



Board Binder Open Session

February 7, 2022

Agenda



**MIDLAND DEVELOPMENT CORPORATION AS AUTHORIZED BY CHAPTER 504 OF THE TEXAS
LOCAL GOVERNMENT CODE**

NOTICE OF PUBLIC MEETING

In accordance with Chapter 551, Texas Government Code, as amended, notice is hereby given to the public that the Board of Directors of the Midland Development Corporation will meet in regular session, open to the public, in the Midland Chamber of Commerce board room, 303 West Wall Street, Suite 200, Midland, Texas, at 10:00 a.m. on February 7, 2022. A quorum of the Board of Directors of the Midland Development Corporation intends to be physically present at the aforementioned location.

Videoconference Information

Join Zoom Webinar

<https://us02web.zoom.us/j/87837122888?pwd=QkpGM3g2VHp0OVpBZW51Q01CYXZvQT09>

Passcode: 271333

Or join by phone:

Dial (for higher quality, dial a number based on your current location):

US: +1 346 248 7799 or +1 253 215 8782 or +1 669 900 9128 or +1 312 626 6799 or +1 646 558
8656 or +1 301 715 8592

Webinar ID: 878 3712 2888

Passcode: 271333

International numbers available: <https://us02web.zoom.us/j/kcWJkXOQT1>

At such meeting, the Board of Directors may discuss, consider, and take action on any of the following items:

1. Call meeting to order.
2. Motion approving the minutes of the January 10, 2022, meeting of the Midland Development Corporation.
3. Resolution approving the execution of an economic development agreement with the City of Midland for the Todd Drive Expansion and CR 1160 Overpass Improvements Project; and authorizing payment therefor.
4. Resolution ratifying and approving a consulting services agreement with Strong Environmental Services, LLC, in the amount of \$35,115.00 for services related to the purchase of certain real property described as Lots 1A and 9-12, Block 35, Original Town of Midland, City of Midland, Midland County, Texas; and authorizing payment for said agreement.
5. Resolution authorizing the execution of a consultant services agreement with InterFlight Global Corporation in the amount of \$139,650.00 for services related to the procurement of new tenants for facilities located at the Spaceport Business Park; and authorizing payment for said agreement.

6. Presentation on the January 2022 monthly expenses and economic development activity report from the Midland Development Corporation Executive Director.
7. Pursuant to Texas Government Code §551.101, the Board of Directors will hold an Executive Session, which is closed to the public to discuss the following matters as permitted under the following Texas Government Code Sections:
 - a. Section 551.072 Deliberation Regarding Real Property
 - i. Discuss the sale, exchange, lease or value of real property described as an approximate 374-acre tract of land out of Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas.
 - b. Section 551.087 Deliberation Regarding Economic Development Negotiations
 - i. Discuss business prospects that the Midland Development Corporation seeks to have, locate, stay, or expand in or near the City of Midland, Texas, and discuss possible incentives, and discuss contract compliance on the part of businesses.

Posted this 4th day of February 2022.

Amy M. Turner
City Secretary

January 10th Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

January 10, 2022

The Board of Directors of the Midland Development Corporation convened in regular session at the Midland Chamber of Commerce board room, 303 West Wall Street, Suite 200, Midland, Texas, at 2:00 p.m. on January 10, 2022.

Board Members present: Chairman Wesley Bownds, Director Stephen Lowery, Director Berry Simpson, Director Jill Pennington, Director Chase Gardaphe and Director Lourcey Sams

Board Members absent: Director Brad Bullock

Staff Members present: Deputy City Manager Morris Williams, Assistant City Manager Tina Jauz, Assistant City Attorney Nicholas Toulet-Crump, and Deputy City Secretary Vanessa White

Council Member(s) present: Mayor Patrick Payton, Council Member Lori Blong and Council Member Dan Corrales

MDC Staff Members present: Executive Director Sara Harris, Marketing and Administrative Coordinator Kendall Gray and Business Retention and Expansion Coordinator Sammi Steele

1. Call meeting to order.

Chairman Bownds called the meeting to order at 2:01 pm

2. Presentation thanking outgoing Midland Development Corporation board member Wesley Bownds.

Director Lowery and Executive Director Sara Harris thanked Chairman Bownds for his time on the board and presented him with a gift.

3. Presentation from Midland College regarding the Pre-K Academy at Midland College and the Midland College Division of Education.

Vice President of Instructional Services Damon Kennedy gave an overview and an update on the progress they are making on the Pre-K Academy at Midland College.

4. Motion electing officers to serve through December 2022

The slate of officers was:
Stephen Lowery, Chairman
Chase Gardaphe, First Vice Chairman
Berry Simpson, Second Vice Chairman
Jill Pennington, Secretary

Lourcey Sams, Treasurer

Director Gardaphe moved to elect officers to serve through December 2022; seconded by Director Simpson. The motion carried by the following vote: AYE: Bownds, Lowery, Pennington, Sams. NAY: None. ABSTAIN: None. ABSENT: Bullock.

5. Motion approving the minutes of the December 06, 2021, meeting of the Midland Development Corporation.

Director Pennington moved to approve the minutes of the December 06, 2021 meeting of the Midland Development Corporation; seconded by Director Sams. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Gardaphe. NAY: None. ABSTAIN: None. ABSENT: Bullock.

6. Resolution authorizing the execution of a promotional agreement with Dini Spheris, Inc., to advertise and publicize the City of Midland for the purpose of developing new and expanded business enterprises.

Director Simpson moved to approve Resolution ED-396 authorizing the execution of a promotional agreement with Dini Spheris, Inc., to advertise and publicize the City of Midland for the purpose of developing new and expanded business enterprises; seconded by Director Bownds. The motion carried by the following vote: AYE: Lowery, Pennington, Gardaphe, Sams. NAY: None. ABSTAIN: None. ABSENT: Bullock.

7. Resolution authorizing execution of a purchase and sale agreement between the Midland Development Corporation and the Estate of J.L. Davis for the purchase of certain real property described as Lots 1A and 9-12, Block 35, Original Town of Midland, City of Midland, Midland County, Texas; and authorizing the Chairman to execute any and all legal documents and instruments necessary and appropriate for the closing and purchase of said real property.

Director Bownds moved to approve Resolution ED-3397 authorizing execution of a purchase and sale agreement between the Midland Development Corporation and the Estate of J.L. Davis for the purchase of certain real property described as Lots 1A and 9-12, Block 35, Original Town of Midland, City of Midland, Midland County, Texas; and authorizing the Chairman to execute any and all legal documents and instruments necessary and appropriate for the closing and purchase of said real property; seconded by Director Gardaphe. The motion carried by the following vote: AYE: Lowery, Simpson, Pennington, Sams. NAY: None. ABSTAIN: None. ABSENT: Bullock.

8. Presentation on the December 2021 monthly expenses and economic development activity report from the Midland Development Corporation.

Sara Harris announced a new MDC employee, Business Retention and Expansion Coordinator Sammi Steele. Sara Harris also reported a \$1,000,000.00 disbursement in December to UTPB for MDC's commitment to the College of Engineering building on UTPB's Midland campus, and a year-over-year sales tax increase of 20%.

Board recessed into executive session at 2:46 p.m.

9. Pursuant to Texas Government Code §551.101, the Board of Directors will hold an Executive Session, which is closed to the public to discuss the following matters as permitted under the following Texas Government Code Sections:

a. Section 551.072 Deliberation Regarding Real Property

- i. Discuss the sale, exchange, lease or value of real property described as an approximate 374-acre tract of land out of Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas.

b. Section 551.087 Deliberation Regarding Economic Development Negotiations

- i. Discuss business prospects that the Midland Development Corporation seeks to have, locate, stay, or expand in or near the City of Midland, Texas, and discuss possible incentives, and discuss contract compliance on the part of businesses.

Board reconvened into open session at 3:29 p.m.

All the business at hand having been completed, Chairman Lowery adjourned the meeting at 3:29 p.m.

Respectfully submitted,

Vanessa White, Deputy City Secretary

PASSED AND APPROVED the 7th Day of February 2022.

Jill Pennington, Secretary

Todd Drive

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION OF AN ECONOMIC DEVELOPMENT AGREEMENT WITH THE CITY OF MIDLAND FOR THE TODD DRIVE EXPANSION AND CR 1160 OVERPASS IMPROVEMENTS PROJECT; AND AUTHORIZING PAYMENT THEREFOR

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of an economic development agreement with the City of Midland for the Todd Drive Expansion and CR 1160 Overpass Improvements Project;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MIDLAND DEVELOPMENT CORPORATION:

SECTION ONE. That the Chairman and Secretary are hereby authorized to execute and attest, respectively, on behalf of the Midland Development Corporation, an economic development agreement with the City of Midland for the Todd Drive Expansion and CR 1160 Overpass Improvements Project. Said agreement being in a form substantially similar to that of Exhibit A, which is attached hereto and incorporated herein for all purposes.

SECTION TWO. That the City Comptroller is hereby authorized and directed to transfer funds to the City of Midland in accordance with the terms of said agreement from funds available in the Midland Development Corporation Fund (235) Operating Budget upon receipt of proper invoices or statements approved by the Executive Director of the Midland Development Corporation or his/her designee.

SECTION THREE. That the Executive Director of the Midland Development Corporation, or his/her designee, is hereby authorized and directed to administer all of the Midland Development Corporation's obligations under said agreement, including the issuance of all written notices and confirmations due thereunder.

On motion of Director _____, seconded by Director _____, the above and foregoing resolution was adopted by the Board of Directors of the Midland Development Corporation at a regular meeting on the _____ day of _____, A.D.,

2022, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

STEPHEN LOWERY,
Chairman of the Midland
Development Corporation

ATTEST:

JILL PENNINGTON,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

ECONOMIC DEVELOPMENT AGREEMENT

THIS AGREEMENT is entered into by and between the **MIDLAND DEVELOPMENT CORPORATION** (“*MDC*”), an Economic Development Corporation existing under the authority of Chapter 504 of the Texas Local Government Code, and the **CITY OF MIDLAND, TEXAS** (“*City*”), a home-rule municipal corporation.

I.

Recitals

- A. MDC and City desire to set forth the terms and conditions upon which One Million Seven Hundred Thirty Thousand and No/100 Dollars (\$1,730,000.00) in incentive funds will be provided to City as consideration for its (i) acquisition of right-of-way along Todd Drive from Business Interstate 20 to Golf Course Road, (ii) acquisition of right-of-way along Golf Course Road from Fairgrounds Road to Todd Drive, (iii) acquisition of right-of-way along Todd Drive from Loop 250 to Occidental Parkway, and (iv) engineering and design work for an overpass located at the intersection of Loop 250 and Todd Drive (the “*Project*”).
- B. The Project will facilitate commercial and industrial development in the City of Midland.
- C. The MDC Board of Directors (the “*Board*”) and the City Council of the City of Midland, Texas (the “*Council*”) find that the purpose of this Agreement qualifies as an infrastructure improvement project under Section 501.103 of the Texas Local Government Code, and is therefore eligible for MDC funding.
- D. The Board and the Council find that the Project and expenditures therefor are required or suitable for infrastructure necessary to promote or develop new or expanded business enterprises within the City of Midland.
- E. The Board and the Council find that this Agreement does not constitute a direct incentive to or expenditure on behalf of a business enterprise as described in Tex. Loc. Gov’t Code § 501.158.

NOW, THEREFORE, in consideration of the promises and of the mutual covenants and agreements contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, MDC and City hereby agree as follows:

II. MDC Funding

- A. **ROW Funds.** Within five (5) days after receiving written notice from City that a purchase and sale agreement, or other such agreement, for the acquisition of right-of-way necessary and appropriate for the Project has been entered into by and between City and a landowner, MDC shall promptly provide City with written confirmation that MDC will provide to City incentive funds necessary for City's obligations under such agreement (an "*Eligible Agreement*"). Within three (3) days after City provides MDC a final closing or settlement statement issued by the title company for an Eligible Agreement, MDC shall provide to City incentive funds in an amount equal to the purchase price and closing costs that are the responsibility of City, as set forth in such closing or settlement statement (the "*ROW Funds*"). The ROW Funds shall be disbursed and repaid as provided in Section III. Notwithstanding any contrary provision contained herein, the ROW Funds due and payable pursuant to this Agreement shall not exceed a total of One Million Sixty Thousand and No/100 Dollars (\$1,060,000.00).
- B. **Design Funds.** Within fifteen (15) days after receiving written notice from the City that the City has entered into a contract with a third party for completion of engineering and design work necessary and appropriate for the design of an overpass located at the intersection of Todd Drive and Loop 250, the MDC shall provide to the City incentive funds for the City's obligations under such agreement (the "*Design Funds*"). Notwithstanding any contrary provision contained herein, the Design Funds due and payable pursuant to this Agreement shall not exceed a total of Six Hundred Seventy Thousand and No/100 Dollars (\$670,000.00). The ROW Funds and the Design Funds are cumulatively referred to as the "*Funds*."
- C. **Total Funds.** It is expressly understood that the Funds, cumulative in their amounts, shall not exceed a total of One Million Seven Hundred Thirty Thousand and No/100 Dollars (\$1,730,000.00). MDC agrees to forgive repayment of the Funds if the conditions contained in Section III are met.

III. Obligations of City

- A. **The Project.** City agrees to engage in (or provide for) the following activities in furtherance of the Project: (i) acquisition of right-of-way along Todd Drive from Business Interstate 20 to Golf Course Road, (ii) acquisition of right-of-way along Golf Course Road from Fairgrounds Road to Todd Drive, (iii) acquisition of right-

of-way along Todd Drive from Loop 250 to Occidental Parkway, and (iv) engineering and design work for an overpass located at the intersection of Loop 250 and Todd Drive. A depiction of the Project scope is contained in **Exhibit A**, which is attached hereto and incorporated herein for all purposes.

- B. **Completion.** Upon completion of the Project, City shall certify such to MDC in accordance with Section VII.B.
- C. **Repayment of ROW Funds.** If City fails to acquire the right-of-way necessary for the Project by December 31, 2027 (the “*Land Acquisition Date*”), then City agrees to repay all unused ROW Funds to MDC. Any repayable ROW Funds shall be repaid, without interest, within thirty (30) days following City’s receipt of written notice from MDC that any portion of the unused ROW Funds are due to be repaid pursuant to this Section.
- D. **Repayment of Design Funds.** If City fails to provide for provide for the completion of the engineering and design work for an overpass located at the intersection of Loop 250 and Todd Drive by December 31, 2025 (the “*Design Completion Date*”), then City agrees to repay all unused Design Funds to MDC. Any repayable Design Funds shall be repaid, without interest, within thirty (30) days following City’s receipt of written notice from MDC that any portion of the unused Design Funds are due to be repaid pursuant to this Section.
- E. **Extensions.** The Project Completion Date and the Land Acquisition Date set forth herein may be extended upon a written request from City to MDC for an extension of the time allowed to complete the dates’ respective tasks required by this Agreement, and MDC providing to City written approval of such request.

IV. Term

Upon execution by all of the parties, this Agreement becomes effective on February 22, 2022 (the “*Effective Date*”), and shall terminate when the requirements set forth in Sections II and III are completed, or when terminated by mutual agreement of the parties, or when terminated as hereinafter provided.

V. Law

The parties are aware of statutory limitations on the Funds and the use of the Funds under Chapters 501 and 504 of the Texas Local Government Code, and the parties

acknowledge that the Funds herein granted or guaranteed shall be utilized solely for purposes authorized under that law and by the terms of this Agreement.

VI. Documents

Prior to any payment by MDC, City shall deliver to MDC an executed copy of this Agreement.

VII. Special Conditions

- A. **Financial Commitment.** Notwithstanding any provision hereof which might be interpreted otherwise, MDC's total financial commitment during the term of this Agreement shall not exceed One Million Seven Hundred Thirty Thousand and No/100 Dollars (\$1,730,000.00) in the aggregate.
- B. **Certification.** As to any certification required under this Agreement, City shall provide a letter from the City Manager. E-mail is an acceptable form of certification under this Agreement.
- C. **Payments.** Payments to be made to City under Section II shall be made upon a written request from City and completion of all necessary supporting documentation. The payment request and documentation should be directed to MDC Executive Director, 200 North Loraine Street, Suite 610, Midland, Texas 79701.

VIII. General Terms

- A. **Entire Agreement.** This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written, previous and contemporary agreements between the parties relating to matters in this Agreement; and except as otherwise provided herein, this Agreement cannot be modified or amended without a written agreement of the parties.
- B. **No Third-Party Beneficiary.** The parties' approval of the Agreement does not create a third-party beneficiary. There is no third-party beneficiary to this Agreement. No person or entity who is not a party to this Agreement shall have any third-party beneficiary or other rights hereunder.

- C. **Legal Relationship.** The parties are not, and shall not be considered as, joint venturers, partners, or agents of each other; and neither shall have the power to bind nor obligate the other, except as set forth in this Agreement. The parties agree not to represent to anyone that they are agents of one another or have any authority to act on behalf of one another. It is mutually understood and agreed that nothing in this Agreement is intended or shall be construed as in any way creating or establishing any partnership, joint venture, or agency between MDC and City. Further, it is specifically understood and agreed that nothing in this Agreement is intended or shall be construed as creating a “Community of Pecuniary Interest” or “An Equal Right of Control” which would give rise to vicarious liability.
- D. **Terminations.** This Agreement may be terminated by mutual agreement of the parties or by either party, upon the failure of the other party to fulfill an obligation as set forth herein if the default is not cured within thirty (30) days after written notice from the other party.
- E. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.
- F. **Venue.** The obligations of the parties to this Agreement are deemed to have been performed in Midland County, Texas, and if legal action is necessary to enforce same, exclusive venue shall be in Midland County, Texas. All payments under this Agreement are deemed to have taken place in Midland County, Texas. The obligations and undertakings of each of the parties to this Agreement shall be deemed to have been performed in Midland County, Texas.
- G. **Legal Construction.** In case one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
- H. **Law.** This Agreement is subject to all applicable state and federal laws, and the parties agree that they will comply in all material respects with all such applicable laws, regulations, orders and rules of the State of Texas and other such governmental agencies. This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas.
- I. **Assignment.** This Agreement shall be binding upon the parties hereto and their successors and assigns. This Agreement may not be assigned by City without the

prior written consent of MDC.

- J. **Notices.** All notices to either party required under this Agreement shall be sent by certified U.S. mail, postage prepaid, addressed to such party at the addresses shown below. All notices shall be deemed given on the date so deposited in the mail, unless otherwise provided herein. Either party hereto may change the address below by sending written notice of such change to the other in the manner provided herein.

If to MDC:

MDC Executive Director
200 N. Loraine St., Suite 610
Midland, Texas 79701

If to City:

City Manager
City of Midland
P.O. Box 1152
Midland, Texas 79702

- K. **Amendment.** This Agreement may be amended by written instrument executed by both parties expressly stating the intention to amend this Agreement.

- L. **Payments.** All payments to either party required under this Agreement shall be sent by certified U.S. mail, postage prepaid, addressed to such party at the addresses shown below. All payments shall be deemed given on the date so deposited in the mail, unless otherwise provided herein. Either party hereto may change the address below by sending written notice of such change to the other in the manner provided herein.

If to MDC:

MDC Executive Director
200 N. Loraine St., Suite 610
Midland, Texas 79701

If to City:

City Manager
City of Midland
P.O. Box 1152
Midland, Texas 79702

- M. MDC and City hereby agree and acknowledge that this Agreement is supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties.

- N. This Agreement shall not be effective until approved by the Council.

IN WITNESS WHEREOF, MDC and City have executed this Agreement on the _____ day of _____, 2022.

**MIDLAND DEVELOPMENT
CORPORATION**

Stephen Lowery, Chairman

ATTEST:

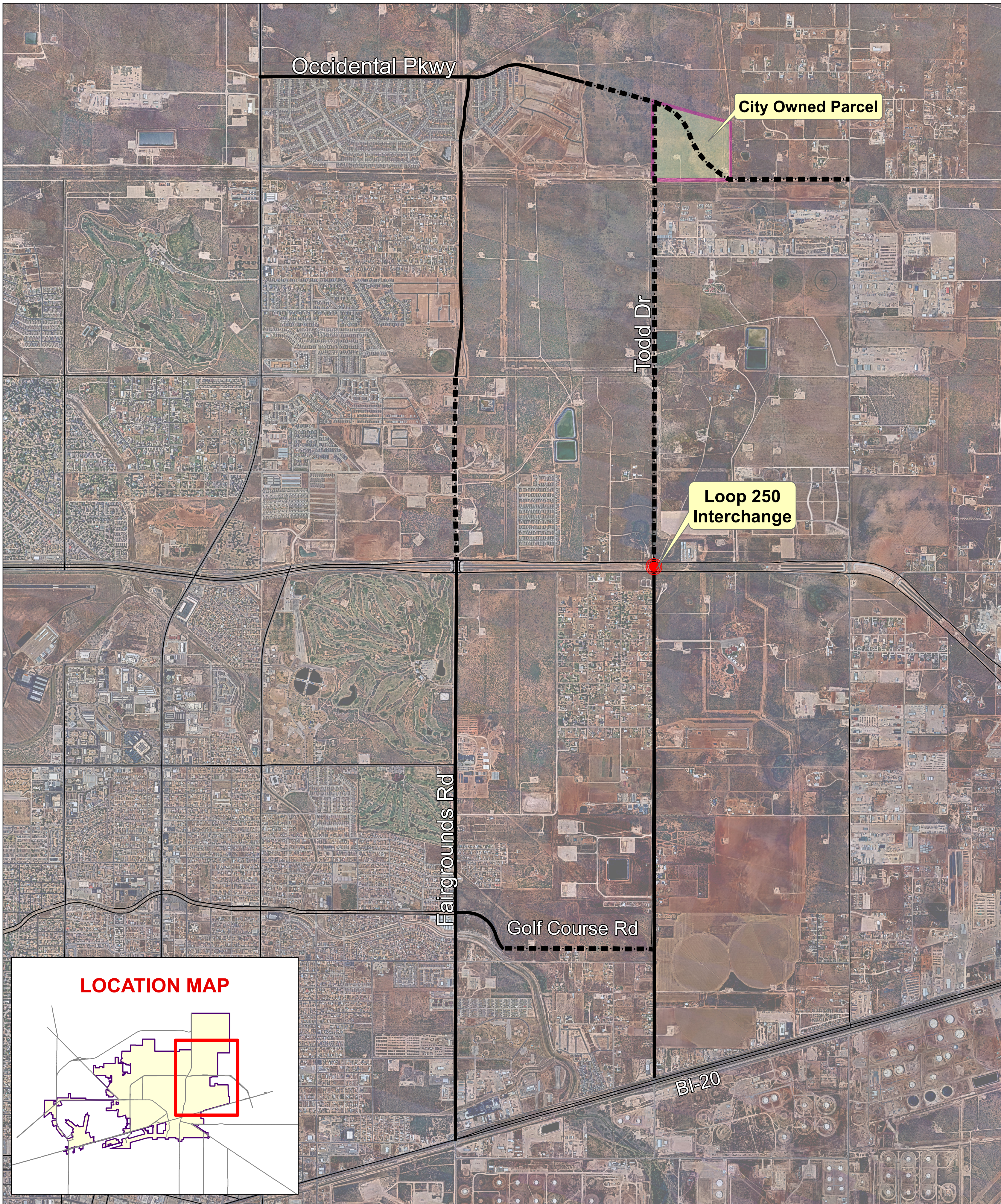
Jill Pennington, Secretary

CITY OF MIDLAND, TEXAS





Patrick Payton, Mayor

ATTEST:

Amy M. Turner, City Secretary

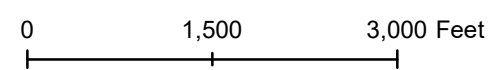
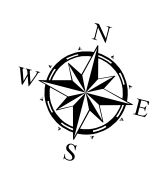


Date: 1/26/2022

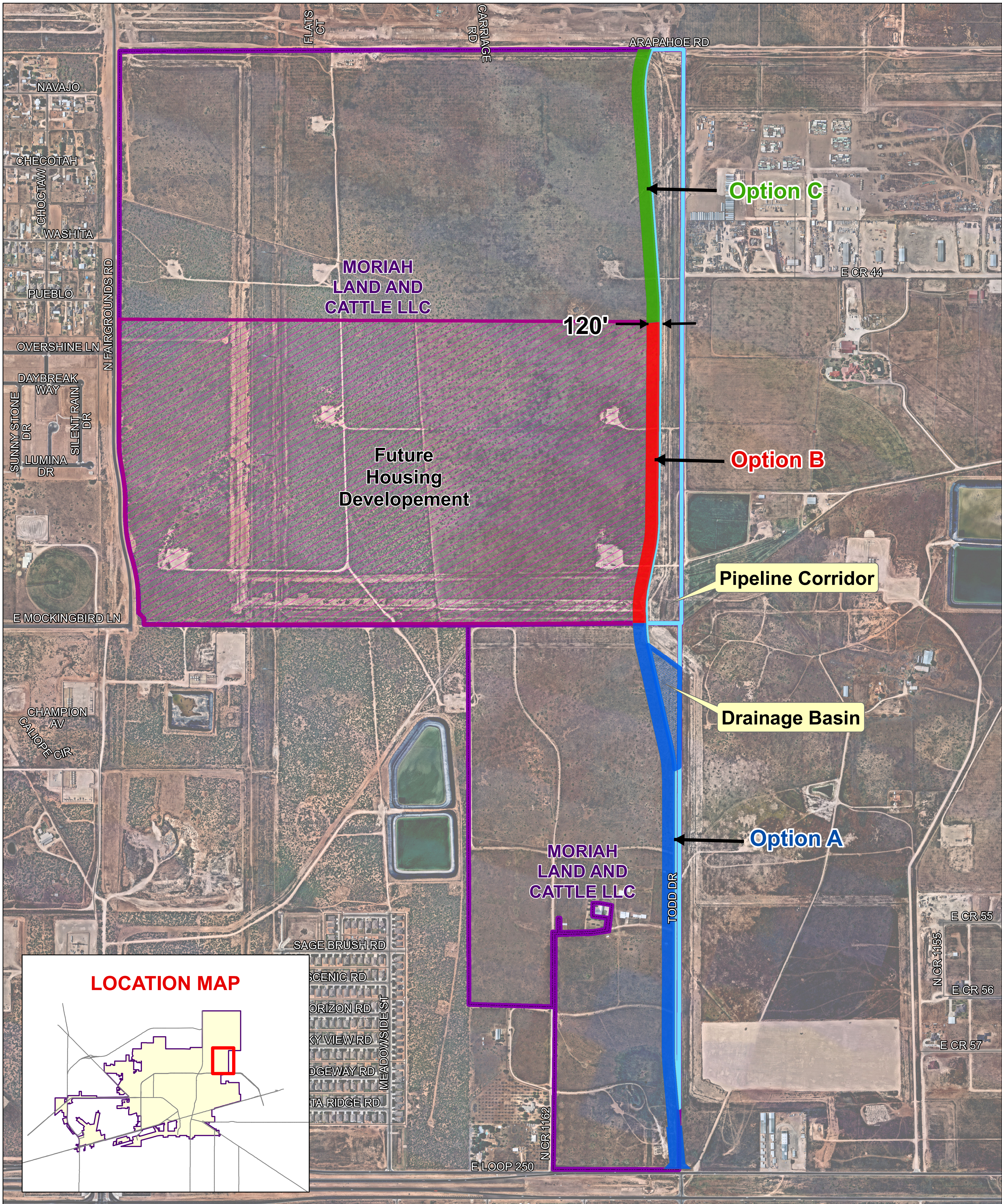
-  Loop250_Interchange
-  Existing Street
-  Proposed Street
-  City Owned Parcel

Proposed Todd Drive Alignment

Exhibit A



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 THE CITY OF MIDLAND SHALL NOT BE RESPONSIBLE FOR ANY DECISIONS BASED UPON THE USE OF THIS DATA.



Date: 11/29/2021

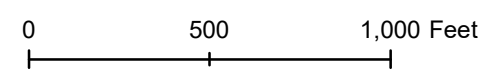
Todd Drive Proposed ROW

Total Acquisition Acreage: 34.41

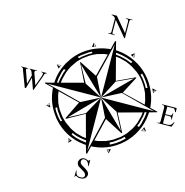
Option A Acreage: 17.8
 Option B Acreage: 7.78
 Option C Acreage: 8.83

Proposed ROW

- █ Option A (17.8 Acres)
- █ Option B (7.78 Acres)
- █ Option C (8.83 Acres)
- Pipeline Corridor (40.17 Acres)
- Future Housing Development
- Parcel Boundary



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Residential Building Density Map (October 2017 - September 2021)

1157 Issued Permits

Legend

- Oct. 2017 to Oct. 2021
- Road Project - Complete Or In Construction
- Road Project
- Street
- City Limit

Briarwood

Wadley

Avalon

Andrews/Midland

Big Spring

Mockingbird

New Water Tower

Fairgrounds

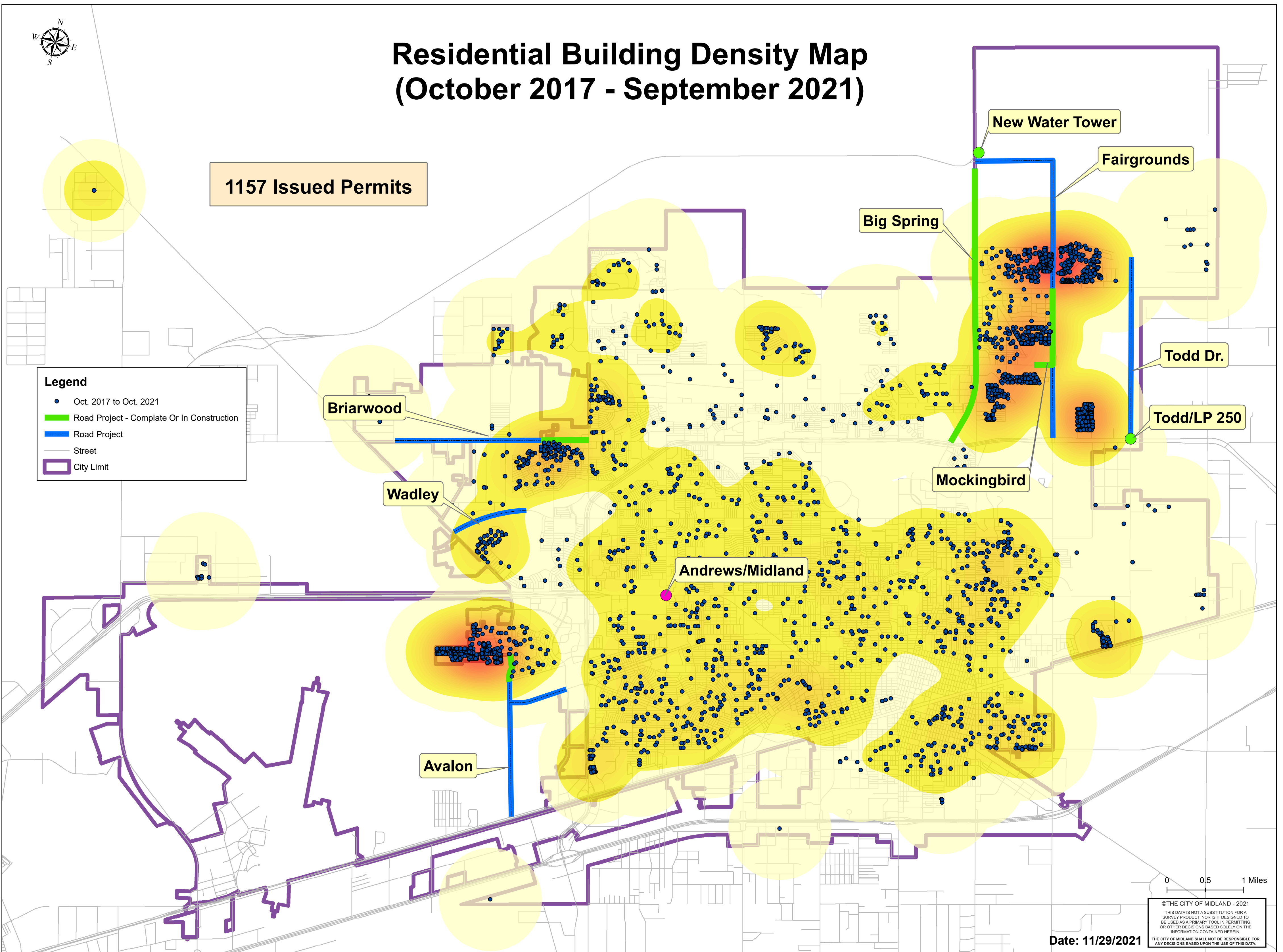
Todd Dr.

Todd/LP 250

0 0.5 1 Miles

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Date: 11/29/2021



Strong
Environmental
Services
Assessments

RESOLUTION NO. _____

RESOLUTION RATIFYING AND APPROVING A CONSULTING SERVICES AGREEMENT WITH STRONG ENVIRONMENTAL SERVICES, LLC, IN THE AMOUNT OF \$35,115.00 FOR SERVICES RELATED TO THE PURCHASE OF CERTAIN REAL PROPERTY DESCRIBED AS LOTS 1A AND 9-12, BLOCK 35, ORIGINAL TOWN OF MIDLAND, CITY OF MIDLAND, MIDLAND COUNTY, TEXAS; AND AUTHORIZING PAYMENT FOR SAID AGREEMENT

WHEREAS, the Board of Directors finds it to be in the public interest to ratify and approve a Consulting Services Agreement with Strong Environmental Services, LLC, in the amount of \$35,115.00 for services related to the purchase of certain real property described as Lots 1A and 9-12, Block 35, Original Town of Midland, City of Midland, Midland County, Texas;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MIDLAND DEVELOPMENT CORPORATION:

SECTION ONE. That said Agreement with Strong Environmental Services, LLC, is hereby ratified and approved. Said Agreement being attached hereto as Exhibit A and incorporated herein for all purposes.

SECTION TWO. That the City Comptroller is hereby authorized and directed to make payment(s) to Strong Environmental Services, LLC, in accordance with the terms of said Agreement, from funds available in the Midland Development Corporation Fiscal Year 2022 Operating Budget.

On motion of Director _____, seconded by Director _____, the above and foregoing resolution was adopted by the Board of Directors of the Midland Development Corporation at a special meeting on the _____ day of _____, A.D., 2022, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

STEPHEN LOWERY,
Chairman of the Midland
Development Corporation

ATTEST:

JILL PENNINGTON,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

CONSULTING SERVICES AGREEMENT

THIS AGREEMENT is made and effective the 1st ^{February} day of ~~January~~-2022, by and between the MIDLAND DEVELOPMENT CORPORATION, a Type A corporation pursuant to Chapter 504 of the Texas Local Government Code, as amended (“MDC”), and STRONG ENVIRONMENTAL SERVICES, LLC (“COMPANY”).

ARTICLE I. PURPOSE

The purpose of this Agreement is to state the terms and conditions under which COMPANY shall perform certain consulting services related to asbestos assessment, lead paint inspection, and Phase 1 Environmental Site Assessment of the properties at 211 North Colorado Street and 210 North Big Spring Street, Midland, Texas 79701 (hereinafter also referred to as the “Project”) for MDC.

ARTICLE II. SERVICES TO BE PERFORMED

1. COMPANY shall provide those services described in Exhibit A, which is attached hereto and incorporated herein for all purposes.
2. COMPANY shall perform all the services under this Agreement consistent with the same level of skill and care as other professionals in approximately the same region at approximately the same point in time and for the same types of projects. COMPANY represents that any employee who performs services under this Agreement shall be fully qualified and competent to perform the services described in Exhibit A.

ARTICLE III. FINANCIAL CONSIDERATIONS

MDC agrees to pay COMPANY in an amount not to exceed \$35,115.00 for the consulting services described in Exhibit A. MDC agrees to pay COMPANY according to the schedule set forth in Exhibit A. The MDC Executive Director, or his/her designee, must approve all additional expenses and reimbursable expenses in advance. Within thirty (30) days of the date on which COMPANY’s invoice is received by MDC, MDC shall pay the full amount of such invoice; provided, however, that if MDC objects to any portion of an invoice, MDC shall notify COMPANY of MDC’s objection and the grounds thereof within fifteen (15) days of the date of

receipt of the invoice, and the parties shall immediately make every effort to settle the disputed portion of the invoice. MDC in any event shall pay every portion of the invoice that is not in dispute within the 30-day period for payment.

ARTICLE IV. TERM

The term of this Agreement shall be from ^{February} ~~January~~ 1st, 2022 until April 30, 2022, unless the Project is completed sooner or the Agreement is terminated as provided below.

ARTICLE V. TERMINATION AT WILL

MDC may terminate this Agreement at will for no or any reason upon giving at least sixty (60) days' written notice to COMPANY. The parties to this Agreement understand and agree that it is in MDC's sole discretion to cancel the Agreement during the term of the Agreement without penalty to MDC. COMPANY has no expectation and has received no guarantees that this Agreement will not be terminated before the end of the Agreement term. The parties have bargained for the flexibility of terminating this Agreement upon tender of the requisite notice at any time during the term of the Agreement. All work and services under the Agreement shall be suspended upon termination of the Agreement becoming effective.

ARTICLE VI. ASSIGNMENT

COMPANY shall not, either directly or indirectly, assign all or any part of this Agreement or any interest, right or privilege herein, without the prior written consent of MDC. The issue on whether or not to grant consent to an assignment is in the sole discretion of MDC.

ARTICLE VII. OWNERSHIP AND CONFIDENTIALITY OF DOCUMENTS AND OTHER WORK PRODUCT

All reports, information and other data ("*Instruments of Service*"), given to, prepared or assembled by COMPANY under this Agreement, and any other related documents or items shall become the sole property of MDC and shall be delivered to MDC, without restriction, except that COMPANY may make copies of any and all Instruments of Service for its files. MDC shall not make any modification to the plans and specifications or make them available for use by third parties without the prior written authorization of COMPANY, which consent shall not be

unreasonably withheld.

ARTICLE VIII. INDEPENDENT CONTRACTOR

It is expressly understood and agreed that COMPANY shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of MDC; that COMPANY shall have exclusive control of and the exclusive right to control the details of the services and work performed hereunder, and all persons performing the same; and shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors; that the doctrine of respondeat superior shall not apply as between MDC and COMPANY, its officers, agents, employees, contractors and subcontractors; and that nothing herein shall be construed as creating a partnership or joint enterprise between MDC and COMPANY. No person performing any of the work and services described hereunder by COMPANY shall be considered an officer, agent, servant or employee of MDC. Further, it is specifically understood and agreed that nothing in this Agreement is intended or shall be construed as creating a "Community of Pecuniary Interest" or "An Equal Right of Control" which would give rise to vicarious liability. COMPANY shall be an independent contractor under this Agreement and shall assume all of the rights, obligations and liabilities, applicable to it as such independent contractor hereunder. MDC does not have the power to direct the order in which the work is done. MDC shall not have the right to control the means, methods or details of COMPANY'S work. COMPANY shall assume exclusive responsibility for the work. COMPANY is entirely free to do the work in its own way.

ARTICLE IX. INSURANCE

COMPANY shall at all times during the term of this Agreement maintain and keep in full force and effect insurance in the following types and minimum amounts with companies authorized to do business in the State of Texas:

Commercial General Liability (including Contractual liability):

-Personal Injury: \$1,000,000.00 per person
 \$1,000,000.00 per occurrence

-Property Damage: \$500,000.00 per occurrence

Business Automobile Liability: \$250,000.00 combined single limit -

	Personal Injury and Property Damage
Workers' Compensation:	Statutory limits
Employers' Liability:	\$500,000.00 per accident or occurrence

The Commercial General Liability shall be on a per project aggregate, including completed operations, and shall be on a claims-occurred basis. This insurance shall name MDC as an additional insured and waive subrogation in favor of MDC.

The Business Automobile Liability insurance provided by COMPANY shall cover any auto for bodily injury and property damage, including owned vehicles, hired and non-hired vehicles, and employee non-ownership, and the amount of such policy shall be a minimum of \$250,000.00 covering any vehicle used for the execution of the work that is the subject of this Agreement. This insurance shall name MDC as an additional insured and waive subrogation in favor of MDC.

The Workers' Compensation coverage provided by COMPANY shall inure to the benefit of employees injured during the course and scope of their employment by COMPANY pursuant to this Agreement. The Workers' Compensation shall waive all rights of subrogation in favor of MDC.

All insurance required pursuant to this Agreement shall provide for a waiver of subrogation in favor of MDC. All insurance required pursuant to this Agreement, except for Workers' Compensation Insurance, shall name MDC as an additional insured on a claims occurred basis. MDC shall be provided the notice by COMPANY'S insurance provider not later than thirty (30) days prior to any reduction or termination of such coverage.

COMPANY shall contractually require all contractors, subcontractors, and sub-subcontractors that work on any portion of the work that is the subject of this Agreement to obtain insurance coverage that meets or exceeds the policy requirements and minimum amounts specified herein. All contractors, subcontractors, and sub-subcontractors shall obtain insurance policies that provide blanket waivers of subrogation in favor of MDC and policies that name the MDC as an additional insured on a claims occurred basis (except workers' compensation).

The parties agree that, prior to the execution of the Agreement, COMPANY shall provide one or more certificates of insurance specifically stating that these requirements have been met and subject to the approval of MDC. MDC shall not be required to provide any insurance whatsoever pursuant to this Agreement.

COMPANY certifies that the certificate of insurance provided as required herein complies with the requirements of Chapter 1811 of the Texas Insurance Code. COMPANY shall not use an unapproved certificate of insurance or insert inappropriate language on a certificate. Compliance with state law is the sole responsibility of COMPANY.

Notwithstanding any contrary provision contained herein, MDC's Executive Director, in his/her sole and absolute discretion, may modify the insurance requirements contained in this Article.

ARTICLE X. ATTORNEY FEES

BY EXECUTING THIS AGREEMENT, COMPANY AGREES TO WAIVE AND DOES HEREBY WAIVE ANY CLAIM IT HAS OR MAY HAVE IN THE FUTURE AGAINST MDC REGARDING THE AWARD OF ATTORNEY FEES THAT IS IN ANY WAY RELATED TO THIS AGREEMENT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THIS AGREEMENT. COMPANY AGREES THAT IF COMPANY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, *ET SEQ.*, AS AMENDED), THAT COMPANY AGREES TO (i) WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY FEES TO WHICH IT MIGHT OTHERWISE BE ENTITLED AND (ii) ASSUME COMPLETE FINANCIAL RESPONSIBILITY FOR AND PAY ALL ATTORNEY FEES AND ASSOCIATED COSTS INCURRED IN GOOD FAITH BY MDC IN MDC'S CONTESTING OF THE LEGAL ACTION OR PROCEEDING BROUGHT BY COMPANY. THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

COMPANY AGREES THAT THIS IS THE VOLUNTARY AND INTENTIONAL (i) RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY EXISTING KNOWN RIGHT AND (ii) ASSUMPTION OF A FUTURE OBLIGATION IN THE EVENT THAT COMPANY BRINGS OR COMMENCES ANY LEGAL ACTION OR

PROCEEDING AGAINST MDC RELATED TO THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGEMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, ET SEQ., AS AMENDMED). COMPANY ACKNOWLEDGES THAT COMPANY UNDERSTANDS ALL TERMS AND CONDITIONS OF THE AGREEMENT. COMPANY FURTHER ACKNOWLEDGES AND AGREES THAT THERE WAS AND IS NO DISPARITY OF BARGAINING POWER BETWEEN COMPANY AND MDC. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OF GOVERNMENTAL IMMUNITY.

COMPANY IS RELYING ON ITS OWN JUDGMENT. COMPANY ACKNOWLEDGES THAT COMPANY HAD THE OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH LEGAL COUNSEL PRIOR TO ITS EXECUTION.

ARTICLE XI. GOVERNMENTAL IMMUNITY

By executing this Agreement MDC is not waiving its right of governmental immunity. MDC is not granting consent to be sued by legislative resolution or action. THERE IS NO WAIVER OF GOVERNMENTAL IMMUNITY.

ARTICLE XII. NO THIRD-PARTY BENEFICIARIES

MDC's approval of this Agreement does not create a third-party beneficiary. There is no third-party beneficiary to this Agreement. No person or entity who is not a party to this Agreement shall have any third-party beneficiary or other rights hereunder.

ARTICLE XIII. RELEASE

NOTWITHSTANDING ANY OTHER PROVISIONS, COMPANY HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES MDC, MDC'S EMPLOYEES AND OFFICERS, FROM ANY AND ALL DEMANDS, CLAIMS, DAMAGES, OR CAUSES OF ACTION OF ANY KIND WHATSOEVER WHICH COMPANY HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING BUT NOT

LIMITED TO BREACH OF AGREEMENT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR MDC'S NEGLIGENCE. THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

ARTICLE XIV. INDEMNITY

COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND MDC AND ALL OF MDC'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, LOSSES, PROPERTY DAMAGE AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF COMPANY, THEIR AGENTS OR EMPLOYEES, OR ANY SUBCONTRACTOR, IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS AGREEMENT, AND COMPANY SHALL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST MDC OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES.

COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND MDC AND ALL OF MDC'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, PROPERTY DAMAGE, LOSSES, AND EXPENSES OF ANY CHARACTER WHATSOEVER INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF MDC, MDC'S OFFICERS, AGENTS AND EMPLOYEES, WHETHER SUCH NEGLIGENT ACT WAS THE SOLE PROXIMATE CAUSE OF THE INJURY OR DAMAGE OR A PROXIMATE CAUSE JOINTLY AND CONCURRENTLY WITH COMPANY OR COMPANY'S EMPLOYEES, AGENTS OR SUBCONTRACTORS

NEGLIGENCE IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS AGREEMENT, AND COMPANY SHALL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST MDC OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES.

COMPANY AGREES THAT IT SHALL INDEMNIFY AND SAVE MDC HARMLESS FROM ALL CLAIMS GROWING OUT OF ANY DEMANDS OF SUBCONTRACTORS, LABORERS, WORKMEN, MECHANICS, MATERIALMEN, AND FURNISHERS OF MACHINERY AND PARTS THEREOF, EQUIPMENT, POWER TOOLS AND ALL SUPPLIES, INCURRED IN THE FURTHERANCE OF THE PERFORMANCE OF THIS AGREEMENT. WHEN MDC SO DESIRES, COMPANY SHALL FURNISH SATISFACTORY EVIDENCE THAT ALL OBLIGATIONS OF THE NATURE HEREINABOVE DESIGNATED HAVE BEEN PAID, DISCHARGED OR WAIVED. COMPANY, ITS SURETIES AND INSURANCE CARRIERS SHALL DEFEND, INDEMNIFY AND SAVE HARMLESS MDC AND ALL OF ITS OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, OR CLAIMS OF ANY CHARACTER WHATSOEVER, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING FROM ANY ACT OF COMPANY OR ANY SUBCONTRACTOR, THEIR AGENTS OR EMPLOYEES, IN THE EXECUTION AND SUPERVISION OF THIS AGREEMENT, AND SHALL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST MDC OR ANY OF ITS OFFICERS, AGENTS, OR EMPLOYEES INCLUDING ATTORNEY'S FEES.

THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

ARTICLE XV. GENERAL PROVISIONS

A. Waiver. No waiver by MDC of a breach of any covenant, condition, or restriction of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other covenant, condition, or restriction contained in this Agreement.

E. Use of Language. Words in the singular shall be held to include the plural, unless the context otherwise requires.

F. Amendments, Modifications, Alterations. No amendment, modification, or alteration of the terms of this Agreement shall be binding unless it is in writing, dated subsequent to the date of this Agreement, and duly executed by the parties to this Agreement.

G. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed as original, and all of which shall constitute one and the same instrument.

H. Federal Wage Requirements. If applicable, the Davis-Bacon Act, 29 CFR 5.5, and any related acts or regulations are hereby incorporated by reference and made a part of this Agreement, and all terms and requirements under said laws, by such incorporation, are made terms and requirements of this Agreement, to which the parties to this Agreement have agreed to be bound.

I. Notice of Alleged Breach; Statutory Prerequisites. As a condition precedent to filing suit for alleged damages incurred by an alleged breach of an express or implied provision of this Agreement, COMPANY or his legal representative, shall give the MDC Chairman, or any other reasonable official of MDC, notice in writing (consisting of one (1) original and seven (7) copies of notice attached to a copy of this Agreement) of such damages, duly verified, within ninety (90) days after the same has been sustained. The discovery rule does not apply to the giving of this notice. The notice shall include when, where and how the damages occurred, the apparent extent thereof, the amount of damages sustained, the amount for which COMPANY will settle, the physical and mailing addresses of COMPANY at the time and date the claim was presented and the physical and mailing addresses of COMPANY for the six (6) months immediately preceding the occurrence of such damages, and the names and addresses of the witnesses upon whom COMPANY relies to establish its claim; and a failure to so notify the MDC Chairman within the time and manner provided herein shall exonerate, excuse and except MDC from any liability whatsoever. MDC is under no obligation to provide notice to COMPANY that COMPANY'S notice is insufficient. MDC reserves the right to request reasonable additional information

regarding the claim. Said additional information shall be supplied within thirty (30) days after receipt of notice.

The statutory prerequisites outlined herein constitute jurisdictional requirements pursuant to Section 271.154 of the Texas Local Government Code and Section 311.034 of the Texas Government Code. Notwithstanding any other provision, COMPANY'S failure to comply with the requirements herein shall perpetually bar COMPANY'S claim for damages under Chapter 271 of the Texas Local Government Code, and Section 311.034 of the Texas Government Code, regardless if MDC has actual or constructive notice or knowledge of said claim or alleged damages. COMPANY agrees that the requirements of this entire Agreement are reasonable. The provisions of this Section shall survive the termination of this Agreement.

J. Prompt Pay Act. MDC and COMPANY agree that Texas Government Code, Chapter 2251, Payment for Goods and Services does not waive governmental immunity.

K. Compliance. COMPANY agrees that it shall comply with Texas Government Code Section 2252.908, as amended. COMPANY agrees that it shall comply with Texas Local Government Code Section 176.006, as amended.

L. Anti-Boycott Statutes. To the extent that Tex. Gov't Code §§ 2271.002 and 2274.002 apply to this Agreement, COMPANY hereby verifies that:

- COMPANY does not boycott Israel and will not boycott Israel during the term of this Agreement;
- COMPANY does not boycott energy companies and will not boycott energy companies during the term of this Agreement; and
- COMPANY does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Agreement against any firearm entity or firearm trade association.

If Tex. Gov't Code § 2270.002 does not apply to this Agreement, such verification is not required, and COMPANY shall be deemed to have not made such verification.

M. Records Retention and Production of Information. To the extent that this Agreement is a contract described by Tex. Gov't Code § 552.371, COMPANY shall: (i) preserve all contracting

information related to the Agreement as provided by the records retention requirements applicable to MDC for the duration of the contract; (ii) promptly provide to MDC any contracting information related to the Agreement that is in the custody or possession of COMPANY on request of MDC; and (iii) on completion of the Agreement, either (a) provide at no cost to MDC all contracting information related to the Agreement that is in the custody or possession of COMPANY, or (b) preserve the contracting information related to the Agreement as provided by the records retention requirements applicable to MDC.

N. Public Information. To the extent that this Agreement is a contract described by Tex. Gov't Code § 552.371, COMPANY agrees as follows in accordance with Tex. Gov't Code § 552.372(b): The requirements of Subchapter J, Chapter 552, Government Code, may apply to this contract, and the contractor or vendor agrees that the contract can be terminated if the contractor or vendor knowingly or intentionally fails to comply with a requirement of that subchapter.

O. Conflict of Terms. If a conflict of terms or language exists between: (i) any of the provisions of this Agreement; and (ii) any of the provisions contained in any exhibit(s) attached to this Agreement, precedence shall be given to the provisions of this Agreement. For the avoidance of any doubt, the provisions contained in this Agreement shall supersede any and all conflicting provisions contained in any exhibit(s) attached hereto. Furthermore, the Parties acknowledge and agree that any provision contained in an exhibit(s) attached to this Agreement that imposes an additional express or implied obligation on MDC is hereby made void and of no force or effect. MDC's sole and exclusive obligations under this Agreement are contained in the provisions of this Agreement that precede the signature page(s), which evidences the Parties' execution and acceptance hereof.

P. Iron or Steel Products Statute. COMPANY agrees that all iron or steel products produced through a manufacturing process and used in the project that is the subject of this Agreement shall be produced in the United States in accordance with Government Code § 2252.202, *et seq.*, as amended.

Q. Interpretation. By executing this Agreement, the Parties acknowledge and agree that this Agreement shall not be interpreted or construed against any Party solely because such Party or its legal counsel drafted this Agreement. The Parties have read, understood, and approve of the

language and terms set forth herein.

[Signature Pages Follow]

EXECUTED by the duly authorized officials of the Parties as of the day and year first above written.

MIDLAND DEVELOPMENT CORPORATION



Sara Harris, Executive Director

[Signature Page Follows]

COMPANY:

By: [Signature]

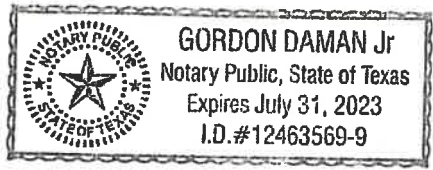
Name: TONY STRONG

Title: CEO

STATE OF TX §
 §
COUNTY OF MIDLAND §

BEFORE ME, the undersigned authority, on this 1 day of February, 2022, personally appeared, Tony Strong of CEO, known to me to be the person and official whose name is subscribed to the forgoing instrument, and acknowledged to me that he executed the same as the act and deed of said entity, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 1 day of February, 2022.



[Signature]
Notary Public, State of Texas

Strong Environmental Services, LLC

Texas Consulting Services
A Regulatory / Environmental Company
e-mail: t.strong@texconsulting.com

PO Box 9910 * Midland, TX 79708 * Phone: (432) 687-5455 *

January 18, 2021

Midland Development Corporation
200 N. Loraine St. Ste. 610
Midland, TX 79701
Attn: Sara Harris

Re: Price Request – Environmental Assessment for JL Davis Properties

To Whom It May Concern,

As requested, Texas Consulting Services has assembled the following price request for the properties collectively known as the “JL Davis Properties” including: 211 N. Colorado, 221 N. Colorado and 210 N. Big Spring. This price request is based on performing inspections and services as non-destructive examinations utilizing appropriate industry standards. This price request presents pricing for a DSHS/TAHPR compliant, comprehensive asbestos inspection of all reasonably accessible materials, lead paint inspection compliant with EPA/Texas DSHS standards and a Phase 1 Environmental Site Assessment in accordance with the ASTM 1527 Standard.

Asbestos Assessment and Lead Paint Inspections

Asbestos inspection and lead paint assessment reporting would be complete within 7-10 business days of on-site inspection. Sampling would be performed over 3-4 business days. Sampling is to include up to 300 asbestos samples and up to 75 lead paint samples. Additional samples, if necessary, would be performed at \$27.50/ea. Rush analysis (24-48 hours post site inspection) is available at a 25% surcharge. Owner to provide general floor layout of all floors if available. Non accessible materials will be considered Presumed Asbestos Containing Material (PACM). Follow up assessment (for purposes of extensive user renovations and/or demolition) would be recommended due to current occupant and accessibility limitations. Price request includes all labor, insurance, samples and reporting as described herein.

Phase 1 Environmental Site Assessment

Phase I Environmental Site Assessment (ASTM 1527 Standard) is based on obtaining an environmental database, historic aerial study, NEPA check, City Directory search, ASTM site questionnaire, appropriate interviews, title searches and appropriate property inspection. It is the responsibility of the client to define who the ESA should define as the “User” and the current site manager with contact information. User to disclose any prior environmental assessments related to the facilities during the ESA process summarized herein. Additional title searches if needed will be invoiced at \$525 each. The user will be responsible for providing answers to a site questionnaire regarding the property along with a concurrent

Exhibit A

site walk of the facilities. Phase I ESA investigation itself does not include any sampling, invasive or otherwise. Turnaround time is estimated at 2-3 business weeks for the Phase I ESA.

The price request for the services is as follows:

- *Asbestos Inspection:* \$16,125
- *Lead Paint Inspection:* \$11,500
- *Phase 1 ESA:* \$ 7,490

Payment for services will be rendered net 15. Please do not hesitate to contact us if you have any questions or concerns: (432) 687-5455.

Respectfully submitted,



Tony K. Strong CMRS, CIAQC, EP
TX DSHS Asbestos Consultant License #10-5631
TCS Lead Assessor License #2069610

Client Approval

Date

InterFlight Global

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION OF A CONSULTANT SERVICES AGREEMENT WITH INTERFLIGHT GLOBAL CORPORATION IN THE AMOUNT OF \$139,650.00 FOR SERVICES RELATED TO THE PROCUREMENT OF NEW TENANTS FOR FACILITIES LOCATED AT THE SPACEPORT BUSINESS PARK; AND AUTHORIZING PAYMENT FOR SAID AGREEMENT

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of a consultant services agreement with InterFlight Global Corporation in the amount of \$139,650.00 for services related to the procurement of new tenants for facilities located at the Spaceport Business Park;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MIDLAND DEVELOPMENT CORPORATION:

THAT the Chairman and Secretary are hereby authorized and directed to execute and attest, respectively, on behalf of the Midland Development Corporation, a consultant services agreement with InterFlight Global Corporation in the amount of \$139,650.00 for services related to the procurement of new tenants for facilities located at the Spaceport Business Park. Said agreement being in the form substantially similar to that of Exhibit A, which is attached hereto and incorporated herein for all purposes.

On motion of Director _____, seconded by Director _____, the above and foregoing resolution was adopted by the Board of Directors of the Midland Development Corporation at a regular meeting on the _____ day of _____, A.D., 2022, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

STEPHEN LOWERY,
Chairman of the Midland
Development Corporation

ATTEST:

JILL PENNINGTON,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

CONSULTING SERVICES AGREEMENT

THIS AGREEMENT is made and effective the 22nd day of February, 2022, by and between the MIDLAND DEVELOPMENT CORPORATION, a Type A corporation pursuant to Chapter 504 of the Texas Local Government Code, as amended (“*MDC*”), and INTERFLIGHT GLOBAL CORPORATION (“*COMPANY*”).

ARTICLE I. PURPOSE

The purpose of this Agreement is to state the terms and conditions under which *COMPANY* shall provide consulting services and deliverables (the “*services*”) in connection with procuring new tenants for City of Midland-owned properties located at Midland International Air & Space Port Business Park.

ARTICLE II. SERVICES TO BE PERFORMED

1. *COMPANY* shall provide those services described in **Exhibit A**, which is attached hereto and incorporated herein for all purposes.
2. *COMPANY* shall perform all the services under this Agreement consistent with the same level of skill and care as other professionals in approximately the same region at approximately the same point in time and for the same types of projects. *COMPANY* represents that any employee who performs services under this Agreement shall be fully qualified and competent to perform the services described in **Exhibit A**.

ARTICLE III. FINANCIAL CONSIDERATIONS

1. *MDC* agrees to pay *COMPANY* in an amount not to exceed \$139,650.00 for the consulting services described in **Exhibit A**. *MDC* agrees to pay *COMPANY* according to the schedule set forth in **Exhibit A**. The *MDC* Executive Director, or his/her designee, must approve all additional expenses and reimbursable expenses in advance. Within thirty (30) days of the date on which *COMPANY*’s invoice is received by *MDC*, *MDC* shall pay the full amount of such invoice; provided, however, that if *MDC* objects to any portion of an invoice, *MDC* shall notify *COMPANY* of *MDC*’s objection and the grounds thereof within fifteen (15) days of the date of receipt of the invoice, and the parties shall immediately make every effort to settle the disputed

portion of the invoice. MDC in any event shall pay every portion of the invoice that is not in dispute within the 30-day period for payment.

2. Expenses will be invoiced separately. Additional travel, lodging, and other direct or incidental expense guidelines include the following:

- a. Privately-owned vehicle mileage will be reimbursed at the current GSA mileage rate;
- b. When mileage is charged, a mileage usage log or approved alternate method must be maintained to support the charge. If mileage usage log is submitted, it must include at a minimum travel dates, times, locations and mileage traveled;
- c. Car rental reimbursement will be limited to cost of full-sized vehicle, or SUV if multiple passengers, and necessary fuel;
- d. Airfare reimbursement will be limited to cost of economy class fares;
- e. Lodging reimbursement will be limited to the cost of standard rooms, upgrade expenses for studios and suites are not an allowable reimbursement expense;
- g. Tips for service, i.e. meals, and parking greater than 20% are not an allowable reimbursement expense; and
- h. Profit mark-ups are not allowable expense on other direct or incidental expenses.

ARTICLE IV. TERM

The term of this Agreement shall be from **February 22, 2022 until January 31, 2023**, unless the Project is completed sooner or the Agreement is terminated as provided below.

ARTICLE V. TERMINATION AT WILL

MDC may terminate this Agreement at will for no or any reason upon giving at least one-hundred eighty (180) days' written notice to COMPANY. The parties to this Agreement understand and agree that it is in MDC's sole discretion to cancel the Agreement during the term of the Agreement without penalty to MDC. COMPANY has no expectation and has received no guarantees that this Agreement will not be terminated before the end of the Agreement term. The parties have bargained for the flexibility of terminating this Agreement upon tender of the requisite notice at any time during the term of the Agreement. All work and services under the Agreement shall be suspended upon termination of the Agreement becoming effective.

ARTICLE VI. ASSIGNMENT

COMPANY shall not, either directly or indirectly, assign all or any part of this Agreement or any interest, right or privilege herein, without the prior written consent of MDC. The issue on whether or not to grant consent to an assignment is in the sole discretion of MDC.

ARTICLE VII. OWNERSHIP AND CONFIDENTIALITY OF DOCUMENTS AND OTHER WORK PRODUCT

All reports, information and other data (“*Instruments of Service*”), given to, prepared or assembled by COMPANY under this Agreement, and any other related documents or items shall become the sole property of MDC and shall be delivered to MDC, without restriction, except that COMPANY may make copies of any and all Instruments of Service for its files. MDC shall not make any modification to the plans and specifications or make them available for use by third parties without the prior written authorization of COMPANY, which consent shall not be unreasonably withheld.

ARTICLE VIII. INDEPENDENT CONTRACTOR

It is expressly understood and agreed that COMPANY shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of MDC; that COMPANY shall have exclusive control of and the exclusive right to control the details of the services and work performed hereunder, and all persons performing the same; and shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors; that the doctrine of respondeat superior shall not apply as between MDC and COMPANY, its officers, agents, employees, contractors and subcontractors; and that nothing herein shall be construed as creating a partnership or joint enterprise between MDC and COMPANY. No person performing any of the work and services described hereunder by COMPANY shall be considered an officer, agent, servant or employee of MDC. Further, it is specifically understood and agreed that nothing in this Agreement is intended or shall be construed as creating a “Community of Pecuniary Interest” or “An Equal Right of Control” which would give rise to vicarious liability. COMPANY shall be an independent contractor under this Agreement and shall assume all of the rights, obligations and liabilities, applicable to it as such independent contractor hereunder. MDC does not have the power to direct the order in which the

work is done. MDC shall not have the right to control the means, methods or details of COMPANY'S work. COMPANY shall assume exclusive responsibility for the work. COMPANY is entirely free to do the work in its own way.

ARTICLE IX. INSURANCE

COMPANY shall at all times during the term of this Agreement maintain and keep in full force and effect insurance in the following types and minimum amounts with companies authorized to do business in the State of Texas:

Commercial General Liability (including Contractual liability):

-Personal Injury: \$1,000,000.00 per person
 \$1,000,000.00 per occurrence

-Property Damage: \$500,000.00 per occurrence

Business Automobile Liability: \$250,000.00 combined single limit -
 Personal Injury and Property Damage

Workers' Compensation: Statutory limits

Employers' Liability: \$500,000.00 per accident or occurrence

The Commercial General Liability shall be on a per project aggregate, including completed operations, and shall be on a claims-occurred basis. This insurance shall name MDC as an additional insured and waive subrogation in favor of MDC.

The Business Automobile Liability insurance provided by COMPANY shall cover any auto for bodily injury and property damage, including owned vehicles, hired and non-hired vehicles, and employee non-ownership, and the amount of such policy shall be a minimum of \$250,000.00 covering any vehicle used for the execution of the work that is the subject of this Agreement. This insurance shall name MDC as an additional insured and waive subrogation in favor of MDC.

The Workers' Compensation coverage provided by COMPANY shall inure to the benefit of employees injured during the course and scope of their employment by COMPANY pursuant to this Agreement. The Workers' Compensation shall waive all rights of subrogation in favor of MDC.

All insurance required pursuant to this Agreement shall provide for a waiver of subrogation in favor of MDC. All insurance required pursuant to this Agreement, except for Workers'

Compensation Insurance, shall name MDC as an additional insured on a claims occurred basis. MDC shall be provided the notice by COMPANY'S insurance provider not later than thirty (30) days prior to any reduction or termination of such coverage.

COMPANY shall contractually require all contractors, subcontractors, and sub-subcontractors that work on any portion of the work that is the subject of this Agreement to obtain insurance coverage that meets or exceeds the policy requirements and minimum amounts specified herein. All contractors, subcontractors, and sub-subcontractors shall obtain insurance policies that provide blanket waivers of subrogation in favor of MDC and policies that name the MDC as an additional insured on a claims occurred basis (except workers' compensation).

The parties agree that, prior to the execution of the Agreement, COMPANY shall provide one or more certificates of insurance specifically stating that these requirements have been met and subject to the approval of MDC. MDC shall not be required to provide any insurance whatsoever pursuant to this Agreement.

COMPANY certifies that the certificate of insurance provided as required herein complies with the requirements of Chapter 1811 of the Texas Insurance Code. COMPANY shall not use an unapproved certificate of insurance or insert inappropriate language on a certificate. Compliance with state law is the sole responsibility of COMPANY.

Notwithstanding any contrary provision contained herein, MDC's Executive Director, in his/her sole and absolute discretion, may modify the insurance requirements contained in this Article.

ARTICLE X. ATTORNEY FEES

BY EXECUTING THIS AGREEMENT, COMPANY AGREES TO WAIVE AND DOES HEREBY WAIVE ANY CLAIM IT HAS OR MAY HAVE IN THE FUTURE AGAINST MDC REGARDING THE AWARD OF ATTORNEY FEES THAT IS IN ANY WAY RELATED TO THIS AGREEMENT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THIS AGREEMENT. COMPANY AGREES THAT IF COMPANY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY ACTION PURSUANT TO THE PROVISIONS OF THE

TEXAS UNIFORM DECLARATORY JUDGMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, *ET SEQ.*, AS AMENDED), THAT COMPANY AGREES TO (i) WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY FEES TO WHICH IT MIGHT OTHERWISE BE ENTITLED AND (ii) ASSUME COMPLETE FINANCIAL RESPONSIBILITY FOR AND PAY ALL ATTORNEY FEES AND ASSOCIATED COSTS INCURRED IN GOOD FAITH BY MDC IN MDC'S CONTESTING OF THE LEGAL ACTION OR PROCEEDING BROUGHT BY COMPANY. THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

COMPANY AGREES THAT THIS IS THE VOLUNTARY AND INTENTIONAL (i) RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY EXISTING KNOWN RIGHT AND (ii) ASSUMPTION OF A FUTURE OBLIGATION IN THE EVENT THAT COMPANY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING AGAINST MDC RELATED TO THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGEMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, *ET SEQ.*, AS AMENDMED). COMPANY ACKNOWLEDGES THAT COMPANY UNDERSTANDS ALL TERMS AND CONDITIONS OF THE AGREEMENT. COMPANY FURTHER ACKNOWLEDGES AND AGREES THAT THERE WAS AND IS NO DISPARITY OF BARGAINING POWER BETWEEN COMPANY AND MDC. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OF GOVERNMENTAL IMMUNITY.

COMPANY IS RELYING ON ITS OWN JUDGMENT. COMPANY ACKNOWLEDGES THAT COMPANY HAD THE OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH LEGAL COUNSEL PRIOR TO ITS EXECUTION.

ARTICLE XI. GOVERNMENTAL IMMUNITY

By executing this Agreement MDC is not waiving its right of governmental immunity. MDC is not granting consent to be sued by legislative resolution or action. **THERE IS NO WAIVER OF GOVERNMENTAL IMMUNITY.**

ARTICLE XII. NO THIRD-PARTY BENEFICIARIES

MDC's approval of this Agreement does not create a third-party beneficiary. There is no third-party beneficiary to this Agreement. No person or entity who is not a party to this Agreement shall have any third-party beneficiary or other rights hereunder.

ARTICLE XIII. RELEASE

NOTWITHSTANDING ANY OTHER PROVISIONS, COMPANY HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES MDC, MDC'S EMPLOYEES AND OFFICERS, FROM ANY AND ALL DEMANDS, CLAIMS, DAMAGES, OR CAUSES OF ACTION OF ANY KIND WHATSOEVER WHICH COMPANY HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING BUT NOT LIMITED TO BREACH OF AGREEMENT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR MDC'S NEGLIGENCE. THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

ARTICLE XIV. INDEMNITY

COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND MDC AND ALL OF MDC'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, LOSSES, PROPERTY DAMAGE AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF COMPANY, THEIR AGENTS OR EMPLOYEES, OR ANY SUBCONTRACTOR, IN

THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS AGREEMENT, AND COMPANY SHALL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST MDC OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES.

COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND MDC AND ALL OF MDC'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, PROPERTY DAMAGE, LOSSES, AND EXPENSES OF ANY CHARACTER WHATSOEVER INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF MDC, MDC'S OFFICERS, AGENTS AND EMPLOYEES, WHETHER SUCH NEGLIGENT ACT WAS THE SOLE PROXIMATE CAUSE OF THE INJURY OR DAMAGE OR A PROXIMATE CAUSE JOINTLY AND CONCURRENTLY WITH COMPANY OR COMPANY'S EMPLOYEES, AGENTS OR SUBCONTRACTORS NEGLIGENCE IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS AGREEMENT, AND COMPANY SHALL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST MDC OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES.

COMPANY AGREES THAT IT SHALL INDEMNIFY AND SAVE MDC HARMLESS FROM ALL CLAIMS GROWING OUT OF ANY DEMANDS OF SUBCONTRACTORS, LABORERS, WORKMEN, MECHANICS, MATERIALMEN, AND FURNISHERS OF MACHINERY AND PARTS THEREOF, EQUIPMENT, POWER TOOLS AND ALL SUPPLIES, INCURRED IN THE FURTHERANCE OF THE PERFORMANCE OF THIS AGREEMENT. WHEN MDC SO DESIRES, COMPANY SHALL FURNISH SATISFACTORY EVIDENCE THAT ALL OBLIGATIONS OF THE NATURE HEREINABOVE DESIGNATED HAVE BEEN PAID, DISCHARGED OR WAIVED. COMPANY, ITS SURETIES AND INSURANCE CARRIERS SHALL

DEFEND, INDEMNIFY AND SAVE HARMLESS MDC AND ALL OF ITS OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, OR CLAIMS OF ANY CHARACTER WHATSOEVER, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING FROM ANY ACT OF COMPANY OR ANY SUBCONTRACTOR, THEIR AGENTS OR EMPLOYEES, IN THE EXECUTION AND SUPERVISION OF THIS AGREEMENT, AND SHALL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST MDC OR ANY OF ITS OFFICERS, AGENTS, OR EMPLOYEES INCLUDING ATTORNEY'S FEES.

THE PROVISIONS OF THIS ARTICLE SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

ARTICLE XV. GENERAL PROVISIONS

A. Waiver. No waiver by MDC of a breach of any covenant, condition, or restriction of this Agreement shall be construed or held to be a waiver of any succeeding or preceding breach of the same or any other covenant, condition, or restriction contained in this Agreement.

B. Governing Law and Venue. The laws of the State of Texas shall govern, construe and enforce all rights and duties of the Parties, including, but not limited to, tort claims and any contractual claims or disputes arising from or relating in any way to the subject matter of this Agreement, without regard to conflict of laws and rules that would direct application of the laws of another jurisdiction. All performance and payment made pursuant to this Agreement shall be deemed to have occurred in Midland County, Texas. The obligations and undertakings of the Parties shall be deemed to have occurred in Midland County, Texas. Exclusive venue for any claim, suit, or other action arising from or connected in any way to this Agreement shall be in Midland County, Texas.

C. Notice. Any notice or demand that shall be made regarding this Agreement, shall be made in writing and delivered either in person or by certified or registered mail. Notice by mail shall be complete upon deposit of the paper, postage prepaid, in a post office or official depository under the care and custody of the United States Postal Service addressed as follows:

If to MDC: Executive Director
Midland Development Corporation
200 N. Loraine, Suite 610
Midland, Texas 79701

If to COMPANY: InterFlight Global Corporation
Miami Center, 28th Floor
201 South Biscayne Boulevard
Miami, Florida 33131

The parties hereto may change the above-designated addresses by giving notice pursuant to the terms of this Section.

D. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, this invalidity, illegality, or unenforceability shall not affect any other provision of the Agreement, and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been contained herein.

E. Use of Language. Words in the singular shall be held to include the plural, unless the context otherwise requires.

F. Amendments, Modifications, Alterations. No amendment, modification, or alteration of the terms of this Agreement shall be binding unless it is in writing, dated subsequent to the date of this Agreement, and duly executed by the parties to this Agreement.

G. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed as original, and all of which shall constitute one and the same instrument.

H. Federal Wage Requirements. If applicable, the Davis-Bacon Act, 29 CFR 5.5, and any related acts or regulations are hereby incorporated by reference and made a part of this Agreement, and all terms and requirements under said laws, by such incorporation, are made terms and

requirements of this Agreement, to which the parties to this Agreement have agreed to be bound.

I. Notice of Alleged Breach; Statutory Prerequisites. As a condition precedent to filing suit for alleged damages incurred by an alleged breach of an express or implied provision of this Agreement, COMPANY or his legal representative, shall give the MDC Chairman, or any other reasonable official of MDC, notice in writing (consisting of one (1) original and seven (7) copies of notice attached to a copy of this Agreement) of such damages, duly verified, within ninety (90) days after the same has been sustained. The discovery rule does not apply to the giving of this notice. The notice shall include when, where and how the damages occurred, the apparent extent thereof, the amount of damages sustained, the amount for which COMPANY will settle, the physical and mailing addresses of COMPANY at the time and date the claim was presented and the physical and mailing addresses of COMPANY for the six (6) months immediately preceding the occurrence of such damages, and the names and addresses of the witnesses upon whom COMPANY relies to establish its claim; and a failure to so notify the MDC Chairman within the time and manner provided herein shall exonerate, excuse and except MDC from any liability whatsoever. MDC is under no obligation to provide notice to COMPANY that COMPANY'S notice is insufficient. MDC reserves the right to request reasonable additional information regarding the claim. Said additional information shall be supplied within thirty (30) days after receipt of notice.

The statutory prerequisites outlined herein constitute jurisdictional requirements pursuant to Section 271.154 of the Texas Local Government Code and Section 311.034 of the Texas Government Code. Notwithstanding any other provision, COMPANY'S failure to comply with the requirements herein shall perpetually bar COMPANY'S claim for damages under Chapter 271 of the Texas Local Government Code, and Section 311.034 of the Texas Government Code, regardless if MDC has actual or constructive notice or knowledge of said claim or alleged damages. COMPANY agrees that the requirements of this entire Agreement are reasonable. The provisions of this Section shall survive the termination of this Agreement.

J. Prompt Pay Act. MDC and COMPANY agree that Texas Government Code, Chapter 2251, Payment for Goods and Services does not waive governmental immunity.

K. Compliance. COMPANY agrees that it shall comply with Texas Government Code

Section 2252.908, as amended. COMPANY agrees that it shall comply with Texas Local Government Code Section 176.006, as amended.

L. Anti-Boycott Statutes. To the extent that Tex. Gov't Code §§ 2271.002 and 2274.002 apply to this Agreement, COMPANY hereby verifies that:

- COMPANY does not boycott Israel and will not boycott Israel during the term of this Agreement;
- COMPANY does not boycott energy companies and will not boycott energy companies during the term of this Agreement; and
- COMPANY does not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Agreement against any firearm entity or firearm trade association.

If Tex. Gov't Code § 2270.002 does not apply to this Agreement, such verification is not required, and COMPANY shall be deemed to have not made such verification.

M. Records Retention and Production of Information. To the extent that this Agreement is a contract described by Tex. Gov't Code § 552.371, COMPANY shall: (i) preserve all contracting information related to the Agreement as provided by the records retention requirements applicable to MDC for the duration of the contract; (ii) promptly provide to MDC any contracting information related to the Agreement that is in the custody or possession of COMPANY on request of MDC; and (iii) on completion of the Agreement, either (a) provide at no cost to MDC all contracting information related to the Agreement that is in the custody or possession of COMPANY, or (b) preserve the contracting information related to the Agreement as provided by the records retention requirements applicable to MDC.

N. Public Information. To the extent that this Agreement is a contract described by Tex. Gov't Code § 552.371, COMPANY agrees as follows in accordance with Tex. Gov't Code § 552.372(b): The requirements of Subchapter J, Chapter 552, Government Code, may apply to this contract, and the contractor or vendor agrees that the contract can be terminated if the contractor or vendor knowingly or intentionally fails to comply with a requirement of that subchapter.

O. Conflict of Terms. If a conflict of terms or language exists between: (i) any of the

provisions of this Agreement; and (ii) any of the provisions contained in any exhibit(s) attached to this Agreement, precedence shall be given to the provisions of this Agreement. For the avoidance of any doubt, the provisions contained in this Agreement shall supersede any and all conflicting provisions contained in any exhibit(s) attached hereto. Furthermore, the Parties acknowledge and agree that any provision contained in an exhibit(s) attached to this Agreement that imposes an additional express or implied obligation on MDC is hereby made void and of no force or effect. MDC's sole and exclusive obligations under this Agreement are contained in the provisions of this Agreement that precede the signature page(s), which evidences the Parties' execution and acceptance hereof.

P. Iron or Steel Products Statute. COMPANY agrees that all iron or steel products produced through a manufacturing process and used in the project that is the subject of this Agreement shall be produced in the United States in accordance with Government Code § 2252.202, *et seq.*, as amended.

Q. Interpretation. By executing this Agreement, the Parties acknowledge and agree that this Agreement shall not be interpreted or construed against any Party solely because such Party or its legal counsel drafted this Agreement. The Parties have read, understood, and approve of the language and terms set forth herein.

[Signature Pages Follow]

EXECUTED by the duly authorized officials of the Parties as of the day and year first above written.

**MIDLAND DEVELOPMENT
CORPORATION**

Stephen Lowery, Chairman

ATTEST:

Jill Pennington, Secretary

[Signature Page Follows]

COMPANY:

By: _____

Name: _____

Title: _____

STATE OF _____ §

§

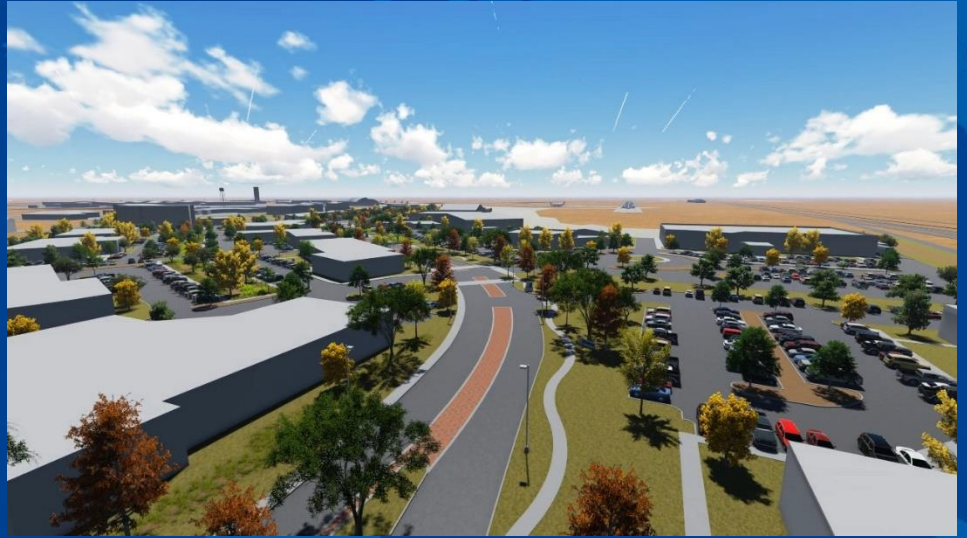
COUNTY OF _____ §

§

BEFORE ME, the undersigned authority, on this ____ day of _____, 20__, personally appeared, _____ of _____, known to me to be the person and official whose name is subscribed to the forgoing instrument, and acknowledged to me that he executed the same as the act and deed of said entity, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the ____ day of _____, 20__.

Notary Public, State of _____



MIDLAND AIR & SPACEPORT BUSINESS PARK DEVELOPMENT
HIGH SPEED AEROSPACE TRANSPORTATION WORKSHOPS
MASTER, BUSINESS AND MARKETING PLANS

~ CONTRACT RENEWAL ~



Tuesday, January 11th, 2022

Presented to: Mrs. Sara Harris, Executive Director, Midland Development Corporation



InterFlight Global
Intelligent Aviation & Aerospace Solutions

Exhibit A

Tuesday, January 11th, 2022

Mrs. Sara Harris, Executive Director
Midland Development Corporation
200 N. Loraine, Suite 610
Midland, TX 79701

Dear Mrs. Sara Harris:

[InterFlight Global Corporation \(IFG\)](#) is pleased to present you with this contract renewal proposal to continue to augment MDC's efforts to select, attract and retain high quality aerospace tenants as lessees, developers and investors of the available space(s), land and properties. Our highly specialized aerospace and defense industries approach to marketing and sales allows us to identify, attract and assist MDC to close deals with selected tenants. Our unique consultative-brokerage methodology involves cost effective "inbound" prospects visits to induce leases.

In 2021, the existing tenants performed well. AST&Science (including Nano Avionics) became a public company and now trades in NASDAQ as \$ASTS. They have committed to a large expansion at the Spaceport and other locations in Midland as their workforce and real estate footprint grows. Kepler Aerospace has expressed intent to lease circa 8 airside acres adjacent to their facility to build a triple-building circa 150,000 sq.ft. dubbed "the Midland Spaceport Terminal", to host their Space Support Vehicle (SSV) fleet of Boeing 777 aircraft and other space air-launched vehicles and technologies.

In the year 2021 the in-person activities, workflow and familiarization trips grew from the beginning of the year reaching a high point at the HSAT 4th Edition in Midland, which attracted circa 100 attendees from the High-Speed Aerospace Transportation industry (HSAT). There are now 24 companies in the pipeline with a potential of 469 high paying jobs (~\$85,000+/year each), 129 acres, over 1 million square feet of facilities and a capex in excess of \$450 million. The Spaceport Business Park has remaining land available to new tenants of circa 25 acres, so we show the prospective tenants land and building facilities at other locations at the airport, including the new FBO future land development phases.

The Familiarization Trips were scaled in size to match COVID in-person travel restrictions for potential tenants, and started with single company visits, then gradually went to larger groups, like a group trip of 6 companies in October. As a result, one of those companies, Exos Aerospace, is now in the final stages of signing an Economic Development Agreement and becoming a tenant. They will be bringing circa 100 employees to support advanced spacecraft manufacturing and very importantly, space flight operations activities benefitting from the spaceport license. Another company, from the the initial one-on-one Familiarization Trip program, Firehawk Aerospace, has expressed their commitment to a rocket motor testing facility at the Spaceport.

In addition, Calspan, is an aerospace R&D leading company, that visited the Spaceport in January, and has developed relationships with public and private investors in Midland to establish an R&D ground testing center of excellence including aerodynamic and propulsion tunnels and related technical facilities. Calspan's ground facilities are envisioned to support an air testing facility to fly the experimental technologies tested on the ground. Calspan's projects could bring in circa 75 employees and CAPEX investments in the \$150 million range.

IFG's 2022 new tenants prospects are: Calspan, Exos Aerospace, New Frontier Aerospace and Firehawk Aerospace, combined there is potential for 28 acres, 250,000 sqft of facilities, 225 employees and CAPEX of \$165 million for flight and ground assets (aircraft, rockets, test facilities, etc). See Figure 1 on the next page.

The HSAT Workshop Event brought in nearly a dozen companies new to the Spaceport Business Park, as an example one of them (Sonic Blue) is already booked for a familiarization trip to the Spaceport in late January. Many others, including world air-launch reference Stratolaunch and New Frontier Aerospace are actively evaluating sites at the Spaceport.

The HSAT Event presented to the industry at large, the innovative Airspace Corridor Development project, which proves critical to attract, retain and grow an ecosystem of aerospace companies intending to fly fast aircraft and spacecraft out of the Midland unique commercial airport and spaceport infrastructure. The corridor when fully enabled (est. 2023) will be a one-of-a-kind airspace-infrastructure capability allowing for supersonic, hypersonic and orbital air and spacecraft operations in and out of Midland connecting with Spaceport America and others.

IFG also supported the Midland Air and Spaceport in marketing and PR efforts, industry, regulatory, standardization and very importantly; fund raising efforts at the Federal, State and County-City levels. IFG also promoted and supported private investment and funding efforts from Midland and Texas investors. As an example, two local investors partially funded, and are shareholders of Midland incoming company, Exos Aerospace. We expect the private funding efforts and capabilities to grow in 2022 and beyond.

Beyond the Spaceport Business Park, the City of Midland has earned a prominent place in the advanced air and space industries communities as a place to perform ground and airborne aerospace commercial and defense activities. The terms America's Central Space Basin already echo in industry circles with Midland at its core. Workforce development was advanced from K-12 (Higher Orbits program), through Midland College (Space Tec-Aerospace Workers curriculum development) and UTPB Colleges of Engineering and Business (under/graduate programs, member for FAA-Center of Excellence for Commercial Space)

IFG has also promoted and supported ancillary capabilities for tenants such as direct air service to Austin (JetSuiteX) and a Hotel/restaurant/Café initiative at the Spaceport, as prospect tenants have expressed a strong interest in such amenities near the Business Park. In addition, IFG has promoted the aerospace industry cluster to aviation companies, such as Franklin Mountain Capital, which won the second airport FBO award in 2021.

In Summary, despite the 2020 challenges, IFG's strategic plan to fill up the Spaceport Business Park and also to make Midland an aerospace industry cluster are progressing very well since 2019. IFG will align its Strategic Business and Marketing Plan update (separate document) with the Midland Airport FAA Master, Business and Marketing Plans. Figure 2. on the next page shows the IFG-MDC activities management tables enabling tracking of activities including investment efforts, cost-benefit of initiatives, marketing and prospect attraction and capturing.

The updated plan will incorporate relevant strategic elements conducive to filling up the Business Park and its environs, and in creating the cluster of aerospace companies in Midland, such as:

- Public and Private funding at all levels to support further infrastructure development (i.e. airside corridors and wind tunnels and rocket motors testing facilities on the ground side)
- Workforce Development to support Midland's aerospace cluster as a hub to the Permian Basin (i.e., strategically support Blue Origin Van Horn workforce needs)
- Academic and R&D capabilities, increase the reach and number of research projects for UTPB (i.e., enable UTPB membership to the Joint Hypersonic Transition Office Systems)
- MDC's addition of an economic development person to grow the established tenant base and to outreach to the Permian Basin communities to strategically leverage local strengths and resources
- Alignment with the Air and Spaceport Master Plan reviews and further allocation of land for development (i.e., Northeast corner circa 300 acres lot pending acquisition)
- Reestablishment of the Midland Spaceport Development Corporation to capture Texas-State funding for Spaceport Infrastructure
- Updates on forecasts of revenues and income from the actual tenants and their secured expansion projects (i.e., AST&Science) and confirmed new tenants (i.e., Exos Aerospace, Firehawk).

Figure 2. **Guiding Principle: Midland Spaceport Business Park is CONNECTED**

Community-oriented -- always striving to be a good neighbor and to provide long-term community value.

Outreach -- to seek the space, aerospace, aviation and supply-chain businesses, understanding their needs and priorities that we can accommodate.

New ways of evaluating opportunities and challenges by creating innovative solutions.

Nurture workforce development and a vibrant workplace that attracts world class talent.

Environmental stewardship and impact mitigation.

Conscious of safety and security in all operations.

Transparent governance and management based on integrity, trust, and respect, with respect for community leadership and authority.

Excellence in service with fair, responsive, and courteous treatment of all.

Diversified revenue streams to ensure the long-term sustained financial self-sufficiency.

Private investors appreciate a good Spaceport Business and Marketing Plan when providing capital and resources to incoming companies. Thus, IFG will incorporate relevant content from the monthly briefings to the MDC into the business plan, to make it a “live” document. We believe that an up-to-date business plan will elicit further investment from the private sector and will also aid in obtaining public funding, including Federal and State funding.

An ambitious, yet feasible, project for 2022, is the performance of initial demonstrations of high-speed aircraft and suborbital spacecraft using the newly designed airspace. IFG is in discussions with the following vehicle operators to attract and retain flight operations sites at the Spaceport.

- Transonic
- Supersonic
- Hypersonic
- Suborbital
- Orbital

The HSAT Workshop scheduled for December 8-9th 2022, will grow in size and content and possibly be timed to demonstrate the use of the newly designed high speed airspace corridor linking Midland to the White Sands missile range and Spaceport America. Stratolaunch, Virgin Galactic, Dawn Aerospace and Starfighters Aerospace are possible operators of such flight demos.

The prospect tenant pipeline is robust and growing. Importantly, existing tenants and new ones are bringing in their relationships, vendors, suppliers and partners to Familiarization trips, workshops and meetings at trade shows and industry events. For example, new prospect tenant Firehawk Aerospace, has brought the Spaceport to the attention of Houston private funding and incubator-maker space powerhouse Capital Factory. We expect their Familiarization visit in the first quarter of 2022.

IFG applauds and welcomes the possibility of a new parcel of land to accommodate the prospect tenants as per the schematic below and potential tenants logo map.

In summary, the Spaceport Business Park forecasts for the initial Business Park are on track, despite the 2020 slow down, and IFG is optimistic that the Spaceport Business Park will grow even more as a financial, economic and diversification asset to the City of Midland. At IFG, we have domestic and international reach in both the public and private segments of both the air and space transportation industries, and very importantly in this case: at their intersection. We are fully engaged in these fast-evolving sectors and prepared to apply our expertise to your needs.

For the project, our Professional Fees are:

1. Midland Air and Spaceport Business Development – including Workshop - \$121,450 (Exhibit A)
2. Midland Air and Spaceport Master, Business & Marketing Plans Development and Execution- \$18,200 (Exhibit B)

\$139,650 total (contract length of 12 months: February through January 2023), excludes travel costs.

The project will be billed in four (4) bi-monthly stages of \$34,912.50 each.

Thank you for the opportunity to submit this proposal. We look forward to continuing work on this important “momentum building” and financial climb for the Spaceport and the Spaceport Business Park.

Midland Spaceport, success is the only option!

Sincerely,

A handwritten signature in black ink, appearing to read "Oscar S. Garcia", with a stylized flourish at the end.

Oscar S. Garcia, Chairman & CEO
InterFlight Global Corporation

EXHIBIT A TASK LISTS AND COSTS – WORKSHOP

Full Project Task List and Costs:

PROJECT NAME: MIDLAND AIR AND SPACEPORT BUSINESS DEVELOPMENT-WORKSHOPS											
Element	PROJECT ACTIVITY	Oscar S. Garcia		Oscar S. Garcia		Yvette A. Garcia		Edward Ellegood		Basic	Man Hrs
		Project Officer (Principal)		Project Manager		Marketing Executive(Planner)		Project Coordinator/QC/Writer		Activity	by
		Man hrs	Hrly Rate	Man hrs	Hrly Rate	Man hrs	Hrly Rate	Man hrs	Hrly Rate	\$ AMOUNT	Activity
			275		200		200		150		
	Air and Spaceport Business Development-Workshop										
1.1	Alignment with MAF General Business Dev Mission/Vision/Values Statement	7	\$ 275	10	\$ 200	15	\$ 200	6	\$ 150	\$7,825	38
1.2	Workshop Design and Integration MAF Master-Business Plan	7	\$ 275	6	\$ 200	15	\$ 200	6	\$ 150	\$7,025	34
1.3	Workshop Attendance One on One Promotion, Sales and Marketing	15	\$ 275	20	\$ 200	15	\$ 200	6	\$ 150	\$12,025	56
1.4	Workshop Attendees Preparations for Visit MAF-Logistics	7	\$ 275	8	\$ 200	15	\$ 200	6	\$ 150	\$7,425	36
1.5	Workshop Contents-Leading to sales, leasing and investment in MAF	7	\$ 275	10	\$ 200	15	\$ 200	6	\$ 150	\$7,825	38
1.6	Workshop Marketing Collaterals, Promotion and PR	7	\$ 275	10	\$ 200	30	\$ 200	6	\$ 150	\$10,825	53
1.7	Final Preparations-Logistics	7	\$ 275	7	\$ 200	15	\$ 200	6	\$ 150	\$7,225	35
1.8	Post Workshop Reports and Materials to Attendees and MAF	7	\$ 275	15	\$ 200	15	\$ 200	6	\$ 150	\$8,825	43
1.9	Meetings/Workshop Delivery	20	\$ 275	20	\$ 200	25	\$ 200	6	\$ 150	\$15,400	71
		84	23100	106	21200	160	32000	54	8100	84,400	
	Other Costs									\$84,400	404
		Per Day	Days	People							
1	5 Days 2 people	750		5	2					Out-of-Pocket Expenses	\$7,500
		Per Trip	Trips								
2	Travel from Denver, CO	1000		3	2					Production and Travel Expenses	\$29,550
		One-Off									
3	Workshop Production Costs	29,500								TOTAL LUMP SUM COST	\$121,450

EXHIBIT B TASK LISTS AND COSTS – MASTER, BUSINESS AND MARKETING PLAN REVIEW ~CONTINUED

PROJECT NAME: MIDLAND AIR AND SPACEPORT BUSINESS DEVELOPMENT-BUSINESS PLAN REVIEW											
	PROJECT ACTIVITY	Oscar S. Garcia		Oscar S. Garcia		Yvette A. Garcia		Edward Ellegood		Basic Activity \$ AMOUNT	Man Hrs by Activity
		Project Officer (Principal)		Project Manager		Marketing Executive(Planner)		Project Coordinator/QC/Writer			
		Man hrs	Hrly Rate	Man hrs	Hrly Rate	Man hrs	Hrly Rate	Man hrs	Hrly Rate		
			\$275		\$200		\$200		\$150		
Element 1	Air and Spaceport Business Development-Workshop										
1.1	Marketing Plan Execution	15	\$275	12	\$200	15	\$200	4	\$150	\$10,125	43
1.2	Workshop Design / Integration MAF Master-W/Master, Business & Marketing Plan	7	\$275	12	\$200	15	\$200	5	\$150	\$8,075	35
		22	\$6,050	24	\$4,800	30	\$6,000	9	\$1,350	\$18,200	78
										TOTAL COST	\$18,200

Oscar S. Garcia



Oscar S. Garcia is the founding Partner, Chairman and CEO of InterFlight Global Corporation (IFG), an international aerospace, aviation and space expert consulting firm in business since 1992. At the firm, he serves clients as a Senior Consultant, Board Advisor and Project Leader

in the areas of Private-Public Asset, Properties and Investments Economic Development, Strategic Planning, Finance, Marketing and Strategy. He has over twenty years of experience advising and consulting for Senior Management and Governance Boards of startup companies, joint ventures, public entities- governments and large aerospace conglomerates. His expertise includes, but it no limited to the design, set up, growth and expansion of aerospace, aviation and space related properties, assets and companies.

Oscar serves on the FAA/AST COMSTAC as a full member and Standards Working Group Chairman. He is the Chairman and of the FastForward Group and a UN-ICAO Point of Contact and Space Transportation Leader. In addition, he serves in the Commercial Spaceflight Federation (CSF) Standards, Air & Space Ports and Operations Committees. He has served in the Space Florida Board Advisory Committee, Beacon Council Action Committee Board. He serves on Embry Riddle Aeronautical University's Business School Industrial Advisory Board and Alumni Advisory Council to the President and Board of Trustees.

He is a past (2006-2007) President and current Chairman of the Aerospace Committee for the prestigious Greater Miami Aviation Association (GMAA) Board of Directors. The GMAA is today the dorsal spine of the aviation and aerospace industries socio-economic affairs in Southern Florida.

Registrations:

United Nations International Civil Aviation Organization- ICAO- Office of Outer Space Affairs (UNOOSA) USA Member and Point of Contact Suborbital Space Transportation Learning Group

US Department of Transportation-Federal Aviation Administration-Office of Commercial Space- Advisor-Commercial Space Transportation Advisory Committee (COMSTAC) Member and Chair of the Standards Working Group

Commercial Spaceflight Federation- Industry Standards Technical Committee Member

Chairman, FastForward -Global High-Speed Aerospace Transportation Think Tank (2008-Present)

Greater Miami Aviation Association (GMAA), Board Director-Committee Chair (2004-Present)

Space Florida, Business Development Advisory Committee to the Board (2006-2010)

Embry-Riddle Aeronautical University, Industry Advisory Board, College of Business, Alumni Advisory Board to the President and Trustees (2007-Present)

FAA Airline Transport Pilot License, rated on B747-400, B777 200/300 and SF340B aircraft and flight experience in a variety of simulators and general aviation aircraft

MBA, Embry-Riddle Aeronautical University, 2002

MBA, Embry-Riddle Aeronautical University, 2002

B.S. in Applied Science, Specialization in Aviation Technology and Aerospace Engineering, Thomas Edison State College/San Diego State University, 1995

International Experience

2014-2019 Transportation Research Board (TRB) and United Nations-International Civil Aviation Organization Space Learning Group-Point of Contact and Space Transportation Leader

- TRB member of commercial space, airspace integration-new users and high speed flight committees and research groups
- UN-ICAO's Space Learning Group is a UN-OOSA (Office of Outer Space Affairs) entity charged with the development of future suborbital international space transportation industry [2014-Present Commercial Space Flight Federation \(CSF\)](#)
- Associate Member and Committee Member; Standards, Air & Space Ports and Operations. CSF is the world's foremost commercial space trade association and an industry leader in front of public and private entities.

2010-2020 FAA-AST COMSTAC Working Groups: Operations, Suborbital Reusable Vehicles, Chairman Safety and Standards Working Group

- Full Committee Member (three terms) and Safety Standards Working Group Chairman in support of the Commercial Space Transportation Advisory Committee to the FAA Administrator; developing the international rulemaking, technical, regulatory, operational and commercial feasibility of suborbital vehicles, infrastructure and commerce chain wide space transportation capabilities.

2010-Present Fast Forward Project-High Speed Flight and Sub/Orbital Transportation Industry Research Group

- Project Member in support of strategic areas of research, economic, business, environmental, political, civic and technological development of the commercial suborbital transportation industry worldwide. The group is broadly supported across the aerospace industry, with key members from flight system providers (both entrepreneurial and traditional aerospace hardware companies), future operators, government agencies, commercial aero Air & Space Ports, academic organizations, and specialist consultants. Members have background ranging from traditional aviation to space applications. Reference: Dr. John Olds, President

2006-2015 Flight Research Associates-NASA AMES

- Board Advisory and Consulting Services for the development of Human Factors, Operational simulations (aircraft and ATC), Air Traffic Control (ATC) systems and technologies in support of commercial suborbital space transportation. Reference: James Miller, President

2008-2010 Space Florida-Miami Dade Aviation Department (MDAD)

- Feasibility Study for a Commercial Aero Air & Space Port in South Florida. References include: Frank DiBello, President, Space Florida; Bernie McShea, VP Business Development, Space Florida; Jose Abreu, Director MDAD; Miguel Southwell, Director Business Development, MDAD; Greg Owens, Director Real Estate and Properties, MDAD

2006-Present Rocketplane Global, Rocketcrafters, SpaceJett, O-G Launchand Other Suborbital Initiatives



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Income Statement

MIDLAND DEVELOPMENT CORPORATION
INCOME STATEMENT FOR THE 4 MONTHS ENDED
January 31, 2022

	Jan-22	YTD	Budgeted Amount
Revenue	\$1,200,603.84	\$2,459,490.38	\$10,976,644.00
40100 - State Sales Tax	\$1,117,874.02	\$2,131,420.82	\$10,000,000.00
40600 - Public ROW Use Fees	\$0.00	\$0.00	\$0.00
43000 - Interest	\$497.25	\$497.25	\$0.00
43010 - Interest - Nonpooled Invest	\$845.57	\$2,024.31	\$0.00
46190 - Miscellaneous Rentals	\$81,387.00	\$325,548.00	\$976,644.00
4235150 - Midland Dvlpmt Corp Revenue	\$1,200,603.84	\$2,459,490.38	\$10,976,644.00

Expense	\$2,641,064.64	\$5,753,135.63	\$21,110,973.00
51010 - Base Salary	\$23,751.11	\$84,639.87	\$350,493.00
51090 - Fica MDC Portion	\$1,871.93	\$5,010.30	\$28,442.00
51110 - Health Insurance	\$908.14	\$1,364.38	\$30,180.00
51135 - ACCE Profit Sharing	\$362.50	\$725.00	\$24,535.00
52010 - Office Supplies	\$151.15	\$2,508.00	\$6,000.00
52110 - Motor Vehicle Supplies	\$63.07	\$268.10	\$1,000.00
52115 - Minor Furniture & Fixtures	\$0.00	\$0.00	\$500.00
52155 - Minor Computer Hrdwre & Periph	\$0.00	\$0.00	\$5,000.00
52160 - Computer Software & Supplies	\$200.00	\$15,418.47	\$25,000.00
52620 - Postage	\$0.00	\$0.00	\$300.00
53010 - Communication	\$1,486.32	\$5,408.09	\$17,000.00
53030 - Light & Power	\$17.89	\$35.78	\$150.00
53110 - Insurance-External	\$1,046.00	\$1,332.00	\$110,000.00
53212 - Equipment Rental-External	\$174.21	\$1,210.23	\$5,000.00
53220 - Advertising	\$19,101.30	\$81,729.46	\$200,000.00
53370 - Grounds Maintenance	\$1,001.20	\$5,735.56	\$12,000.00
53405 - Software Maintenance	\$1,112.53	\$4,548.62	\$12,000.00
53440 - External Audit Fees	\$3,967.00	\$7,840.00	\$24,000.00
53450 - Consulting Fees	\$18,435.00	\$76,753.13	\$250,000.00
53510 - Travel & Entertainment	\$0.00	\$431.66	\$8,000.00
53520 - Dues & Subscriptions	\$311.05	\$3,037.45	\$20,000.00
53530 - Training,Registration Fees,Etc	\$79.00	\$439.00	\$8,000.00
53905 - Economic Development Incentive	\$0.00	\$0.00	\$4,527,925.00
53907 - Business Recruitment & Retentn	\$595.93	\$17,752.59	\$50,000.00
53909 - Prior Year Committed Incentives	\$2,502,112.00	\$5,054,169.85	\$9,798,329.00
53920 - Rent	\$5,540.00	\$22,160.00	\$75,000.00
54010 - Building Maintenance	\$4,941.45	\$15,387.41	\$80,000.00
55120 - Maint. - Instruments & Appara.	\$58.29	\$214.61	\$1,000.00
56188 - MOTRAN	\$0.00	\$71,250.00	\$142,500.00
56202 - General Fund Services	\$32,557.08	\$130,228.32	\$390,619.00
56410 - Payment of Principal	\$0.00	\$0.00	\$60,000.00
56420 - Interest Expense	\$0.00	\$0.00	\$12,000.00
56910 - Depreciation Expense	\$0.00	\$0.00	\$336,000.00
56995 - Project Non Capital - Promotions	\$21,220.49	\$128,476.63	\$1,000,000.00
57001 - Capital Buildings & Structures	\$0.00	\$0.00	\$0.00
57002 - Capital Improve Other Than Bldg	\$0.00	\$0.00	\$3,500,000.00
57070 - Construction in Process	\$0.00	\$15,061.12	\$0.00
235235 - Midland Development Corp	\$2,641,064.64	\$5,753,135.63	\$21,110,973.00

January 2022 Net Income: (\$1,440,460.80)

Year-to-Date Net Income: (\$3,293,645.25)

Balance Sheet

MIDLAND DEVELOPMENT CORPORATION
BALANCE SHEET FOR THE PERIOD ENDED
January 31, 2022
(Used for Internal Purposes Only)

ASSETS

Current Assets

Cash and cash equivalents	22,027,574	
Sales tax receivable	-	
Prepaid expenses	107,133	
Accounts receivable	-	
	-	22,134,706

Non-Current Assets

Capital Assets, net	22,014,915	
Forgivable Loans		
Made to Primary Government	-	
Made to Other	506,579	
Total Forgivable Loans	506,579	
		22,521,494

Total Assets		\$ 44,656,200
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LIABILITIES AND NET POSITION

Liabilities

Accounts payable	55,646	
Retainage Payable	36,612	
Capital Leases payable	173,698	
Commitments payable		
Due within one year	3,401,410	
Due in more than one year	8,897,962	
Total Commitments Payable	12,299,372	
		12,565,329

Net Position

Net investment in capital assets	22,014,915	
Restricted for Forgivable Loans	506,579	
Restricted for Capital Leases	173,698	
Promotions	1,612,370	
Unrestricted	7,783,309	
	7,783,309	32,090,871

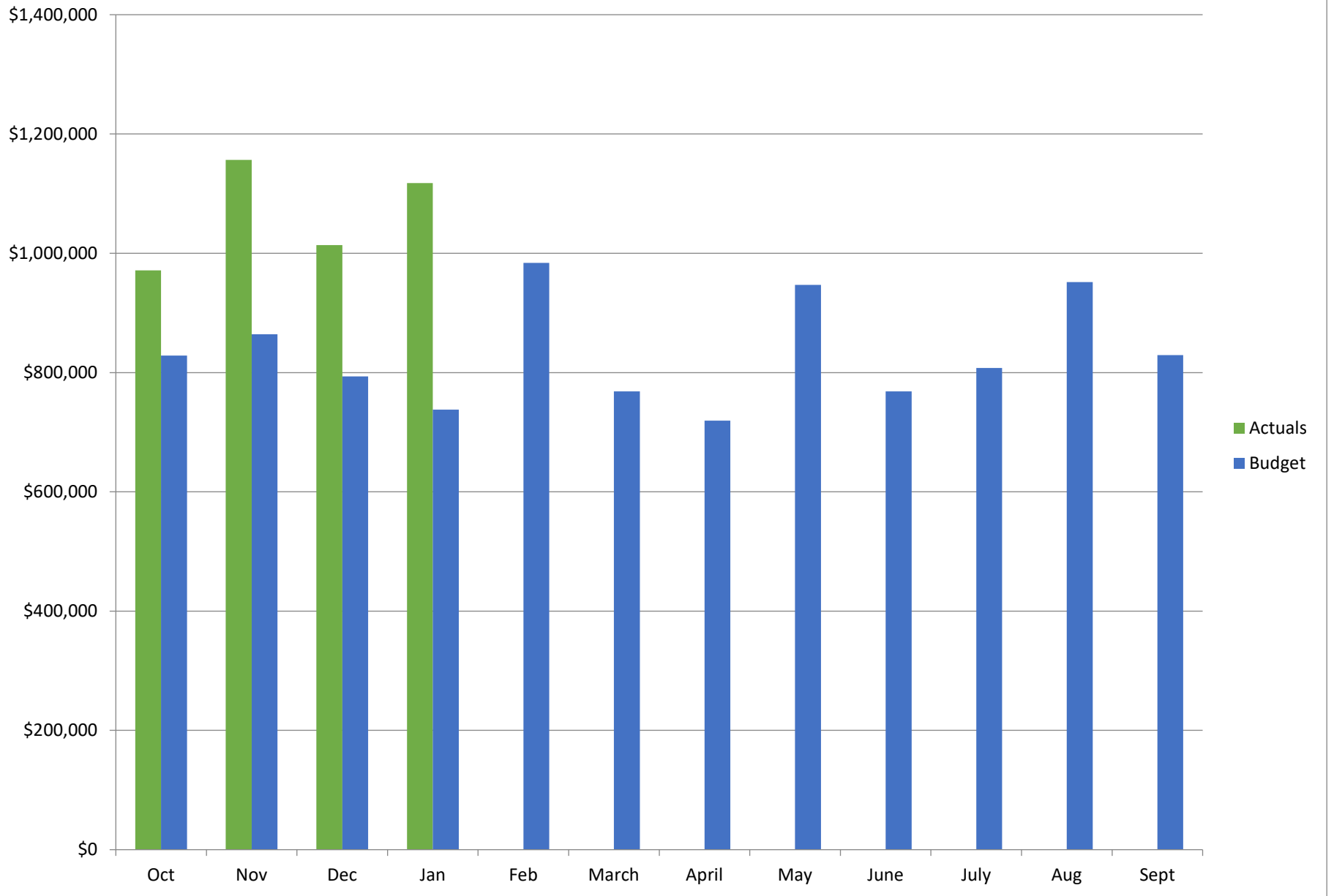
Total Liabilities and Net Position		\$ 44,656,200
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Sales Tax

Sales Tax Variance

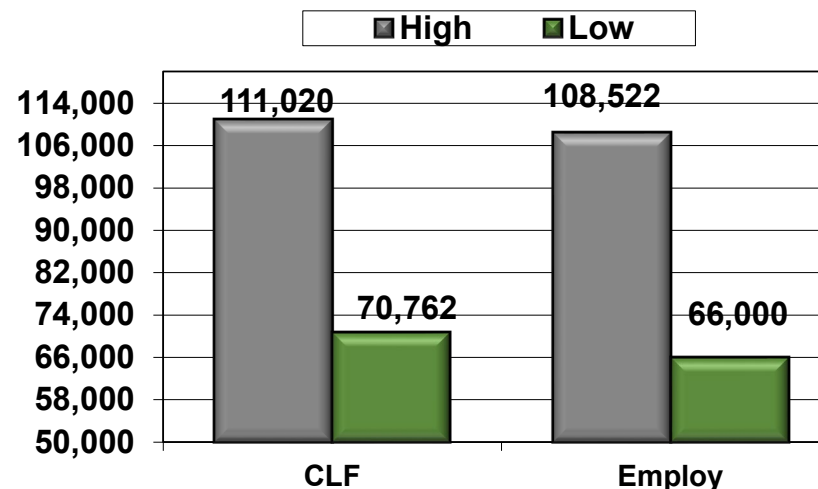
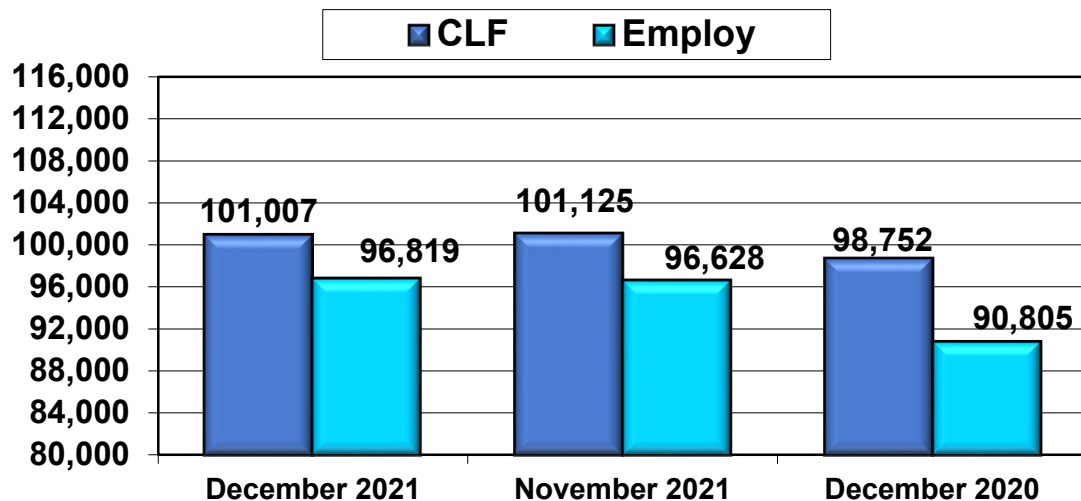
	2019-2020	2020-2021	% Change	2020-2021	2021-2022	% Change	YTD Change
October	\$1,219,993.44	\$1,203,058.10	-1.39%	\$1,203,058.10	\$971,343.63	-19.26%	-19.26%
November	\$1,266,357.10	\$983,259.60	-22.36%	\$983,259.60	\$1,156,353.89	17.60%	-2.68%
December	\$1,263,226.93	\$843,087.27	-33.26%	\$843,087.27	\$1,013,549.80	20.22%	3.69%
January	\$1,036,178.70	\$752,584.05	-27.37%	\$752,584.05	\$1,117,874.02	48.54%	12.62%
February	\$1,279,615.49	\$1,224,314.99	-4.32%	\$1,224,314.99			
March	\$966,824.94	\$783,914.25	-18.92%	\$783,914.25			
April	\$1,006,559.17	\$687,198.37	-31.73%	\$687,198.37			
May	\$1,251,139.57	\$1,198,336.79	-4.22%	\$1,198,336.79			
June	\$897,050.21	\$927,060.71	3.35%	\$927,060.71			
July	\$876,285.08	\$909,387.44	3.78%	\$909,387.44			
August	\$1,074,175.26	\$1,176,070.55	9.49%	\$1,176,070.55			
September	\$834,182.16	\$978,956.15	17.36%	\$978,956.15			
Annual Total	\$12,971,588.05	\$11,667,228.27	-10.06%	\$11,667,228.27	\$4,259,121.34		

Sales Tax Actuals vs Budget Estimates



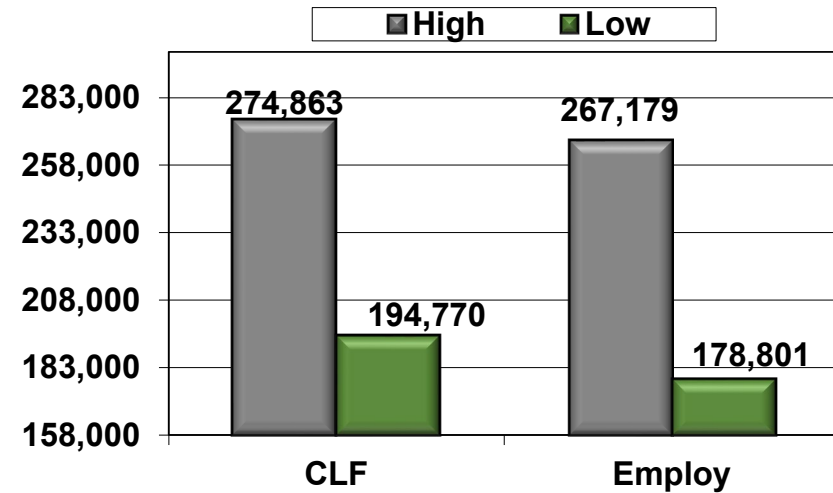
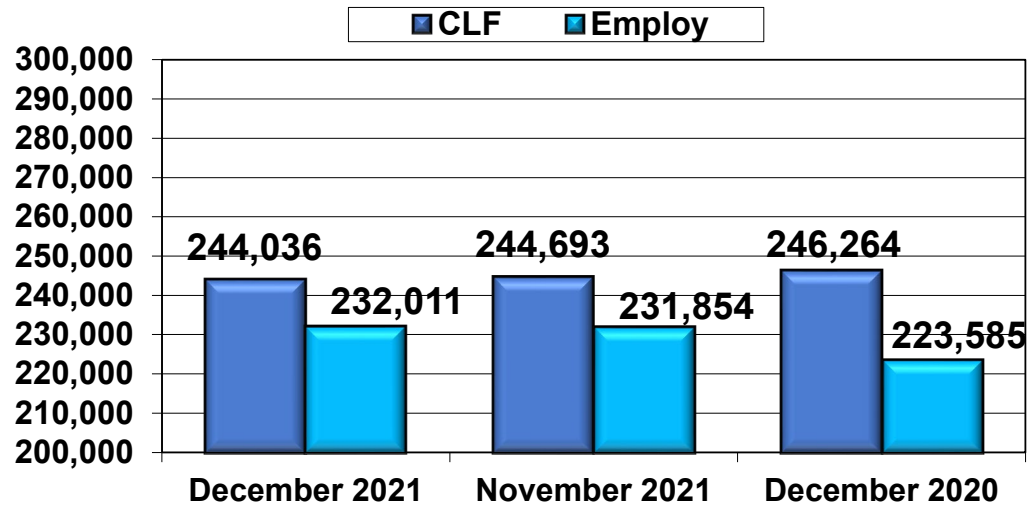
Activity Report

December 2021 Midland MSA Employment Information



	December 2021	November 2021	December 2020	High	Low
Civilian Labor Force	101,007	101,125	98,752	111,020 (Feb 2020)	70,762 (Jan 2010)
Employment	96,819	96,628	90,805	108,522 (Dec 2019)	66,000 (Jan 2010)
Unemployment	4,188	4,497	7,947	11,912 (May 2020)	1,788 (May 2019)
Unemployment Rate	4.1%	4.4%	8.0%	12.3% (May 2020)	1.7% (Apr 2019)

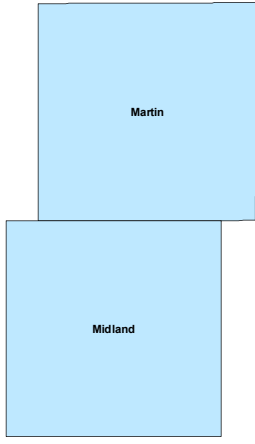
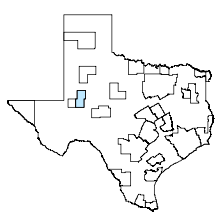
December 2021 Permian Basin Workforce Development Area Employment Information



	December 2021	November 2021	December 2020	High	Low
Civilian Labor Force	244,036	244,693	246,264	274,863 (Feb 2020)	194,770 (Jan 2010)
Employment	232,011	231,854	223,585	267,179 (Feb 2020)	178,801 (Jan 2010)
Unemployment	12,025	12,839	22,679	32,215 (May 2020)	5,115 (Apr 2019)
Unemployment Rate	4.9%	5.2%	9.2%	13.2% (May 2020)	1.9% (Apr 2019)

Midland MSA

December 2021

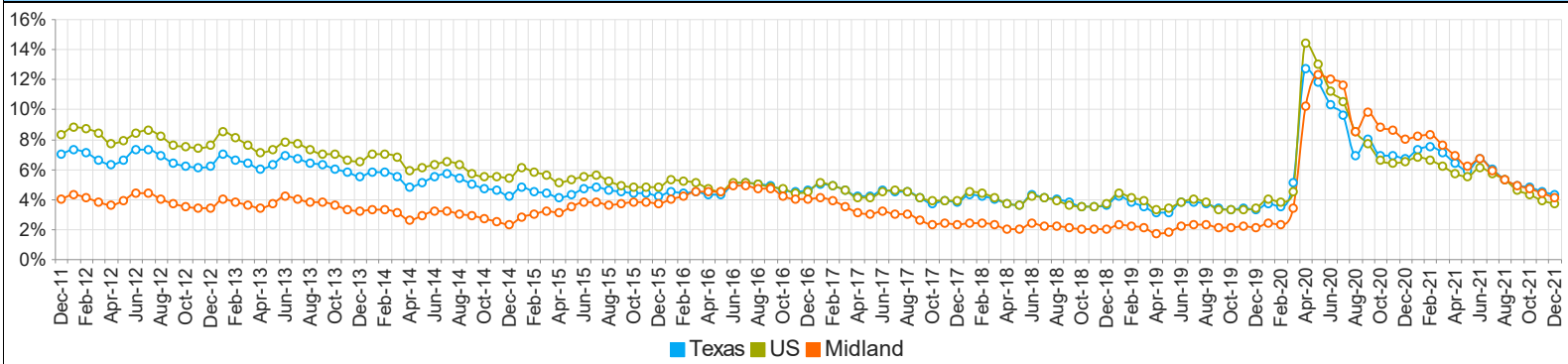


MSA Labor Force Statistics				
	Dec-21	Nov-21	Dec-20	Yearly Change
Civilian Labor Force	101,007	101,125	98,752	2,255
Employed	96,819	96,628	90,805	6,014
Unemployed	4,188	4,497	7,947	-3,759
Unemployment Rate	4.1%	4.4%	8.0%	-3.9%

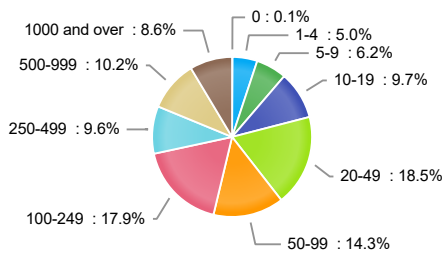
Texas Labor Force Statistics				
	Dec-21	Nov-21	Dec-20	Yearly Change
Civilian Labor Force	14,398,693	14,429,974	14,139,874	258,819
Employed	13,785,955	13,775,211	13,191,324	594,631
Unemployed	612,738	654,763	948,550	-335,812
Unemployment Rate	4.3%	4.5%	6.7%	-2.4%

US Labor Force Statistics				
	Dec-21	Nov-21	Dec-20	Yearly Change
Civilian Labor Force	161,696,000	162,099,000	160,017,000	1,679,000
Employed	155,732,000	155,797,000	149,613,000	6,119,000
Unemployed	5,964,000	6,302,000	10,404,000	-4,440,000
Unemployment Rate	3.7%	3.9%	6.5%	-2.8%

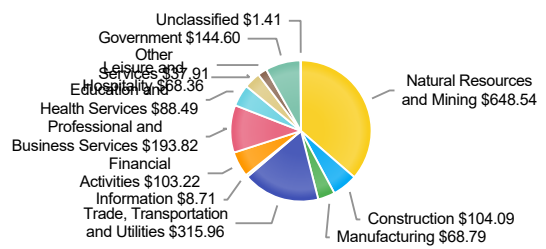
Historical Unemployment Rates



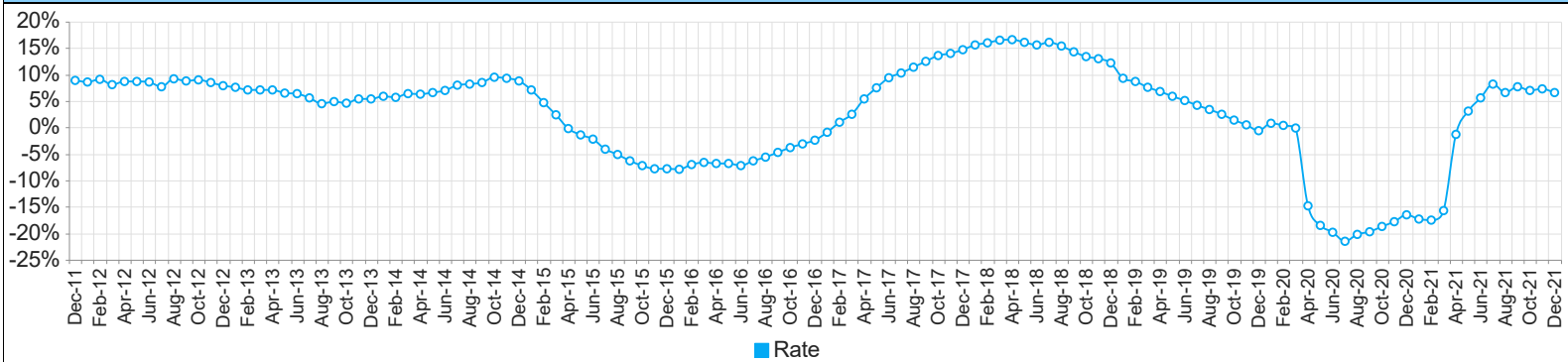
Employment by Size Class (2nd Quarter 2021)



Wages by Industry (in millions) (2nd Quarter 2021)



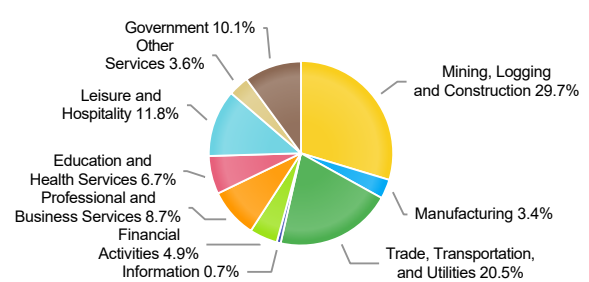
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (December 2021)

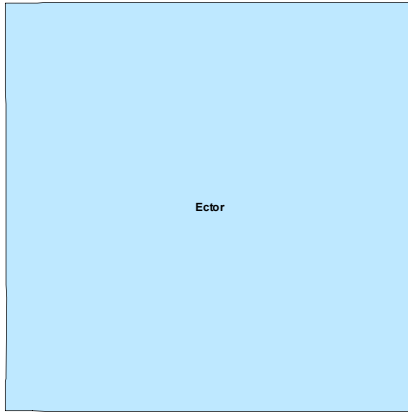
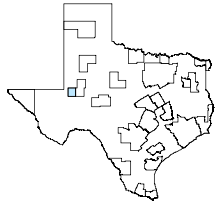
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	100,700	0.3%	6.6%
Mining, Logging and Construction	29,900	0.3%	12.8%
Manufacturing	3,400	0.0%	6.2%
Trade, Transportation, and Utilities	20,600	1.0%	3.0%
Information	700	0.0%	0.0%
Financial Activities	4,900	0.0%	6.5%
Professional and Business Services	8,800	0.0%	-1.1%
Education and Health Services	6,700	1.5%	-2.9%
Leisure and Hospitality	11,900	0.0%	24.0%
Other Services	3,600	0.0%	2.9%
Government	10,200	-1.0%	-3.8%

Employment by Industry (December 2021)



Odessa MSA

December 2021

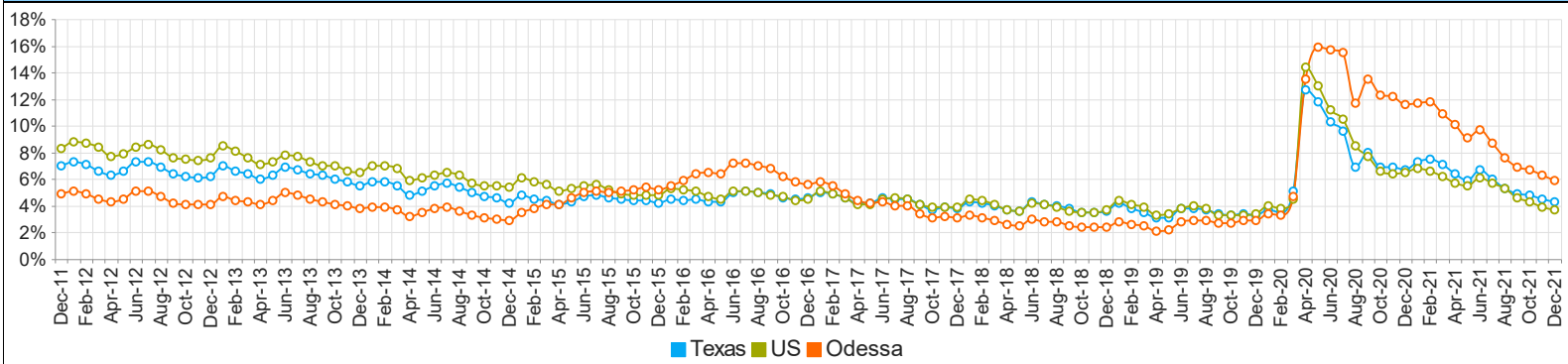


MSA Labor Force Statistics				
	Dec-21	Nov-21	Dec-20	Yearly Change
Civilian Labor Force	80,246	80,324	80,798	-552
Employed	75,508	75,265	71,447	4,061
Unemployed	4,738	5,059	9,351	-4,613
Unemployment Rate	5.9%	6.3%	11.6%	-5.7%

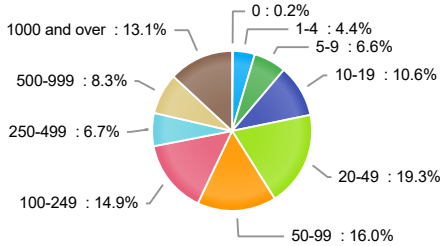
Texas Labor Force Statistics				
	Dec-21	Nov-21	Dec-20	Yearly Change
Civilian Labor Force	14,398,693	14,429,974	14,139,874	258,819
Employed	13,785,955	13,775,211	13,191,324	594,631
Unemployed	612,738	654,763	948,550	-335,812
Unemployment Rate	4.3%	4.5%	6.7%	-2.4%

US Labor Force Statistics				
	Dec-21	Nov-21	Dec-20	Yearly Change
Civilian Labor Force	161,696,000	162,099,000	160,017,000	1,679,000
Employed	155,732,000	155,797,000	149,613,000	6,119,000
Unemployed	5,964,000	6,302,000	10,404,000	-4,440,000
Unemployment Rate	3.7%	3.9%	6.5%	-2.8%

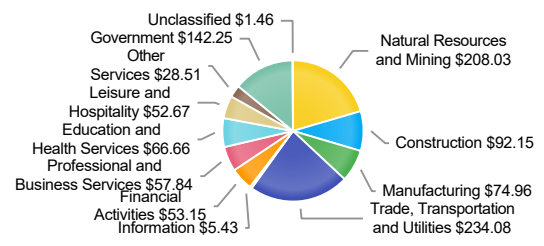
Historical Unemployment Rates



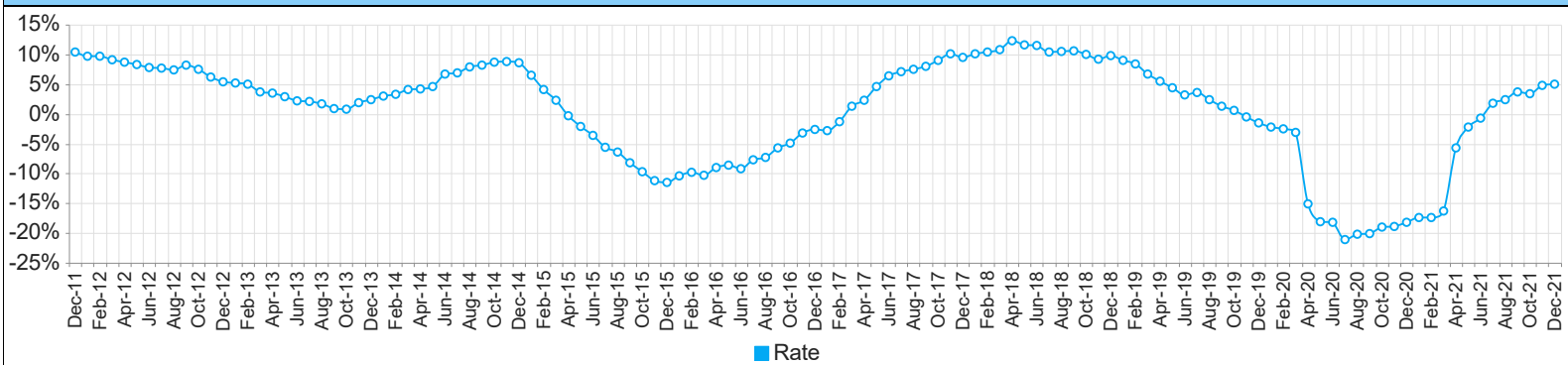
Employment by Size Class (2nd Quarter 2021)



Wages by Industry (in millions) (2nd Quarter 2021)



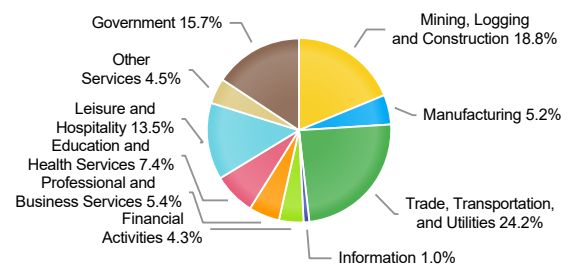
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (December 2021)

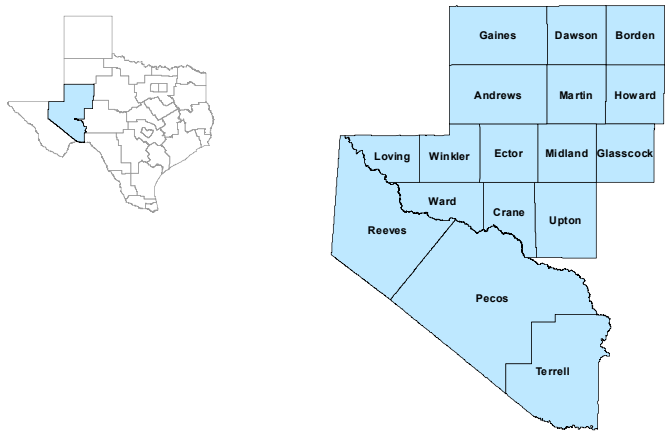
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	71,800	0.6%	5.0%
Mining, Logging and Construction	13,500	1.5%	4.7%
Manufacturing	3,700	0.0%	0.0%
Trade, Transportation, and Utilities	17,400	3.0%	4.2%
Information	700	0.0%	16.7%
Financial Activities	3,100	0.0%	3.3%
Professional and Business Services	3,900	-2.5%	0.0%
Education and Health Services	5,300	0.0%	3.9%
Leisure and Hospitality	9,700	0.0%	16.9%
Other Services	3,200	0.0%	3.2%
Government	11,300	-1.7%	1.8%

Employment by Industry (December 2021)



Permian Basin Workforce Development Area

December 2021



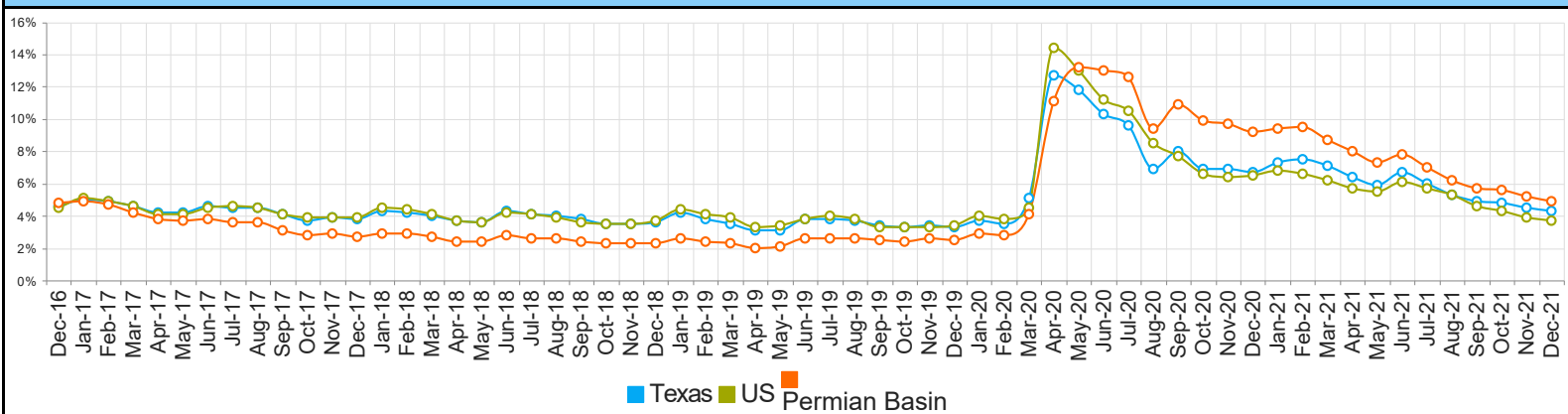
WDA Labor Force Statistics				
	Dec-21	Nov-21	Dec-20	Yearly Change
Civilian Labor Force	244,036	244,693	246,264	-2,228
Employed	232,011	231,854	223,585	8,426
Unemployed	12,025	12,839	22,679	-10,654
Unemployment Rate	4.9%	5.2%	9.2%	-4.3%

Texas Labor Force Statistics				
	Dec-21	Nov-21	Dec-20	Yearly Change
Civilian Labor Force	14,398,693	14,429,974	14,139,874	258,819
Employed	13,785,955	13,775,211	13,191,324	594,631
Unemployed	612,738	654,763	948,550	-335,812
Unemployment Rate	4.3%	4.5%	6.7%	-2.4%

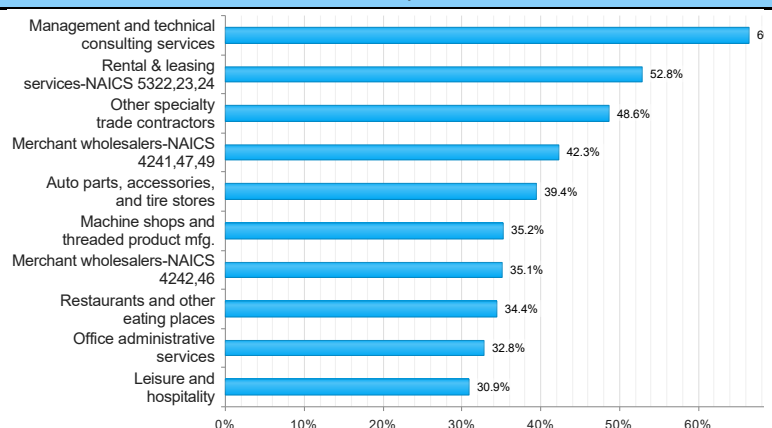
US Labor Force Statistics				
	Dec-21	Nov-21	Dec-20	Yearly Change
Civilian Labor Force	161,696,000	162,099,000	160,017,000	1,679,000
Employed	155,732,000	155,797,000	149,613,000	6,119,000
Unemployed	5,964,000	6,302,000	10,404,000	-4,440,000
Unemployment Rate	3.7%	3.9%	6.5%	-2.8%

Continued Claims for the Week of the 12th				
	Dec-21	Nov-21	Dec-20	Yearly Change
WDA	1,123	1,229	6,452	-5,329
Texas	80,731	84,722	244,808	-164,077

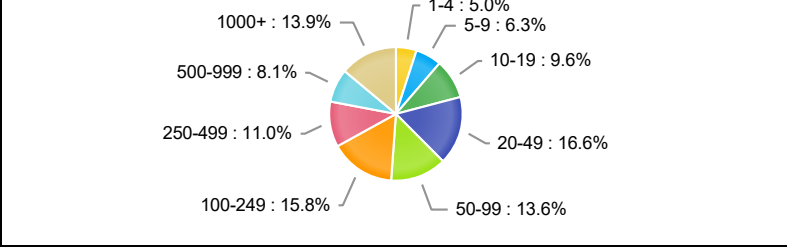
Historical Unemployment Rates



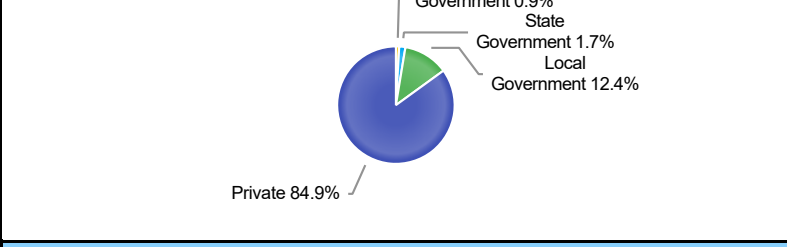
Projected Top Ten Fastest Growing Industries in WDA (% Growth 2018-2028)



Employment by Size Class (2nd Quarter 2021)



Employment by Ownership (2nd Quarter 2021)



Average Weekly Wage (2nd Quarter 2021)					
	Q2 2021	Q1 2021	Q2 2020	Quarterly Change	Yearly Change
WDA	\$1,247	\$1,331	\$1,231	-\$84	\$16
Texas	\$1,210	\$1,259	\$1,156	-\$49	\$54
US	\$1,241	\$1,288	\$1,188	-\$47	\$53

Employment by Industry (2nd Quarter 2021, Percent Change)

Industry	Employment	% of Total	% Quarterly Change	% Yearly Change
Natural Resources and Mining	42,428	19.3%	4.8%	0.2%
Construction	15,969	7.3%	1.7%	-8.9%
Manufacturing	9,103	4.1%	4.3%	-0.6%
Trade, Transportation and Utilities	48,207	21.9%	1.9%	1.4%
Information	1,771	0.8%	19.5%	26.5%
Financial Activities	9,860	4.5%	3.2%	2.1%
Professional and Business Services	16,399	7.4%	3.6%	5.9%
Education and Health Services	38,283	17.4%	-1.6%	6.8%
Leisure and Hospitality	24,427	11.1%	7.3%	21.0%
Other Services	6,452	2.9%	3.1%	2.2%
Public Administration	7,295	3.3%	-0.7%	0.3%

Employment by Industry (2nd Quarter 2021)

