

6. Action Item – Consider Lease for Edge Logistics, Inc. d/b/a Aerolane for Building 60	TAB 6	Murvat Musa
7. Action Item – Consider Increasing the LRRRA Match and Awarding Bids for Reese East 90 Business Park Utility Infrastructure Improvements and Pavement Improvements	TAB 7	Murvat Musa
8. Discussion Item – Financial Reports and Quarterly Investment and Collateral Report	TAB 8	Sandy Hamilton
9. Discussion Item – Reese Events & Activities	TAB 9	Murvat Musa
Adjourn the Meeting		Tim Pierce

Lubbock Reese Redevelopment Authority (LRRRA) will post this meeting agenda on its front doors and on its website at <http://www.reesetechnologycenter.com/agendas/> by 5:00 p.m., Friday, January 17, 2025.

by: _____
Murvat Musa, ED/CEO

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

ITEM 1

Citizen Comments

ITEM 2

EXECUTIVE SESSION

Information to be provided at
meeting
(if applicable)

Lubbock Reese Redevelopment Authority
Minutes of the Regular Meeting of the Board of Directors
December 11, 2024

The Lubbock Reese Redevelopment Authority held its regular meeting at 8:00 a.m. December 11, 2024, at the Reese Technology Center, LRRR Board Room, 9801 Reese Boulevard, Suite 200, Lubbock, TX 79416.

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

MEMBERS PRESENT

Tim Pierce, President	John Tye	Brian Kimberly
George McMahan, Secretary/Treasurer	Jeff Mustin	

MEMBERS ABSENT

John Hamilton, Vice President

Julie Holladay

OTHERS PRESENT

Reese Staff:

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

Legal Counsel: Darrell Guthrie

Visitors: None

Call the meeting to order.

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

ITEM 1 Citizen Comments

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

ITEM 2 Executive Session

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

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

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

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

No action taken in the Executive Session.

Reconvene the Board of Directors Meeting

Tim Pierce adjourned the Executive Session at 9:19 a.m. and reconvened Open Session at 9:33 a.m.

ITEM 3 Approved the Minutes of October 30, 2024, Board of Directors Meeting and November 26, 2024, Executive Committee / Compensation Committee Meeting

George McMahan moved to approve the minutes of October 30, 2024, Board of Directors Meeting and November 26, 2024, Executive Committee / Compensation Committee Meeting; John Tye seconded; the motion passed 5-0.

ITEM 4 Approved the Lease for South Plains Association of Governments for the Firing Range and Driving Course

John Tye moved to approve the Lease for South Plains Association of Governments for the Firing Range and Driving Course; Brian Kimberly seconded; the motion passed 4-0. Tim Pierce recused himself for discussion and voting.

ITEM 5

Financial Reports

Sandra Hamilton presented the October and November financial reports

ITEM 6

Reese Events and Activities

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

Adjournment

Tim Pierce adjourned the meeting at 9:42 a.m.

Content of minutes agreed to and approved by:

Approved by _____
Tim Pierce, President

ATTEST:

LRRR Board Member

AGENDA ITEM 4
COMPENSATION COMMITTEE RECOMMENDATIONS
CEO/EXECUTIVE DIRECTOR RAISE, BONUS, AND CAR ALLOWANCE
EXECUTIVE SUMMARY

In accordance with the Board approved FY2024 Employee Performance Incentive Bonus Plan, the Compensation Committee met on November 26, 2024, to review the CEO/Executive Director and to recommend a raise, bonus, and other compensation. At the December 11, 2024, board meeting, the details of that recommendation were discussed and at this meeting the Board will be acting on the recommendation.

Staff are requesting the Board ratify the actions of the President to adopt the Compensation Committee Recommendation for a raise, bonus, and car allowance for the CEO/Executive Director to be effective December 1, 2024.

BOARD ACTION ITEM No. 2025-0122-003
CHIEF EXECUTIVE OFFICER/EXECUTIVE DIRECTOR RAISE, BONUS, AND CAR
ALLOWANCE

BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY
January 22, 2025

Item to be Considered:

Ratify the decision of the President to adopt the Compensation Committee Recommendation for Raise, Bonus, and Car Allowance for the Chief Executive Officer/Executive Director

Previous Board Action:

- a. The Compensation Committee regularly recommends employee compensation to the Board.
- b. The Board of Directors approves and/or ratifies actions of the President in relation to employee compensation and benefits.

Statement of Pertinent Facts:

- a. The Compensation Committee has made the following recommendation which was implemented by the Board President effective December 1, 2024:

See attached Recommendation for Chief Executive Officer/Executive Director for Raise, Bonus, and Car Allowance effective December 1, 2024

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 ratifies the actions of the Board President to adopt the Compensation Committee recommendation for raise, bonus, and car allowance in regard to the Chief Executive Officer/Executive Director, attached, as submitted, on this 22nd day of January 2025.”

Tim Pierce, President

ATTEST:

LRRRA Board Member

AGENDA ITEM 5
EXECUTIVE SUMMARY
LRRRA Employee Performance Incentive Bonus Plan

Attached is a proposed Employee Performance Incentive Bonus Plan for FY2025 which is the same as the FY2024 plan.

Staff are requesting Board approval for the attached Plan for FY2025.

Proposed FY 2025 Employee Performance Incentive Bonus Plan

LRRA has two ways to reward and retain employees for their performance. One is through a merit increase and the other is through a performance incentive bonus plan.

The proposed FY 2025 Employee Bonus Plan is outlined below.

An employee may be eligible for a bonus after two tests are met: The Organization Eligibility Test and the Individual Eligibility Test.

- The Organization Eligibility Test – this test is needed to determine whether a bonus will be available to employees. The organization will need to meet these parameters to fund a bonus pool:
 - The organization must exceed the General Operating Budget (EBITDA) by 3%.
 - In determining if a bonus will be issued, the Compensation Committee and the Board will take into consideration any unusual events that may have affected the budget or in the Board's view the staff exceeded performance expectations during a particularly challenging period.
 - The total amount of the bonus pool for all employees shall not exceed the amount approved in the budget. For FY2025, the Board approved amount is \$75,000 for all employees.
 - Once it has been determined that a bonus pool will be funded:
 - The Executive Director will determine the bonus for all employees.
 - The Compensation Committee will determine the Executive Directors bonus and make a recommendation to the Board who will make the final decision.

- The Individual Eligibility Test – an employees' bonus will be calculated based on their individual performance.
 - For an employee to be eligible for a bonus, they must either “exceed” or “meet” standards. The Performance Score Scale is 0 – 3. A score below 1.5 is not eligible for a bonus, a score of 1.5 – 2.49 meets standards, and a score greater than or equal to 2.5 exceeds standards.
 - The Executive Director will determine the bonus for all employees.

Every effort will be made to ensure bonuses will be determined and paid to the employee by December 1, 2025.

The above plan will be reviewed and approved annually by the Board.

BOARD ACTION ITEM No. 2025-0122-004
EMPLOYEE PERFORMANCE INCENTIVE BONUS PLAN

BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY
January 22, 2025

Item to be Considered:

Consider LRRR Employee Performance Incentive Bonus Plan for FY2025

Previous Board Action:

The Board annually approves employee incentive bonus plans.

Statement of Pertinent Facts:

- a. The Executive Director will set the bonus for the employees and the Board will set the bonus for the Executive Director in accordance with the Board approved budget.
- b. A copy of the plan is 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 FY 2025 Employee Performance Incentive Bonus Plan, attached, as submitted, on this 22nd day of January 2025.”

Tim Pierce, Board President

ATTEST:

LRRR Board Member

AGENDA ITEM 6
EXECUTIVE SUMMARY
Edge Logistics, Inc., d/b/a Aerolane
Building 60

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

Edge Logistics (d/b/a Aerolane) is a current customer of Reese and has performed well under their lease. They currently lease Building 792, the Hush House, and need additional space. The attached lease for your consideration is for Building 60, which was previously leased by Oxy at \$4.68 per square foot.

This lease is for one year to match a contract, and Aerolane has two options to renew for two years each. The starting rate is \$8 per square foot with 3% annual increases. See attached deal sheet and lease 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.

Deal Sheet

Edge Logistics, Inc. d/b/a Aerolane
 Building 60
 "Subject to Board Approval"

November 11, 2024

Prospective Tenant:

Edge Logistics, Inc., a Delaware company (dba Aerolane)

Premises:

Building 60 (Estimated 6,750 SF)
 904 Davis Drive
 Lubbock, TX 79416

Financials:

Aerolane, a current customer who leases Building 792, has been with Reese since January 2023 and performs well under their lease. They need additional space to expand their growing Aerospace business.

Type of Lease:

Modified Gross Lease

Primary Term for Building 60 (6,750 SF):

Tenant will pay \$8.00 per SF for one year.

Rent:

Initial Term Lease Years	Total Annual Base Rent	Total Monthly Base Rent	Annual Base Rent Per Square Foot (6,750 sq ft)
Initial Term, Year 1	\$54,000.00	\$4,500.00	\$8.00
1 st Renewal, Year 1	\$55,620.00	\$4,635.00	\$8.24
1 st Renewal, Year 2	\$57,307.50	\$4,775.62	\$8.49
2 nd Renewal, Year 1	\$58,995.00	\$4,916.25	\$8.74
2 nd Renewal, Year 2	\$60,750.00	\$5,062.50	\$9.00
Total	\$286,672.50		

Renewal Options:

Tenant shall have two (2) options to renew for two (2) years each. Each option year will have 3% annual increases.

Termination Option:

None

Security Deposit:

Tenant will pay a deposit equal to one month's rent in the amount of \$4,500.00

Utilities:

Tenant is responsible for all utilities to be paid directly to the providers.

Make Ready:

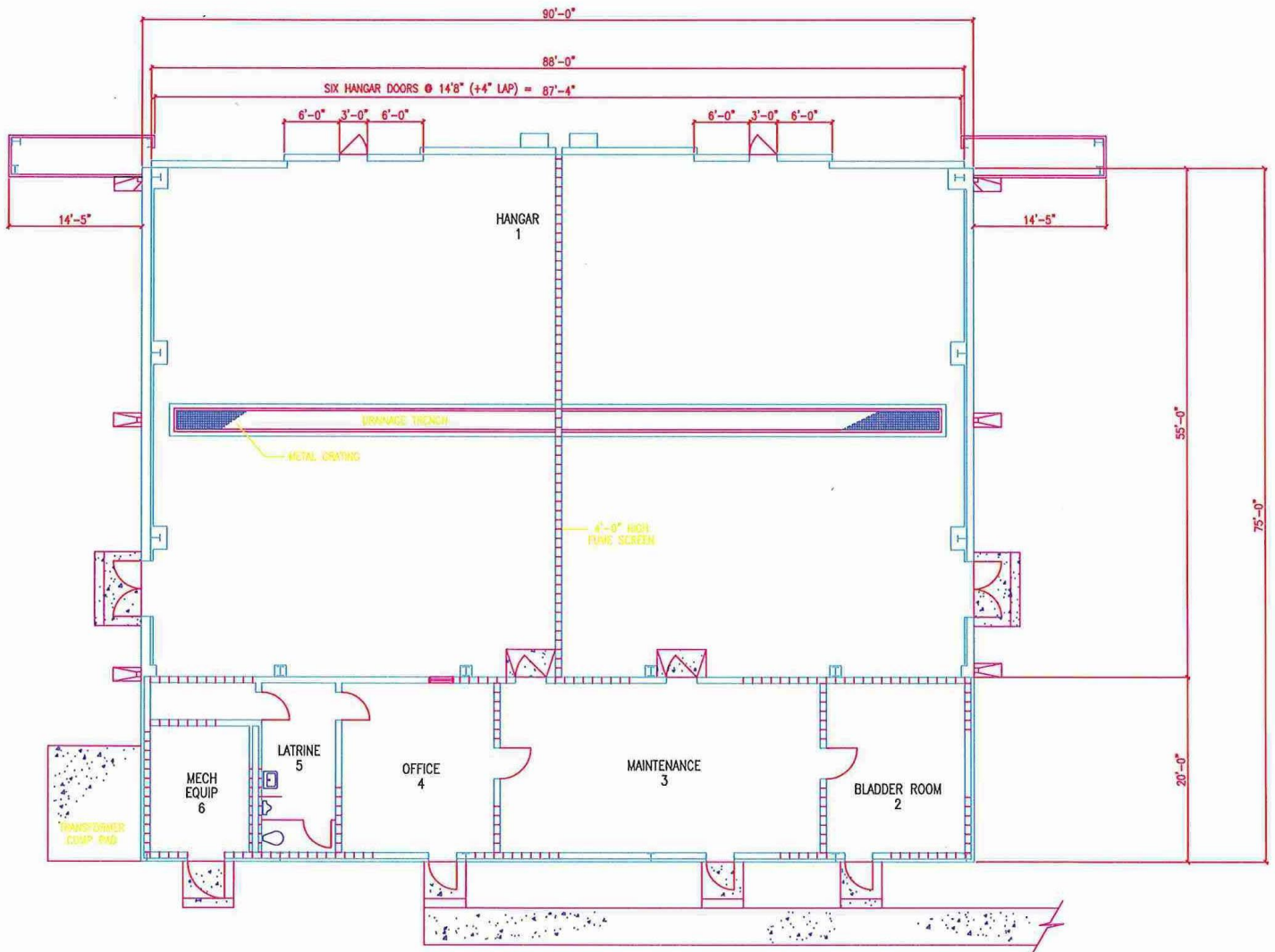
Reese will install HVAC in the office area and clean prior to move in.

Site Plan



Floor Plan

BUILDING 60 APPROXIMATELY 6,750 SQ FT.



STANDARD INDUSTRIAL LEASE

BETWEEN

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

AS LANDLORD

AND

EDGE LOGISTICS, INC., a Delaware corporation d/b/a AEROLANE

AS TENANT

FOR PREMISES LOCATED AT

Reese Technology Center Building No. 60 and adjacent parking area

904 Davis Drive

Lubbock, Texas 79416

STANDARD INDUSTRIAL LEASE

This Standard Industrial Lease (the "Lease") is made this ____ day of _____, 2025, by and between LUBBOCK REESE REDEVELOPMENT AUTHORITY, a political subdivision of the State of Texas (hereinafter referred to as "Landlord") and EDGE LOGISTICS, INC., a Delaware corporation, d/b/a AEROLANE (hereinafter referred to as "Tenant"). Landlord and Tenant are also referred to herein individually as a "Party" and collectively as the "Parties".

W I T N E S S E T H:

1. BASIC LEASE PROVISIONS

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

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

(c) Tenant: EDGE LOGISTICS, INC., a Delaware corporation, d/b/a AEROLANE, whose Federal Taxpayer Identification Number 61-1991388.

(d) Tenant Address: 550 Reserve Street Suite 190, Southlake, Texas

(e) Guarantors: N/A

(f) Guarantors' Addresses: N/A

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

(h) Premises means that certain building ("Building") and adjacent parking area located at 904 Davis Drive, Lubbock, Texas 79416, which is commonly known as Building or Hangar #60 (collectively, referred to herein as "Building"); and identified collectively as the "Premises" on the site plan attached hereto as Exhibit A (the "Site Plan").

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

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

(k) Option to Extend Term: Tenant shall have two (2) renewal options of two (2) years each, such 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 ninety days (90) 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: February 1, 2025.

(m) Commencement Date: February 1, 2025.

(n) Termination Date: January 31, 2026.

(o) Base Rent: The parties agree that the Base Rent set forth herein is what is commonly referred to as a "modified gross lease" and that Base Rent already includes, and Tenant shall not have to pay for Common Area (as defined below) Maintenance fees, grounds keeping-mowing expenses, parking, Landlord’s insurance, and any other charges incurred by Landlord with respect to the Premises, except as otherwise provided in this Lease. Said Base Rent does not include, and Tenant is solely responsible for any and all charges associated with utilities, trash dumpsters, telephone service, internet service, Tenant renovations, Premises maintenance, or housekeeping services, except as otherwise provided in this Lease. Subject to this paragraph, Base Rent shall be no less than set forth below, the then existing Base Rent will be increased by a fixed three percent (3%) annually during each year of the Lease Term. The adjustment in the Base Rent will be determined by multiplying the then existing Base Rent specified during the Lease Term (“Base Rent”) by 1.03, which will result in a “Revised Base Rent.”

Initial Term Lease Year	Total Annual Rent	Total Monthly Payment	Annual Base Rent Per Square Foot Area (6,750 square feet)
Initial Term, Year 1	\$54,000.00	\$4,500.00	\$8.00
1 st Renewal, Year 1	\$55,620.00	\$4,635.00	\$8.24
1 st Renewal, Year 2	\$57,307.50	\$4,775.62	\$8.49
2 nd Renewal, Year 1	\$58,995.00	\$4,916.25	\$8.74
2 nd Renewal, Year 2	\$60,750.00	\$5,062.50	\$9.00

(p) Security Deposit: Landlord agrees to accept as a security deposit one (1) months Base Rent in the amount of \$4,500.00. If Tenant defaults, Landlord may use the Security Deposit to pay arrears of Rent, to repair any damage or injury, or to pay any expense or liability incurred by Landlord as a result of the default.

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

(r) Tenant’s Option to Terminate: Not Applicable.

(s) Early Termination Fee: Not Applicable.

(t) Permitted Use: Tenant may use the Premises for the purposes of support to OPA (optionally piloted aircraft), RPA (remotely piloted aircraft) unmanned aerial system (UAS) operations, testing, and related FAA approved research/development and operations training (the “Permitted Use”).

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

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

Plains Capital Bank

5010 University

Lubbock, TX 79413

Routing Number - 111322994

Account Number - 7260002003

Deposits need to indicate: LUBBOCK REESE REDEVELOPMENT AUTHORITY

2. DEFINITIONS

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

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

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

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

3. RENT AND RENT INVOICES

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

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

2. REAL ESTATE TAXES AND OTHER TAXES

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

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

5. TENANT COVENANTS

(a) Tenant Agrees to –

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

(2) Subject to Landlord's installation of HVAC in the office area of the Premises, 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 and all needed hookups to water, wastewater, electric, gas, fiber optic cabling, and any other services needed at Tenant's expense, subject to Landlord's approval of the plan and specifications prior to any work being initiated. Furthermore, Tenant agrees and assures that any plans submitted, and subsequent work performed for any renovation or alteration to the Premises must comply with the federal Americans with Disabilities Act ("ADA") and the Texas Accessibility Standards ("TAS") requirements and adhere to the International Building

Code, as required by the Reese Technology Center Operating Manual, as amended, and as may be amended from time to time.

(3) Obey (i) all applicable federal, state, and local laws relating to the use, condition, and occupancy of the Premises and related to the Permitted Use; (ii) any requirements imposed by utility companies serving or insurance companies covering the Premises; and (iii) any rules and regulations for the Premises and Common Areas adopted by Landlord, to include the Reese Technology Center Operating Manual, as amended, and as may be amended from time to time, which do not unreasonably interfere with Tenant's use of the Premises and are equally applicable to all Project tenants. For subparagraph (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 five (5) percent of any Rent not received by Landlord by the tenth (10th) day after it is due.

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

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

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

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

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

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

(11) If accessed, pay an additional cleaning fee in the event such cleaning is required as a result of any act of the Tenant or as a result of activities, which are part of the Tenant's

use of the Premises. Tenant hereby agrees to pay such fee within ten (10) days of notification of fee assessment.

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

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

(14) Not Applicable

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

(16) Not Applicable

(17) Tenant shall provide Landlord evidence of FAA approval at least thirty (30) days in advance of beginning to provide the FAA Permitted Uses.

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

(19) Tenant shall pay for fiber optic installation to the Premises.

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

- (1) Use the Premises for any purpose other than the Permitted Use.
- (2) Create a nuisance, to include but not limited to noxious odors.

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

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

(5) Change Landlord's lock system.

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

(7) Subject to Section 12.q., assign this Lease or sublease any portion of the Premises without Landlord's prior express written consent.

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

(9) Place any signs on the Premises without Landlord's written consent.

(10) Bring suit against Landlord in connection with any claim or suit arising pursuant to Section 5(a)(13).

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

(12) Not Applicable

(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) Violate the restrictions and limitations identified in Sections 6(a)(5) and (6).

6. LANDLORD COVENANTS

(a) Landlord agrees to –

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

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

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

(4) Subject to the requirements of Section 5(a)(2), repair and maintain the (i) roof, to include roof membrane, (ii) foundation, to include floor slab, (iii) structural soundness of

load bearing and exterior walls, specifically excluding the large hangar doors, windows, window glass, plate glass, and doors, and (iv) Common Areas.

(5) Subject to the requirements of Sections 13.b. and 14, allow Tenant 24/7/365 access to the Premises, runway, and airfield (“UAS Facilities”). Landlord expressly reserves the right to restrict access to the UAS Facilities, if Tenant’s use interferes with use by other customers of the Landlord. Landlord will notify Tenant of any event that will limit or restrict access to the USA Facilities.

(6) The placement of a specified number of external private IP cameras (the “Closed Circuit Cameras”) and VHF, UHF and WiFi antennas to monitor internal and external areas of the UAS Facilities and conduct flight operations. It is expressly understood and agreed to by the Parties that Landlord may request, and Tenant will turn off the Closed Circuit Cameras and VHF, UHF and WiFi antennas for specified periods of time related to use of the runways and airfield by other customers of the Landlord.

(b) Landlord agrees not to—

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

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

3. COMMON AREAS

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

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

4. 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, storm water service, and other utilities furnished to the Premises directly to the provider of such service.

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

9. DAMAGE BY CASUALTY

(a) Notice of Damage and Estimated Repair Time. If the Premises is damaged or destroyed by fire or other casualty (“Casualty”), Landlord will, within thirty (30) days after the

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

(b) Tenant's Right to Terminate. If more than fifty percent (50%) of the floor area of the Premises is damaged or destroyed due to Casualty, then Tenant will have the right to terminate this Lease, effective as of the date of Casualty, by notice given to Landlord within fifteen (15) days after Tenant's receipt of Landlord's Casualty Notice.

(c) Landlord's Right to Terminate. If more than fifty percent (50%) of the floor area of the Premises is damaged or destroyed by Casualty during the Term, then Landlord may elect to terminate this Lease effective as of the date of the Casualty by notice given to Tenant not later than fifteen (15) days after Landlord delivers Landlord's Casualty Notice to Tenant.

(d) Landlord's Repair Obligation. Landlord's obligation will be to restore all portions of the Premises and the Common Areas in the immediate vicinity of and surrounding the Premises (including but not limited all parking areas surrounding the Premises and all sidewalks, roadways, driveways and access ways leading to and from the Premises) affected by a Casualty (exclusive of Tenant's fixtures and equipment) to their condition immediately preceding such Casualty, subject to available insurance proceeds. If Landlord for any reason whatsoever fails (1) to commence the repair and restoration work required hereunder within ninety (90) days from the date of the Casualty, (2) to proceed diligently to complete such repair and restoration work, or (3) fails to complete same within the estimated time set forth in Landlord's Casualty Notice, plus the number of days of delay caused by Uncontrollable Events, then, Tenant will have the right to terminate this Lease by giving Landlord notice and upon the giving of such notice, this Lease will terminate and the Parties will be liable for their respective obligations to the date of termination and will have no liability for obligations arising after that date, except for those obligations which expressly survive termination. Landlord agrees should damage occur in over fifty percent (50%) of the floor area no rent will be due or if mutually agreed a reduced rent will be paid, provided Tenant can use the portion of the Premises not damaged.

10. HAZARDOUS MATERIALS

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

(e) Tenant's Obligations. During the Term, Tenant will not use, generate, place, store, release or otherwise dispose of Hazardous Materials in the Premises or the Common Areas, except in accordance with all Environmental Laws, and subject to the Reservations recorded in the Deed Without Warranty Between the United States of America and Landlord recorded in the Real Property Records of Lubbock County, Texas at Deed Record 2006041652. Notwithstanding

anything to the contrary contained in this Lease, Landlord acknowledges and agrees that Tenant shall have the right to use and store in the Premises in Tenant's ordinary course of business Hazardous Materials in accordance with Environmental Laws, and subject to Section 10(e), below. In the event of a breach of the foregoing, Tenant will promptly undertake remediation or removal in accordance with all Environmental Laws. Tenant will indemnify, defend and hold Landlord and Landlord's Affiliated Parties harmless from and against, and reimburse Landlord and Landlord's Affiliated Parties for, all Hazardous Materials Liabilities asserted against or incurred by Landlord or Landlord's Affiliated Parties as a result of a breach of Tenant's obligations under this paragraph. Notwithstanding anything to the contrary contained herein, in no event shall Tenant be liable for Hazardous Materials existing in, on or about the Premises or the Project prior the Tenant's occupancy of the Premises. Tenant shall provide Landlord a copy of Tenant's plan for responding to hazardous waste, fuel, and chemical spills no later than the Commencement Date.

(f) Definitions. As used herein,

(i) "Landlord's Affiliated Parties" shall be construed broadly to include its officers, employees, agents, subcontractors, and the United States Air Force Real Property Agency and its contractors in their role to remediate certain groundwater issues, as set forth in 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, and to include but not limited to per-and polyfluoroalkyl substances (PFAS) around the former Reese Air Force Base.

(ii) "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;

(iii) "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

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

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

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

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

11. INSURANCE AND WAIVER OF SUBROGATION

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

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

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

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

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

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

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

12. ADDITIONAL LANDLORD AND TENANT AGREEMENTS

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

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

c. Condemnation/Substantial or Partial Taking

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

LANDLORD:

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

With a copy to:

Darrell J. Guthrie
Law Office of Darrell J. Guthrie, PLLC
4414 82nd Street
Ste 212 PMB #328
Lubbock, TX 79424
Email: djg@djguthrielaw.com

TENANT:

Edge Logistics, Inc.
d/b/a Aerolane
Todd Graetz
550 Reserve Street
Suite 190
Southlake, Texas 76092
Telephone: 281-984-4108
Email: tgraetz@aerolane.com

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

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

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

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

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

The foregoing notwithstanding, Tenant may assign its entire interest under this Lease to an Affiliate or to a successor to Tenant by purchase, merger, consolidation or reorganization without the consent of Landlord, provided that all of the following conditions are satisfied (a "Permitted Transfer"): (1) no uncured event of default exists under this Lease; (2) Tenant's successor shall

own all or substantially all of the assets of Tenant; and (3) Tenant shall give Landlord written notice at least thirty (30) days prior to the effective date of the proposed purchase, merger, consolidation or reorganization. The term “Affiliate” means any person or entity controlling, controlled by or under common control with Tenant. Tenant’s notice to Landlord shall include information and documentation showing that each of the above conditions has been satisfied.

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

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

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

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

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

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

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

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

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

aa. Chapter 2271 of the Texas Government Code. Tenant acknowledges that in accordance with Chapter 2270 of the Texas Government Code, the Landlord is prohibited from entering into a contract with a company for goods or services unless the contract contains a written verification from the Tenant that it: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the contract. The terms “boycott Israel” and “company” shall have the meanings

ascribed to those terms in Section 808.001 of the Texas Government Code. ***By signing this Lease, Tenant certifies that Tenant's signature provides written verification to the Landlord that Tenant: (1) does not boycott Israel; and (2) will not boycott Israel during the term of the Lease.***

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

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

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

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

14. SECURITY CONDITIONS

Landlord and Tenant acknowledge and agree that the Project is located on property formerly owned and operated by the United States Air Force as the Reese Air Force Base, and that

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

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

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

/Signature Page Follows/

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

LUBBOCK REESE
REDEVELOPMENT AUTHORITY
("Landlord")

EDGE LOGISTICS, INC. d/b/a AEROLANE
("Tenant")

By: Murvat Musa
Its: Chief Executive Officer

By: Todd Graetz
Its: Co-Founder

Date

Date

EXHIBIT A

Site Plan



EXHIBIT B

Reese Airpark Rates and Charges

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

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

**BOARD ACTION ITEM #2025-0122-005
EDGE LOGISTICS, INC. d/b/a AEROLANE LEASE FOR B60**

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

Item to be Considered:

Consider Lease for Edge Logistics, Inc. d/b/a Aerolane for Building 60

Previous Board Action:

The Board previously approved a lease for Edge Logistics for Building 792

Statement of Pertinent Facts:

- a. Aerolane is a current customer for Reese in Building 792
- b. Use of Premises: Aerospace
- c. Proposed Lease for Building 60:
 - 1. Term: 1 year
 - 2. Rate: \$8/SF in first year, annual increases of 3% thereafter
 - 3. Renewal Options: two 2-year options to renew

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 Edge Logistics d/b/a Aerolane for Building 60, subject to negotiation of final terms and conditions, on this 22nd day of January 2025.”

Tim Pierce, President

ATTEST:

Board Member

**AGENDA ITEM 7
REESE EAST 90 BUSINESS PARK BID AWARD
EXECUTIVE SUMMARY**

On July 31, 2023, LRRRA was awarded a \$2 million EDA grant for infrastructure improvements for the Reese East 90 Business Park. The LRRRA Board approved a match of \$1,042,320 making the total project budget \$3,042,320.

In December 2024 the LRRRA advertised accepting bids in two separate parts to the project, one for pavement improvements and one for utilities. Bid opening was on January 15, 2025, and these are the results:

Pavement Improvements:

Bidder	Base Bid	Alternate 1	Alternate 2	Alternate 3	Total w/Alternates
West Texas Paving	\$2,294,260	\$391,254	\$231,470	\$29,480	\$2,946,464
Loan Star Paving	\$2,457,828	\$442,812	\$165,820	\$45,970	\$3,112,430

The lowest bidder is West Texas Paving. See attached map detailing the alternates.

Utilities (water and wastewater):

Bidder	Base Bid
Thunder Well	\$665,884.00
Deerwood	\$698,197.25
Rinks Service	\$780,570.00

The lowest bidder is Thunder Well

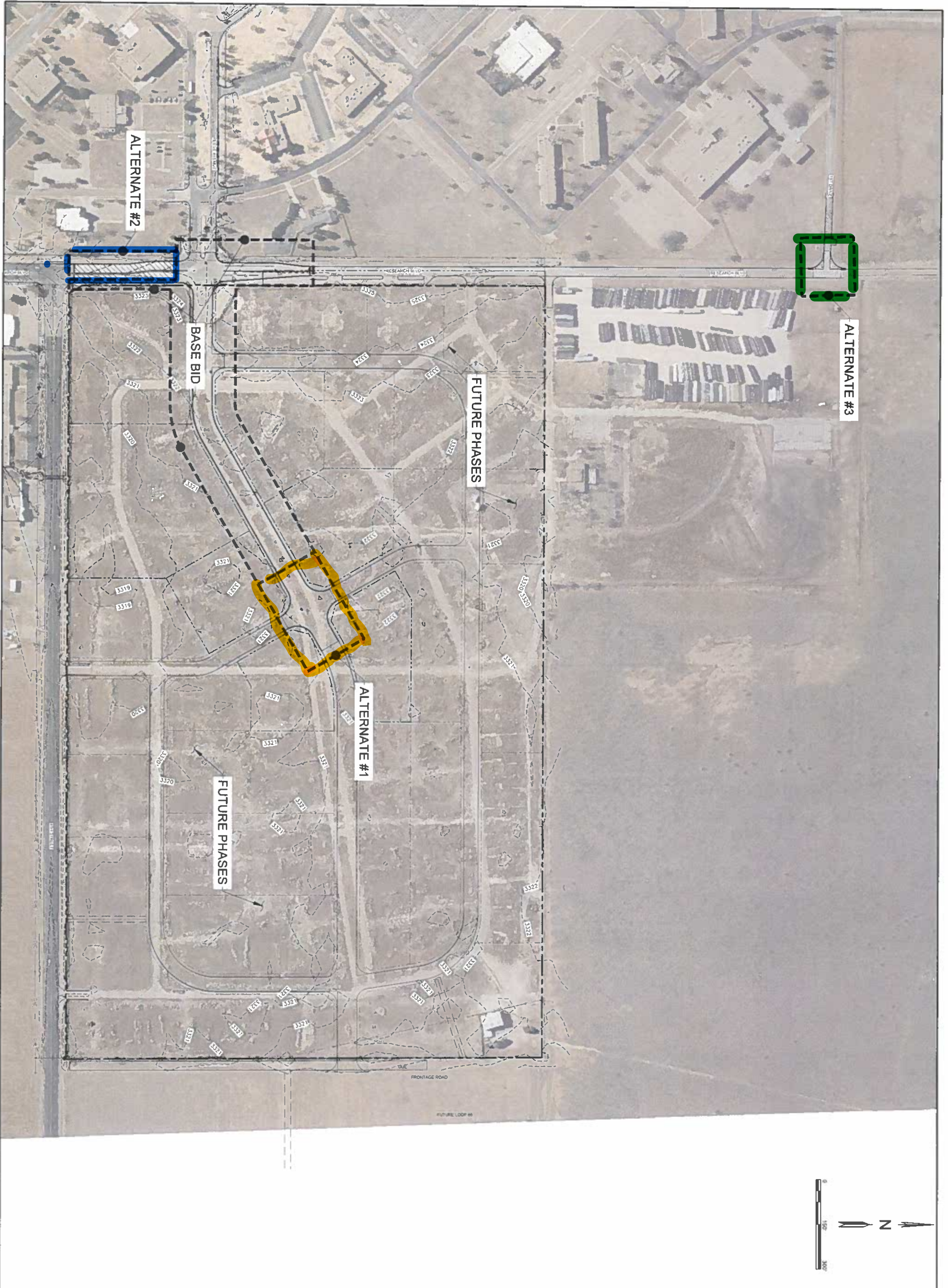
The total amount needed for only the base bids:

	Base Bid Only
SPAG Admin Fees	\$50,000
Parkhill Engineering	\$249,448
Pavement/West Texas Paving	\$2,294,260
Utilities/Thunder Well	\$665,884
Total	\$3,259,592
Budget	\$3,042,320
Difference Needed	\$217,272

The total amount needed for base bids plus Alternates 2 &3:

	Base Bid w/Alt 2 & 3
SPAG Admin Fees	\$50,000
Parkhill Engineering	\$249,448
Pavement/West Texas Paving	\$2,555,210
Utilities/Thunder Well	\$665,884
Total	\$3,520,542
Budget	\$3,042,320
Difference Needed	\$478,222

1. Staff are recommending the Board increase the grant match by an additional \$478,222 for a total of \$1,520,542.
2. Staff are recommending awarding the pavement improvements to West Texas Paving to include Alternates 2 and 3 for \$2,555,210.
3. Staff are recommending awarding the utilities improvements to Thunder Well for \$665,884.



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Parkhill.com

Reese East 90 Business Park Paving Plans



CLIENT
 Reese Technology Center
 9801 Reese Blvd.
 Suite 200
 Lubbock, TX 79416

PROJECT NO.	DATE	REVISION
40294.22	09/10/2024	Issue For Review

Overall Plan
C-100

BOARD ACTION ITEM No. 2025-0122-006
REESE EAST 90 BUSINESS PARK
GRANT MATCH INCREASE AND BID AWARDS FOR INFRASTRUCTURE IMPROVEMENTS

BOARD OF DIRECTORS
LUBBOCK REESE REDEVELOPMENT AUTHORITY
January 22, 2025

Item to be Considered:

Consider Increasing Grant Match and Awarding Bids for Infrastructure Improvements

Previous Board Action:

In July 2023 LRRRA was awarded a \$2 million EDA grant for infrastructure improvements and LRRRA approved a match of \$1,042,320 for a total of \$3,042,320.

Statement of Pertinent Facts:

- a. In December 2024 LRRRA advertised accepting bids for two separate parts of this EDA project: one for pavement improvements and one for utilities.
- b. The Bid opening was on January 15, 2024.
- c. The results of the bids are detailed in the attached Executive Summary
- d. The staff recommend the following:
 - a. The Board increase the grant match by \$478,222 for a total of \$1,520,542
 - b. The Board awards the pavement improvements to West Texas Paving to include Alternates 2 and 3 for a total of \$2,555,210
 - c. The Board awards the utilities improvements to Thunder Well in the amount of \$665,884

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 increases the award match to \$1,520,542; awards the pavement improvements to West Texas Paving including Alternates 2 and 3 for a total of \$2,555,210, and awards the utility improvements to Thunder Well in the amount of \$665,884, as submitted, on this 22nd day of January 2025.”

Tim Pierce, Board President

ATTEST:

LRRRA Board Member

CASH BALANCES - DECEMBER 31, 2024

	11/30/2024	12/31/2024	Change
General Fund Bank Accounts	\$ 4,659,960	\$ 4,773,235	\$ 113,275
Fiber Optic Fund Checking	\$ -	\$ -	\$ -
EDA Grant Checking	\$ 128,945	\$ 128,944	\$ (1)
Capital Maintenance - Designated	\$ 855,000	\$ 855,000	\$ -
Petty Cash	\$ -	\$ -	\$ -
Total Cash	\$ 5,643,905	\$ 5,757,179	\$ 113,274
Accounts Receivable - G/F	\$ 260,465	\$ 266,131	\$ 5,666
Accounts Receivable - F/O	\$ 10,702	\$ 22,416	\$ 11,714
Total Accounts Receivable	\$ 271,167	\$ 288,547	\$ 17,380
Total Cash & Accounts Receivable	\$ 5,915,072	\$ 6,045,726	\$ 130,654

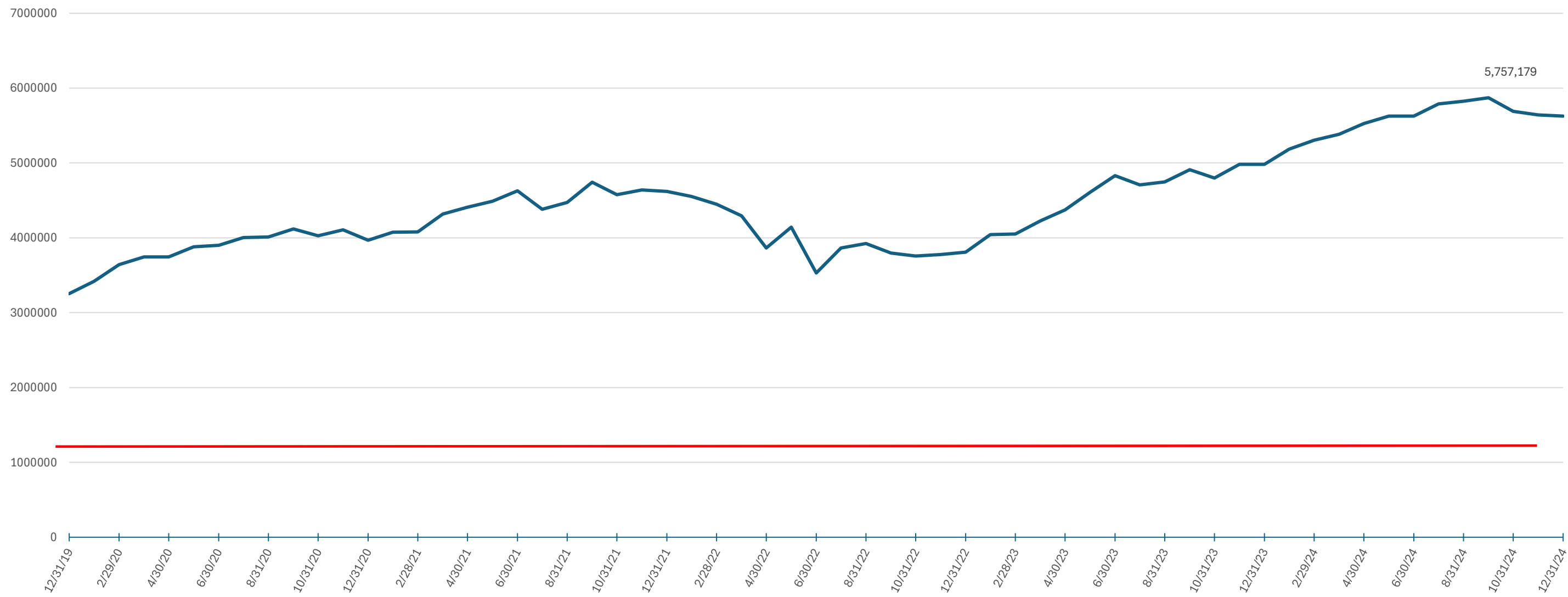
Aged Accounts Receivable as of 12/31/2024

CURRENT	1 - 30 Days - Invoices	31 - 60 Days - Invoices	61 > Days - Invoices	Over 90 Days	TOTAL
218,378.32	29,545.47	16,336.69	23,338.11	949.17	288,547.76

EXTRAORDINARY EXPENSES/CAPITAL EXPENSES & OTHER

\$ -

LRRR Available Cash
DECEMBER 2019 - 2024



FINANCIAL HIGHLIGHTS - DECEMBER 31, 2024

DESCRIPTION	Month	G/F	Month	F/O	Month's Total	YTD	G/F	YTD	F/O	YTD	Total
Operating Revenue	\$ 285,547		\$ 23,444		\$ 308,991		\$ 695,750		\$ 58,831		\$ 754,581
Other Revenue - Usage Fees	\$ 35,955		\$ 2,597		\$ 38,552		\$ 117,630		\$ 5,800		\$ 123,430
Total Revenue	\$ 321,502		\$ 26,041		\$ 347,543		\$ 813,380		\$ 64,631		\$ 878,011
Expenses	\$ 287,382		\$ 11,097		\$ 298,479		\$ 717,409		\$ 27,468		\$ 744,877
Net Income BPSID	\$ 34,120		\$ 14,944		\$ 49,064		\$ 95,971		\$ 37,163		\$ 133,134
Interest Income - Plus	\$ 18,104		\$ -		\$ 18,104		\$ 56,231		\$ -		\$ 56,231
Depreciation - Less	\$ (49,924)		\$ (3,283)		\$ (53,207)		\$ (149,773)		\$ (9,850)		\$ (159,623)
Net Income	\$ 2,300		\$ 11,661		\$ 13,961		\$ 2,429		\$ 27,313		\$ 29,742

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 12/31/2024

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
ASSETS				
CURRENT ASSETS				
CASH AND CASH EQUIVALENTS	5,628,235	-	-	5,628,235
RESTRICTED CASH AND CASH EQUIVALENTS	-	128,944	-	128,944
ACCOUNTS RECEIVABLE	266,131	-	22,416	288,548
LEASES RECEIVABLE, CURRENT - GASB 87	1,624,951	-	86,032	1,710,983
INVESTMENT	-	-	-	-
DUE FROM FEDERAL GOVERNMENT	-	-	-	-
PREPAID EXPENSES	226,051	-	11,027	237,078
DUE FROM TRANSFERS	-	-	-	-
Total CURRENT ASSETS	7,745,368	128,944	119,476	7,993,788
NONCURRENT ASSETS				
LEASES RECEIVABLE, NET OF CURRENT PORTION	4,203,727	-	26,621	4,230,348
Total NONCURRENT ASSETS	4,203,727	-	26,621	4,230,348
CAPITAL ASSETS				
LAND	1,481,401	-	-	1,481,401
CONSTRUCTION IN PROGRESS	5,303	98,815	23,674	127,792
BUILDINGS	2,070,050	-	-	2,070,050
INFRASTRUCTURE AND RELATED IMPROVEMENTS	5,706,011	-	1,751,519	7,457,530
COMPUTERS AND OFFICE EQUIPMENT	133,971	-	152,492	286,463
BUILDINGS IMPROVEMENTS	4,536,721	-	250,840	4,787,561
VEHICLES	287,230	-	-	287,230
GROUND MAINTENANCE EQUIPMENT	277,450	-	158,387	435,837
RIGHT TO USE LEASE ASSET - GASB 87	15,500	-	-	15,500
BASE CONVEYANCE	-	-	-	-
BASE HOUSING	-	-	-	-
OTHER	-	-	-	-
LESS ACCUMULATED DEPRECIATION	(6,854,264)	-	(2,184,179)	(9,038,443)
LESS ACCUMULATED DEPRECIATION - GASB 87	(15,500)	-	-	(15,500)
Total CAPITAL ASSETS	7,643,873	98,815	152,732	7,895,421
NET PENSION ASSET				
NET PENSION ASSETS, NET	156,524	-	-	156,524
Total NET PENSION ASSET	156,524	-	-	156,524
Total ASSETS	19,749,492	227,759	298,829	20,276,080
DEFERRED OUTFLOWS OF RESOURCES				
EMPLOYER CONTRIBUTIONS SUBSEQUENT TO THE MEASUREMENT CHANGE IN ASSUMPTIONS	16,224	-	-	16,224
DIFFERENCES BETWEEN EXPECTED AND ACTUAL EXPERIENCE	11,941	-	-	11,941
Total DEFERRED OUTFLOWS OF RESOURCES	28,165	-	-	28,165
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	19,777,657	227,759	298,829	20,304,245

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Balance Sheet
As of 12/31/2024

	Data Center /			
	General Fund	EDA Grant Fund	Fiber Optic Fund	Total
LIABILITIES				
CURRENT LIABILITIES				
ACCOUNTS PAYABLE	75,417	600	3,840	79,856
ACCRUED EXPENSES	62,639	-	-	62,639
REFUNDABLE DEPOSITS	125,534	-	-	125,534
UNEARNED REVENUES	387,217	-	20,216	407,433
COMPENSATED ABSENCES	9,604	-	-	9,604
LEASE LIABILITY, CURRENT	1,645	-	-	1,645
LEASE PAYABLES	-	-	-	-
DUE TO TRANSFERS	-	-	-	-
OTHER LIABILITIES	98,432	-	-	98,432
Total CURRENT LIABILITIES	760,487	600	24,056	785,142
NON-CURRENT LIABILITIES				
LEASE LIABILITY, NET OF CURRENT PORTION	(4,368)	-	-	(4,368)
Total NON-CURRENT LIABILITIES	(4,368)	-	-	(4,368)
Total LIABILITIES	756,119	600	24,056	780,774
DEFERRED INFLOWS OF RESOURCES				
NET DIFF BETWEEN PROJECTED AND ACTUAL INVESTMENT	(29,371)	-	-	(29,371)
CHANGE IN ASSUMPTION	3,230	-	-	3,230
LEASES - GASB 87	5,483,101	-	106,889	5,589,990
Total DEFERRED INFLOWS OF RESOURCES	5,456,960	-	106,889	5,563,849
TOTAL LIABILITIES	6,213,079	600	130,945	6,344,623
FUND EQUITY				
BEGINNING OF PERIOD	13,574,301	227,159	128,421	13,929,881
TRANSFERS IN (OUT)	(12,150)	-	12,150	-
YEAR TO DATE EARNINGS	2,428	-	27,313	29,741
Total FUND EQUITY	13,564,579	227,159	167,884	13,959,622
TOTAL LIABILITY, FUND BALANCE, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	19,777,657	227,759	298,829	20,304,245
Total report	-	-	-	-

LUBBOCK REESE REDEVELOPMENT AUTHORITY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND EQUITY
 From 10/1/2024 Through 12/31/2024

(In Whole Numbers)

	General Fund	EDA Grant Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES	813,379	-	64,631	878,011
OPERATING EXPENSES	867,183	-	37,318	904,501
OPERATING INCOME(LOSS)	(53,803)	-	27,313	(26,490)
NONOPERATING INTEREST INCOME	56,231	-	-	56,231
TRANSFERS IN (OUT)	(12,150)	-	12,150	-
NET NONOPERATING REVENUES	44,081	-	12,150	56,231
INCREASE (DECREASE) IN FUND EQUITY	(9,722)	-	39,463	29,741
FUND EQUITY, BEGINNING	13,574,301	227,159	128,421	13,929,881
FUND EQUITY, ENDING	13,564,579	227,159	167,884	13,959,622

LUBBOCK REESE REDEVELOPMENT AUTHORITY

SUPPLEMENTAL SCHEDULE OF REVENUES

From 10/1/2024 Through 12/31/2024

(In Whole Numbers)

	General Fund	Data Center / Fiber Optic Fund	Total
OPERATING REVENUES			
LEASE INCOME	482,730	-	482,730
DATA CENTER / FIBER OPTIC INCOME	-	58,831	58,831
COMMON AREA MAINTENANCE/PBT CAM	194,946	-	194,946
USAGE FEES	117,630	5,800	123,430
CONTRACT WORK INCOME	734	-	734
UTILITY FRANCHISE FEES	13,975	-	13,975
Total OPERATING REVENUES	810,015	64,631	874,646
NON-OPERATING REVENUES			
INTEREST EXPENSE / BANK CHARGES	(264)	-	(264)
MISCELLANEOUS INCOME	3,365	-	3,365
INTEREST INCOME	56,231	-	56,231
Total NON-OPERATING REVENUES	59,332	-	59,332
TOTAL REVENUES	869,346	64,631	933,977

LUBBOCK REESE REDEVELOPMENT AUTHORITY

Statement of Revenues and Expenditures

From 10/1/2024 Through 12/31/2024

	Data Center /		
	General	Fiber Optic	
	Fund	Fund	Total
OPERATING EXPENSES			
COMPENSATION AND BENEFITS:			
SALARIES AND BENEFITS	274,062	-	274,062
CONTRACT SERVICES	6,222	615	6,837
GENERAL AND LIABILITY INSURANCE	72,527	3,817	76,345
Total COMPENSATION AND BENEFITS:	352,812	4,432	357,244
BUILDING REPAIRS AND MAINTENANCE:			
REPAIRS AND MAINTENANCE	172,060	-	172,060
BUILDING MAINTENANCE MATERIALS	8,110	135	8,245
MARKETING AND PROMOTIONAL EXPENSES	19,506	-	19,506
TRAVEL EXPENSES	4,095	-	4,095
PRINTING AND ADVERTISING	264	-	264
DEPRECIATION EXPENSE	149,773	9,850	159,624
TELEPHONE	623	-	623
OFFICE SUPPLIES	7,604	-	7,604
TRAINING AND TUITION EXPENSES	2,191	-	2,191
UTILITIES	117,440	7,884	125,324
Total BUILDING REPAIRS AND MAINTENANCE:	481,666	17,869	499,535
PROFESSIONAL SERVICES			
ACCOUNTING AND AUDITING FEES	316	-	316
LEGAL FEES	27,089	-	27,089
Total PROFESSIONAL SERVICES	27,404	-	27,404
COMPUTER SOFTWARE AND MAINTENANCE			
COMPUTER SOFTWARE AND MAINTENANCE	-	9,850	9,850
Total COMPUTER SOFTWARE AND MAINTENANCE	-	9,850	9,850
OTHER OPERATING EXPENSES			
BANK CHARGES	264	-	264
INTERNET CHARGES	-	5,166	5,166
POSTAGE	335	-	335
MEETING EXPENSES	4,320	-	4,320
LICENSES AND FEES	381	-	381
Total OTHER OPERATING EXPENSES	5,301	5,166	10,467
Total OPERATING EXPENSES	867,183	37,318	904,501

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 12/1/2024 Through 12/31/2024

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	219,212	191,667	27,545	482,730	575,000	(92,270)
PBT Cam Fees	64,982	63,667	1,315	194,946	191,000	3,946
Usage Fees	35,955	22,917	13,038	117,630	68,750	48,880
Contract Services	-	667	(667)	734	2,000	(1,266)
Utility Franchise Fees	1,353	1,667	(314)	13,975	14,000	(25)
Other-Miscellaneous	-	-	-	3,365	-	3,365
Total REVENUES	321,502	280,583	40,918	813,379	850,750	(37,371)
EXPENSES						
Salaries & Taxes	116,863	91,372	(25,491)	244,463	216,423	(28,040)
Benefits - Health, Retirement & Wkr's Comp	10,495	12,792	2,297	29,599	38,375	8,776
Insurance -Property & General Liabilities	24,176	25,000	824	72,527	75,000	2,473
Administrative Expenses	3,414	3,283	(131)	5,553	5,100	(453)
General Office Expenses	3,625	6,488	2,862	17,200	19,463	2,262
Accounting & Auditing Services	137	100	(37)	316	300	(16)
Legal Services	8,190	6,250	(1,940)	27,089	18,750	(8,339)
Network Maintenance Contract	1,568	1,667	99	5,692	5,000	(692)
Training & Travel	361	1,417	1,056	6,287	4,250	(2,037)
Marketing Expenses	9,050	6,750	(2,300)	19,184	20,250	1,066
Operations	53,697	54,242	544	172,060	162,725	(9,335)
Utilities	55,807	29,015	(26,792)	117,440	89,594	(27,846)
Total EXPENSES	287,382	238,374	(49,008)	717,409	655,229	(62,180)
NIBPSID	34,119	42,209	(8,090)	95,970	195,521	(99,551)
NON OPERATING REVENUE						
Interest Income	18,104	8,333	9,771	56,231	25,000	31,231
Total NON OPERATING REVENUE	18,104	8,333	9,771	56,231	25,000	31,231
DEPRECIATION						
Depreciation Expense	(49,924)	(54,167)	4,242	(149,773)	(162,500)	12,727
Total DEPRECIATION	(49,924)	(54,167)	4,242	(149,773)	(162,500)	12,727
Increase (Decrease) In Fund Equity	2,299	(3,624)	5,923	2,428	58,021	(55,593)

GENERAL FUND

Explanation of Significant Budget Variances

2024 DECEMBER

		Month Variance		YTD Variance	Explanations	
Revenues, Leases	4200, 4201	\$ 27,545	\$	(92,270)	Not currently billing KBR	Year End is expected to be under budget.
Revenues, Usage	4260	\$ 13,038	\$	48,880	Higher usage of utilities, specifically water, than expected	Year End is expected to be over budget
Expenses, Salaries & Taxes	5100, 5110	\$ (25,491)	\$	(28,040)	Staff vacancy	Year End is expected to be under budget
Expenses, Utilities	5380	\$ (26,792)	\$	(27,846)	Water usage is usually weather realated - goes up and down	Year End is expected to be below budget.

LUBBOCK REESE REDEVELOPMENT AUTHORITY
Statement of Revenues and Expenditures - Unposted Transactions Included In Report
From 12/1/2024 Through 12/31/2024

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	2,597	2,083	514	5,800	6,250	(450)
Fiber Optic/Wireless Income	23,444	17,500	5,944	58,831	52,500	6,331
Total REVENUES	26,041	19,583	6,457	64,631	58,750	5,881
EXPENSES						
Insurance -Property & General Liabilities	1,272	1,333	61	3,817	4,000	183
General Office Expenses	45	83	38	135	250	115
Computer Software & Maintenance	3,700	3,333	(367)	9,850	10,000	150
Internet	1,722	1,833	111	5,166	5,500	334
Building Maintenance & Repairs	150	1,250	1,100	615	3,750	3,135
Utilities	4,207	5,192	984	7,884	15,575	7,691
Total EXPENSES	11,097	13,025	1,928	27,468	39,075	11,607
NIBPSID	14,944	6,558	8,386	37,164	19,675	17,489
DEPRECIATION						
Depreciation Expense	(3,283)	(3,833)	550	(9,850)	(11,500)	1,650
Total DEPRECIATION	(3,283)	(3,833)	550	(9,850)	(11,500)	1,650
Increase (Decrease) In Fund Equity	11,661	2,725	8,936	27,313	8,175	19,138

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	219,212	191,667	27,545	482,730	575,000	(92,270)
PBT Cam Fees	64,982	63,667	1,315	194,946	191,000	3,946
Usage Fees	38,552	25,000	13,552	123,430	75,000	48,430
Contract Services	-	667	(667)	734	2,000	(1,266)
Utility Franchise Fees	1,353	1,667	(314)	13,975	14,000	(25)
Other-Miscellaneous	-	-	-	3,365	-	3,365
Fiber Optic/Wireless Income	23,444	17,500	5,944	58,831	52,500	6,331
Total REVENUES	347,542	300,167	47,376	878,011	909,500	(31,489)
EXPENSES						
Salaries & Taxes	116,863	91,372	(25,491)	244,463	216,423	(28,040)
Benefits - Health, Retirement & Wkr's Comp	10,495	12,792	2,297	29,599	38,375	8,776
Insurance -Property & General Liabilities	25,448	26,333	885	76,345	79,000	2,655
Administrative Expenses	3,414	3,283	(131)	5,553	5,100	(453)
General Office Expenses	3,670	6,571	2,901	17,335	19,712	2,377
Accounting & Auditing Services	137	100	(37)	316	300	(16)
Computer Software & Maintenance	3,700	3,333	(367)	9,850	10,000	150
Internet	1,722	1,833	111	5,166	5,500	334
Legal Services	8,190	6,250	(1,940)	27,089	18,750	(8,339)
Network Maintenance Contract	1,568	1,667	99	5,692	5,000	(692)
Training & Travel	361	1,417	1,056	6,287	4,250	(2,037)
Marketing Expenses	9,050	6,750	(2,300)	19,184	20,250	1,066
Operations	53,697	54,242	544	172,060	162,725	(9,335)
Building Maintenance & Repairs	150	1,250	1,100	615	3,750	3,135
Utilities	60,014	34,207	(25,807)	125,324	105,169	(20,155)
Total EXPENSES	298,479	251,399	(47,080)	744,877	694,304	(50,573)
NIBPSID	49,063	48,767	296	133,134	215,196	(82,062)
NON OPERATING REVENUE						
Interest Income	18,104	8,333	9,771	56,231	25,000	31,231
Total NON OPERATING REVENUE	18,104	8,333	9,771	56,231	25,000	31,231
DEPRECIATION						
Depreciation Expense	(53,208)	(58,000)	4,792	(159,624)	(174,000)	14,376
Total DEPRECIATION	(53,208)	(58,000)	4,792	(159,624)	(174,000)	14,376
Increase (Decrease) In Fund Equity	13,960	(899)	14,859	29,741	66,196	(36,454)


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						
Leases	219,212	186,009	33,203	482,730	546,709	(63,979)
PBT Cam Fees	64,982	62,646	2,336	194,946	187,937	7,009
Usage Fees	38,552	18,617	19,935	123,430	70,230	53,200
Contract Services	-	-	-	734	12,450	(11,716)
Utility Franchise Fees	1,353	6,701	(5,348)	13,975	18,447	(4,472)
Other-Miscellaneous	-	-	-	3,365	450	2,915
Fiber Optic/Wireless Income	23,444	20,216	3,228	58,831	60,647	(1,816)
Total REVENUES	347,542	294,189	53,353	878,011	896,870	(18,859)
			0			0
EXPENSES						
Salaries & Taxes	116,863	128,855	(11,992)	244,463	224,164	20,299
Benefits - Health, Retirement & Wkr's	10,495	12,131	(1,636)	29,599	33,269	(3,670)
Insurance -Property & General Liabilities	25,448	21,022	4,426	76,345	63,065	13,280
Administrative Expenses	3,414	1,032	2,382	5,553	3,845	1,708
General Office Expenses	3,670	8,809	(5,139)	17,335	21,429	(4,094)
Accounting & Auditing Services	137	109	28	316	288	28
Computer Software & Maintenance	3,700	2,450	1,250	9,850	8,425	1,425
Internet	1,722	1,722	-	5,166	5,166	-
Legal Services	8,190	4,650	3,540	27,089	14,697	12,392
Network Maintenance Contract	1,568	1,599	(31)	5,692	5,463	229
Training & Travel	361	1,468	(1,107)	6,287	7,768	(1,481)
Marketing Expenses	9,050	10,133	(1,083)	19,184	16,788	2,396
Operations	53,697	30,771	22,926	172,060	135,110	36,950
Building Maintenance & Repairs	150	-	150	615	-	615
Utilities	60,014	29,355	30,659	125,324	60,173	65,151
Total EXPENSES	298,479	254,106	44,373	744,877	599,649	145,228
NIBPSID	49,063	40,083	8,980	133,134	297,221	(164,087)
NON OPERATING REVENUE						
Interest Income	18,104	19,173	(1,069)	56,231	56,662	(431)
Total NON OPERATING REVENUE	18,104	19,173	(1,069)	56,231	56,662	(431)
DEPRECIATION						
Depreciation Expense	(53,208)	(53,208)	-	(159,624)	(159,624)	-
Total DEPRECIATION	(53,208)	(53,208)	-	(159,624)	(159,624)	-
Increase (Decrease) In Fund Equity	13,960	6,047	7,913	29,741	194,259	(164,518)

January 22, 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 12/31/24	FDIC Insured or Collateralization (market value)
PlainsCapital Operating Account	2003	4.20%	4.24%	\$ 16,207.45				\$ 16,207.45	\$ 1,476,602.39	\$ 1,436,354.00
Totals PlainsCapital				\$ 16,207.45	\$ -	\$ -	\$ -	\$ 16,207.45	\$ 1,476,602.39	
Peoples Bank ICS/Sweep Account*	288	3.72%	4.24%	\$ 40,023.78				\$ 40,023.78	\$ 4,176,389.81	\$ 250,000.00
Peoples Bank EDA	575	0.00%	4.24%	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 128,944.00	\$ 250,000.00
Totals Peoples Bank				\$ 40,023.78	\$ -	\$ -	\$ -	\$ 40,023.78	\$ 4,305,333.81	
Total of All Accounts				\$ 56,231.23	\$ -	\$ -	\$ -	\$ 56,231.23	\$ 5,781,936.20	
Per our Investment Policy our Weighted Average Maturity (WAM) is 6 months. Our investments are all cash and available immediately										
*No more than \$250,000 (the FDIC insured amount) is invested in each bank as part of this program										

	DATE	EVENT
December	December 6	LRRR Annual Staff Christmas Celebration & Employee Recognition
	December 11	LRRR Board of Directors Meeting
	December 24-26	LRRR Office Closed for Christmas Holiday
	December 31-January 1	LRRR Office Closed for New Years Holiday
January	January 22	LRRR Board of Directors Meeting
	January 22	Reese Capital Corporation Annual Meeting
Looking Ahead		
February	February 21	South Plains College Scholarship Gala
	February 26	LRRR Board of Directors Meeting