

**CITY OF EL PASO, TEXAS
AGENDA ITEM
DEPARTMENT HEAD'S SUMMARY FORM**

DEPARTMENT:

AGENDA DATE:

PUBLIC HEARING DATE:

CONTACT PERSON NAME:

PHONE NUMBER:

2nd CONTACT PERSON NAME:

PHONE NUMBER:

DISTRICT(S) AFFECTED:

STRATEGIC GOAL:

SUBGOAL:

SUBJECT:

BACKGROUND / DISCUSSION:

COMMUNITY AND STAKEHOLDER OUTREACH:

PRIOR COUNCIL ACTION:

AMOUNT AND SOURCE OF FUNDING:

REPORTING OF CONTRIBUTION OR DONATION TO CITY COUNCIL:

NAME	AMOUNT (\$)

*****REQUIRED AUTHORIZATION*****

DEPARTMENT HEAD: 

(If Department Head Summary Form is initiated by Purchasing, client department should sign also)

RESOLUTION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

That the City Manager be authorized to sign a Chapter 380 Economic Development Program Agreement (“Agreement”) by and between the **CITY OF EL PASO** (“City”) and **FERVERET, INC.**, (“Applicant”), to further the municipal purpose of promoting economic development in the City, in support of the business operations at the Innovation Factory located at **501 George Perry Suite F, El Paso, Texas 79925** and as more particularly described and depicted on *Exhibit A* of the Agreement. The business operations include the development of the Applicant’s immersion cooling solution technology, which aims to address the increasing demand for power-intensive microchips and reduce data center emissions. The Agreement requires the Applicant to create 30 full-time employees, or an equivalent number of hours at or above the median county wage for El Paso County, Texas within the first 3 years of the Agreement. Over the term of the Agreement, the City shall provide economic incentives not to exceed **\$875,634.84** in the form of Rental Assistance, Operating Expenses, Tenant Improvements, and Business Expense assistance.

APPROVED is _____ day of _____, 2025.

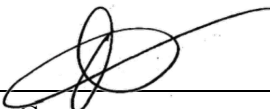
CITY OF EL PASO:

Renard U. Johnson
Mayor

ATTEST:

Laura D. Prine
City Clerk

APPROVED AS TO FORM:



Oscar Gomez
Assistant City Attorney

APPROVED AS TO CONTENT:



Karina Brasgalla, Director
Economic & International Development

STATE OF TEXAS § CHAPTER 380 ECONOMIC DEVELOPMENT
 § PROGRAM AGREEMENT
COUNTY OF EL PASO §

This Chapter 380 Economic Development Program Agreement ("**Agreement**") is made this ____ day of _____, 2025 ("**Effective Date**") between the City of El Paso, Texas, a Texas home rule municipal corporation, (the "**City**"), and **FERVERET, INC., a Delaware corporation** (the "**Applicant**"). For the convenience of the parties, all defined terms appear in **bold face print** when first defined.

RECITALS

WHEREAS, Article 3, Section 52A, Texas Constitution, authorizes the Legislature to enable cities to implement programs for the public purposes of economic development under which cities and counties may provide financial incentives for the purposes of stimulating local economic development and business and commercial activity in the City; and

WHEREAS, Section 380.001, Texas Local Government Code (“Chapter 380”), authorizes the City Council of the City to establish and provide for the administration of one or more programs in order to stimulate business and commercial activity in the City including, but not limited to, programs for (i) making loans and grants of public money to promote local economic development, (ii) accepting contributions, gifts and other resources to develop and administer a program; and

WHEREAS, the City has established an economic development program and, pursuant to Chapter 380, is authorized to provide loans or grants of public funds as a governmental function to promote economic development, including the creation and retention of jobs, stimulating of business and commercial activity, and expansion of the tax base within the City of El Paso and surrounding region; and

WHEREAS, the City wishes to provide incentives to the Applicant, pursuant to Chapter 380, for the Applicant's business operations located at **501 George Perry Suite F, El Paso, Texas 79925** and as more particularly described and depicted on Exhibit A, and the Applicant wishes to receive the incentives in exchange for compliance with the obligations set forth herein; and

WHEREAS, the City determines that a grant of funds to Applicant will serve the municipal purpose of promoting local economic development and enhancing business and commercial activity within the City and region; and

WHEREAS, the Development will likely encourage increased economic development within the City and region, provide increases in the City's property tax revenues, and improve the City's ability to provide for the health, safety and welfare of the general public within and around of El Paso, Texas; and

WHEREAS, the City finds that this Agreement embodies an eligible *program* and promotes economic development within and around the City of El Paso, Texas, and, as such, meets

the requirements under Chapter 380 of the Texas Local Government Code and further is in the best interests of the City.

NOW, THEREFORE, for and in consideration of the above recitals and the terms and conditions set forth below, the mutual benefits and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

SECTION 1. DEFINITIONS.

The following words shall have the following meanings when used in this Agreement.

- A. **“Affiliate”** means any designated person or entity that directly or indirectly controls, is under the control of, or is under common control with the designated person or entity by the power to direct or cause the direction of the management of the policies of designated person or entity, whether through ownership interest, by contract or otherwise.
- B. **“Agreement”** means this Chapter 380 Economic Development Program Agreement, together with all exhibits and schedules attached and incorporated herein by reference.
- C. **“Business Expense”** means the costs incurred by a business in its operations, which in this agreement include:
 - (1) **Workforce Training:** Costs associated with training and developing employees, including programs, courses, and certifications that enhance skills and productivity.
 - (2) **Inventory and Supplies:** Expenses for purchasing materials, products, or equipment necessary for daily operations, production, or services offered by the business.
 - (3) **Forklift and Charging Station:** Costs related to acquiring and maintaining forklifts and their associated charging stations, essential for material handling and logistics.
 - (4) **Relocation Costs and Travel:** Expenses incurred when relocating the business or its employees, including transportation, moving services, and travel costs associated with the relocation process.
- D. **“Effective Date”** means the date the El Paso City Council approves the Agreement.
- E. **“Facility Operating Expense”** means the estimated cost of utilities, maintenance, and property management of the project location based on square footage of leased space.
- F. **“Full-Time Employment”** means a job in El Paso created and/or retained by Applicant that meets the following requirements:

- (1) the job requires a minimum of 1,820 prorated hours of work in a year, including allowance for vacation, holidays and sick leave; and
 - (2) the job offers full company benefits including company paid health insurance (employees must not be required to pay more than fifty percent (50%) of the health insurance premium).
- G. **“Full-Time Employment Equivalent Hours”** means the minimum number of required Hours Worked as further set forth in Table 1 of Exhibit “D.” Full-Time Employment Equivalent Hours can be satisfied through (1) the employment of full-time employees meeting the criteria for Full-Time Employment, (2) Applicant’s employment of part-time employees in El Paso, and/or (3) Applicant’s engagement in El Paso of independent contractors, consultants, advisors, and/or other similar contingent workers (the foregoing workers described in clauses (2) and (3) are collectively referred to herein as “Non-FTE Workers”).
- H. **“Grant”** means each payment to Applicant under the terms of this Agreement computed as the sum of the applicable rebates: (i) Lease Rental Assistance (\$171,952.02); (ii) Facility Operating Expense Assistance (\$200,703.63); (iii) Tenant Improvement Assistance (\$454,139.19); and (iv) Business Expense Reimbursement (Workforce Training, Inventory and Supplies, Forklift and Charging Station, and Relocation and Travel Expenses (collective \$48,840 cap). For the purposes of this Agreement, the aggregate Grant payments will not exceed **\$875,634.84**.
- I. **“Grant Submittal Package”** means the documentation required to be supplied to City as a condition of receipt of any Grant, with such documentation more fully described in the Grant Submittal Package, which is attached as Exhibit C to this Agreement.
- J. **“Lease Rental Cost”** means rent charged by the El Paso International Airport at the project location, as listed in Exhibit F.
- K. **“Project Location”** means the real property leased by Applicant located at **501 George Perry Suite F, El Paso, Texas 79925**, El Paso, Texas, and described on Exhibit A, which is attached and incorporated by reference.
- L. **“Tenant Improvements”** means architecture and construction services completed on behalf of the Applicant at the project location.

SECTION 2. TERM AND GRANT PERIOD.

- A. This Agreement shall commence on the Effective Date and shall terminate on the first to occur of: (i) 5 years from the Effective Date; (ii) the proper termination of this Agreement in accordance with the applicable provisions contained herein; or (iii) termination by mutual consent of the parties in writing (“Term”).

- B. Applicant's eligibility for Grant payments shall be limited to **3** consecutive years within the Term of this Agreement (the "Grant Period").

SECTION 3. OBLIGATIONS OF APPLICANT.

A. PROJECT.

- (1) Applicant shall Operate at Innovation Factory or Airport's Advanced Manufacturing Campus a manufacturing operation of liquid based cooling tech for data centers. Operation must be at the Innovation Factory or Airport's Advanced Manufacturing Campus for a minimum of 5 years.
- (2) Applicant shall diligently and faithfully in a good and workmanlike manner pursue the completion of the project in accordance with all applicable federal, state and local laws and regulations.
- (3) Applicant agrees that during the Term of this Agreement, the Project Location shall be limited to those uses consistent with the Project Description.
- (4) Applicant shall demonstrate, before the receipts of any Grant payments, that Applicant has incurred no delinquency taxes by providing certified city tax certificates for any parcel of real or personal property owned in the City of El Paso.
- (5) Applicant, during normal business hours, at its principal place of business in El Paso, shall allow the City or its agents reasonable access to operating records, accounting books, and any other records related to the economic development considerations and incentives described herein, which are in Applicant's possession, custody, or control, for purposes of verifying the Business Expenses and for audit, if so requested by the City. The confidentiality of such records will be maintained in accordance with all applicable laws.

B. EMPLOYMENT POSITIONS

- (1) Applicant agrees that, at Applicant's sole discretion, it shall either (1) create, staff, and maintain the Full-Time Employment positions or (2) ensure the performance of the Full-Time Employment Equivalent Hours as described in Exhibit D for the Project as of **December 31** of the applicable year, and shall maintain the Full-Time Employment positions or Full-Time Employment Equivalent Hours, as applicable, for the Project Location through the entire Grant Period of this Agreement. The transfer of an existing employee or contractor, consultant, advisor or other similar contingent worker from Applicant's existing business site to Applicant's new Project Location does not qualify as creating and staffing a Full-Time Employment position or Full-Time Equivalent Hours for purposes of this Agreement.
- (2) Applicant shall provide the City with a quarterly report within thirty (30) days following the end of each quarter of each reporting year during the Term of this

Agreement (with each such reporting year beginning July 31 of the respective year), certifying the status of compliance through the preceding quarter. Such quarterly report shall include the number of new jobs created and retained for the Project Location, information on any new investments in the Project Location, and any other information relevant to the Project Location and the City's economic development goals. Documentation for jobs may be in the form of quarterly IRS 941 returns, or Texas Workforce Commission Employer Quarterly Reports, or employee rosters that show the hours worked and the positions filled. Applicant shall also provide the City with such other reports as may reasonably be required. Applicant may redact worker names and other personally identifying information from reports provided to the City.

C. GRANT SUBMITTAL PACKAGE.

In order to receive the disbursement of the Grant, the Applicant must submit a Grant Submittal Package, as specified below.

- (1) The Applicant shall quarterly submit one Grant Submittal Package which shall be in the form provided in Exhibit C, together with the requisite documentation. The Applicant shall submit to the City the initial Grant Submittal Package on **October 31, 2025**. Thereafter, the Applicant's quarterly Grant Submittal Package must be submitted on or within 30 business days of the following dates: **(January 31st, April 30th, July 31st, and October 31st)**. A failure by the Applicant to timely submit a Grant Submittal Package in accordance with this paragraph is a waiver by the Applicant to receive a Grant payment for that Grant quarter.
- (2) Concurrent with the submittal of a Grant Submittal Package, the Applicant will submit to the City documentation as may be reasonably necessary to verify the expenditure to date of the Business Expenses, which has not otherwise been verified as part of a prior submittal. The City will provide to the Applicant a written explanation for any Business Expenses that the City determines cannot be verified. The Applicant may submit additional documentation to the City in order to obtain verification.
- (3) The City's determination of the amount of the Grant payment due to the Applicant is final.

SECTION 4. OBLIGATIONS OF THE CITY.

During the Term of this Agreement, and so long as an Event of Default has not occurred and Applicant is in compliance with the Agreement, the City agrees as follows:

- A. The City agrees to provide Lease Rental Assistance not to exceed **\$171,952.02** in the amounts and pursuant to the timing set forth in Exhibit B.

- B. The City agrees to provide Facility Operating Expense Assistance not to exceed **\$200,703.63** in the amounts and pursuant to the timing set forth in Exhibit B.
- C. The City agrees to provide Tenant Improvement Assistance not to exceed **\$454,139.19** in the amount and pursuant to the timing set forth in Exhibit B.
- D. The City agrees to provide Business Expense Reimbursement not to exceed **\$48,840** in the amounts and pursuant to the timing set forth in Exhibit B.
- E. The City will process any eligible Grant payment within **30 days** after receipt of the Applicant's complete quarterly Grant Submittal Package. Once Applicant is notified of incomplete submittal, they shall have 15 days to cure.

SECTION 5. EVENTS OF DEFAULT.

Each of the following Paragraphs A through D shall constitute an "Event of Default":

- A. **Failure to Comply.** Applicant's failure to comply with, or to perform any obligation or condition of this Agreement or in any related documents, or Applicant's failure to comply with or to perform any obligation or condition of any other agreement between the City and Applicant, in each case, in any material respect, and excluding compliance with the Applicant's obligations set forth in Section 3(B) and Exhibit D (the exclusive remedy for which is set forth in Exhibit D).
- B. **False Statements.** Any representation or statement made or furnished to the City by Applicant pursuant to this Agreement or any document(s) related hereto, that is/are false or misleading in any material respect; or if Applicant obtains actual knowledge that any such representation or statement has become false or misleading after the time that it was made, and Applicant fails to provide written notice to the City of the false or misleading nature of such representation or statement within 10 days after Applicant learns of its false or misleading nature.
- C. **Insolvency.** Applicant files a voluntary petition in bankruptcy, a proceeding in bankruptcy is instituted against the Applicant and the Applicant is thereafter adjudicated bankrupt, a receiver for the Applicant's assets is appointed, or any assignment of all or substantially all of the assets of Applicant for the benefit of creditors of Applicant.
- D. **Property Taxes.** If Applicant allows its personal or real property taxes owed to the City to become delinquent and fails to timely and properly follow the legal procedures for protest and/or contest of such taxes and to cure such failure or post a satisfactory bond within 30 days after written notice thereof from the City and/or El Paso Central Appraisal District.
- E. **Notice and Opportunity to Cure.** If an Event of Default occurs, the City will provide Applicant with written notice of the default and Applicant shall have 30 days from the receipt of said notice to cure the default (the "Cure Period"). If the default cannot be remedied within the Cure Period but the Applicant has made a diligent effort to effect a

cure, the Cure Period may be extended at the City's sole discretion for a reasonable time. The City, in its sole discretion, shall determine what constitutes "a reasonable time" and what constitutes "a diligent effort" for purposes of this provision. If the City agrees to extend the Cure Period past the 30 days, the City shall notify the Applicant, in writing, of the expiration date of the extended cure period.

- F. **Failure to Cure.** If an Event of Default occurs and, after receipt of written notice and opportunity to cure as herein provided, the Applicant fails to cure the Event of Default in accordance with the provisions herein, then this Agreement may be terminated by the City by written notice to the Applicant at which time the City's obligations hereunder will end and the City may exercise its rights pursuant to Section 6.

SECTION 6. RECAPTURE.

Should an Event of Default under Section 5 of this Agreement occur and provided that the Cure Period for such Event of Default has expired, upon a termination of the Agreement pursuant to Section 5(F), all Tenant Improvement Grant previously provided by the City pursuant to this Agreement shall be recaptured and repaid by Applicant in accordance to the recapture schedule in Exhibit E.

SECTION 7. TERMINATION OF AGREEMENT BY CITY WITHOUT DEFAULT.

The City may terminate this Agreement without an Event of Default and effective immediately if any state or federal statute, regulation, case law, or other law renders this Agreement ineffectual, impractical or illegal, including any case law holding that a Chapter 380 Economic Development Agreement such as this Agreement is an unconstitutional debt.

SECTION 8. MISCELLANEOUS PROVISIONS

- A. **Amendments.** This Agreement constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by both parties.
- B. **Applicable Law and Venue.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in El Paso County, Texas. Venue for any action arising under this Agreement shall lie in the state district courts of El Paso County, Texas.
- C. **Assignment.** Applicant understands and agrees that the City expressly prohibits Applicant from selling, transferring, assigning or conveying in any way any rights to receive the Grant or Grants that are subject of this Agreement without the City's consent to assignment. Any such attempt to sell, transfer, assign or convey without the City's prior written consent is void and may result in the immediate termination of this Agreement and recapture of the taxes rebated prior to the attempted transfer. Notwithstanding anything contained herein to the contrary, Applicant may, without City's prior written consent and without constituting an assignment or transfer hereunder, assign this Agreement to (a) an entity controlling, controlled by or under common control with Applicant, (b) an entity related to

Applicant by merger, consolidation or reorganization, or (c) a purchaser of a substantial portion of Applicant's assets. A transfer or change of ownership of Applicant's capital stock or equity interests shall not be deemed an assignment or any other transfer of this Agreement.

- D. **Binding Obligation.** This Agreement shall become a binding obligation on the signatories upon execution by all signatories hereto. City warrants and represents that the individual executing this Agreement on behalf of City has full authority to execute this Agreement and bind City to the same. Applicant warrants and represents that the individual executing this Agreement on its behalf has full authority to execute this Agreement and bind Applicant to the same.
- E. **Confidentiality Obligations.** The confidentiality of records related to the City's economic development considerations and incentives provided herein will be maintained in accordance with and subject to all applicable laws, including the Public Information Act, Chapter 552, Texas Government Code. To the extent permitted by state or federal law, the City shall maintain the confidentiality of any proprietary information and shall not copy any such information except as necessary for dissemination to the City's agents or employees and agrees that, as required by the Public Information Act, it will notify Applicant if a request relating to such proprietary information is received. Applicant represents that it understands that the Public Information Act excepts disclosure of trade secret and confidential commercial information and that it will need to assert the proprietary interest of Applicant as a basis for nondisclosure.
- F. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute the same document.
- G. **Employment of Undocumented Workers.** During the term of this Agreement, Applicant agrees not to knowingly employ any undocumented workers as defined in Texas Government Code Section 2264.001. If convicted of a violation under 8 U.S.C. Section 1324a(f), Applicant shall repay the amount of the Grant payments received by Applicant from the City as of the date of such violation not later than one hundred twenty (120) days after the date Applicant is notified by City of a violation of this section, plus interest from the date the Grant payment(s) was paid to Applicant, at the rate of seven percent (7%) per annum. The interest will accrue from the date the Grant payment(s) were paid to Applicant until the date the reimbursement payments are repaid to City. City may also recover court costs and reasonable attorney's fees incurred in an action to recover the Grant payment(s) subject to repayment under this section. Applicant is not liable for a violation by its subsidiary, affiliate, or franchisee, or by a person which whom Applicant contracts.
- H. **Force Majeure.** The parties agree that if the performance of any obligations hereunder is delayed by reason of war, civil commotion, acts of God, inclement weather, fire or other casualty, or court injunction, the party so obligated or permitted shall be excused from doing or performing the same during such period of delay, so that the time period applicable to such obligation or requirement shall be extended for a period of time equal to the period such party was delayed.

- To the City: The City of El Paso
Attn: City Manager
P. O. Box 1890
El Paso, Texas 79950-1890
- With a Copy to: Economic and International Development
Attn: Director of Economic Development
P. O. Box 1890
El Paso, Texas 79950-1890
- To the Applicant: FERVERET, INC
Attn: **REZA AZIZIAN**
501 George Perry Suite F Office #110
El Paso, Texas 79925


- [Signatures begin on the following page]*

IN WITNESS WHEREOF, the parties hereby execute this Agreement.

CITY OF EL PASO:

Dionne Mack
City Manager

APPROVED AS TO FORM:


Oscar Gomez
Assistant City Attorney

APPROVED AS TO CONTENT:


Karina X. Brasgalla, Director
Economic & International Development

ACKNOWLEDGMENT

STATE OF TEXAS

§§§


COUNTY OF EL PASO

This instrument was acknowledged before me on the _____ day of _____, 2025,
by **Dionne Mack** as **City Manager** of the **City of El Paso, Texas**, on behalf of the City of El
Paso, Texas.

Notary Public, State of Texas

My Commission Expires:

[Signatures continue on the following page]


REZA AZIZIAN
Co-Founder & CEO

STATE OF _____ §
COUNTY OF _____ §

Notary Public, State of _____

Acknowledgement
Jurat

Notary Public

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of Santa Clara }

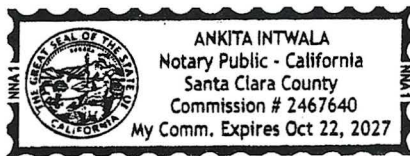
On 18th August, 2025 before me, Ankita Intwala, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Reza Azizian
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature Ankita Intwala
Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Program Incentive Agreement

Document Date: 08-18-2025 Number of Pages: 17

Signer(s) Other Than Named Above: yes

Capacity(ies) Claimed by Signer(s)

Signer's Name: Reza Azizian Signer's Name: _____

☒ Corporate Officer – Title(s): CEO & Co-founder ☐ Corporate Officer – Title(s): _____

☐ Partner – ☐ Limited ☐ General ☐ Partner – ☐ Limited ☐ General

☐ Individual ☐ Attorney in Fact ☐ Individual ☐ Attorney in Fact

☐ Trustee ☐ Guardian or Conservator ☐ Trustee ☐ Guardian or Conservator

☐ Other: _____ ☐ Other: _____

Signer is Representing: _____ Signer is Representing: _____

EXHIBIT A – Part I

Project Location

Maker Spaces (#204, #205 and #206): 5,649 total rsf

Office Spaces (#110, #111, #100 and #101): 426 total rsf

Storage Space (#5E and #6E): 364 rsf

Exhibit A – Part II

Project Description

Ferveret, Inc., is a San Jose, CA-based company specializing in immersion cooling solutions for computer cooling applications. With a dedicated R&D laboratory, the team, which includes UTEP graduates, has developed a highly innovative product that has garnered significant attention in the market and is receiving large orders.

The expansion project will be financed through a combination of venture capital and orders received for the product. This dual financing approach ensures adequate capitalization for scaling production and meeting market demand.

Ferveret's immersion cooling solution represents a cutting-edge innovation in computer cooling technology. The company's strategic relocation to Texas, coupled with its robust production timeline and financing strategy, positions it for rapid growth and success in the burgeoning market for advanced cooling solutions.

EXHIBIT B

Rent and Operating Expenses

Space #	Type	Square Footage	Gross Annual Rent & Op Expenses - Year 1	Gross Annual Rent & Op Expenses - Year 2	Gross Annual Rent & Op Expenses - Year 3	Gross Totals for 3 Years
204	makerspace	1883	\$34,628.37	\$36,191.26	\$36,925.63	\$107,745.26
205	makerspace	1883	\$34,628.37	\$36,191.26	\$36,925.63	\$107,745.26
206	makerspace	1883	\$34,628.37	\$36,191.26	\$36,925.63	\$107,745.26
110	office	108	\$3,570.48	\$3,660.12	\$3,702.24	\$10,932.84
111	office	108	\$3,570.48	\$3,660.12	\$3,702.24	\$10,932.84
100	office	105	\$3,471.30	\$3,558.45	\$3,599.40	\$10,629.15
101	office	105	\$3,471.30	\$3,558.45	\$3,599.40	\$10,629.15
5E	(1) storage	182	\$3,124.94	\$3,124.94	\$3,124.94	\$9,374.82
6E	(2) storage	182	\$3,124.94	\$3,124.94	\$3,124.94	\$9,374.82
		6439	\$124,218.55	\$124,218.55	\$124,218.55	\$372,655.65

Tenant Improvements	
Tenant Improvements	\$454,139.19

Incentive Type	Incentive Caps 3 years	Payment Frequency	Payment Type	Payment To	Grant Submittal Date
Lease Rent Costs	\$171,952.02	\$14,329.34 Quarterly	Journal Entry	Airport	10/31/2025
Facility Operating Expenses	\$200,703.63	\$16,725.30 Quarterly	Journal Entry	Airport	10/31/2025
Tenant Improvements	\$454,139.19	One time	Journal Entry	Airport	As Invoiced by Airport
Workforce Training	\$48,840.00	Quarterly	Reimbursed	Ferveret	10/31/2025
Inventory and Supplies		Quarterly	Reimbursed	Ferveret	10/31/2025
Forklift and Charging Station		One time	Reimbursed	Ferveret	10/31/2025
Relocation		One time	Reimbursed	Ferveret	10/31/2025
Total Incentive		\$875,634.84			

Exhibit "B"

Estimate Tenant Improvements cost under Tenant Responsibility		Line item cost
Alvidrez Architecture: Architectural drawings		\$ 36,370.00
Noble Construction: 1. Construct the tenant improvements as per the drawings from Alvidrez Architecture, Inc. El Paso International Airport Ferveret date stamped 02.22.2024. 2. Full time project superintendent 3. Plumbing 4. HVAC 5. Electrical 6. Chain link fence modifications 7. Install high-capacity pallet racks 8. Electrical installation of water chillers 9. Includes \$75,000 contingency for 3 hydronic chillers, and high rack shelving. Unused contingency amounts will be 100% refunded to the Owner.		\$ 267,383.40
Unused Contingency (Credit)		\$ (21,909.14)
CO#12 ASI 01- Revised Electrical drawings dated 05.21.2024		\$ 4,716.39
CO#12 Fume Extractor Arm		\$ 3,775.58
CO#12 Canopy		\$ 15,049.16
CO#4 Internet fiber		\$ 9,172.61
CO#15 - 1200 AMP Panel (includes credit for 600 AMP panel quoted on 03.21.2024)		\$ 139,196.00
CO#12 Temporary SO Cord - temporary measure to test equipment		\$ 385.19
Totals		\$ 454,139.19

26 February 2024

Victoria Ruiz, EIT, ACE, CNU-A
Project Manager
Aviation Development
El Paso International Airport
6701 Convair Rd.
El Paso, Texas 79925

Reference: EPIA Cargo 4 **FERVERET Tenant Improvement**

Dear Ms. Ruiz,

We appreciate your consideration of our Studio to provide Architectural + Engineering services for the above referenced Project. The following is a brief description of design and construction document services. These various phases are typical for the architectural/engineering industry and correlate with the phases of design and construction. Services will include Architectural, Mechanical, Electrical + Plumbing services.

SCOPE OF WORK:

The Project will consist of the design and preparation of construction documents for the Interior Improvements to Cargo 4 for FERVERET. Tenant improvements will accommodate Tenant equipment, new power, modified compressed air and airside chillers.

Services to be performed:

1. FIELD VERIFICATION:

- 1.1 Field verification will be performed to analyze the existing space + infrastructure to support the interior improvements.

2. DESIGN:

- 2.1 The Architect will review the requirements of the project as described by the Owner and will review the understanding of such requirements with the Owner.
- 2.2 Based on the mutually agreed upon requirements, the Architect will prepare, for approval by the Owner, Design Documents consisting of drawings illustrating the scale and relationship of project components.
- 2.3 Based on the approved Design Documents and any adjustments authorized by the Owner in the program, schedule or construction budget, the Architect shall prepare, for approval by the Owner, Documents consisting of drawings and other documents to fix and describe the size and character of the Project as to architectural and electrical systems, materials and such other elements as may be appropriate.

3. CONTRACT DOCUMENTS:

- 3.1 Based on the approved Design Documents and final comments the Architect will finalize Contract Documents for the Bid | Negotiation Phase.

4. BIDDING | CONSTRUCTION

- 4.1 The Architect, following the Owner's approval of the Contract Documents, will assist the Owner in obtaining bids and assist in cost evaluation as required.
- 4.2 Contract Administration will include observation of construction, checking of project shop drawings and reviewing of Contractors application for payment.

COMPENSATION:

Compensation for services will be provided as a **FIXED FEE of THIRTY-SIX THOUSAND THREE HUNDRED SEVENTY (\$36,370.00) DOLLARS.** The proposed fee is inclusive of engineering consultants. Services are proposed to be invoiced monthly per phase of completion.

SERVICES:**\$ 35,010.00**

Field verification	10%
Design	40%
Contract Documents	40%
Bidding Construction	10%

REIMBURSABLES:

1. Printing	\$ 120.00
2. TAS	\$ 1,200.00
3. Gas	\$ 40.00

SUBTOTAL**\$ 1,360.00****TOTAL****\$ 36,370.00**

Barring unforeseen circumstances, we will complete the services to be performed as expeditiously as possible upon authorization to proceed.

Owner provided services as required:

1. Asbestos Survey required for permitting.

The following services are not part of the basic services to be provided:

1. Providing planning surveys, site excavations, environmental studies, special surveys, etc.
2. Providing coordination of Work performed by separate contractors or by the Owner's own forces.

We appreciate the opportunity to provide you with our proposal for services as outlined above. Please contact this office if you should have any questions regarding services to be performed. We look forward to continuing our working relationship with the El Paso International Airport!

Respectfully,

ALVIDREZ ARCHITECTURE INC.



David A. Alvidrez AIA, RID, CNUA
E:/24.15.00/doc/design/proposal

Noble General Contractors

March 21, 2024

Victoria Ruiz, EIT, ACE, CNU-A
Project Manager, Aviation Development
El Paso International Airport
6701 Convair Rd.
El Paso, TX 79925

Re: EPIA Cargo #4 Innovation Factory Sol # 2022-0334 – Suite F Ferveret TI

Ms. Ruiz,

Noble General Contractors is pleased to offer our proposal to perform the scope of work as described in the following inclusions:

INCLUSIONS:

1. Construct the tenant improvements as per the drawings from Alvidrez Architecture, Inc.
El Paso International Airport Ferveret date stamped 02.22.2024.
2. Full time project superintendent
3. Plumbing
4. HVAC
5. Electrical
6. Chain link fence modifications
7. Install high-capacity pallet racks
8. Electrical installation of water chillers
9. Includes \$75,000 contingency for 3 hydronic chillers, and high rack shelving.
Unused contingency amounts will be 100% refunded to the Owner.

4BT Open JOC Price Totals	\$160,220.25
Coefficient 1.17 (adjusted)	\$26,494.14
Coefficient 1.17 Non Pre-Priced	\$ 743.30
Pass Thru to Owner – Contingency for chillers and shelving	\$75,000.00
Pass Thru to Owner – P&P Bonds	\$ 4,925.71
Total Proposed Price	\$267,383.40

Thank You,

Christy Nevarez

Christy Nevarez
Project Executive

Noble General Contractors

May 21, 2024

Victoria Ruiz, EIT, ACE, CNU-A
Project Manager, Aviation Development
El Paso International Airport
6701 Convair Rd.
El Paso, TX 79925

Re: EPIA Cargo #4 Innovation Factory Sol # 2022-0334 – Suite F Ferveret TI
ASI 001

Ms. Ruiz,

Noble General Contractors is pleased to offer our change proposal to perform the scope of work as described in the following inclusions:

INCLUSIONS:

1. ASI 001 from Alvidrez Architecture, Inc. regarding El Paso International Airport Ferveret date stamped 05.06.2024.

1. E2.0 Power Plan; Addition of one (1) 480V-30A, 3PH electrical outlet.
2. Revised electrical schedule to accommodate new 480V-30A, 3PH electrical outlet

4BT Open JOC Price Totals	\$4,031.10
Coefficient 1.17 (adjusted)	\$685.29
Total Proposed Price	\$4,716.39

Thank You,

Christy Nevarez

Christy Nevarez
Project Executive

Noble General Contractors

August 12, 2024

Zuhey Monge
Project Manager, Aviation Development
El Paso International Airport
6701 Convair Rd.
El Paso, TX 79925

Re: EPIA Cargo #4 Innovation Factory Sol # 2022-0334 – Suite F Ferveret TI
Fume Extractor Arm

Ms. Monge,

Noble General Contractors is pleased to offer our change proposal to perform the scope of work as described in the following inclusions:

INCLUSIONS:

1. Provide fume extractor arm and arm ducting kit

4BT Open JOC Price Totals	\$3,226.99
Coefficient 1.17 (adjusted)	\$548.59
Total Proposed Price	\$3,775.58

Thank You,

Christy Nevarez

Christy Nevarez
Project Executive

Noble General Contractors

September 11, 2024

Zuhey Monge
Project Manager, Aviation Development
El Paso International Airport
6701 Convair Rd.
El Paso, TX 79925

Re: EPIA Cargo #4 Innovation Factory Sol # 2022-0334 – Suite F Ferveret TI
ASI #02 Addition of canopy framing plan at E1 Chillers' location

Ms. Monge,

Noble General Contractors is pleased to offer our change proposal to perform the scope of work as described in the following inclusions:

INCLUSIONS:

1. Add canopy framing at outdoor chillers

4BT Open JOC Price Totals	\$12,735.18
Coefficient 1.17 (adjusted)	\$2,164.98
Pass through to Owner – Increase of P&P Bonds	\$149.00
Total Proposed Price	\$15,049.16

Thank You,

Christy Nevarez

Christy Nevarez
Project Executive



Advanced Security Contractors, Inc.

135 Rio West
El Paso, TX 79932

El Paso International Airport

Cargo 4 - Ferret Fiber Extension - 12 Strand Fiber

Region 19 Contract #24-7488

9/25/2024

REF	QTY	PART NO.	EQUIPMENT DESCRIPTION	COST EA.	TOTAL
1	1	252823-NEW	Chatsworth Products - Wall Mount Cabinet, CUBE-iT+ Wall Mount Cabinet, PlexiGlass Door, 24"Hx24"Wx24"D, 12U Tapped Rail, Black	\$1,069.39	\$1,069.39
2	2	40970-711	Chatsworth Products - Vertical Cabling Section, 11RU	\$93.63	\$187.26
3	1	25190-000	Chatsworth Products - Cable Port Brush Kit	\$59.49	\$59.49
4	1	CONDUIT	Conduit - 3/4" EMT Drop	\$266.00	\$266.00
5	1	LIFT	Scissor Lift - 19ft, 1 Week Rental, Includes Drop Off/Pickup	\$780.00	\$780.00
6	400	TF12-OS2-PLO	TiniFiber - 12 Strand, OS2, Single Mode, Armored, Plenum Rated	\$2.54	\$1,016.00
7	2	FRMP1U-V2	Lynn - 3 Panel Fiber Enclosure, 1RU	\$176.42	\$352.84
8	2	FAS-12SLC	Lynn - Adapter Single Mode, LC Connectors, 12 Pack	\$50.54	\$101.08
9	4	FPP-AD-BLANK	Lynn - LGX Blank Adapter Plate	\$8.65	\$34.60
10	4	539022	AFL - FUSE-LC9SMU-6, LC Singlemode Fuseconnect 900 uM Boot Blue Pack of 6	\$93.17	\$372.68
11	2	LCLCDUPSM-1M	Lynn - Fiber Patch Cord, Single Mode, LC/LC 1 Meter	\$19.95	\$39.90
12	1	MISC	Miscellaneous Fasteners, Connectors, Fittings, Mounting Bases, Etc.	\$428.37	\$428.37
EQUIPMENT TOTAL:					\$4,707.61
ASC INSTALLATION:					\$4,465.00
TOTAL JOB:					\$9,172.61

NOTES:

1. THIS DOCUMENT IS PROPRIETARY AND CANNOT BE DISCLOSED TO A THIRD PARTY WITHOUT THE PRIOR WRITTEN CONSENT OF ASC, INC.
2. TAXES NOT INCLUDED ABOVE.
3. PRICING SHALL REMAIN FIRM FOR 30 DAYS FROM ABOVE DATE.
4. EXTENSION OF EXISTING FIBER FROM IDF TO FERRET SPACE.

Limited Warranty

Parts and labor warranty is provided within this design by ASC, for software, components and materials provided and installed by ASC. Warranty will begin upon either customer acceptance or substantial completion. Warranty term for this project will be 365 days. In situations during the ASC warranty period where ASC provides diagnostic and/or repair services for system hardware provided by others, ASC will invoice the Customer for time and materials at the rates applicable at the time of service. ASC will not warranty product that has been abused, misused, or improperly maintained, repaired, and/or modified during such period, and such defect has not been caused by ordinary wear and tear, and such defect is not a result of voltage surges/brownouts, lightning, water damage/flooding, fire, explosion, earthquakes, tornadoes, acts of aggression/war/god, or similar phenomena.

Noble General Contractors

August 5, 2024

Zuhey Monge
Project Manager, Aviation Development
El Paso International Airport
6701 Convair Rd.
El Paso, TX 79925

Re: EPIA Cargo #4 Innovation Factory Sol # 2022-0334 – Suite F Ferveret TI
Add 1200 AMP Service and additional changes to permit drawings.

Ms. Monge,

Noble General Contractors is pleased to offer our change proposal to perform the scope of work as described in the following inclusions:

INCLUSIONS:

1. Add 1200 AMP service as per the approved permit drawings from Alvidrez Architecture, Inc. El Paso International Airport Ferveret date stamped 04.18.2024.

4BT Open JOC Price Totals	\$242,914.53
Coefficient 1.17 (adjusted)	\$41,295.47
Pass Thru to Owner – P&P Bonds	\$5,263.15
Total Proposed Price	\$289,473.15

Thank You,

Christy Nevarez

Christy Nevarez
Project Executive

Noble General Contractors

October 03, 2024

Zuhey Monge
Project Manager, Aviation Development
El Paso International Airport
6701 Convair Rd.
El Paso, TX 79925

Re: EPIA Cargo #4 Innovation Factory Sol # 2022-0334 – Suite F Ferveret TI
Temporary SO Cord

Ms. Monge,

Noble General Contractors is pleased to offer our change proposal to perform the scope of work as described in the following inclusions:

INCLUSIONS:

1. Install a temporary SO cord at Ferveret for Generator

4BT Open JOC Price Totals	\$329.22
Coefficient 1.17 (adjusted)	\$55.97
Total Proposed Price	\$385.19

Thank You,

Christy Nevarez

Christy Nevarez
Project Executive

EXHIBIT C

Quarterly Grant Submittal Package Form

FERVERET, INC believes that it has substantially met its obligations under the Chapter 380 Agreement dated the _____ day of ____ 20__ and signed by _____ of **FERVERET, INC**. Pursuant to the Agreement, **FERVERET, INC** submits this Grant Submittal Package Form in compliance with the Agreement and in anticipation of receiving the Grant payments referenced in the Agreement in consideration for its obligations met therein.

As required by the Agreement, the following information is submitted:

1. Electronically to Email: EDCompliance@elpasotexas.gov;
2. Completed Grant Submittal Package Form
3. **[INITIAL GRANT SUBMITTAL ONLY]** Documentation evidencing Business Expenses (receipts, invoices, bank and/or credit card statements, checks);
4. **[INITIAL GRANT SUBMITTAL ONLY]** 1295 Form;
5. Job Certification Report Spreadsheet with the following breakdown:
 - a. Employee/ Roster containing the following data points:
 - a. Unique worker ID
 - b. Job title (if applicable)
 - c. Hire date / first date of engagement
 - d. Termination date (if applicable)
 - e. Job creation/retention status (new within reporting period vs. retained from prior reporting period)
 - f. Total hours worked in the applicable calendar year
 - g. Number of weeks worked in the applicable calendar year
 - h. Hourly wage or gross annual salary (as applicable)
 - i. Employment status (full-time or part-time) (if applicable)
 - j. Percentage of medical insurance premium paid by employee (if applicable)
 - k. Percentage of medical insurance premium paid by Applicant (if applicable)
 - b. Insurance Benefits Packet
 - c. Employee Benefits Packet (pto, vacation, sick leave, etc.)
 - d. 941 IRS Reports
6. Documentation to evidence **Workforce Training** expenditures that includes the following:
 - a. Training Materials
 - b. Training Equipment
 - c. Courses
 - d. Certifications

It is understood by **FERVERET, INC** that the City of El Paso has up to thirty **(30) days** to process this request and reserves the right to deny the Grant request if the Applicant has not complied with the terms of the Agreement.

FERVERET, INC

Name: _____

Title: _____

EXHIBIT D

Employment Requirements & Grant Payment Eligibility

SECTION 1. MINIMUM JOB CREATION AND RETENTION REQUIREMENTS.

In order for the Applicant or its Affiliate to be eligible for the Workforce Training¹ Grant, the Applicant or its Affiliate is required to create and maintain the Full-Time Employment positions or Full-Time Employment Equivalent Hours by December 31 of each full tax year during the Grant Period as follows in Table 1:

Table 1.

	Year 1 (2026)	Year 2 (2027)	Year 3 (2028)
Full-Time Employment positions retained		10	20
Full-Time Employment positions created	10	10	10
Total Full-Time Employment positions	10	20	30
Full-Time Employment Equivalent Hours worked	18,200	36,400	54,600

For the avoidance of doubt, Applicant may, at its sole discretion, elect to (1) employ the number of Full-Time Employment positions as set forth in Table 1 or (2) employ any combination of Full-Time Employment positions and Non-FTE Workers, provided that such combined employment results in such workers performing the required “Full-Time Employment Equivalent Hours worked” set forth on Table 1 for the corresponding Year during the Grant Period.

SECTION 2. ELIGIBILITY FOR GRANT PAYMENTS.

After Year 2, the Applicant must either (1) retain 90% or more of the total amount of Full-Time Employment positions shown for the remainder of the Grant Period in Table 1 or (2) equal or exceed 90% of the “Full-Time Employment Equivalent Hours worked” for the applicable Year in Table 1, to be eligible to receive further Workforce Training Grant payments. For any Full-Time Employment positions created, **FERVERET, INC** will meet the current Median County Wage (\$18.21/hr.), except for the Site Engineer which shall be paid a minimum annual salary of \$74,000 and the Business Manager which shall be paid a minimum annual salary of \$65,000.

Workforce Training Grant payments will be reduced by ten percent (10%) for every one percent (1 %) drop in the “Full-Time Employment Equivalent Hours worked”, noted in Section 1 of Exhibit D from 100% to 90%.

Example: For illustrative purposes only:

During the second year, Applicant creates and retains 95% (34,580) of the expected 36,400 Full-Time Employment Equivalent Hours worked. Workforce Training Grant payments will be reduced by 50% (10% per 1% of job creation shortfall) for future dispersal periods.

Should the applicant fall below the 90% threshold, no further Workforce Training Grant payment will be owed to the Applicant for the remainder of the Grant Period.³

EXHIBIT E

Recapture Schedule

Recapture is only triggered upon an Event of Default and after notice and opportunity to cure pursuant to the terms of the Agreement. The Applicant will have 60 days to repay funds to the City based on the schedule below and shall only be responsible for the applicable costs associated with the Termination Year in which the termination is effective:

Termination Year	Recapture of Tenant Improvement Costs
Year 1:	\$454,139.19
Year 2:	\$363,311.35
Year 3:	\$270,483.51
Year 4:	\$177,655.67
Year 5:	\$84,827.83

EXHIBIT F

Lease

**Innovation Factory Agreement
501 George Perry Blvd.**

**El Paso International Airport
El Paso, Texas**

**Ferveret Inc.
TENANT**

**September 3, 2025
Effective Date**

**INNOVATION FACTORY AGREEMENT
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EXHIBIT “B” - Tenant Improvements

EXHIBIT “C” –Policy

EXHIBIT “D” – Federal Aviation Administration Required Provisions

EXHIBIT “E” – Removable Facilities

EL PASO INTERNATIONAL AIRPORT

INNOVATION FACTORY AGREEMENT

THIS INNOVATION FACTORY AGREEMENT, (“Agreement” or “Lease”), entered into effective as the day of September 3, 2025 between the **CITY OF EL PASO, TEXAS** (“Landlord”) and Ferveret Inc., a Delaware corporation (“Tenant”).

WITNESSETH:

WHEREAS, the Municipal Airports Act of the State of Texas (Chapter 22 of the Texas Transportation Code) authorizes municipal airports, as governmental entities, to establish the terms and fix the charges, rentals, or fees for the privileges or services. The charges, rentals, and fees must be reasonable and uniform for the same class of privilege or service and shall be established with due regard to the property and improvements used and the expenses of operation to the local government;

WHEREAS, Landlord owns and operates the El Paso International Airport as depicted in the Airport Layout Plan (“Airport”) located in the County of El Paso, Texas;

WHEREAS, Landlord has constructed an Innovation Factory and facilities located on the Airport and has space and facilities available for lease, and Tenant desires to lease space in the Innovation Factory;

WHEREAS, Tenant has indicated a willingness and ability to properly operate, keep and maintain the portion of the Innovation Factory that it leases in accordance with the standards established by Landlord; and

WHEREAS, in furtherance of its authority, Landlord further desires to lease to Tenant certain facilities located at said Airport in accordance with the terms, covenants, and conditions set forth in this Agreement;

WHEREAS, the Landlord has adopted the Innovation Factory Incentive and Lease Policy (the “Policy”) to lease space in the Innovation Factory to businesses engaged in the aerospace, defense, advanced manufacturing, and related sectors;

WHEREAS, this lease is granted and structured in accordance to the Policy.

NOW THEREFORE, for and in consideration of the mutual covenants, agreements, and conditions contained herein, the parties agree as follows:

ARTICLE I
PREMISES AND PRIVILEGES

Section 1.01 Description of Premises Demised

Subject to and on the terms, conditions, covenants, agreements and undertakings hereinafter set forth, Landlord does hereby demise and lease to Tenant and Tenant does hereby lease from Landlord the following described Premises located in El Paso County, Texas, as follows:

- A. That certain office, warehouse, and storage space containing approximately 6,439 square feet, more or less, in total, as shown on Exhibit “A” attached hereto and incorporated herein by reference, and also known as Innovation Factory, 501 George Perry Blvd., Suite F for Tenant's exclusive use:

Offices #100 and #101, #110 and #111	426	square feet of office space
Maker space #204, #205 and #206	5,649	square feet of maker space
Storage #5E and #6E	364	square feet of storage space
	6,439	square feet total

(All square footage figures are approximate)

All of which will hereinafter be referred to as the “Premises” or “Leased Premises”.

Section 1.02 Right of Ingress and Egress

Landlord hereby grants to Tenant the rights of ingress to and egress from the Premises over and across the public roadways serving the Airport for Tenant, its agents and servants, patrons and invitees, suppliers of service and furnishers of material. Said right shall be subject to such ordinances, rules and regulations as now or may hereafter have application at the Airport.

In addition, the tenant will have the right to use the non- exclusive parking lot located near the Leased premises. The right to use the parking spaces is non-exclusive and will be shared with other tenants on a first come first serve basis.

Tenant shall have a temporary right of entry to the Premises prior to the issuance of a Certificate of Occupancy (“CO”) for the Premises which will terminate upon the issuance of the CO.

Section 1.03 Restrictions of Privileges, Uses and Rights

Tenant covenants and agrees that it shall use the Premises and common areas as provided in this Lease and the Policy posted on the City website, as updated from time to time in the discretion of the Landlord. For reference purposes the Policy in effect as of the Effective Date of this Lease are attached to this Lease as Exhibit “C” provided that the Landlord reserves the right to update such

Policy at any time, in the Landlord's sole discretion, by posting the updated versions in the City website. No notification is required from the Landlord to the Tenant to update the Policy. Updated Policy become effective as of the date of the website posting. Tenant will abide by all updates to the Policy.

Tenant shall not offer, or permit to be offered, retail services or sales. In connection with the exercise of its rights under this Agreement, Tenant:

- A. Shall not do, or permit any of Tenant's employees, agents, contractors, visitors, or customers/clients ("Tenant's Parties") to do, anything at or about the Airport or the Premises that may interfere with the effectiveness or accessibility of the water system, drainage and sewage system, fire protection system, security system, fire hydrants and hoses, electrical system, natural gas, or other Airport systems installed or located on or within the Premises or the Airport.
- B. Shall not do, or permit any of Tenant's Parties to do, any act or thing upon the Airport or the Premises that will invalidate or conflict with any fire or other casualty insurance policies covering the Airport or any part thereof.
- C. Shall not dispose of, or permit any of Tenant's Parties to dispose of, any waste material taken from, or products used with respect to, its aircraft or operations into the sanitary or storm sewers at the Airport or any other location on the Airport (whether liquid or solid), including but not limited to Hazardous Materials, unless such waste material or products first be properly treated by equipment installed with the prior written approval of Landlord and all other administrative bodies having appropriate jurisdiction or may remain untreated if wastewater guidelines limitations of the El Paso Water Utilities/Public Service Board are not exceeded.
- D. Shall not keep or store hazardous articles and materials including, without limitation, flammable liquids and solids, corrosive liquids, compressed gasses, and magnetized or radioactive materials on the Airport except when all of the following conditions are met: (1) in accordance with standards established by the National Board of Fire Underwriters, any such liquids having a flash point of less than one hundred degrees (100⁰) Fahrenheit shall be kept and stored in safety containers of a type approved by the Underwriters Laboratories; (2) said material shall be under the control and care of designated Tenant personnel; (3) said material shall be packaged and handled in compliance with applicable U. S. Department of Transportation, Environmental Protection Agency, or other such applicable regulations for transport and pre-transport of hazardous articles and materials; and (4) storage of hazardous materials shall comply with applicable federal, state, and local laws and regulations including, without limitation, building and fire code provisions. "Director" shall mean the Director of Aviation of the El Paso International Airport or other authorized representative of Landlord.

- E. Shall not install fuel storage tanks or pumping facilities for use in fueling any vehicle at the Airport without prior written approval of Landlord, said approval to be at Landlord's sole discretion.
- F. Shall not maintain or operate on the Premises or elsewhere at the Airport a cafeteria, restaurant, bar or cocktail lounge for the purpose of selling or dispensing food or beverages to the public or to its employees.

Section 1.04 Conditions of Granting Agreement

The granting of this Agreement and its acceptance by Tenant are conditioned upon the following covenants:

- A. No functional alteration of the Premises shown on Exhibit "A" or functional change in the uses of the Premises shall be made without the specific written consent of Landlord; said consent to be at Landlord's sole reasonable discretion, which shall not be unreasonably withheld, conditioned, or delayed.
- B. The right to use public Airport facilities in common with others authorized to do so shall be exercised only subject to and in accordance with the laws of the United States of America and the State of Texas; the rules and regulations promulgated under their authority with reference to aviation and air navigation; and all applicable rules, regulations and ordinances of Landlord now in force or hereafter prescribed or promulgated by charter authority or by law.
- C. Tenant will utilize only the roadways, taxiways, or other direction, path, route, or form of travel Landlord may designate, from time to time, for Tenant's operation and movement on or about the Airport.

ARTICLE II **OBLIGATIONS AND RIGHTS OF LANDLORD**

Section 2.01 Quiet Enjoyment

Landlord agrees that upon Tenant's paying rent and performing all of the covenants, conditions, and agreements herein set forth, Tenant shall and may peaceably and quietly have, hold, and enjoy the Premises hereby demised for the term of this Agreement.

Section 2.02 Landlord's Right of Entry

Landlord and persons authorized by Landlord may enter the Premises at all reasonable times upon reasonable advance notice of not less than one (1) business day (except in the case of an emergency in which case no prior notice is necessary) for the purpose of inspections, repairs, alterations to adjoining space, appraisals, or other reasonable purposes; including enforcement of Landlord's rights under this Lease. Landlord also shall have the right to enter the Premises at all reasonable times after giving not less than one (1) business day prior oral notice to Tenant, to exhibit the Premises to any prospective tenants or other persons as reasonably determined by the Landlord. Any entry by Landlord and Landlord's agents shall not impair Tenant's operations more than reasonably necessary, and shall comply with Tenant's reasonable security measures.

Section 2.03 Condition and Maintenance of Premises.

Landlord shall bear responsibility for the repair, maintenance and replacement of the mechanical systems of the Premises and the building, including but not limited to, electrical, the plumbing system including replacement of major lines, the life-safety systems and the HVAC systems. Landlord shall bear responsibility for the repair, maintenance and replacement of the Structural Elements of the Premises, except for any damage caused by the act or omission of the Tenant, or any agent, employee, invitee, contractor, servant, or subtenant of Tenant, for which damage Tenant shall be responsible. "Structural Elements" shall mean the roof, roof membrane, foundation, load bearing columns and walls, exterior walls, exterior paint, common vehicle parking areas, and the aircraft parking apron.

ARTICLE III **OBLIGATIONS OF THE PARTIES**

Section 3.01 Condition and Maintenance of Premises

Except as otherwise provided in this Lease, TENANT ACCEPTS THE PREMISES IN "AS IS" CONDITION. The Landlord makes no representations regarding the suitability of the Premises for any uses by the Tenant.

Section 3.02 Internal Improvements.

- A. **General.** Tenant will not make any alterations or improvements ("Leasehold Improvements") to the Premises without prior written approval of the Director or designee. Approval for improvements remains at the sole discretion of the Director or designee and shall not be unreasonably withheld, conditioned, denied or delayed. Landlord shall have no right to require Tenant to remove any Leasehold Improvements unless it notifies Tenant at the time it consents to such Leasehold Improvements that it shall require such Leasehold Improvement to be removed.
- B. **Unapproved Improvement Default.** In the event of such alteration, erection, placement, or maintenance without approval, upon the giving of notice and expiration of any applicable cure period, Tenant will be considered in default of this Agreement and Landlord may terminate this Agreement in accordance with the provisions set forth in this Lease. In addition to termination, Tenant will be responsible for the costs incurred by the Landlord for removing any unauthorized improvements and/or the costs of restoring the Premises to its prior condition.
- C. **Title to Improvements.** All Leasehold Improvements made to the Premises by Tenant, the Removable Facilities (defined below) and Tenant's Property shall be and remain the property of Tenant. Upon the termination of this Agreement, whether by expiration, cancellation, or otherwise, title to such Leasehold Improvements shall vest in accordance with the Paragraph below.
- D. **Permanent Improvements.** Tenant may remove "Non-Permanent Leasehold Improvements" prior to the expiration, cancellation, or early termination of this Agreement. All permanent Leasehold Improvements, which are those that cannot be removed without structural injury to the Premises, if any, made by Tenant to the Air Cargo Center, of which the Premises are a part, shall become the property of Landlord upon the

expiration, cancellation or early termination of this Agreement; provided, however, that at Landlord's sole discretion, Tenant shall remove all permanent improvements and restore the Premises to the condition existing as of the Rent Commencement Date of this Lease provided that Landlord informs Tenant, in writing, at the time of granting approval that Landlord wants those improvements removed. For purposes of this Agreement "Non-Permanent Leasehold Improvements" are any fixtures or equipment installed or paid by the tenant that can be removed without damaging the Premises. Notwithstanding anything to the contrary, the electrical panel and fume extractor are considered permanent leasehold improvements and will remain the property of the Landlord and will not be removed by the tenant upon the expiration, cancellation, or early termination of this Agreement.

- E. Tenant Improvements. The Tenant acknowledges that the Tenant needs certain tenant improvements to be performed to the Leased Premises in order for the Tenant to be able to move in and operate at the Leased Premises. The Landlord will construct the improvements described in Exhibit B at the request of the Tenant and at the tenant's sole expense. The Tenant will be responsible for the costs of the tenant improvements in the amount of \$454,139.19 ("Improvement Costs"). The Tenant will pay the Improvement Costs within 30 calendar days of the Grant Submittal Deadline of October 31, 2025 listed in the Chapter 380 Agreement between the City and Ferret, Inc. incorporated herein by reference.
- F. Surrender. Tenant's obligations with respect to the surrender of the Premises shall be fulfilled if Tenant surrenders possession of the Premises in the condition existing on the Commencement Date, ordinary wear and tear, casualties, condemnation, Hazardous Materials (other than those released or emitted by Tenant), Leasehold Improvements, alterations or other interior improvements which it is permitted to surrender at the termination of this Lease and repairs that Tenant is not responsible for under this Lease, excepted.

Section 3.03 Compliance with Laws

Tenant, at Tenant's expense, agrees that in the event it constructs, operates and/or maintains improvements on the Premises, such activities shall be done in accordance with all laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force, including, but not limited to, those which shall impose any duty upon the Landlord or Tenant, with respect to the use, occupation or alteration of the Premises and any improvements thereon. By way of example and not in limitation of the foregoing, the execution of this Lease and approval of Tenant's plans by the Airport shall not preclude the requirement that Tenant obtain all other approvals necessary for development of Tenant's project such as, but not limited to, building permits and certificates of occupancy.

Tenant, at Tenant's expense, specifically agrees to make or cause to be made all such alterations to the Premises, and any improvements thereon, including, without limiting the generality of the requirements of this sentence, removing such barriers and providing such alternative services, as shall be required by the Americans with Disabilities Act of 1990 and any other laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county and municipal authorities, now in force or which may hereafter be in force, which relate to use or occupation of the Premises and any improvements thereon by disabled persons ("Disabilities Laws") if such alterations are required to be made solely due to Tenant's particular use of the Premises or Alterations to the

Premises made by Tenant; provided, however, notwithstanding anything contained herein to the contrary, Tenant shall not be required to comply with or cause the Premises to comply with, or pay any penalties or in lieu fees due to, any laws, rules, regulations or insurance requirements requiring the construction of Alterations or relating to increased energy efficiency or emissions reduction unless such compliance is necessitated solely due to Tenant's particular use of or Alterations to the Premises.

Tenant shall, at Tenant's expense, comply with all present and hereinafter enacted Environmental Laws, and any amendments thereto, affecting Tenant's use, operation, occupation or alteration of the Premises including any improvements thereon.

A. Definitions.

1. "Environmental Laws" means any one or all of the following as the same are amended from time to time: the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. Section 9601 et seq.; the Resource Conservation and Recovery Act, 42 U.S.C. Section 6941 et seq.; the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. Section 300h et seq.; the Clean Water Act, 33 U.S.C. Section 1251 et seq.; the Clean Air Act, 42 U.S.C. Section 7401 et seq.; and the regulations promulgated thereunder and any other laws, regulations and ordinances (whether enacted by the local, state or federal government) now in effect or hereinafter enacted that deal with the regulation or protection of the environment, including the ambient air, ground water, surface water, and land use, including sub-strata land.
2. "Hazardous Material" shall mean all substances, materials and wastes that are, or that become, regulated under or classified as hazardous or toxic under any Environmental Law and all petroleum products, such as gasoline, kerosene, diesel fuel, and the like.
3. "Release" shall mean any releasing, spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, disposing, or dumping into the environment in violation of Environmental Laws.

B. Compliance.

1. Tenant shall not cause or permit any of Tenant's Parties to cause any Hazardous Material to be used, generated, manufactured, produced, stored, brought upon, or released, on, under or about the Premises, or transported to and from the Premises, by Tenant or Tenant's Parties in violation of any Environmental Law; provided, further, that with respect to demolition of Existing Improvements, Tenant shall comply fully with all regulatory requirements, including, but not limited to, those governing asbestos abatement. **Tenant shall indemnify, defend and hold harmless Landlord, its successors and assigns, its employees, agents and attorneys from and against any and all liability, loss, damage, expense, penalties and legal**

and investigation fees or costs, arising from or related to any claim or action for injury, liability, breach of warranty or representation, or damage to persons or property and any and all claims or actions brought by any person, entity or governmental body, alleging or arising in connection with contamination of, or adverse effects on, the environment or violation of any Environmental Law or other statute, ordinance, rule, regulation, judgment or order of any government or judicial entity which are incurred or assessed as a result (whether in part or in whole) of any activity or operation on or discharge from the Premises or any improvements thereon arising from a Release of Hazardous Materials by Tenant or any of Tenant's Parties. This obligation includes, but is not limited to, all costs and expenses related to cleaning up the Premises, improvements, land, soil, underground or surface water as required under the law. Tenant's obligations and liabilities under this paragraph shall continue so long as Landlord bears any liability or responsibility under the Environmental Laws for any action that occurred on the Premises or any improvements thereon by Tenant or any of Tenant's Parties. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work required by any federal, state or local governmental agency or political subdivision because of Hazardous Material located on the Premises or any improvements thereon, or present in the soil or ground water on, under or about the Premises Released by Tenant or any of Tenant's Parties.

2. The parties agree that Landlord's right to enforce Tenant's promise to indemnify is not an adequate remedy at law for Tenant's violation of any provision of this Section. Landlord shall also have all other rights and remedies provided by law or otherwise provided in this Agreement.
3. Without limiting the foregoing, if the presence of any Hazardous Material on, under or about the Premises or in any improvements thereon or permitted by Tenant results in any contamination of the Premises or any improvements thereon which constitutes a Release, Tenant shall promptly take all actions at its sole cost and expense as are necessary to return the Premises or any improvements thereon to the condition existing prior to the Release any such Hazardous Material by Tenant or any of Tenant's Parties to the Premises or in any improvements thereon; provided that Landlord's approval of such actions shall first be obtained, which approval shall not be unreasonably withheld so long as such actions would not potentially have any material adverse long-term effect on the Premises or on any improvements thereon.
4. Tenant shall, at Tenant's own cost and expense, make all submissions to, provide all information to, and comply with all requirements of the appropriate governmental authority (the "Government") under the

Environmental Laws. Should the Government determine that site characterization, site assessment and/or a cleanup plan be prepared or that a cleanup should be undertaken on the Premises or in any improvements thereon, then Tenant shall, at Tenant's own cost and expense, prepare and submit the required plans and financial assurances, and carry out the approved plans. At no cost or expense to Landlord, Tenant shall promptly provide all information requested by Landlord to determine the applicability of the Environmental Laws to the Premises or to respond to any governmental investigation or to respond to any claim of liability by third parties, which is related to environmental contamination.

5. Tenant shall immediately notify Landlord of any of the following: (a) any correspondence or communication from any governmental entity regarding the application of Environmental Laws to the Premises or Tenant's operation on the Premises, and (b) any change in Tenant's operation on the Premises that will change or has the potential to change Tenant's or Landlord's obligations or liabilities under the Environmental Laws.
6. Intentionally omitted.
7. Nothing in Section 3.03 will make Tenant liable or responsible for, and Tenant shall have no obligations related to any hazardous materials which (i) existed on, under or about the Premises prior Tenant's occupation under this Agreement or any previous lease Agreement with Landlord for the Premises, (ii) which migrate to the Premises from off-site, or (iii) are introduced to the Premises during Landlord or its employees, agents or contractors, or any other person or entity except to the extent caused by Tenant or Tenant's Parties.
8. Landlord shall use commercially reasonable efforts to cause its other tenants in the Air Cargo Center to comply with all Environmental Laws.

C. Reporting.

1. At any time that Tenant submits any filing pertaining to its property, operations, or presence on the Airport with any governmental entity (other than the Internal Revenue Service) by way of example but not in limitation, the Federal Aviation Administration (FAA), the Environmental Protection Agency (EPA) or the Texas Commission on Environmental Quality (TCEQ), Tenant shall provide duplicate copies of the filing(s) and all related documents to Landlord.
2. Within ninety (90) days after expiration, termination or cessation of this Lease for any reason, Tenant shall provide a current Phase I environmental site assessment of the Premises prepared in accordance with recognized industry standards; and if, in the opinion of Landlord and based on report

findings, the Premises shall require environmental remediation, Tenant shall perform same to return the Premises into a condition equal or better to that as of the effective date of the Lease. Landlord shall provide Tenant access to the Premises as needed in order for Tenant to comply with its obligations pursuant to this Section 3.05(C)(2).

Section 3.04 Operation and Maintenance Expenses

Tenant shall pay its prorated share of the operating costs of the Innovation Factory building, which include water, sewer, gas, electricity, maintenance, building insurance, property management fees, pest control, trash removal as provided in Section 3.05 below, parking lot maintenance, building insurance and security system software. The Tenants prorated share will be calculated by dividing the square footage of the Tenants occupancy by the square footage of the leasable areas of the Innovation Factory.

Section 3.05 Trash, Garbage, and Other Refuse

Landlord shall provide proper arrangement for the adequate sanitary handling and disposal, away from the Airport, of all non-hazardous trash, garbage and other refuse. Tenant will not dispose of hazardous materials in the receptacles provided. Tenant will be responsible for the disposal of any hazardous materials in accordance with applicable laws.

Section 3.06 Permitted Uses

Tenant covenants and agrees that in no event will it enter into any business activity on the Premises other than those specified in the Policy and this agreement. For purposes of this agreement the Tenant is allowed to use the facilities only for the following: the development, manufacturing and assembly of immersion cooling solutions for computing cooling applications, office, storage and all other lawful ancillary uses. If Tenant uses the Premises for any other use not specified herein, then the Landlord may declare Tenant in breach of this lease and if Tenant has failed to cure following a 30-calendar day advanced written notice, Landlord shall have the remedies as provided in Sections 10.02 and 10.03 hereof.

Section 3.07 Approval of Plans

Approval of any and all improvements, plans, signs, or documents by the Director does not constitute approval of the City or any other local, state, or federal agency. It is specifically understood that the Department of Aviation is only one of numerous departments of the City and that, in addition to obtaining approval of the Director, Tenant shall be required to obtain the approval of other departments as well.

Section 3.08 Authorization to Enter Restricted Area

Tenant understands that all of its agents, employees, servants or independent contractors must be authorized by Landlord to enter restricted areas as defined in Title 14 of the El Paso City Code as amended. Tenant understands that no person authorized to enter a restricted area by virtue of this Agreement may permit any person who is not otherwise authorized to enter a restricted area unless such person is, at all times while in the restricted area, in the company of an authorized person.

Section 3.09 Security

Tenant is familiar with the restrictions imposed on Landlord by 49 CFR Part 1540 and 1542 as amended and agrees to assume responsibility for compliance with said applicable regulations as they relate to access and identification procedures on the Premises. Tenant recognizes that all persons in or on the Premises must comply with applicable federal safety and security requirements.

Section 3.10 Penalties Assessed by Federal Government

Tenant understands and agrees that in the event any federal agency assesses a civil penalty against Landlord for any violation of a federal rule or regulation as a result of any act on part of Tenant or Tenant's Parties, Tenant will, upon invoice, promptly reimburse Landlord in the amount of the civil penalty assessed. Failure to reimburse Landlord within thirty (30) days of receipt of written notice shall be an event of default hereunder. Tenant shall have the right to contest the imposition of such civil penalty so long as Tenant indemnifies Landlord from any liability as a result thereof.

ARTICLE IV **TERM OF LEASEHOLD**

Section 4.01 Term

The "Term" of this Lease will be the Initial Term and any properly exercised Option Period, as provided below. This Lease shall be for an initial term of five (5) years ("Initial Term"), commencing on September 3, 2025.

Section 4.02 Option to Extend

Intentionally deleted.

Section 4.03 Holding Over

It is agreed and understood that any holding over by Tenant of the Premises at the expiration or cancellation of this Agreement shall operate and be construed as a tenancy from month to month at a rental of one and one-half (1.5) times the then current monthly rental, unless the hold over is caused by the City staff not placing a new agreement with Tenant regarding the Premises at the end of the term of the present Lease on the City Council Agenda on a timely basis in which case the current monthly rental rate shall continue until the new agreement is executed. No receipt or acceptance of money by Landlord from Tenant after the expiration or cancellation of this Agreement or after the service of any notice, after the commencement of any suit, or after final judgment for possession of the Premises, shall reinstate, continue or extend the terms of this Agreement, or affect any such notice, demand or suit or imply consent for any action for which Landlord's consent is required or operate as a waiver of any right of the Landlord to retake and resume possession of the Premises.

Section 4.04 National Emergency

In the event that the rights and privileges hereunder are suspended by reason of war or other national emergency, the parties will negotiate in good faith a reasonable resolution of this lease under the circumstances.

HQ 24-2771 | Tran #613391 | Aviation

Ferveret- Innovation Factory- Lease

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ARTICLE V **RENTALS**

Section 5.01 Rental

For the purpose of computing the rental payments of this Lease, Landlord and Tenant agree that the Premises comprise the following:

Maker Space: 5,649 (#204, #205 and #206)	5,649 square feet total at \$8.00 per square foot per annum
	\$45,192.00 per annum
Office Space: 426 (#100, #101, #110 and #111)	426 square feet total at \$22.67 per square foot per annum
	\$9,657.42 per annum
Storage Space: 364 (#5E and #6E)	364 square feet total at \$6.78 per square foot per annum
	\$2,467.92 per annum Rent Commencement for the storage will commence upon the delivery of the storage space.

The annual rental for the Initial Term shall be \$57,317.34 per year payable on a quarterly basis starting on the Rent Commencement and subsequent payments due in accordance with Section 5.04 after the Rent Commencement.

Section 5.02 Expenses

In addition to the Rental, the Tenant will be responsible for the utility expenses of the Leased Premises in accordance with Section 3.04, as well as the Tenant proportionate share of the expenses listed in Section 3.04 and 3.05 as necessary (the "Expense Amount"). The Expense Amount for the First year of this Lease is \$66,901.21. The Tenant will pay the Expense Amount per year payable on a quarterly basis starting on the Rent Commencement and subsequent payments due in accordance with Section 5.04 after the Rent Commencement. The Landlord will perform a reconciliation report of the expenses at the end of every calendar year. The Tenant will be responsible for any expenses that exceed the Expense Amount. If the actual expenses are less than the Expense Amount, then the Landlord will credit to the Tenant any over payments. The Tenant will not receive any actual refund of overpayments of expenses. All overpayments will be credited against amounts owed to the Landlord under this Lease. Following the reconciliation every calendar year, the Landlord will establish a new Expense Amount and will notify the Tenant of the new Expense Amount. The Tenant will pay the new Expense Amount within 30 calendar days of notification by the Landlord. In the event that a refund is warranted, the Tenant will not be entitled to the refund but rather the Landlord will refund the funds directly to the Landlord's Economic Development Department ("ED Department") where the funds will be reallocated to other tenants or applicants in accordance with the Policy and at the ED Department's sole discretion. Tenant or its

authorized representative shall have the right to inspect the books of Landlord, for the purpose of verifying the information contained in the reconciliation report.

Section 5.03 Unpaid Rent, Fees and Charges

Any installment of rent, any fees, or other charges or monies accruing under any provisions of this Lease that are not received by the 105th day after payment is due, shall bear interest at the rate of 12% per annum. Notwithstanding the foregoing, no late charge shall be imposed on amounts not timely paid by Tenant due to the City of El Paso's failure to properly fund an eligible grant payment within the timeframe contemplated by that certain Chapter 380 Economic Development Program Agreement (the "Incentive Agreement") provided that Tenant is not in default of the Incentive Agreement beyond all applicable notice and cure periods.

Section 5.04 Time of Payment

All rental due hereunder shall be paid in four (4) equal quarterly installments. Each installment will be payable at the beginning of the quarter and will be delinquent if not paid within 105 days of the invoice from Landlord (the "Delinquency Date"). Notwithstanding the foregoing, amounts not timely paid by Tenant due to the City of El Paso's failure to fund a grant payment during the pendency of any grant submittal cure period and/or processing period permitted by Section 4(e) of that certain Chapter 380 Economic Development Program Agreement (the "Incentive Agreement") shall not be considered delinquent.

Section 5.05 Place of Payment

All payments provided herein shall be paid to Landlord at the following address:

Accounting Division
El Paso International Airport
P.O. Box 971278
El Paso, Texas 79997-1278.

ARTICLE VI **DAMAGE OR DESTRUCTION OF PREMISES**

Section 6.01 Damage or Destruction

If the Premises or any portions thereof, or structures of which such space may be a part, be damaged by fire or other casualty not caused by Tenant, Director shall notify Tenant within sixty (60) days whether the space shall be repaired. If the space is to be repaired, it shall be repaired with due diligence by Landlord, and the rental allocable to the Premises rendered untenantable shall be abated for the period from the occurrence of the damage to the completion of the repairs, provided that Landlord will exert its best effort to provide Tenant with temporary substitute space, if available, at such rent as deemed necessary and reasonable by City, until such time as the repairs are completed.

If Director shall fail to notify Tenant of its decision to repair any untenantable Premises within sixty (60) days after the destruction, Landlord will be deemed to have elected to terminate this

Agreement as to the space damaged and destroyed, and the Agreement shall automatically terminate as to such space as of the date of the damage or destruction.

Section 6.02 Damage Caused by Tenant

Notwithstanding the provisions of this Article 6, in the event that due to the negligence or willful act or omission of Tenant, its employees, its agents, or licensees, Premises shall be damaged or destroyed by fire, other casualty or otherwise, there shall be no abatement of rent during the repair or replacement of said Premises. To the extent that the costs of repair or replacement shall exceed the amount of any insurance proceeds payable to Landlord by reason of such damage or destruction, Tenant shall pay the amount of such additional costs to Landlord.

ARTICLE VII **INSURANCE AND INDEMNIFICATION**

Section 7.01 Commercial General Liability Insurance

Tenant shall obtain and maintain for the term of this Lease, at its own cost and expense, Commercial General Liability Insurance, including contractual liability, in an amount not less than One Million Dollars (\$1,000,000.00) combined single limit for bodily injury, property damage and personal liability policy shall be “per occurrence” and not “claims made and include a waiver of subrogation.”

Landlord shall be named as an Additional Insured on all insurance policies, either in the policy itself and reflected on the certificate of insurance and through an endorsement attached to the policy. Tenant’s insurance shall be primary with Landlord’s policy being secondary and noncontributory.

All policies shall provide either in the policy itself and reflected on the certificate of insurance or through an endorsement attached to the policy, that the insurance cannot be canceled or the amount of coverage changed without thirty (30) calendar days prior written notice to the Landlord or ten (10) calendar days prior written notice for non-payment of insurance policy premiums.

Section 7.02 Commercial Renter’s Insurance

Tenant will maintain, throughout the term of the Lease Commercial Renter’s Insurance.

Section 7.03 Environmental Insurance

The Tenant represents and warrants that no potentially Hazardous Materials will be stored in the Premises without Landlord’s prior written consent. Landlord hereby consents to Tenants use and storage of the Hazardous Materials listed on the attached Schedule 1 (“Approved Hazardous Materials”). The Tenant will notify landlord of any changes in operations or storage of Hazardous Materials on the leased Premises. Landlord may require tenant to obtain environmental insurance at any time following 30-day written notification, if the landlord determines in its sole discretion that the tenant’s activities pose an environmental risk to the premises and other tenants; provided however, environmental insurance shall not be required for the use and storage of the Approved Hazardous Materials. Landlord may request tenant to stop any activities that may pose an

environmental risk following a 30-day notice; notwithstanding the foregoing, Landlord acknowledges and agrees that Tenant's use of Approved Hazardous Materials in compliance with Environmental Law shall not be deemed to pose an environmental risk. Failure by tenant to abide by such notice from the landlord constitutes a material breach of this lease.

Section 7.04 Workers' Compensation Insurance

If required by law, tenant shall provide proof of Worker's compensation insurance not less than minimum statutory requirement by the state in which the Premises is located and in amounts as may be required by applicable statute.

Section 7.05 Indemnification

WITHOUT LIMITING THE GENERALITY OF ANY OTHER INDEMNITY CONTAINED IN THIS AGREEMENT, TENANT AGREES TO INDEMNIFY AND HOLD LANDLORD AND ITS OFFICERS, DIRECTORS, AGENTS, AND EMPLOYEES HARMLESS AGAINST ANY AND ALL CLAIMS, DEMANDS, DAMAGES, COSTS, LIABILITIES AND EXPENSES, INCLUDING INVESTIGATION EXPENSES AND REASONABLE ATTORNEY'S FEES FOR THE DEFENSE OF SUCH CLAIMS AND DEMANDS, ARISING OUT OF OR ATTRIBUTED DIRECTLY OR INDIRECTLY TO THE OPERATION, CONDUCT OR MANAGEMENT OF TENANT'S ACTIVITIES ON THE PREMISES, OR ON THE COMMON AREAS AND EXTERIOR AREAS OF THE BUILDING AND THE AIRPORT TO WHICH TENANT HAS NON-EXCLUSIVE ACCESS (COLLECTIVELY, THE "COMMON AREAS"), ITS USE OF THE PREMISES AND THE COMMON AREAS, OR FROM ANY BREACH ON THE PART OF TENANT OF ANY TERMS OF THIS AGREEMENT, OR FROM ANY ACT OR NEGLIGENCE OF TENANT, ITS AGENTS, CONTRACTORS, EMPLOYEES, CONCESSIONAIRES, OR LICENSEES IN OR ABOUT THE PREMISES AND THE COMMON AREAS INCLUDING CLAIMS AND DAMAGES ARISING IN WHOLE, OR IN PART, FROM THE NEGLIGENCE OF LANDLORD. IN CASE OF ANY ACTION OR PROCEEDING BROUGHT AGAINST LANDLORD BY REASON OF ANY SUCH CLAIM, TENANT, UPON RECEIPT OF WRITTEN NOTICE FROM LANDLORD, AGREES TO DEFEND THE ACTION OR PROCEEDING BY COUNSEL ACCEPTABLE TO LANDLORD. THE OBLIGATIONS OF TENANT UNDER THIS SECTION SHALL SURVIVE THE EXPIRATION OR SOONER TERMINATION OF THE LEASE.

Section 7.06 Additional Expenses

The Tenant acknowledges that the expenses under this Section are not included as expenses covered by the Expense Amount and that the Tenant is responsible for these expenses under this Section in addition to the Rental Amount and Expense Amount.

Section 7.07 Release and Waiver of Subrogation. Notwithstanding anything to the contrary herein, the parties hereto release each other and their respective agents, employees, successors, assignees and subtenants from all liability for damage to any of its property that is caused by or results from a risk which is actually insured against, which is required to be insured against under this Lease, or which would normally be covered by all risk property insurance, without regard to the negligence of the entity so released.

ARTICLE VIII **CONDEMNATION**

Section 8.01 Definition

The following definitions apply in construing the provisions of this Agreement relating to the taking of or damage to all or any part of the Premises, or improvements thereon, or any interest in them by eminent domain or condemnation:

- A. “Taking” means the taking or damaging, including severance damage by eminent domain or by condemnation for any public or quasi-public use under any statute. The transfer of title may be either a transfer resulting from the recording of a final order in condemnation or a voluntary transfer or conveyance to the condemning agency or entity under threat of condemnation and avoidance proceedings are pending.
- B. “Total taking” means the taking of the fee title to all of the Premises and improvements thereon.
- C. “Substantial taking” means the taking of so much of the Premises or improvements or both that one or more of the following conditions results:
 - 1. The remaining portion of the Premises and improvements thereon after such taking would not be economically and feasibly useable by Tenant;
 - 2. The conduct of Tenant's business on the Premises would be substantially prevented or impaired; or
 - 3. The portion of the Premises not so taken cannot be so repaired or reconstructed, taking into consideration the amount of the award available for repair or reconstruction, as to constitute a complete rentable structure capable of producing a proportionately fair and reasonable net annual income after payment of all operation expenses including the rent and after performance of all covenants and conditions required of Tenant under this Agreement.
- D. “Partial taking” means the taking of a fee title that is not either a total or substantial taking.
- E. “Improvements” includes, but is not limited to, all buildings, structures, fixtures, fences, utility installations, parking facilities and landscaping on the Premises.
- F. “Notice of intended taking” means any notice or notification on which a reasonably prudent person would rely and which such person would interpret as expressing an existing intention of taking as distinguished from a mere preliminary inquiry or proposal. It includes, but is not limited to, the service of a condemnation summons and complaint on a party to this Agreement. The notice is considered to have been received when a party to this Agreement receives from the condemning agency or

entity a notice of intent to take in writing containing a description or map reasonably defining the extent of the taking.

- G. "Award" means compensation paid for the taking, whether pursuant to judgment, or by agreement, or otherwise.
- H. "Date of taking" means the date that Tenant is required to vacate the Premises pursuant to a final order of condemnation or agreement between the parties hereto.

Section 8.02 Notice of Condemnation

The party receiving any notice of the kind specified below shall promptly give the other party notice of the receipt, contents and date of the notice received:

- A. Notice of intended taking;
- B. Service of any legal process relating to condemnation of the Premises or improvements; or
- C. Notice in connection with any proceedings or negotiations with respect to such a condemnation.

Section 8.03 Rights of Parties during Condemnation Proceeding

Landlord and Tenant shall each have the right to represent its respective interest in each proceeding or negotiation with respect to a taking or intended taking and to make full proof of its claims. No agreement, settlement, sale or transfer to or with the condemning authorities shall be made without the consent of all parties. Each party agrees to execute and deliver to any other party hereto any instrument that may be required to facilitate the provisions of this Agreement relating to the condemnation.

Section 8.04 Taking of Leasehold

Upon a total taking, Tenant's obligation to pay rent and other charges hereunder together with Tenant's interest in the leasehold shall terminate on the Date of Taking. Upon a substantial taking, Tenant may, by notice to Landlord within ninety (90) days after Tenant receives notice of the intended taking, elect to treat the taking as a total taking. If Tenant does not so notify Landlord, the taking shall be deemed a partial taking. Upon a partial taking, this Agreement shall remain in full force and effect covering the balance of the Premises not so taken, except that the rent payable hereunder shall be reduced in the same ratio as the percentage of the area of the Premises taken bears to the total area of the Premises.

Section 8.05 Total Taking

All of Tenant's obligations under the Agreement shall terminate as of the Date of Taking. Upon a total taking, all sums awarded for any Tenant-owned improvements and the leasehold estate shall be disbursed to Tenant. All sums awarded for the Premises, as unencumbered by the Tenant-owned improvements, but subject to the Agreement, shall be disbursed to Landlord.

Section 8.06 Partial Taking

Upon a partial taking, all awards shall be disbursed as follows:
To the cost of restoring the improvements on the Premises; and

- A. The balance, if any, to Landlord and Tenant as follows: Tenant shall receive all sums awarded for Tenant-owned improvements and the Leasehold estate. Landlord shall receive all sums awarded for the Premises as unencumbered by the improvements but subject to the Agreement.

Section 8.07 Obligations of Tenant under Partial Taking

Promptly after any such partial taking, Tenant, at its expense and in accordance with any awards disbursed in accordance with Section 8.06, shall repair, alter, modify or reconstruct the improvements on the Premises so as to make them reasonably suitable for Tenant's continued occupancy for the uses and purposes for which the Premises are leased. Notwithstanding the foregoing to the contrary, should there be a partial taking in the last year of the initial term or any renewal term, Tenant shall be relieved of the responsibility to so repair or reconstruct the improvements on Premises as aforesaid by notifying Landlord of its intention to that effect.

Section 8.08 Taking of Temporary Use of Premises and Improvements

Upon any taking of the temporary use of all or any part or parts of the Premises or improvements, or both, for a period of any estate less than a fee ending on or before the expiration date of the term, neither the term nor the rent shall be reduced or affected in any way and Tenant shall be entitled to any award for the use or estate taken. If a result of the taking is to necessitate expenditures for changes, repairs, alterations, modifications or reconstruction of the improvements to make them reasonably suitable for Tenant's continued occupancy for the uses and purposes for which the Premises are leased, after the termination of such taking, Tenant shall receive, hold and disburse the award in trust for such work. At the completion of the work and the discharge of the Premises and improvements from all liens or claims arising therefrom, Tenant shall be entitled to any surplus and shall be liable for any deficiency.

If any such taking is for a period extending beyond the expiration date of the term, the taking shall be treated under the foregoing provisions for total, substantial and partial takings.

ARTICLE IX **ENCUMBRANCES**

Intentionally Deleted.

ARTICLE X **EXPIRATION, CANCELLATION, ASSIGNMENT AND TRANSFER**

Section 10.01 Expiration

This Agreement shall expire at the end of the term or any extension thereof.

Section 10.02 Cancellation

HQ 24-2771 | Tran #613391 | Aviation
Ferveret- Innovation Factory- Lease
IRT

Subject to the provisions of Article IX above, this Agreement shall be subject to cancellation by Landlord in the event Tenant shall:

Be in arrears in the payment of the whole or any part of the amounts agreed upon hereunder for a period of ten (10) days after Landlord has notified Tenant in writing that payment was not received after the Delinquency Date.

- A. File in any court a petition in bankruptcy or insolvency or for the appointment of a receiver or trustee of all or a portion of Tenant's property;
- B. Make any general assignment for the benefit of creditors;
- C. Abandon the Premises while rent is in arrears;
- D. Default in the performance of any of the covenants and conditions required herein (except rental payments) to be kept and performed by Tenant, and such default continues for a period of thirty (30) days after receipt of written notice from Landlord to cure such default, unless during such thirty-day period, Tenant shall commence and thereafter diligently perform such action as may be reasonably necessary to cure such default;
- E. Be adjudged bankrupt in involuntary bankruptcy proceedings;
- F. Be made a party to any receivership proceeding in which a receiver is appointed for the property or affairs of Tenant where such receivership is not vacated within sixty (60) days after the appointment of such receiver;
- I. Fails to use the Premises as described in Section 3.06 of this Agreement and such default continues for a period of thirty (30) days after receipt of written notice from Landlord to cure such default, unless during such thirty-day period.

In any of the aforesaid events, Landlord may, in accordance with all laws, take immediate possession of the Premises including any and all improvements thereon and remove Tenant's effects, forcibly if necessary, without being deemed guilty of trespassing; provided, however, that Landlord shall store Tenant's Property in accordance with applicable law.

Failure of Landlord to declare this Agreement canceled upon the default of Tenant for any of the reasons set out shall not operate to bar or destroy the right of Landlord to cancel this Agreement by reason of any subsequent violation of the terms of this Agreement.

No receipt or acceptance of money by Landlord from Tenant after the expiration or cancellation of this Agreement or after the service of any notice, after the commencement of any suit, or after final judgment for possession of the Premises, shall reinstate, continue, or extend the term of this Agreement, or affect any such notice, demand or suit or imply consent for any action for which Landlord's consent is required or operate as a waiver of any right of the Landlord to retake and resume possession of the Premises.

Landlord waives any right of distraint, distress for rent or Landlord's lien that may arise at law.

Section 10.03 Repossessing and Reletting

In the event of default by Tenant hereunder which shall remain uncured after the required notices have been given pursuant to this Agreement, and for such time as provided herein, Landlord may at once thereafter, or at any time subsequent during the existence of such breach or default:

- A. Enter into and upon the Premises or any part thereof and repossess the same, expelling therefrom Tenant and all personal property of Tenant (which property may be removed and stored at the cost of and for the account of Tenant), using such force as may be necessary; and
- B. Either cancel this Agreement by notice or without canceling this Agreement, relet the Premises or any part thereof upon such terms and conditions as shall appear advisable to Landlord. If Landlord shall proceed to relet the Premises and the amounts received from reletting the Premises during any month or part thereof be less than the rent due and owing from Tenant during such month or part thereof under the terms of this Agreement, Tenant shall pay such deficiency to Landlord immediately upon calculation thereof, providing Landlord has exercised good faith in the terms and conditions of reletting. Payment of any such deficiencies shall be made monthly within thirty (30) days after receipt of notice of deficiency.

Section 10.04 Assignment and Transfer

Tenant is not permitted to assign this Agreement without first obtaining Landlord's written consent; said consent shall not be unreasonably withheld, conditioned or delayed. The foregoing notwithstanding, any person or entity to which this Agreement is assigned to, pursuant to the Bankruptcy Code, 11 U.S.C. 101 et seq., shall be deemed without further act or deed to have assumed all the obligations arising under this Agreement on or after the date of such assignment. Any such assignee shall, upon demand, execute and deliver to Landlord an instrument confirming such assumption. Notwithstanding anything contained herein to the contrary, Tenant may, without Landlord's prior written consent and without constituting an assignment or sublease hereunder, sublet the Premises or assign this Agreement to (a) an entity controlling, controlled by or under common control with Tenant, (b) an entity related to Tenant by merger, consolidation or reorganization, or (c) a purchaser of a substantial portion of Tenant's assets. A transfer or change of ownership of Tenant's capital stock or equity interests shall not be deemed an assignment, subletting or any other transfer of this Agreement or the Premises.

Section 10.05 Subleasing

Tenant shall not sublease all or any part of the Premises.

Section 10.06 Cancellation at Landlord's discretion

The Landlord may cancel this Lease following a 30 calendar day written notice, if the Landlord determines, in its sole discretion, that this lease must be canceled for any of the following reasons: (1) to allow the Landlord to comply with any Federal Aviation Administration or other federal or state agency requirements, (2) the Landlord requires the Premises for aeronautical purposes, (3) the Landlord requires the Premises for any other municipal or airport purposes in the reasonable

discretion of the Landlord, or (4) termination of the Policy and the incentive program established under the Policy.

10.07 Cancellation for failure to comply with requirements

If the tenant fails to comply with the requirements of the policy, this lease agreement, or the grant agreement following notice and a 30-calendar day opportunity to cure, then the City may cancel any or all agreements with the tenant, at the landlord's sole discretion, and the tenant will be responsible for repaying any funds granted under the grant agreement and responsible for any amounts under the lease agreement.

10.08 Cancellation by Tenant

Tenant may cancel the lease agreement and grant agreement upon 90 calendar day written notice if the tenant is unable to continue its business operations in accordance with the application approved for grant funds. The notice provided by the tenant must explain the reasons the tenant is unable to continue to operate its business as provided in the application approved for the grant funds. Upon receipt of notification the City may immediately reallocate any funds approved for the tenant.

10.09 Liquidated damages in event of cancellation

In the event that either party cancels the lease agreement, the pre-paid Rent and Expenses shall be used as liquidated damages by landlord.

ARTICLE XI **GENERAL PROVISIONS**

Section 11.01 Right of Flight

Landlord reserves unto itself, its successors and assigns, for the use and benefit of the public a right of flight for the passage of aircraft in the airspace above the surface of the Premises, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in the said airspace, and for the use of said airspace for landing on, taking off from or operation on the Airport.

Landlord reserves to itself, its successors and assigns, for the use and benefit of the public, a continuing right and easement over the Premises to take any action it deems necessary to prevent the construction, erection, alteration or growth of any structure, tree or other object in the vicinity of the runways at El Paso International Airport which would constitute an obstruction to air navigation according to the criteria or standards prescribed in Subpart C of Part 77 of the Federal Aviation Regulations.

Landlord reserves for itself, its successors and assigns the right to prevent any use of the Premises which would interfere with aircraft landing on or taking off from the Airport and the right to prevent any other use of the Premises which would constitute an airport hazard.

Section 11.02 Time Is of the Essence

Time is and shall be deemed of the essence in respect to the performance of each provision of this Agreement.

Section 11.03 Notices

All notices provided to be given under this Agreement shall be given by certified or registered mail, return receipt requested, postage fully prepaid, addressed to the proper party at the following addresses:

LANDLORD: Director of Aviation
El Paso International Airport
6701 Convair Road
El Paso, Texas 79925-1099

TENANT: Ferveret Inc.
Attn: Reza Azizian
Address: 501 George Perry Suite F Office #110
El Paso, Texas 79925

With copy to: The City of El Paso
Attn: Economic and International Development Department
P.O. Box 1890
El Paso, Texas 79950-1890

Any notice so given shall be deemed properly delivered, given, served, or received on the date shown for delivery or rejection on the return receipt. Any party may change the address to which notices shall thereafter be given upon five (5) days prior written notice to all other parties in the manner set forth in this Section.

Section 11.04 Attorney's Fees

If either party brings any action or proceedings to enforce, protect or establish any right or remedy under the terms and conditions of this Agreement, the prevailing party shall be entitled to recover reasonable attorney's fees, as determined by a court of competent jurisdiction, in addition to any other relief awarded.

Section 11.05 Agreement Made in Texas

The laws of the State of Texas shall govern the validity, interpretation, performance and enforcement of this Agreement. Venue shall be in the courts in El Paso County, Texas.

Section 11.06 General Civil Rights Provision

Lessee agrees to comply with pertinent statutes, Executive Orders and such rules as are promulgated to ensure that no person shall, on the grounds of race, creed, color, national origin, sex, age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. If the Lessee transfers its obligation to another, the transferee is obligated in the same manner as the transferor.

This provision obligates the Lessee for the period during which the property is owned, used or possessed by the Lessee and the airport remains obligated to the Federal Aviation Administration. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

Section 11.07 Compliance with FAA Requirements and Nondiscrimination Requirements

Lessee shall comply with and shall cause its assignees, successors in interest, and any contractor, subcontractor, lower-tier subcontractor, or service provider of Lessee to comply with, to the extent required by applicable law, all provisions of **Exhibit “D”, Federal Aviation Administration Required Provisions**, as amended or interpreted by the FAA from time to time, which are incorporated as if fully set forth herein.

Section 11.08 Affirmative Action

Lessee assures that it will undertake an affirmative action program as required by 14 CFR Part 152, Subpart E, and any amendments thereto, and any other federal statutes or regulations applicable to the receipt of federal assistance from the Department of Transportation by local governments for Airport use, or otherwise applicable to persons leasing premises from the City of El Paso, to insure that no person shall, on the grounds of race, color, sex, age, disability or national origin be excluded from participating in or receiving the services or benefits of any program of activity covered by this Subpart. Lessee assures that it will require that its covered sub-organizations (sublessees) provide assurances to Lessor, as set forth herein, that they similarly will undertake affirmative action programs, and that they will require assurance from their sub-organizations (sublessees) to the same effect.

Section 11.09 FAA Order 1400.11

Pursuant to Federal Aviation Administration Order 1400.11, effective August 27, 2013, and because the described premises are located at the El Paso International Airport which is subject to regulation by, among others, the U.S. Federal Aviation Administration, the parties specifically agree to the following:

1. A. Lessee for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that in the event facilities are constructed, maintained, or otherwise operated on the property described in this Lease for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Tenant will maintain and operate such facilities and services in compliance with all requirements imposed by the Acts and Regulations set out in Federal Aviation Administration Order 1400.11, Appendix 4, as same may be amended from time to time (the “Acts and Regulations”) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.

B. With respect to the Lease, in the event of breach of any of the above nondiscrimination covenants, Lessor will have the right to terminate the Lease and to enter or re-enter and repossess said

Premises and the facilities thereon, and hold the same as if said easement had never been made or issued. [FAA Order 1400.11, Appendix C].

2. A. The Lessee for itself, its successors in interest and assigns, as a part of the consideration hereof, does hereby covenant and agree, as a covenant running with the land, that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that the Tenant will use the premises in compliance with all other requirements imposed by or pursuant to the Acts and Regulations.

B. With respect to the Lease, in the event of breach of any of the above nondiscrimination covenants, Lessor will have the right to terminate the Lease and to enter or re-enter and repossess said Premises and the facilities thereon, and hold the same as if said easement had never been made or issued. [FAA Order 1400.11, Appendix D]

3. A. During the term of this Lease, Lessee for itself, its successors in interest, and assigns, as a part of the consideration hereof, agrees to comply with the following non-discrimination statutes and authorities.

B. In the event of breach of any of the covenants in this section 3, Lessor shall have the rights and remedies set forth in sections 1 and 2 above, in addition to all other rights and remedies available to it under applicable law. [FAA Order 1400.11, Appendix E]

Section 11.10 Cumulative Rights and Remedies

All rights and remedies of Landlord here enumerated shall be cumulative and none shall exclude any other right or remedy allowed by law. Likewise, the exercise by Landlord of any remedy provided for herein or allowed by law shall not be to the exclusion of any other remedy.

Section 11.11 Interpretation

Words of gender used in this Agreement shall be held and construed to include any other gender, and words in the singular shall be held to include the plural and vice versa unless the context otherwise requires.

Section 11.12 Agreement Made in Writing

This Agreement contains all of the agreements and conditions made between the parties hereto and may not be modified orally or in any manner other than by agreement in writing signed by the parties hereto or their respective successors in interest.

Section 11.13 Paragraph Headings

The Table of Contents of this Agreement and the captions of the various articles and sections of this Agreement are for convenience and ease of reference only, and do not define, limit, augment or describe the scope, context or intent of this Agreement or any part or parts of this Agreement.

Section 11.14 Severability

If any provision of this Agreement is found by a court of competent jurisdiction to be illegal, invalid, or unenforceable, the remainder of this Agreement will not be affected, and in lieu of each provision which is found to be illegal, invalid, or unenforceable, there will be added as part of this Agreement a provision as similar to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

Section 11.15 Successors and Assigns

All of the terms, provisions, covenants and conditions of this Agreement shall inure to the benefit of and be binding upon Landlord and Tenant and their successors, assigns, legal representatives, heirs, executors and administrators.

Section 11.16 Taxes and Other Charges

Tenant shall pay any and all taxes and governmental charges of any kind whatsoever that may be lawfully assessed against Tenant or Landlord, with respect to the Premises, any improvements, equipment, personal property or inventory thereon or Tenant's use and/or occupancy of the Premises, during the term of this Agreement including any extensions or option periods granted thereto. Tenant in good faith may contest any tax or governmental charge; provided that Tenant may not permit such tax or governmental charge to remain unpaid during the period of such contest and any appeal therefrom. The Tenant acknowledges that taxes under this Section are not included as expenses covered by the Expense Amount and that the Tenant is responsible for these expenses under this Section in addition to the Rental Amount and Expense Amount. The Tenant will provide the Landlord written proof of payment of all taxes owed no later than March 30 of each calendar year. In the event that the Central Appraisal District issues a single property/improvement tax bill for the Innovation Factory, the Landlord will prorate such taxes and send an invoice to the Tenant for the Tenant's share of the taxes. The Tenant will pay the Landlord the amount in the invoice within 30 calendar days of receipt of the invoice. The tenant remains responsible for any other taxes on equipment, personal property and/or inventory and will provide proof of payment to the Landlord as provided in this Section. Notwithstanding anything contained herein to the contrary, "Taxes" shall not include and Tenant shall not be required to pay any portion of any tax or assessment expense or any increase therein (a) levied on Landlord's rental income, unless such tax or assessment is imposed in lieu of real property taxes; (b) in excess of the amount which would be payable if such tax or assessment expense were paid in installments over the longest permitted term; (c) imposed on land and improvements other than the Project; (d) attributable to Landlord's net income, inheritance, gift, transfer, estate or state taxes.

Section 11.17 Waiver of Warranty of Suitability

LANDLORD DISCLAIMS ANY WARRANTY OF SUITABILITY THAT MAY ARISE BY OPERATION OF LAW. EXCEPT AS OTHERWISE PROVIDED IN THIS LEASE, TENANT LEASES THE PREMISES AS-IS AND LANDLORD DOES NOT WARRANT THAT THERE ARE NO LATENT DEFECTS THAT ARE VITAL TO TENANT'S USE OF THE PREMISES FOR THEIR INTENDED COMMERCIAL PURPOSE.

Section 11.18 Waiver of Reliance and Assumption of Risk

TENANT AGREES THAT IT HAS NOT RELIED UPON ANY STATEMENTS MADE BY LANDLORD WHETHER ORAL AND/OR WRITTEN, EXPRESS OR IMPLICIT, NOR ANY OTHER REPRESENTATIONS OF LANDLORD, ITS EMPLOYEES, AGENTS, REPRESENTATIVE, AND CONTRACTORS SIGNING THIS AGREEMENT EXCEPT AS OTHERWISE EXPRESSLY SET FORTH HEREIN. TENANT HAS RELIED SOLELY ON ITS OWN INDEPENDENT INVESTIGATIONS AND ANALYSIS AND ON THE OPINIONS OF ITS ATTORNEYS, AGENTS, AND CONTRACTORS IN ENTERING INTO THE LEASE. TENANT HEREBY WAIVES ANY AND ALL RIGHT, WHICH TENANT MAY HAVE TO CLAIM ANY NATURE OF A LIEN OR TO WITHHOLD, ABATE, DEDUCT FROM OR OFFSET AGAINST RENT UNDER THE TEXAS PROPERTY CODE. LANDLORD HEREBY ACKNOWLEDGES THAT WITHOUT SUCH WAIVER, LANDLORD WOULD NOT ENTER INTO THIS LEASE.

Section 11.19 Survival of Certain Provisions

All Provisions of this Agreement which expressly or impliedly contemplate or require performance after the expiration or termination of this Agreement hereunder shall survive such expiration or termination of this Agreement, including without limitation, Section 3.05.

Section 11.20 Authorization to Enter Agreement

If Tenant signs this Agreement as a corporation, Tenant warrants to Landlord that Tenant is a duly authorized and existing corporation, that Tenant is qualified to do business in the State of Texas, that Tenant has full right and authority to enter into this Agreement, and that each and every person signing on behalf of Tenant is authorized to do so. Upon Landlord's request, Tenant will provide evidence satisfactory to Landlord confirming these representations.

Section 11.21 Complete Agreement

This agreement, together with the attachment(s) attached hereto, constitutes the entire agreement among the parties relating to the terms and conditions of the agreement. The parties expressly acknowledge and warrant that there exists no other written or oral understanding, agreements or assurances with respect to such matters except as are set forth herein. Unless expressly stated, this agreement confers no rights on any person or business entity that is not a party hereto. This agreement shall not be construed against or unfavorably to any part because of such party's involvement in the preparation or drafting of this agreement.

(Signatures on the following page)

LANDLORD'S SIGNATURE AND ACKNOWLEDGMENT

IN WITNESS WHEREOF, the parties have hereunto set their hands as of this 11th day of August, 2025.

LANDLORD: CITY OF EL PASO:

Juan Antonio Nevarez, CM, ACE, IACE
Director of Aviation

APPROVED AS TO FORM:

Ignacio Troncoso
Assistant City Attorney

APPROVED AS TO CONTENT:

Omar De La Rosa
Interim Chief Strategy and Business Officer

ACKNOWLEDGMENT

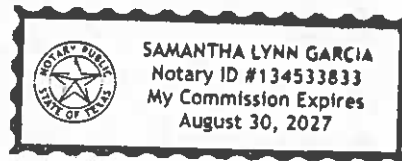
THE STATE OF TEXAS)
)
COUNTY OF EL PASO)

This instrument was acknowledged before me on this 11th day of August, 2025 by Juan Antonio Nevarez as Director of Aviation for the City of El Paso, Texas (Landlord).

Notary Public, State of Texas

My Commission Expires:

August 30, 2027



(Signatures continue on the following page)

TENANT'S SIGNATURE AND ACKNOWLEDGMENT

TENANT:

**FERVERET INC.,
a Delaware Corporation**

Reza Azizian
Name:

CEO
Title:

ACKNOWLEDGMENT

THE STATE OF California
COUNTY OF Santa Clara

This instrument was acknowledged before me on this 18th day of August, 2025 by
_____, as _____ of (Tenant).

Notary Public, State of _____

My Commission Expires:

See Attached CA Certificate

Acknowledgement
Jurat

AP

Notary Public

CALIFORNIA ACKNOWLEDGMENT

CIVIL CODE § 1189

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of

Santa Clara

On

18th August, 2021

before me,

Ankita Intwala, Notary Public

Here Insert Name and Title of the Officer

personally appeared

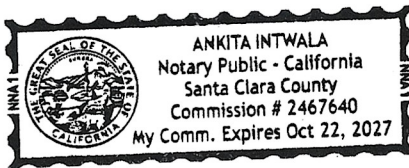
Reza Azizian

Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Place Notary Seal and/or Stamp Above

Signature

Ankita Intwala

Signature of Notary Public

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document:

Lease Agreement

Document Date:

08.18.2025

Number of Pages:

38

Signer(s) Other Than Named Above:

Yes.

Capacity(ies) Claimed by Signer(s)

Signer's Name:

Reza Azizian

Signer's Name:

☒ Corporate Officer – Title(s):

CEO & Co-Founder

☐ Corporate Officer – Title(s):

☐ Partner – ☐ Limited ☐ General

☐ Partner – ☐ Limited ☐ General

☐ Individual

☐ Attorney in Fact

☐ Individual

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Trustee

☐ Guardian or Conservator

☐ Other:

☐ Other:

Signer is Representing:

Signer is Representing:

EXHIBIT “A”
Leased Premises

Exhibit "A"

Leased Premises



EXHIBIT “B”
Tenant Improvements

Exhibit "B"

Estimate Tenant Improvements cost under Tenant Responsibility		Line item cost
Alvidrez Architecture: Architectural drawings		\$ 36,370.00
Noble Construction: 1. Construct the tenant improvements as per the drawings from Alvidrez Architecture, Inc. El Paso International Airport Ferveret date stamped 02.22.2024. 2. Full time project superintendent 3. Plumbing 4. HVAC 5. Electrical 6. Chain link fence modifications 7. Install high-capacity pallet racks 8. Electrical installation of water chillers 9. Includes \$75,000 contingency for 3 hydronic chillers, and high rack shelving. Unused contingency amounts will be 100% refunded to the Owner.		\$ 267,383.40
Unused Contingency (Credit)		\$ (21,909.14)
CO#12 ASI 01- Revised Electrical drawings dated 05.21.2024		\$ 4,716.39
CO#12 Fume Extractor Arm		\$ 3,775.58
CO#12 Canopy		\$ 15,049.16
CO#4 Internet fiber		\$ 9,172.61
CO#15 - 1200 AMP Panel (includes credit for 600 AMP panel quoted on 03.21.2024)		\$ 139,196.00
CO#12 Temporary SO Cord - temporary measure to test equipment		\$ 385.19
Totals		\$ 454,139.19

26 February 2024

Victoria Ruiz, EIT, ACE, CNU-A
Project Manager
Aviation Development
El Paso International Airport
6701 Convair Rd.
El Paso, Texas 79925

Reference: EPIA Cargo 4 **FERVERET Tenant Improvement**

Dear Ms. Ruiz,

We appreciate your consideration of our Studio to provide Architectural + Engineering services for the above referenced Project. The following is a brief description of design and construction document services. These various phases are typical for the architectural/engineering industry and correlate with the phases of design and construction. Services will include Architectural, Mechanical, Electrical + Plumbing services.

SCOPE OF WORK:

The Project will consist of the design and preparation of construction documents for the Interior Improvements to Cargo 4 for FERVERET. Tenant improvements will accommodate Tenant equipment, new power, modified compressed air and airside chillers.

Services to be performed:

1. FIELD VERIFICATION:

- 1.1 Field verification will be performed to analyze the existing space + infrastructure to support the interior improvements.

2. DESIGN:

- 2.1 The Architect will review the requirements of the project as described by the Owner and will review the understanding of such requirements with the Owner.
- 2.2 Based on the mutually agreed upon requirements, the Architect will prepare, for approval by the Owner, Design Documents consisting of drawings illustrating the scale and relationship of project components.
- 2.3 Based on the approved Design Documents and any adjustments authorized by the Owner in the program, schedule or construction budget, the Architect shall prepare, for approval by the Owner, Documents consisting of drawings and other documents to fix and describe the size and character of the Project as to architectural and electrical systems, materials and such other elements as may be appropriate.

3. CONTRACT DOCUMENTS:

- 3.1 Based on the approved Design Documents and final comments the Architect will finalize Contract Documents for the Bid | Negotiation Phase.

4. BIDDING | CONSTRUCTION

- 4.1 The Architect, following the Owner's approval of the Contract Documents, will assist the Owner in obtaining bids and assist in cost evaluation as required.
- 4.2 Contract Administration will include observation of construction, checking of project shop drawings and reviewing of Contractors application for payment.

COMPENSATION:

Compensation for services will be provided as a **FIXED FEE of THIRTY-SIX THOUSAND THREE HUNDRED SEVENTY (\$36,370.00) DOLLARS.** The proposed fee is inclusive of engineering consultants. Services are proposed to be invoiced monthly per phase of completion.

SERVICES:**\$ 35,010.00**

Field verification	10%
Design	40%
Contract Documents	40%
Bidding Construction	10%

REIMBURSABLES:

1. Printing	\$ 120.00
2. TAS	\$ 1,200.00
3. Gas	\$ 40.00

SUBTOTAL**\$ 1,360.00****TOTAL****\$ 36,370.00**

Barring unforeseen circumstances, we will complete the services to be performed as expeditiously as possible upon authorization to proceed.

Owner provided services as required:

1. Asbestos Survey required for permitting.

The following services are not part of the basic services to be provided:

1. Providing planning surveys, site excavations, environmental studies, special surveys, etc.
2. Providing coordination of Work performed by separate contractors or by the Owner's own forces.

We appreciate the opportunity to provide you with our proposal for services as outlined above. Please contact this office if you should have any questions regarding services to be performed. We look forward to continuing our working relationship with the El Paso International Airport!

Respectfully,

ALVIDREZ ARCHITECTURE INC.



David A. Alvidrez AIA, RID, CNUA
E://24.15.00/doc/design/proposal

Noble General Contractors

March 21, 2024

Victoria Ruiz, EIT, ACE, CNU-A
Project Manager, Aviation Development
El Paso International Airport
6701 Convair Rd.
El Paso, TX 79925

Re: EPIA Cargo #4 Innovation Factory Sol # 2022-0334 – Suite F Ferveret TI

Ms. Ruiz,

Noble General Contractors is pleased to offer our proposal to perform the scope of work as described in the following inclusions:

INCLUSIONS:

1. Construct the tenant improvements as per the drawings from Alvidrez Architecture, Inc.
El Paso International Airport Ferveret date stamped 02.22.2024.
2. Full time project superintendent
3. Plumbing
4. HVAC
5. Electrical
6. Chain link fence modifications
7. Install high-capacity pallet racks
8. Electrical installation of water chillers
9. Includes \$75,000 contingency for 3 hydronic chillers, and high rack shelving.
Unused contingency amounts will be 100% refunded to the Owner.

4BT Open JOC Price Totals	\$160,220.25
Coefficient 1.17 (adjusted)	\$26,494.14
Coefficient 1.17 Non Pre-Priced	\$ 743.30
Pass Thru to Owner – Contingency for chillers and shelving	\$75,000.00
Pass Thru to Owner – P&P Bonds	\$ 4,925.71
Total Proposed Price	\$267,383.40

Thank You,

Christy Nevarez

Christy Nevarez
Project Executive

Noble General Contractors

May 21, 2024

Victoria Ruiz, EIT, ACE, CNU-A
Project Manager, Aviation Development
El Paso International Airport
6701 Convair Rd.
El Paso, TX 79925

Re: EPIA Cargo #4 Innovation Factory Sol # 2022-0334 – Suite F Ferveret TI
ASI 001

Ms. Ruiz,

Noble General Contractors is pleased to offer our change proposal to perform the scope of work as described in the following inclusions:

INCLUSIONS:

1. ASI 001 from Alvidrez Architecture, Inc. regarding El Paso International Airport Ferveret date stamped 05.06.2024.

1. E2.0 Power Plan; Addition of one (1) 480V-30A, 3PH electrical outlet.
2. Revised electrical schedule to accommodate new 480V-30A, 3PH electrical outlet

4BT Open JOC Price Totals	\$4,031.10
Coefficient 1.17 (adjusted)	\$685.29
Total Proposed Price	\$4,716.39

Thank You,

Christy Nevarez

Christy Nevarez
Project Executive

Noble General Contractors

August 12, 2024

Zuhey Monge
Project Manager, Aviation Development
El Paso International Airport
6701 Convair Rd.
El Paso, TX 79925

Re: EPIA Cargo #4 Innovation Factory Sol # 2022-0334 – Suite F Ferveret TI
Fume Extractor Arm

Ms. Monge,

Noble General Contractors is pleased to offer our change proposal to perform the scope of work as described in the following inclusions:

INCLUSIONS:

1. Provide fume extractor arm and arm ducting kit

4BT Open JOC Price Totals	\$3,226.99
Coefficient 1.17 (adjusted)	\$548.59
Total Proposed Price	\$3,775.58

Thank You,

Christy Nevarez

Christy Nevarez
Project Executive

Noble General Contractors

September 11, 2024

Zuhey Monge
Project Manager, Aviation Development
El Paso International Airport
6701 Convair Rd.
El Paso, TX 79925

Re: EPIA Cargo #4 Innovation Factory Sol # 2022-0334 – Suite F Ferveret TI
ASI #02 Addition of canopy framing plan at E1 Chillers' location

Ms. Monge,

Noble General Contractors is pleased to offer our change proposal to perform the scope of work as described in the following inclusions:

INCLUSIONS:

1. Add canopy framing at outdoor chillers

4BT Open JOC Price Totals	\$12,735.18
Coefficient 1.17 (adjusted)	\$2,164.98
Pass through to Owner – Increase of P&P Bonds	\$149.00
Total Proposed Price	\$15,049.16

Thank You,

Christy Nevarez

Christy Nevarez
Project Executive



Advanced Security Contractors, Inc.

135 Rio West
El Paso, TX 79932

El Paso International Airport

Cargo 4 - Ferret Fiber Extension - 12 Strand Fiber

Region 19 Contract #24-7488

9/25/2024

REF	QTY	PART NO.	EQUIPMENT DESCRIPTION	COST EA.	TOTAL
1	1	252823-NEW	Chatsworth Products - Wall Mount Cabinet, CUBE-iT+ Wall Mount Cabinet, PlexiGlass Door, 24"Hx24"Wx24"D, 12U Tapped Rail, Black	\$1,069.39	\$1,069.39
2	2	40970-711	Chatsworth Products - Vertical Cabling Section, 11RU	\$93.63	\$187.26
3	1	25190-000	Chatsworth Products - Cable Port Brush Kit	\$59.49	\$59.49
4	1	CONDUIT	Conduit - 3/4" EMT Drop	\$266.00	\$266.00
5	1	LIFT	Scissor Lift - 19ft, 1 Week Rental, Includes Drop Off/Pickup	\$780.00	\$780.00
6	400	TF12-OS2-PLO	TiniFiber - 12 Strand, OS2, Single Mode, Armored, Plenum Rated	\$2.54	\$1,016.00
7	2	FRMP1U-V2	Lynn - 3 Panel Fiber Enclosure, 1RU	\$176.42	\$352.84
8	2	FAS-12SLC	Lynn - Adapter Single Mode, LC Connectors, 12 Pack	\$50.54	\$101.08
9	4	FPP-AD-BLANK	Lynn - LGX Blank Adapter Plate	\$8.65	\$34.60
10	4	539022	AFL - FUSE-LC9SMU-6, LC Singlemode Fuseconnect 900 uM Boot Blue Pack of 6	\$93.17	\$372.68
11	2	LCLCDUPSM-1M	Lynn - Fiber Patch Cord, Single Mode, LC/LC 1 Meter	\$19.95	\$39.90
12	1	MISC	Miscellaneous Fasteners, Connectors, Fittings, Mounting Bases, Etc.	\$428.37	\$428.37
EQUIPMENT TOTAL:					\$4,707.61
ASC INSTALLATION:					\$4,465.00
TOTAL JOB:					\$9,172.61

NOTES:

1. THIS DOCUMENT IS PROPRIETARY AND CANNOT BE DISCLOSED TO A THIRD PARTY WITHOUT THE PRIOR WRITTEN CONSENT OF ASC, INC.
2. TAXES NOT INCLUDED ABOVE.
3. PRICING SHALL REMAIN FIRM FOR 30 DAYS FROM ABOVE DATE.
4. EXTENSION OF EXISTING FIBER FROM IDF TO FERRET SPACE.

Limited Warranty

Parts and labor warranty is provided within this design by ASC, for software, components and materials provided and installed by ASC. Warranty will begin upon either customer acceptance or substantial completion. Warranty term for this project will be 365 days. In situations during the ASC warranty period where ASC provides diagnostic and/or repair services for system hardware provided by others, ASC will invoice the Customer for time and materials at the rates applicable at the time of service. ASC will not warranty product that has been abused, misused, or improperly maintained, repaired, and/or modified during such period, and such defect has not been caused by ordinary wear and tear, and such defect is not a result of voltage surges/brownouts, lightning, water damage/flooding, fire, explosion, earthquakes, tornadoes, acts of aggression/war/god, or similar phenomena.

Noble General Contractors

August 5, 2024

Zuhey Monge
Project Manager, Aviation Development
El Paso International Airport
6701 Convair Rd.
El Paso, TX 79925

Re: EPIA Cargo #4 Innovation Factory Sol # 2022-0334 – Suite F Ferveret TI
Add 1200 AMP Service and additional changes to permit drawings.

Ms. Monge,

Noble General Contractors is pleased to offer our change proposal to perform the scope of work as described in the following inclusions:

INCLUSIONS:

1. Add 1200 AMP service as per the approved permit drawings from Alvidrez Architecture, Inc. El Paso International Airport Ferveret date stamped 04.18.2024.

4BT Open JOC Price Totals	\$242,914.53
Coefficient 1.17 (adjusted)	\$41,295.47
Pass Thru to Owner – P&P Bonds	\$5,263.15
Total Proposed Price	\$289,473.15

Thank You,

Christy Nevarez

Christy Nevarez
Project Executive

Noble General Contractors

October 03, 2024

Zuhey Monge
Project Manager, Aviation Development
El Paso International Airport
6701 Convair Rd.
El Paso, TX 79925

Re: EPIA Cargo #4 Innovation Factory Sol # 2022-0334 – Suite F Ferveret TI
Temporary SO Cord

Ms. Monge,

Noble General Contractors is pleased to offer our change proposal to perform the scope of work as described in the following inclusions:

INCLUSIONS:

1. Install a temporary SO cord at Ferveret for Generator

4BT Open JOC Price Totals	\$329.22
Coefficient 1.17 (adjusted)	\$55.97
Total Proposed Price	\$385.19

Thank You,

Christy Nevarez

Christy Nevarez
Project Executive

EXHIBIT “C”
Policy

RESOLUTION

WHEREAS, on March 11, 2021, President Joseph R. Biden signed the American Recovery Plan Act of 2021 into law and appropriated \$3 billion to be awarded by the United States Department of Commerce's Economic Development Administration (EDA) to assist communities nationwide in their efforts to build back better by accelerating economic recovery and building local economies that will be resilient to future shocks; and

WHEREAS, through the American Recovery Plan Act, funding became available across six programs, including the Build Back Better Regional Challenge; and

WHEREAS, in October of 2021, City Council supported the City's participation in the West Texas Aerospace Manufacturing Coalition ("Coalition") led by UTEP's Aerospace center and the submission of the Coalition's application to the Build Back Better Regional Challenge Phase 1; and

WHEREAS, in December of 2021, from a pool of 529 applicants, the EDA announced that this coalition was one of sixty coalitions nationwide awarded Phase 1 Funding under the Build Back Better Challenge, and invited the Coalition to apply for Phase 2; and

WHEREAS, the Coalition's application requested \$100 million dollars to fund several projects, among them the construction of an Advanced Manufacturing District; and

WHEREAS, on September 2, 2022, EDA announced that the Coalition's application was selected, however, only \$40 million dollars were approved by the EDA; and

WHEREAS, out of the \$40 million dollar grant, the Coalition allocated \$25 million dollars to the construction of three buildings within the Advanced Manufacturing District; and

WHEREAS, at the end of construction, the three buildings within the Advanced Manufacturing District will be leased to manufacturers in the advanced manufacturing, defense, aerospace, and related industries; and

WHEREAS, related to but separate from the EDA grant, the City of El Paso has completed the construction of the Innovation Factory located 501 George Perry Blvd ("Innovation Factory"); and

WHEREAS, although no EDA funds were used for the construction of the Innovation Factory, the Innovation Factory is a crucial component of the Advanced Manufacturing Campus and was constructed to bolster defense and manufacturing capabilities by attracting and assisting new entrants into those industries in the region while also building the skills of our area's workforce; and

WHEREAS, on August 1, 2022 City Council approved the appropriation of \$3,000,000 of grant funds from the Coronavirus State and Local Fiscal Recovery Funds to assist impacted or disproportionately impacted small businesses in the manufacturing industry sector; and

WHEREAS, such funds will be used to assist tenants leasing space at the Innovation Factory that meet the requirements of the Coronavirus State and Local Fiscal Recovery Fund; and

WHEREAS, the City wishes to set the framework for the leasing, operation, and maintenance of the Advanced Manufacturing Campus and Innovation Factory in accordance to the requirements of the EDA grant and the Coronavirus State and Local Fiscal Recovery Fund.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EL PASO:

1. That the Director of Aviation is authorized to create and amend policies for the lease of the Innovation Factory and buildings within the Advanced Manufacturing Campus to businesses engaged in the aerospace, defense, advanced manufacturing and related sectors, as determined by the Director of Aviation, in compliance with all applicable grant and FAA requirements.
2. That the Director of Aviation, or designee, is authorized to execute and amend leases of space within the Innovation Factory and buildings constructed within the Advanced Manufacturing Campus provided such leases are approved by the City Attorney's Office as to form.
3. That the Director of Aviation, or designee, is authorized to exercise all rights within the executed agreements including termination of such leases.
4. That the Director of Aviation, or designee, is authorized to execute any MOU or similar agreements with community partners such as UTEP for the provision of services and use of space at the Innovation Factory and other buildings located in the Advanced Manufacturing Campus provided such agreements are approved by the City Attorney's Office as to form.
5. That the Director of Aviation, or designee, is authorized to execute any related documents required to execute the policies and agreements authorized by this resolution.
6. That the Director of Economic Development is authorized to create a policy to use the appropriated Coronavirus State and Local Fiscal Recovery Funds to assist small businesses with the payment of rents and related expenses at the Innovation Factory.
7. That the Director of Economic Development, or designee, is authorized to execute any grant agreements, if necessary, with small businesses to cover rents and related expenses
8. That the Director of Economic Development, or designee, is authorized to exercise all rights within the executed grant agreement including termination of such agreements, if any.
9. That the Director of Economic Development, or designee, is authorized to execute any related documents required to execute the grant policy and administer the grant agreements, if any.
10. The City Manager, or designee, is authorized to perform any budget transfers in accordance to the purposes of this resolution.

(Signatures Begin on Following Page)

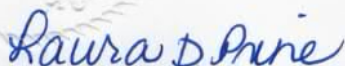
APPROVED this 7th day February 2023.

THE CITY OF EL PASO:



Oscar Leeser
Mayor

ATTEST:



Laura D. Prine
City Clerk

APPROVED AS TO CONTENT:



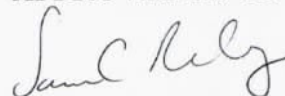
Elizabeth Triggs, Director
Economic & International Development
Department

APPROVED AS TO FORM:



Russell T. Abeln
Assistant City Attorney

APPROVED AS TO CONTENT:



Samuel Rodriguez, Chief Operations Officer
Aviation Department



EL PASO MAKES: INNOVATION FACTORY

INCENTIVE AND LEASE POLICY

El Paso Makes: Innovation Factory Policy

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El Paso Makes: Innovation Factory Policy

SECTION I. PURPOSE

On August 1, 2022, City Council approved a Resolution for appropriation of \$3,000,000 of the grant funds from the Coronavirus State and Local Fiscal Recovery Funds, to assist impacted or disproportionately impacted small businesses in the manufacturing industry sector in accordance with the requirements stipulated by the American Rescue Plan Act (“ARPA”) and federal guidelines in the Final Rule to cover expenses incurred to respond and recover from the COVID-19 public health crisis. Per the Resolution, such funding may be used to provide loans or grants to mitigate financial hardship, such as by supporting payroll and benefits, costs to retain employees and mortgage, rent, utility, and other operating costs; and technical assistance, counseling or other services to support business planning; or other assistance as identified in the Final Rule to support impacted and disproportionately impacted small businesses in the manufacturing industry sector, to include small business startups, microbusinesses, or individuals seeking to start small or microbusinesses.

The El Paso Makes: Innovation Factory Incentive and Lease Policy (“Policy”), contains guidelines on the leasing of space at the El Paso Makes: Innovation Factory (“Innovation Factory”) and the provision of incentives to Small Businesses occupying the Innovation Factory. Small Businesses, as defined by this Policy, are early stage, new or existing manufacturing technology businesses targeting the aerospace, defense, or other advanced manufacturing markets; and would greatly benefit from incubation services. Economic Development Incentives, funded through ARPA, will provide a mechanism to offset costs associated with Small Business’(re)location to the Innovation Factory.

The Innovation Factory is owned by the City of El Paso (“COEP”), managed by the El Paso International Airport (“ELP”), and is located at 501 George Perry Drive, El Paso, Texas 79925. The Innovation Factory was built for the purpose of incubating and accelerating Small Businesses, as defined herein, and connecting them to aerospace and defense markets. Applicants approved under this policy will lease space at the Innovation Factory.

This document is meant to serve as a guide for COEP staff and does not create any obligations on COEP. The COEP may modify this policy as the deemed necessary for the benefit of the COEP, always in accordance with local, state and federal regulations. Notwithstanding anything to the contrary, this document does not confer any rights to any party.

SECTION II. DEFINITIONS

Aerospace Center at The University of Texas at El Paso - The Aerospace Center’s mission is to educate and prepare a diverse, future-ready workforce for high-paying, in-demand careers through project-based learning in applied, cutting-edge research in aerospace, defense, and energy.

Aerospace Markets - Product is integrated into or is an aircraft, rocket, missile, spacecraft, or any product that is meant to operate in the earth’s atmosphere or space beyond. A product is also considered related to aerospace if the item is critical for the operation or maintenance of aircraft, rockets, missiles, spacecraft, satellites, or any other items that are meant to operate in the earth’s atmosphere or space beyond.

Advanced Manufacturing - The use of innovative technologies that enhance business competitiveness by increasing quality, productivity, and efficiency. Advanced manufacturing can include production activities that depend on the information, automation, computation, software, sensing, and networking.

El Paso Makes: Innovation Factory Policy

Applicant – A business that submits a formal application requesting incentives under the City of El Paso’s Innovation Factory Policy. Applicants will be Small Businesses, as defined herein, focusing on product development with the use of advanced manufacturing technologies, focused on maturing advanced manufacturing technologies or focused on deploying advanced manufacturing technologies. Markets for these Small Businesses could include, but is not limited to, aerospace and defense or renewable or alternative energy.

Common Areas – Areas of the building that are available for use by all tenants on a non-exclusive basis.

Cybersecurity - Different types of activities whose goal is to protect digital infrastructure from unauthorized access or harm.

Early Stage – The Small Business’s idea or proposed product is deemed scalable and is gaining more customer traction attracting larger funding.

El Paso Makes: Innovation Factory (“Innovation Factory”) - Owned by the City of El Paso, managed by the El Paso International Airport (ELP), and is located at 501 George Perry Drive, El Paso, Texas 79925, built for the purpose of encouraging aerospace, defense, and advanced manufacturing.

Facility Manager - A professional who oversees the daily operations of the Innovation Factory.

Growth Stage – The company has reached a consistent customer base and is producing income consistently. This stage is often accompanied by an increase in employees to manage the growing workload.

Landlord – The El Paso International Airport.

Lease – A legal, binding contract outlining the terms under which a person or corporate entity agrees to rent property owned by the COEP and managed by the El Paso International Airport.

Leased Space - Areas of the building that are available for a tenant’s exclusive use, as specified in the lease contract.

National Defense Market - Assists the federal or state government with ensuring national safety, welfare, and economy particularly resulting from foreign military action or natural disaster. An item is also considered related to national defense if the product is incorporated into another item that is used to assist the federal or state government with ensuring national safety, welfare, and economy particularly resulting from foreign military action or natural disaster.

Operating Hours - Monday through Friday from 8am to 5pm, excluding holidays.

Panel – One representative each from the Aerospace Center and the W.M. Keck for 3D Innovation at UTEP and four representatives from the City of El Paso.

Pre-Seed Stage - This stage typically refers to the period in which a company's founders are first getting their operations off the ground, often verifying the viability of the idea and completing their business model.

Seed Stage – The idea becomes a business with customer traction.

Small Business – early stage, new or existing manufacturing technology businesses targeting aerospace, defense and other advanced manufacturing markets; and would benefit greatly from incubation services.

El Paso Makes: Innovation Factory Policy

Tenant - A person or a corporate entity leasing space at the Innovation Factory.

W.M. Keck Center for 3D Innovation at the University of Texas at El Paso (Keck Center) - A multidisciplinary research center focused on the use and development Additive Manufacturing (AM) technologies with primary focus areas in AM Technology Development, Engineered and Structured Materials, and Advanced AM Applications.

SECTION III. ECONOMIC DEVELOPMENT INCENTIVES

Selected applicants will receive from the COEP up to a 100% subsidy of the rent and associated expenses for the lease of space at the Innovation Factory. The funding will come from American Rescue Plan Act funds for years 2023-2026. Per ARPA requirements, these funds must be allocated by year end 2024 and expended by year end 2026.

Applicants may request funds for tenant improvements at the Innovation Factory in an amount approved by the panel.

In order to comply with Federal Aviation Administration regulations, ELP must charge fair market value for the lease of space owned by the COEP, managed by ELP. The rental payments under the lease approved under this policy will be calculated on an annual basis and due in advance. In the event of a cancellation of a grant agreement, no refunds of rental payments will be made by ELP, however, ELP will ensure to credit any rental payments made to ensure that ELP does not charge duplicate rent for the same space. Any charges for expenses made by ELP will be reconciled annually and ELP will credit any overpayments. Refund of funds will only be made if a credit is not appropriate. In the event of a refund of funds by ELP, the tenant will not be entitled to such refund but rather the refund will be made back to the City where the funds will be reallocated to other applicants in accordance with any applicable ARPA regulations.

SECTION IV. ELIGIBILITY REQUIREMENTS AND SELECTION

In order to be eligible for incentives and to lease space at the Innovation Factory, a person or a corporate entity must:

- A. Fill-out and submit a complete application as provided by COEP;
- B. Demonstrate negative economic impact caused by COVID, as required by ARPA;
- C. Provide a business plan or proforma to include current and projected revenue;
- D. Provide the number of employees; and
- E. Provide detailed information about any required tenant improvements to property, if applicable.

To be eligible an applicant, the applicant must be a Small Business that is focused on at least one of the following areas:

- A. Focuses on developing a product or technologies using advanced manufacturing technologies;
- B. Focuses on maturing advanced manufacturing technologies or advanced materials;
- C. Focuses on deploying advanced manufacturing technologies as a service;
- D. Manufactures products that will accelerate the adoption of alternative or renewable sources of energy; or
- E. Manufactures products for aerospace or national defense markets.

El Paso Makes: Innovation Factory Policy

Office space not needed to support manufacturing will be available to Small Businesses that support manufacturing. To be eligible these spaces, an applicant must be a Small Business that:

- A. Provides design engineering services for manufacturers;
- B. Develops cybersecurity solutions for manufacturers, or
- C. Develops software or system designs for aerospace and defense markets, or other markets requiring manufacturing technology, including but not limited to renewable and alternative energy markets.

A panel consisting of staff from the COEP, the Aerospace Center and the W.M. Keck Center for 3D innovation will select applicants based on the following considerations:

- A. Rational, workable technology solution for product or service;
- B. A solid business plan with a proven market for product or service;
- C. Applicant's demographic information (gender, race, ethnicity, and educational attainment) that ensures we are serving a broad and diverse cross section of our community and that is reflective of our community's demographics;
- D. Commitment to growing in El Paso;
- E. Potential to produce jobs in the local area; and
- F. Potential for growth into the Advanced Manufacturing District.

To aid in decision making and at the discretion of the panel, the applicant may be invited to present their application and pitch deck in person.

SECTION V. UTEP INCUBATION SERVICES

UTEP will be responsible for incubation service delivery to tenants through the El Paso Makes: Innovation Network for Manufacturers. The programming is designed to make the tenant competitive and to introduce the tenant to potential customers in aerospace and defense markets. Services include, but are not limited to:

A. Technology Innovation

- 1. Technology and digital infrastructure assessment;
- 2. Product and process development and improvement;
- 3. Prototyping;
- 4. Research and development support;
- 5. Technical consultation about the adoption of digital integration strategies; and
- 6. Technical consultation about the adoption of advanced manufacturing technologies.

B. Infrastructure & Facilities

- 1. Technical consulting on facility and process upgrades required for AS9100D quality certifications; and
- 2. Technical consulting on facility and process upgrades for ITAR registration.

C. Talent Acquisition & Development

- 1. Assessment of workforce needs and connection with existing programs and training dollars to support training and workforce needs; and
- 2. Development of training programs to support workforce needs.

El Paso Makes: Innovation Factory Policy

D. Business Fundamentals

1. Department of defense contracting assistance;
2. One-on-one business coaching and support; and
3. Development of financing plan and connection to potential financing sources.

E. Business Growth

1. Access to CONNEX El Paso, a supply chain database tool to connect to new customers and suppliers and active support from Innovation Network staff to connect customer to new business opportunities;
2. Annual Aerospace and Defense Supplier Summit;
3. Annual Technology Forum;
4. Monthly networking meetings; and
5. Promotion at aerospace and defense trade shows.

F. Evaluation of Progress

Tenants will receive incubation services for three years. At the end of that term, the tenant will be evaluated based on a number of criteria that will depend on the type of company and its business and technology maturity to determine whether to continue incubation services or to graduate them into the acceleration track. Companies who graduate into acceleration services will be invited to lease in the Advanced Manufacturing District and will continue to receive services as needed through the Innovation Network for Manufacturers.

Tenants are required to provide a semi-annual report to UTEP, COEP and ELP, documenting growth and progress. The semi-annual report is to be comprised of:

1. Any updates to business plan
2. Number of employees;
3. Annual revenue; and
4. New business/contracts through support from Innovation Network.

Tenants are also required to respond to an annual survey administered by UTEP. Tenants are encouraged to collaborate with other tenants. Tenants are encouraged to attend meetings hosted by UTEP for Innovation Factory Tenants.

COEP and ELP at their sole discretion may provide other or similar types of services to tenants that are aimed at assisting small businesses.

SECTION VI. LEASE

A. Use Requirements

Tenants must use the property based on the eligibility requirements and as submitted in the application.

B. Minimum Space Requirements

A person or entity applying to lease space at the Innovation Factory must lease at least one maker space, one office, and one storage unit. Any exceptions must be approved by the COEP.

Individual offices may be leased in the event that all maker spaces are leased and offices remain available.

El Paso Makes: Innovation Factory Policy

C. Term

COEP may enter into a lease with an Eligible Person or entity for a term not to exceed 3 years provided, however, that the actual term granted to an Eligible Person will be determined on a case-by-case basis. A tenant may apply for a renewal of a lease no later than 2 months prior to the expiration of the Tenant's current lease.

D. Insurance

All tenants are required to have Renter's Insurance, Fire and Extended Coverage Insurance, and Commercial General Liability Insurance for the term of their lease.

E. Lease Rate

All tenants will be required to pay the Lease Rate as provided in the Lease Agreement.

F. Expense Amounts

Tenants will be required to pay for their pro rata portion of expenses at the Innovation Factory as set in the Lease. The following amenities and services are included as part of the Expense Amount:

1. Utilities (gas, water, wastewater, electricity);
2. Conference room access;
3. Break room access;
4. Building Insurance;
5. Maintenance;
6. Common area janitorial services;
7. Trash Services;
8. Pressurized Air;
9. 24-hour access;
10. Parking;
11. Building Security during operating hours; and
12. Property Management Service.

Nothing in this policy obligates the City to provide the services above. The City will conduct a reconciliation of the expenses at the end of each year. The tenant will be responsible for paying any expenses that exceed the actual Expense Amount paid by the tenant. The City will credit any overpayments to the tenant. No refunds will be issued. Following the reconciliation every calendar year, the Landlord will establish a new Expense Amount and will notify the Tenant of the new Expense Amount. The Tenant will pay the new Expense Amount within 30 calendar days of notification by the Landlord.

G. Not Included in the Lease Rate

The following are not included as part of the lease rate. Tenant is responsible for obtaining and paying for the following:

1. Renter's insurance and fire and extended coverage;
2. Commercial liability insurance;
3. Environmental pollution liability insurance;
4. Real Property Taxes; and
5. Inventory, Equipment and Personal Property Taxes.

El Paso Makes: Innovation Factory Policy

The tenant may elect to obtain the following services at the tenant's expense:

1. Janitorial services to leased space areas; and
2. Telephone and internet service.

H. Subleasing and Assignment

A tenant may not sublease or assign a lease without the express written consent of ELP.

I. Innovation Factory Regulations

All tenants will abide by the Innovation Factory Regulations ("Regulations") published by the Airport pertaining to the lease and use of space at the Innovation Factory. ELP will publish the Regulations on its website. ELP may change the Use Regulations as ELP deems necessary in the best interest of the airport and the Innovation Factory. All tenants will abide by any new Regulations published by ELP on the website.

SECTION VII. TERMINATION

COEP may cancel the lease and/or grant agreement following a 30-calendar day written notice, if COEP determines, in its sole discretion, that this lease must be canceled for any of the following reasons: (1) to allow COEP to comply with any Federal Aviation Administration or other federal or state agency requirements, (2) COEP requires the Premises for aeronautical purposes, or (3) COEP requires the Premises for any other municipal or airport purposes in the sole discretion of COEP.

Cancellation for failure to comply with requirements. If the tenant fails to comply with the requirements of the policy, this lease agreement, or the grant agreement following notice and a 30-calendar day opportunity to cure, then COEP may cancel any or all agreements with the tenant, at COEP's sole discretion, and the tenant will be responsible for repaying any funds granted under the grant agreement and responsible for any amounts under the lease agreement.

Cancellation by Tenant. Tenant may cancel the lease agreement and grant agreement upon 90-calendar day written notice if the tenant is unable to continue its business operations in accordance to the application approved for grant funds. The notice provided by the tenant must explain the reasons the tenant is unable to continue to operate its business as provided in the application approved for the grant funds. Upon receipt of notification COEP may immediately reallocate any funds approved for the tenant.

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EXHIBIT A – Innovation Factory Program Application

In order to be eligible for incentives and to lease space at the Innovation Factory, a person or a corporate entity must:

Fill-out and submit a complete application as provided by COEP,
Provide a business plan or proforma to include current and projected revenue,
Provide the number of employees; and provide detailed information about any proposed tenant improvements to property, if applicable.

Applicant Information

1. Applicant Company *

2. Name of Founder/ Point of Contact *

3. Email *

4. Phone *

5. Applicant headquarters address *

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6. If considered a startup, select your startup stage. The definitions provided are to be used only for the purposes of this application and the El Paso Makes Innovation Factory program. *

- ☐ **Pre-Seed Stage:** This stage typically refers to the period in which a company's founders are first getting their operations off the ground, often verifying the viability of the idea and completing their business model.
- ☐ **Seed Stage:** The idea becomes a business with customer traction. Equity is often provided in exchange for larger amounts of funding.
- ☐ **Early Stage:** The idea is deemed scalable and is gaining more customer traction attracting larger funding. This phase is often before the first series A funding round.
- ☐ **Growth Stage:** The company has reached a consistent customer base and is producing income consistently. This stage is often accompanied by an increase in employees to manage the growing workload.
- ☐ **Small Business:** Small Businesses are generally considered as a privately owned, for-profit enterprises with 500 employees or fewer with certain exceptions depending on industry.
- ☐ Other

7. Business Structure *

- ☐ Sole Proprietorship
- ☐ Partnership
- ☐ LLC
- ☐ C Corp
- ☐ S Corp
- ☐ Non-Profit (501 C3)

8. Briefly describe the products that will be manufactured and the method of manufacturing such products: *

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9. Website and Social-media *

10. To be an eligible applicant, the applicant company must be focused on at least one of the following areas: *

- ☐ Focuses on developing a product or technologies using advanced manufacturing technologies;
- ☐ Focuses on maturing advanced manufacturing technologies or advanced materials;
- ☐ Focuses on deploying advanced manufacturing technologies as a service;
- ☐ Manufactures products that will accelerate the adoption of alternative or renewable sources of energy; or
- ☐ Manufactures products for aerospace or national defense markets

11. Office space not needed to support manufacturing startups will be available to businesses that support manufacturing. To be eligible these spaces, an applicant must be a startup that

- ☐ Provides design engineering services for manufacturers
- ☐ Develops cybersecurity solutions for manufacturers
- ☐ Develops software or system designs for aerospace and defense

12. Have you received incentives from any of these organizations in the past?

- ☐ City of El Paso
- ☐ El Paso County
- ☐ State of Texas
- ☐ None of the above

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13. Describe the problem you are solving *

14. Describe who you are solving the problem for *

15. How are you solving it? *

16. Number of people working full-time *

17. Number of people outside El Paso *

18. Number of people working part-time *

19. Please, select all that apply: The applicant company is a *

- ☐ UTEP Keck Center Spinoff
- ☐ West Texas community startup
- ☐ Startup/small business from outside the region
- ☐ Other

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20. How many people will be using the Innovation Factory?

**Please note that office spaces have a max occupancy of two **

- ☐ 2-5
- ☐ 6-10
- ☐ 11-15
- ☐ 15+

21. Describe your plans for growth in El Paso *

22. Do you require improvements or enhancements for the space? *

- ☐ Yes
- ☐ No

23. If you replied "Yes" to question 22, please, describe necessary improvements or enhancements for your space *

24. Have you leased a workspace before? *

- ☐ Yes
- ☐ No

25. If you replied "Yes" to question 24, please provide rate and zip code of your previous location *

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Employee Demographics

Please, fill out this section describing your team to the best of your knowledge. This is confidential information and will only be reported by aggregate.

26. How many people on your team are self described as female?

** Note: This question is meant to capture and understand trends in the representation of females in STEM related fields. **

27. Please, describe people belong to the following races *

	1-5	6-10	11-15	16-20	20+
White	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Black or African American	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Native Hawaiian or Other Pacific Islander	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hispanic or Latinx	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Asian	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prefer not to respond	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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28. Please, describe how many people belong to the following educational attainment categories *

	1-5	6-10	11-15	16-20	20+
Master's degree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Bachelor's degree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Associate's degree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Some college, no degree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
High school diploma or equivalent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
No formal educational credential	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Prefer not to respond	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

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Tenant Requirements

29. Expected move-in day * Please input date (M/d/yyyy)

30. Manufacturing space (SF) *

31. Office space (SF) *

32. Storage space (SF) *

Please Provide the Following

**Tenants must fill out and submit a Form 1295 with the Texas Ethics Commission. For more information visit <https://www.ethics.state.tx.us/filinginfo/1295/>.*

33. Upload business plan or proforma *

↑ Upload file

File number limit: 5 Single file size limit: 10MB Allowed file types: Word, Excel, PPT, PDF, Image, Video, Audio

34. Upload pitch deck *

↑ Upload file

File number limit: 5 Single file size limit: 10MB Allowed file types: Word, Excel, PPT, PDF, Image, Video, Audio

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35. Articles of Incorporation *

📄 Upload file

File number limit: 5 Single file size limit: 10MB Allowed file types: Word, Excel, PPT, PDF, Image, Video, Audio

36. Certificate of Authority from the Texas Secretary of State *

📄 Upload file

File number limit: 5 Single file size limit: 10MB Allowed file types: Word, Excel, PPT, PDF, Image, Video, Audio

37. Proof of signatory authority *

📄 Upload file

File number limit: 5 Single file size limit: 10MB Allowed file types: Word, Excel, PPT, PDF, Image, Video, Audio

38. Upload information regarding space improvements and enhancements including specifications and safety measures. Modifications will be subject to panel approval *

📄 Upload file

File number limit: 5 Single file size limit: 10MB Allowed file types: Word, Excel, PPT, PDF, Image, Video, Audio

Billing Contact Information

39. Name *

40. Phone *

41. Email *

42. Billing Address *

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COVID 19 Impact

Please check the boxes that best describe the impact of COVID 19 on your company

43. My company has been impacted by COVID 19 in the following ways *

- ☐ Decreased revenue or gross receipts
- ☐ Financial insecurity
- ☐ Increased costs
- ☐ Capacity to weather financial hardship
- ☐ Challenges covering payroll, rent or mortgage, and other operating costs
- ☐ Other

44. Please upload supporting evidence of negative economic impact of COVID 19. *(Can use items such as profit loss statement.)* *

 Upload file

File number limit: 5 Single file size limit: 10MB Allowed file types: Word, Excel, PPT, PDF, Image, Video, Audio

45. Signature *

46. Date *

Please input date (M/d/yyyy)



EXHIBIT B — Innovation Factory Building Regulations

All persons leasing or using space at the Innovation Factory must abide by these Innovation Factory Regulations (“Regulations”).

1. **Maintenance.** Tenant will maintain all Leased Space and Common Areas in a clean, safe and orderly condition at all times. Tenant will not tamper or attempt to fix any fixtures in the Common Areas and Leased Space. Tenant will report all problems to the Facility Manager or to the after-hours phone line provided by Facility Manager.
2. **Alterations and Improvements.** No alterations or improvements to Leased Space shall be made without the prior Landlord’s written approval. Tenant shall not make alterations or improvements to Common Areas.
3. **Tenant’s Contractors and Technicians.** All contractors, contractor's representatives and installation technicians performing work in the Building shall be subject to Landlord's prior approval and shall be required to comply with Landlord's standard rules, regulations, policies and procedures, which may be revised from time to time.
4. **Signs.** No signs, advertisements, or notices shall be painted or affixed to windows, doors or other parts of the Building, except those of such color, size, style and in such places as are first approved in writing by Landlord. All tenant identification and suite numbers at the entrance to the Premises shall be installed by Landlord, at Tenant's cost and expense, using the standard graphics for the Building. Except in connection with the hanging of lightweight pictures and wall decorations, no nails, hooks or screws shall be inserted into any part of the Building except by maintenance personnel.
5. **Access to the Building.** Tenants have access to the building 24 hours a day, 7 days a week provided that the Facility Manager is only available Monday through Friday from 8am to 5pm, excluding holidays (“Operating Hours”). In the event of an emergency, Tenant should contact the Facility Manager or the after-hours phone line.
6. **Keys to Main Entrance.** A key or a key card to the entry doors of the Building shall be furnished by Landlord to Tenant at the beginning of occupancy, Tenant shall not make any duplicate keys or key cards. All keys/key cards shall be returned to Landlord at the expiration or early termination of the Lease. Lost or stolen keys/key cards shall be promptly reported to Facility Manager. The tenant will be solely responsible for the cost of replacing any lost, stolen, or damaged keys/key cards and for rekeying the Facility and issuing new keys to other tenants.
7. **Keys to Leased Space.** Tenant is responsible for installing locks on any premises exclusively leased to the Tenant. Tenant will provide a copy of the key(s) to the Landlord.
8. **Right to Enter.** Landlord and persons authorized by Landlord may enter the Building at all reasonable times upon reasonable advance notice (except in the case of an emergency in which case no prior notice is necessary) for the purpose of inspections, repairs, alterations to adjoining space, appraisals, or other reasonable purposes; including enforcement of Landlord’s rights under this Lease. Landlord also shall have the right to enter the Premises at all reasonable times

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after giving prior oral notice to Tenant, to exhibit the Premises to any prospective Tenant or other persons as reasonably determined by Landlord.

9. **Telecommunications.** Tenant shall not use more than its proportionate share of telephone lines and other telecommunication facilities available to service the building. If a tenant requires access to the IT/Electrical room, then the Tenant will notify the Facility Manager and the Facility Manager will provide access to the IT/Electrical room. Tenant will permanently label all of their connections by clearly identifying what the connection is for and the name of the tenant. Tenant will not tamper with another tenant's connections.
10. **Electrical System Capacity.** Tenant shall not install, operate or maintain in the Premises or in any other area of the Building, electrical equipment that would overload the electrical system beyond its capacity for proper, efficient and safe operation as determined solely by Landlord.
11. **Temperature.** The Innovation Factory will be kept at a temperature of 72 degrees Fahrenheit during Operating Hours. Tenants are prohibited from tampering with any thermostats.
12. **Heating and Cooling Devices.** Tenant shall not furnish cooling or heating to the Premises, including, without limitation, the use of electronic or gas heating devices, without Landlord's prior written consent
13. **Trash.** Landlord will provide trash receptacles for the proper disposal of non-hazardous trash and garbage. Tenant will use the designated receptacles. Piling of boxes, cartons, barrels or other similar items in an unsightly or unsafe manner, on or about the Premises shall not be permitted. Tenant will not dispose of hazardous materials in the receptacles provided. Tenant will be responsible for the disposal of any hazardous materials in accordance with applicable laws. Tenant shall not throw away excess food or beverages in trashcans located in the offices to prevent smells within the work environment. Instead, Tenant shall deposit them in the trash cans located in the break rooms.
14. **Deliveries.** Deliveries of furniture, office equipment, or material to and from the Premises shall be made only at the times, in the areas and through the entrances and exits designated by Landlord. Tenant shall not make deliveries to or from the Premises in a manner that might interfere with the use by any other tenant of its premises or of the Common Areas, any pedestrian use, or any use which is inconsistent with good business practice.
15. **Parking.** Unassigned parking at a dedicated zone will be available for tenants and tenant's guests.
16. **Office Occupancy.** No more than 2 persons may occupy a single office.
17. **Makerspace Use.** Tenant will use makerspaces for manufacturing only. No office use will be allowed in makerspace areas. No storage of materials of any kind is allowed in makerspace areas.
18. **Storage Use.** Tenant will use the storage rooms for the storage of manufacturing materials. No storage of manufacturing materials is allowed in the maker spaces, offices, parking lot, or any other area in the Innovation Factory or outside.
19. **Conference Rooms.** Conference rooms must be booked in advance through Facility Manager.

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20. **Break Rooms.** Tenant shall not leave any unwashed dishes or utensils in the break rooms. Tenant will store dishes, utensils, food and beverages in the appropriate areas in the break room. Labeling food & beverage items stored in the pantry and fridges is highly recommended. Ensure food and beverages stored are properly packaged. Fridges will be cleared every Friday.
21. **Hazardous Materials.** All use and storage of hazardous materials must comply with all environmental laws. Tenant will only store hazardous materials in a storage space and can only store materials disclosed in application. A list of hazardous materials will be updated by the tenant and provided to Facility Manager every 6 months. Tenant shall immediately report any spills of hazardous material to Facility Manager. Tenant remains responsible for the proper cleaning of hazardous materials spills in accordance to applicable environmental laws.
22. **Guests.** Tenant must be present while Tenant's guest is invited to visit the space. No other individual other than those stated on the Lease are allowed to utilize a key to the Building's entry doors. Tenant will not be allowed to have guests/individuals not authorized via the lease agreement to utilize any workspaces. Casual guests and visitors are not permitted outside of Regular Hours. Only Tenant's clients or professional contacts are welcome after Operating Hours. Children are allowed in the workplace on a case-by-case basis and must be accompanied by an adult at all times. Children under the age of fifteen are not allowed in the makerspace areas.
23. **Conduct.** Tenant shall not: (1) make or permit any improper, objectionable, or unpleasant noises or odors in the Building, or otherwise, interfere in any way with other Tenant or persons having business with them; (2) conduct or permit other activities in the Building that might, in Landlord's sole opinion, constitute a nuisance.
24. **Prohibited Conduct.** Tenant and Tenant's guests may not engage in criminal conduct, regardless of whether or where arrest or conviction occurs. Tenant and Tenant's guests may not behave in a loud or obnoxious manner; or disturb or threaten the rights, comfort, health, safety, or convenience of others (including our agents and employees) in or near the Innovation Factory. Theft or on-premise criminal acts of any nature will result in immediate termination of the agreement by the Landlord without a refund of the deposit. Vaping, smoking, drugs of any type, and alcoholic beverages are not permitted inside Innovation Factory.
25. **Animals.** No animals, except those assisting handicapped persons, shall be brought into the Building or kept in or about the Premises.
26. **Valuable Personal Items.** We recommend locking up items of value including but not limited to valuable personal items and technology items - laptop, charger, mouse, mouse pad, etc.
27. These regulations are designed and implemented to ensure that all tenants have a seamless, productive, and professional atmosphere to work in and thrive. Regulations may be edited or added as needed. Tenant will be afforded one warning. The tenant and users agree that the contravention of such regulations can result in immediate removal from leased premises and/or immediate termination of tenancy, without return of security deposit. Failure by a tenant to abide by these Regulations is grounds for termination of the tenant's lease.

EXHIBIT “D”
Federal Aviation Administration Required Provisions

Exhibit "D"
Federal Aviation Administration Required Provisions

A. General Civil Rights Clause.

1. In all its activities within the scope of its airport program, Lessee agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance. This provision is in addition to that required by Title VI of the Civil Rights Act of 1964. If Lessee transfers its obligation to another, the transferee is obligated in the same manner as Lessee.
2. The above provision obligates Lessee for the period during which the property is owned, used or possessed by Lessee and the Airport remains obligated to the Federal Aviation Administration.

B. Compliance with Nondiscrimination Provisions. During the performance of this Lease, Lessee, for itself, its assignees, and successors in interest (hereinafter collectively referred to as "Contractor") agrees as follows:

1. Compliance with Regulations: The Contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts and Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this Lease.
2. Non-discrimination: The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. Solicitations for Agreements, Including Procurements of Materials and Equipment: In all solicitations, either by competitive bidding or negotiation made by the Contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the Contractor of the contractor's obligations under this contract and the Nondiscrimination Acts and Authorities on the grounds of race, color, or national origin.
4. Information and Reports: The Contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by Lessor or the Federal Aviation Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts and Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the Contractor will so certify to Lessor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

5. **Sanctions for Noncompliance:** In the event of a Contractor's noncompliance with the non-discrimination provisions of this contract, Lessor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
 - a. Withholding payments to the Contractor under the contract until the Contractor complies; and/or
 - b. Cancelling, terminating, or suspending a contract, in whole or in part.
6. **Incorporation of Provisions:** The Contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations, and directives issued pursuant thereto. The Contractor will take action with respect to any subcontract or procurement as Lessor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the Contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the Contractor may request Lessor to enter into any litigation to protect the interests of Lessor. In addition, the Contractor may request the United States to enter into the litigation to protect the interests of the United States.

C. Title VI List of Pertinent Nondiscrimination Acts and Authorities. During the performance of this contract, Lessee, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

1. Title VI of the Civil Rights Act of 1964 (42 USC § 2000d et seq., 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);
2. 49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);
3. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);
4. Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 et seq.), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);
5. The Age Discrimination Act of 1975, as amended (42 USC § 6101 et seq.) (prohibits discrimination on the basis of age);
6. Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);
7. The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms "programs or activities" to include all of the programs or activities of the Federal-aid recipients,

sub-recipients and contractors, whether such programs or activities are Federally funded or not);

8. Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, et seq) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;
9. The Federal Aviation Administration's Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);
10. Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);
11. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs (70 Fed. Reg. 74087 (2005));
12. Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, et seq).

D. Transfer of Real Property Acquired or Improved Under the Airport Improvement Program.

1. Lessee for itself, its, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that: In the event facilities are constructed, maintained, or otherwise operated on the property described in this Lease for a purpose for which a Federal Aviation Administration activity, facility, or program is extended or for another purpose involving the provision of similar services or benefits, Lessee will maintain and operate such facilities and services in compliance with all requirements imposed by the Nondiscrimination Acts and Regulations listed in the Title VI List of Pertinent Nondiscrimination Acts and Authorities (as may be amended) such that no person on the grounds of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities.
2. In the event of breach of any of the above Nondiscrimination covenants, Lessor will have the right to terminate the Lease and to enter, re-enter, and repossess said lands and facilities thereon, and hold the same as if the Lease had never been made or issued.

E. Construction/Use/Access to Real Property Acquired Under the Activity, Facility or Program.

1. Lessee, its heirs, personal representatives, successors in interest, and assigns, as a part of the consideration hereof, does hereby covenant and agree as a covenant running with the land that (1) no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or be otherwise subjected to discrimination in the use of said facilities, (2) that in the construction of any improvements on, over, or under such land, and the furnishing of services thereon, no person on the ground of race, color, or national origin, will be excluded from participation in, denied the benefits of, or otherwise be subjected to discrimination, (3) that Lessee will use the premises in compliance with all other requirements

imposed by or pursuant to the Title VI List of Pertinent Nondiscrimination Acts and Authorities.

2. With respect to the Lease, in the event of breach of any of the above Non-discrimination covenants, Lessor will have the right to terminate the Lease and to enter or re-enter and repossess said land and the facilities thereon, and hold the same as if said Lease had never been made or issued.

F. Subcontracts. Lessee agrees that it shall insert in any subcontracts the clauses set forth in paragraphs (A) through (E) above and also a clause requiring the subcontractor to include these clauses in any lower tier subcontracts. Lessee shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (A) through (E).

Schedule 1

Approved Hazardous Materials

- Ethylene-Glycol 100% ACS grade (CAS #: 107-21-1)
- Isopropyl Alcohol 70% (CAS #: 67-63-0)
- Distilled water 100% (CAS #: 7732-18-5)
- TMC-49 (CAS # : 2070-70-4)
- Propylene-Glycol 100% (CAS #: 57-55-6)
- Distilled water & Propylene-Glycol Mixture (70 / 30 %)
- Distilled water & Ethylene-Glycol Mixture (70 / 30 %)
- Dowcal™ 100 Inhibited Ethylene-Glycol
- Dowcal™ 200 Propylene-Glycol