discussion Item – Reese Events & Activities	TAB 12	Murvat Musa
Adjourn the Meeting		John Hamilton

Lubbock Reese Redevelopment Authority (LRRRA) will post this meeting agenda on its front doors and on its website at <http://www.reesetechnologycenter.com/agendas/> by 5:00 p.m., Friday, August 22, 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

Oath of Office

ITEM 3

USAF
AFCEC
PFAS UPDATE

by Paul Carroll

ITEM 4

EXECUTIVE SESSION

Information to be provided at
meeting
(if applicable)

Lubbock Reese Redevelopment Authority
Minutes of the Regular Meeting of the Board of Directors
June 19, 2025

The Lubbock Reese Redevelopment Authority held its Regular Meeting at 8:00 a.m. June 19, 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	Julie Holladay	
George McMahan, Secretary/Treasurer	Jeff Mustin	
	Brian Kimberly	

MEMBERS ABSENT John Hamilton, Vice President John Tye

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: AJ Bowers, Kelly Criswell

Call the meeting to order.

Tim Pierce called the meeting to order at 8:02 a.m.

ITEM 1 Citizen Comments

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

ITEM 2 Presentation of LRRRA FY2024 Annual Financial Audit

AJ Bowers presented LRRRA FY2024 Annual Financial Audit Report

ITEM 3

Executive Session

Tim Pierce called the Executive Session to order at 8:13 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 9:58 a.m. and reconvened Open Session at 9:58 a.m.

ITEM 4

Approved the Minutes of April 23, 2025, Board of Directors Meeting

George McMahan moved to approve the minutes of April 23, 2025, Board of Directors Meeting; Brian Kimberly seconded; the motion passed 5-0.

ITEM 5

Approved the First Amendment to South Plains Association of Governments Lease for Firing Range and Driving Course to Add Additional Option Years

Julie Holliday moved to approve the First Amendment to South Plains Association of Governments Lease for the Firing Range and Driving Course to add additional option years; Jeff Mustin seconded; the motion passed 4-0. Tim Pierce recused himself from the discussion and voting.

- ITEM 6 Approved the Extension of Lease Agreement for TTUHSC, Building 74**
 Jeff Mustin moved to approve the Extension of Lease Agreement for TTUHSC, Building 74;
 Brian Kimberly seconded; the motion passed 5-0.
- ITEM 7 Approved the New Lease for Texas Tech University, Building 790**
 Jeff Mustin moved to approve the new lease for Texas Tech University, Building 790;
 Brian Kimberly seconded; the motion passed 5-0.
- ITEM 8 Preliminary FY2026 Operating, Data Center/Fiber Optics, & Capital Budgets**
 Muvat Musa presented the preliminary FY2026 Operating, Data Center/Fiber Optics, &
 Capital Budgets.
- ITEM 9 Financial Reports**
 Sandy Hamilton presented the April and May financial reports.
- ITEM 10 Reese Events and Activities**
 Muvat Musa presented Reese Technology Center activities and upcoming events to the
 Board of Directors.
- ITEM 11 Recognize Tim Pierce for Service to LRRR**
 George McMahan presented Tim Pierce with gifts for his Service to LRRR.

Adjournment

Tim Pierce adjourned the meeting at 10:39 a.m.

Content of minutes agreed to and approved by:

Approved by _____
 John Hamilton, Vice President,

Secretary/Treasurer
 ATTEST:

 LRRR Board Member

**LUBBOCK REESE REDEVELOPMENT AUTHORITY
EXECUTIVE / COMPENSATION COMMITTEE MEETING MINUTES
July 30, 2025**

The Lubbock Reese Redevelopment Authority held a meeting of the Executive / Compensation Committee of the Board of Directors at 3:00 p.m. on Wednesday, July 30, 2025, at Parkhill, 4220 84th Street, Lubbock, TX 79423.

These are the minutes of the Executive / Compensation Committee of the Board of Directors of the Lubbock Reese Redevelopment Authority, a State of Texas Political Subdivision.

Members Present: John Hamilton George McMahan

Members Absent: None

Others Present

Reese Staff: Murvat Musa

Legal Counsel: None

Others: None

Call the meeting to order

John Hamilton called the meeting to order at 3:06 p.m.

ITEM 1 Citizen Comments

John Hamilton called for any citizen comments. There were none.

John Hamilton called the Executive Session to order at 3:06 p.m.

1. A. Hold an Executive Session, in accordance with V.T.C.A. Government Code, Section 551.074(a), Deliberations Regarding Personnel Matters:
 - a. Executive Director
 - b. Manager of Business Development
 - c. Manager of Accounting
 - d. Manager of Operations
 - e. Operations Lead
 - f. Service Technician
 - g. Service Technician
 - h. Administrative Coordinator
 - i. Administrative Assistant
 - j. Board of Directors

No action was taken in Executive Session.

Adjournment

John Hamilton adjourned the Executive Session and the meeting at 4:14 p.m.

Content of minutes agreed to and approved by:

Approved by _____
John Hamilton, Executive/Compensation Committee
Chairman

ATTEST:

LRRRA Board Member

AGENDA ITEM 6
EXECUTIVE SUMMARY
GL TEXAS, LLC “GREENLIGHT”
LEASE TERMINATION AGREEMENT

In April 2023, LRRRA entered into a Contingent Lease Agreement with Greenlight for Building 1130 for the purpose of a medical marijuana manufacturing facility. The agreement was contingent upon Greenlight receiving a license to operate from the State of Texas. As it’s been over two years since this agreement, and LRRRA is transitioning into a national defense research complex for TTU, we feel this opportunity does not fit into the future of what we are developing and now we wish to terminate this agreement.

Greenlight understands the need for us to terminate this agreement and they are currently looking for an alternative location.

See attached Lease Termination Agreement.

Staff are requesting Board approval for this Lease Termination Agreement.

LEASE TERMINATION AGREEMENT

This Contingency Lease Termination Agreement (the "Agreement") is entered into by and between Lubbock Reese Development Authority d/b/a Reese Technology Center ("Landlord") and GL Texas, LLC, a Texas limited liability company ("Tenant") sets forth as follows:

WHEREAS, on or about April 21, 2023 the Parties entered into a Contingency Lease commencing on the date after which the medicinal marijuana facility ("Facility") has passed its Commencement Inspection pursuant to the rules and regulations of Texas for the premises known as Building No. 1130 and adjacent parking lot and adjacent land (collectively, the "Leased Premises");

WHEREAS, as of the date of execution of this Agreement, the state of Texas has yet to issue a license for the Facility;

WHEREAS, Tenant recognizes Landlord's time, effort, and work in seeing the Facility located at Landlord's property; and

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

NOW THEREFORE, in consideration of the mutual promises herein contained and Landlord's efforts to see the Facility located at Landlord's property, the Parties agree as follows:

1. Landlord shall retain the Security Deposit in the sum of \$8,395.88 in consideration for its work relating to this project.
2. Upon execution of this Agreement, the Landlord shall release and hold harmless the Tenant from any and all obligations under the provisions of the Contingency Lease; and the Tenant shall release and hold harmless the Landlord from any and all obligations under the provisions of the Contingency Lease.

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

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

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

IN WITNESS WHEREOF, the Parties have executed this Agreement as of August ____, 2025.

LUBBOCK REESE DEVELOPMENT GL TEXAS, LLC
AUTHORITY

By: Murvat Musa

Its: Chief Executive Officer

By: _____

Its: _____

BOARD ACTION ITEM No. 2025-0827-017

**GL TEXAS, LLC “GREENLIGHT”
LEASE TERMINATION AGREEMENT**

**LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
BOARD OF DIRECTORS
August 27, 2025**

Item to be Considered:

Lease Termination Agreement for GL Texas, LLC “Greenlight”

Previous Board Action:

The LRRRA Board of Directors approved a contingent lease with Greenlight for Building 1130 for the purpose of marijuana manufacturing facility on April 21, 2023.

Statement of Pertinent Facts:

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

- The agreement was contingent upon Greenlight receiving a license to operate from the State of Texas. This was supposed to happen two years ago, and the license has still not been obtained.
- LRRRA is transitioning into a national defense research complex for TTU, and this opportunity does not align with that.
- Both LRRRA and Greenlight have agreed to terminate the agreement.

Advice, Opinions, Recommendations, and Motion:

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

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby approves the Early Termination Agreement for GL Texas, LLC “Greenlight” for Building 1130 and authorizes its CEO/Executive Director to execute the agreement, subject to negotiations of final terms and conditions, on this 27th day of August 2025.”

John Hamilton, Board Vice President

ATTEST: _____

LRRRA Board Member

AGENDA ITEM 7
EXECUTIVE SUMMARY
TTUHSC BUILDING 74 LEASE AGREEMENT

The long-awaited lease for TTUHSC for the Matador UAS Consortium is finally ready for board approval. As you may recall, TTUHSC plans to occupy Building 74, the former fire station, for the purpose of a rural health care program using unmanned aircraft systems to deliver medical supplies and to transport organs for transplantation.

In addition to leasing the building, LRRRA will be managing the construction on behalf of TTUHSC. A summary of the agreement is below:

1. The initial term is for 10 years with two extension periods of five years each.
2. Rent starts at \$7 per square foot with annual escalations of 3% each year. The rent scheduled is laid out in the attached agreement.
3. We will manage construction of the finish-out for them for a 10% fee, the total project is about \$1.25 million.

The Lease Review Committee has reviewed this lease, and the Agreement is attached for your review.

Staff are requesting Board approval for this Lease Agreement.

Lease Agreement

This Space Lease Agreement (“Lease”) is entered into effective as of September 1, 2025, by and between the Landlord and the Tenant (a Texas public institution of higher education) hereinafter named. Both Landlord and Tenant are referred to herein as “Party” or, collectively “Parties.” In consideration of the respective covenants, obligations and agreements of the Parties set forth herein, the legal sufficiency of which is acknowledged by each of the undersigned, Landlord and Tenant agree as follows:

Article 1 Definitions and Basic Lease Provisions

1.1 **Definitions and Basic Lease Provisions.** For the purposes of this Lease, the following terms and provisions shall have the respective meanings set forth below:

1.1.1 **Landlord** Lubbock Reese Redevelopment Authority
d/b/a Reese Technology Center
A political subdivision of the state of Texas (pursuant to Chapter 3501 of the Texas Special District Local Laws Code)

1.1.2 **Landlord’s Addresses:**

Notice Address:

Lubbock Reese Redevelopment Authority
Attn: Chief Executive Officer
9801 Reese Blvd., Suite 200
Lubbock, Texas, 79416
Email: mmusa@reeseccenter.com

or such other place as Landlord may designate in writing to Tenant pursuant to Section 17.1.

Rent Payment Address:

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

or such other place as Landlord may designate in writing to Tenant pursuant to Section 17.1.

1.1.3 **Tenant:**

Texas Tech University Health Sciences Center
Texas public institution of higher education, for the use and benefit of its College/School/Department of: Office of Research

Tenant’s Address:

Texas Tech University Health Sciences Center
3601 4th Street, MS 9021
Lubbock, Texas, 79430
Attn: Managing Director, Purchasing Office
Email: john.g.haynes@ttuhsc.edu

or such other place as Tenant may designate in writing to Landlord pursuant to Section 17.1.

1.1.4 **Real Property:**

The Real Property commonly known as Reese Technology Center consisting of the land more particularly described in Exhibit A attached hereto and all other improvements constructed thereon, and all rights, privileges, easements, and appurtenances pertaining thereto, and incorporated herein for

all purposes and all improvements located thereon, including but not limited to the Building and Parking Areas, as described in Section 2.2 below.

1.1.5 Building:

The building on the Real Property that contains the Leased Premises at street address of: Reese Technology Center, 614 Davis Drive, Building 74, Lubbock, Texas 79416.

1.1.6 Leased Premises or Premises:

Spaces located in the Building, as designated on **Exhibit B** attached hereto and incorporated herein for all purposes, containing approximately 11,300 rentable square feet and adjacent Parking Areas, as described in Section 2.2 below.

1.1.7 Rent:

Rent Periods (Months)	Monthly Rent	Annual Rent	Square foot/year
(September 1, 2025 – August 31, 2026)	\$6,591.66	\$79,100.00	\$7.00
(September 1, 2026 – August 31, 2027)	\$6,789.42	\$81,473.00	\$7.21
(September 1, 2027 – August 31, 2028)	\$6,996.58	\$83,959.00	\$7.43
(September 1, 2028 – August 31, 2029)	\$7,203.75	\$86,445.00	\$7.65
(September 1, 2029 – August 31, 2030)	\$7,420.33	\$89,044.00	\$7.88
(September 1, 2030 – August 31, 2031)	\$7,646.33	\$91,756.00	\$8.12
(September 1, 2031 – August 31, 2032)	\$7,872.33	\$94,468.00	\$8.36
(September 1, 2032 – August 31, 2033)	\$8,107.75	\$97,293.00	\$8.61
(September 1, 2033 – August 31, 2034)	\$8,352.58	\$100,231.00	\$8.87
(September 1, 2034 – August 31, 2035)	\$8,606.83	\$103,282.00	\$9.14

See also Article 7 for additional potential costs of utilities and services.

1.1.8 Initial Term:

One hundred twenty (120) months, beginning on the Commencement Date and ending on the Expiration Date described below, subject to extension or sooner termination in accordance with the provisions of this Lease. The term “Lease Term,” as used herein, shall include the Initial Term and all valid extensions of the Lease, as described in Section 3.2 below, unless the context clearly indicates to the contrary.

1.1.9 Commencement Date:

September 1, 2025.

1.1.10 Expiration Date:

August 31, 2035.

1.1.11 Permitted Use:

Tenant may use the Leased Premises for all lawful purposes, including, but not limited to: Tenant may use the Premises for the purpose of research, storage, maintenance, operations, and office space associated with TTUHSC’s participation in the Matador UAS Consortium and any ancillary use related to the foregoing.

1.1.12 Normal Business Hours:

Access 24/7 to the Building, subject to any access to the airfield and any future vertiport must be coordinated with the Landlord in advance pursuant to the RTC Airfield Operations Policy and Procedures (TBP).

1.2 Construction. Each of the foregoing definitions and basic lease provisions shall be construed in conjunction with and limited by the references thereto in the other provisions of this Lease. If there is a conflict between any provisions of this Article 1 and any other provisions of this Lease, the other provisions will control.

Article 2 Grant

- 2.1 **Leased Premises.** Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Leased Premises for the Lease Term, on the terms and conditions set forth in this Lease.
- 2.2 **Common Areas.** Tenant is further granted the non-exclusive right to use the portion of the Real Property which is for the common use of the tenants in the Real Property including, but not limited to, parking areas, ramps, private streets and alleys, landscaping, curbs, loading and unloading areas, sidewalks and walkways, and other common facilities in the Real Property (collectively, "Common Areas").
- 2.3 **Parking Areas.** Landlord shall provide Tenant Two (2) reserved parking spaces and Thirty-Five (35) unreserved parking spaces on a non-exclusive basis, as designated on **Exhibit B** attached hereto and incorporated herein for all purposes. The parking spaces must be located within a reasonable distance of the entry to the Leased Premises.

Article 3 Term

- 3.1 **Initial Term.** The initial term of this Lease ("Initial Term") shall commence on the Commencement Date and expire on the Expiration Date, unless sooner terminated or extended in accordance with the provisions of this Lease.
- 3.2 **Extension Term.** Tenant, at its option, may extend and renew this Lease for:
- 3.2.1 Two (2) additional period(s) of Five Year (5) years each (each, an "Extension Term.") if: (i) Tenant sends written notice to Landlord of its intention to do so at least ninety (90) days prior to the end of Initial Term or the then current Extension Term and (ii) Tenant is not then in default beyond any applicable notice and grace periods under the Lease.
- 3.2.2 Each Extension Term exercised hereunder shall begin on the day immediately following the expiration of the Initial Term or then current Extension Term, as applicable.
- 3.2.3 All terms, covenants, and provisions of this Lease applicable to the Initial Term shall apply to an Extension Term, save and except that the Rent for the Leased Premises during an Extension Term shall be as follows:

Rent Periods (Months)	Monthly Rent	Annual Rent	Square foot/year
Extension Period #1 (months 121-180)			
(September 1, 2035 – August 31, 2036)	\$8,8661.08	\$106,333.00	\$9.41
(September 1, 2036 – August 31, 2037)	\$9,124.75	\$109,479.00	\$9.69
(September 1, 2037 – August 31, 2038)	\$9,397.83	\$112,774.00	\$9.98
(September 1, 2038 – August 31, 2039)	\$9,680.33	\$116,164.00	\$10.28
(September 1, 2039 – August 31, 2040)	\$9,972.25	\$119,667.00	\$10.59
Extension Period #2 (months 181-240)			
(September 1, 2040 – August 31, 2041)	\$10,273.58	\$123,283.00	\$10.91
(September 1, 2041 – August 31, 2042)	\$10,584.33	\$127,012.00	\$11.24
(September 1, 2042 – August 31, 2043)	\$10,904.50	\$130,854.00	\$11.58
(September 1, 2043 – August 31, 2044)	\$11,234.08	\$134,809.00	\$11.93
(September 1, 2044 – August 31, 2045)	\$11,573.08	\$138,877.00	\$12.29

- 3.3 **Early Termination.** In addition to other termination options set forth in this Lease, Tenant is hereby granted the right to terminate the Lease as follows:
- 3.3.1 Tenant may terminate this Lease at any time during the Lease Term if Tenant's right or authority to conduct business on the Leased Premises as contemplated herein is terminated or discontinued pursuant to Section 3.4. Tenant shall give at least ninety (90) days prior written notice to Landlord of Tenant's intended date of termination of this Lease and shall continue to make its rental payments as due through the date of termination. From and after the date of early termination, the Parties shall have no further rights and obligations hereunder except those that expressly survive the termination of this Lease.

3.3.2 **Early Termination Fee:** Tenant agrees to pay to Landlord upon termination an early termination fee equal to three (3) months of the existing Rent, which shall be used by the Landlord in the event Tenant exercises its right to terminate the Lease as set forth in Section 3.3.

3.4 **Failure of Appropriations.** The Parties hereby acknowledge and agree Tenant is a state of Texas public institution of higher education and adopts its budget for a period of one year beginning on September 1st of each year. This Lease is made and entered into in accordance with and subject to the provisions of the Texas Constitution, and is made contingent upon the continuation of the availability of money appropriated by the Texas legislature (“Legislature”), and/or allocation of funds by the TTUS Board of Regents, (“Regents”), and/or other sources to pay for the Lease. Landlord acknowledges that appropriation and allocation of funds are beyond Tenant’s control. Subject to Section 3.3.2, if the Legislature fails to appropriate, or Regents fail to allocate, necessary funds, or if there is a reduction of funding from other revenue sources, Tenant may terminate this Lease without penalty upon written notice to Landlord effective on the date funds are depleted or on the following August 31st, whichever occurs first. Should this Lease terminate under the provisions of this Section, Tenant will provide Landlord with written notice as soon as is reasonably possible of the pending termination under this provision. This Lease may be funded wholly or partially with federal funds. Landlord shall comply with all applicable provisions of federal law. Tenant utilizes <http://www.gsa.gov> and <https://www.ecfr.gov> for all federal guidelines.

Article 4

Delivery and Accessibility Inspection

4.1 Delivery.

4.1.1 **Required Delivery Condition.** Landlord agrees to deliver possession of the Leased Premises to Tenant on or before June 1, 2026 (“Required Delivery Date”) (i) broom clean, in good condition and repair; (ii) free of all rights of possession other than Tenant’s right of possession pursuant to the this Lease, (iii) in compliance with all applicable laws, codes, regulations and ordinances; and (iv) with all Tenant Improvements (if any) completed in accordance with the provisions of Exhibit C, attached hereto and incorporated herein for all purposes (collectively, the “Required Delivery Condition”).

4.1.2 If occupancy of the Leased Premises will be delayed beyond the Required Delivery Date for any reason, Landlord shall give Tenant immediate written notice of the cause for delay and the date the Leased Premises will be ready for occupancy.

4.1.3 **Delayed Delivery.** If Landlord is unable to give Tenant possession of the Leased Premises in the Required Delivery Condition by the Required Delivery Date for any reason, Tenant may opt to extend the Expiration Date by the same number of days between the Required Delivery Date and the date Landlord actually delivers possession of the Leased Premises to Tenant in the Required Delivery Condition.

4.1.4 If Landlord’s ability to deliver possession by the Required Delivery Date in the Required Delivery Condition is delayed as a result of Tenant’s negligence or willful misconduct or Force Majeure (hereinafter defined) of not more than ten (10) days in the aggregate, the Required Delivery Date shall be postponed for a period of time equivalent to the period caused by such delay, and Tenant may terminate this Lease or opt to extend the Expiration Date as provided in the immediately preceding clause (c) following the expiration of such period of time.

4.1.5 Notwithstanding anything to the contrary herein, Tenant is not obligated to pay Rent and other sums under this Lease or to perform any of the covenants and conditions herein contained until the Leased Premises have been delivered in the Required Delivery Condition. In the event the Lease is terminated under this Section 4.1, Landlord shall refund all Rent and other sums Tenant has prepaid or deposited with Landlord within ten (10) business days after Landlord receives written notice of termination from Tenant.

4.2 **Accessibility Inspection.** Landlord and Tenant acknowledge that the Leased Premises are subject to Chapter 469, Texas Government Code, as amended from time to time, concerning accessibility for the disabled, and agree to comply with the requirements thereof, including the following:

4.2.1 **On-Site Inspection.** Landlord acknowledges that because Tenant is a state agency, by law before the Leased Premises are occupied in whole or in part by Tenant, an on-site inspection of the Building (including the Leased Premises) must be performed by either (i) the Texas Department of Licensing and Regulation (“TDLR”); (ii) an entity who has

contracted with the Texas Commission of Licensing and Regulation (“TCLR”) pursuant to Section 469.055, Texas Government Code (as amended from time to time), or (iii) a person who holds a certificate of registration issued pursuant to Section 469.201, Texas Government Code (as amended from time to time), to ensure compliance with the accessibility standards and specifications adopted by TCLR (Title 16, Texas Administrative Code, Chapter 68, as amended from time to time) under authority of Chapter 469, Texas Government Code (as amended from time to time). The term “Inspector” as used in this paragraph means any one or more of the following: The TDLR, any contracted entity, or any certificated person described above in this Paragraph as authorized to perform on-site inspections.

- 4.2.2 **Repair.** If the Inspector finds any condition in the Leased Premises or the Building not in compliance with TDLR accessibility standards and specifications (conditions as to which the TDLR has waived compliance pursuant to a variance or other written departmental action shall be deemed to be in compliance), Landlord may, but is not obligated to, correct such noncompliance, but if Landlord has not corrected such noncompliance by the date that is sixty (60) days after the date the Inspector’s report is delivered to Landlord or such later date as may be established by the TDLR for correction of such non-complying conditions (such period being the “Cure Period”), then pursuant to Chapter 469, Texas Government Code 469, as amended from time to time, Tenant must terminate this Lease upon written notice to Landlord given within thirty (30) days after the expiration of the Cure Period and prior to correction of such noncompliance by Landlord, time being of the essence.
- 4.2.3 **Cooperation.** Landlord and Tenant shall provide to TDLR and the Inspector all necessary cooperation and information concerning inspection of the Building and the Leased Premises and any corrective action required. Tenant shall pay any fees charged by TDLR for inspection of the Building under Texas Government Code Chapter 469, as amended from time to time.
- 4.2.4 **Cancellation of Lease.** If this Lease is terminated by Tenant pursuant to the provisions of this Section 4.2, the termination shall be effective upon written notice to Landlord, and shall not subject Tenant to any claims by Landlord for Rent or for damages or liability arising from the termination, which are hereby expressly waived by Landlord.

Article 5 Rent

- 5.1 **Rent.** As compensation to Landlord for the lease of the Leased Premises, Tenant agrees to perform its covenants under this Lease and to pay to Landlord, in the manner and time set forth herein, the Rent described in Section 1.1.7 or Section 3.2, to include any Water and Wastewater charges billed by Landlord, as described in Section 7.3. Beginning on the Commencement Date the Rent is payable by Tenant to Landlord in the monthly installments described in Section 1.1.7. Each monthly installment of Rent is payable in advance, on or before the fifth day of the calendar month for which payment is made. If the first month or last month of the Lease Term is other than a full calendar month, the monthly Rent for such partial month shall be prorated on a daily basis. Rent shall be payable to Landlord at the address specified in Section 1.1.7 or at such other address as Landlord may from time to time designate in writing.
- 5.2 **Late Charges.** If any installment of Rent or any other payment payable by Tenant to Landlord under this Lease shall not be paid within fifteen (15) days of the due date, then, to the extent authorized under applicable state law and the Constitution of Texas, such delinquent amount shall accrue interest from the fifteenth (15th) day after the date due until paid in accordance with Chapter 2251 of the Texas Government Code.
- 5.3 **Texas State Auditor’s Office.** Landlord acknowledges and agrees that acceptance of funds under this Lease constitutes acceptance of the authority of the Texas State Auditor's Office, Texas Tech University System Office of Audit Services, or any successor agency (collectively, “Auditor”), to conduct an audit or investigation in connection with those funds. Landlord agrees to cooperate with the Auditor in the conduct of the audit or investigation, including providing all records requested. Landlord will include this provision in all contracts with subcontractors.

Article 6 Occupancy and Use

- 6.1 **Permitted Use Of Leased Premises.** Tenant shall use the Leased Premises solely for the Permitted Use set forth in Section 1.1.11, except as otherwise agreed in writing by Landlord.
- 6.2 **Lawful Use of Leased Premises.** Landlord represents and warrants to Tenant that the Permitted Use of the Leased Premises

does not violate any building code, zoning ordinance, restrictive covenant, or deed restriction applicable to the Leased Premises. Without releasing the foregoing warranty by Landlord, Tenant agrees not to use the Leased Premises for any purpose that violates any federal, state or local statute, ordinance or regulation that is applicable to Tenant or Tenant's use and occupancy of the Leased Premises.

6.3 **No Nuisance.** Tenant will not use, occupy, or permit the use or occupancy of the Leased Premises in any manner that constitutes waste or a public or private nuisance.

6.4 **Hazardous and Toxic Materials:**

6.4.1 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.

6.4.2 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.

6.4.3 Definitions. As used herein,

6.4.3.1 "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;

6.4.3.2 "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

6.4.3.3 "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.

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

- 6.5 **Landlord's Access.** After reasonable prior written notice to Tenant, Landlord and its authorized agents shall have the right during Normal Business Hours, except as otherwise reasonably requested in writing by Tenant, to enter the Leased Premises to (i) inspect the Leased Premises; (ii) show the Leased Premises to prospective lenders or purchasers; (iii) within the last four (4) months of the Initial Term or, if applicable, the then current Extension Term, show the Leased Premises to prospective tenants; and (iv) fulfill Landlord's obligations or exercise its rights under this Lease. Notwithstanding the foregoing, Landlord will not be required to give Tenant prior notice of Landlord's entry unto the Leased Premises in case of emergency involving the threat of imminent harm to person(s) or material damage to property, but Landlord will notify Tenant of such entry within 48 hours thereafter. Landlord's entry under this provision shall be made in a reasonable manner and shall not unreasonably interfere with the operation of Tenant's business.
- 6.6 **HIPAA.** For purposes of this Section of the Lease, "protected health information" ("PHI") shall have the meaning defined by the Standards for Privacy of Individually Identifiable Health Information, 45 C.F.R. Part 160 and Subparts A and E of Part 164 and all amendments thereto (commonly known as the "Privacy Standards"), as promulgated by the U.S. Department of Health and Human Services pursuant to the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 and all amendments thereto ("HIPAA"). In the event that in its use of the Leased Premises for the Permitted Use, Tenant creates, stores, or maintains PHI in the Leased Premises, the Parties agree that neither Landlord nor Landlord's employees and agents shall need access to, or the use of, any PHI of Tenant. However, in the event PHI is seen by or disclosed (whether inadvertently or otherwise) to Landlord or its employees or agents, the Party discovering such disclosure shall promptly notify the other Party and Landlord agrees to promptly take commercially reasonable measures to prevent any subsequent dissemination by Landlord or Landlord's employees or agents of such PHI to third parties. The Parties agree that the provisions of this Section do not create, and are not intended to create, a "business associate" relationship between the Parties as that term is defined by the Privacy Standards.
- 6.7 **Quiet Possession.** Landlord warrants to Tenant that Tenant shall have the quiet possession of the Leased Premises for the entire Lease Term hereof, subject to all of the terms and conditions of this Lease.
- 6.8 **Permits.** Landlord, at its expense, shall obtain the certificate of occupancy, if any, and any other governmental permissions or permits required for Tenant's physical occupancy of the Leased Premises. Tenant, at its expense, shall obtain any other governmental licenses or permits required specifically for Tenant's Permitted Use of the Leased Premises. If any subsequent alteration or improvement made to the Leased Premises by or at the request of Tenant requires either the issuance of a new permission or permit, or the modification or amendment of an existing permit, Tenant shall, at its expense, procure such permission, permit, modification, or amendment.
- 6.9 **Signage.** Subject to the terms, conditions and specifications set out in Exhibit D attached hereto and incorporated herein for all purposes, Tenant may install signage identifying its presence in the Building on (i) each exterior door to the Leased Premises, and (ii) any pylon or monument (if any) located on the Real Property that has been designated by Landlord for the display of signage by tenants and other occupants of the Building.
- 6.10 **Landlord's Rules and Regulations.** Tenant has received a current copy and will abide by all reasonable rules and regulations promulgated by Landlord for the proper operation of the Real Property that do not unreasonably interfere with Tenant's use of the Leased Premises and are equally applicable to all Real Property tenants and other occupants. Any rule promulgated by

Landlord after the Commencement Date shall be effective to Tenant no earlier than thirty (30) days after Tenant has received a written copy of the rule.

- 6.11 **Compliance with Laws.** Landlord shall maintain the Real Property and all appurtenant improvements in 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), Chapter 469, Texas Government Code, and the administrative rules and regulations adopted by the Texas Department of Licensing and Regulation (Title 16, Texas Administrative Code, Chapter 68) under authority of Chapter 469, in each case as may be amended from time to time.
- 6.12 **Clery Act Responsibilities.** The Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act, 20 U.S.C. §1092(f), as amended from time to time (the “Clery Act”) imposes a legal duty on Tenant to disclose to its campus community and to the U.S. Department of Education timely and annual information about certain incidents that occur on its campus and at certain off-campus, non-campus, and public property locations. These incidents include: (i) murder; (ii) sex offenses, forcible or nonforcible; (iii) robbery; (iv) aggravated assault; (v) burglary; (vi) motor vehicle theft; (vii) manslaughter; (viii) arson; (ix) arrests or persons referred for campus disciplinary action for liquor law violations, drug-related violations, and weapons possession; (x) all incidents described in the foregoing clauses (i) through (viii) in which the victim is intentionally selected because of his/her actual or perceived race, gender, religion, sexual orientation, ethnicity, or disability; and (xi) larceny-theft, simple assault, intimidation, destruction, damage, or vandalism of property, and other crimes involving bodily injury to any person, in which the victim is intentionally selected because of his/her actual or perceived race, gender, religion, sexual orientation, ethnicity, or disability. Landlord agrees to assist Tenant in fulfilling these duties by providing to Tenant information about all such crimes that become known to it and that occur at the Real Property or adjacent to it during the Initial Term or any Extension Term. Landlord will report this information to Tenant through written notice given in accordance with this Section 6.12 immediately upon learning of this information.

Article 7

Utilities and Services

- 7.1 **Services to be Provided.** Except as otherwise expressly provided in this Lease, Landlord agrees at its sole cost and expense to furnish (or cause third parties to furnish) all of the following utilities and services to the Leased Premises (collectively, “Landlord’s Services”):
- 7.1.1 **Heat and Air Conditioning.** During Normal Business Hours, Landlord shall ventilate and furnish to the Leased Premises and the common areas of the Building heat or air conditioning (“HVAC”), as appropriate for the season, at such temperatures and in such amounts as is customary in buildings of comparable size, quality, and in the general vicinity of the Building, with such adjustments as Landlord reasonably deems necessary for the comfortable occupancy of the Leased Premises. Upon request, Landlord shall make available, at Tenant’s expense, after hours heat or air conditioning of the Leased Premises on the same terms, conditions, and rates as offered by Landlord to other tenants in the Building.
- 7.1.2 **Electricity.** On a 24 hour per day, seven day per week basis, electric current in amounts reasonable and customary for the Permitted Use.
- 7.1.3 **Gas.** On a 24 hour per day, seven day per week basis, in amounts reasonable and customary for the Permitted Use.
- 7.1.4 **Water.** On a 24 hour per day, seven day per week basis, in amounts reasonable and customary for the Permitted Use, hot and cold running water for drinking, cleaning and lavatory purposes.
- 7.1.5 **Bulbs and Ballasts.** Replacement of Building-standard bulbs and ballasts as necessary.
- 7.1.6 **Janitorial.** Tenant shall provide its own janitorial services to the Building and Leased Premises in a manner and to a standard that is customary in buildings of comparable size, quality, and in the general vicinity of the Building. Tenant shall pay for its own janitorial services.
- 7.1.7 **Telecommunications.** Connections within the Leased Premises to telecommunications lines and cables for telephone, cable and internet service reasonable and customary for the Permitted Use; provided that Tenant shall be responsible for (i) wiring costs associated with connecting its telecommunications equipment to the connections provided by Landlord; and (ii) costs charged for the telecommunication services used by Tenant in the Leased Premises.
- 7.1.8 **Maintenance.** Landlord shall maintain in good condition and repair all electric, water, sewer, and other utility lines

and facilities in the Real Property that serve the Leased Premises and which are necessary for or used in the provision of the Landlord Services to the Leased Premises.

7.1.9 **Elevator Service.** If applicable, Elevator service on a 24 hour per day, seven day per week basis. Landlord shall provide automatic elevator facilities during Normal Business Hours and have at least one (1) elevator available for use at all other times.

7.1.10 **Trash Removal.** Landlord to allow Tenant use of the trash dumpster in proximity to the facility. Landlord will cover cost of dumpster removal as necessary.

7.2 **Additional Services.** If additional services to Tenant are reasonably necessary, and providing the additional service is operationally and economically feasible, then Landlord may, when requested by Tenant and at Tenant's cost, (i) install and maintain separate utility metering devices; (ii) install supplementary heating or air conditioning units, or modify the existing heating or air conditioning system in the Premises; or (iii) with respect to lighting beyond Building standard, purchase and replace light bulbs and ballasts, and/or fixtures.

7.3 **Utilities.** The costs to Tenant of all utilities servicing the Leased Premises are included within the Rent, save and except those specifically marked with "X" below, Landlord and Tenant acknowledge and agree that the following utilities designated by "X" are or will be separately metered to the Leased Premises as of the Commencement Date, and that Tenant shall pay directly to the utility provider all costs and fees for such designated services to the Leased Premises:

<input checked="" type="checkbox"/> Electricity	<input checked="" type="checkbox"/> Natural Gas	<input checked="" type="checkbox"/> Water and Wastewater (Landlord billed)
<input type="checkbox"/> Phone Lines	<input type="checkbox"/> Cable TV	<input checked="" type="checkbox"/> Internet

7.4 **Telecommunication Equipment.** In the event that Tenant wishes at any time to utilize the services of a telephone or telecommunications provider whose equipment is not then servicing the Building, no such provider shall be permitted to install its lines or other equipment within the Building without first securing the prior written approval of the Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed.

7.5 **Service Interruption.** In the event that Landlord's Services to the Leased Premises are materially interrupted for any reason, Tenant agrees to promptly notify Landlord in writing of such interruption. Upon learning of any material interruption to the Landlord's Services, Landlord agrees to promptly and diligently thereafter use commercially reasonable efforts to restore the Landlord's Services to the Leased Premises. If the interruption of Landlord Services (i) materially interferes with Tenant's Permitted Use of the Leased Premises for five (5) or more consecutive business days, and (ii) is not attributable to the negligence or willful misconduct of Tenant, then Tenant shall be entitled to an equitable abatement or reduction of Rent for the period of such interruption, effective as of the first day of loss of service. In the event that an interruption of Landlord's Services to the Leased Premises (i) is not caused by the negligence or willful misconduct of Tenant, and (ii) substantially and materially interferes with Tenant's Permitted Use of the Leased Premises, or is reasonably expected to substantially and materially interfere with Tenant's Permitted Use of the Leased Premises, for a period of thirty (30) or more consecutive calendar days, Tenant at its option may terminate this Lease upon written notice to Landlord; provided, however, that if such interruption of the Landlord's Services is attributable to fire, weather or other casualty governed by Article 11 of this Lease, then the provisions of Article 11 shall control over the provisions of this sentence.

Article 8 Maintenance and Repairs

8.1 **Landlord's Obligation to Maintain and Repair.** Subject to Exhibit E, as described herein, Landlord shall, at Landlord's sole cost and expense, maintain in good condition (and in connection therewith, replace, or repair as necessary) the Real Property, the Building and those portions of the Building's plumbing, electrical, mechanical, and HVAC systems located within the Leased Premises; save and except that to the extent such damage is attributable to the negligence or willful misconduct of Tenant or Tenant's employees or agents, Tenant shall be responsible for the reasonable, actual costs of repair incurred by Landlord as mutually agreed in writing by the Parties prior to repair.

8.2 **Tenant's Obligation to Maintain and Repair.** Subject to Exhibit E, as described herein, and except as to (i) those items to be maintained by Landlord pursuant to Section 8.1, and (ii) any damage to the Leased Premises attributable to the negligence or willful misconduct of Landlord or Landlord's employees or agents, which damage shall be repairable by Landlord at Landlord's sole cost and expense, Tenant shall at its sole cost and expense, (i) maintain and keep in good condition and repair the interior of the Leased Premises; (ii) repair or replace any damage or injury done to the Leased Premises or any other part of the Real Property to the extent the same is caused by the negligence or willful misconduct of Tenant or Tenant's employees

or agents; and (iii) maintain all telephone and telecommunications equipment and wiring installed in the Leased Premises by Tenant.

Article 9

Tenant Alterations and Liens

- 9.1 **Tenant Alterations.** Tenant shall not make any alterations, additions, or improvements with a value in excess of \$15,000.00 to the Leased Premises without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed. If the Landlord consents to such alterations, additions, or improvements, the Parties shall at the time agree in writing as to whether the whole or any part of the alterations, additions, or improvements will at the expiration or earlier termination of the Lease Term be left in place on the Leased Premises or removed from the Leased Premises by and at the expense of Tenant.
- 9.2 **Condition at Termination.** All alterations, installations, additions, and improvements made and installed and paid for by Landlord shall become the property of Landlord and shall remain upon and be surrendered with the Leased Premises as a part thereof at the end of the Lease Term. Upon the expiration or within thirty (30) days after the earlier termination of the Lease, Tenant shall deliver the Leased Premises to Landlord in the same condition as when delivered to Tenant, reasonable wear and tear, damage by casualty or condemnation, and alterations, additions, or improvements required to be left in place as set forth in Section 9.1 above excepted. Notwithstanding anything to the contrary herein, Tenant may remove from the Leased Premises at any time any and all machinery, equipment, trade fixtures, furniture, furnishings, and other personal property owned by Tenant provided that Tenant repairs any damage to the Leased Premises caused by such removal.
- 9.3 **Liens.** Tenant shall keep the Leased Premises, the Building, and the Real Property free from all liens arising out of any work performed, materials furnished, or obligations incurred by or for Tenant.

Article 10

Insurance

- 10.1 **Landlord's Insurance.** At all times during the Lease Term, Landlord shall at its expense maintain in force and effect a policy of property insurance covering the Real Property in an amount equal to not less than the full replacement cost thereof; provided that Landlord shall not be obligated to insure any trade fixtures or personal property that Tenant may have placed upon the Leased Premises. Landlord must also maintain at its expense a policy or policies of commercial general liability insurance insuring against loss of life, bodily injury, and/or property damage in commercially reasonable amounts, and in no event less than one million dollars (\$1,000,000.00) per occurrence with a two million dollars (\$2,000,000.00) aggregate and including Tenant as an additional insured. All insurance policies required of Landlord under this Section 10.1 shall be issued by the Texas Municipal League Intergovernmental Risk Pool (TMLIRP) whose reinsurers are AM Best A-VII or better carriers duly licensed in the State of Texas. Each of such insurance policies shall also be properly endorsed to provide for not less than thirty (30) days advance written notice to Tenant of any cancellation or material modification or change of such insurance policy. The coverages required herein shall not limit the liability of Landlord.
- 10.2 **Tenant's Insurance**
- 10.2.1 **Limitations on Tenant's Insurance.** Landlord acknowledges that Tenant is an agency of the State of Texas and may only obtain insurance from third parties as authority may be granted to Tenant by state law or as may be reasonably implied by such law. Tenant shall have no obligation under this Lease to obtain policies of insurance and shall have the right, in Tenant's sole discretion, to determine whether Tenant will maintain policies of insurance, operate programs of self-insurance, or utilize any other program of risk-protection in connection with Tenant's operations.
- 10.2.2 **Liability Insurance.** 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 the medical liability of medical staff physicians) or for injuries caused by conditions of tangible state property is provided for solely by the provisions of the Texas Tort Claims Act, Texas Civil Practice and Remedies Code, Chapter 101, as amended from time to time.
- 10.2.3 **Workers Compensation Insurance.** Workers compensation insurance coverage for employees of Tenant will be provided by Tenant as mandated by the provisions of Texas Labor Code, Chapter 503, as amended from time to time.
- 10.3 **Waiver of Subrogation.** Landlord and Tenant each agree that with respect to any third-party insurance policy maintained, or required to be maintained, by it under this Lease, such policy of insurance shall contain a waiver of the insurer's subrogation rights with respect to any amounts paid under such policy or policies. Landlord and Tenant each agree to (i) immediately give

written notice to each insurance company that has issued to it, or in the future issues to it, policies of insurance with respect to this Lease; (ii) cause such insurance policies to be properly endorsed, as necessary, to evidence the waiver of the insurer's subrogation rights; and (iii) provide reasonable proof of such waiver of subrogation rights to the other Party. Further, to the extent of insurance proceeds received, the Parties respectively waive and release any and all claims against the other Party for damages caused or contributed to by the other Party.

Article 11

Fire and Casualty

- 11.1 **Repairs Taking Over 120 Days.** In the event that the Leased Premises or any portion of the Building or the Real Property reasonably necessary for Tenant's use and occupancy of the Leased Premises for the Permitted Use should be so damaged by fire or other casualty that, according to Landlord's reasonable estimate, rebuilding or repairs of such fire or other casualty damage cannot be completed within one hundred twenty (120) days following the date of such fire or other casualty ("Casualty Date"), within thirty (30) days of the Casualty Date, Landlord shall deliver to Tenant written notice of Landlord's reasonable estimate as to the time necessary to rebuild or repair such fire or other casualty damage (but not including any trade fixtures or personal property of Tenant in the Leased Premises) to substantially the same condition that existed immediately prior to the fire or other casualty ("Casualty Repair Period"). Within thirty (30) days from the date of Landlord's delivery of such notice to Tenant, either Party may upon written notice to the other Party terminate this Lease upon written notice to the other. If neither Party timely gives such notice of termination of the Lease, then Landlord shall promptly commence, and thereafter pursue with reasonable diligence, the rebuilding or repair of the damage caused by the fire or other casualty to substantially the same condition that existed immediately prior to the happening of the fire or other casualty; provided, however, that Landlord is not required to rebuild, repair, or replace any trade fixtures or personal property that may have been placed by Tenant within the Leased Premises. If the Lease is not terminated as provided under this paragraph and either (i) the rebuilding or repair work is not substantially completed before the expiration of the Casualty Repair Period, or (ii) Landlord has not commenced such rebuilding or repair work within sixty (60) days after the Casualty Date, then Tenant may terminate this Lease with written notice to Landlord within thirty (30) days following the expiration of the Casualty Repair Period or the above-described 60-day period (as applicable).
- 11.2 **Repairs Taking Under 120 Days.** In the event that the Leased Premises or any portion of Building or the Real Property reasonably necessary for Tenant's use and occupancy of the Leased Premises for the Permitted Use are damaged by fire or other casualty and, in accordance with Landlord's reasonable estimate, rebuilding or repairs of such damage can be completed within one hundred twenty (120) days following the Casualty Date, Landlord shall within thirty (30) days of the Casualty Date (i) deliver written notice of such estimate to Tenant, and (ii) promptly commence, and thereafter pursue with reasonable diligence, the rebuilding or repair of the damage caused by the fire or other casualty to substantially the same condition that existed immediately prior to the happening of the fire or other casualty; provided, however, that Landlord is not required to rebuild, repair, or replace any trade fixtures or personal property that may have been placed by Tenant within the Leased Premises. If either (i) the rebuilding or repair work is not substantially completed within such one hundred twenty (120) day period or (ii) Landlord has not commenced such rebuilding and repair work within sixty (60) days after the Casualty Date, then Tenant may terminate this Lease with written notice to Landlord within thirty (30) days after such 120-day period or 60-day period (as applicable).
- 11.3 **Rent Abatement.** Rent shall be equitably abated during the period and to the extent that any unrepaired casualty under this Article 11 interferes with Tenant's Permitted Use of the Leased Premises. If the Lease is terminated as provided under this Article 11, any Rent paid in advance by Tenant and which Landlord is not entitled to receive hereunder shall be refunded to Tenant.

Article 12

Condemnation

- 12.1 **Condemnation Affecting Leased Premises.** If the Leased Premises, the Building or the Real Property shall be taken or condemned in whole or in part for any public purpose or sold to a condemning authority in lieu of taking ("Taking"), and which Taking, in Tenant's reasonable opinion, will substantially interfere with Tenant's Permitted Use for the balance of the Lease Term, Tenant may terminate this Lease by delivering written notice of termination to Landlord within thirty (30) days after the date of vesting of title ("Date of Taking") is known by the Parties. A termination under this paragraph shall be effective as of the Date of Taking, and Rent shall be apportioned as of that date. Any Rent paid for a period thereafter shall be refunded to Tenant.
- 12.2 **Condemnation Without Termination.** In the event of a Taking and the Lease is not terminated as provided in Section 12.1 above, then this Lease shall continue in full force and effect, provided that (i) if the Taking includes any portion of the Leased

Premises, Rent shall be reduced on a pro rata basis in light of the reduction in the net square rentable footage of the Leased Premises; and (ii) if the Taking includes any portion of the Building or Real Property that interferes with Tenant's Permitted Use, Rent shall be adjusted as equitable under the circumstances. Following any Taking under this Section, Landlord shall at its sole expense promptly and diligently restore and reconstruct the Real Property, the Building or the Leased Premises (as applicable) to substantially its former function and condition, to the extent that such is commercially feasible.

- 12.3 **Condemnation Proceeds.** Landlord shall receive the award payable as a result of a Taking, to the extent such award is in excess of Tenant's leasehold interest. Tenant shall have the right to recover from such authority through a separate award (i) the value at the time of the Taking of the leasehold estate created hereunder; (ii) the value of any personal property of Tenant taken by the proceedings; and (iii) such compensation as may be awarded to Tenant on account of moving and relocation expenses and depreciation to and removal of Tenant's property.

Article 13

Taxes

- 13.1 **Tenant's Obligations.** Tenant shall be liable for and shall pay, prior to delinquency, any and all taxes and assessments levied against Tenant's personal property and trade fixtures placed by Tenant in or about the Leased Premises to the extent Tenant is not exempt from such taxes as a public institution of higher education.
- 13.2 **Landlord's Obligations.** Landlord shall be liable for and shall pay, prior to delinquency, any and all taxes and assessments levied against the Real Property.
- 13.3 **Payment of Taxes Owed by Another.** If any taxes for which a Party is liable under this Article 13 are not separately assessed and are levied or assessed against the other Party, then the Party responsible for such taxes shall pay the same to the other Party within ten (10) business days following written demand.

Article 14

Subletting and Assigning

- 14.1 **Sublease and Assignment.** Without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed, Tenant shall not assign, sublease, or otherwise transfer any whole or part of the Leased Premises to any other person; save and except that without the necessity of Landlord's consent, Tenant may assign, sublease, or otherwise transfer the Leased Premises or any portion thereof to another state agency, institution of higher education, or component of the Texas Tech University System. Tenant shall deliver to Landlord a copy of each assignment, sublease, or other transfer instrument entered into by Tenant promptly after the execution thereof, whether or not Landlord's consent is required in connection with such assignment, sublease, or other transfer.

Article 15

SNDA and Estoppel Certificate

- 15.1 **Subordination and Non-Disturbance.** If Landlord's interest in the Real Property is now or hereafter encumbered by a mortgage, deed of trust, or other lien (hereafter, whether one or more, "Lien") in favor of any third person ("Lienholder"), then Landlord agrees to obtain in favor of Tenant from each such Lienholder and cause to be recorded in the public records of the county in which the Real Property is located a written subordination and non-disturbance agreement of a form reasonably acceptable to both the Lienholder and Tenant, to the effect that, among such other matters as Tenant and Lienholder may agree, (i) upon Lienholder's written request, Tenant shall subordinate this Lease in favor of such Lien and attorn to and recognize such Lienholder; and (ii) for so long as Tenant is not in default of its obligations under this Lease beyond any applicable notice and cure periods, Tenant's possession of the Leased Premises pursuant to this Lease shall not be disturbed by Lienholder, Lienholder's successors and assigns, and any other person acquiring an interest in the Lien or Real Property by or through Lienholder or the Lien, notwithstanding a foreclosure or conveyance in lieu of foreclosure of such Lien. Landlord and Tenant further agree to execute and deliver such further instruments as may be reasonably required for such purposes and to carry out the intent of this Section.
- 15.2 **Estoppel Certificate.** Within thirty (30) days of written request by one Party to the other Party, the other Party shall, without additional consideration, execute and deliver to the requesting Party an estoppel certificate, consisting of reasonable statements of fact concerning the status of this Lease. If the other Party is unable to make any of the statements contained in the estoppel certificate because the same is untrue, the other Party shall indicate in reasonable detail why such statement is untrue. Any such certificate may be relied upon for the intended transaction for which the certificate was requested.

Article 16

Default

- 16.1 **Default By Tenant.** It shall be an event of default by Tenant under this Lease if Tenant fails to (i) pay any Rent or other monetary obligation owing to Landlord under this Lease when due and such failure is not cured within ten (10) business days after Landlord delivers written notice of default and demand for payment to Tenant; or (ii) perform any other obligation of this Lease for more than thirty (30) days after Landlord delivers written notice of such default and demand for performance to Tenant, provided that if such failure cannot be reasonably cured within said thirty (30) day period, Tenant shall not be in default hereunder so long as Tenant commences curative action within such thirty (30) day period and diligently and continuously pursues the curative action to completion. Upon the occurrence of an event of default by Tenant, Landlord may, to the extent authorized by the statutes and the Constitution of the State of Texas, (i) terminate this Lease upon written notice to Tenant, (ii) cure such default and be reimbursed by Tenant upon demand for the reasonable costs of such cure, and/or (iii) exercise any other remedy available at law, in equity, or by statute for such default.
- 16.2 **Default by Landlord.** It shall be an event of default by Landlord under this Lease if Landlord fails to perform any of its obligations hereunder and said failure continues for a period of thirty (30) days after Tenant delivers written notice of default and demand for performance to Landlord, provided that if such failure cannot be reasonably cured within said thirty (30) day period, Landlord shall not be in default hereunder so long as Landlord commences curative action within such thirty (30) day period and diligently and continuously pursues the curative action to completion. Upon the occurrence of an event of default by Landlord, Tenant may (i) terminate this Lease upon written notice to Landlord, (ii) cure such default and be reimbursed by Landlord upon demand for the reasonable costs of such cure, and/or (iii) exercise any other remedy available at law, in equity, or by statute for such default.
- 16.3 **Cumulative Remedies.** No right or remedy herein conferred upon or reserved to a Party is intended to be exclusive of any other right or remedy set forth herein or otherwise available to the Party, and every right and remedy shall be cumulative and in addition to any other right or remedy given hereunder or now or hereafter existing at law, in equity, or by statute.
- 16.4 **Dispute Resolution.** In the event that the Parties hereto fail to agree with respect to any matter covered by this agreement, the issue in dispute shall be submitted to non-binding arbitration or to mediation, conducted pursuant to Chapter 154, Alternate Dispute Resolution Procedures, Texas Civil Practice & Remedies Code, each Party to be responsible for its own costs. This clause will survive the expiration or termination of the Agreement, whether for cause or without cause.

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

Article 17

Notices

- 17.1 **Notice.** Notices will be deemed given on the date received (or refused) when addressed to the parties at the addresses set forth in Section 1.1.2 or Section 1.1.4, as applicable, or in either case to such other addresses as Landlord or Tenant may designate to the other by notice. Notice may also be given by regular mail, personal delivery, courier delivery, or other commercially reasonable means and will be effective when actually received. Any address for notice may be changed by written notice delivered as provided herein. Without limiting the foregoing, any notice required or permitted to be given under this Lease may be sent by e-mail at the appropriate e-mail address set forth in Section 1.1.2 or Section 1.1.4, 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 17.1 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.

Article 18

Holding Over

- 18.1 **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 Leased Premises after the expiration of the Term without execution of a new lease extending the Term, Tenant will be deemed to be occupying the Leased 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 1.1.7 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.

Article 19

Miscellaneous Provisions

- 19.1 **No Waiver.** No waiver by Landlord or by Tenant of any provision of this Lease shall be deemed to be a waiver by that Party of any other provision of this Lease. No waiver by a Party of any breach of this Lease or event of default by the other Party shall be deemed a waiver of any subsequent breach of this Lease or event of default by that other Party of the same or any other provision of this Lease.
- 19.2 **Applicable Law; Venue.** This Lease and all of the rights and obligations of the Parties and any claims arising from this Lease shall be construed, interpreted, and governed by the laws of the State of Texas well as the applicable Federal laws of the United States of America. Pursuant to Section 109.005 of the Texas Education Code, the County in which Tenant's Chief Executive Officer is located shall be the sole proper place of venue for any legal action or proceeding arising out of this Agreement or the enforcement of any provision in this Agreement.
- 19.3 **Successors and Assigns.** Subject to any provision hereof restricting assignment, subletting and other transfer by Tenant, all of the covenants, conditions and provisions of this Lease shall be binding upon and shall inure to the benefit of the Parties hereto and their respective heirs, personal representatives, successors and assigns.
- 19.4 **Force Majeure.** "Event of Force Majeure" means an event beyond the control of Landlord or Tenant which prevents or makes a Party's compliance with any of its obligations under this Lease illegal or impracticable, including but not limited to: act of God (including, without limitation, fire, explosion, earthquake, tornado, drought, and flood); war, act or threats of terrorism, hostilities (whether or not war be declared), invasion, act of enemies, mobilization, requisition, or embargo; rebellion, insurrection, military or usurped power, or civil war; contamination or destruction from any nuclear, chemical, or biological event; riot, commotion, strikes, go slows, lock outs, or disorder; epidemic, pandemic, viral outbreak, or health crisis; or directive of governmental authority. No Party will be considered in breach of this Lease to the extent that performance of their respective obligations is prevented or made illegal or impracticable by an Event of Force Majeure that arises during the term (or after execution of the Lease but prior to the beginning of the term). A party asserting an Event of Force Majeure hereunder ("Affected Party") will give reasonable notice to the other Party of an Event of Force Majeure upon it being foreseen by, or becoming known to, Affected Party. In the event of an Event of Force Majeure, Affected Party will endeavor to continue to perform its obligations under the Lease only so far as reasonably practicable.
- 19.5 **Severability.** If one or more provisions of this Lease, or the application of any provision to any party or circumstance, is held invalid, unenforceable, or illegal in any respect, the remainder of this Lease and the application to other parties or circumstances will remain valid and in full force and effect.
- 19.6 **Recording of Memorandum of Lease.** This Lease shall not be recorded. However, either Party shall have the right to record a memorandum of Lease of the form attached as **Exhibit F**, at its expense, at any time during the Lease Term hereof and, if requested, the other Party agrees (without charge) to join in the execution thereof.
- 19.7 **Entire Agreement; Modifications; Amendments.** This Lease supersedes all prior agreements, written or oral, between Parties and will constitute the entire Lease and understanding between the Parties with respect to the subject matter hereof. The Lease and each of its provisions will be binding upon the Parties and may be amended, modified, or supplemented only by an instrument in writing executed by all Parties hereto. All correspondence regarding amendments to the Lease must be forwarded to the University's contracting office for prior review and approval.
- 19.8 **Interpretation of Lease.** Each Party and its counsel have reviewed and revised this Lease after arms-length negotiations. Accordingly, the rule of construction that ambiguities are resolved against the drafting party shall not apply to this Lease or any amendments hereof.
- 19.9 **Headings.** The captions in this Lease are for convenience only and shall not be deemed to define, limit, or affect in any way the scope, meaning, intent, or extent of this Lease or any part of it.
- 19.10 **Authority.** Each Party represents and warrants that (a) such Party has the full power and authority to enter into this Lease and to perform its provisions and (b) the person signing on behalf of such Party has been duly authorized by such Party to sign this Lease on its behalf.

- 19.11 **No Third Party Beneficiaries.** No beneficial rights are given to any third parties by or under this Lease.
- 19.12 **Time of the Essence.** Except as otherwise provided in this Lease, time is of the essence in the performance of each and every provision in this Lease.
- 19.13 **Counterparts.** This Lease may be executed in a number of counterparts, each of which for all purposes shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.
- 19.14 **Non-Discrimination.** The Landlord shall comply with applicable state laws and requirements, and federal laws and requirements.
- 19.15 **Sanction or Exclusion Search.** Not Applicable.
- 19.16 **Cooperation with Tenant's Compliance Programs.** Tenant is an entity subject to the Deficit Reduction Act of 2005 and is required to establish and disseminate policies to be adopted by its Contractors and agents. Accordingly, Landlord agrees that it will comply with federal, state, or local laws or regulations applicable to Landlord's performance under this Lease.
- 19.17 **Conformance with Law.** Not Applicable.
- 19.18 **Office of Foreign Assets Control (OFAC).** Each Party represents and certifies to the other that (a) it is not a person and/or entity with whom United States ("U.S.") persons or entities are restricted from doing business under U.S. law, executive power, or regulation promulgated thereunder by any regulatory body; (b) no person or entity named on any U.S. list of specially designated nationals or blocked persons has any direct interest in it such that the direct investment in it is prohibited by any U.S. law; (c) it is not in violation of any U.S. money laundering law; and (d) none of its funds have been derived from unlawful activity such that the direct investment in it is prohibited by U.S. law. The foregoing are ongoing covenants of each Party. Each Party shall immediately advise the other Party of any change in the status or accuracy of such representations, and upon request each Party shall recertify such representations and certify in writing the identity of all entities and individuals owning or controlling it.
- 19.19 **No Boycott.** If this Lease has a value of \$100,000 or more that is to be paid wholly or partly from public funds of TTUHSC, and if Landlord is a company, other than a sole proprietorship, with ten (10) or more full-time employees, then pursuant to Texas Government Code § 2270.002, The Parties affirmatively state that they do not boycott Israel and will not boycott Israel during the term of this Lease. In this paragraph, the terms "company" and "boycott Israel" shall have the meanings described in Texas Government Code § 808.001.
- 19.20 **Human Trafficking.** Pursuant to Texas Government Code § 2155.0061, the Parties certify that each Party 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.
- 19.21 **No Conflicts.** Landlord certifies this Lease is not prohibited under Texas Government Code § 2261.252(b) and agrees that if Landlord's certification is or becomes untrue, this Lease is void, and Landlord will not seek and waives its right to seek any legal or equitable remedy for past or future performance under this Lease, including damages, whether under breach of contract, unjust enrichment, or any other legal theory; specific performance; and injunctive relief.
- 19.22 **Exhibits and Attachments.** All Exhibits, attachments, riders, and addenda referred to in this Lease are incorporated in this Lease and made a part hereof for all intents and purposes.
- 19.23 **E-Signatures.** This Agreement 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 Agreement 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 Agreement, shall have the same effect as physical delivery of the paper document bearing the original signature.

Signature page follows.

The Parties hereto have executed and delivered this Lease, as of the date first written in this Lease.

Landlord:
Lubbock Reese Redevelopment Authority

Tenant:
Texas Tech University Health Sciences Center

Signature

Signature

Name

Name

Title

Title

Date

Date

Exhibits:

- A. Description of Real Property.
- B. Description of Leased Premises and Parking Areas
- C. Required Delivery Conditions
 - C-1 Plans and Specifications for Tenant Improvements.
- D. Signage Provisions
- E. Landlord's Requirements and Disclosures
- F. Memorandum of Lease
 - Exhibit A to Memorandum of Lease – Description of Real Property
 - Exhibit B to Memorandum of Lease – Description of Leased Premises

Exhibit A
to Space Lease Agreement
Description of Real Property

Description of Leased Premises and Parking Areas

11,300 sqft





two HC spots

our contracted
parking

Exhibit C
to Space Lease Agreement

Required Delivery Condition
Article 1
Notices

- 1.1 **Plans for Tenant Improvements.** Landlord agrees to finish out the Leased Premises (“Tenant Improvements”) in accordance with the construction plans and specifications agreed upon by Landlord and Tenant and attached to this **Exhibit C** (“Agreed Plans”) as **Exhibit C-1**.
- 1.2 **Finish-out Costs.** In accordance with the Estimated Costs of Tenant Improvements described in **Exhibit C-1**, Tenant shall pay an estimated amount not to exceed \$1,250,000.00 to include a ten percent (10%) Landlord Project Management Fee. As design documents are developed from schematics to construction documents, Landlord shall provide updated construction estimates. If necessary, Tenant shall negotiate design and construction details with Landlord and Landlord’s design consultants to maintain construction estimates and costs below the not to exceed amount, Tenant to accept responsibility of any design consultant fees for the redesign process if incurred by design consultant. It is expressly understood and agreed to by the Tenant that Finish-out Costs may occur prior to the start date of this Lease and that the Tenant agrees to reimburse Landlord for costs incurred prior to the start date of the Lease, to include the Landlord Project Management Fee provided the costs identified are for services included in **Exhibit C-1**.
- 1.3 **Changes to Agreed Plans.** No changes or alterations to the Agreed Plans will be permitted except upon the mutual consent of Landlord and Tenant.
- 1.4 **Construction Requirements.** Construction of the Tenant Improvements shall be performed and completed by Landlord and its contractors in accordance with the Agreed Plans in a good and workmanlike manner and compliance with all applicable law, and free of all liens, charges, and other claims by any suppliers, laborers, or materialmen. All materials and equipment installed in the Tenant Improvements shall be new unless otherwise specified in the Agreed Plans. Tenant will be provided access necessary for review of the construction of the Tenant Improvements and Landlord agrees to cooperate with Tenant and to promptly act when notified by Tenant with respect to review, inspection, or correction of aspects of the construction that Tenant may bring to Landlord’s attention. Construction shall begin promptly after issuance of any necessary building permits and other required permits, including without limitation, any required approval of the Agreed Plans by the Texas Department of Licensing and Regulation.
- 1.5 **Permits.** Landlord shall be responsible for obtaining at its sole cost and expense all necessary building and other permits pertaining to (i) the construction of the Tenant Improvements, and (ii) the occupancy of the Leased Premises after completion of the Tenant Improvements.
- 1.6 **Substantial Completion.** For the purpose of this Lease, the Tenant Improvements shall be deemed “substantially completed” on the date that Landlord delivers to Tenant Landlord’s written certification that all Tenant Improvements have been constructed in material and substantial compliance with the Agreed Plans, save and except for “punch list” items that Landlord agrees to correct within thirty (30) days.
- 1.7 **Tenant’s Access During Construction.** Tenant shall have access to the Leased Premises during the Tenant Improvements construction period in order to prepare the Leased Premises for occupancy and commencement of Tenant’s business operations on the Commencement Date (“Tenant Prep Work”). Landlord shall provide to Tenant, at the earliest practicable time but in no event later than Fourteen (14) days prior to the date that the Leased Premises are substantially completed. Such occupancy shall be subject to all of the terms and conditions of the Lease, except that Tenant shall not be required to pay Rent and other sums during such period of occupancy.
- 1.8 **Default.** A default by either Landlord or Tenant under this Exhibit is an event of default by that Party under the Lease and entitles the non-defaulting Party to all of its remedies under the Lease.

Exhibit C-1
to Space Lease Agreement

Plans and Specifications for Tenant Improvements

1. Selected Bid for Tenant Improvements (attached hereto as Schedule 1 to Exhibit C-1) – TBP.

2. Anticipated Construction Schedule

- Architectural 90% Plan Set Preparation: _____
- 90% Plan Set Review & Comments: _____
- 100% Final Plan Set Preparation: _____
- Final Budgeting: _____
- Final Budget Review & Approval: _____
- Construction Commencement: _____
- Construction Complete: _____

3. Estimated Cost of Tenant Improvements

Renovation and Demolition Cost	
Site Development	
Project Specialty Items	
Design Contingency	
Construction Contingency	
Escalation Contingency	
Total Construction Cost	
Soft Costs	
Total Project Cost	
Construction Management Fee (10% of Total Project Cost)	
Total Estimated Project Cost + Construction Management Fee	

4. Tenant Improvements Payment Milestones

- a. Tenant shall reimburse Landlord for all monthly progress payments made by the Landlord. Landlord shall provide Tenant a monthly invoice with copies of all invoices supporting the Landlord's invoice. Tenant shall pay Landlord within thirty (45) days of receipt of the Monthly Invoice.
- b. Any dispute by Tenant regarding a Monthly Invoice must be submitted in writing to Landlord within five (5) business days of the invoice date; failure to do so constitutes acceptance of the Monthly Invoice and waives the right to dispute it.

Prior to the execution of the Lease, Tenant and Landlord must include an Updated Anticipated Construction Schedule. If the schedule shows an extension past the Completion Date, the Parties agree to update the completion date within the Lease.

Exhibit D
to Space Lease Agreement

Signage Provisions

Tenant's signage shall be substantially in accordance with the plans and specifications set forth below or attached hereto. All such signage shall be manufactured and installed at Tenant's cost and shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned, or delayed.

Exhibit E
to Space Lease Agreement

Landlord's Requirements and Disclosures

1. 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) Not Used.
- (5) Not Used.
- (6) Repair, replace, and maintain any part of the Premises damaged 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 of 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). 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.

(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) Not used.
- (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 Exhibit E, Section 1(a)(12). Tenant acknowledges this is not an indemnity agreement, but is an agreement to release and waiver of claims against Landlord for Tenant's activities, conduct, use and occupancy of the Premises and the Real Property.
- (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) Not Used.
- (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) Not Used.

2. 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) Subject to the Tenant Improvements, Landlord has provided the Premises on an "as is" basis for the use of the Premises for the Permitted Use for Tenant, and in this regard, Tenant accepts the Premises in their present as is condition. Landlord shall only be responsible for repairs to (a) the roof and the structural soundness of the walls, excluding doors and windows, if any, (b) the foundation of the Premises, and (c) 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.

3. Limitation of Warranties. TO THE EXTENT PERMITTED BY TEXAS LAW, 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.

4. AFFIRMATIVE REPRESENTATIONS CONCERNING FREE TRADE ZONE AND OPERATION OF AIRFIELD

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

(b) Airfield. Landlord currently has Federal Aviation Administration approval to operate the airstrips located within the Project. The 6,500-foot north-south runway can accommodate large cargo aircrafts such as a C-130. While Landlord anticipates that there may be changes with respect to the use of the three (3) primary landing strips that are now in operation, 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.

6. 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.

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

EXHIBIT F**TEMPLATE ONLY****Memorandum of Lease**

THE STATE OF TEXAS §
 §
COUNTY OF _____ §

MEMORANDUM OF LEASE

Notice is hereby given that _____ (“Landlord”) has entered into a written lease (“Lease”) with **Texas Tech University Health Sciences Center, for the use and benefit of** _____ (“Tenant”) dated as of _____, 20____, pertaining to certain leased premises that are part of the center commonly known as _____ in the city of _____, _____ County, Texas, and located on the real property (“Land”) owned by Landlord. The leased premises and the Land are more particularly described in **Exhibit A** attached hereto. The Lease is for a term of _____ (____) months, commencing on or about _____, 20____, and Tenant is further granted the option to extend and renew the term of the Lease for _____ (____) additional period(s) of _____ (____) years each.

Attachments:

Exhibit A – Description of Leased Premises

Exhibit B – Description of Land

EXECUTED to be effective as of _____, 20____.

LANDLORD

By: _____

Name: _____

Title: _____

TENANT**University**

By: _____

Name: _____

Title: _____

STATE OF TEXAS §
 §
 COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 20__ by _____,
 _____ of _____, a _____ on behalf of said
 _____.

 Notary Public, State of Texas

STATE OF TEXAS §
 §
 COUNTY OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 20__ by
 _____, _____ of Texas Tech University Health
 Sciences Center, for the use and benefit of _____.

 Notary Public, State of Texas

After Recording, Return to:

Exhibit A
to Memorandum of Lease

Description of Real Property

TEMPLATE ONLY

Exhibit B
to Memorandum of Lease

Description of Leased Premises

TEMPLATE ONLY

BOARD ACTION ITEM No. 2025-0827-018
TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER (TTUHSC)
LEASE FOR BUILDING 74

BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
August 27, 2025

Items to be Considered:

Lease with TTUHSC for the Matador UAS Consortium to occupy Building 74, the former fire station, for the purpose of rural health care programs using unmanned aircraft.

Previous Board Action:

The Board approved a temporary lease for TTUHSC on June 27, 2023, and an amendment to the temporary lease on June 19, 2025.

Statement of Pertinent Facts:

- a. The initial term is for 10 years with two extension periods of 5 years each
- b. Rent starts at \$7 per square foot with annual escalation of 3% each year.
- c. LRRRA will manage construction of the finish-out for a 10% fee, the total project is about \$1.25 million

Advice, Opinions, Recommendations and Motion:

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

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby authorizes its CEO/Executive Director to execute the lease for Building 74 with TTUHSC, subject to negotiation of final terms and conditions, on the 27th day of August 2025.”

Approved by: _____
John Hamilton, Vice President

ATTEST: _____
LRRRA Board Member

AGENDA ITEM 8
EXECUTIVE SUMMARY
AGREEMENT FOR EMPLOYER OF RECORD WITH
SOUTH PLAINS ASSOCIATION OF GOVERNMENTS (SPAG)
FOR TEXAS ASSOCIATION OF COUNTIES HEALTH INSURANCE PLAN

LRRA staff are always looking for better and less expensive health insurance for its employees. Since we are a very small group, this is challenging. By partnering with SPAG through an Employer of Record Agreement, we can access health insurance through the Texas Association of Counties. This statewide pool has more robust insurance plans which will be available to LRRA employees and can save LRRA money.

The attached agreement lays out the responsibilities of both LRRA and SPAG for how this program will be administered. There is a small, \$500 annual fee, to be paid by LRRA to SPAG. This agreement is strictly for providing health insurance to LRRA.

Staff are requesting Board approval for this Agreement for Employer of Record Program.

STATE OF TEXAS §
 §
COUNTY OF LUBBOCK §

**AGREEMENT FOR EMPLOYER OF RECORD PROGRAM
(HEALTH INSURANCE)**

Parties

South Plains Association of Governments
6800 Indiana Avenue
Lubbock, TX 79413
(806) 762-8721

Contact: Kelly Criswell, Executive Director

Lubbock Reese Redevelopment Authority
d/b/a Reese Technology Center
9801 Reese Blvd., Suite 200
Lubbock, TX 79416
806.885.6592

Contact: Murvat Musa, Chief Executive Officer

Recitals

The South Plains Association of Governments (“SPAG”) is a political subdivision of the State of Texas as established in Chapter 391, Local Government Code, Texas Civil Statutes, as amended. SPAG, a state planning region or council of governments, is an association of counties, cities, school districts and special government districts. SPAG is experienced in all aspects of employment and has a demonstrated performance record for administration and accountability of funds for employer of record programs, to include administration of employee health insurance program (the “Program”).

The Lubbock Reese Redevelopment Authority, d/b/a Reese Technology Center (“RTC”) is a political subdivision of the State of Texas as established in Chapter 3501, Texas Special District Local Laws Code, as amended. RTC is the premier regional center in the South Plains region for economic development centered around technology, research, engineering, education, and manufacturing. RTC is in need of the Program.

SPAG and RTC desire to enter into this Agreement whereby SPAG will provide the Program services (also referred to as employer of record services).

Term and Termination

This Agreement shall commence on January 1, 2025, and shall remain in force and effect until terminated. Either SPAG or RTC may terminate this Agreement, with or without cause, after providing thirty (30) days advance written notice to the other party.

Administration

SPAG will provide benefits as described in Exhibit A attached hereto and incorporated herein by reference. RTC will provide levels of benefits pursuant to its own policies and procedures as budgeted. RTC will set its own employment policies and is responsible for the day-to-day administration of those policies along with Local, State and Federal law governing the employee-employer relationship. RTC will provide assurances to SPAG on behalf of its employees, to include but not be limited to the following, if required:

Compliance with rules and regulations governing the reporting and payment of all federal and state taxes on payroll wages paid under this Agreement including, but not limited to (a) federal income tax withholding provision of the Internal Revenue Code; (b) state and/or local income tax withholding provisions; (c) Federal Insurance Contributions Act (FICA); (d) Federal Unemployment Tax Act (FUTA); and (e) applicable state unemployment provisions.

Compliance with applicable state and federal laws including applicable workers' compensation and employment laws including but not limited to (a) procuring workers' compensation insurance; (b) completing and filing all required reports; (c) managing claims, and (d) implementation of appropriate policies and practices relating to the employer-employee relationship.

It is agreed and understood that RTC is responsible for the worksites and is liable for various conditions under state and federal law.

SPAG agrees to comply, at its sole cost and expense, with any applicable specific directives promulgated by (1) a federal, state, or local governmental body, department, or agency; (2) an insurance carrier providing coverage pursuant to the Program and/or its employees affecting this Agreement; and/or (3) SPAG as made necessary by circumstances which currently or specifically affect the Program and SPAG employees providing services under this Agreement.

Nothing in this Section shall be construed to require either SPAG or RTC to provide any of the matters referred to therein except as required by law or as otherwise specifically provided by this Agreement.

Service Fee

In exchange for SPAG's services hereunder RTC agrees as follows:

RTC shall pay SPAG an annual fee of \$500. RTC shall use a method of payment approved in advance by SPAG.

RTC shall reimburse SPAG for costs incurred by the employees which are not contemplated by the Agreement, but which may be required by SPAG in the execution of the activities associated with this Agreement, as it relates to the Program.

Insurance

RTC shall furnish and keep in force and effect at all times during the term of this Agreement, Workers Compensation insurance covering the employees. RTC agrees to immediately report to SPAG all accidents and injuries to employees.

SPAG shall furnish and keep in force and effect at all times during the term of this Agreement, errors and omission insurance and bonding for employees covered under this Agreement in the amount of \$1,000,000 per occurrence.

SPAG shall furnish and keep in force and effect at all times during the term of this Agreement, comprehensive general liability insurance covering the SPAG employees working within its programs and facilities with minimum limits of \$1,000,000 per occurrence and \$1,000,000 aggregate.

Default

Acts of default by RTC shall include, but are not limited to:

1. Failure of RTC to pay a fee when due.
2. Failure of RTC to comply within thirty (30) days of any directive of SPAG when such directive is promulgated or made necessary by a federal, state, or local governmental body, department or agency, or by an insurance carrier providing coverage pursuant to the Program.
3. Commission or omission of any act that usurps any right or obligation of RTC as an employer of employees covered by this Agreement.
4. Violation by RTC of any provision of this Agreement.

Acts of default by SPAG shall include, but are not limited to:

1. Failure of SPAG to comply within thirty (30) days of any directive of the Program when such directive is promulgated or made necessary by a federal, state, or local

governmental body, department or agency, or by an insurance carrier providing coverage pursuant to the Program.

2. Violation by SPAG of any provision of this Agreement.

In the event that SPAG incurs any expenses, fines, and/or liabilities as a result of an act of default by RTC as set forth above, RTC shall reimburse SPAG for all actual expenses, fines, and/or liabilities including, but not limited to, reasonable attorneys' fees, court costs, and any related expenses. Likewise, in the event that RTC incurs any expenses, fines, and/or liabilities as a result of an act of default by SPAG as set forth above, SPAG shall reimburse RTC for all actual expenses, fines, and/or liabilities including, but not limited to, reasonable attorney's fees, court costs, and any related expenses.

Indemnity

RTC HEREBY AGREES TO INDEMNIFY, DEFEND, AND HOLD SPAG HARMLESS FROM AND AGAINST ANY AND ALL LIABILITY, EXPENSE (INCLUDING COURT COSTS AND ATTORNEYS' FEES) AND CLAIMS FOR DAMAGE OF ANY NATURE WHATSOEVER, WHETHER KNOWN OR UNKNOWN AND WHETHER DIRECT OR INDIRECT, AS THOUGH EXPRESSLY SET FORTH AND DESCRIBED HEREIN, WHICH SPAG MAY INCUR, SUFFER, BECOME LIABLE FOR OR WHICH MAY BE ASSERTED OR CLAIMED AGAINST SPAG AS A RESULT OF THE ACTS, ERRORS, OR OMISSIONS, INCLUDING NEGLIGENT ACTS AND STATUTORY VIOLATIONS, OF RTC.

SPAG HEREBY AGREES TO INDEMNIFY, DEFEND, AND HOLD RTC HARMLESS FROM AND AGAINST ANY AND ALL LIABILITY, EXPENSE (INCLUDING COURT COSTS AND ATTORNEYS' FEES) AND CLAIMS FOR DAMAGE OF ANY NATURE WHATSOEVER, WHETHER KNOWN OR UNKNOWN AND WHETHER DIRECT OR INDIRECT, AS THOUGH EXPRESSLY SET FORTH AND DESCRIBED HEREIN, WHICH RTC MAY INCUR, SUFFER, BECOME LIABLE FOR OR WHICH MAY BE ASSERTED OR CLAIMED AGAINST THE PROGRAM AS A RESULT OF THE ACTS, ERRORS, OR OMISSIONS, INCLUDING NEGLIGENT ACTS AND STATUTORY VIOLATIONS, OF SPAG.

RTC and SPAG expressly agree that the indemnification provisions of this Agreement shall not be limited to claims, expenses, or liabilities for which one of them is solely liable, but shall also apply to claims, expenses, and liabilities for which RTC and SPAG are jointly and concurrently liable. In such event, if either of them advances funds in connection with a claim, expense, or liability which is subject to this provision in excess of its pro rata share, said party shall be indemnified by the other party hereto for such excess amounts.

Resources of the Parties

All employees of SPAG assigned to provide administrative services to the Program shall have adequate knowledge and experience to enable them to perform the duties assigned to them. SPAG certifies that it has adequate qualified personnel in its employment to perform the work contemplated by this Agreement. Unless otherwise specified, SPAG

shall furnish all equipment, materials, supplies, and other resources required to perform the work.

Records and Ownership

SPAG agrees to maintain all books, documents, papers, accounting records, and other materials pertaining to costs at its offices during the Agreement period and for four (4) years from the date of final payment under the Agreement. These materials shall be made available for inspection and copying by RTC and its authorized representatives. If this Agreement is federally funded, these materials shall also be made available for inspection and copying by the U.S. Department of Labor and by the Office of the Inspector General.

Equal Employment Opportunity

SPAG agrees to comply with Executive Order 11246, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 and as supplemented by Department of Labor regulations, 41 CFR Part 60. SPAG warrants that it has developed and has on file appropriate affirmative action programs as required by applicable rules and regulations of the Secretary of Labor.

Nondiscrimination

SPAG shall comply with the regulations of the U.S. Department of Labor relating to nondiscrimination in federally-assisted programs.

With regard to the work performed during this Agreement, SPAG shall not discriminate on the basis of race, color, sex, national origin, age, religion, or disability in the selection and retention of employees.

Amendment

This Agreement may be amended from time to time as agreed by RTC and SPAG in writing. Such amendment shall become effective on the date so designated when signed by both RTC and SPAG.

Arbitration

SPAG and RTC agree and stipulate that all claims, disputes, and other matters in question between SPAG and RTC arising out of, or relating to this Agreement or the breach thereof, will be decided by arbitration in accordance with the Federal Arbitration Act (9 USC §§10, 11) and the applicable rules of the American Arbitration Association then in effect subject to the limitations of this Section. This Agreement to so arbitrate, and any other Agreement or consent to arbitrate entered into in accordance with this Section, will be specifically enforceable under the prevailing law of any court having jurisdiction.

Notice of a demand for arbitration will be filed in writing with the other party to this Agreement and with the American Arbitration Association. The parties agree to attempt to resolve the dispute through non-binding mediation before proceeding with arbitration. The demand for arbitration shall be made within a reasonable time after the claim, dispute, or other matter in question has arisen, and in no event shall any such demand be made after the date when institution of legal or equitable proceedings based on such claim, dispute, or other matter in question would be barred by the applicable statute of limitations.

The award rendered by the arbitrator will be final, judgment may be entered upon it in any court having jurisdiction thereof and will not be subject to modification or appeal except to the extent permitted by the Federal Arbitration Act.

Assignment

Neither RTC nor SPAG shall assign this Agreement or its rights and duties hereunder, or make any amendment or modification hereto, without the prior written consent of the other party.

Governing Law

Except for provisions of this Agreement regarding Arbitration, the laws of the State of Texas shall govern this Agreement.

Attorneys' Fees

The prevailing party in any enforcement action arising with respect to this Agreement shall be entitled to recover from the other party all costs of such enforcement action including, without limitation, reasonable attorneys' fees, court and arbitration costs, and related expenses.

Entire Agreement

This document, including any exhibits attached hereto, contains the entire Agreement of the parties and supersedes all prior and contemporaneous agreements or understandings, whether written or oral, with respect to the subject matter hereof. RTC and SPAG warrant and represent to each other that, prior to the commencement of this Agreement, no separate agreements or arrangements exist that would obligate RTC or SPAG with each other except as set forth herein.

Severability

If any provisions of this Agreement, or any amendment thereof, should be invalid, the remaining provisions shall remain in effect and be so construed as to effectuate the intent and purposes of this Agreement and any amendments thereto.

Notices

All notices, requests, and communications provided hereunder shall be in writing and shall be hand delivered or mailed by United States registered, certified, or express mail, return receipt requested, and addressed to the party as set forth in this Agreement.

Waiver

The waiver by either party hereto of a breach of any term or provision of this Agreement shall not operate or be construed as a waiver of a subsequent breach of the same provision by any party or of a breach of any other term or provision of this Agreement.

Signatory Warranty

Each signatory warrants that the signatory has read and understood this Agreement and has the necessary authority to execute this Agreement on behalf of the entity represented.

RTC DOES NOT WAIVE SOVEREIGN IMMUNITY BY ITS EXECUTION OF OR BY ANY CONDUCT OF THEIR REPRESENTATIVES UNDER THIS AGREEMENT.

THIS AGREEMENT is duly executed to be effective the _____, 2025.

South Plains Association of Governments

Lubbock Reese Redevelopment Authority

By: _____

By: _____

Kelly Crisman
Executive Director

Murvat Musa
Chief Executive Officer

EXHIBIT A

Benefits Provided by SPAG to RTC

RTC provides a Personnel Handbook for all employees. All employees are subject to the personnel policies developed and administered by RTC. RTC furnishes W-2 forms for all employees.

Benefits and services provided by SPAG to employees of RTC under this Program include, and are limited to:

Health Insurance (Medical, Dental, Vision)

SPAG will maintain a payroll and benefits contact liaison for RTC's use of the Program.

Computer files and/or printed reports will be generated for use in reporting to RTC on the Program.

SPAG will assist RTC employees with COBRA claims or other health insurance related matters as necessary.

Any staff separation or termination by management staff at RTC shall be communicated to SPAG within a reasonable time of separation or termination but no later than twenty (20) days after separation or termination.

**BOARD ACTION ITEM No. 2025-0827-019
AGREEMENT FOR EMPLOYER OF RECORD
SOUTH PLAINS ASSOCIATION OF GOVERNMENTS (SPAG)**

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
August 27, 2025**

Items to be Considered:

Employer of Record Agreement with SPAG to access health insurance through the Texas Association of Counties.

Previous Board Action:

None

Statement of Pertinent Facts:

- a. This agreement will allow LRRRA to have access to health insurance through the Texas Association of Counties.
- b. LRRRA will pay an annual fee of \$500 to SPAG.

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 Agreement for Employer of Record with South Plains Association of Governments, subject to negotiations of final terms and conditions, on the 27th day of August 2025.”

Approved by: _____
John Hamilton, Vice President

ATTEST: _____
LRRRA Board Member

AGENDA ITEM 9
EXECUTIVE SUMMARY
LRRA EMPLOYEE POLICY MANUAL

As you are aware, staff are trying to align Reese with TTU, both at the organizational level and operationally. This will make for a smoother transition in the future and will allow us to work together better today. Several things are included in this alignment, like changing our fiscal year to match theirs as well as other changes to our by-laws that you will see in the next few months.

I recently completed the updates to things that will directly affect the employees such as those laid out in the Employee Policy Manual. Attached is a summary of the proposed changes as well as the red lines of those changes from inside the manual. This is not the complete manual; I am only providing you with those items where I am proposing policy changes.

Staff are requesting Board approval for these updates to the Employee Policy Manual.

Employee Policy Manual
Summary of Revisions
August 2025

Page Number & Policy Section	Current Policy	Revision
Page 7 & 8 Section 5.2 Uniform Policy	Employees are provided 11 shirts and 2 sets of gloves	Employees will be provided with 8 shirts (we never buy 11 so this is to bring the policy up to actual practice) and gloves are provided for heavy use.
Page 12 Section 5.13 Inclement Weather Policy	Vague. Says employees should use their judgment and contact the office.	ED will decide on and communicate workday delays or closures.
Page 21 Section 8.9 Vehicle Use Policy	No policy exists to require employees to provide notice if their license is suspended or revoked	Added a requirement that employees provide notice to supervisor within three (3) days of any suspension or revocation of driver's license.
Page 22 Section 9.2 Retirement Plan	Current plan is a 5% contribution by employees and 1:1 match by LRRRA	Proposed plan is a 7% contribution by employees and 2:1 match by LRRRA. This is to align with similar entities as LRRRA and to better align with TTU.
Page 23 Section 10.3 Vacation Leave	Does not allow an employee to take leave for the first 6 months. The leave schedule is broken down year to year with 11 different accruals. It's unnecessarily complicated and difficult to administer.	Removes the restriction for waiting 6 months to take leave and simplifies leave days into three buckets which is an industry standard.
Page 32 Section 10.15 Parental Leave	We currently do not have a policy for parental leave.	Provides up to 80 hours of parental leave for full-time employees.
Page 33 Section 11.1 Holidays	LRRRA Board approves the holidays annually. There are currently 11 holidays given.	Aligns LRRRA holidays with TTU holidays. We will follow their schedule which fluctuates mostly due to how Christmas and New Year fall on the calendar. While this will give us more holidays per year (last year, TTU got 15 days), keep in mind that someone from Operations is always on call, 24 hours, 365 days a year and our part-time administrative assistant will be working most of Christmas and New Year days as she does each year since she does not receive paid holidays.

5.2 UNIFORM POLICY

The components of the LRRRA uniform shall be worn only while conducting LRRRA business or while representing LRRRA. In no circumstances should they be used for personal activity.

Administrative / Non-Operations Employees

Each Administrator / Non-Operations Employee shall be provided two (2) Reese Technology Center logoed shirts upon employment. Replacement of these shirts will be at the sole discretion ~~and cost of the employee~~ of the Executive Director.

Operations Employees

Each ~~hourly paid, non-exempt~~ Operations Employee ~~may~~ shall be provided the following:

- a. **Reese Technology Center logoed shirts:** Each Operations Employee will receive ~~eight~~ eleven shirts (~~8~~ 11) upon employment.
- b. **Pants:**
 - (1) **Winter:** Long pants – Each Operations Employee will receive six (6) pair of long pants of consistent style compatible with a professional workplace appearance upon employment.
 - (2) **Summer:** Shorts – Each Operations Employee will receive three (3) pair of shorts of consistent style compatible with a professional workplace appearance upon employment.
- c. **Safety shoes:** Each Operations Employee will receive a pair of regular work boots upon employment. In addition, any Operations Employee who works in or around a construction site will receive one pair of steel toe safety boots upon employment. SAFETY BOOTS MUST BE WORN AT ALL TIMES ON CONSTRUCTION SITES AT THE REESE TECHNOLOGY CENTER PROPERTY.
- d. **Additional Winter Clothing Items:** Each Operations Employee will receive the following items upon employment:
 - (1) One (1) pair of insulated coveralls.
 - (2) One (1) pair of insulated underwear.
 - (3) One (1) insulated work jacket.
- e. ~~Gloves: Each Operations Employee will receive two (2) pair of commercial grade work gloves.~~ Gloves: Each Operations Employee is provided with commercial grade work gloves.

e.—

5.13 INCLEMENT WEATHER POLICY

Inclement weather (snowstorms, ice storms, tornadoes, severe weather, heavy rains, etc.) may occasionally make it difficult to report to work and carry out normal operational functions. ~~Employees should use their best judgment. If they have not been contacted by their supervisor or the Executive Director, contact the main LRRR number.~~ Information regarding delayed workdays or closure will be communicated through the Executive Director.

8.9 VEHICLE USE POLICY

Drivers' License and Driving Record: All operators of LRRRA vehicles or their own personal vehicle on LRRRA business are required to have a valid driver's license necessary for legal operation of that vehicle by the State of Texas and to keep their supervisors informed of any change in status of their license. For this reason, the LRRRA may check a prospective employee's driving record prior to offering the applicant employment and will periodically check the driving records of all employees who operate LRRRA vehicles or are required to drive personal vehicles on LRRRA business. Failure to maintain a safe driving record may result in disciplinary action up to and/or including termination. LRRRA employees shall report any suspension or revocation of driver's license within three (3) days to the employee's supervisor. Suspension or revocation of the driver's license of an employee who operates a LRRRA vehicle or is required to drive a personal vehicle regularly on LRRRA business may result in a disciplinary action up to and/or including termination.

9.2 RETIREMENT PLAN

The LRRRA makes contributions to a retirement plan for all employees who are eligible under terms of the Texas County & District Retirement System Plan. The employee pays ~~7~~⁵% of their gross pay into the plan and LRRRA matches it ~~2~~¹:1.

10.3 VACATION LEAVE

~~No vacation leave benefits are accrued by LRRRA employees during the first 6 months of employment. Beginning the first day of the next month after completion of the first 6 months of employment, regular full time employees are credited with 5 days of vacation leave. During the remainder of their first fiscal year of employment, full time employees accrue vacation leave at the rate of 5/6 of a day per month until September 30. The total days accrued will be credited with the 5 days above.~~

~~After the first fiscal year of employment,~~ Regular full-time LRRRA employees accrue vacation leave ~~up to a maximum of 20 days (4 weeks)~~ up to a maximum of 20 days (4 weeks) according to the following schedule:

2nd – 5th year	10 days	11th year	16 days
6th year	11 days	12th year	17 days
7th year	12 days	13th year	18 days
8th year	13 days	14th year	19 days
9th year	14 days	15th year	20 days
10th year	15 days		

<u>Employment Years</u>	<u>Annually</u>
<u>Less than 5 years</u>	<u>10 days</u>
<u>5 through 9 years</u>	<u>15 days</u>
<u>10 through 15 years or more</u>	<u>20 days</u>

Employees will be credited with their full year's leave on LRRRA's fiscal year start ~~on October 1~~ of each year which means an employee is permitted to "borrow" against the vacation they expect to accrue over the course of the fiscal year. New employees will be credited with a prorated amount of vacation leave upon hire. If, however, an employee is terminated for any reason prior to the time that they have accumulated the number of vacation days taken during that year, the employee will be responsible for reimbursing LRRRA for the amount of used but un-accrued vacation.

An employee may roll over up to 5 days of earned but unused vacation leave from one year to the next. All remaining vacation days must be taken within the year earned. This means that an employee may not have more than their accrued leave per the schedule above, plus 5 days, in one fiscal year. On a case-by-case basis, the Executive Director may allow additional days of carry-over due to extenuating circumstances.

Upon termination from LRRRA, employees who have completed the first 6-months of employment with LRRRA and who have voluntarily terminated their employment will be paid for accrued and unused vacation leave up to the limit of their maximum allowable accumulation. This policy does

| not apply to employees dismissed or terminated from employment ~~with~~for cause by LRRA and is subject to the notice requirements set forth in the Termination from Employment Section of this policy.

The Executive Director may authorize administrative leave, with or without pay, when warranted by unforeseen circumstances not otherwise provided for in the policies.

10.15 PARENTAL LEAVE

In support of balancing work and family matters, LRRRA provides paid parental leave of up to 80 hours for full-time employees for the birth of a child or placement of a child for adoption.

Parental leave must be taken within the first 16 weeks following birth of a child or placement for adoption. Employees taking parental leave must coordinate with their supervisor.

SECTION 11 - HOLIDAYS

11.1 GENERAL POLICY

- a. ~~Holidays are approved every year by the LRRA Board of Directors.~~ LRRA will observe the same holidays as Texas Tech University.
- b. Temporary employees and part-time employees are not paid for holidays not worked.
- c. An employee who is absent without approved leave on the workday immediately preceding or following a holiday will not be paid for the holiday.
- d. ~~Whenever an approved holiday falls on a Saturday or Sunday, it will be observed on the Friday preceding or the Monday following, as determined by the holiday schedule approved annually by the LRRA Board of Directors.~~
- e. Shift employees whose work schedule falls on an approved LRRA holiday will be credited with eight hours vacation leave that will be added to the employee's individual vacation accrual.

BOARD ACTION ITEM No. 2025-0827-020
LRRRA EMPLOYEE POLICY MANUAL

BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
August 27, 2025

Items to be Considered:

Consider Employee Personnel Policy Manual Revisions

Previous Board Action:

The Board has at various times approved revisions to sections of the manual.

Statement of Pertinent Facts:

- a. This update is to align LRRRA with TTU at an operational level
- b. Updates are made to the manual to provide best practices
- c. Additions/Changes Include: Uniform Policy; Inclement Weather Policy, Vehicle Policy, Retirement Plan, Vacation leave, Parental Leave, and Holidays

Advice, Opinions, Recommendations, and Motion:

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

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby approves the changes to the LRRRA Employee Policy Manual, on the 27th day of August 2025.”

Approved by: _____
John Hamilton, Vice President

ATTEST: _____
LRRRA Board Member

ITEM 10

Fiscal Year 2026 Budgets

AGENDA ITEM 10

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 \$230,761, 2% less than the budgeted amount of \$235,000.
- On the expense side, we expect total expenses of \$124,187, an approximate 21% decrease compared to the budgeted amount of \$156,300.
- We project to end FY 2025 with net income before depreciation of approximately \$106,574, versus the budgeted amount of \$78,700 resulting in a 35% increase compared to what was projected.

Proposed Budget – FY 2026

- Our proposed FY 2026 budget (which is for 11 months) calls for stable customers in the data center with income of \$212,500.
- FY 2026 projected expenses, \$138,375, are about 11% greater than the FY 2025 projected year end amount of \$124,187.

DATA CENTER/FIBER OPTICS FUND - COMPARISON

	FY 2022 - Audited	FY 2023 - Audited	FY 2024 - Audited	FY 2025 - Projected	FY 2026 - Proposed 11 Months
TOTAL INCOME	\$ 265,147	\$ 263,336	\$ 264,595	\$ 230,761	\$ 212,500
TOTAL EXPENSES	\$ 168,516	\$ 172,903	\$ 140,289	\$ 124,187	\$ 138,375
NET INCOME	\$ 96,631	\$ 90,433	\$ 124,306	\$ 106,574	\$ 74,125

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 JULY 31, 2025	FYE 2025 APPROVED BUDGET	FYE 2025 PROJECTED YEAR END	FYE 2025 % Change Approved Budget to Projected Year End	FYE 2026 PROPOSED BUDGET 11 MONTHS	% 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	\$	15,363.09	\$ 25,000.00	\$ 18,435.71	-26.26%	\$ 20,000.00	8.49%	-20.00%	Metered usage charged to customers-United, TTU, & SitePro
5		4800	0	Fiber Optic Income	\$	176,937.70	\$ 210,000.00	\$ 212,325.24	1.11%	\$ 192,500.00	-9.34%	-8.33%	Co-location leases, fiber & conduit fees. Include United
6	INCOME TOTAL				\$	192,300.79	\$ 235,000.00	\$ 230,760.95	-1.80%	\$ 212,500.00	-7.91%	-9.57%	
7													
8	UTILITIES	5220	502	Internet Charges	\$	17,484.20	\$ 22,000.00	\$ 20,981.04	-4.63%	\$ 21,000.00	0.09%	-4.55%	UPN \$1550/mo 80% billed to DC. Optimum \$490 100% to DC
9		5380	423	Electric	\$	37,335.01	\$ 60,000.00	\$ 44,802.01	-25.33%	\$ 46,000.00	2.67%	-23.33%	SPEC bill for data center, avg monthly \$4,200. Cost of electricity is expected to inc
10		5380	439	Gas	\$	1,864.37	\$ 2,300.00	\$ 2,237.24	-2.73%	\$ 2,500.00	11.74%	8.70%	Atmos bill for data center, avg monthly \$190
11	UTILITIES TOTAL				\$	56,683.58	\$ 84,300.00	\$ 68,020.30	-19.31%	\$ 69,500.00	2.18%	-17.56%	
12													
13	ADMINISTRATION	5310	428	Janitorial Cleaning	\$	450.00	\$ 1,000.00	\$ 540.00	-46.00%	\$ 925.00	71.30%	-7.50%	Cruz \$40 per month. Recently changed vendors and expect a price increase
14		5350	114	Insurance	\$	12,724.10	\$ 16,000.00	\$ 15,268.92	-4.57%	\$ 17,500.00	14.61%	9.38%	TML. Re-rates received 5/28
16	ADMIN TOTAL				\$	13,174.10	\$ 17,000.00	\$ 15,808.92	-7.01%	\$ 18,425.00	16.55%	8.38%	
17													
18	OPERATIONS	5560	0	Building Maintenance	\$	6,611.00	\$ 15,000.00	\$ 7,933.20	-47.11%	\$ 13,750.00	73.32%	-8.33%	Expenses for all things related to B36. annual room alert (CPL) monitoring
19		5800	0	Equipment Maintenance	\$	2,520.26	\$ 10,000.00	\$ 3,024.31	-69.76%	\$ 9,200.00	204.20%	-8.00%	Maint contracts. Anthony Mechanical \$7500
20		5800	414	IT Support/NOC Maint	\$	24,500.00	\$ 30,000.00	\$ 29,400.00	-2.00%	\$ 27,500.00	-6.46%	-8.33%	Switch \$1,950/mo & \$500/mo for United, ARIN
21	OPERATIONS TOTAL				\$	33,631.26	\$ 55,000.00	\$ 40,357.51	-26.62%	\$ 50,450.00	25.01%	-8.27%	
22													
23	EXPENSE TOTAL				\$	103,488.94	\$ 156,300.00	\$ 124,186.73	-20.55%	\$ 138,375.00	11.42%	-11.47%	
24													
25	NET INCOME BEFORE DEPRECIATION				\$	88,811.85	\$ 78,700.00	\$ 106,574.22	35.42%	\$ 74,125.00	-30.45%	-5.81%	
26	DEPRECIATION	5305	0	Depreciation	\$	32,834.60	\$ 46,000.00	\$ 39,401.52	-14.34%	\$ 43,000.00	9.13%	100.00%	
27	NET INCOME				\$	55,977.25	\$ 32,700.00	\$ 67,172.70	105.42%	\$ 31,125.00	-53.66%	-4.82%	
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 10

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 \$3,948,089, which is about 14% greater than what was budgeted. Accounting for this increase is greater than expected usage fees, insurance proceeds, and interest income.
- On the expense side, we expect total expenses of \$2,584,268, which is about 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 \$1,363,821 versus the budgeted amount of \$766,650; a 78% increase.

Proposed Budget – FY 2026

- Our proposed 11-month FY 2026 budget calls for total income of \$3,233,500.
- Total expenses for FY2026 are projected to be \$2,934,775 which is greater than the FY25 year-end amount because there is a large increase in payroll due to aligning staff pay with TTU pay and an increase in the TCDRS contributions. Also, there is a large increase in the cost of legal services as well as a 20% increase in insurance.

OPERATING FUND - COMPARISON

	FY 2022 - Audited	FY 2023 - Audited	FY 2024 - Audited	FY 2025 - Projected	FY 2026 - Proposed 11 Months
TOTAL INCOME	\$ 3,535,019	\$ 3,858,249	\$ 3,480,908	\$ 3,948,089	\$ 3,233,500
TOTAL EXPENSES	\$ 2,971,355	\$ 2,298,020	\$ 2,350,774	\$ 2,584,268	\$ 2,934,775
NET INCOME	\$ 563,664	\$ 1,560,229	\$ 1,130,134	\$ 1,363,821	\$ 298,725

Amounts do not include depreciation & capital expenses.

The decrease in net income for FY2022 is due to expenses to clean up of East 90 Business Park
The FY2026 budget is for 11 months. Decrease in net income is larger payroll & admin expenses

GENERAL OPERATING BUDGET - FY2026 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
1				DESCRIPTION	FYE 2025 ACTUAL YTD JULY 31, 2025	FYE 2025 APPROVED BUDGET	FYE 2025 PROJECTED YEAR END	FYE 2025 % Change Approved Budget to Projected Year End	FYE 2026 PROPOSED BUDGET 11 MONTHS	% 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	\$ 2,084,716.31	\$ 2,300,000.00	\$ 2,501,659.57	8.77%	\$ 2,100,000.00	-16.06%	-8.70%	Leases currently in place. Assumes customers will exercise option
4		4250	0	CAM	\$ 649,818.70	\$ 764,000.00	\$ 779,782.44	2.07%	\$ 730,000.00	-6.38%	-4.45%	TTU, SPC, COL pay monthly. 2% increase
5		4260	0	Usage Fees	\$ 288,487.47	\$ 275,000.00	\$ 346,184.96	25.89%	\$ 275,000.00	-20.56%	0.00%	Mostly water usage
6		4300	0	Contract Work	\$ 12,979.17	\$ 8,000.00	\$ 15,979.17	99.74%	\$ 7,000.00	-56.19%	-12.50%	KBR Event extras
7		4350	0	Insurance Proceeds	\$ 37,094.81	\$ -	\$ 37,094.81	100.00%	\$ -	-100.00%	0.00%	Not budgeted
8		4400	0	Interest Income	\$ 182,691.79	\$ 100,000.00	\$ 219,230.15	119.23%	\$ 95,000.00	-56.67%	-5.00%	Averaging 4%. Projecting 2.5%
9		4600	0	Misc	\$ 20,359.64	\$ -	\$ 20,359.64	100.00%	\$ -	-100.00%	0.00%	Not budgeted
10		4650	423	Utility Franchise Fee - Electric	\$ 15,542.54	\$ 20,000.00	\$ 18,651.05	-6.74%	\$ 18,000.00	-3.49%	-10.00%	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%	\$ 8,500.00	-7.07%	-5.56%	Atmos franchise fees pays once per year
12	INCOME TOTAL				\$ 3,300,837.56	\$ 3,476,000.00	\$ 3,948,088.92	13.58%	\$ 3,233,500.00	-18.10%	-6.98%	
13												
14	PAYROLL	5100	0	Salaries	\$ 629,246.72	\$ 750,000.00	\$ 735,246.72	-1.97%	\$ 880,000.00	19.69%	17.33%	Includes pay adjustments to match to TTU pay/overlap in acct
15		5110	0	Payroll Taxes	\$ 32,599.73	\$ 58,000.00	\$ 39,119.68	-32.55%	\$ 67,000.00	71.27%	15.52%	Based on number above
16		5120	116	Insurance - Health	\$ 62,949.69	\$ 105,000.00	\$ 75,539.63	-28.06%	\$ 86,200.00	14.11%	-17.90%	Estimated rate increase of 8%
17		5120	117	Insurance - Dental/Vision	\$ 3,687.32	\$ 5,700.00	\$ 4,424.78	-22.37%	\$ 5,100.00	15.26%	-10.53%	Principal
18		5120	118	Insurance - Life/AD&D	\$ 299.60	\$ 400.00	\$ 359.52	-10.12%	\$ 500.00	39.07%	25.00%	Principal
19		5120	119	Insurance - LTD	\$ 6,396.38	\$ 9,500.00	\$ 7,675.66	-19.20%	\$ 10,000.00	30.28%	5.26%	Principal. Increase based on age and pay
20		5120	120	Insurance - Dread Disease	\$ 2,720.50	\$ 3,900.00	\$ 3,264.60	-16.29%	\$ 4,000.00	22.53%	2.56%	Manhattan
21		5140	121	Insurance - Workers Comp	\$ 8,288.40	\$ 11,000.00	\$ 9,946.08	-9.58%	\$ 12,000.00	20.65%	9.09%	TML rerate is -5% plus annual anticipated amt after audit
22		5150	131	Retirement - TCDRS	\$ 15,251.47	\$ 18,000.00	\$ 18,301.76	1.68%	\$ 66,000.00	260.62%	266.67%	Includes change of program from 5% 1:1 to 7% 2:1
23		5700	211	Payroll Service	\$ 988.00	\$ 1,200.00	\$ 1,185.60	-1.20%	\$ 1,100.00	-7.22%	-8.33%	Snelling fees for processing payroll
24	PAYROLL TOTAL				\$ 762,427.81	\$ 962,700.00	\$ 895,064.03	-7.03%	\$ 1,131,900.00	26.46%	17.58%	

GENERAL OPERATING BUDGET - FY2026 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
1				DESCRIPTION	FYE 2025 ACTUAL YTD JULY 31, 2025	FYE 2025 APPROVED BUDGET	FYE 2025 PROJECTED YEAR END	FYE 2025 % Change Approved Budget to Projected Year End	FYE 2026 PROPOSED BUDGET 11 MONTHS	% 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	
25	ADMINISTRATION											
26		2651	111	Prin Exp Xerox Lease Copier Payment	\$ 2,998.94	\$ 3,500.00	\$ 3,598.73	2.82%	\$ 3,700.00	2.81%	5.71%	Principle portion of Xerox lease payment, new lease in March 2024
27		5200	101	General Office Supplies	\$ 9,399.54	\$ 16,000.00	\$ 11,279.45	-29.50%	\$ 14,000.00	24.12%	-12.50%	General office supplies. Includes Xerox usage expenses
28		5200	103	Office Equip/Software	\$ 18,498.17	\$ 20,000.00	\$ 22,197.80	10.99%	\$ 19,000.00	-14.41%	-5.00%	software/hardware. \$13K is software
29		5210	101	Board Expenses	\$ 1,455.34	\$ 3,000.00	\$ 1,746.41	-41.79%	\$ 2,700.00	54.60%	-10.00%	Board breakfast
30		5250	111	Interest Exp Xerox Copier Lease	\$ 804.12	\$ 950.00	\$ 964.94	1.57%	\$ 700.00	-27.46%	-26.32%	Interest portion of lease payment
31		5310	107	Janitorial/Building Maint	\$ 25,225.00	\$ 30,000.00	\$ 30,270.00	0.90%	\$ 28,000.00	-7.50%	-6.67%	\$2160/month. Added KBR \$160 and Sandia Bathroom \$130
32		5320	106	Telephone Admin Cell	\$ 2,007.96	\$ 2,400.00	\$ 2,409.55	0.40%	\$ 2,750.00	14.13%	14.58%	Cell phone reimbursements for 5 emp at \$50 per month
33		5340	127	Postage	\$ 1,867.66	\$ 2,500.00	\$ 2,241.19	-10.35%	\$ 2,300.00	2.62%	-8.00%	Postage and cost of machine and equipment
34		5350	114	Insurance - Liability & Property	\$ 241,758.20	\$ 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	\$ 549.60	-63.36%	\$ 1,400.00	154.73%	-6.67%	TCEQ , boiler, and elevator licenses/fees
36		5363	124	Staff Meetings	\$ 3,442.28	\$ 5,000.00	\$ 4,130.74	-17.39%	\$ 5,000.00	21.04%	0.00%	Staff lunch meetings/training & employee Christmas Party
37		5363	305	Meetings & Memberships	\$ 3,783.08	\$ 4,000.00	\$ 4,539.70	13.49%	\$ -	-100.00%	-100.00%	moved to 5430 305
40		5370	0	Miscellaneous Expense	\$ 21,000.99	\$ -	\$ 21,000.99		\$ -	-100.00%		Reimbursement to SPC for utility overcharges in previous FY's
41		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
42		5400	303	Advertising & Printing	\$ 154.00	\$ 2,000.00	\$ 184.80	-90.76%	\$ 2,000.00	100.00%	0.00%	Stationary - letterhead, envelopes, checks
43		5410	132	Awards & Recognition	\$ 440.83	\$ 500.00	\$ 529.00	5.80%	\$ 500.00	-5.48%	0.00%	Employee service awards and berevement expenses
44		5540	134	Prof Services - Document Shredding	\$ 1,265.94	\$ 1,400.00	\$ 1,519.13	8.51%	\$ 1,500.00	-1.26%	7.14%	VRC storage and shredding
45		5540	401	Prof Services - Campus	\$ 474.60	\$ 2,000.00	\$ 569.52	-71.52%	\$ 2,000.00	251.17%	0.00%	Other Staff training and other misc. services. CC fees/CC revenues to offset
46		5545	112	Serv Contract - Network Maintenance	\$ 16,505.46	\$ 20,000.00	\$ 19,806.55	-0.97%	\$ 20,000.00	0.98%	0.00%	Switch IT support. Maint contract is \$1600 per month
47		5610	110	ED Travel/Meetings	\$ 7,856.69	\$ 10,000.00	\$ 9,428.03	-5.72%	\$ 30,000.00	218.20%	200.00%	ED training/travel. Consolidated with 5430 302
48		5620	404	Campus Training	\$ 6,597.29	\$ 7,000.00	\$ 6,597.29	-5.75%	\$ -	-100.00%	-100.00%	Moved to 5900 410 for ops training
49		5700	203	Audit Fee	\$ 37,160.00	\$ 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
50		5710	113	Legal Fees	\$ 108,851.34	\$ 75,000.00	\$ 130,621.61	74.16%	\$ 150,000.00	14.84%	100.00%	Increase due to TTU project
51	ADMIN TOTAL				\$ 512,269.43	\$ 550,750.00	\$ 607,558.86	10.31%	\$ 696,675.00	14.67%	26.50%	

GENERAL OPERATING BUDGET - FY2026 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
1				DESCRIPTION	FYE 2025 ACTUAL YTD JULY 31, 2025	FYE 2025 APPROVED BUDGET	FYE 2025 PROJECTED YEAR END	FYE 2025 % Change Approved Budget to Projected Year End	FYE 2026 PROPOSED BUDGET 11 MONTHS	% 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	
52												
53	UTILITIES	5380	122	Telephone Land Line	\$ 6,691.80	\$ 8,000.00	\$ 8,030.16	0.38%	\$ 7,500.00	-6.60%	-6.25%	Sangoma \$270/mo and Vexus (soon to be Tmobile) \$380/mo
54		5380	405	Water/Wastewater	\$ 162,811.94	\$ 275,000.00	\$ 212,811.94	-22.61%	\$ 230,000.00	8.08%	-16.36%	Water multiplier 1.50 and WW of 1.27
55		5380	423	Electricity	\$ 87,573.19	\$ 150,000.00	\$ 105,087.83	-29.94%	\$ 115,000.00	9.43%	-23.33%	SPEC bill
56		5380	439	Gas	\$ 18,055.40	\$ 25,000.00	\$ 21,666.48	-13.33%	\$ 23,000.00	6.15%	-8.00%	Atmos bill
57		5380	502	Internet	\$ 4,123.60	\$ 6,000.00	\$ 4,948.32	-17.53%	\$ 5,500.00	11.15%	-8.33%	Vexus for KBR = \$100/mo and UPN billed 20% = \$325/mo
58	UTILITIES TOTAL				\$ 279,255.93	\$ 464,000.00	\$ 352,544.73	-24.02%	\$ 381,000.00	8.07%	-17.89%	
59												
60	MARKETING	5430	102	Office Enhancements	\$ 189.97	\$ 1,000.00	\$ 227.96	-77.20%	\$ 1,000.00	338.67%	0.00%	Office enhancements
61		5430	133	Sponsorships	\$ 14,405.00	\$ 18,000.00	\$ 17,286.00	-3.97%	\$ 20,000.00	15.70%	11.11%	Chamber, LEDA, LBB Apt Assn, FISD, SPC Events, United Way
62		5430	301	Marketing General	\$ 774.72	\$ 4,000.00	\$ 929.66	-76.76%	\$ 4,000.00	330.26%	0.00%	Other marketing . Annual customer cookout
63		5430	302	ED Expenses & Customer Gifts	\$ 13,992.11	\$ 20,000.00	\$ 16,790.53	-16.05%	\$ -	-100.00%	-100.00%	Moved \$ to 5610 110
64		5430	303	Advertisement & Printing	\$ -	\$ 2,000.00	\$ -	-100.00%	\$ 2,000.00	100.00%	0.00%	Other marketing ads
65		5430	304	Ads in Publications	\$ -	\$ 1,000.00	\$ -	-100.00%	\$ 1,000.00	100.00%	0.00%	Magazine ads
66		5430	305	Meetings & Memberships	\$ 687.00	\$ 3,000.00	\$ 824.40	-72.52%	\$ 7,000.00	749.10%	133.33%	Marketing Memberships. Moved \$ from 5363 305 to here
67		5430	307	Meals and Entertainment	\$ 635.86	\$ 2,000.00	\$ 763.03	-61.85%	\$ 2,700.00	253.85%	35.00%	Marketing customer and potential customer lunches
68		5430	310	Travel	\$ 768.11	\$ 3,000.00	\$ 921.73	-69.28%	\$ 10,000.00	984.91%	233.33%	Conference travel
69		5430	311	Marketing Training	\$ -	\$ 2,000.00	\$ -	0.00%	\$ 3,000.00	100.00%	100.00%	Leadership Lubbock, other
70		5430	312	Technology	\$ 13,877.48	\$ 25,000.00	\$ 16,652.98	-33.39%	\$ 25,000.00	50.12%	0.00%	LoopNet \$6480/yr, Contract Cre8tive \$3800/yr, Adobe Suite \$2820/yr
72	MARKETING TOTAL				\$ 45,330.25	\$ 81,000.00	\$ 54,396.30	-32.84%	\$ 75,700.00	39.16%	-6.54%	
73												

GENERAL OPERATING BUDGET - FY2026 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
				DESCRIPTION	FYE 2025 ACTUAL YTD JULY 31, 2025	FYE 2025 APPROVED BUDGET	FYE 2025 PROJECTED YEAR END	FYE 2025 % Change Approved Budget to Projected Year End	FYE 2026 PROPOSED BUDGET 11 MONTHS	% 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	
74	OPERATIONS	5900	401	Campus General	\$ 10,773.01	\$ 30,000.00	\$ 12,927.61	-56.91%	\$ 27,500.00	112.72%	-8.33%	general campus expenses
75		5900	402	Shop Supplies	\$ 5,460.16	\$ 7,000.00	\$ 6,552.19	-6.40%	\$ 6,500.00	-0.80%	-7.14%	Supplies for shop
76		5900	403	Tools & Tool Repair	\$ 7,055.02	\$ 5,000.00	\$ 8,466.02	69.32%	\$ 5,000.00	-40.94%	0.00%	Tools and small repairs
77		5900	405	Water System	\$ 38,917.53	\$ 15,000.00	\$ 46,701.04	211.34%	\$ 20,000.00	-57.17%	33.33%	Repairs for water system breaks
78		5900	406	Ops Cell Phone	\$ 4,094.04	\$ 5,400.00	\$ 4,912.85	-9.02%	\$ 5,000.00	1.77%	-7.41%	4 cell phone reimb = \$2400 per yr plus Verizon iPad at \$240/mo
79		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
80		5900	410	Operations Training/Travel	\$ -	\$ -	\$ -	#DIV/0!	\$ 10,000.00			New account for Ops specific training moved \$ from 5620 404
81		5900	417	Animal/Pest control	\$ 2,377.98	\$ 1,000.00	\$ 2,853.58	185.36%	\$ 1,000.00	-64.96%	0.00%	Terminix and other bills associated with pest removal (L. Watson)
82		5900	419	Security/Safety	\$ 21,027.30	\$ 10,000.00	\$ 25,232.76	152.33%	\$ 20,000.00	-20.74%	100.00%	All security: S2, software, Corvus. keys and cores, all fire related
83		5900	420	Roof	\$ 2,823.58	\$ 5,000.00	\$ 3,388.30	-32.23%	\$ 5,000.00	47.57%	0.00%	Roof repairs
84		5900	421	HVAC	\$ 34,460.84	\$ 25,000.00	\$ 41,353.01	65.41%	\$ 25,000.00	-39.54%	0.00%	Anthony Mechanical annual maint fees \$9750
85		5900	422	Painting	\$ 127.67	\$ 15,000.00	\$ 153.20	-98.98%	\$ 10,000.00	100.00%	-33.33%	No large paint projects planned
86		5900	423	Electric	\$ 48,084.35	\$ 55,000.00	\$ 52,084.35	-5.30%	\$ 50,000.00	-4.00%	-9.09%	LED replacements
87		5900	424	Fence Repair	\$ 2,400.76	\$ 5,000.00	\$ 2,880.91	-42.38%	\$ 5,000.00	73.56%	0.00%	Fence repairs - mostly collected from insurance
88		5900	425	Plumbing & Irrigation	\$ 14,547.64	\$ 20,000.00	\$ 17,457.17	-12.71%	\$ 20,000.00	14.57%	0.00%	Plumbing repairs
89		5900	428	Cleaning	\$ 7,671.54	\$ 3,000.00	\$ 9,205.85	206.86%	\$ 5,000.00	-45.69%	66.67%	Building cleaning to enable customer walk through. Cintas mat cleaning
91		5900	430	Ground Maintenance	\$ 294,040.76	\$ 315,000.00	\$ 352,848.91	12.02%	\$ 325,000.00	-7.89%	3.17%	L&N and Local Land Management
92		5900	434	Signage	\$ 105.00	\$ 3,000.00	\$ 126.00	-95.80%	\$ 3,000.00	2280.95%	0.00%	Signs as needed for new customers
93		5900	440	Door Repair	\$ 17,513.63	\$ 20,000.00	\$ 21,016.36	5.08%	\$ 20,000.00	-4.84%	0.00%	Repair of doors
94		5900	441	Environmental	\$ -	\$ 2,500.00	\$ -	-100.00%	\$ 2,500.00	100.00%	0.00%	Misc. environmental
95		5900	442	Safety Supplies	\$ 132.67	\$ 4,000.00	\$ 159.20	-96.02%	\$ 2,000.00	1156.25%	-50.00%	Safety equipment; harnesses, etc..
96		5900	445	Architect & Engineering	\$ -	\$ 50,000.00	\$ -	-100.00%	\$ 25,000.00	#DIV/0!	-50.00%	Parkhill misc engineering fees
97		5900	446	Solid Waste	\$ 21,920.10	\$ 30,000.00	\$ 26,304.12	-12.32%	\$ 25,000.00	-4.96%	-16.67%	solid waste removal
98		5900	448	KBR Event Expenses	\$ 8,200.08	\$ 5,000.00	\$ 9,840.10	96.80%	\$ 8,000.00	-18.70%	60.00%	Equipment rented for KBR events. Mostly vehicles.
99		5900	449	Vehicle Repair & Maint	\$ 12,075.97	\$ 5,000.00	\$ 14,491.16	189.82%	\$ 7,000.00	-51.69%	40.00%	Vehicle repairs
100		5900	450	Gas/Fuel	\$ 6,854.57	\$ 10,000.00	\$ 8,225.48	-17.75%	\$ 10,000.00	21.57%	0.00%	Fuel for vehicles and equipment
101		5900	451	Windows	\$ 5,172.60	\$ 3,000.00	\$ 6,207.12	106.90%	\$ 5,000.00	100.00%	66.67%	Broken window repairs
102	OPERATIONS TOTAL				\$ 567,153.77	\$ 650,900.00	\$ 674,704.26	3.66%	\$ 649,500.00	-3.74%	-0.22%	
103												
104	EXPENSE TOTAL				\$ 2,166,437.19	\$ 2,709,350.00	\$ 2,584,268.18	-4.62%	\$ 2,934,775.00	13.56%	8.32%	
105	NET INCOME BEFORE DEPRECIATION				\$ 1,134,400.37	\$ 766,650.00	\$ 1,363,820.75	77.89%	\$ 298,725.00	-78.10%	-61.04%	
106	DEPRECIATION	5305		Depreciation	\$ 499,244.30	\$ 650,000.00	\$ 599,093.16	-7.83%	\$ 600,000.00	0.15%	-7.69%	
107	NET INCOME				\$ 635,156.07	\$ 116,650.00	\$ 764,727.59	555.57%	\$ (301,275.00)	-139.40%	-358.27%	

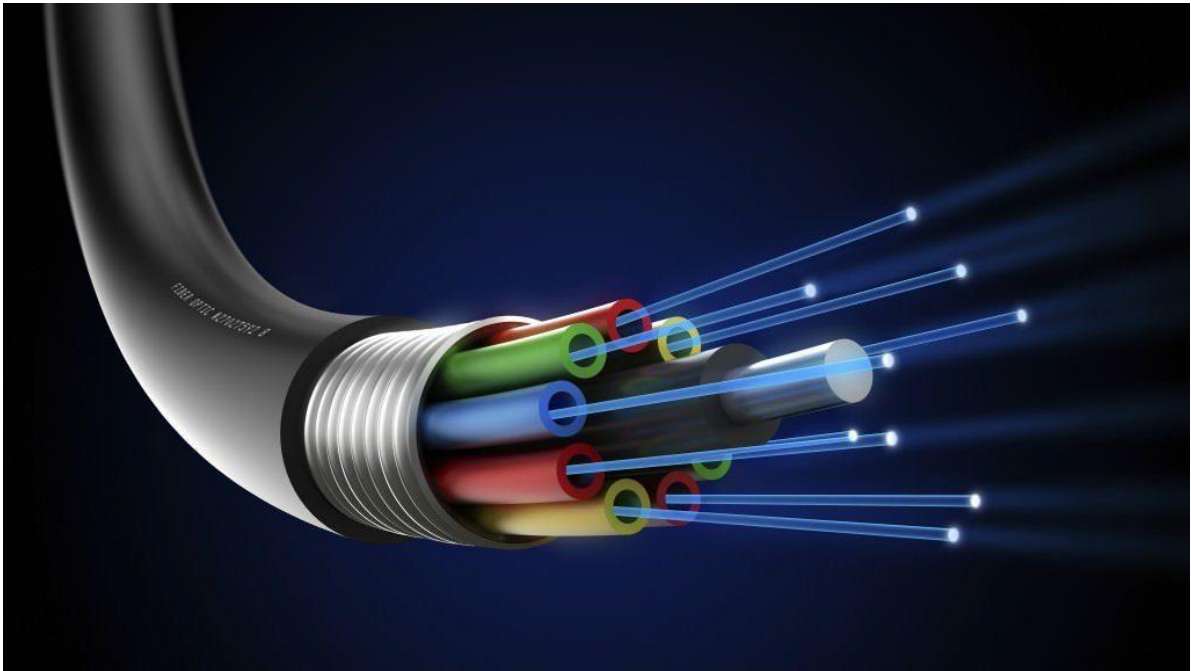
GENERAL OPERATING BUDGET - FY2026 PROPOSED

	A	B	C	D	E	F	G	H	I	J	K	L
1				DESCRIPTION	FYE 2025 ACTUAL YTD JULY 31, 2025	FYE 2025 APPROVED BUDGET	FYE 2025 PROJECTED YEAR END	FYE 2025 % Change Approved Budget to Projected Year End	FYE 2026 PROPOSED BUDGET 11 MONTHS	% 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	
108												
109												
110	TOTAL APPROVED AND OUTSTANDING CAPITAL PROJECTS AS OF OCTOBER 2024											
111	B1238 Rehab. New roof, lighting - Carry over from FY2023 Budget POSTPONED UNTIL NEEDED					PROJECT HAS BEEN CANCELLED			\$ 60,000.00			
112	TOTAL								\$ 60,000.00			
113												
114	FY 2024 OUTSTANDING CAPITAL PROJECTS											
115	EDA GRANT MATCH- EAST 90 BUSINESS PARK IN PROCESS				\$ 1,043,027.77	\$ 3,520,542.00	\$ 3,520,542.00	0.00%				
116	TOTAL				\$ 1,043,027.77	\$ 3,520,542.00	\$ 3,520,542.00					
117												
118												
119	FY 2025 APPROVED CAPITAL PROJECTS											
120	6,500 Runway Rejuvenate in lieu of Annual Seal Coat COMPLETED				\$ 86,666.66	\$ 90,000.00	\$ 86,666.66	-3.70%				
121	Work Truck to replace totalled pick up truck COMPLETED				\$ 60,326.73	\$ 60,000.00	\$ 60,326.73	0.54%				
122	Automated Meter Reading (AMR) Meters IN PROCESS				\$ 69,265.00	\$ 100,000.00	\$ 74,884.36	-25.12%				
123	Building 800, 2nd Floor, Floor ReplacePROJECT HAS BEEN CANCELLED				\$ -	\$ 27,000.00	\$ -	-100.00%				
124	TOTAL				\$ 216,258.39	\$ 277,000.00	\$ 221,877.75					
125												
126												
127	FY 2026 PROPOSED CAPITAL PROJECTS											
128	Fiber to Guard Shack, Gate 74, and Gate 1180								\$ 20,000.00			
129	B800 Elevator Replacement								\$ 100,000.00			
130	Hanger Door Controls for Hangers 60 and 82								\$ 35,000.00			
131	TOTAL								\$ 155,000.00			

AGENDA ITEM 10 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.



Hangars 60 and 82 Door Controls

The hanger doors for both hangars 60 and 82 need replacement. We continue to fail, and we continue to repair them. It's time to replace them. The estimated cost of this project is \$35,000



ITEM 11

June 2025 Financial Reports

CASH BALANCES - JUNE 30, 2025

	5/31/2025	6/30/2025	Change
General Fund Bank Accounts	\$ 4,371,975	\$ 4,259,249	\$ (112,726)
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 485,830	\$ 337,441	\$ (148,389)
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ -	\$ -	\$ -
Total Cash	\$ 5,712,805	\$ 5,451,690	\$ (261,115)
Accounts Receivable - G/F	\$ 225,558	\$ 302,780	\$ 77,222
Accounts Receivable - F/O	\$ 10,206	\$ 10,233	\$ 27
Total Accounts Receivable	\$ 235,764	\$ 313,013	\$ 77,249
Total Cash & Accounts Receivable	\$ 5,948,569	\$ 5,764,703	\$ (183,866)

EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

\$ -

FINANCIAL HIGHLIGHTS - JUNE 30, 2025

DESCRIPTION	Month	G/F	Month	F/O	Month's Total	YTD	G/F	YTD	F/O	YTD	Total	
Operating Revenue	\$	298,315	\$	17,694	\$	316,009	\$	2,464,226	\$	159,244	\$	2,623,470
Other Revenue - Usage Fees	\$	31,275	\$	1,337	\$	32,612	\$	259,771	\$	14,361	\$	274,132
Total Revenue	\$	329,590	\$	19,031	\$	348,621	\$	2,723,997	\$	173,605	\$	2,897,602
Expenses	\$	209,070	\$	10,404	\$	219,474	\$	1,954,588	\$	90,893	\$	2,045,481
Net Income BPSID	\$	120,520	\$	8,627	\$	129,147	\$	769,409	\$	82,712	\$	852,121
Interest Income - Plus	\$	16,574	\$	-	\$	16,574	\$	165,494	\$	-	\$	165,494
Depreciation - Less	\$	(49,924)	\$	(3,283)	\$	(53,207)	\$	(449,320)	\$	(29,551)	\$	(478,871)
Net Income	\$	87,170	\$	5,344	\$	92,514	\$	485,583	\$	53,161	\$	538,744

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 6/30/2025

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENTS	5,114,249	-	-	5,114,249
RESTRICTED CASH AND CASH EQUIVALENTS	-	337,441	-	337,441
ACCOUNTS RECEIVABLE	302,780	-	10,233	313,013
LEASES RECEIVABLE, CURRENT - GASB 87	1,624,951	-	86,032	1,710,983
INVESTMENT	-	-	-	-
DUE FROM FEDERAL GOVERNMENT	-	15,628	-	15,628
PREPAID EXPENSES	73,742	-	5,090	78,831
DUE FROM TRANSFERS	-	-	-	-
Total CURRENT ASSETS	7,115,721	353,069	101,354	7,570,145
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	213,172	987,768	28,674	1,229,614
BUILDINGS	2,104,490	-	-	2,104,490
INFRASTRUCTURE AND RELATED IMPROVEMENTS	5,800,678	-	1,751,519	7,552,197
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	(7,217,825)	-	(2,197,005)	(9,414,830)
LESS ACCUMULATED DEPRECIATION - GASB 87	(15,500)	-	-	(15,500)
Total CAPITAL ASSETS	7,730,271	987,768	164,880	8,882,919
NET PENSION ASSET				
NET PENSION ASSETS, NET	156,524	-	-	156,524
Total NET PENSION ASSET	156,524	-	-	156,524
Total ASSETS	19,206,244	1,340,837	292,855	20,839,936
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	19,234,409	1,340,837	292,855	20,868,101

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 6/30/2025

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	94,186	39,875	2,440	136,502
ACCRUED EXPENSES	(72,986)	-	-	(72,986)
REFUNDABLE DEPOSITS	127,017	-	-	127,017
UNEARNED REVENUES	(111,555)	-	(16,694)	(128,249)
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	152,917	39,875	(14,254)	178,539
NON-CURRENT LIABILITIES				
LEASE LIABILITY, NET OF CURRENT PORTION	11,564	-	-	11,564
Total NON-CURRENT LIABILITIES	11,564	-	-	11,564
Total LIABILITIES	164,481	39,875	(14,254)	190,103
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	5,621,441	39,875	92,635	5,753,952
FUND EQUITY				
BEGINNING OF PERIOD	14,081,568	280,288	192,876	14,554,732
TRANSFERS IN (OUT)	(954,183)	1,000,000	(45,817)	-
YEAR TO DATE EARNINGS	485,582	20,674	53,161	559,417
Total FUND EQUITY	13,612,967	1,300,962	200,220	15,114,149
TOTAL LIABILITY, FUND BALANCE, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	19,234,409	1,340,837	292,855	20,868,101

LUBBOCK REESE REDEVELOPMENT AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 From 10/1/2024 Through 6/30/2025

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES	2,723,996	35,679	173,605	2,933,280
OPERATING EXPENSES	2,403,907	15,005	120,444	2,539,356
OPERATING INCOME(LOSS)	320,089	20,674	53,161	393,924
NONOPERATING INTEREST INCOME	165,494	-	-	165,494
TRANSFERS IN (OUT)	(954,183)	1,000,000	(45,817)	-
NET NONOPERATING REVENUES	(788,689)	1,000,000	(45,817)	165,494
INCREASE (DECREASE) IN FUND EQUITY	(468,601)	1,020,674	7,344	559,417
FUND EQUITY, BEGINNING	14,081,568	280,288	192,876	14,554,732
FUND EQUITY, ENDING	13,612,967	1,300,962	200,220	15,114,149

LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2024 Through 6/30/2025

(In Whole Numbers)

		EDA Grant	Data Center / Fiber Optic	
	General Fund	Fund	Fund	Total
OPERATING REVENUES				
LEASE INCOME	1,803,009	-	-	1,803,009
DATA CENTER / FIBER OPTIC INCOME	-	-	159,244	159,244
COMMON AREA MAINTENANCE/PBT CAM	584,837	-	-	584,837
USAGE FEES	259,771	-	14,361	274,132
CONTRACT WORK INCOME	12,979	-	-	12,979
UTILITY FRANCHISE FEES	22,941	-	-	22,941
Total OPERATING REVENUES	2,683,536	-	173,605	2,857,141
NON-OPERATING REVENUES				
INSURANCE PROCEEDS	37,095	-	-	37,095
INTEREST EXPENSE / BANK CHARGES	(728)	(5)	-	(733)
MISCELLANEOUS INCOME	3,365	-	-	3,365
FEDERAL GRANT	-	35,679	-	35,679
INTEREST INCOME	165,494	-	-	165,494
Total NON-OPERATING REVENUES	205,225	35,674	-	240,899
TOTAL REVENUES	2,888,761	35,674	173,605	3,098,041

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2024 Through 6/30/2025

(In Whole Numbers)

		EDA Grant	Data Center / Fiber Optic	
	General Fund	Fund	Fund	Total
OPERATING EXPENSES				
COMPENSATION AND BENEFITS:				
SALARIES AND BENEFITS	696,072	-	-	696,072
CONTRACT SERVICES	16,532	15,000	5,842	37,374
GENERAL AND LIABILITY INSURANCE	217,582	-	11,452	229,034
Total COMPENSATION AND BENEFITS:	930,187	15,000	17,294	962,481
BUILDING REPAIRS AND MAINTENANCE:				
REPAIRS AND MAINTENANCE	505,212	-	-	505,212
BUILDING MAINTENANCE MATERIALS	22,780	-	405	23,185
MARKETING AND PROMOTIONAL EXPENSES	44,509	-	-	44,509
TRAVEL EXPENSES	7,265	-	-	7,265
PRINTING AND ADVERTISING	418	-	-	418
DEPRECIATION EXPENSE	449,320	-	29,551	478,871
TELEPHONE	1,823	-	-	1,823
OFFICE SUPPLIES	24,772	-	-	24,772
TRAINING AND TUITION EXPENSES	6,597	-	-	6,597
UTILITIES	267,197	-	34,395	301,592
Total BUILDING REPAIRS AND MAINTENANCE:	1,329,894	-	64,351	1,394,245
PROFESSIONAL SERVICES				
ACCOUNTING AND AUDITING FEES	38,057	-	-	38,057
LEGAL FEES	94,963	-	-	94,963
Total PROFESSIONAL SERVICES	133,020	-	-	133,020
COMPUTER SOFTWARE AND MAINTENANCE				
COMPUTER SOFTWARE AND MAINTENANCE	-	-	23,300	23,300
Total COMPUTER SOFTWARE AND MAINTENANCE	-	-	23,300	23,300
OTHER OPERATING EXPENSES				
BOARD EXPENSES	1,243	-	-	1,243
BANK CHARGES	728	5	-	733
INTERNET CHARGES	-	-	15,499	15,499
POSTAGE	1,570	-	-	1,570
MEETING EXPENSES	6,807	-	-	6,807
LICENSES AND FEES	458	-	-	458
Total OTHER OPERATING EXPENSES	10,806	5	15,499	26,311
Total OPERATING EXPENSES	2,403,907	15,005	120,444	2,539,356

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 6/1/2025 Through 6/30/2025

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	197,029	191,667	5,362	1,803,009	1,725,000	78,009
PBT Cam Fees	64,982	63,667	1,315	584,837	573,000	11,837
Usage Fees	31,275	22,917	8,359	259,771	206,250	53,521
Contract Services	-	667	(667)	12,979	6,000	6,979
Utility Franchise Fees	1,709	1,667	42	22,941	24,000	(1,059)
Insurance Proceeds	34,595	-	34,595	37,095	-	37,095
Other-Miscellaneous	-	-	-	3,365	-	3,365
Total REVENUES	329,590	280,583	49,006	2,723,996	2,534,250	189,746
EXPENSES						
Salaries & Taxes	55,612	62,526	6,913	605,841	591,577	(14,264)
Benefits - Health, Retirement & Wkr's Comp	9,388	12,792	3,404	90,231	115,125	24,894
Insurance -Property & General Liabilities	24,176	25,000	824	217,582	225,000	7,418
Administrative Expenses	436	1,033	597	9,253	11,300	2,047
General Office Expenses	6,842	6,488	(355)	53,335	58,388	5,052
Accounting & Auditing Services	9,047	100	(8,947)	38,057	43,900	5,843
Legal Services	18,514	6,250	(12,264)	94,963	56,250	(38,713)
Network Maintenance Contract	1,498	1,667	169	14,985	15,000	15
Training & Travel	1,472	1,417	(55)	13,863	12,750	(1,113)
Marketing Expenses	1,208	6,750	5,542	44,068	60,750	16,682
Operations	39,528	54,242	14,713	505,212	488,175	(17,037)
Utilities	41,348	44,389	3,041	267,197	312,792	45,595
Total EXPENSES	209,070	222,652	13,583	1,954,588	1,991,007	36,419
NIBPSID	120,520	57,931	62,589	769,408	543,244	226,165
NON OPERATING REVENUE						
Interest Income	16,574	8,333	8,240	165,494	75,000	90,494
Total NON OPERATING REVENUE	16,574	8,333	8,240	165,494	75,000	90,494
DEPRECIATION						
Depreciation Expense	(49,924)	(54,167)	4,242	(449,320)	(487,500)	38,180
Total DEPRECIATION	(49,924)	(54,167)	4,242	(449,320)	(487,500)	38,180
Increase (Decrease) In Fund Equity	87,169	12,098	75,071	485,582	130,744	354,839

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 6/1/2025 Through 6/30/2025

EDA GRANT 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						
EDA Grant	-	-	-	35,679	-	35,679
Total REVENUES	-	-	-	35,679	-	35,679
EXPENSES						
Administrative Expenses	-	-	-	15,000	-	(15,000)
General Office Expenses	-	-	-	5	-	(5)
Total EXPENSES	-	-	-	15,005	-	(15,005)
NIBPSID	-	-	-	20,674	-	20,674
Increase (Decrease) In Fund Equity	-	-	-	20,674	-	20,674

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	1,337	2,083	(747)	14,361	18,750	(4,389)
Fiber Optic/Wireless Income	17,694	17,500	194	159,244	157,500	1,744
Total REVENUES	19,031	19,583	(553)	173,605	176,250	(2,645)
EXPENSES						
Insurance -Property & General Liabilities	1,272	1,333	61	11,452	12,000	548
General Office Expenses	45	83	38	405	750	345
Computer Software & Maintenance	2,450	3,333	883	23,300	30,000	6,700
Internet	1,722	1,833	111	15,499	16,500	1,001
Building Maintenance & Repairs	619	1,250	631	5,842	11,250	5,408
Utilities	4,295	5,192	897	34,395	46,725	12,330
Total EXPENSES	10,404	13,025	2,621	90,893	117,225	26,332
NIBPSID	8,627	6,558	2,069	82,712	59,025	23,687
DEPRECIATION						
Depreciation Expense	(3,283)	(3,833)	550	(29,551)	(34,500)	4,949
Total DEPRECIATION	(3,283)	(3,833)	550	(29,551)	(34,500)	4,949
Increase (Decrease) In Fund Equity	5,344	2,725	2,619	53,161	24,525	28,636

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						
EDA Grant	-	-	-	35,679	-	35,679
Leases	197,029	191,667	5,362	1,803,009	1,725,000	78,009
PBT Cam Fees	64,982	63,667	1,315	584,837	573,000	11,837
Usage Fees	32,612	25,000	7,612	274,132	225,000	49,132
Contract Services	-	667	(667)	12,979	6,000	6,979
Utility Franchise Fees	1,709	1,667	42	22,941	24,000	(1,059)
Insurance Proceeds	34,595	-	34,595	37,095	-	37,095
Other-Miscellaneous	-	-	-	3,365	-	3,365
Fiber Optic/Wireless Income	17,694	17,500	194	159,244	157,500	1,744
Total REVENUES	348,620	300,167	48,454	2,933,280	2,710,500	222,780
EXPENSES						
Salaries & Taxes	55,612	62,526	6,913	605,841	591,577	(14,264)
Benefits - Health, Retirement & Wkr's Comp	9,388	12,792	3,404	90,231	115,125	24,894
Insurance -Property & General Liabilities	25,448	26,333	885	229,034	237,000	7,966
Administrative Expenses	436	1,033	597	24,253	11,300	(12,953)
General Office Expenses	6,887	6,571	(316)	53,745	59,137	5,392
Accounting & Auditing Services	9,047	100	(8,947)	38,057	43,900	5,843
Computer Software & Maintenance	2,450	3,333	883	23,300	30,000	6,700
Internet	1,722	1,833	111	15,499	16,500	1,001
Legal Services	18,514	6,250	(12,264)	94,963	56,250	(38,713)
Network Maintenance Contract	1,498	1,667	169	14,985	15,000	15
Training & Travel	1,472	1,417	(55)	13,863	12,750	(1,113)
Marketing Expenses	1,208	6,750	5,542	44,068	60,750	16,682
Operations	39,528	54,242	14,713	505,212	488,175	(17,037)
Building Maintenance & Repairs	619	1,250	631	5,842	11,250	5,408
Utilities	45,643	49,581	3,938	301,592	359,517	57,925
Total EXPENSES	219,473	235,677	16,204	2,060,485	2,108,231	47,746
NIBPSID	129,147	64,490	64,658	872,795	602,269	270,526
NON OPERATING REVENUE						
Interest Income	16,574	8,333	8,240	165,494	75,000	90,494
Total NON OPERATING REVENUE	16,574	8,333	8,240	165,494	75,000	90,494
DEPRECIATION						
Depreciation Expense	(53,208)	(58,000)	4,792	(478,871)	(522,000)	43,129
Total DEPRECIATION	(53,208)	(58,000)	4,792	(478,871)	(522,000)	43,129
Increase (Decrease) In Fund Equity	92,513	14,823	77,690	559,417	155,269	404,149

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						
EDA Grant	-	-	-	35,679	-	35,679
Leases	197,029	158,813	38,216	1,803,009	1,566,665	236,344
PBT Cam Fees	64,982	62,646	2,336	584,837	563,811	21,026
Usage Fees	32,612	75,878	(43,266)	274,132	302,359	(28,227)
Contract Services	-	-	-	12,979	16,108	(3,129)
Utility Franchise Fees	1,709	1,599	110	22,941	26,736	(3,795)
Insurance Proceeds	34,595	-	-	37,095	48,553	-
Other-Miscellaneous	-	-	-	3,365	13,344	-
Fiber Optic/Wireless Income	17,694	19,694	(2,000)	159,244	181,420	(22,176)
Total REVENUES	348,620	318,630	29,990	2,933,280	2,718,997	214,283
EXPENSES						
Salaries & Taxes	55,612	50,700	4,912	605,841	546,818	59,023
Benefits - Health, Retirement & Wkr's	9,388	9,846	(458)	90,231	91,482	(1,251)
Insurance -Property & General Liabilities	25,448	22,636	2,812	229,034	199,854	29,180
Administrative Expenses	436	1,616	(1,180)	24,253	8,888	15,365
General Office Expenses	6,887	4,309	2,578	53,745	56,795	(3,050)
Accounting & Auditing Services	9,047	87	8,960	38,057	21,270	16,787
Computer Software & Maintenance	2,450	3,215	(765)	23,300	28,514	(5,214)
Internet	1,722	1,722	-	15,499	15,499	-
Legal Services	18,514	7,710	-	94,963	50,332	-
Network Maintenance Contract	1,498	1,629	(131)	14,985	16,027	(1,042)
Training & Travel	1,472	2,750	(1,278)	13,863	14,723	(860)
Marketing Expenses	1,208	5,352	(4,144)	44,068	46,944	(2,876)
Operations	39,528	61,958	(22,430)	505,212	456,002	49,210
Building Maintenance & Repairs	619	150	469	5,842	6,540	(698)
Utilities	45,643	45,224	419	301,592	293,402	8,190
Total EXPENSES	219,473	218,905	568	2,060,485	1,853,091	207,394
NIBPSID	129,147	99,725	29,422	872,795	865,905	6,890
NON OPERATING REVENUE						
Interest Income	16,574	21,382	(4,808)	165,494	179,485	(13,991)
Total NON OPERATING REVENUE	16,574	21,382	(4,808)	165,494	179,485	(13,991)
DEPRECIATION						
Depreciation Expense	(53,208)	(53,208)	-	(478,871)	(478,871)	-
Total DEPRECIATION	(53,208)	(53,208)	-	(478,871)	(478,871)	-
Increase (Decrease) In Fund Equity	92,513	67,899	24,614	559,417	566,519	(7,102)

ITEM 11

July 2025 Financial Reports

CASH BALANCES - JULY 31, 2025

	6/30/2025	7/31/2025	Change
General Fund Bank Accounts	\$ 4,259,249	\$ 4,355,973	\$ 96,724
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 337,441	\$ 727,346	\$ 389,905
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ -	\$ -	\$ -
Total Cash	\$ 5,451,690	\$ 5,938,319	\$ 486,629
Accounts Receivable - G/F	\$ 302,780	\$ 328,138	\$ 25,358
Accounts Receivable - F/O	\$ 10,233	\$ 9,504	\$ (729)
Total Accounts Receivable	\$ 313,013	\$ 337,642	\$ 24,629
Total Cash & Accounts Receivable	\$ 5,764,703	\$ 6,275,961	\$ 511,258

EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

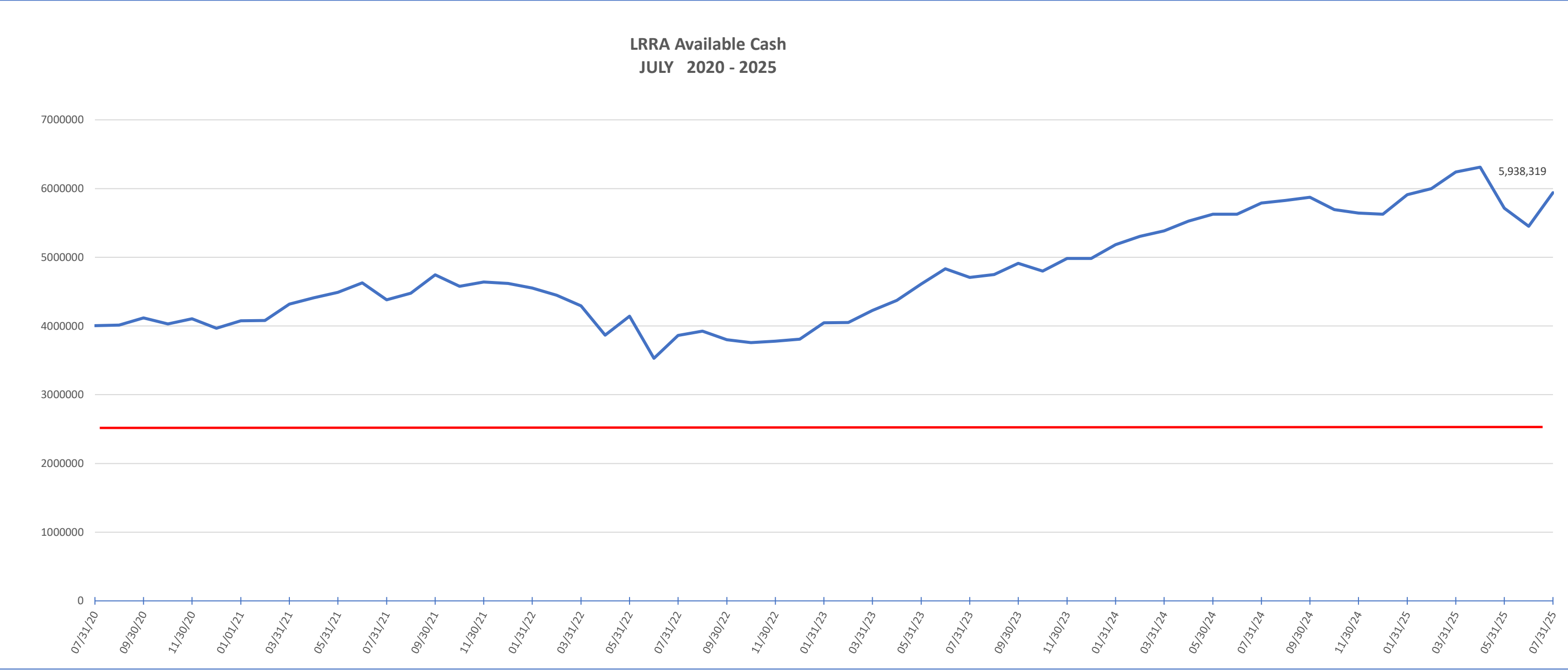
Aged Accounts Receivable as of 07/31/2025

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
294,523.06	22,643.72	-	5,060.97	15,415.04	337,642.79

EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

JUNE	BLDG # 52 WALL REPLACEMENT - INSURANCE CLAIM	34,440.00	CAPITALIZED
JUNE	FINAL PAYMENT FOR AUDIT FYE 2024	8,960.00	EXPENSES
JUNE	PAVEMENT REPAIR AFTER WATER LINE BREAK	8,000.00	CAPITALIZED
JUNE	WATER METER REPLACEMENTS, FY25 CAPITAL PROJECT	10,275.00	CIP
JUNE	EAST 90 EDA GRANT	188,264.61	CIP
JUNE	BLDG 74 ENGINEERING	22,335.50	CIP
JULY	SPC REFUND FOR OVERPAYMENT OF UTILITIES, B20	21,339.05	EXPENSES
JULY	RESURFACING HANGAR 92, LRRRA CONTRIBUTION \$30K	46,878.00	CIP
JULY	EAST 90 EDA GRANT	9,695.91	CIP
JULY	BEAM REPAIRS - B535 - INSURANCE CLAIM	8,925.00	CIP

\$ 359,113.07



FINANCIAL HIGHLIGHTS - JULY 31, 2025

DESCRIPTION	Month G/F	Month F/O	Month's Total	YTD	G/F YTD	F/O	YTD Total
Operating Revenue	\$ 365,434	\$ 17,694	\$ 383,128	\$ 2,829,659	\$ 176,938	\$ 3,006,597	
Other Revenue - Usage Fees	\$ 28,378	\$ 1,002	\$ 29,380	\$ 288,149	\$ 15,363	\$ 303,512	
Total Revenue	\$ 393,812	\$ 18,696	\$ 412,508	\$ 3,117,808	\$ 192,301	\$ 3,310,109	
Expenses	\$ 208,851	\$ 12,596	\$ 221,447	\$ 2,163,438	\$ 103,489	\$ 2,266,927	
Net Income BPSID	\$ 184,961	\$ 6,100	\$ 191,061	\$ 954,370	\$ 88,812	\$ 1,043,182	
Interest Income - Plus	\$ 17,198	\$ -	\$ 17,198	\$ 182,692	\$ -	\$ 182,692	
Depreciation - Less	\$ (49,924)	\$ (3,283)	\$ (53,207)	\$ (499,244)	\$ (32,835)	\$ (532,079)	
Net Income	\$ 152,235	\$ 2,817	\$ 155,052	\$ 637,818	\$ 55,977	\$ 693,795	

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Balance Sheet
As of 7/31/2025

(In Whole Numbers)

Data Center /				
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENTS	5,210,973	-	-	5,210,973
RESTRICTED CASH AND CASH EQUIVALENTS	-	727,346	-	727,346
ACCOUNTS RECEIVABLE	328,138	-	9,504	337,643
LEASES RECEIVABLE, CURRENT - GASB 87	1,624,951	-	86,032	1,710,983
INVESTMENT	-	-	-	-
DUE FROM FEDERAL GOVERNMENT	-	(423,848)	-	(423,848)
PREPAID EXPENSES	48,737	-	3,817	52,554
DUE FROM TRANSFERS	-	-	-	-
Total CURRENT ASSETS	7,212,799	303,498	99,354	7,615,651
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	283,854	997,464	28,674	1,309,991
BUILDINGS	2,104,490	-	-	2,104,490
INFRASTRUCTURE AND RELATED IMPROVEMENTS	5,800,678	-	1,751,519	7,552,197
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
GROUNDS MAINTENANCE EQUIPMENT	277,450	-	158,387	435,837
RIGHT TO USE LEASE ASSET - GASB 87	35,050	-	-	35,050
BASE CONVEYANCE	-	-	-	-
BASE HOUSING	-	-	-	-
OTHER	-	-	-	-
LESS ACCUMULATED DEPRECIATION	(7,267,750)	-	(2,200,288)	(9,468,038)
LESS ACCUMULATED DEPRECIATION - GASB 87	(15,500)	-	-	(15,500)
Total CAPITAL ASSETS	7,751,028	997,464	161,596	8,910,088
NET PENSION ASSET				
NET PENSION ASSETS, NET	156,524	-	-	156,524
Total NET PENSION ASSET	156,524	-	-	156,524
Total ASSETS	19,324,079	1,300,962	287,571	20,912,612
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	19,352,244	1,300,962	287,571	20,940,777

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Balance Sheet
As of 7/31/2025

(In Whole Numbers)

		Data Center /		
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	57,871	-	1,760	59,632
ACCRUED EXPENSES	(73,002)	-	-	(73,002)
REFUNDABLE DEPOSITS	127,017	-	-	127,017
UNEARNED REVENUES	(116,737)	-	(16,694)	(133,430)
COMPENSATED ABSENSES	14,259	-	-	14,259
LEASE LIABILITY, CURRENT	3,563	-	-	3,563
LEASE PAYABLES	-	-	-	-
DUE TO TRANSFERS	-	-	-	-
OTHER LIABILITIES	98,432	-	-	98,432
Total CURRENT LIABILITIES	111,405	-	(14,934)	96,471
NON-CURRENT LIABILITIES				
LEASE LIABILITY, NET OF CURRENT PORTION	11,256	-	-	11,256
Total NON-CURRENT LIABILITIES	11,256	-	-	11,256
Total LIABILITIES	122,661	-	(14,934)	107,728
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	5,579,621	-	91,955	5,671,577
FUND EQUITY				
BEGINNING OF PERIOD	14,081,568	280,288	192,876	14,554,732
TRANSFERS IN (OUT)	(946,762)	1,000,000	(53,238)	-
YEAR TO DATE EARNINGS	637,817	20,674	55,977	714,468
Total FUND EQUITY	13,772,622	1,300,962	195,615	15,269,200
TOTAL LIABILITY, FUND BALANCE, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	19,352,244	1,300,962	287,571	20,940,777

LUBBOCK REESE REDEVELOPMENT AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 From 10/1/2024 Through 7/31/2025

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES	3,117,808	35,679	192,301	3,345,788
OPERATING EXPENSES	2,662,683	15,005	136,324	2,814,011
OPERATING INCOME(LOSS)	455,125	20,674	55,977	531,777
NONOPERATING INTEREST INCOME	182,692	-	-	182,692
TRANSFERS IN (OUT)	(946,762)	1,000,000	(53,238)	-
NET NONOPERATING REVENUES	(764,071)	1,000,000	(53,238)	182,692
INCREASE (DECREASE) IN FUND EQUITY	(308,945)	1,020,674	2,740	714,468
FUND EQUITY, BEGINNING	14,081,568	280,288	192,876	14,554,732
FUND EQUITY, ENDING	13,772,622	1,300,962	195,615	15,269,200

LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2024 Through 7/31/2025

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES				
LEASE INCOME	2,084,716	-	-	2,084,716
DATA CENTER / FIBER OPTIC INCOME	-	-	176,938	176,938
COMMON AREA MAINTENANCE/PBT CAM	649,819	-	-	649,819
USAGE FEES	288,149	-	15,363	303,513
CONTRACT WORK INCOME	12,979	-	-	12,979
UTILITY FRANCHISE FEES	24,690	-	-	24,690
Total OPERATING REVENUES	3,060,353	-	192,301	3,252,654
NON-OPERATING REVENUES				
INSURANCE PROCEEDS	37,095	-	-	37,095
INTEREST EXPENSE / BANK CHARGES	(804)	(5)	-	(809)
MISCELLANEOUS INCOME	20,360	-	-	20,360
FEDERAL GRANT	-	35,679	-	35,679
INTEREST INCOME	182,692	-	-	182,692
Total NON-OPERATING REVENUES	239,342	35,674	-	275,016
TOTAL REVENUES	3,299,695	35,674	192,301	3,527,670

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2024 Through 7/31/2025

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING EXPENSES				
COMPENSATION AND BENEFITS:				
SALARIES AND BENEFITS	761,440	-	-	761,440
CONTRACT SERVICES	18,246	15,000	6,611	39,857
GENERAL AND LIABILITY INSURANCE	241,758	-	12,724	254,482
Total COMPENSATION AND BENEFITS:	1,021,444	15,000	19,335	1,055,779
BUILDING REPAIRS AND MAINTENANCE:				
REPAIRS AND MAINTENANCE	588,155	-	-	588,155
BUILDING MAINTENANCE MATERIALS	25,225	-	450	25,675
MARKETING AND PROMOTIONAL EXPENSES	45,771	-	-	45,771
TRAVEL EXPENSES	7,857	-	-	7,857
PRINTING AND ADVERTISING	418	-	-	418
DEPRECIATION EXPENSE	499,244	-	32,835	532,079
TELEPHONE	2,008	-	-	2,008
OFFICE SUPPLIES	27,898	-	-	27,898
TRAINING AND TUITION EXPENSES	6,597	-	-	6,597
UTILITIES	279,256	-	39,199	318,455
Total BUILDING REPAIRS AND MAINTENANCE:	1,482,429	-	72,484	1,554,913
PROFESSIONAL SERVICES				
ACCOUNTING AND AUDITING FEES	38,148	-	-	38,148
LEGAL FEES	108,851	-	-	108,851
Total PROFESSIONAL SERVICES	146,999	-	-	146,999
COMPUTER SOFTWARE AND MAINTENANCE				
COMPUTER SOFTWARE AND MAINTENANCE	-	-	27,020	27,020
Total COMPUTER SOFTWARE AND	-	-	27,020	27,020
OTHER OPERATING EXPENSES				
BOARD EXPENSES	1,455	-	-	1,455
BANK CHARGES	804	5	-	809
INTERNET CHARGES	-	-	17,484	17,484
POSTAGE	1,868	-	-	1,868
MEETING EXPENSES	7,225	-	-	7,225
LICENSES AND FEES	458	-	-	458
Total OTHER OPERATING EXPENSES	11,810	5	17,484	29,300
Total OPERATING EXPENSES	2,662,683	15,005	136,324	2,814,011

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 7/1/2025 Through 7/31/2025

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	281,708	191,667	90,041	2,084,716	1,916,667	168,050
PBT Cam Fees	64,982	63,667	1,315	649,819	636,667	13,152
Usage Fees	28,378	22,917	5,462	288,149	229,167	58,983
Contract Services	-	667	(667)	12,979	6,667	6,312
Utility Franchise Fees	1,749	1,667	82	24,690	25,667	(977)
Insurance Proceeds	-	-	-	37,095	-	37,095
Other-Miscellaneous	16,995	-	16,995	20,360	-	20,360
Total REVENUES	393,812	280,583	113,228	3,117,808	2,814,834	302,974
EXPENSES						
Salaries & Taxes	56,005	62,526	6,521	661,846	654,103	(7,744)
Benefits - Health, Retirement & Wkr's Comp	9,362	12,792	3,429	99,593	127,917	28,323
Insurance -Property & General Liabilities	24,176	25,000	824	241,758	250,000	8,242
Administrative Expenses	612	1,033	421	9,865	12,333	2,469
General Office Expenses	27,342	6,488	(20,854)	80,677	64,875	(15,802)
Accounting & Auditing Services	91	100	9	38,148	44,000	5,852
Legal Services	13,888	6,250	(7,638)	108,851	62,500	(46,351)
Network Maintenance Contract	1,520	1,667	147	16,505	16,667	161
Training & Travel	591	1,417	825	14,454	14,167	(287)
Marketing Expenses	1,262	6,750	5,488	45,330	67,500	22,170
Operations	61,942	54,242	(7,700)	567,154	542,417	(24,737)
Utilities	12,059	51,708	39,649	279,256	364,500	85,244
Total EXPENSES	208,851	229,971	21,120	2,163,438	2,220,978	57,539
NIBPSID	184,961	50,612	134,349	954,369	593,856	360,514
NON OPERATING REVENUE						
Interest Income	17,198	8,333	8,865	182,692	83,333	99,358
Total NON OPERATING REVENUE	17,198	8,333	8,865	182,692	83,333	99,358
DEPRECIATION						
Depreciation Expense	(49,924)	(54,167)	4,242	(499,244)	(541,667)	42,422
Total DEPRECIATION	(49,924)	(54,167)	4,242	(499,244)	(541,667)	42,422
Increase (Decrease) In Fund Equity	152,235	4,779	147,456	637,817	135,522	502,295

GENERAL FUND

Explanation of Significant Budget Variances

2025 JULY

			Month Variance	YTD Variance	Explanations	
Revenues, Leases	4200, 4201	\$	90,041	\$ 168,050	REIMBURSEMENT FOR BLDG # 74	Year End is expected to be under budget.
Revenues, Usage	4260	\$	5,462	\$ 58,983	Water Usage fluctuates month to month	Year End is expected to be over budget
Expenses, General Office Expenses	,5200,5210,5250,5	\$	(20,854)	\$ (15,802)	Overpayment refunded to SPC Utilites	Year End is expected to be on budget.
Expenses, Legal Services	5710	\$	(7,638)	\$ (46,351)	Extra Fees for Texas Tech Project	Year End is expected to be over budget
Expenses, Operations	5900	\$	(7,700)	\$ (24,737)	South tower pump rebuilt	Year End is expected to be over budget

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 7/1/2025 Through 7/31/2025

EDA GRANT 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						
EDA Grant	-	-	-	35,679	-	35,679
Total REVENUES	-	-	-	35,679	-	35,679
EXPENSES						
Administrative Expenses	-	-	-	15,000	-	(15,000)
General Office Expenses	-	-	-	5	-	(5)
Total EXPENSES	-	-	-	15,005	-	(15,005)
NIBPSID	-	-	-	20,674	-	20,674
Increase (Decrease) In Fund Equity	-	-	-	20,674	-	20,674

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	1,002	2,083	(1,081)	15,363	20,833	(5,470)
Fiber Optic/Wireless Income	17,694	17,500	194	176,938	175,000	1,938
Total REVENUES	18,696	19,583	(887)	192,301	195,833	(3,533)
EXPENSES						
Insurance -Property & General Liabilities	1,272	1,333	61	12,724	13,333	609
General Office Expenses	45	83	38	450	833	383
Computer Software & Maintenance	3,720	3,333	(387)	27,020	33,333	6,313
Internet	1,985	1,833	(151)	17,484	18,333	849
Building Maintenance & Repairs	769	1,250	481	6,611	12,500	5,889
Utilities	4,805	5,192	387	39,199	51,917	12,717
Total EXPENSES	12,596	13,025	429	103,489	130,250	26,761
NIBPSID	6,100	6,558	(459)	88,812	65,583	23,228
DEPRECIATION						
Depreciation Expense	(3,283)	(3,833)	550	(32,835)	(38,333)	5,499
Total DEPRECIATION	(3,283)	(3,833)	550	(32,835)	(38,333)	5,499
Increase (Decrease) In Fund Equity	2,816	2,725	91	55,977	27,250	28,727

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
Leases	281,708	191,667	90,041	2,084,716	1,916,667	168,050
PBT Cam Fees	64,982	63,667	1,315	649,819	636,667	13,152
Usage Fees	29,381	25,000	4,381	303,513	250,000	53,513
Contract Services	-	667	(667)	12,979	6,667	6,312
Utility Franchise Fees	1,749	1,667	82	24,690	25,667	(977)
Insurance Proceeds	-	-	-	37,095	-	37,095
Other-Miscellaneous	16,995	-	16,995	20,360	-	20,360
Fiber Optic/Wireless Income	17,694	17,500	194	176,938	175,000	1,938
Total REVENUES	412,508	300,167	112,341	3,345,788	3,010,667	335,121
EXPENSES						
Salaries & Taxes	56,005	62,526	6,521	661,846	654,103	(7,744)
Benefits - Health, Retirement & Wkr's Comp	9,362	12,792	3,429	99,593	127,917	28,323
Insurance -Property & General Liabilities	25,448	26,333	885	254,482	263,333	8,851
Administrative Expenses	612	1,033	421	24,865	12,333	(12,531)
General Office Expenses	27,387	6,571	(20,816)	81,132	65,708	(15,423)
Accounting & Auditing Services	91	100	9	38,148	44,000	5,852
Computer Software & Maintenance	3,720	3,333	(387)	27,020	33,333	6,313
Internet	1,985	1,833	(151)	17,484	18,333	849
Legal Services	13,888	6,250	(7,638)	108,851	62,500	(46,351)
Network Maintenance Contract	1,520	1,667	147	16,505	16,667	161
Training & Travel	591	1,417	825	14,454	14,167	(287)
Marketing Expenses	1,262	6,750	5,488	45,330	67,500	22,170
Operations	61,942	54,242	(7,700)	567,154	542,417	(24,737)
Building Maintenance & Repairs	769	1,250	481	6,611	12,500	5,889
Utilities	16,864	56,900	40,036	318,455	416,417	97,961
Total EXPENSES	221,447	242,996	21,549	2,281,932	2,351,228	69,295
NIBPSID	191,061	57,171	133,890	1,063,855	659,439	404,416
NON OPERATING REVENUE						
Interest Income	17,198	8,333	8,865	182,692	83,333	99,358
Total NON OPERATING REVENUE	17,198	8,333	8,865	182,692	83,333	99,358
DEPRECIATION						
Depreciation Expense	(53,208)	(58,000)	4,792	(532,079)	(580,000)	47,921
Total DEPRECIATION	(53,208)	(58,000)	4,792	(532,079)	(580,000)	47,921
Increase (Decrease) In Fund Equity	155,051	7,504	147,547	714,468	162,773	551,696

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						
EDA Grant	-	-	-	35,679	-	35,679
Leases	281,708	157,136	124,572	2,084,716	1,723,801	360,915
PBT Cam Fees	64,982	62,646	2,336	649,819	626,456	23,363
Usage Fees	29,381	4,241	25,140	303,513	306,600	(3,087)
Contract Services	-	-	-	12,979	16,108	(3,129)
Utility Franchise Fees	1,749	1,688	61	24,690	28,424	(3,734)
Insurance Proceeds	-	22,260	(22,260)	37,095	70,814	(33,719)
Other-Miscellaneous	16,995	635	16,360	20,360	13,979	6,381
Fiber Optic/Wireless Income	17,694	19,694	(2,000)	176,938	201,114	(24,176)
Total REVENUES	412,508	268,300	144,208	3,345,788	2,987,296	358,492
EXPENSES						
Salaries & Taxes	56,005	50,973	5,032	661,846	597,791	64,055
Benefits - Health, Retirement & Wkr's	9,362	10,170	(808)	99,593	101,652	(2,059)
Insurance -Property & General Liabilities	25,448	22,636	2,812	254,482	222,490	31,992
Administrative Expenses	612	16,860	(16,248)	24,865	25,749	(884)
General Office Expenses	27,387	3,262	24,125	81,132	60,057	21,075
Accounting & Auditing Services	91	90	1	38,148	21,360	16,788
Computer Software & Maintenance	3,720	2,450	1,270	27,020	30,964	(3,944)
Internet	1,985	1,722	263	17,484	17,222	262
Legal Services	13,888	4,200	9,688	108,851	54,532	54,319
Network Maintenance Contract	1,520	1,629	(109)	16,505	17,656	(1,151)
Training & Travel	591	1,910	(1,319)	14,454	16,633	(2,179)
Marketing Expenses	1,262	2,616	(1,354)	45,330	49,560	(4,230)
Operations	61,942	32,092	29,850	567,154	488,095	79,059
Building Maintenance & Repairs	769	-	769	6,611	6,540	71
Utilities	16,864	55,696	(38,832)	318,455	349,098	(30,643)
Total EXPENSES	221,447	206,306	15,141	2,281,932	2,059,398	222,534
NIBPSID	191,061	61,993	129,068	1,063,855	927,898	135,957
NON OPERATING REVENUE						
Interest Income	17,198	22,510	(5,312)	182,692	201,995	(19,303)
Total NON OPERATING REVENUE	17,198	22,510	(5,312)	182,692	201,995	(19,303)
DEPRECIATION						
Depreciation Expense	(53,208)	(53,208)	-	(532,079)	(532,079)	-
Total DEPRECIATION	(53,208)	(53,208)	-	(532,079)	(532,079)	-
Increase (Decrease) In Fund Equity	155,051	31,295	123,756	714,468	597,814	116,654

August 27 2025
LRRRA Quarterly Investments and Collateralization Report

Bank and Account Title	Account Number Ending	Interest Yield	Benchmark Rate (6-Month US T-Bill)	Quarter 1 Earned 2024	Interest Oct - Dec	Quarter 2 Interest Earned Jan - Mar 2025	Quarter 3 Interest Earned Apr - June 2025	Quarter 4 Interest Earned July - Sept 2025	FY2025 Interest Earned YTD	Account Balance as of 06/30/25	FDIC Insured or Collateralization (market value)
PlainsCapital Operating Account	2003	4.00%	4.23%	\$	16,207.45	\$ 29,796.49	\$ 44,709.08		\$ 90,713.02	\$ 4,490,980.41	\$ 4,476,952.00
Totals PlainsCapital				\$	16,207.45	\$ 29,796.49	\$ 44,709.08	\$ -	\$ 90,713.02	\$ 4,490,980.41	\$ 4,476,952.00
Peoples Bank ICS/Sweep Account*	288	3.47%	4.23%	\$	40,023.78	\$ 24,423.05	\$ 10,333.88		\$ 74,780.71	\$ 711,126.74	\$ 250,000.00
Peoples Bank EDA	575	0.00%	4.23%	\$	-	\$ -	\$ -	\$ -	\$ -	\$ 337,422.91	\$ 250,000.00
Totals Peoples Bank				\$	40,023.78	\$ 24,423.05	\$ 10,333.88	\$ -	\$ 74,780.71	\$ 1,048,549.65	
Total of All Accounts				\$	56,231.23	\$ 54,219.54	\$ 55,042.96	\$ -	\$ 165,493.73	\$ 5,539,530.06	
Per our Investment Policy our Weighted Average Maturity (WAM) is 6 months. Our investments are all cash and available immediately											
*No more than \$250,000 (the FDIC insured amount) is invested in each bank as part of this program											



DATE		EVENT
August	August 26	United Way Kick-Off Luncheon
	August 27	LRRA Board of Directors Meeting
September	September 1	Labor Day Holiday – LRRA Offices Closed
	September 16	State of the TTU System Address – Chancellor Mitchell’s Last One
	September 17	SPAG Annual General Assembly Meeting
	September 24	LRRA Board of Directors Meeting
	September 30 - October 2	Ports-To-Plains Conference