

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

Date: Wednesday, October 22, 2025

Time: 8:00 a.m.

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

AGENDA ITEMS	TAB	SPEAKER
Call the Meeting to Order		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. Discussion Item – Texas Tech University President Lawrence Schovanec – TTU Reese National Security Complex	TAB 2	President Lawrence Schovanec
3. Action Item – Election of LRRRA Officers for Fiscal Year 2026 for President, Vice President, and Treasurer/Secretary.	TAB 3	John Hamilton
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 September 24, 2025, Regular Board of Directors Meeting and the Minutes of the October 14, 2025, Special Board of Directors Meeting	TAB 5	John Hamilton

6. Action Item – Consider Lease for Building 36 for Texas Tech University	TAB 6	Murvat Musa
7. Action Item – Consider Engagement Letter for Fiscal Year 2025 Audit Services with Boring & Company, PC	TAB 7	Murvat Musa
8. Action Item – Consider Fourth Amended LRRRA By-Laws	TAB 8	Darrell Guthrie
9. Action Item – Consider Revisions to LRRRA Purchase, Procurement, and Payment of Goods and Services Policy and Procedure Manual	TAB 9	Murvat Musa
10. Discussion Item – Financial Reports and Quarterly Investment and Collateral Report	TAB 10	Sandy Hamilton
11. Discussion Item – Reese Events & Activities	TAB 11	Murvat Musa
12. Discussion Item – LRRRA Branding & Logo	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/> on Thursday, October 16, 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.

AGENDA ITEM 1

Citizen Comments

AGENDA ITEM 2

Discussion with
TTU President
Lawrence
Schovanec

AGENDA ITEM 3

ELECTION OF
LRRA
OFFICERS

AGENDA ITEM 3
ELECTION OF LRRRA OFFICERS FOR FY 2026
EXECUTIVE SUMMARY

The LRRRA By-Laws require an Annual Meeting of the Board of Directors to be held in October each year for the purpose of electing officers, an Executive Committee, consisting of a President, Vice President, and Secretary/Treasurer; each to serve a one-year term.

Since the loss of George McMahan, who was serving as Secretary/Treasurer, and the resignation of Tim Pierce, who was serving as President, we are currently down to one officer who is Acting President, John Hamilton.

**BOARD ACTION ITEM NO. 2025-1022-003
ELECTION OF LRRRA OFFICER FOR FY2026**

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
OCTOBER 22, 2025**

Item to be Considered:

Election of the LRRRA Officers for the Fiscal Year 2026

Previous Board Action:

- a. The Board of Directors elect's officers, an Executive Committee, consisting of a President, Vice-President, and Secretary/Treasurer each year at the Board of Directors Annual Meeting in October.

Statement of Pertinent Facts:

- a. The Board of Directors must elect officers for each fiscal year per the LRRRA by-laws.
- b. The following officers have been nominated for FY 2026:
 - President: John T. Hamilton
 - Vice-President: Jeff Mustin
 - Secretary/Treasurer: Brian Kimberly

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 approves the election of the above named LRRRA Officers for the Fiscal Year 2026 as submitted on this 22nd day of October 2025.”

John T. Hamilton, President

ATTEST:

Board Member

AGENDA ITEM 4

EXECUTIVE SESSION

Information to be provided at
meeting
(if applicable)

AGENDA ITEM 5

LRRA Board Minutes

Lubbock Reese Redevelopment Authority
Minutes of the Regular Meeting of the Board of Directors
September 24, 2025

The Lubbock Reese Redevelopment Authority held its Regular Meeting at 8:00 a.m. September 24, 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

John T. Hamilton, Vice-President	Julie Holladay	John Tye
George McMahan, Secretary/Treasurer	Jeff Mustin	Kelly Criswell

MEMBERS ABSENT Brian Kimberly

OTHERS PRESENT

Reese Staff:

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

Legal Counsel: Darrell Guthrie

Visitors: Barry Ballinger, Robert L. Duncan

Call the meeting to order.

John T Hamilton called the meeting to order at 8:01 a.m.

ITEM 1 Citizen Comments

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

ITEM 2 Executive Session

John T. Hamilton called the Executive Session to order at 8:03 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

John T. Hamilton adjourned the Executive Session at 9:03 a.m. and reconvened Open Session at 9:10 a.m.

ITEM 3 Approved the Minutes of August 27, 2025, Board of Directors Meeting

John Tye moved to approve the minutes of August 27, 2025, Board of Directors Meeting; Kelly Criswell seconded; the motion passed 6-0.

ITEM 4 Approved CEO/ED Pay for FY2026 Per the Recommendation of the Compensation/Executive Committee

John T. Hamilton moved to approve CEO/ED Pay for FY2026 per the recommendation of the Compensation/Executive Committee; John Tye seconded; the motion passed 6-0. John T. Hamilton advised that the Board would reevaluate the CEO/ED compensation after TTU and LRRRA enter into an Interagency Cooperation Agreement to determine each entity's role in partnership.

- ITEM 5 **Approved the FY2026 Operating, Data Center/Fiber Optics, & Capital Budgets**
George McMahan moved to approve the FY2026 Operating, Data Center/Fiber Optics, & Capital Budgets; Jeff Mustin seconded; the motion passed 6-0.

- ITEM 6 **Financial Reports**
Murvāt Musa presented the August financial reports.

- ITEM 7 **Legislative Update**
Darrell Guthrie presented the legislative update

- ITEM 8 **Reese Events and Activities**
Murvāt Musa presented Reese Technology Center activities and upcoming events to the Board of Directors.

- ITEM 9.a **Presentation to CEO/ED, Murvat Musa**
John T. Hamilton presented CEO/ED, Murvat Musa with a plaque recognizing her 10 years of service at LRRRA.

- ITEM 9 b. **Presentation of Gifts to Outgoing Board Members John Tye and George McMahan**
John T. Hamilton presented plaques and gifts to outgoing board members, John Tye and George McMahan.

- ITEM 10 **Administer Oath of Office to Robert L. Duncan and Barry Ballinger as Board Members**
John T. Hamilton administered the Oath of Office to Robert L. Duncan and Barry Ballinger.

Adjournment

John T. Hamilton adjourned the meeting at 10:04 a.m.

Content of minutes agreed to and approved by:

Approved by _____
John T. Hamilton, President

ATTEST:

LRRRA Board Member

Lubbock Reese Redevelopment Authority
Minutes of the Special Meeting of the Board of Directors
October 14, 2025

The Lubbock Reese Redevelopment Authority held a Special Meeting at 10:30 a.m. October 14, 2025, at the Reese Technology Center, LRRRA Board Room, 9801 Reese Boulevard, Suite 200, Lubbock, TX 79416.

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

MEMBERS PRESENT

John T. Hamilton, Vice-President	Julie Holladay – via video conference	
Brian Kimberly	Jeff Mustin – via video conference	
Barry Ballinger – via video conference	Bob Duncan – via video conference	

MEMBERS ABSENT Kelly Criswell

OTHERS PRESENT

Reese Staff:

Murvat Musa	CEO/Executive Director
Andrea Hamilton	Operations, Customer Care, & Marketing Coordinator

Legal Counsel: Darrell Guthrie – via video conference

Visitors: None

Call the meeting to order.

John T. Hamilton called the meeting to order at 10:30 a.m.

ITEM 1 Citizen Comments

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

ITEM 2 Executive Session

John T. Hamilton noted there were no items for the Executive Session

ITEM 3 Approved the resolution approving an application for funding through the Office of the Governor – Defense Economic Assistance Adjustment Grant (DEAAG)

Brian Kimberly moved to approve the application for funding through the Office of the Governor – Defense Economic Assistance Adjustment Grant (DEAAG); Jeff Mustin seconded; the motion passed 6-0.

ITEM 4 Approved Interlocal Cooperation Agreement with South Plains Association of Governments for Application Development and Administration Services for Defense Economic Assistance Adjustment Grant (DEAAG)

Jeff Mustin moved to approve Interlocal Cooperation Agreement with South Plains Association of Governments for Application Development and Administration Services for Defense Economic Assistance Adjustment Grant (DEAAG); Brian Kimberly seconded; the motion passed 6-0

Adjournment

John T. Hamilton adjourned the meeting at 10:43 a.m.

Content of minutes agreed to and approved by:

Approved by _____
John T. Hamilton, President

ATTEST:

LRRRA Board Member

AGENDA ITEM 6

TEXAS TECH UNIVERSITY LEASE FOR BUILDING 36 EXECUTIVE SUMMARY

Texas Tech University wishes to lease the office space in Building 36 for TTU operations employees that will be working at Reese.

This lease is for one year with two additional extension periods of one year each. The starting rate is \$12 per square foot with 3% annual increases. The Lease is attached for more details.

Staff are requesting that the Board authorize the Executive Director to execute this lease subject to negotiation of final terms and conditions.

STANDARD SHORT TERM INDUSTRIAL LEASE

BETWEEN

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

AS LANDLORD

AND

TEXAS TECH UNIVERSITY, a Texas Institution of Higher Education

AS TENANT

FOR PREMISES LOCATED AT

Reese Technology Center

Building No. 36

Suite Nos. 108,111, 116, 118, 119, & 120

9924 Reese Boulevard North

Lubbock, Texas 79416

STANDARD INDUSTRIAL LEASE

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

W I T N E S S E T H:

1. BASIC LEASE PROVISIONS

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

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

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

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

(e) Guarantors: Not applicable.

(f) Guarantors' Addresses: Not applicable.

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

(h) Premises means that approximate 1,768 square feet of office space occupied by Tenant in Suite # 108, 111, 116, 118, 119, & 120 and identified as the "Premises" on the site plan attached hereto as **Exhibit A** (the "Site Plan"), of that certain building located at 9924 Reese Boulevard North, Lubbock, Texas 79416, which is commonly known as Building #36, and containing approximately 8,507 square feet of total floor area ("Building"), respectively.

(i) Initial Term: One (1) Year.

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

(k) Option to Extend Term: Tenant shall have two (2) renewal options of one (1) year each, such renewal option to be exercised automatically unless Landlord receives written notice from Tenant of its desire not to exercise the option to extend term no less than sixty (60) days prior to expiration of the Initial Term. Without receipt of such notice, this Lease shall be extended automatically for the period specified in Section 1(j) without the necessity for the execution of any

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

- (l) Delivery Date: November 1, 2025.
- (m) Commencement Date: November 1, 2025.
- (n) Termination Date: October 31, 2026.

(o) Base Rent: The parties further agree that the Base Rent set forth herein is what is commonly referred to as a "modified gross lease" and that Base Rent already includes, and Tenant shall not have to pay for Common Area Maintenance fees associated with the Premises, groundskeeping/mowing expenses, parking, Landlord’s insurance, and any other charges incurred by Landlord with respect to the Premises, except as otherwise provided in this Lease. Said Base Rent does not include, and Tenant is solely responsible for any and all charges associated with utilities, dumpsters, telephone service, internet service, Tenant renovations, Premise’s maintenance, or housekeeping services, except as otherwise provided in this Lease.

<u>Initial Term Lease Years</u>	<u>Total Annual Base Rent</u>	<u>Total Monthly Base Rent</u>	<u>Annual Base Rent Per Square Foot of Floor Area of the Premises</u>
Year 1 (November 1, 2025 – October 31, 2026)	\$12.00	\$1,768.00	\$21,216.00
Renewal 1	\$12.36	\$1,821.04	\$21,852.48
Renewal 2	\$12.73	\$1,875.55	\$22,506.64

- (p) Security Deposit: Not Applicable.

(q) Termination: It is expressly agreed by Landlord, that Tenant shall have the option to terminate this Lease, at any time during the Term or any renewal period thereof, upon ninety (60) days prior written notice to Landlord at the address provided herein if Tenant’s program is discontinued for any reason.

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

(s) Permitted Use: Tenant may use the Premises for the purpose of administration and finance office space. Tenant will use approximately 1,768 SF of Building #36 approximately 8,507 SF. The remaining portion of the building not utilized will remain available for use and access by Landlord and Landlord’s customers of the Data Center Network Operations Center.

(t) Landlord's Address for Payment of Rent: Payment of Rent shall be made to Landlord by electronic funds transfer to Landlord's bank account at:

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

2. DEFINITIONS

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

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

(c) “Landlord” means LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the state of Texas.

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

(e) “Tenant” means TEXAS TECH UNIVERSITY, a Texas institution of higher education and its agents, contractors, employees, invitees, licensees, or visitors.

3. RENT AND RENT INVOICES

(a) Rent. Tenant agrees to pay to Landlord the Base Rent, Additional Rent, and any Utility charges (collectively, “Rent”) billed by the Landlord set forth in Sections 1(o) and 8(a), respectfully, in advance, on the 1st day of each calendar month during the Term, without deduction or setoff, commencing on the Commencement Date. Rent will be considered past Due and in default if not received by the 10th of the month and after written notice is received from Landlord. It is understood and agreed that the Rent for the first month of the Lease shall not be considered late due to the timing of the execution of the Lease.

(b) Rent Invoices. All invoices from Landlord to Tenant for any Rent due under this Lease will be sent to the address set forth in Section 1(d) or to such other address as Tenant may designate by notice to Landlord.

4. REAL ESTATE TAXES AND OTHER TAXES

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

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

(b) Other Taxes. At the present time the Landlord and Tenant are not taxable entities, and are exempt from ad valorem taxes. However, if the Premises become taxable at some point in the future during the Term, then Tenant agrees that in addition to the Rent due hereunder, the to the fullest extent permitted by Texas law, then the follow provisions shall apply: Tenant shall during the Term be responsible for payment, prior to delinquency, of all taxes assessed against and levied upon the trade fixtures, furnishings, equipment and all other personal property of Tenant contained in the Premises. In addition, Tenant shall during the Term pay to Landlord monthly with the payment of Base Rent all sales or rental taxes assessed by any governmental authority against the Rent payable by Tenant hereunder.

5. TENANT COVENANTS

(a) Tenant Agrees to –

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

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

(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 which do not unreasonably interfere with Tenant's use of the Premises and are equally applicable to all Project tenants. For subparagraphs (ii) and (iii) of this paragraph, reasonableness is as determined in good faith by Tenant within 30 days after receiving from Landlord a written copy of the requirement, rule or regulation in question.

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

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

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

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

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

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

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

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

(12) Except as prohibited by the Constitution and laws of the State of Texas, and to the fullest extent permitted, Tenant agrees to the following provision concerning its activities, use and occupancy of the Premises: **HOLD LANDLORD HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE) ARISING FROM TENANT'S ACCESS TO, PRESENCE ON, OR USE OF THE PREMISES UNDER THIS LEASE (INCLUDING ANY**

ACCESS TO, PRESENCE ON, OR USE OF THE PREMISES BY TENANT'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES, LICENSEES, OR VISITORS). THIS PARAGRAPH (a) IS INDEPENDENT OF TENANT'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (c) WILL SURVIVE THE END OF THE TERM, AND (d) WILL NOT APPLY IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF LANDLORD OR TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD.

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

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

- (1) Use the Premises for any purpose other than the Permitted Use.
- (2) Create a nuisance.
- (3) Interfere with any other tenant's normal business operations or Landlord's management of the Premises or Project.
- (4) Use the Premises in any way that would increase insurance premiums or void insurance on the Premises or the Project.
- (5) Change Landlord's lock system.
- (6) Allow a lien to be placed on the Premises.
- (7) Assign this lease or sublease any portion of the Premises without Landlord's prior express written consent.
- (8) Use the roof on the Premises, except as may be specifically authorized in writing by the Landlord.
- (9) Place any signs on the Premises without Landlord's written consent.
- (10) Bring suit against Landlord in connection with any claim or suit arising pursuant to Section 5(a)(13). Tenant acknowledges this is not indemnification but rather an agreement to release and waiver of claims against Landlord for Tenant's activities, conduct, use and occupancy of the Premises.
- (11) Use any portion of the Premises for wind energy development or the installation or use of any facilities related to wind energy development or generation.

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

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

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

(15) Flush gloves or potentially hazardous waste down toilets.

6. LANDLORD COVENANTS

(a) Landlord agrees to –

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

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

(3) 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.

(4) Repair, replace, and maintain the (i) roof, (ii) foundation, (iii) structural soundness of the exterior walls, and (iv) Common Areas.

(5) [Intentionally Blank]

(6) Except as prohibited by the Constitution and laws of the State of Texas, and to the fullest extent permitted, Landlord agrees to the following provision concerning its activities, use and occupancy of the Premises: HOLD TENANT HARMLESS FROM ANY INJURY (AND ANY RESULTING OR RELATED CLAIM, ACTION, LOSS, LIABILITY, OR REASONABLE EXPENSE, INCLUDING ATTORNEY'S FEES AND OTHER FEES AND COURT AND OTHER COSTS) OCCURRING IN ANY PORTION OF THE COMMON AREAS. THE INDEMNITY CONTAINED IN THIS PARAGRAPH (a) IS INDEPENDENT OF LANDLORD'S INSURANCE, (b) WILL NOT BE LIMITED BY COMPARATIVE NEGLIGENCE STATUTES OR DAMAGES PAID UNDER THE WORKERS' COMPENSATION ACT OR SIMILAR EMPLOYEE BENEFIT ACTS, (c) WILL SURVIVE THE END OF THE TERM, AND (d) WILL NOT APPLY IF AN INJURY IS CAUSED IN WHOLE OR IN PART BY THE ORDINARY NEGLIGENCE OR STRICT LIABILITY OF TENANT, OR ANY OF TENANT'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES, LICENSEES, OR VISITORS, AND SHALL ALSO NOT APPLY TO THE EXTENT AN INJURY IS CAUSED BY THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF TENANT, OR ANY OF TENANT'S AGENTS, CONTRACTORS, EMPLOYEES, INVITEES,

LICENSEES, OR VISITORS.

(b) Landlord agrees not to—

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

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

7. COMMON AREAS

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

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

8. UTILITIES AND TRASH REMOVAL

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

(i) Electric. The Building is primarily used as a Network Operations Center. The Data Center portion of the Building uses the majority of the electricity for the Building. Therefore, to provide a fair market fee for electric use, Landlord will charge Tenant a monthly fee for electric based on 1,768 square feet multiplied by \$0.10 per square foot or a total electricity charge of \$176.80 per month for electric use. In the event of an overall electric charge increase of more than 25%, Landlord may increase the monthly electric charge accordingly.

(ii) Other Utilities. Gas, water, and wastewater will be based on a prorated share of square footage leased in the Building by Tenant.

(b) Trash Removal. Tenant may use, at no charge, the dumpster located adjacent to the Building. Tenant shall pay for cleaning of the Premises.

9. DAMAGE BY CASUALTY

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

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

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

(e) Landlord's Repair Obligation. Landlord's obligation will be to restore all portions of the Premises and the Common Areas in the immediate vicinity of and surrounding the Premises (including but not limited to all parking areas surrounding the Premises and all sidewalks, roadways, driveways and accessways leading to and from the Premises) affected by a Casualty (exclusive of Tenant's fixtures and equipment) to their condition immediately preceding such Casualty, subject to available insurance proceeds. If Landlord for any reason whatsoever fails (1) to commence the repair and restoration work required hereunder within ninety (90) days from the date of the Casualty, (2) to proceed diligently to complete such repair and restoration work, or (3) fails to complete same within the estimated time set forth in Landlord's Casualty Notice, plus the number of days of delay caused by events beyond Landlord's control, then, Tenant will have the right to terminate this Lease by giving Landlord notice and upon the giving of such notice, this Lease will terminate and the parties will be liable for their respective obligations to the date of termination and will have no liability for obligations arising after that date, except for those obligations which expressly survive termination.

10. HAZARDOUS MATERIALS

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

(b) Tenant's Obligations. During the Term, Tenant will not use, generate, place, store, release or otherwise dispose of Hazardous Materials in the Premises or the Common Areas, except in accordance with all Environmental Laws, and subject to the Reservations recorded in the Deed Without Warranty Between the United States of America and Landlord recorded in the Real Property Records of Lubbock County, Texas at Deed Record 2006041652. Notwithstanding anything to the contrary contained in this Lease, Landlord acknowledges and agrees that Tenant shall have the right to use and store in the Premises in Tenant's ordinary course of business Hazardous Materials in accordance with Environmental Laws. Tenant shall be responsible for and ensure that its agents, contractors, employees, invitees, licensees, or visitors, do not use, generate, place, store, release or otherwise dispose of Hazardous Materials in the Premises or the Common

Areas. Notwithstanding anything to the contrary contained in this Lease, Landlord acknowledges and agrees that Tenant shall have the right to use and store in the Premises in Tenant's ordinary course of business Hazardous Materials in accordance with Environmental Laws including but not limited to forklift propane, motor oil, anti-freeze, trans-fluid, brake fluid, hydraulic-fluid, air tool oil, WD-40, chain lubricants, bearing grease, oxygen/acetylene, spray paints, mineral spirits, water base paint, gasoline-welder-generator and stencil ink. In the event of a breach of the foregoing, Tenant will promptly undertake remediation or removal in accordance with all Environmental Laws. To the fullest extent permitted by Texas law, Tenant will indemnify, release, defend and hold Landlord harmless from and against, and reimburse Landlord for, all Hazardous Materials Liabilities asserted against or incurred by Landlord as a result of a breach of Tenant's obligations under this paragraph. Notwithstanding anything to the contrary contained herein, in no event shall Tenant be liable for Hazardous Materials existing in, on or about the Premises or the Project prior the Tenant's occupancy of the Premises. Tenant shall provide Landlord a copy of Tenant's plan for responding to hazardous waste, fuel, and chemical spills no later than the Commencement Date.

(c) Definitions. As used herein,

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

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

(iii) "Hazardous Materials Liabilities" means all claims, damages, losses, forfeitures, expenses or liabilities arising from or caused in whole or in part, directly or indirectly, by a breach by the other party of its representations, warranties or covenants under Section 13(a) or (b), including, without limitation, all consultants' fees, and all costs of investigation, repair, remediation, restoration, cleanup, detoxification or decontamination, and/or preparation and implementation of any closure, remedial action or other required plan.

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

11. INSURANCE

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

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

12. ADDITIONAL LANDLORD AND TENANT AGREEMENTS

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

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

c. Condemnation/Substantial or Partial Taking

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

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

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

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

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

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

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

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

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

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

(5) failing to pay timely Rent;

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

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

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

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

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

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

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

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

LANDLORD:

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

TENANT:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

z. Chapter 2270 of the Texas Government Code. Tenant acknowledges that in

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

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

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

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

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

14. SECURITY CONDITIONS

Landlord and Tenant acknowledge and agree that the Project is located on property formerly owned and operated by the United States Air Force as the Reese Air Force Base, and that certain portions of the Project have been previously utilized by local, state and federal governmental entities (hereinafter, "the Government") in times of state or national emergencies to

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

Tenant acknowledges and agrees that, in the event that the Government utilizes any portion of the Project in a time of state or national emergency, Tenant, its employees, officers, agents, and contractors will comply with all reasonable security regulations imposed by the Landlord or applicable governmental agency, including the requirement to obtain and display security identification cards and to comply with reasonable security procedures. Tenant further agrees that, if Tenant elects to install a security alarm system in the Premises, such alarm system will be compatible with the alarm system utilized by Landlord, if any.

15. CONTRACT CLAIMS RESOLUTION.

To the extent required by law, Landlord shall use the Tenant's dispute resolution process to attempt to resolve any claim for breach of contract arising under this Lease that is not resolved in the ordinary course of business. To initiate the process, Landlord shall provide a written notice of a claim and begin negotiating with the University, as conditions precedent to the contested case process. Governed by rules adopted by the Texas Attorney General's Office, the contested case process is Landlord's sole and exclusive method to seek a remedy for breach, unless, after considering the Administrative Law Judge's report, the Legislature gives consent for Landlord to sue under Chapter 107 of the Civil Practices and Remedies Code.

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

THE UNIVERSITY AND LRRRA DO NOT WAIVE SOVEREIGN IMMUNITY BY ITS EXECUTION OF OR BY ANY CONDUCT OF THEIR REPRESENTATIVES UNDER THIS LEASE, AND THE DISPUTE RESOLUTION PROCESS DOES NOT AFFECT THE

UNIVERSITY'S OR LRRA'S RIGHT TO ASSERT ALL CLAIMS AND DEFENSES IN A
LAWUIT.

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

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

LUBBOCK REESE
REDEVELOPMENT AUTHORITY
("Landlord")

TEXAS TECH UNIVERSITY
("Tenant")

By: Murvat Musa, Chief Executive Officer

By: _____

Date

Date

EXHIBIT A

[Site Plan]

[attached hereto]

**BOARD ACTION ITEM NO. 2025-1022-004
TEXAS TECH UNIVERSITY LEASE FOR BUILDING 36**

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
OCTOBER 22, 2025**

Item to be Considered:

Consider Texas Tech University (TTU) lease for Building 36

Previous Board Action:

The Board previously approved numerous leases for TTU.

Statement of Pertinent Facts:

- a. TTU is a current customer and partner of Reese in multiple buildings on campus
- b. Use of Premises: Office Space
- c. Proposed Lease for Building 36:
 1. Term: 1 year
 2. Rate: \$12/SF
 3. Renewal Options: two 1-year options to renew with 3% annual increases

Advice, Opinions, Recommendations, and Motion:

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

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby authorizes its CEO/Executive Director to Execute the Lease for Texas Tech University for Building 36, subject to negotiation of final terms and conditions, on this 22nd day of October 2025.”

John T. Hamilton, President

ATTEST:

Board Member

AGENDA ITEM 7

BORING & COMPANY, PC ENGAGEMENT LETTER FOR FY2025 AUDIT EXECUTIVE SUMMARY

In the beginning, LRRRA engaged the services of Pratas, Smith & Moore (Jimmy Pendergrass) for annual audit services. As the industry went through numerous consolidations and buyouts, so did our audit firm. The first merger was with Lamm & Company, another Lubbock firm, then RPC CPA's, a New Mexico based firm purchased them, and finally, CRI CPA's, a large national firm headquartered in Alabama purchased them. These multiple consolidations have wreaked havoc over our annual audits with no consistency in either audit staff or how we are viewed, that is, they do not consider the size of our organization nor our unique purpose. We are treated like any other client of CRI's, holding us to the same standards as billion-dollar corporations. CRI is no longer a good fit for LRRRA.

Over the years, staff have attempted to find alternative audit services with no success. Firms are understaffed and unwilling to take on additional clients. We have now found a small Lubbock firm that has the experience and capacity to take on our annual audits, Boring & Company, PC.

Staff are requesting approval of the attached Engagement Letter.

BORING & COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS
3711 20TH STREET SUITE A
LUBBOCK, TEXAS 79410

October 2, 2025

To the Board of Directors of
Lubbock Reese Redevelopment Authority
and Murvat Musa, CEO

We are pleased to confirm our understanding of the services we are to provide for Lubbock Reese Redevelopment Authority for the year ended September 30, 2025.

Audit Scope and Objectives

We will audit the financial statements of the business-type activities, including the disclosures, which collectively comprise the basic financial statements, of Lubbock Reese Redevelopment Authority as of and for the year ended September 30, 2025. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement Lubbock Reese Redevelopment Authority's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to Lubbock Reese Redevelopment Authority's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient appropriate evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis.

We have also been engaged to report on supplementary information other than RSI that accompanies Lubbock Reese Redevelopment Authority's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and we will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

- 1) Schedule of expenditures of federal awards.

In connection with our audit of the basic financial statements, we will read the following other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

- 1) Combining Statement of Net Position
- 2) Combining Statement of Revenues, Expenses, and Changes in Net Position
- 3) Combining Statement of Cash Flows

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and issue an auditor's report that includes our opinions about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objectives also include reporting on:

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal control over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditor's Responsibilities for the Audit of the Financial Statements and Single Audit

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include tests of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements or on major programs. However, we will inform the appropriate level of management of any material errors, any fraudulent financial reporting, or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. We will include such matters in the reports required for a Single Audit. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Management override of controls
- Leases
- Net Pension Asset/(Liability) and related deferred inflows and outflows

We may, from time to time and depending on the circumstances, use third-party service providers in serving your account. We may share confidential information about you with these service providers but remain committed to maintaining the confidentiality and security of your information. Accordingly, we maintain internal policies, procedures, and safeguards to protect the confidentiality of your personal information. In addition, we will secure confidentiality agreements with all service providers to maintain the confidentiality of your information and we will take reasonable precautions to determine that they have appropriate procedures in place to prevent the unauthorized release of your confidential information to others. In the event that we are unable to secure an appropriate confidentiality agreement, you will be asked to provide your consent prior to the sharing of your confidential information with the third-party service provider. Furthermore, we will remain responsible for the work provided by any such third-party service providers.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures—Internal Control

We will obtain an understanding of the government and its environment, including the system of internal control, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of Lubbock Reese Redevelopment Authority's compliance with provisions of applicable laws, regulations, contracts, and agreements, including grant agreements. However, the objective of those procedures will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the *OMB Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of Lubbock Reese Redevelopment Authority's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on Lubbock Reese Redevelopment Authority's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Responsibilities of Management for the Financial Statements and Single Audit

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation of the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with accounting principles generally accepted in the United States of America with the oversight of those charged with governance; and for compliance with applicable laws and regulations (including federal statutes), rules, and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

You are also responsible for making drafts of financial statements, schedule of expenditures of federal awards, all financial records, and related information available to us; for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers); and for the evaluation of whether there are any conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going

concern for the 12 months after the financial statements date or shortly thereafter (for example, within an additional three months if currently known). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance; (3) additional information that we may request for the purpose of the audit; and (4) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the management representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants. You are also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review on November 3, 2025.

You are responsible for identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19-related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains, and indicates that we have reported on, the schedule of expenditures of federal awards. You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that includes our report thereon or make the audited financial statements readily available to intended users of the schedule of expenditures of federal awards no later than the date the schedule of expenditures of federal awards is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance; (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the other supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles (GAAP). You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or

studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and for the timing and format for providing that information. With regard to publishing the financial statements on your website, you understand that websites are a means of distributing information and, therefore, we are not required to read the information contained in those sites or to consider the consistency of other information on the website with the original document.

Other Services

We will also assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of Lubbock Reese Redevelopment Authority in conformity with accounting principles generally accepted in the United States of America and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations and schedules we request and will locate any documents selected by us for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summarizes our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditor's reports, and corrective action plan) along with the Data Collection Form to the Federal Audit Clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditor's reports or nine months after the end of the audit period.

We will provide copies of our reports to the Authority; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Boring & Company, PC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Boring & Company, PC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Economic Development Administration. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

David Boring is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately November 3, 2025.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, confirmation service provider fees, etc.) except that we agree that our gross fee, including expenses, will not exceed \$35,000. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed

upon written notification of termination, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the engagement. If significant additional time is necessary, we will keep you informed of any problems we encounter and our fees will be adjusted accordingly.

Boring & Company, PC does not host any of Lubbock Reese Redevelopment Authority's information. Thomson Reuters Engagement Manager Communications and Dropbox File Requests are used solely as a method of transferring data and are not intended to store Lubbock Reese Redevelopment Authority's information. Upon conclusion of the engagement, Boring & Company, PC will provide Lubbock Reese Redevelopment Authority with a copy of the deliverables and relevant data from the Thomson Reuters Engagement Manager Communications and Dropbox File Requests relating to the engagement in a mutually agreed-upon format. If the engagement occurs over multiple years, this exchange will occur at least annually.

The data and other content will either be removed from the Thomson Reuters Engagement Manager Communications and Dropbox File Requests or become unavailable to Boring & Company, PC within a reasonable period of time. If the engagement is multi-year, the completion of the engagement occurs each year when the deliverables are completed for that year.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to the Board of Directors of Lubbock Reese Redevelopment Authority. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to Lubbock Reese Redevelopment Authority and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the attached copy and return it to us.

Very truly yours,

Boring & Company, P.C.

RESPONSE:

This letter correctly sets forth the understanding of Lubbock Reese Redevelopment Authority.

Management signature: _____

Title: CEO

Date: _____

Governance signature: _____

Title: _____

Date: _____

**BOARD ACTION ITEM NO. 2025-1022-005
ENGAGEMENT LETTER FOR FY2025 AUDIT BORING & CO.**

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
OCTOBER 22, 2025**

Item to be Considered:

Consider engagement letter for FY2025 Audit with Boring & Co.

Previous Board Action:

The Board engaged the services of Pratas, Smith & Moore, currently CRI CPA's

Statement of Pertinent Facts:

- a. Boring & Co. will provide audit services for FY2025 for LRRRA
- b. Standard hourly rates, not to exceed \$35,000

Advice, Opinions, Recommendations, and Motion:

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

“Resolved, that the Board of Directors of the Lubbock Reese Redevelopment Authority hereby authorizes its CEO/Executive Director to Execute the engagement letter with Boring & Co. for the FY2025 finance audit, subject to negotiation of final terms and conditions, on this 22nd day of October 2025.”

John T. Hamilton, President

ATTEST:

Board Member

AGENDA ITEM 8
FOURTH AMENDMENT TO LRRRA BY-LAWS
EXECUTIVE SUMMARY

Changes in LRRRA's governing statute via HB 5092 necessitate updating the LRRRA by-laws, see attached red line. Additional changes will be considered using the Decision Matrix attached.

AGENDA ITEM 8

Board Decision Support Matrix

Decision for Consideration	Yes	No	Comments
1. Throughout the bylaws, does the board desire to shorten the title of the “Executive Director/Chief Executive Officer” to “Chief Executive Officer”?			
2. In sec. 4.04 does the board desire to have the President “oversee” the business and affairs of the authority rather than “supervise”? Similarly, in sec. 5.01 , the CEO would “supervise” rather than “oversee” the listed items.			Definition of “supervise” is observe and direct the execution of a task, process, or activity. While the definition of the “oversee” includes the word supervise, it seems broader in nature.
3. In sec. 5.02 does the board desire to only appoint the CEO and general counsel?			The implication is that the other professionals listed would be the responsibility of the CEO to hire, etc. the following: <ul style="list-style-type: none"> - financial consultants - accountants - architects - engineers - appraisers - financing experts
4. In sec. 8.01 , the board is authorized to delegate via resolution several things to the CEO, does the board desire to delegate by resolution the authority to execute the following: <ul style="list-style-type: none"> - Deeds - Mortgages - Bonds - Contracts (alternatively, would the board desire to limit this by time (e.g., leases of less than 4 years) or amount (e.g., contracts of less than \$100,000 in the aggregate)) 			This would not be provided for in the by-laws, but by separate resolution of the board.

Rationale for providing greater authority to the CEO: Should the board decide to become more strategically focused, it would increase time at board meetings to focus on matters associated with setting strategic direction that facilitates the establishment of the TTU Reese National Security Complex (RNSC); and provide greater focus to creating “redevelopment projects,” public-private partnerships, and financing arrangements to contribute to the growth of the RNSC.

~~THIRD~~FOURTH AMENDED BYLAWS

OF

LUBBOCK REESE REDEVELOPMENT AUTHORITY

These Bylaws (hereinafter called the Bylaws) govern the affairs of Lubbock Reese Redevelopment Authority (hereinafter called the Authority), a political subdivision of the State of Texas, organized as a governmental unit under Chapter 101, Civil Practice and Remedies Code and Subtitle B, Title 4, Chapter 3501, of the Special District Local Laws Code, as amended (hereinafter called the Chapter).

ARTICLE 1.

OFFICES

1.01 Principal Office. The Authority’s principal office in the State of Texas shall be located at 9801 Reese Blvd., Suite 200, Lubbock, Texas 79416. The Authority may have such other offices, in Texas or elsewhere, as the Board of Directors may determine. The Board may change the location of any office of the Authority.

1.02 Registered Office and Registered Agent. The Authority shall comply with the requirements of the Chapter and maintain a registered office and registered agent in Texas. The registered office may, but need not, be identical to the Authority’s principal office in Texas. The Board may change the registered office and the registered agent as permitted in the Act.

ARTICLE 2.

PURPOSE

2.01 Purpose. The Authority is created to undertake projects necessary or incidental to the industrial, commercial, or business development, redevelopment, maintenance, and expansion of new and existing business; encourage the development of new industry by private businesses;

~~and~~ encourage financing of projects designated as redevelopment projects; support research related to national security and critical infrastructure conduction on the property; encourage the development of new industry by private business; encourage financing of redevelopment projects; and facilitate the establishment of an applied research site in cooperation and collaboration with Texas Tech University on the property now known as ~~Reese Technology Center~~the Texas Tech University Reese National Security Complex and formerly known as Reese Air Force Base and surrounding areas, to include using all powers, duties, and methods set out in the Chapter.

ARTICLE 3.

BOARD OF DIRECTORS

3.01 The affairs of the Authority shall be managed, operated, and controlled by the Board of Directors (hereinafter called the Board).

3.02 Number of Directors. The number of Directors shall be seven (7).

3.03 Appointment of Directors and Tenure of Directors. Pursuant to section 3501.051 of the Texas Special District Local Laws Code, the Board shall be comprised of:

(a) ~~Five Six (56)~~ Directors appointed ~~by the City of Lubbock, Texas City Council from a list of persons recommended by the Board~~ in consultation with the President of Texas Tech University or President's designee; and

~~(b) One (1) Director appointed by the County of Lubbock, Texas Commissioners Court from a list of persons recommended by the Board; and~~

~~(eb)~~ One (1) Director who will be the Executive Director of the South Plains Association of Governments (hereinafter called SPAG); ~~and~~

(d) The persons recommended by the Board under Subdivisions (a) and (b), above, should have experience in real estate, finance, manufacturing, agriculture, or ~~general business~~national

security-related technology or critical infrastructure technology.

(e) The Directors shall serve for a term of four (4) years. Each Director shall hold office until a successor is elected and qualifies. Except as provided by Subsection (f), a Director may be appointed to succeed himself or herself as Director for one (1) additional term of four (4) years.

(f) A Director appointed to fill a vacancy for an unexpired term shall serve for the remainder of that term and may be appointed as the Director's own successor for not more than two full four (4) year terms.

3.04 Board Vacancies. The Board shall fill any vacancies in the same manner as the original appointment. A vacancy for an unexpired term is for the remainder of the term only.

3.05 Advisory Board Members. The Board shall determine the need and extend invitations to persons, organizations, and agencies that the Board may vote as necessary to serve in an advisory capacity. Any Advisory Board member will not be entitled to vote at any meetings of the Board.

3.06 Annual Meeting. The annual meeting of the Board shall be held in ~~October~~ September of each year at the Authority's principal office in Texas.

3.07 Regular Meetings. The Board shall meet each month, unless the President determines that there shall not be a meeting, but under no circumstances shall the Board meet less than ~~nine-six~~ (96) times per year.

3.08 Special Meetings. Special Board meetings may be called by, or at the request of; the President, ~~or~~ any two (2) Directors, or the Chief Executive Officer. A person or persons authorized to call special meetings of the Board may fix any place within Texas as the place for holding a special meeting, subject to the provisions of Section 12.01. The person or persons calling a special meeting shall inform the secretary of the Board of the information to be included in the

notice of the meeting. The secretary of the Board shall give notice to the Directors pursuant to Section 11.01.

3.09 Notice of Meetings. Notice of the time, place, and purpose of any regular meeting of the Board shall be served upon each Director pursuant to Section 11.01, not less than five (5) calendar days before each meeting. Notice of special meetings shall be served pursuant to Section 11.01 no less than ~~seventy-two (72) hours~~three (3) business days before such meetings. Subject to requirements of the Texas Open Meetings Act, Texas Government Code Subsection 551.001 et seq. (hereinafter, the “Act”),~~Any~~any such notice of a special meeting may be expressly waived by any Directors either before or at the meeting for which notice has been waived.

3.10 Public Notice. All meetings of the Board at which its business will be conducted shall be held in public. Subject to the provisions of the Act, ~~Participation~~participation in the meetings of the Board by any individual, excepting members, shall be at the discretion of the Board. Subject to the provisions of the Act, ~~Any~~any member of the public desiring to so participate shall notify the President of the Board before the meeting of the subject of he/she/his/her wishes to address Board during Citizen Comments. Meetings shall be held and conducted in compliance with the requirements of the ~~Texas Open Meetings Act, Texas Government Code Subsection 551.001 et seq.~~

3.11 Quorum. At all meetings of the Board, a majority of its total Directors shall constitute a quorum required to transact business, but less than a quorum may adjourn a meeting from time to time without further notice until a quorum is present. In determining a quorum, the number of Directors shall be considered that number which are then duly serving as Directors of the Board. Any vacancies which may exist shall not be counted in determining the total number of Directors.

3.12 Voting. Each Director of the Board, other than any Advisory Board member, shall be entitled to one vote, and any act of a majority of the Directors present and voting at the Board meeting shall constitute the act of the Board. Attendance and voting by proxy shall be prohibited.

3.13 Duties of Directors. Directors shall discharge their duties, including any duties as committee members, in good faith, with ordinary care, and in a manner they reasonably believe to be in the Authority's best interest and that are not unlawful. In this context, the term ordinary care means the care that ordinarily prudent persons in similar positions would exercise under similar circumstances. In discharging any duty imposed or power conferred on directors, Directors may, in good faith, rely on information, opinions, reports, or statements, including financial statements and other financial data, concerning the Authority or another person that has been prepared or presented by a variety of persons, including officers and employees of the Authority, professional advisors or experts such as accountants or legal counsel. A Director is not relying in good faith if he or she has knowledge concerning a matter in question that renders reliance unwarranted.

3.14 Duty to Avoid Improper Distributions. Directors who vote for or assent to improper distributions are jointly and severally liable to the Authority for the value of improperly distributed assets, to the extent that, as a result of the improper distribution or distributions, the Authority lacks sufficient assets to pay its debts, obligations, and liabilities. Any distribution made when the Authority is insolvent, other than in payment of its debts, or any distribution that would render the Authority insolvent, is an improper distribution. A distribution made during liquidation without payment and discharge of or provision for payment and discharge of all known debts, obligations, and liabilities is also improper. Directors present at the Board meeting at which the improper action is taken are presumed to have assented, unless they dissent in writing. The written dissent must be filed with the secretary of the Board before adjournment of the meeting in question

or mailed to the secretary by registered mail immediately after adjournment.

A Director is not liable if, in voting for or assenting to a distribution, the Director (1) relies in good faith and with ordinary care on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by one or more officers or employees of the Authority, legal counsel, public accountants, or other persons as to matters the Director reasonably believes are within the person's professional or expert competence; or a committee of the Board of which the Director is not a member; (2) while acting in good faith and with ordinary care, considers the Authority's assets to be at least that of their book value; or (3) in determining whether the Authority made adequate provision for paying, satisfying, or discharging all of its liabilities and obligations, relied in good faith and with ordinary care on financial statements or other information concerning a person who was or became contractually obligated to satisfy or discharge some or all of these liabilities or obligations. Furthermore, Directors are protected from liability if, in exercising ordinary care, they acted in good faith and in reliance on the written opinion of an attorney for the Authority.

Directors held liable for an improper distribution are entitled to contribution from persons who accepted or received the improper distributions knowing they were improper. Contribution is in proportion to the amount received by each such person.

3.15 Actions of Board of Directors. The Board shall try to act by consensus. However, if a consensus is not available, the vote of a majority of Directors present and voting at a meeting at which a quorum is present is enough to constitute the act of the Board, unless the act of a greater number is required by law or by some other provision of these Bylaws. A Director who is present at a meeting and abstains from a vote is not considered to be present and voting for the purpose of determining the Board's decision. The Board shall operate and conduct its business in accordance

with Robert's Rules of Order Newly Revised.

3.16 Compensation. Directors shall serve as such without compensation except that they shall be reimbursed for their actual expenses reasonably incurred in the performance of their duties as directors. Advisory Board members may be compensated and shall be reimbursed for their actual expenses reasonably incurred in the performance of their duties as Advisory Board members, as established and approved by the Board of Directors.

3.17 Resignation and Removal of Directors. Any Director may resign at any time by giving written notice to the Secretary/Treasurer of the Board. In the event of the resignation, death, or removal of any Director, the vacancy shall be filled as described in Section 3.04. Due to the very important work of the Board, regular attendance at all regular and special meetings of the Board is encouraged of all Directors. The Board shall therefore follow the following policy on attendance:

- (a) A Director who has three (3) consecutive unexcused absences during any calendar year from either a regular or special meeting of the Board may be removed from his position as a Director of the Board.
- (b) A Board Director who, for any reason, is absent from 50% of the regular or special meetings of the Board during any calendar year may be removed from his position as a Director of the Board.
- (c) An absence may be excused by the Board for any of the following reasons:
 - (1) Illness of the Director.
 - (2) Illness, death or hospitalization of a family member.
 - (3) Jury duty.
 - (4) Out of town travel related to the Director's outside employment or business

of the Authority.

- (d) An absence from a special meeting of the Board may be excused by the Board for any of the reasons set forth in Subsection (c) of this Section and in addition thereto a Director may be excused from attendance at a special meeting where a previous commitment prevents his attendance at such special meeting.
- (e) Any request for an excused absence must be in writing and delivered to the Secretary/Treasurer before the scheduled meeting or within seven days after the scheduled meeting.
- (f) All excused absences of a Director shall be duly recorded in the minutes of the Authority. Absences shall be reviewed quarterly by the Board.

In addition, a Director may be removed for cause as determined by a majority of the Board in accordance with these Bylaws or local, state, and federal law. The grounds for removal of a Director are:

- (a) Inefficiency in office;
- (b) Nonfeasance or malfeasance in office;
- (c) The inability, because of illness or disability, to discharge the Director's duties of office during a substantial part of the term for which the Director is appointed;
- (d) The Director knowingly acting as surety for a business entity that has work, business, or a contract with the Authority;
- (e) The Director knowingly acting as surety on any official bond required of an officer of the Authority; or
- (f) The Director knowingly violating Section 8.03 of these Bylaws regarding Conflicts of Interest.

Members in violation shall be provided written notification from the President of the Board regarding the occurrence of the infraction, or discovery of the possible violation, which may be grounds for removal. Directors receiving such notice shall have ten (10) working days to provide a written response. Reasonable excuses, submitted in accordance with these Bylaws, will be considered in review of this provision. A Director is entitled to a hearing before the Board, if, before the 11th day after the date the statement is received, the Director requests a hearing. The Director may be represented by counsel at the hearing. At the hearing, the Board shall confirm the removal of the Director if the Board finds that the charges are true. A removal by the Board is by a majority vote of the other Directors.

ARTICLE 4.

OFFICERS

4.01 Officer Positions. The Authority's officers shall be a president, a vice president, and a secretary/treasurer. The Board may create additional officer positions, define the authority and duties of each such position, and elect or appoint persons to fill the positions.

4.02 Election and Term of Office. The Board shall elect the officers of the Authority. The President and Vice President shall be elected from members serving as directors of the Board. The Secretary/Treasurer, however, may be elected from qualified individuals who do not serve as members of the Board of Directors. The term of each office shall always be one (1) year; provided, however, that they shall continue to serve until the election of their successors. Elections shall be held at the annual meeting.

4.03 Vacancies. Vacancies in any office which occur by reason of death, resignation, disqualification, removal, or otherwise, may be filled by the Board for the unexpired portion of the officer's term, in the same manner as other officers are elected.

4.04 Duties of President. The president is the Authority's president. He or she shall ~~supervise~~ oversee the Authority's business and affairs and shall preside at all meetings of the Board. The president may execute any deeds, mortgages, bonds, contracts or other instruments that the Board authorizes to be executed. However, the president may not execute instruments on the Authority's behalf if this power is expressly delegated to another officer, employee, or agent of the Authority by the Board, these Bylaws, or statute. The president shall perform other duties prescribed by the Board and all duties incident to the office of president.

4.05 Duties of Vice President. When the president is absent or in the event of his or her inability to act, a vice president shall perform the President's duties. When acting in the President's place, the vice president has all the powers of, and is subject to all the restrictions on, the president. A vice president shall perform other duties as assigned by the president or Board.

4.06 Duties of Secretary/Treasurer. The secretary/treasurer shall:

- (a) Handle the general correspondence of the Authority and shall send all notices as provided in the bylaws or as required by law.
- (b) Take minutes of the meetings of the Directors and the Board and keep the minutes as part of the Authority's records and shall see that these minutes are distributed to the Directors within a reasonable period of time after each meeting.
- (c) Maintain custody of the Authority's records and seal.
- (d) Affix the Authority's seal to all documents as authorized.
- (e) Keep a register of the mailing address of each Director, officer, and employee of the Authority.
- (f) Have charge and custody of, and be responsible for, all the Authority's funds and securities.

- (g) Receive and give receipts for monies due and payable to the Authority from any source.
- (h) Deposit all monies in the Authority's name in banks, trust companies, or other depositories as these Bylaws provide or as the Board or president directs.
- (i) Write checks and disburse funds to discharge the Authority's obligations.
- (j) Maintain the Authority's financial books and records.
- (k) Prepare financial reports at least annually and present the reports during the annual meeting for review and approval.
- (l) If the Board requires, give a bond for faithfully discharging his or her duties in a sum and with a surety as determined by the Board. The cost of the bond shall be the Authority's expense.
- (m) Perform other duties as assigned by the president or the Board.
- (n) Perform all of the duties incident to the office of secretary/treasurer.

The Secretary/Treasurer may, upon approval of the Board of Directors, delegate responsibility for any or all of (a)-(n), above, to the Executive Director/Chief Executive Officer or their designee.

4.07 Compensation. Officers shall not receive any salary or compensation for their services, except that they shall be reimbursed for the actual expenses incurred in the performance of their duties hereunder.

ARTICLE 5.

STAFF SUPPORT

5.01 Executive Director/Chief Executive Officer. The Authority may employ an Executive Director/Chief Executive Officer. The Executive Director/Chief Executive Officer, if

so employed, shall serve as Chief Executive Officer of the Authority and shall ~~oversee-supervise~~ the development of long-term planning, day-to-day operations, and administrative functions of the Authority, as well as to execute any deeds, mortgages, bonds, contracts or other instruments for which the Board delegates authority. The Executive Director/Chief Executive Officer shall report to the Board and keep the Board fully informed as to his or her duties. In addition, the Executive Director/Chief Executive Officer shall develop a master plan for the Authority, policies and procedures for the Authority including financial, accounting, and purchasing policies and procedures. Finally, the Executive Director/Chief Executive Officer shall work collaboratively with Texas Tech University and its employees and agents to achieve the purposes of the Authority.

5.02 Other Employees and Agents. The Authority may employ such full or part-time employees as needed to carry out the programs of the Authority, provided that such positions have been approved by the Board. These employees shall perform those duties as are assigned to them by the Executive Director/Chief Executive Officer. The Executive Director/Chief Executive Officer shall hire, direct, and control the work of all Authority employees and shall prescribe the duties, tenure, and compensation of each person employed. The Board may appoint and determine the duties, tenure, qualifications, compensation, and removal of the Executive Director/Chief Executive Officer and general counsel. ~~professional advisors, and counselors, including financial consultants, accountants, attorneys, architects, engineers, appraisers, and financing experts, as are considered necessary or advisable.~~

5.03 Benefits. To the extent that the Board hires an Executive Director/Chief Executive Officer or other employees, the Board may establish a fringe benefit package for such employees to include, by way of examples and not by way of limitations, health, dental and life insurance and worker's compensation insurance and a retirement package. Such benefits shall be included in the

annual operating budget approved by the Board. Employees of the Authority are eligible to participate in the Texas County and District Retirement System in accordance with the Chapter.

ARTICLE 6.

CONTRACTS FOR SERVICES

6.01 Authorization. The Authority may contract, or enter into interagency/interlocal cooperation agreements with any qualified and appropriate person, association, corporation or governmental entity to perform and discharge designated tasks of work which will aid or assist the Board and the Executive Director/Chief Executive Officer in the discharge and performance of their duties. However, no such contract shall ever be entered into which seeks or attempts to divest the Board of Directors of its discretion and policy making functions.

ARTICLE 7.

COMMITTEES

7.01 Establishing Committees. The Board may adopt a resolution establishing one or more committees delegating specified authority to a committee, and appointing or removing members of a committee. A committee shall include two or more Directors and may include persons who are not directors. The Board shall not delegate any of its management authority to a committee. The Board may establish qualifications for membership on a committee. The Board may delegate to the president its power to appoint and remove members of a committee. Establishing a committee shall not relieve the Board, or any individual Director, of any responsibility imposed by these Bylaws or otherwise imposed by law. No committee has the authority of the Board to:

- (a) Adopt a plan of merger or of consolidation with another corporation.
- (b) Authorize the sale, lease, exchange, or mortgage of all or substantially all of the

Authority's property and assets.

- (c) Authorize voluntary dissolution of the Authority.
- (d) Revoke proceedings for voluntary dissolution of the Authority.
- (e) Adopt a plan for distributing the Authority's assets.
- (f) Amend, alter, or repeal these Bylaws.
- (g) Elect, appoint, or remove a member of a committee or a Director or officer of the Authority.
- (h) Approve any transaction to which the Authority is a party and that involves a potential conflict of interest as defined in paragraph 8.03, below.
- (i) Take any action outside the scope of authority delegated to it by the Board.
- (j) Take final action on a matter that requires the approval of the Board.

7.02 Term of Office. Each committee member shall continue to serve on the committee until the next annual meeting and until a successor is appointed. However, a committee member's term may terminate earlier if the committee is dissolved, or if the member dies, ceases to qualify, resigns, or is removed as a member. A vacancy on a committee may be filled by an appointment made in the same manner as an original appointment. A person appointed to fill a vacancy on a committee shall serve for the unexpired portion of the terminated committee member's term.

7.03 Chair and Vice-Chair. One member of each committee shall be designated as the committee chair, and another member of each committee shall be designated as the vice-chair. The chair and vice-chair shall be appointed by the president. The chair shall call and preside at all meetings of the committee. When the chair is absent, cannot act, or refuses to act, the vice-chair shall perform the chair's duties. When a vice-chair acts for the chair, the vice-chair has all the powers of, and is subject to all the restrictions on, the chair.

7.04 Notice of Meetings. Subject to the requirements of the Act, ~~Written-written~~ or printed notice of a committee meeting, if required by the Act, shall be delivered to each member of a committee pursuant to Section 11.01 not less than five (5) nor more than thirty (30) days before the date of the meeting. All meetings of a committee, which constitute a quorum of the Board or which shall make recommendations to the Board on matters to be considered by the Board, shall be open to the public. Such meetings shall be held and conducted in compliance with the requirements of the ~~Texas Open Meetings Act, Texas Government Code Subsection 551.001 et seq. Notice of a meeting, together with the agenda for such meetings, shall be posted in a place readily available to the general public at least seventy-two (72) hours preceding the scheduled time of the meetings, provided, however, any discussion by the committee concerning legal matters, real estate, contract negotiations, and/or personnel, shall be held in a closed session but any vote on such matters discussed in closed session shall be in open session.~~

7.05 Quorum. For a committee that will make recommendations to the Board on matters to be considered by the Board, ~~One~~one-half of the number of committee members constitutes a quorum for transacting business at any meeting of the committee. If there is a presence of less than a quorum, the meeting shall be adjourned until such time as a quorum is present.

7.06 Actions of Committees. Committees shall try to take action by consensus. However, if a consensus is not available, the vote of a majority of committee members present and voting at a meeting at which a quorum is present is enough to constitute the act of the committee unless the act of a greater number is required by statute or by some other provision of these Bylaws. A committee member who is present at a meeting and abstains from a vote is not considered to be present and voting for the purpose of determining the act of the committee.

7.07 Proxies. A committee member may not vote by proxy.

7.08 Compensation. Committee members shall not receive salaries for their services, but shall be reimbursed for any actual and necessary expenses incurred in the performance of committee service.

7.09 Rules. Each committee may adopt its own rules, consistent with these Bylaws or with other rules that may be adopted by the Board.

ARTICLE 8.

TRANSACTIONS OF AUTHORITY

8.01 Contracts. The Board may authorize any officer or the Executive Director/Chief Executive Officer of the Authority to enter into a contract, interagency/interlocal cooperation agreement, or execute and deliver any instrument in the name of, and on behalf of, the Authority. This authority may be limited to a specific contract or instrument, or it may extend to any number and type of possible contracts and instruments.

8.02 Deposits. All the Authority's funds shall be deposited to the credit of the Authority in banks, trust companies, or other depositories that the Board selects.

8.03 Potential Conflicts of Interest. Board members and the Executive Director/Chief Executive Officer shall conduct themselves so as to avoid real or apparent conflicts with the activities, policies, operations, and interest of the Authority.

If a Board member or the Executive Director/Chief Executive Officer has a substantial interest in a business entity or in real property, the Board member or the Executive Director/Chief Executive Officer shall file, before a vote or decision on any matter involving the business entity or the real property, an affidavit stating the nature and extent of the interest and shall abstain from further participation in the matter if:

- (1) in the case of a substantial interest in a business entity, the action on the matter will

have a special economical effect on the business entity that is distinguishable from the effect on the public; or

- (2) in the case of a substantial interest in real property, it is reasonably foreseeable that an action on the matter will have a special economic effect on the value of the property, distinguishable from its effect on the public.

The affidavit must be filed with the Secretary/Treasurer of the Authority. If a Board member is required to file and does file such an affidavit, the official is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the Board are likewise required to file and who do file affidavits of similar interests on the same official action.

A person has a substantial interest in a business entity if:

- (1) the person owns 10 percent or more of the voting stock or shares of the business entity or owns either 10 percent or more of \$15,000 or more of the fair market value of the business entity; or
- (2) funds received by the person from the business entity exceed 10 percent of the person's gross income for the previous year.

A person has a substantial interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.

A Board member or the Executive Director/Chief Executive Officer is considered to have a substantial interest if a person related to the official in the first degree by consanguinity (blood) or affinity (marriage), as defined under Chapter 573, Texas Government Code, has a substantial interest.

Members of the Board nor the Executive Director/Chief Executive Officer will solicit or

accept for personal benefit or the benefit of their immediate family, gratuities, favors, loans or anything of monetary value from contractors, potential contractors, or parties to the sub-agreements. All such offers must be reported to the President or if it involves the President, to the Vice President or Secretary/Treasurer of the Board in writing within forty-eight (48) hours.

All violations of the conflict of interest provisions contained in these Bylaws shall subject the current Board member to the provisions in these Bylaws for removal for cause.

8.04 As long as the Authority exists, and except with the Board's prior approval, no Director, officer, committee member or the Executive Director/Chief Executive Officer of the Authority may:

- (a) Do any act in violation of these Bylaws or a binding obligation of the Authority.
- (b) Do any act with the intention of harming the Authority or any of its operations.
- (c) Do any act that would make it impossible or unnecessarily difficult to carry on the Authority's intended or ordinary business.
- (d) Receive an improper personal benefit from the operation of the Authority.
- (e) Use the Authority's assets, directly or indirectly, for any purpose other than carrying on the business.
- (f) Wrongfully transfer or dispose of Authority property, including intangible property such as goodwill.
- (g) Use the Authority's name (or any substantially similar name) or any trademark or trade name adopted by the Authority, except on behalf of the Authority in the ordinary course of its business.
- (h) Disclose any of the Authority's business practices, trade secrets, or any other information not generally known to the business community to any person not

authorized to receive it.

8.05 The Board shall not enter into any agreement with a former member of the Board or the Executive Director/Chief Executive Officer for a period of two (2) years following the former member leaving the Board or the Executive Director/Chief Executive Officer leaving the Authority. This prohibition includes any agreement, which provides any personal benefit or any benefit to their immediate family, gratuities, favors, loans or anything of monetary value, except the former director or the Executive Director/Chief Executive Officer may be reimbursed for their actual expenses reasonably incurred in the performance of any matter approved by the Authority. The Board may waive this prohibition as to a specific matter by a majority vote of the Board. This prohibition shall not prevent a former member of the Board or the Executive Director/Chief Executive Officer from being appointed to and serving as an Advisory Board member.

ARTICLE 9.

BOOKS AND RECORDS

9.01 Required Books and Records. The Authority shall keep correct and complete books and records of account. The books and records include:

- (a) A file-endorsed copy of all documents filed with the Texas Secretary of State relating to the Authority, including but not limited to any statement of change of registered office or registered agent.
- (b) A copy of all bylaws, including these Bylaws, and any amendment versions or amendments to them.
- (c) Minutes of the proceedings of the Board and committees.
- (d) A list of the names and addresses of the Directors, officers, and any committee members of the Authority.

- (e) A financial statement showing the Authority's assets, liabilities, and net worth at the end of the three most recent fiscal years.
- (f) A financial statement showing the Authority's income and expenses for the three most recent fiscal years.
- (g) All rulings, letters, and other documents relating to the Authority's federal, state, and local tax status.
- (h) The Authority's federal, state, and local tax information or income tax returns for each of the Authority's three most recent tax years.

9.02 Inspection and Copying. Any Director, officer, or committee member of the Authority may inspect and receive copies of all the books and records required to be kept under the Bylaws. Such a person may, by written request, inspect or receive copies if he or she has a proper purpose related to his or her interest in the Authority. He or she may do so through his or her attorney or other duly authorized representative. The inspection may take place at a reasonable time, no later than five working days after the Authority receives a proper written request. The Board shall establish reasonable copying fees, which shall cover the cost of materials and labor ~~but shall not exceed 25 cents per page~~. The Authority shall provide requested copies of books or records no later than five working days after receiving a proper written request.

ARTICLE 10.

FISCAL YEAR

10.01 The Authority's fiscal year shall begin on the first day of ~~October~~ September and end on the last day in ~~September~~ August in each year.

ARTICLE 11.

NOTICES

11.01 Notice by Mail, Telephone, Facsimile, E-Mail, or Personal Communication.

Any notice required or permitted by these Bylaws to be given to a Director, officer, or member of a committee of the Authority may be given by mail, telephone, facsimile, e-mail, or personal communication. If mailed, a notice is deemed delivered when deposited in the mail addressed to the person at his or her address as it appears on the Authority's records, with postage prepaid. If given by electronic means, a notice is deemed delivered when sent to the person at his or her e-mail address or facsimile number as they appear on the Authority's records. If given by telephonic or personal communication, a notice is deemed delivered when the Director, officer, or member of a committee of the Authority is spoken to by the President, the President's designated representative, or the Executive Director of the Authority. A person may change his or her address in the Authority's records by giving written notice of the change to the secretary of the Board.

11.02 Signed Waiver of Notice. Whenever any notice is required by law or these Bylaws, a written waiver signed by the person entitled to receive such notice is considered the equivalent to giving the required notice. A waiver of notice is effective whether signed before or after the time stated in the notice being waived.

11.03 Waiving Notice by Attendance. A person's attendance at a meeting constitutes waiver of notice of the meeting unless the person attends for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

ARTICLE 12.

SPECIAL PROCEDURES CONCERNING MEETINGS

12.01 Meeting by Telephone. The Board of Directors, and any committee of the Authority may hold a meeting by telephone conference call, video conference call, or other similar telecommunication device, as set forth in the Chapter.

ARTICLE 13.

AMENDING BYLAWS

13.01 Amending Bylaws. These Bylaws may be altered, amended, or repealed, and new bylaws may be adopted by the Board of Directors. The notice of any meeting at which these Bylaws are altered, amended, or repealed, or at which new bylaws are adopted shall include the text of the proposed bylaw provisions as well as the text of any existing provisions proposed to be altered, amended, or repealed. Alternatively, the notice may include a fair summary of those provisions.

ARTICLE 14.

DISSOLUTION

14.01 Upon dissolution of the Authority, all of the Authority’s assets shall be conveyed or transferred to Texas Tech University, if approved by the Board of Regents of the Texas Tech University System, if Texas Tech University declines to accept any remaining real property and other assets of the Authority to the City of Lubbock, Texas ~~and the County of Lubbock, Texas in accordance with the initial proportion of funds contributed by each after all debts or obligations have been duly satisfied or retired with the Authority’s assets.~~ Both organizations are exempt from taxes under the Internal Revenue Code and from taxes imposed by the State of Texas or a political subdivision of the State of Texas.

ARTICLE 15.

MISCELLANEOUS PROVISIONS

15.01 Governing Law. These Bylaws shall be construed under Texas law. All references in these Bylaws to statutes, regulations, or other sources of legal authority shall refer to the authorities cited, or their successors, as they may be amended from time to time.

15.02 Construction of Bylaws. To the greatest extent possible, these Bylaws shall be construed to conform to all legal requirements and all requirements for obtaining and maintaining all tax exemptions. If any Bylaw provision is held invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provision, and the Bylaws shall be construed as if they had not included the invalid, illegal, or unenforceable provision.

15.03 Headings. The headings used in the Bylaws are for convenience and may not be considered in construing the Bylaws.

15.04 Number and Gender. Whenever context requires, all singular words include the plural, and all plural words include the singular; all words in the Bylaws in the male gender shall be deemed to include the female or neuter gender.

15.05 Seal. The Board of Directors will provide for a seal. ~~Upon adoption of these Bylaws, the seal shall consist of two concentric circles containing the words LUBBOCK REESE REDEVELOPMENT AUTHORITY, Texas, in one circle and the word Established together with the date of incorporation in the other circle.~~

15.06 Parties Bound. The Bylaws shall bind and inure to the benefit of the Directors, officers, committee members, employees, and agents of the Authority and their respective heirs, executors, administrators, legal representatives, successors, and assigns except as the Bylaws otherwise provide.

CERTIFICATE OF SECRETARY

I certify that I am the duly elected and acting secretary of LUBBOCK REESE REDEVELOPMENT AUTHORITY and that these Fourth Amended Bylaws constitute the Authority's Bylaws. These Bylaws were duly adopted at a meeting of the Board of Directors held on ~~December 8, 2022~~October 22, 2025 and shall go into effect on November 1, 2025.

DATED: ~~December 8, 2022~~October 22, 2025.

Secretary of the Authority

**BOARD ACTION ITEM NO. 2025-1022-006
FOURTH AMENDMENT TO LRRRA BY-LAWS**

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY
OCTOBER 22, 2025**

Item to be Considered:

Fourth Amendment to the LRRRA By-Laws

Previous Board Action:

- a. Chapter 3501.102 of the Special District Local Laws Code, the Authority's enabling legislation, grants the LRRRA the power to adopt and enforce by-laws
- b. In December 2021, the Board approved the third amendment to the By-laws

Statement of Pertinent Facts:

- a. Updates to the By-laws are necessary to align with recent changes to the LRRRA enabling legislation
- b. Several changes are being made to allow the Board and staff to function more efficiently without compromising controls

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 Fourth Amendment to the LRRRA By-laws, attached, as discussed, on this 22nd day of October 2025.”

John T. Hamilton, President

ATTEST:

LRRRA Board Member

AGENDA ITEM 9
REVISED PURCHASE, PROCUREMENT, AND PAYMENT OF GOODS AND SERVICES
POLICY AND PROCEDURE MANUAL
EXECUTIVE SUMMARY

Staff are proposing changes to the LRRRA Purchase, Procurement, and Payment of Goods and Services Policy and Procedure Manual. The Manual was last updated in June 2020.

These proposed updates do two things:

1. They update the process to be more efficient and to meet the needs of operations.
2. They update approval and bid limits to provide a smoother purchasing process that better reflects LRRRA's needs and the increasing cost of all things in general. While LRRRA is not subject to State competitive bidding laws, we comply with them unless the Board deems an exception is necessary.

Staff feel the requirements proposed in this update are better suited for LRRRA's operations and will enhance our purchasing process while maintaining adequate control.

Attached is a chart outlining a summary of the changes.

Staff recommends Board approval for changes, as presented, to the Purchase, Procurement, and Payment of Goods and Services Policy and Procedure Manual.

AGENDA ITEM 9
LUBBOCK REESE REDEVELOPMENT AUTHORITY
PURCHASE, PROCUREMENT, AND PAYMENT OF GOODS AND SERVICES POLICY AND PROCEDURE MANUAL

10 22 2025 SUMMARY OF CHANGES

Section	Original	Change	Reason for Change
Entire Document	Executive Director is used throughout.	Will use Chief Executive Officer	To simplify, not having two titles for the same position, and to be consistent with by-laws.
Section 1 - Introduction	Legal opinion is we are not required to follow state competitive bidding laws under Chapter 271.	While we are not required to follow state competitive bidding laws, we choose to but can make exceptions if necessary.	Simplified language to make it clearer.
Section 2.6 – Professional and Consulting Services	Required use of a specific form, Professional Services Agreement	Allows use of this form or a similar alternative	Generally, professional service providers use forms specific to their profession, so we want to allow an alternative
Section 3.1(e) - Purchasing	Language discusses vendor payment	Deleted subsection (e), added clarification in subsection (d)	Deleted because language is redundant
Section 3.2 – Situations Not Requiring a Purchase Order	List includes utilities and contract services	Added wastewater and solid waste to the utilities list. Added Insurance Premiums	We do not provide a PO for the items we added to the list
Section 3.3 – Check Requests	Does not include electronic payments. Does not offer a designee to approve for the CEO in case of CEO absence. Any check over \$250 written to the CEO requires a Board member signature.	Adding electronic payments and a designee in place of the CEO for approvals. Increases the limit from \$250 to \$500 for check signature requirement for checks written to the CEO.	We are making more electronic payments. Occasionally, the CEO needs a designee to approve. \$250 is a very low signature amount and increasing it to \$500 does not provide additional risk to the LRRRA. Generally, a check written to the CEO is for reimbursement of travel expenses. In FY25 there were 8 of checks written to the CEO 2 of which were over \$500.
Section 3.4 – Advanced Payments	Does not include memberships and dues which are generally paid in advance.	Adding memberships and dues to the list of things that can be paid in advance.	Memberships and dues are generally required to be paid in advance.

Section 3.5 – Credit Card Purchases	Does not address tipping	Adding requirement that tipping should not exceed 20% of the pre-tax total.	This provides guidance and sets expectations.
3.6 – Reimbursements	Talks about how to handle photocopies of receipts	Removing old and outdated language	Cleaning up old and outdated language.
3.7 – Sole Source Procurement	Lacks clarification on sole source purchases	Clarifies bid requirements for sole source purchases	Needed a little clarification on sole source purchases.
3.8 (a) - Bid Requirements	Requires a Qualified Vendor Application and vetting of possible vendors	Changes form to a New Vendor Form and removes the vendor vetting requirement	We do not pre-qualify vendors. Everyone is welcome to submit a bid. Vendor approval is required before purchasing from that vendor.
3.8 (b) - Bid Requirements	Staff attempt to obtain several quotes for purchases of \$0-\$7,000	Removes the recommendation that staff obtain several quotes for purchases of \$0-\$7,000	This recommendation is impractical, unnecessary, and is rarely done by staff.
3.8 (b) - Bid Requirements	Requires 3 written bids for purchases of \$7,000 - \$75,000 and encourages use of HUB vendors.	Increases the written bid requirement to \$10,000 - \$100,000 and removes language for HUB vendors	The limit is being increased to reflect the increase in cost of goods and services and the HUB language in this section is redundant as it's covered in (c) below.
3.8 (b) - Bid Requirements	Requires an RFP for bids over \$75,000 and discusses advertising requirements	Increases the RFP requirement amount to \$100,000 and removes the advertising language to state it will be in accordance with State law.	This brings our policy up to State law competitive bidding requirements and sites advertising will be conducted in accordance with State law.
3.8 (e) - Bid Requirements	No language concerning “qualifying project” as allowed in our enabling statute	Adding language to allow for “qualifying projects”	This change aligns our enabling legislation with our policy
3.9 – Approval Authority	Current approval authority is: *Up to \$7,000 for the CEO *Up to \$30,000 for the Board President *Up to \$100,000 for the Executive Committee * Over \$100,000 for the Board	New approval authorities: *Up to \$10,000 for the CEO *Up to \$50,000 for the Board President *Up to \$200,000 for the Executive Committee * Over \$200,000 for the Board	As prices increase it's appropriate to increase approval authorities.
3.9 (g) – Approval Authority	Does not provide language for CEO to approve purchases provided for in the budget	Adds language that allows the CEO to purchase items provided for in the budget	This provides for an efficient process as the Board has already approved items in the budget.
Appendix C	Qualified Vendor Application	New Vendor Form	Replacing a form that is no longer used with one that is used



Technology ★ Research ★ Engineering ★ Education ★ Manufacturing

**LUBBOCK REESE REDEVELOPMENT AUTHORITY
PURCHASE, PROCUREMENT, AND PAYMENT OF GOODS AND SERVICES POLICY AND
PROCEDURE MANUAL**

DISCLAIMER

This Purchase, Procurement, and Payment of Goods and Services Policy and Procedure Manual contains important policies, goals, and procedures that relate to Lubbock Reese Redevelopment Authority (LRRRA [or the Authority](#)). The policies and procedures in this manual and elsewhere are not intended to be, nor are they in any way a contract.

This Purchase, Procurement, and Payment of Goods and Services Policy and Procedure Manual is intended and does in fact replace other prior policy manuals or memos relating to the purchase, procurement, and payment for goods and services. LRRRA has the right to interpret, change, modify and/or rescind any and all of the policies and procedures at any time with or without notice.

DOCUMENT REVISION HISTORY

VERSION	DATE	APPROVAL AUTHORITY	REVISION
v1	12/27/2002	LRRR Board	Original Policy
v2	11/18/2009	LRRR Board	Adds situations not requiring a purchase order, includes a credit card policy, and states that the Board has authority to change policy.
v3	3/24/2010	LRRR Board	Increases bid requirement levels
v4	8/24/2011	LRRR Board	Adds check signing limit for the Executive Director <u>Chief Executive Officer</u>
v5	6/27/2012	LRRR Board	Major rewrite: changes check signing limits, adds appendices A,B,C,D, changes bid requirements, and adds purchase approval limits.
v6	2/26/2014	LRRR Board	Allows for alternative procurement procedures
v7	6/24/2020	LRRR Board	Major rewrite: changes check signing limits, purchase approval authority, and bid requirements. Changes procedures to reflect actual.
v8	10/22/2025	LRRR Board	Will be filled in after Board approval

Formatted Table

**LUBBOCK REESE REDEVELOPMENT AUTHORITY
PURCHASE, PROCUREMENT, AND PAYMENT OF GOODS AND SERVICES POLICY AND
PROCEDURE MANUAL**

TABLE OF CONTENTS

SECTION 1 – INTRODUCTION 4

SECTION 2 – GENERAL INFORMATION 5

2.1 Purpose..... 5

2.2 Policy 5

.....

2.3 Employee Responsibility to Read and Comply with Policies..... 5

2.4 Historically Underutilized Businesses (HUB)..... 5

2.5 Recycled Products 5

2.6 Professional and Consulting Services..... 6

.....

SECTION 3 – PROCEDURES..... 7

3.1 Purchase Orders (Purchase Request)..... 7

3.2 Situations Not Requiring a Purchase Request..... 8

3.3 Check Requests and Check Signing Limits..... 9

3.4 Advance Payments 10

3.5 Credit Card Purchases 10

3.6 Reimbursements 11

3.7 Sole Source Procurement..... 11

3.8 Bid Requirements..... 12

3.9 Approval of Purchases..... 14

3.10 Right to Change Policy 14

APPENDIX A – Employee Acknowledgement

APPENDIX B – Professional Services Agreement (Example)

APPENDIX C – Qualified Vendor Application

APPENDIX D – Request for Proposal (RFP) or Invitation to Bid Announcement

SECTION 1 – INTRODUCTION – LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)

While LRRRA has significant purchasing and procurement flexibility, LRRRA's procurement process still must comply with all applicable local, State, and federal regulations. Any deviation from this policy should be reviewed by legal counsel and depending on the dollar value involved receive approval from the ~~Executive Director~~Chief Executive Officer or the Board of Directors.

LRRRA is a political subdivision of the state of Texas, created in 1997 and existing pursuant to the authority of the Texas Special District Local Laws Code, Chapter 3501 (Enabling Statute). ~~LRRRA's procurement and purchase practices are generally governed by Chapter 271 of the Texas Local Government Code and the Enabling Statute. While Subchapter B of Chapter 271 of the Texas Local Government Code (Competitive Bidding on Certain Public Works Contracts) is not directly applicable to LRRRA, the Board has elected to be guided by the provisions of Texas Local Government Code sections 271.022 and 271.024 - .0275 to ensure the efficient and economic operation of the Authority. is similar to a defense base development authority authorized under Chapter 379B of the Texas Local Government Code in 1999. LRRRA's enabling legislation pre-dated the creation of Chapter 379B. At that time, Chapter 271 of the Texas Local Government Code contained provisions that required "the use of competitive bidding or competitive sealed proposals or that prescribes procurement procedures." Tex. Local Gov't Code § 271.112(a). To date, it has been the opinion of legal counsel that prudence would demand that LRRRA heed the direction of § 271.112(a) of the Texas Local Government Code. However, with the removal of this provision from Chapter 271, the Board could choose to continue this practice or adopt an approach consistent with other defense base development authorities that do not demand the use of competitive bidding or competitive sealed proposals or that prescribed procurement procedures. As such, the Board of Directors has elected to adopt this Operating Policy and Procedure, which continues to provide for competitive bidding or competitive sealed bid proposals or that prescribes procurement procedures in certain circumstances.~~

The LRRRA Board of Directors has approved this Purchasing, Procurement, and Payment policy, which supersedes all previous versions. **Additionally, LRRRA recognizes that when carrying out activities funded by other units of federal, State or local government, LRRRA is required to act in accordance with laws, rules, and regulations attendant to other funds.**

SECTION 2 - GENERAL INFORMATION

2.1 PURPOSE

It is the responsibility of the Lubbock Reese Redevelopment Authority (LRRRA) employees to plan their projects and workloads in such a manner that sufficient time is allowed for the acquisition of materials and supplies, construction, and professional services in accordance with applicable public laws and the guidelines established by the LRRRA Board of Directors. The purpose of this Operating Policy/Procedure (OP/P) is to establish the procedures to be followed when purchasing, procuring, and paying for goods and services. The guidelines contained in this policy apply to all persons employed by LRRRA without regard to rank or position.

2.2 POLICY

This policy will apply when using all sources of funds for the procurement of goods and services of LRRRA.

2.3 EMPLOYEE RESPONSIBILITY TO READ AND COMPLY WITH POLICIES

Each Employee will be provided a copy of these policies or have the policies otherwise made available to them. Employees are required to adhere to the rules and regulations stated herein. Within one week of employment, every employee is required to sign an acknowledgment of having read and understood the Purchase, Procurement, and Payment of Goods and Services Policy and Procedure Manual and will comply with the same.

2.4 HISTORICALLY UNDERUTILIZED BUSINESS (HUB)

HUBs are defined as being at least 51% owned by an Asian Pacific American, Black American, Hispanic American, Native American and/or American woman, with its principal place of business in Texas, and has an owner residing in Texas with a proportionate interest that actively participates in the control, operations and management of the entity's affairs. When appropriate, LRRRA will take into consideration using HUB vendors located in Lubbock County, Texas that are identified on Comptroller of Texas website <http://www.window.state.tx.us/procurement/cmb/hubonly.html>.

2.5 RECYCLED PRODUCTS

LRRRA shall give preference in purchasing to products made of recycled materials if the products meet applicable specifications as to quantity and quality. LRRRA shall regularly review this Policy to eliminate procedures and specifications that explicitly discriminate against products made of recycled materials; encourage the use of recycled materials; and ensure to the maximum extent economically feasible that products purchased by LRRRA may be recycled when they have served their intended use.

2.6 PROFESSIONAL AND CONSULTING SERVICES

In accordance with the provisions of the Texas Government Code, Chapter 2254, LRRRA shall not competitively bid for professional services (see Section 3.9(a)(1)). Providers of professional services ~~may be required to~~ enter into a Professional Services Agreement (see Appendix B) or use a similar alternative.

SECTION 3 - PROCEDURES

3.1 PURCHASE ORDERS

- a. Prior to processing a Purchase Order, all Vendors are required to submit an IRS W-9 Form and staff is to fill out the New Vendor Form [\(see Appendix C\)](#).
- b. An approved **Purchase Order** shall be executed prior to the purchase of goods and/or services unless specifically excluded from this procedure as listed in Section 3.2, below. A purchase order protects LRRRA by requiring the vendor to make a firm commitment pursuant to the terms and conditions established by LRRRA. The use of a purchase order when ordering goods and services provides an audit trail for the entire procurement process.
- c. The Administrative Coordinator (AC), or her designee, shall prepare a **Purchase Order** for approval by the ~~Executive Director~~[Chief Executive Officer](#) or individual appointed by the ~~Executive Director~~[Chief Executive Officer](#). All required information needed to make a decision must be adequately furnished on the **Purchase Order** form. If approved, a **Purchase Order Number** will be assigned by the Administrative Coordinator. The goods and/or services may then be purchased. When the goods are received and/or the services performed, the **Purchase Order**, with all supporting documentation, will be processed for payment by the AC.
- d. Vendors may mail, email, or hand-deliver invoices to LRRRA's offices. The AC will stamp the date received on the invoice and verify compliance with the originator of the Purchase Order, match the Purchase Order number on the invoice with the Purchase Order (if one is required), verify the W-9 is on file, and then begin processing for payment. Payment will be made and mailed to the vendor within 30 days of receipt of the invoice, or re-invoice if applicable [as required by State law](#). All invoices must include a unique invoice number, the date, the vendor's full name, address, and telephone number.
- e. ~~To facilitate prompt vendor payment, State law requires payment for all goods and services within 30 days from the date the goods or services were received or the date on which the invoice or re-invoice was received, whichever is later.~~

3.2 SITUATIONS NOT REQUIRING A PURCHASE ORDER

a. The following specific purchase transactions **do not** require a **Purchase Order** but do require approval of the ~~Executive Director~~Chief Executive Officer or individual appointed by the ~~Executive Director~~Chief Executive Officer prior to processing for payment.

- (1) Monthly lease payments (e.g. copiers, equipment leases, etc.).
- (2) Utilities:
 - (a) Electricity;
 - (b) Water/Wastewater;
 - (c) Natural Gas;
 - ~~(c)~~(d) Solid Waste;
 - ~~(d)~~(e) Internet services;
 - ~~(e)~~(f) Cable or satellite communications; and
 - ~~(f)~~(g) Telephones including cellular phones.
- (3) Contract Services with actual Contractual Obligation (including but not limited to):
 - ~~(g)~~(a) Lawn Services (mowing and weed control);
 - ~~(h)~~(b) Pest Control;
 - ~~(i)~~(c) Legal Services;
 - ~~(j)~~(d) Engineering Services;
 - ~~(k)~~(e) Audit Services;
 - ~~(l)~~(f) Website Design and Maintenance Services;
 - ~~(m)~~(g) Equipment Maintenance Services;
 - ~~(n)~~(h) Janitorial Services; and
 - ~~(o)~~(i) Dun & Bradstreet Credit Reporting.
- (4) Postage.
- (5) Check Request with sufficient information to be handled without Purchase Order.
- (6) Lunch Meetings, subject to Section 16, Employee Policy Manual.
- (7) Repairs on an emergency basis.
- (8) Licenses and Fees.
- ~~(8)~~(9) Insurance Premiums
- ~~(9)~~(10) Single items or an aggregate of items totaling less than \$1,000.00. Proper invoices or receipts must be submitted for these purchases and an

Formatted: Numbered + Level: 1 + Numbering Style: a, b, c, ... + Start at: 1 + Alignment: Left + Aligned at: 1.75" + Tab after: 2" + Indent at: 2"

indication of who purchased the item(s), the use thereof, and any other information needed to properly account for the transaction.

3.3 CHECK REQUESTS, ELECTRONIC PAYMENTS, AND CHECK SIGNING LIMITS (Anywhere a check is referenced, electronic payments also apply)

Formatted: Font: Not Bold

a. A check request should be utilized in the following situations where no invoice is provided directly to LRRRA or payment is made to a party other than the issuer of the invoice:

- (1) Reimbursement of employee business expenses, pursuant to Section 16, Employee Policy Manual;
- (2) Payments for Continuing Professional Education classes, pursuant to Section 16, Employee Policy Manual;
- (3) Reimbursement for employee business mileage (adequate detail must be provided), pursuant to Section 16, Employee Policy Manual;
- (4) Emergency situation requiring immediate payment;

b. Each check request will be approved by the ~~Executive Director~~Chief Executive Officer or their designee.

~~b.c.~~ prior to issuing a check.

~~e.d.~~ All check requests shall be supported by receipts for said payments and are subject to all Texas ethics rules and regulations applicable to employees of Texas political subdivisions.

~~d.e.~~ Check Signing Limits:

(1) ~~Executive Director~~Chief Executive Officer

(a) The following specific purchase transactions do not require the additional signature of an LRRRA Board Member:

- i. Utilities as defined above.
- ii. Contract Services as defined above.

- (b) This list may be modified by the Executive Committee in consultation with the ~~Executive Director~~Chief Executive Officer and the Manager of Accounting.
- (2) Checks exceeding \$~~710,000~~ in payment of a single purchase invoice require two signatures:
- (a) The ~~Executive Director~~Chief Executive Officer and one (1) Board Member with check signing authority; or,
- (b) Two (2) Board Members with check signing authority.
- (3) Invoices ~~may shall~~ not be split in order to circumvent the check signing requirements.
- (4) Any check payable to the ~~Executive Director~~Chief Executive Officer over \$~~500,250~~ must be signed by a Board Member. If the amount is over \$5,000.00, the check must be signed by two (2) Board Members.

3.4 ADVANCE PAYMENTS

- a. Generally, prepayments are not authorized for the purchase of supplies, equipment, or services. Specific exclusions are:
- (1) Payments to federal and other state agencies;
 - (2) Lease payments;
 - (3) Subscriptions;
 - (4) Rental fees for meeting rooms or exhibit booths;
 - (5) Annual maintenance agreements;
 - (6) Registration fees; ~~and~~
 - (7) Insurance premiums and;
 - (7)(8) Memberships & Dues.
- b. Advance payments will only be made to vendors when no practical alternative exists to satisfy a need, when definite price savings can be realized, or when it is in the best interest of LRRRA to do so.

3.5 CREDIT CARD PURCHASES (see also, Section 16, Employee Policy Manual)

a. Employees entrusted with a LRRRA issued credit card are authorized to use such credit card only for the purchase of business-related goods and services. Receipts for all credit card purchases must be delivered to the AC within three (3) days of the expenditure. Each receipt must have sufficient documentation to substantiate it as a legitimate business expense. In the case of receipts for business lunches and or entertainment, the following is required:

- (1) Names of all persons involved;
- (2) Business purpose; and
- (3) Other appropriate details.

b. Credit card purchases of other business-related goods and services should follow the same documentation guide as outlined under the heading "Purchase Orders".

b.c. ~~The LRRRA limit for tipping should not exceed 20% of the pre-tax total.~~

e.d. Employees of LRRRA are subject to all Texas ethics rules and regulations applicable to employees of political sub-divisions. As such, employees shall not use the credit or accounts of LRRRA for personal purchases. If a charge is made for the benefit of an employee, the employee must immediately report the charge made and immediately reimburse LRRRA. Failure to immediately settle the account will be considered grounds for dismissal. Any amount not immediately settled will be deducted from the employee's next or final pay.

Formatted: Indent: Left: 1", No bullets or numbering

3.6 REIMBURSEMENTS

a. Original receipts, paid invoices, or acceptable substitutes must always be attached when the payee is an individual being reimbursed for the items described on a request for reimbursement. ~~If a photocopy of a receipt or paid invoice must be used as documentation a statement justifying the submission of a photocopy must be provided.~~ Names, date, and purpose of expense must be written on each receipt or documentation.

b. ~~All requests for payments with only a photocopy of the receipt must be approved by the Executive Director or the Executive Committee in the case of the Executive Director.~~

3.7 SOLE SOURCE PROCUREMENT

a. A sole source purchase is justified only when an equivalent good or service is not available, there is an emergency condition, or the ~~Chief Executive Officer~~President authorizes purchase from a sole source. When the specification requirement limits consideration to one manufacturer, one good, or one service provider; the following procedures are followed:

- (1) A statement is attached to the Purchase Order that verifies a sufficient number of vendors have been contacted to determine that only one practical source of supply exists or states the reasons only one source exists.
- (2) Purchase Order procedures are followed.
- (3) The purchase is approved prior to purchase by the official identified in Subsection 3.9, below.
- (4) Once approved the Purchase Order is processed.

b. Sole source procurement may be utilized for purchases or contracts purchased from a State of Texas approved Purchasing Cooperative that has been approved by the Board of Directors.

~~b.c.~~ The bid requirements set forth in Section 3.8 are not applicable to purchases or contracts that are a sole source purchase.

3.8 BID REQUIREMENTS

a. General Bidding Requirements

- (1) ~~New Vendor Form~~Qualified Vendor Application (see Appendix C). ~~Qualified vendors are those vendors that have completed the Qualified Vendor Application; and, who after vetting are qualified to bid on the applicable Request for Proposal/Price (RFP).~~
- (2) Request For Proposal (see Appendix D) or similar form.

b. Subject to Section 3.7, bids must be obtained on all purchases in excess of \$710,000.00 unless the requirement can be properly justified for another method.

\$0-\$7,000.00	Staff should attempt to obtain written or telephonic price quotations from at least three vendors. Additionally, staff may solicit bids from a qualified Historically Underutilized Business (HUB).
---------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

<p>\$710,000.01 to \$75100,000.00</p>	<p>Three written bids are required; however, staff is<u>are</u> encouraged to obtain more than three bids. Staff should attempt to solicit bids from a qualified Historically Underutilized Business (HUB). However, Staff is under no obligation to keep bidding open to obtain a bid from a qualified HUB. Staff is exempt from the HUB requirement if there is no HUB listed as providing the good or service in Lubbock County, Texas.In the event that three (3) valid bids cannot be obtained by Staff, a statement from the Executive Director<u>Chief Executive Officer</u> will be included that sets out the attempts made to obtain more bids and whether continued attempts would likely result in three (3) valid bids.</p>
<p>Over \$75100,000.00</p>	<p><u>Competitive Bidding.</u> A Request For Proposal/Price (RFP) will be advertised in accordance with State purchasing laws, submitted to qualified vendors for a sealed bid response consistent with Appendix D. In the event that three (3) valid bids cannot be obtained by Staff, a statement from the Executive Director<u>Chief Executive Officer</u> will be included that sets out the attempts made to obtain more bids and whether continued attempts would likely result in three (3) valid bids. All procurements expected to exceed \$75100,000.00 will be advertised in a newspaper of general circulation once each week for at least two weeks before the deadline for receiving bids (this requirement is satisfied by advertising on a Saturday and Sunday). The advertisement for bid will include a description of the work, state the location that the bidding documents, plans, specifications, or other data may be examined by all bidders, and state the time and place for submitting bids and the time and place that bids will be opened. This provision does not apply to a Design Build Project.</p>

c. Subject to Section 3.8, LRRRA will make an effort to solicit and purchase from qualified HUBs. State and Federal law and LRRRA policy strictly prohibit the splitting of orders to circumvent the bidding process.

d. Texas Government Code, Chapter 2267 (Public and Private Facilities and Infrastructure) provides an alternative method for the acquisition, design, construction, improvement, renovation, expansion, equipping, maintenance, operation, implementation and installation of education facilities, technology and other public infrastructure and government facilities that serve a public need and purpose. Texas Government Code, Chapter 2269 (Contracting and Delivery Procedures for Construction Projects), provides several alternative methods for contracting to construct, alter, or repair a public building or public

work. The methods authorized by Chapter 2269 included competitive bidding, competitive sealed proposal, construction manager-agent, construction manager-at-risk, design build, and job order contracts. The Authority may use one of the methods provided for in Chapters 2267 and 2269. If a method identified in Chapters 2267 or 2269 is used, and the selected method does not require competitive bidding, the procedures established in Chapters 2267 or 2269 shall control and supersede the requirements set forth in Section 3.8.b., above.

~~d.e.~~ Notwithstanding Section 3.8.d., Section 3501.005 of the Enabling Statute exempts certain “qualifying projects” from the requirements set forth in Chapters 2267 and 2269 of the Texas Government Code.

3.9 APPROVAL OF PURCHASES

- (1) Subject to the provisions set forth in this policy regarding competitive bidding, Purchase Orders, and Credit Card Use, the following approval authorities are established.
- (2) Approval Authority:
 - (a) \$0 - \$1,000.00 – Manager of Accounting or Director of Finance.
 - (b) \$0 - ~~\$710,000.00~~ – ~~Executive Director~~Chief Executive Officer.
 - (c) ~~\$710,000.01~~ - ~~\$3950,000.00~~ – President of the Board of Directors.
 - (d) ~~\$3950,000.01~~ - ~~\$200400,000.00~~ – Executive Committee, unless specifically delegated by the Board of Directors to the ~~Executive Director~~Chief Executive Officer or the President of the Board of Directors.
 - (e) Over ~~\$200400,000.00~~ – Board of Directors.
 - (f) In the event of an emergency, the ~~Executive Director~~Chief Executive Officer may approve the purchase of items in excess of the limits set forth above, when necessary to avert damage/injury to LRRR property, equipment, and personnel. In the event emergency purchase authority is exercised the ~~Executive~~

~~Director~~Chief Executive Officer will document the rationale for the emergency expenditure, provide receipts in support of said expenditure, and contact the Board President and/or members of the Executive Committee, as soon as practical to discuss the exercise of this authority. Any expenditure made under this provision by the ~~Executive Director~~Chief Executive Officer will be brought to the attention of the Board, either be ratified by the individual or body responsible for approving purchases, as set forth above, or the exercise of this authority brought to the attention of the Board of Directors for appropriate action.

~~(f)(g)~~ Notwithstanding the above limits established in subsection (2)(c)-(e), the Chief Executive Officer is authorized to approve any purchase that has been specifically approved in the operating budget of the Authority.

Formatted: List Paragraph, Left, Line spacing: single, No bullets or numbering, Tab stops: Not at 1"

3.10 RIGHT TO CHANGE POLICY

LRRA Board of Directors reserves the right to interpret, change, modify, amend, or rescind this policy in whole or in part at any time.

APPENDIX A

**LUBBOCK REESE REDEVELOPMENT AUTHORITY
PURCHASE, PROCUREMENT, AND PAYMENT OF GOODS AND SERVICES POLICY AND
PROCEDURE MANUAL
EMPLOYEE ACKNOWLEDGEMENT**

I hereby acknowledge that I have received a copy of The Lubbock Reese Redevelopment Authority (“LRRRA”) Purchase, Procurement, and Payment of Goods and Services Policy and Procedure Manual (“Manual”) as well as all documents and appendix items related thereto. I understand and agree that I am responsible to read and comply with the policies and procedures outlined in the Manual as well as any rules and regulations that might be provided to me separately or established in the future whether contained in an amendment or revision of this Manual or otherwise provided or established.

I also understand and agree that the policies and procedures in this Manual as well as any other policies or procedures that I might be provided throughout my employment with LRRRA may be changed at any time by LRRRA.

I expressly understand, acknowledge, and agree that this Manual and any related policies or procedures that might be provided to me throughout my employment are not intended to, nor do they bestow any additional rights or benefits upon me. My signature below indicates my understanding and agreement that this agreement supersedes any and all prior agreements, understandings and/or representations concerning LRRRA’s purchase, procurement, and payment for goods and services policy and procedure.

Employee’s Signature

Date

**APPENDIX B
PROFESSIONAL SERVICES AGREEMENT**

AGREEMENT made this ____ day of _____, 20__, at Lubbock, Texas, between THE LUBBOCK REESE REDEVELOPMENT AUTHORITY, a Texas political subdivision (the "LRRRA") and _____ (the "Professional / Contractor") for _____.

Recitals

- A. The LRRRA was created for the purpose of the redevelopment of the former Reese Air Force Base.
- B. The LRRRA is currently engaged in the master planning of a technology and research park known as "Reese Technology Center" and desires to engage the services of the Professional / Contractor, as an independent contractor and not as an employee, to assist in the project and to render their services on the terms and conditions provided in this Agreement.
- C. The Professional / Contractor desires to render professional services for the LRRRA on the terms and conditions provided in this Agreement.

THEREFORE, the parties agree as follows:

- 1. **Term:** This Agreement shall be effective commencing on ____ of _____20__, and shall continue in effect until completion of the services as set forth in Exhibit A hereto, or until it has been terminated by either party by giving thirty (30) days' written notice to the other party. As called for in this agreement, any bonds, warranties, indemnification, letters of credit, and insurance shall be maintained, in current condition, through the completion of services as provided for under Exhibit A hereto and until the termination of this agreement.
- 2. **Services; Scope of Work:** The services to be rendered by the Professional / Contractor and the related scope of work are as set forth on Exhibit "A" attached hereto. The services to be rendered pursuant to the scope of work are performance-based as set forth therein and the Professional / Contractor shall be judged based upon the results achieved and services and goods delivered on the agreed time schedule.
- 3. **Fee:** For services to be rendered under this Agreement, the Professional / Contractor shall be entitled to a fee based upon the fee schedule set forth on Exhibit "A" attached hereto. (*Project cost or bid.*)
- 4. **Devotion of Time:** The Professional / Contractor shall devote such time as is reasonably necessary for a satisfactory performance of its duties under this Agreement.
- 5. **Insurance:** The Professional / Contractor shall maintain a policy of liability insurance in the minimum amount of \$1,000,000 to cover any claims arising out of the performance of its services under this Agreement, and shall further indemnify, save harmless, and defend the LRRRA from any claims arising from any acts or omissions of the Professional / Contractor or the Professional's / Contractor's agents.

Contractor shall carry Workman's Compensation Insurance and Contractor's Public Liability and Property Damage and Loss Insurance. All employees of the Contractor working at Reese Technology Center under this contract must be covered by Contractors' Workman's Compensation Insurance. Contractor will provide a copy Certificate of Insurance to LRRRA, with this Professional Services Contract signed.

6. **Entire Agreement:** This Agreement constitutes the sole and only agreement of the parties and supersedes any prior understandings or written or oral agreements between the parties respecting this subject matter.
7. **Assignment:** Neither this Agreement nor any duties or obligations under it shall be assignable by the Professional / Contractor without the prior written consent of the LRRRA. In the event of any assignment by the Professional / Contractor to which the LRRRA has consented, the assignee or the assignee's legal representative shall agree in writing with the LRRRA to personally assume, perform, and be bound by all the covenants, obligations, and agreements contained in this Agreement.
8. **Successors and Assigns:** Subject to the provisions regarding assignment, this Agreement shall be binding on and inure to the benefit of the parties to it and their respective heirs, executors, administrators, legal representatives, successors, and assigns.
9. **Attorney's Fees:** If any action or law or in equity is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees in addition to any other relief to which it may be entitled.
10. **Governing Law; Jurisdiction; Venue:** The validity of this Agreement and of any of its terms or provisions, as well as the rights and duties of the parties, shall be governed by the laws of the State of Texas. Each of the parties hereto consents to the jurisdiction of the state courts of the State of Texas, Lubbock County, and to the Federal District Court, Northern District of Texas, Lubbock Division, and agrees that venue shall be proper in such courts in Lubbock County, Texas.
11. **Amendment:** This Agreement may be amended by the mutual agreement of the parties to it, in a writing to be attached to and incorporated in this Agreement.
12. **Legal Construction:** In the event that one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalid, illegal, or unenforceability shall not affect any other provisions, and the agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained in it.
13. **Miscellaneous:** The Owner serves from time to time as a contractor for the United States government. Accordingly, if the Professional/ Contractor provides goods or services in connection with such contracts, it shall comply with federal laws, rules and regulations applicable to subcontractors of government contracts, as amended or modified, including those relating to:
 - (1) Equal Employment Opportunity and Affirmative Action in the employment of minorities (Executive Order 11246)
 - (2) Equal Employment Opportunity and Affirmative Action in the employment of Women (Executive Order 11375)

Exhibit "A"

(This document should be a detailed definition and description for the scope of work including a price list or the proposed bid document supplied by the contractor or company.)

APPENDIX C

NEW VENDOR FORM

DATE: _____ TAXPAYER ID # _____

REQUESTOR: _____

DBA: _____

VENDOR NAME: _____

REMIT ADDRESS: _____

CITY, STATE, ZIP CODE _____

PHONE #: _____ EMAIL: _____

COUNTRY: _____

CONTACT: _____

ACCOUNTING CONTACT: _____

ACCOUNTING PHONE #: _____ EMAIL: _____

W-9 ATTACHED?

NOTES: _____

FREQUENCY OF PAYMENT: _____

PRINT MULTIPLE CHECKS: _____ YES _____ NO

SIGNATURE OF AUTHORIZED REQUESTOR: _____ DATE: _____

SIGNATURE OF CEO: _____ DATE: _____

ADDED TO MIP BY: _____

SIGNATURE OF MANAGER OF ACCOUNTING: _____ DATE: _____

**REESE TECHNOLOGY CENTER (RTC)
QUALIFIED VENDOR APPLICATION**

(Application may be mailed to 9801 Reese Blvd., Ste. 200, Lubbock, TX 79416 or
emailed to accounting@reesecenter.com)

Principle Name:	
Business Name:	Year Established:
Address:	
Remit to Name and Address:	
Accounting Contact:	Title
Phone Number:	Email:
Website:	
List all products and services offered:	

I certify that the information supplied herein is correct and that neither the applicant nor the person (or concern) in any connection with the applicant as a principle or officer, so far as is known, is now debarred or otherwise declared ineligible by any State, County, or Municipal government from bidding for furnishing materials, supplies, or services.

Signature: _____ - Date: _____ -
 Printed Name: _____ - Title: _____ -

Submission of completed Vendor Application does NOT guarantee receipt of copies of Requests for Bids, Requests for Proposals, and Requests for Quotes, etc., issued by RTC. It is the responsibility of each Vendor to request any bid package of interest.
 Submit this form with an IRS Form W-9

APPENDIX D

**REESE TECHNOLOGY CENTER (RTC)
Request for Proposal (RFP)**

Whom It May Concern:

RTC will receive sealed bids on the following indicated merchandise until Date: _____ Time: _____ by mail, email, or fax, at which time bids will be ~~publically~~publicly opened and read aloud.

Bids will be evaluated upon bid opening Date: _____ Time: _____ and awarded on Date: _____ Time: _____. However, bids must be firm for a 30-day period from bid opening date in case the Board of Directors desire additional evaluation time.

With uncertainty of mail delivery, the RTC cannot be responsible for bids which are not received before bid opening hour.

Bid quotations will not be communicated by telephone. Interested bidders are encouraged to attend the bid opening or may request the bid tabulation sheet.

RTC reserves the right to accept or reject any or all bids submitted and shall be the sole judge in this matter.

RTC is exempt from all city, state, and federal sales tax. Your signed and otherwise correctly completed sealed bid (one copy only) should meet the following specifications or RTC may, at its option, refuse to consider the bid.

It is to be understood that upon the award of this bid the successful bidder(s) is/are responsible for complying with the Prompt Payment Act, effective July 1, 1986 (Government Code CHS. 2251.001-2251.043)

In those instances where manufacturer and/or model numbers of equipment/materials are referenced as "equal in quality" it is not RTC's intent to rule out other manufacturers, nor will the named manufacturer receive preferential treatment. RTC is the sole judge in determining the suitability of items bid.

Should vendors have deviations from bid specifications all deviations must be listed on a self-scribed attachment. This attachment must also be signed by an authorized company representative and be attached to the vendors original bid.

RTC is subject to the Texas Public Information Act, Chapter 552, Texas Government Code. Proposals submitted to RTC in response to this RFP are subject to release by RTC as public information. If the Proposer believes that the proposal, or parts of it are confidential, as

proprietary information, (s)he must specify that either all or part is excepted and provide specific and detailed justification for its claim of confidentiality. Vague and general claims to confidentiality are not acceptable. All proposals or parts of the proposals which are not marked as confidential will be considered public information after a contract has been awarded. The successful proposal may be considered public information even though parts are marked confidential.

RTC assumes no responsibility for asserting legal arguments on behalf of Proposers. Proposers are advised to consult with their legal counsel concerning disclosure issues and the Texas Attorney General website resulting from this proposal process and to take precautions to safeguard trade secrets and other proprietary information.

Attachments to this RFP:

- Attachment A - Specifications and Scope of Work
- Attachment B - Site Map
- Attachment C – Project Photos if applicable
- Attachment D - Bid Proposal Form
- Attachment E – IRS Form W-9
- Attachment F – [NewQualified](#) Vendor Form

Requirements to be Provided:

1. Bid Proposal Form
2. IRS Form W-9
3. [NewQualified](#) Vendor Application
4. Certificate of Insurance for General Liability. Insurance must be no less than the amount that is required by law and is sufficient to cover RFP specifications.
5. If the Contractor has any employees working for him at Reese Technology Center, provide a Worker’s Compensation Insurance Certificate.
6. Three business references. Company to be established in business for a minimum of five years.

**BOARD ACTION ITEM NO. 2025-1022-007
REVISED PROCUREMENT POLICY**

**BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY (LRRRA)
October 22, 2025**

Item to Be Considered:

Approval of Revised Purchase, Procurement, and Payment of Goods and Services Policy and Procedure Manual

Previous Board Action:

- a. The Board regularly approves updates to the Purchase, Procurement, and Payment of Goods and Services Manual, last updated in June 2020.

Statement of Pertinent Facts:

- a. Staff are proposing changes to the Purchasing Policy to:
 1. More accurately reflect our accounting processes
 2. Ensure compliance with State purchasing laws, where applicable
 3. Update approval and bid limits to provide a smoother purchasing process that better reflects LRRRA's needs and the increasing cost of all things in general without compromising proper controls.
- b. See outline of changes to existing policy in Summary Sheets attached.

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 the Purchase, Procurement, and Payment of Goods and Services Policy and Procedural Manual, as submitted, on the 22nd day of October 2025.”

Approved by:

John T. Hamilton - President

ATTEST:

LRRRA Board Member

AGENDA ITEM 10

Financial Reports

CASH BALANCES - SEPTEMBER 30, 2025

	8/31/2025	9/30/2025	Change
General Fund Bank Accounts	\$ 4,673,419	\$ 4,720,218	\$ 46,799
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 694,505	\$ 429,260	\$ (265,245)
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ -	\$ -	\$ -
Total Cash	\$ 6,222,924	\$ 6,004,478	\$ (218,446)
Accounts Receivable - G/F	\$ 311,936	\$ 274,355	\$ (37,581)
Accounts Receivable - F/O	\$ 17,757	\$ 20,692	\$ 2,935
Total Accounts Receivable	\$ 329,693	\$ 295,047	\$ (34,646)
Total Cash & Accounts Receivable	\$ 6,552,617	\$ 6,299,525	\$ (253,092)

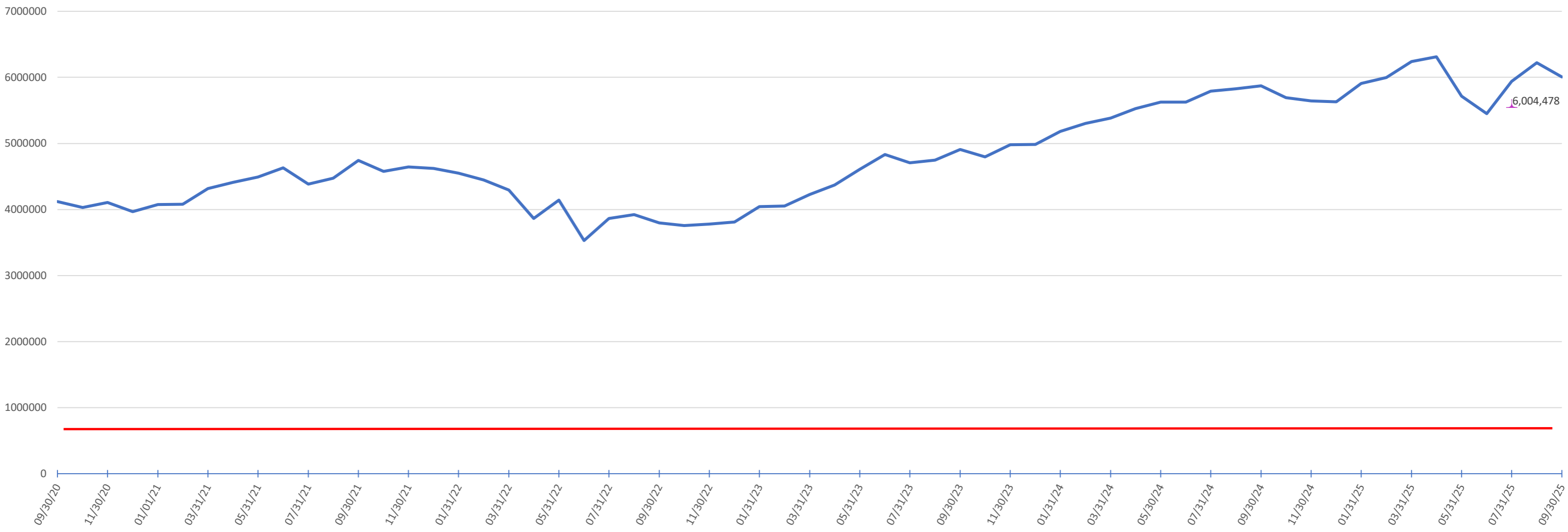
Aged Accounts Receivable as of 09/30/2025

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
221,092.57	20,212.34	17,723.14	15,542.54	20,476.01	295,046.60

EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

400	FINAL PMT FOR HANGAR 82 RESURFACING	46,878.00	CAPITALIZED
500	EAST 90 - ENGINEERING	17,316.78	CIP
500	EAST 90 - UTILITY CONTRACT	205,049.28	CIP
500	EAST 90 - PAVEMENT CONTRACTOR	144,900.89	CIP
400	TORNADO DAMAGES EXPENSES	439,990.62	CAPITALIZED
		\$ 854,135.57	

LRRR Available Cash
SEPTEMBER 2020 - 2025



FINANCIAL HIGHLIGHTS - SEPTEMBER 30, 2025

DESCRIPTION	Month		Month's Total	YTD		
	G/F	F/O		G/F	YTD	F/O
Operating Revenue	\$ 296,151	\$ 18,476	\$ 314,627	\$ 3,367,219	\$ 213,107	\$ 3,580,326
Insurance Proceeds	\$ -		\$ -	\$ 907,588	\$ -	\$ 907,588
Other Revenue - Usage Fees	\$ 40,242	\$ 1,607	\$ 41,849	\$ 362,581	\$ 18,544	\$ 381,125
Total Revenue	\$ 336,393	\$ 20,083	\$ 356,476	\$ 4,637,388	\$ 231,651	\$ 4,869,039
Expenses	\$ 251,297	\$ 10,494	\$ 261,791	\$ 2,618,293	\$ 124,665	\$ 2,742,958
Net Income BPSID	\$ 85,096	\$ 9,589	\$ 94,685	\$ 2,019,095	\$ 106,986	\$ 2,126,081
Interest Income - Plus	\$ 17,351	\$ -	\$ 17,351	\$ 218,852	\$ -	\$ 218,852
Depreciation - Less	\$ (49,924)	\$ (3,283)	\$ (53,207)	\$ (599,093)	\$ (39,402)	\$ (638,495)
Net Income	\$ 52,523	\$ 6,306	\$ 58,829	\$ 1,638,854	\$ 67,584	\$ 1,706,438

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 9/30/2025

(In Whole Numbers)

	<u>General Fund</u>	<u>EDA Grant Fund</u>	<u>Data Center / Fiber Optic</u>	<u>Total</u>
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENTS	5,575,218	-	-	5,575,218
RESTRICTED CASH AND CASH EQUIVALENTS	-	429,260	-	429,260
ACCOUNTS RECEIVABLE	274,714	-	20,692	295,406
OTHER RECEIVABLES	(130,514)	-	-	(130,514)
LEASES RECEIVABLE, CURRENT - GASB 87	1,624,951	-	61,646	1,686,597
INVESTMENT	-	-	-	-
DUE FROM FEDERAL GOVERNMENT	-	(418,622)	-	(418,622)
PREPAID EXPENSES	(1,272)	-	1,272	-
DUE FROM TRANSFERS	-	-	-	-
Total CURRENT ASSETS	7,343,097	10,638	83,610	7,437,345
NONCURRENT ASSETS				
LEASES RECEIVABLE, NET OF CURRENT PORTION	4,207,830	-	41,773	4,249,603
Total NONCURRENT ASSETS	4,207,830	-	41,773	4,249,603
CAPITAL ASSETS				
LAND	1,481,401	-	-	1,481,401
CONSTRUCTION IN PROGRESS	980,547	1,397,572	28,674	2,406,793
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	5,089,794	-	250,840	5,340,633
VEHICLES	367,701	-	-	367,701
GROUNDS MAINTENANCE EQUIPMENT	277,450	-	158,387	435,837
RIGHT TO USE LEASE ASSET - GASB 87	19,550	-	-	19,550
BASE CONVEYANCE	-	-	-	-
BASE HOUSING	-	-	-	-
OTHER	-	-	-	-
LESS ACCUMULATED DEPRECIATION	(7,473,009)	-	(2,200,173)	(9,673,183)
Total CAPITAL ASSETS	8,762,600	13,697,572	161,711	10,321,883
NET PENSION ASSET				
NET PENSION ASSETS, NET	222,978	-	-	222,978
Total NET PENSION ASSET	222,978	-	-	222,978
Total ASSETS	20,536,504	1,408,210	287,095	22,231,809
DEFERRED OUTFLOWS OF RESOURCES				
EMPLOYER CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT	10,302	-	-	10,302
CHANGE IN ASSUMPTIONS	-	-	-	-
Total DEFERRED OUTFLOWS OF RESOURCES	10,302	-	-	10,302
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	20,546,806	1,408,210	287,095	22,242,111

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 9/30/2025

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic	Total
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	438,158	102,022	-	540,180
ACCRUED EXPENSES	74,809	-	-	74,809
REFUNDABLE DEPOSITS	127,017	-	-	127,017
UNEARNED REVENUES	239,461	-	16,694	256,155
COMPENSATED ABSENCES	14,259	-	-	14,259
LEASE LIABILITY, CURRENT	3,563	-	-	3,563
LEASE PAYABLES	-	-	-	-
DUE TO TRANSFERS	-	-	-	-
OTHER LIABILITIES	55,709	-	-	55,709
Total CURRENT LIABILITIES	952,976	102,022	16,694	1,071,692
NON-CURRENT LIABILITIES				
LEASE LIABILITY, NET OF CURRENT PORTION	10,636	-	-	10,636
Total NON-CURRENT LIABILITIES	10,636	-	-	10,636
Total LIABILITIES	963,612	102,022	16,694	1,082,328
DEFERRED INFLOWS OF RESOURCES				
NET DIFF BETWEEN PROJECTED AND ACTUAL INVESTMENT EARNINGS	(7,093)	-	-	(7,093)
LEASES - GASB 87	5,604,818	-	101,619	5,706,437
Total DEFERRED INFLOWS OF RESOURCES	5,597,725	-	101,619	5,699,344
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	6,561,337	102,022	118,313	6,781,672
FUND EQUITY				
BEGINNING OF PERIOD	13,285,605	321,193	162,206	13,769,004
TRANSFERS IN (OUT)	(938,991)	1,000,000	(61,009)	-
YEAR TO DATE EARNINGS	1,638,854	(15,005)	67,585	1,691,434
Total FUND EQUITY	13,985,468	1,306,188	168,782	15,460,438
TOTAL LIABILITY, FUND BALANCE, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	20,546,805	1,408,210	287,095	22,242,110

LUBBOCK REESE REDEVELOPMENT AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 From 10/1/2024 Through 9/30/2025

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES	4,637,388	-	231,652	4,869,040
OPERATING EXPENSES	3,217,171	15,005	164,067	3,396,242
OPERATING INCOME(LOSS)	1,420,217	(15,005)	67,585	1,472,797
NONOPERATING INTEREST INCOME	218,852	-	-	218,852
TRANSFERS IN (OUT)	(938,991)	1,000,000	(61,009)	-
NET NONOPERATING REVENUES	(720,139)	1,000,000	(61,009)	218,852
INCREASE (DECREASE) IN FUND	699,863	984,995	6,576	1,691,649
FUND EQUITY, BEGINNING	13,285,605	321,193	162,206	13,769,004
FUND EQUITY, ENDING	13,985,468	1,306,188	168,781	15,460,438

LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2024 Through 9/30/2025

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES				
LEASE INCOME	2,470,454	-	-	2,470,454
DATA CENTER / FIBER OPTIC INCOME	-	-	213,107	213,107
COMMON AREA MAINTENANCE/PBT CAM	781,037	-	-	781,037
USAGE FEES	362,581	-	18,544	381,125
CONTRACT WORK INCOME	12,979	-	-	12,979
UTILITY FRANCHISE FEES	28,765	-	-	28,765
Total OPERATING REVENUES	3,655,816	-	231,652	3,887,467
NON-OPERATING REVENUES				
INSURANCE PROCEEDS	907,588	-	-	907,588
INTEREST EXPENSE / BANK CHARGES	(951)	(5)	-	(956)
MISCELLANEOUS INCOME	73,984	-	-	73,984
FEDERAL GRANT	-	-	-	-
INTEREST INCOME	218,852	-	-	218,852
Total NON-OPERATING REVENUES	1,199,473	(5)	-	1,199,468
TOTAL REVENUES	4,855,288	(5)	231,652	5,086,935

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2024 Through 9/30/2025

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING EXPENSES				
COMPENSATION AND BENEFITS:				
SALARIES AND BENEFITS	897,693	-	-	897,693
CONTRACT SERVICES	21,731	15,000	7,999	44,730
GENERAL AND LIABILITY INSURANCE	290,110	-	15,269	305,379
Total COMPENSATION AND BENEFITS:	1,209,534	15,000	23,268	1,247,801
BUILDING REPAIRS AND MAINTENANCE:				
REPAIRS AND MAINTENANCE	684,171	-	-	684,171
BUILDING MAINTENANCE MATERIALS	30,115	-	540	30,655
MARKETING AND PROMOTIONAL EXPENSES	57,484	-	-	57,484
TRAVEL EXPENSES	8,632	-	-	8,632
PRINTING AND ADVERTISING	1,447	-	-	1,447
DEPRECIATION EXPENSE	599,093	-	39,402	638,495
TELEPHONE	2,377	-	-	2,377
OFFICE SUPPLIES	31,841	-	-	31,841
TRAINING AND TUITION EXPENSES	9,305	-	-	9,305
UTILITIES	402,455	-	48,008	450,463
Total BUILDING REPAIRS AND MAINTENANCE:	1,826,920	-	87,950	1,914,870
PROFESSIONAL SERVICES				
ACCOUNTING AND AUDITING FEES	38,353	-	-	38,353
LEGAL FEES	129,395	-	-	129,395
Total PROFESSIONAL SERVICES	167,748	-	-	167,748
COMPUTER SOFTWARE AND MAINTENANCE				
COMPUTER SOFTWARE AND MAINTENANCE	-	-	31,920	31,920
Total COMPUTER SOFTWARE AND MAINTENANCE	-	-	31,920	31,920
OTHER OPERATING EXPENSES				
BOARD EXPENSES	1,713	-	-	1,713
BANK CHARGES	951	5	-	956
INTERNET CHARGES	-	-	20,929	20,929
POSTAGE	2,170	-	-	2,170
MEETING EXPENSES	7,892	-	-	7,892
LICENSES AND FEES	458	-	-	458
Total OTHER OPERATING EXPENSES	13,184	5	20,929	34,117
Total OPERATING EXPENSES	3,217,386	15,005	164,067	3,396,457

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 9/1/2025 Through 9/30/2025

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	180,947	191,667	(10,720)	2,470,454	2,300,000	170,454
PBT Cam Fees	66,236	63,667	2,570	781,037	764,000	17,037
Usage Fees	40,242	22,917	17,325	362,581	275,000	87,581
Contract Services	-	667	(667)	12,979	8,000	4,979
Utility Franchise Fees	2,073	1,667	406	28,765	29,000	(235)
Insurance Proceeds	-	-	-	907,588	-	907,588
Other-Miscellaneous	46,895	-	46,895	73,984	-	73,984
Total REVENUES	336,393	280,585	55,809	4,637,388	3,376,000	1,261,388
EXPENSES						
Salaries & Taxes	54,908	62,526	7,618	772,083	808,000	35,917
Benefits - Health, Retirement & Wkr's Comp	16,602	12,792	(3,810)	125,610	153,500	27,890
Insurance -Property & General Liabilities	24,176	25,000	824	290,110	300,000	9,890
Administrative Expenses	1,053	1,033	(20)	11,190	14,400	3,210
General Office Expenses	7,239	6,488	(751)	91,615	77,850	(13,765)
Accounting & Auditing Services	87	100	13	38,353	44,200	5,847
Legal Services	8,928	6,250	(2,678)	129,395	75,000	(54,395)
Network Maintenance Contract	1,554	1,667	112	19,632	20,000	368
Training & Travel	1,451	1,417	(34)	17,937	17,000	(937)
Marketing Expenses	6,336	6,750	414	56,743	81,000	24,257
Operations	42,576	54,242	11,666	663,170	650,900	(12,270)
Utilities	86,387	48,750	(37,637)	402,455	464,000	61,545
Total EXPENSES	251,297	227,015	(24,283)	2,618,293	2,705,850	87,557
NIBPSID	85,096	53,570	31,526	2,019,095	670,150	1,348,945
NON OPERATING REVENUE						
Interest Income	17,351	8,333	9,017	218,852	100,000	118,852
Total NON OPERATING REVENUE	17,351	8,333	9,017	218,852	100,000	118,852
DEPRECIATION						
Depreciation Expense	(49,924)	(54,167)	4,242	(599,093)	(650,000)	50,907
Total DEPRECIATION	(49,924)	(54,167)	4,242	(599,093)	(650,000)	50,907
Increase (Decrease) In Fund Equity	52,523	7,736	44,785	1,638,854	120,150	1,518,704

GENERAL FUND

Explanation of Significant Budget Variances

2025 SEPTEMBER

		Month Variance		YTD Variance	Explanations		
Revenues, Leases	4200, 4201	\$	(10,720)	\$	170,454	Lease revenues higher than budgeted	Year End is over budget.
Revenues, Usage	4260	\$	17,325	\$	87,581	Water Usage fluctuates month to month	Year End is over budget
Revenues, Insurance Proceeds	4350	\$	-	\$	907,588	Insurance Proceeds	Year End is over budget.
Expenses, Salaries & Taxes	5100, 5110	\$	7,618	\$	35,917	Staff Shortage	Year End is under budget.
Expenses, Benefits - Health, Retirement & Wkr's Comp	5120, 5140, 5150	\$	(3,810)	\$	27,890	HRA benefits higher than usual	Year End is under budget.
Expenses, Legal Services	5710	\$	(2,678)	\$	(54,395)	Extra Fees for Texas Tech Project	Year End is over budget
Expenses, Operations	5900	\$	11,666	\$	(12,270)	Hard to predict when things will break	Year End is over budget
Expenses, Utilities	5380	\$	(37,637)	\$	61,545	Water bills have been resolved and paid	Year End is under budget.

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 8/1/2025 Through 8/31/2025

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
EXPENSES						
Administrative Expenses	-	-	-	15,000	-	(15,000)
General Office Expenses	-	-	-	5	-	(5)
Total EXPENSES	-	-	-	15,005	-	(15,005)
NIBPSID	-	-	-	(15,005)	-	(15,005)
Increase (Decrease) In Fund Equity	-	-	-	(15,005)	-	(15,005)

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	1,574	2,083	(510)	16,937	22,917	(5,980)
Fiber Optic/Wireless Income	17,694	17,500	194	194,631	192,500	2,131
Total REVENUES	19,268	19,583	(316)	211,568	215,417	(3,848)
EXPENSES						
Insurance -Property & General Liabilities	1,272	1,333	61	13,997	14,667	670
General Office Expenses	45	83	38	495	917	422
Computer Software & Maintenance	2,450	3,333	883	29,470	36,667	7,196
Internet	1,722	1,833	111	19,206	20,167	960
Building Maintenance & Repairs	619	1,250	631	7,230	13,750	6,520
Utilities	4,573	5,192	618	43,773	57,108	13,336
Total EXPENSES	10,682	13,025	2,343	114,171	143,275	29,104
NIBPSID	8,586	6,558	2,027	97,397	72,142	25,256
DEPRECIATION						
Depreciation Expense	(3,283)	(3,833)	550	(36,118)	(42,167)	6,049
Total DEPRECIATION	(3,283)	(3,833)	550	(36,118)	(42,167)	6,049
Increase (Decrease) In Fund Equity	5,302	2,725	2,577	61,279	29,975	31,304

COMBINED FUNDS

(In Whole Numbers)

	Current Month Actual	Current Month Budget	Current Month Actual vs Budget Variance	YTD Actual	YTD Budget	YTD Actual vs Budget Variance
REVENUES						
Leases	180,947	191,667	(10,720)	2,470,095	2,300,000	170,095
PBT Cam Fees	66,236	63,667	2,570	781,037	764,000	17,037
Usage Fees	41,849	25,000	16,849	381,125	300,000	81,125
Contract Services	-	667	(667)	12,979	8,000	4,979
Utility Franchise Fees	2,073	1,667	406	28,765	29,000	(235)
Insurance Proceeds	-	-	-	907,588	-	907,588
Other-Miscellaneous	46,895	-	46,895	73,984	-	73,984
Fiber Optic/Wireless Income	18,476	17,500	976	213,107	210,000	3,107
Total REVENUES	356,476	300,167	56,309	4,868,680	3,611,000	1,257,680
EXPENSES						
Salaries & Taxes	54,908	62,526	7,618	772,083	808,000	35,917
Benefits - Health, Retirement & Wkr's Comp	16,602	12,792	(3,810)	125,610	153,500	27,890
Insurance -Property & General Liabilities	25,448	26,333	885	305,379	316,000	10,621
Administrative Expenses	1,053	1,033	(20)	26,190	14,400	(11,790)
General Office Expenses	7,284	6,571	(713)	92,160	78,850	(13,310)
Accounting & Auditing Services	87	100	13	38,353	44,200	5,847
Computer Software & Maintenance	2,450	3,333	883	31,920	40,000	8,080
Internet	1,722	1,833	111	20,929	22,000	1,071
Legal Services	8,928	6,250	(2,678)	129,395	75,000	(54,395)
Network Maintenance Contract	1,554	1,667	112	19,632	20,000	368
Training & Travel	1,451	1,417	(34)	17,937	17,000	(937)
Marketing Expenses	6,336	6,750	414	56,743	81,000	24,257
Operations	42,576	54,242	11,666	663,170	650,900	(12,270)
Building Maintenance & Repairs	769	1,250	481	7,999	15,000	7,001
Utilities	90,623	53,942	(36,681)	450,463	526,300	75,837
Total EXPENSES	261,791	240,039	(21,753)	2,757,963	2,862,150	104,187
NIBPSID	94,685	60,128	34,557	2,111,077	748,850	1,362,227
NON OPERATING REVENUE						
Interest Income	17,351	8,333	9,017	218,852	100,000	118,852
Total NON OPERATING REVENUE	17,351	8,333	9,017	218,852	100,000	118,852
DEPRECIATION						
Depreciation Expense	(53,208)	(58,000)	4,792	(638,495)	(696,000)	57,505
Total DEPRECIATION	(53,208)	(58,000)	4,792	(638,495)	(696,000)	57,505
Increase (Decrease) In Fund Equity	58,828	10,462	48,366	1,691,434	152,850	1,538,584

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

(In Whole Numbers)

	Current Month Actual	Prior Year's Month Actual	Variance	YTD Actual	Prior Year's YTD Actual	Variance
REVENUES						
EDA Grant	-	94,034	(94,034)	-	94,034	(94,034)
Leases	180,947	(5,636)	186,583	2,470,454	1,909,983	560,471
PBT Cam Fees	66,236	62,645	3,591	781,037	752,831	28,206
Usage Fees	41,849	55,970	(14,121)	381,125	410,398	(29,273)
Contract Services	-	1,407	(1,407)	12,979	17,515	(4,536)
Utility Franchise Fees	2,073	1,979	94	28,765	32,372	(3,607)
Insurance Proceeds	-	-	-	907,588	70,814	836,774
Other-Miscellaneous	46,895	-	46,895	73,984	23,979	50,005
Fiber Optic/Wireless Income	18,476	8,017	10,459	213,107	228,825	(15,718)
Total REVENUES	356,476	218,417	138,059	4,869,040	3,540,750	1,328,290
EXPENSES						
Salaries & Taxes	54,908	43,697	11,211	772,083	692,188	79,895
Benefits - Health, Retirement & Wkr's	16,602	(62,917)	79,519	125,610	47,149	78,461
Insurance -Property & General Liabilities	25,448	23,283	2,165	305,379	268,410	36,969
Administrative Expenses	1,053	1,561	(508)	26,190	28,821	(2,631)
General Office Expenses	7,284	6,821	463	92,160	73,760	18,400
Accounting & Auditing Services	87	18,148	(18,061)	38,353	39,626	(1,273)
Computer Software & Maintenance	2,450	3,045	(595)	31,920	36,459	(4,539)
Internet	1,722	1,722	-	20,929	20,666	263
Legal Services	8,928	6,210	2,718	129,395	71,662	57,733
Network Maintenance Contract	1,554	1,631	(77)	19,632	20,966	(1,334)
Training & Travel	1,451	1,306	145	17,937	18,869	(932)
Marketing Expenses	6,336	8,839	(2,503)	56,743	64,176	(7,433)
Operations	42,576	37,944	4,632	663,170	568,997	94,173
Building Maintenance & Repairs	769	620	149	7,999	7,160	839
Utilities	90,623	117,977	(27,354)	450,463	522,776	(72,313)
Total EXPENSES	261,791	209,886	51,905	2,757,963	2,481,683	276,280
NIBPSID	94,685	8,530	86,155	2,111,077	1,059,067	1,052,010
NON OPERATING REVENUE						
Interest Income	17,351	364,408	(347,057)	218,852	589,416	(370,564)
Total NON OPERATING REVENUE	17,351	364,408	(347,057)	218,852	589,416	(370,564)
DEPRECIATION						
Depreciation Expense	(53,208)	(209,074)	155,866	(638,495)	(794,361)	155,866
Total DEPRECIATION	(53,208)	(209,074)	155,866	(638,495)	(794,361)	155,866
Increase (Decrease) In Fund Equity	58,828	163,864	(105,036)	1,691,434	854,122	837,312


September 30, 2025

LRRR Quarterly Investments and Collateralization Report

Bank and Account Title	Account Number Ending	Interest Yield	Benchmark Rate (6-Month US T-Bill)	Quarter 1 Interest Earned Oct - Dec 2024	Quarter 2 Interest Earned Jan - Mar 2025	Quarter 3 Interest Earned Apr - June 2025	Quarter 4 Interest Earned July - Sept 2025	FY2025 Interest Earned YTD	Account Balance as of 09/30/25	FDIC Insured or Collateralization (market value)
PlainsCapital Operating Account	2003	3.89%	3.83%	\$ 16,207.45	\$ 29,796.49	\$ 44,709.08	\$ 47,296.77	\$ 138,009.79	\$ 4,942,669.88	\$ 5,061,021.00
Totals PlainsCapital				\$ 16,207.45	\$ 29,796.49	\$ 44,709.08	\$ 47,296.77	\$ 138,009.79	\$ 4,942,669.88	\$ 5,061,021.00
Peoples Bank ICS/Sweep Account*	288	3.15%	3.83%	\$ 40,023.78	\$ 24,423.05	\$ 10,333.88	\$ 6,061.14	\$ 80,841.85	\$ 717,187.88	\$ 250,000.00
Peoples Bank EDA	575	0.00%	3.83%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,000.00
Totals Peoples Bank				\$ 40,023.78	\$ 24,423.05	\$ 10,333.88	\$ 6,061.14	\$ 80,841.85	\$ 717,187.88	\$ 250,000.00
Total of All Accounts				\$ 56,231.23	\$ 54,219.54	\$ 55,042.96	\$ 53,357.91	\$ 218,851.64	\$ 5,659,857.76	\$ 5,311,021.00

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



Agenda Item 11

October 2025 EVENTS & ACTIVITIES

DATE		EVENT
October	October 14	LRRR Board of Directors Special Meeting
	October 16	Lubbock Chamber of Commerce Harvest Luncheon
	October 22	LRRR Board of Directors Regular Meeting
	October 23	SPAG Open House
November	November 5	LEDA Lubbock Economic Forecast Luncheon
	November 6	Lubbock Chamber of Commerce – Annual Celebrate Chamber
	November 27 & 28	Thanksgiving Holiday
December	December 3-5	PFIA Training for Murvat and Brandon
	December 10	LRRR Board of Directors Regular Meeting
	December 13	LRRR Staff Christmas Celebration
	December 24 – January 2	LRRR Office Closed for Christmas and New Year’s Holidays

AGENDA ITEM 12

LRRA
Logo and
Rebrand

we will discuss new
options at the
meeting

Currently Used

Used for letterhead



9801 Reese Blvd., Suite 200 • Lubbock, Texas 79416 • 806.885.6592 • www.ReeseCenter.com

Used for swag



Currently Used

Used for marketing and social media purposes



Technology ★ Research ★ Engineering ★ Education ★ Manufacturing