



Board Binder Open Session

June 3, 2024

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 June 3, 2024. 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/89406093959?pwd=ZlRjSHZNRE5abnRQLzBJSVRMSlVWUT09>

Passcode: 297735

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 +1 669 444 9171 or +1 669 900 9128 or +1 719 359 4580 or +1 253 205 0468 or +1 386 347 5053 or +1 507 473 4847 or +1 564 217 2000 or +1 646 558 8656 or +1 646 931 3860 or +1 689 278 1000 or +1 301 715 8592 or +1 305 224 1968 or +1 309 205 3325 or +1 312 626 6799 or +1 360 209 5623

Webinar ID: 894 0609 3959

Passcode: 297735

International numbers available: <https://us02web.zoom.us/j/89406093959>

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 May 6, 2024, meeting of the Midland Development Corporation.
3. Presentation from Bhupen Agrawal on the Honolulu Building located at 200 West Illinois Avenue, Midland, Texas.
4. Presentation from Midland College on the Midland College Transportation Training Program.
5. Motion canceling the August 5 regular meeting of the Midland Development Corporation Board of Directors; and establishing the date of August 12, 2024, for a special meeting of the Midland Development Corporation Board of Directors.

6. Resolution authorizing the execution of a promotional agreement with Young Men's Christian Association of Midland Texas to advertise and publicize the City of Midland for the purpose of developing new and expanded business enterprises.
7. Resolution authorizing the execution of an agreement with Space Force Association Inc. to advertise and publicize the City of Midland for the purpose of developing new and expanded business enterprises.
8. Resolution authorizing the execution of a master research and development agreement with The MITRE Corporation; said agreement to provide for research and development, systems engineering, and related advisory services necessary for the furtherance of commercial space and high-speed flight operations in the Permian Basin.
9. Presentation on the May 2024 monthly expenses and economic development activity report from the Midland Development Corporation Executive Director and staff.
10. 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 551.071, Consultation With Attorney
 - i. Discuss pending litigation.
 - b. Section 551.072, Deliberation Regarding Real Property
 - i. Discuss the purchase, exchange, lease, or value of real property.
 - c. 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 31st day of May 2024.

Marcia Bentley German
City Governance Officer/City Secretary

May 6th Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

May 06, 2024

The Board of Directors of the Midland Development Corporation convened in special session at the Midland Chamber of Commerce board room, 303 West Wall Street, Suite 200, Midland, Texas, at 10:00 a.m. on May 06, 2024.

Board Members present: Chairman Lourcey Sams, Director Chase Gardaphe, Director Brad Bullock, Director Jill Pennington, Director Elvie Brown, Director Berry Simpson, and Director Zachary Deck.

Board Members absent: None

Staff Members present: Assistant City Manager Jose Ortiz, Assistant City Attorney Nicholas Toulet-Crump, Finance Director Christy Weakland, Utilities Director Carl Craigo, and Chief Deputy City Secretary Vanessa Magallanes

Council Member(s) present: Mayor Lori Blong and Council Member Amy Stretcher Burkes

MDC Staff Members present: Executive Director Sara Harris, Marketing & Administrative Coordinator Gabrielle Franks, and Business Retention & Expansion Coordinator Sammi Steel

1. Call meeting to order.

Chairman Sams called the meeting to order at 10:00 am

2. Motion approving the minutes of the April 8, 2024, meeting of the Midland Development Corporation.

Director Gardaphe moved to approve the minutes of the April 8, 2024, meeting of the Midland Development Corporation, seconded by Director Simpson. The motion carried by the following vote: AYE: Sams, Pennington, Bullock, Deck, and Brown. NAY: None. ABSTAIN: None. ABSENT: None.

3. Motion approving the minutes of the April 25, 2024, meeting of the Midland Development Corporation.

Director Pennington moved to approve the minutes of the April 25, 2024, meeting of the Midland Development Corporation, seconded by Director Deck. The motion carried by the following vote: AYE: Sams, Simpson, Bullock, Gardaphe, and Brown. NAY: None. ABSTAIN: None. ABSENT: None.

4. Receive and discuss the Independent Auditors' Report and the Basic Financial Statements for the Fiscal Year 2022-2023 presented by Christy Weakland, Director of Finance for the City of Midland.

City of Midland's Director of Finance Christy Weakland gave an overview of the Independent Auditors' Report and the Basic Financial Statements for the Fiscal Year 2022-2023.

5. Receive and discuss a presentation by the University of Texas of the Permian Basin on a proposed SAS Workforce Analytics data platform.

University of Texas of the Permian Basin's President Sandra Woodley and SAS Analytics Systems Engineer Joshua Sheinberg gave a presentation on a proposed SAS Workforce Analytics data platform.

6. Resolution appropriating funds from the Midland Development Corporation's 2022-2023 fiscal year budget to be used for promotional purposes, as authorized by Chapter 504 of the Texas Local Government Code.

Director Pennington moved to approve Resolution ED-462 appropriating funds from the Midland Development Corporation's 2022-2023 fiscal year budget to be used for promotional purposes, as authorized by Chapter 504 of the Texas Local Government Code, seconded by Director Deck. The motion carried by the following vote: AYE: Sams, Gardaphe, Bullock, Simpson, Sams, and Brown. NAY: None. ABSTAIN: None. ABSENT: None.

7. Presentation on the April 2024 monthly expenses and economic development activity report from the Midland Development Corporation Executive Director and staff.

Sara Harris gave an overview of the month's expenses, and economic development activity. Gabrielle Franks updated the board with the social media stats. Sammi Steele gave an overview of the business retention and expansion program in February.

Board recessed into executive session at 10:53 a.m.

8. 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 purchase, exchange, lease or value of real property.

- 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 11:35 a.m.

All the business at hand having been completed, Chairman Sams adjourned the meeting at 11:36 a.m.

Respectfully submitted,

Vanessa Magallanes, Chief Deputy City Secretary

PASSED AND APPROVED the 3rd Day of June 2024.

Jill Pennington, Secretary

YMCA

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION OF A PROMOTIONAL AGREEMENT WITH YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDLAND TEXAS TO ADVERTISE AND PUBLICIZE THE CITY OF MIDLAND FOR THE PURPOSE OF DEVELOPING NEW AND EXPANDED BUSINESS ENTERPRISES

WHEREAS, the Midland Development Corporation (the "MDC") is authorized to expend promotional funds in order to advertise and publicize the City of Midland, Texas (the "City"), for the purpose of developing new and expanded business enterprises pursuant to Section 504.105 of the Texas Local Government Code; and

WHEREAS, the Board of Directors finds that a promotional agreement with Young Men's Christian Association of Midland Texas that provides for the expenditure of promotional funds to advertise and publicize the City for the purpose of developing new and expanded business enterprises, will thereby enhance and promote economic development within the City and the State of Texas; and

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of a promotional agreement with Young Men's Christian Association of Midland Texas for the purposes described herein;

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 and directed to execute and attest, respectively, on behalf of the Midland Development Corporation, a promotional agreement with City of Midland Aquatics, Inc. Said agreement being in a form substantially similar to Exhibit A, which is attached hereto and incorporated herein for all purposes.

SECTION TWO. That the City Comptroller of the City of Midland, Texas, is hereby authorized and directed to pay Young Men's Christian Association of Midland Texas in accordance with the terms of said promotional agreement from funds available in the

Midland Development Corporation Promotions Project (800705) upon receipt of proper invoices or statements approved by the Executive Director of the Midland Development Corporation.

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., 2024, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

P. LOURCEY SAMS,
Chairman of the Midland
Development Corporation

ATTEST:

JILL PENNINGTON,
Secretary for the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

PROMOTIONAL 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 YOUNG MEN’S CHRISTIAN ASSOCIATION OF MIDLAND TEXAS (“YMCA”), a 501(c)(3) organization.

I. Recitals

WHEREAS, MDC is authorized to expend promotional funds in order to advertise or publicize the City of Midland for the purpose of developing new and expanded business enterprises pursuant to Section 504.105 of the Texas Local Government Code; and

WHEREAS, the MDC Board of Directors finds that the expenditure of promotional funds for YMCA’s construction of the northwest expansion facility in the City of Midland will advertise and publicize the City of Midland for the purpose of developing new and expanded business enterprises, and will thereby enhance and promote economic development within the City of Midland; and

WHEREAS, it is the desire of the parties hereto to combine their efforts for the purpose of promoting the City of Midland;

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 is hereby acknowledged, MDC and YMCA hereby agree as follows:

II. MDC Funding

MDC agrees to provide to YMCA funds in the amount of \$500,000.00 (the “Funds”), which shall be disbursed in three (3) payments to YMCA in accordance with the following schedule:

1. \$166,666.67 on or before October 31, 2024;
2. \$166,666.66 on or before October 31, 2025; and
3. \$166,666.66 on or before October 31, 2026.

Exhibit A

The total funds provided by MDC under this Agreement shall not exceed \$500,000.00. The Parties covenant and agree that all funds provided by MDC under this Agreement are in exchange for YMCA's advertising and promotional services set forth herein.

III. Obligations of YMCA

- A. **The Project.** YMCA agrees to construct the northwest expansion facility, to be located on YMCA's property at 5512 Golden Gate Drive in Midland, Texas (the "*Project*"), for the purpose of providing a facility for youth development programs that promote education, character development and leadership skills among local children and teenagers; wellness and fitness programs to improve the health and well-being of our community members; community outreach initiatives that foster social responsibility and unity in Midland; and recreational activities that provide a safe and engaging environment for all age groups. YMCA agrees to use the Funds exclusively for the Project. YMCA agrees to exercise its best efforts to advertise, publicize and promote the City of Midland and to advertise, publicize and promote YMCA's operations as being located in the City of Midland.
- B. **Completion.** Upon completion of the Project, YMCA shall certify such to MDC in accordance with Section VI(B). YMCA shall allow MDC reasonable access to the Project facilities for purposes of determining YMCA's compliance with this Agreement. Such access shall be with representatives of YMCA and during normal business hours.
- C. **Repayment.** If MDC remits the Funds to YMCA in accordance with Section II(A) and YMCA subsequently fails to complete the Project by December 31, 2026, YMCA shall repay the Funds to MDC upon receiving written demand from MDC.

On or before thirty (30) days following YMCA's receipt of written demand for the repayment of the Funds, the Funds shall be repaid, without interest, to MDC. Notwithstanding anything to the contrary contained anywhere in this Agreement, under no circumstances shall YMCA be obligated to repay MDC an amount in excess of the total dollar amount of the funds actually received by YMCA from MDC under this Agreement.

- D. **Records.** YMCA shall maintain books of account with correct entries of all expenditures of the Funds provided under this Agreement. YMCA shall maintain the Funds provided by MDC in a separate account and may not commingle the Funds with any other monies. YMCA shall grant access to all paper and electronic records, books, documents, accounting procedures, practices or any other items relevant to this Agreement to MDC, or such other persons or entities designated by the MDC for the purposes of inspecting, auditing, or copying such books and

records. All records, books, documents, accounting procedures, practices or any other items relevant to this Agreement shall be subject to examination or audit by MDC or such other persons or entities designated by MDC for such purposes.

IV. Term

Upon execution by the parties, this Agreement becomes effective on June 25, 2024, and shall terminate on September 30, 2027, 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 use of the funds provided herein 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. 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 \$500,000.00 in the aggregate.
- B. **Certification.** As to any certification required under this Agreement, YMCA shall provide a letter from its executive director.
- C. **Payments.** The payments to be made to YMCA under Section II shall be made upon a written request from YMCA along with the submission of any certification and all necessary supporting documentation. The payment request and certification/documentation should be directed to MDC Executive Director, 200 North Loraine Street, Suite 610, Midland, Texas 79701.

VII. 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 YMCA. 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. **Governing Law.** This Agreement is subject to all applicable state and federal laws, and the Company agrees that it 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 YMCA 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.
Ste. 610
Midland, Texas 79701

If to YMCA:

Executive Director
800 N. Big Spring St.
Midland, Texas 79701

- 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
Ste. 610
Midland, Texas 79701

If to YMCA:

Executive Director
800 N. Big Spring St.
Midland, Texas 79701

- M. MDC and YMCA 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 Midland City Council.

IN WITNESS WHEREOF, the MDC and YMCA have executed this Agreement on the _____ day of _____, 2024.

**MIDLAND DEVELOPMENT
CORPORATION**

P. Lourcey Sams, Chairman

ATTEST:

Jill Pennington, Secretary

[Signature Page Follows]

**YOUNG MEN'S CHRISTIAN
ASSOCIATION OF MIDLAND
TEXAS**

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

BEFORE ME, the undersigned authority, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that she executed and delivered the foregoing instrument for the purposes and consideration therein expressed on behalf of YOUNG MEN'S CHRISTIAN ASSOCIATION OF MIDLAND TEXAS.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this _____ day of _____, 2024.

Notary Public, State of Texas

Space Force Association

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION OF A PROMOTIONAL AGREEMENT WITH SPACE FORCE ASSOCIATION INC. TO ADVERTISE AND PUBLICIZE THE CITY OF MIDLAND FOR THE PURPOSE OF DEVELOPING NEW AND EXPANDED BUSINESS ENTERPRISES

WHEREAS, the Midland Development Corporation (the “MDC”) is authorized to expend promotional funds in order to advertise and publicize the City of Midland, Texas (the “City”), for the purpose of developing new and expanded business enterprises pursuant to Section 504.105 of the Texas Local Government Code; and

WHEREAS, the Board of Directors finds that a promotional agreement with Space Force Association Inc. that provides for the expenditure of promotional funds to advertise and publicize the City for the purpose of developing new and expanded business enterprises, will thereby enhance and promote economic development within the City and the State of Texas; and

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of a promotional agreement with Space Force Association Inc. for the purposes described herein;

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 and directed to execute and attest, respectively, on behalf of the Midland Development Corporation, a promotional agreement with Space Force Association Inc. Said agreement being in a form substantially similar to Exhibit A, which is attached hereto and incorporated herein for all purposes.

SECTION TWO. That the City Comptroller of the City of Midland, Texas, is hereby authorized and directed to pay Space Force Association Inc. in accordance with the terms of said promotional agreement from funds available in the Midland Development Corporation

Promotions Project (800705) upon receipt of proper invoices or statements approved by the Executive Director of the Midland Development Corporation.

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 _____, AD, 2024, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

P. LOURCEY SAMS,
Chairman of the Midland
Development Corporation

ATTEST:

JILL PENNINGTON,
Secretary for the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

PROMOTIONAL AGREEMENT

THIS PROMOTIONAL AGREEMENT (“*Agreement*”) is made and effective the 11th day of April, 2024, by and between THE MIDLAND DEVELOPMENT CORPORATION (“*MDC*”), an economic development corporation existing under the authority of Chapter of 504 of the Texas Local Government Code, and SPACE FORCE ASSOCIATION INC. (“*SFA*”), §501(c)(3) nonprofit corporation registered in the State of Colorado. In this Agreement, MDC and SFA are sometimes individually referred to as a “*Party*” and collectively referred to as the “*Parties*.”

WITNESSETH:

WHEREAS, MDC is authorized to expend promotional funds in order to advertise or publicize the City of Midland for the purpose of developing new and expanded business enterprises pursuant to Section 504.105 of the Texas Local Government Code; and,

WHEREAS, MDC’s expenditure of promotional funds for the advertising and promotional services described herein will advertise and publicize the City of Midland for the purpose of developing new and expanded business enterprises, and will thereby enhance and promote economic development within the City of Midland; and,

WHEREAS, the Space Force Association, as a §501(c)(3) organization formed for a) charitable, scientific, and educational purposes; b) to provide research, analysis and expertise to inform US space operations policy, strategy, and operations decisions; c) to bring together space professionals from the military, civil, commercial, academic communities to help advance and inform U.S. space policy, space focused acquisition, engineering and research, and military space strategy, doctrine, and operations; c) to support military veterans from the space operations community; and, d) help support future leaders and current members of the space operations community; and,

WHEREAS, it is the desire of the Parties to combine their efforts for the purpose of collaborating and assisting with the economic development opportunities within the City of Midland that directly support the United States Space Force and its interests in commercial space efforts, and furthers the exempt purposes of the SFA;

NOW, THEREFORE, in consideration of the covenants and conditions stated herein, and in consideration of the mutual benefits which will accrue to the Parties, as well as the general citizenry of the City of Midland, the Parties have agreed and do hereby agree as follows:

I. PURPOSE

The purpose of this Agreement is to state the terms and conditions under which SFA shall consult and provide assistance to MDC for the purpose of developing new and expanded business enterprises in the City of Midland in a manner intended to support and promote military and civilian U.S. space operations, and thereby enhance and promote economic development within the City of Midland. The Recitals above are incorporated fully into this Agreement.

II. OBLIGATIONS OF THE PARTIES

A. MDC Payments. MDC agrees to make four (4) donations to the SFA general fund in support of SFA purposes, in accordance with the following schedule:

1. \$62,500.00 on or before June 30, 2024;

2. \$62,500.00 on or before September 30, 2024;
3. \$62,500.00 on or before March 31, 2025; and
4. \$62,500.00 on or before September 30, 2025.

The total funds provided by MDC under this Agreement shall not exceed \$250,000.00 in the aggregate. The Parties covenant and agree that all funds provided by MDC under this Agreement are in exchange for SFA's advertising and promotional services as set forth herein.

- B. SFA Services.** Subject to Force Majeure, SFA shall use reasonable best efforts to provide those services described in **Exhibit A**, which is attached hereto and incorporated herein for all purposes. SFA shall perform all services in a workmanlike manner. SFA shall coordinate with MDC's Chairman, or his designee, regarding the design, nature, content, and implementation of the services to enable performance hereunder to be effective and efficient in achieving the purpose of this Agreement.
- C. SFA Report.** On or before April 1 of each calendar year during the term of this Agreement, at a time and place mutually agreed to by the Parties, SFA shall provide MDC with a report or presentation containing a detailed summary of SFA's efforts under this Agreement.
- D. NO WARRANTIES.** SFA MAKES NO WARRANTIES THAT SUCH SERVICES AS SET FORTH HEREIN SHALL RESULT IN ANY SPECIFIC OR GENERAL SUCCESS, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER, INCLUDING, WITHOUT LIMITATION, THE SERVICES OR PURPOSE. Neither party shall be liable for any indirect or consequential damages or lost profits suffered by the other party or by any third-party beneficiary or assign, or any others resulting from this Agreement.
- E. Protection of Exempt Status.** The Parties agree that SFA shall not perform, nor shall MDC request, any services or actions that would cause SFA to lose or have revoked its exempt status under §501(c)(3).

III. PARTY RELATIONSHIP

- A. No Employer/Employee Relationship.** SFA shall operate hereunder as an independent contractor and not as an officer, agent, servant, or employee of MDC. SFA shall have exclusive control of, and the exclusive right to control, the details of the work to be performed hereunder and all personnel performing the same and shall be solely responsible for the acts and omissions of its officers, members, agents, employees or contractors. In no event shall any person participating in or performing any of SFA's duties or responsibilities hereunder be considered an officer, agent, 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. SFA 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 SFA's work. SFA shall assume exclusive responsibility for its work.
- B. City Officials/Employees.** No official or employee of the City may have any personal interest, direct or indirect, in this Agreement; nor may they participate in any decision relating to this Agreement, which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No official or employee of the City

will be personally liable to Developer or any successor in interest in the event of any default or breach by the City or for any amount which may become due to the Developer or its successors or on any obligation under the terms of this Agreement.

C. Intellectual Property. “Intellectual Property” shall be defined as means all inventions, products, designs, drawings, notes, documents, information, documentation, improvements, works of authorship, processes, techniques, know-how, algorithms, technical and business plans, specifications, hardware, circuits, computer languages, computer programs, databases, user interfaces, encoding techniques, and other materials or innovations of any kind that a Party may make, conceive, develop or reduce to practice, alone or jointly with others, whether or not they are eligible for patent, copyright, mask work, trade secret, trademark or other legal protection. Each Party will allow a limited, non-transferable, non-exclusive license of its selected and identified trademarks (“**Party Marks**”) for the other Party’s use in connection with the activities contemplated under this Agreement. Under no circumstance shall a Party use, transfer, assign, modify, or change Party Marks of the other Party without written permission from the Party who owns the Mark. The Parties shall use the Party Marks in a manner that upholds the brand standards of the Party whose Mark is used.

D. Confidentiality

- i. Each Party (i) shall maintain the other Party’s Confidential Information strictly confidential, (ii) agrees that it will take the same steps to protect the confidentiality of the other Party’s Confidential Information as it takes to protect its own Confidential Information, which shall in no event be less than reasonable steps, and (iii) shall not use the other Party’s Confidential Information for any purpose other than in accordance with this Agreement and shall not disclose such Confidential Information to any person other than its personnel who have a need to know such Confidential Information for the Purpose of this Agreement and who are subject to a nondisclosure obligation comparable in scope to this Section D. Notwithstanding the foregoing or any contrary provision contained herein, this Agreement in no way affects, modifies, or limits the obligation of MDC to comply with the Texas Public Information Act (the “**Act**”) or any ruling or decision of the Texas Attorney General. The Parties hereby agree that MDC retains the right to exercise its sole and absolute discretion in determining its obligations under the Act. Furthermore, SFA acknowledges and agrees that MDC’s issuance of a request for a ruling from the Office of the Attorney General as to whether the disclosure of Confidential Information is required under the Act in response to a public information request submitted to MDC shall not constitute a default under this Agreement. Finally, notwithstanding any contrary provision contained herein, SFA acknowledges and agrees that MDC’s disclosure of Confidential Information pursuant to a ruling of decision from the Office of the Attorney General shall not constitute a default under this Agreement.
- ii. “Confidential Information” shall collectively refer to all non-public information or material disclosed or provided by one party to the other, either orally or in writing, or obtained by the recipient party from a third party or any other source, concerning any aspect of the business or affairs of the other party or its members, employees, representatives, or agents, including without limitation, any information or material pertaining to products, formulae, specifications, designs, processes, plans, policies, procedures, employees, work conditions, legal and regulatory affairs, assets, inventory, discoveries, trademarks, patents, manufacturing, packaging, distribution, sales, marketing, expenses, financial statements and data, customer and supplier lists, donor lists, membership lists, costs of goods and relationships with third parties. Confidential Information also includes any notes, analyses, compilations, studies or other material or documents prepared by the recipient party which contain, reflect or are based, in whole or in part, on the Confidential Information.

IV. TERM OF AGREEMENT

Upon execution by the Parties, this Agreement becomes effective June 1, 2024, and shall terminate on June 1, 2029, or when terminated by mutual agreement of the Parties, or when terminated as hereinafter provided.

V. GENERAL TERMS

- A. Entire Agreement.** This Agreement embodies the complete agreement of the Parties, 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. Termination.** Each Party may terminate this Agreement at will for any or no reason upon giving at least ninety (90) days' written notice to the other Party. The Parties to this Agreement understand and agree that it is either Party may cancel the Agreement during the term of the Agreement without penalty. 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. In the event of a termination by either Party under this Section V.B., the aggregate funding to be received by SFA from MDC under this Agreement shall be prorated using the five-year term referenced in Section IV above (i.e., \$50,000.00 per year), and SFA shall repay to MDC the portion of the aggregate funding attributable to the remainder of the unexpired term. For example, if SFA elects to terminate this Agreement as of December 1, 2026, then SFA shall repay \$125,000.00 to MDC. Any repayment of funds pursuant to this Section shall occur on or before thirty (30) days following the issuance of the 90-day written termination notice referenced above.
- C. Force Majeure**
- i. **Definition:** The term "Force Majeure" as used herein means act of God or the public enemy, strikes, lockouts, work slowdowns or stoppages or other labor disputes, insurrections, war, riots or other civil disturbances, epidemic, pandemic, or similar influenza or bacterial infection (which is defined by the United States Center for Disease Control as virulent human influenza or infection that may cause global outbreak or pandemic, or serious illness), national or regional emergency, actions or orders of the government of the United States of America or of any state of the United States of America or of any of the departments, agencies, political subdivision or officials of the United States of America or of any state thereof, or orders of any other civil or military authority, or partial or entire failure of public utilities, flood, earthquake, explosion, war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, actions, embargoes or blockades in effect on or after the date of this Agreement, shortage of adequate medical supplies and equipment, shortage of power or transportation facilities, fire, natural disaster, rulings by a court of competent jurisdiction, unavailability of materials or services, or any other condition or event beyond the reasonable control of a party.
 - ii. Each party shall, to the extent that it may lawfully do so, use its reasonable best efforts to remedy, alleviate or circumvent any cause or causes preventing it from performing its agreements and covenants hereunder; provided, however, that the settlement of strikes, lockouts and other labor disputes shall be entirely within the discretion of the party and the party shall not be required to settle strikes, lockouts and other labor disputes by acceding to the demands of the opposing party or parties when such course is in its judgment against its best interests.
 - iii. Performance of any covenant or satisfaction of any condition by a certain date shall be delayed

(but not excused) to the extent failure to perform or satisfy the same is due to a force majeure event, provided, however, that performance of satisfaction shall not be delayed except to the extent necessitated by the force majeure event.

- iv. If either Party (an “*Affected Party*”) determines it will not be able to perform any certain covenant or satisfy any certain condition due to the occurrence of a Force Majeure Event, then for each day of the Force Majeure Event the time requirements of such covenant or condition shall be extended by one day to address such condition; provided, at the time of the Force Majeure Event that the Affected Party is claiming or anticipating, the Affected Party shall have provided written notice to the unaffected Party containing: (1) a description of the Force Majeure Event, (2) an explanation of how the Affected Party anticipates such event will affect the Affected Party’s ability to timely meet the requirements of such covenant or condition, (3) the actions the Affected Party plans to undertake in order to address the conditions caused by the Force Majeure Event, and (4) an estimate of how long the Affected Party anticipates the Force Majeure Event will delay its ability to meet such covenant or condition.
- v. Any deadline extended due to a Force Majeure Event shall not be extended by more than 365 days in aggregate.

C. 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.

D. 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.

E. 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 its respective address 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 Party.

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

If to SFA:
Bill “Hippie” Woolf, with copy to
Eric McManus
Space Force Association
555 E Pikes Peak Ave
Colorado Springs, CO 80903
Attention: Eric Sundby
Email: eric.sundby@ussfa.org
Email: bill.woolf@ussfa.org

With copy to:
Brian Mills, Esq.
Maynard Nexsen, PC
200 E. New England Ave., Suite 300
Winter Park, FL 32789
Email: bamills@maynardnexsen.com

F. No Joint Venture. It is expressly understood and agreed between the parties hereto that nothing herein shall be construed in any manner to constitute or imply a joint venture, partnership or agency

between the City and the Developer.

- G. **Assignment.** This Agreement shall be binding upon the Parties and their successors and assigns. This Agreement may not be assigned by either Party without the prior written consent of the other Party.
- H. **Release. NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, SFA 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 SFA HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING BUT NOT LIMITED TO BREACH OF CONTRACT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR MDC'S NEGLIGENCE.**
- I. **Amendments.** This Agreement may be amended by written instrument executed by both Parties expressly stating the intention to amend this Agreement.
- J. **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.**
- K. **WAIVER OF ATTORNEY FEES. THE PARTIES AGREE TO WAIVE AND DO HEREBY WAIVE ANY CLAIM THEY HAVE OR MAY HAVE AGAINST THE OTHER PARTY REGARDING THE AWARD OF ATTORNEY FEES, WHICH ARE IN ANY WAY RELATED TO THIS AGREEMENT, OR THE CONSTRUCTION, INTERPRETATION, OR BREACH OF THIS AGREEMENT. THE PARTIES SPECIFICALLY AGREE THAT IF EITHER PARTY 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 PARTY AGREES TO WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY FEES TO WHICH IT MIGHT OTHERWISE BE ENTITLED.**
- L. **Governing Law and Venue.** The laws of the State of Texas shall govern, construe and enforce all the rights and duties of the parties, including but not limited to tort claims and any and all 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 sole, exclusive, and mandatory venue for any claims, suits, disputes or any other action arising from, relating to or concerning in any way this Agreement or the performance of this Agreement shall be in Midland County, Texas.
- M. **Third-Party Beneficiary.** 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.
- N. **Governmental Function.** MDC and SFA hereby acknowledge and agree that the entirety of MDC's performance and obligations under this Agreement are governmental functions. By entering into this

Agreement, SFA releases MDC from any present or future claims asserting that MDC's performance or obligations under this Agreement are not governmental functions.

[Signature Pages Follow]

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

MIDLAND DEVELOPMENT CORPORATION

P. Lourcey Sams, Chairman

ATTEST:

Jill Pennington, Secretary

[Signature Page Follows]

SPACE FORCE ASSOCIATION, INC.

By: _____

Name: Bill Woolf

Title: President

THE STATE OF COLORADO §
 §
COUNTY OF §

BEFORE ME, the undersigned authority, on this day personally appeared **BILL WOOLF**, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he/she executed and delivered the foregoing instrument for the purposes and consideration therein expressed on behalf of SPACE FORCE ASSOCIATION, INC.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, 2024.

Notary Public in and for the
State of Colorado



SPACE FORCE ASSOCIATION

Midland Headquarters
2024

Exhibit A

SFAtx Headquarters in Midland Mission Objectives: The Voice of Texas Space!

Establish the Space Force Association Texas (SFAtx) Headquarters as a contributor to commercial and military growth in the local and state Space Industry, fostering collaboration between commercial space companies, legislative bodies, and the United States Space Force.

- Intended timeline of six-year presence in Midland to match six-year cash flow projection
- Designated Executive office hours at CEED - Operational one (1) week/month by SFAtx President.
- Full time operational office hours (Mon-Fri Office Hours)
 - Hire two (2) UT-PB student interns per semester who are interested in the Space industry.
- Advocate for Permian Basin opportunities to US Space Force on a monthly rotational basis:
 - Peterson Space Force Base in collaboration with SFA Colorado
 - Los Angeles Space Force Base in collaboration with SFA Los Angeles
 - Kennedy Space Center in collaboration with SFA Florida
- Promotion and facilitation of MDC-MSDC-Spaceport Assets for use by the USSF and Texas related stakeholders
 - Horizontal and Vertical Launch site
 - Rocket Test Ranges
 - High Speed Airspace Corridors
 - Midland Altitude Chambers
- Attract Space related Startup Incubator for technologies in TRL4-6 to complement native testing capabilities
 - Plug and Play
- Attract space companies to Permian Basin through the introduction of Midland Economic Development
- Establish partnerships between industry and academia to drive the development of Space qualified test, prototype, and manufacturing facilities in the Permian Basin.
- Partner with local community leadership interested in driving innovation and collaboration.
- Publish Quarterly Report on regional developments and expenditures to members and sponsors.
- Host Monthly Space Industry Meetup in Midland



SFAtx & Midland Commercial Space Objectives

SFAtx's focus on job creation, local business support, commercial Space company introductions, and localization of Space companies in Permian Basin is expected to drive a myriad of Midland industries to expand locations and capabilities to support the Space industry.

Priority Facility & Programs for Midland:

Hypersonic Vehicle Launch & Testing

IN-SITU Resource Utilization (ISRU) Research Collaboration

Federal And State Technology (FAST) Lab AT CEED

Texas Space Commission (TSC) Board Seat

[Midland High Speed Corridor - TSC Allocation Strategy](#)

Rocket Cargo Research & Development Partnerships

Priority Segmented Space Markets

- ISRU (Resource Harvesting) Companies
 - Space Debris
 - Moon Base
 - Resource Harvesting
 - Ion/Plasma Ablation & Drilling
- Space Energy & Propulsion
 - Spacecraft Propulsion Systems
 - Solar Energy
 - Nuclear / Plasma
- Sensor Payload
 - Optical Payload
 - In-Service Payloads (End Effectors)
 - Communication Payloads
- Rapid Launch & Recovery
 - Satellite Manufacturing
 - High Speed Vehicle Manufacturing
- Microchip Manufacturing
 - DMEA Certified Manufacturing
- ITAR FRIENDLY SPACE COMPANIES WITH HERITAGE



ACADEMIC PARTNERSHIPS & GRANTS

Establish a clear path for innovators to win federal grants to be supported by Midland's Center for Energy and Economic Diversification (CEED).

- Deliver monthly awareness to federal grants available for application
- Coordinate grant and innovation opportunities with Midland SBC and UTPB
- Develop Space Act Agreement with NASA for CEED
- Establish creative competitions and workforce development training with UTPB, local educators, and innovators to deliver



SFAtx is seeking a grant or initialization funding to start SFAtx Headquarter operations by January 2024. The association has potential grow organically from initial funding and become self sustaining.

	2024	2025	2026	2027	2028	2029
RUN \$	500,000	660,000	1,140,000	1,490,000	1,880,000	2,255,000
MDC Contribution	250,000	0	0	0	0	0
Sponsors / Others	250,000	660,000	1,140,000	1,490,000	1,880,000	2,255,000
	250,000	650,000	950,000	950,000	950,000	950,000
OP BURN \$	125,000	525,000	540,000	540,000	540,000	540,000
Exec Team Full Time	125,000	125,000	410,000	410,000	410,000	410,000
SURPLUS/DEFICIT	250,000	135,000	600,000	950,000	1,340,000	1,715,000
FCF	250,000	385,000	985,000	1,935,000	3,275,000	4,990,000



SPACE FORCE ASSOCIATION

THANK YOU

MITRE Master Research and Development Agreement

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION OF
A MASTER RESEARCH AND DEVELOPMENT
AGREEMENT WITH THE MITRE CORPORATION;
SAID AGREEMENT TO PROVIDE FOR RESEARCH
AND DEVELOPMENT, SYSTEMS ENGINEERING, AND
RELATED ADVISORY SERVICES NECESSARY FOR
THE FURTHERANCE OF COMMERCIAL SPACE AND
HIGH-SPEED FLIGHT OPERATIONS IN THE
PERMIAN BASIN**

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of a master research and development agreement with The MITRE Corporation to provide for research and development, systems engineering, and related advisory services necessary for the furtherance of commercial space and high-speed flight operations in the Permian Basin;

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

THAT the Chairman is hereby authorized and directed to execute a master research and development agreement with The MITRE Corporation to provide for research and development, systems engineering, and related advisory services necessary for the furtherance of commercial space and high-speed flight operations in the Permian Basin. Said agreement being in a 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., 2024, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

P. LOURCEY SAMS,
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

MASTER RESEARCH AND DEVELOPMENT AGREEMENT

THIS Master Research and Development Agreement (the “Agreement”) is made June _____, 2024 (the “Effective Date”) between The MITRE Corporation (“MITRE”), a Delaware nonprofit corporation, having a principal place of business at 7515 Colshire Drive, McLean, Virginia 22102-7539, and the Midland Development Corporation (the “MDC”), an economic development corporation existing under the authority of Chapter 504 of the Texas Local Government Code, having its principal place of business at 200 North Lorraine Street, Suite 610, Midland, Texas 79701. MITRE and the MDC may be referred to individually as a “Party” or collectively as “Parties.”

WHEREAS, MITRE is an independent, nonprofit corporation having (i) a corporate charter purpose to conduct scientific research directed towards expanding human knowledge and to make such research publicly available, and (ii) a 501(c)(3) tax-exempt mission to undertake scientific research in the public interest;

WHEREAS, in fulfillment of its scientific research purpose and mission, MITRE is authorized to undertake and perform, for the benefit of state agencies and instrumentalities, research and development, systems engineering, and related advisory services, all in the public interest; and

WHEREAS, the MDC, recognizing MITRE’s unique capabilities, organizational independence, and non-profit status, wishes to engage MITRE to address research and development needs that are integral to the acquisition, cleanup, construction, reconstruction, improvement, or expansion of a project pursuant to Texas Local Government Code § 501.152, as evidenced by the tasks set forth in statements of work issued under this Master Research and Development Agreement;

NOW, THEREFORE, MITRE and the MDC agree as follows:

1. ENGAGEMENTS UNDER THIS AGREEMENT.

1.1. Statements of Work. the MDC may engage MITRE during the Term (as defined in [Section 10.1](#)) to provide research and development, systems engineering and related advisory services. Each engagement to provide such services is to be described in one or more statements of work (each a “Statement of Work”) mutually developed, agreed, and executed by the respective Parties. Except as otherwise specifically provided in an individual Statement of Work, each Statement of Work is deemed to be governed by the terms and conditions of this Agreement. A Statement of Work is effective only when executed by each of the Parties.

1.2. Research, Systems Engineering, and Advisory Services. Each Statement of Work shall include a description of the research and development, systems engineering, and advisory services to be undertaken (“Research Services”), materials to be created by MITRE and delivered to MDC (“Deliverables”), schedules and milestones, and payment terms. Security requirements, if any, shall be set forth in the Statement of Work.

1.3. Order of Precedence. If any term of a Statement of Work conflicts with, or is inconsistent with, any term or condition set forth in this Agreement, the terms of the Statement of Work shall control with respect to the work that is the subject of the Statement of Work. A Statement of Work may not otherwise amend or waive any provision of this Agreement or any other Statement of Work.

Exhibit A

2. ENGAGEMENT LOGISTICS.

2.1. Location. Unless otherwise specified in the applicable Statement of Work, MITRE shall perform all Research Services at its own facilities.

2.2. Equipment. Unless otherwise specified in the Statement of Work, MITRE shall use its own equipment, including its computing and storage devices.

2.3. Review and Acceptance. MITRE shall provide the Research Services or Deliverables no later than the date specified in the corresponding Statement of Work. Except as may be otherwise specified in the applicable Statement of Work, the MDC must accept, or notify MITRE of any rejection of, such Research Services or Deliverables, in writing within ten (10) business days of MITRE's delivery. Absent such acceptance or rejection of the Research Services or Deliverables, such Research Services or Deliverables are deemed accepted by the MDC. The MDC shall describe, in reasonable detail, all reasons for any rejection of a Deliverable, and MITRE is to have a reasonable opportunity to modify the Deliverable so that it conforms to the requirements set forth in the Statement of Work.

3. PERSONNEL.

3.1. Primary Point of Contact. Each Party shall designate an individual as the Party's primary point of contact for Research Services to be performed under this Agreement. To foster continuity and effective collaboration between the Parties, each Party shall use reasonable efforts not to change its primary point of contact during the Term of this Agreement. If a Party changes its primary point of contact, the changing Party shall immediately notify the other Party of the change and identify a qualified replacement.

3.2. Project Managers. For each Statement of Work, each Party shall designate a project manager as the Party's primary point of contact for activities under such Statement of Work. The project managers are not necessarily the individuals identified in [Section 3.1](#). If either Party changes its project manager during the term of the Statement of Work, the changing Party shall promptly notify the other Party of the change and identify a qualified replacement.

4. INVOICING AND PAYMENT.

4.1. Fees. The MDC shall pay MITRE as set forth in the applicable Statement of Work. MITRE's Research Services may be performed on a time-and-materials, firm-fixed-price, or such other basis as stated in the applicable Statement of Work.

4.2. Travel and Materials. The MDC will reimburse MITRE for all travel expenses and costs of material reasonably incurred by MITRE in undertaking the tasks set forth in a Statement of Work. If other direct expenses are to be reimbursed, the MDC shall reimburse MITRE for such expenses as proposed and/or approved by the MDC in advance and as necessary to perform the Research Services or to complete the Deliverables. The MDC shall reimburse the actual cost of travel and materials, along with MITRE's applicable administrative costs. Total expenses may not exceed the amount budgeted in the applicable Statement of Work.

4.3. Taxes. In addition to the charges and expenses provided for in this Agreement, the MDC shall pay all applicable federal, state, and local sales, use, or other applicable taxes that may be imposed upon the Research Services or Deliverables. If the MDC is a tax-exempt entity, the MDC shall provide MITRE

a certificate of exemption upon execution of this Agreement.

4.4. Invoice Submittal. All invoices will be either electronically transmitted or emailed to the MDC at such address and by such means as shall be established by MDC.

4.5. Payment. All fees are quoted in United States Dollars, and all amounts due from the MDC to MITRE under this Agreement shall be paid in United States Dollars within thirty (30) days of the invoice date. If the MDC disputes all or a portion of any invoice, the MDC shall notify MITRE in writing of the specific reason for, and amount of, the dispute, within fifteen (15) days of the invoice date. In the event of such a dispute, the MDC shall pay all undisputed amounts by the due date. MITRE and the MDC shall work together in good faith to resolve the dispute within fifteen (15) days of notice of the dispute. Each Party shall act promptly to implement the resolution of any payment dispute.

4.6. Late Payment. A late-payment charge shall become due if any payment that is not subject to a *bona fide* dispute is not received by MITRE within thirty (30) days from the invoice date, or for any other payments that are due to MITRE and are not received thirty (30) days from the due date. A late-payment charge shall accrue on any portion of an invoice that is not paid on time, in an amount equal to the lesser of six percent (6%) per annum or such rate as mandated by applicable law, until the time that underlying invoiced amounts are paid.

5. INTELLECTUAL PROPERTY.

5.1. Definitions related to this Article 5, Intellectual Property Rights:

1. "Intellectual Property": Any invention, trademark, discovery, development, method, process, composition, work of authorship including, but not limited to, software and technical data, concept(s), trade secret(s), and know how, whether or not patentable, trademarkable, or copyrightable.
2. "Background Intellectual Property": Any Intellectual Property conceived, made, created, authored, developed, reduced to practice, purchased, or otherwise owned either by the MDC or by MITRE before or after the Effective Date of this Agreement that the Party conceives, makes, creates, authors, develops, or reduces to practice as a result of its ongoing business operations not conducted under the terms of this Agreement.
3. "Foreground Intellectual Property": Any Intellectual Property conceived, made, created, authored, developed, or reduced to practice either by MITRE alone, or by MITRE in coordination with the MDC, in performance of this Agreement.
4. "MDC Purpose" means any activity in which the MDC is a party or participant, including any contract, procurement, or transaction, but does not include rights to use, modify, reproduce, release, perform, display, or disclose Intellectual Property for commercial purposes or to authorize others to do so.
5. "MDC Purpose Rights" means the rights to: (i) use, modify, reproduce, release, perform, display, or disclose Intellectual Property within the MDC without restriction; and (ii) release or disclose Intellectual Property outside the MDC and to authorize persons or entities to whom release or disclosure has been made to use, modify, reproduce, release, perform, display, or disclose that Intellectual Property for MDC Purposes.

6. "Unlimited Rights of Use" means rights to use, modify, reproduce, perform, display, release or disclose Intellectual Property in any manner, and for any purpose whatsoever, and to have or authorize others to do so.

5.2. All title and ownership of Background Intellectual Property shall remain the property of the owner of such Background Intellectual Property. The MDC hereby makes a grant to MITRE of Unlimited Rights of Use in the MDC's Background Intellectual Property as necessary for MITRE to develop and to practice Foreground Intellectual Property.

5.3. All title and ownership of Foreground Intellectual Property shall immediately vest with MITRE. MITRE hereby grants MDC Purpose Rights to the MDC in (i) Foreground Intellectual Property; and (ii) Background Intellectual Property of MITRE necessary to practice Foreground Intellectual Property.

5.4. This Article 5, Intellectual Property Rights, shall remain in full force and effect notwithstanding any termination or expiration of this Agreement.

6. CONFIDENTIALITY.

6.1. Definition. "Confidential Information" means any information, written or oral, that relates to either Party's business activities, operational activities, products, processes, or services that are designated as confidential or proprietary or that a reasonable party would understand to be confidential or proprietary.

6.2. Protection. Each Party (as the "Receiving Party"):

1. shall hold the other Party's (as the "Disclosing Party") Confidential Information in confidence;
2. shall use the other Party's Confidential Information only for the purpose expressly authorized by this Agreement, and for no other purpose;
3. shall restrict disclosure of such Confidential Information to its employees, subcontractors, and consultants who have a "need to know" and who are under a written obligation to maintain confidentiality consistent with this Agreement; and
4. shall not disclose such Confidential Information to any third party without prior written approval of the Disclosing Party.

6.3. Degree of Care. The Receiving Party shall protect the Disclosing Party's Confidential Information with at least the same degree of care that the Receiving Party protects its own Confidential Information, but never less than a reasonable level of care under the circumstances.

6.4. Exceptions.

(a) Confidential Information does not include information that:

1. is or becomes publicly available, other than through the fault or negligence of the Receiving Party;
2. was known to the Receiving Party, without restriction, at the time of receipt;

3. is rightfully and lawfully obtained by the Receiving Party from a third party rightfully and lawfully possessing the same information without restriction; or
4. is independently developed by the Receiving Party without having had access to the information disclosed hereunder.

(b) The Receiving Party may disclose Confidential Information of the Disclosing Party as obligated under the Texas Public Information Act and any decision or ruling issued by the Office of the Attorney General related thereto, or pursuant to an order of a court of competent jurisdiction or other compulsory process of a government entity, regulatory agency, or other similar authority, but only to the extent and for the purposes of such order. If the Receiving Party believes it must disclose Confidential Information pursuant to such a decision, ruling, order, or other compulsory process, Receiving Party shall promptly notify the Disclosing Party of the decision, ruling, order, or process to allow the Disclosing Party the opportunity to seek an appropriate protective order to protect the confidentiality of the information.

(c) Notwithstanding any other provision contained herein, this Agreement in no way affects, modifies, or limits the obligation of the MDC to comply with the Texas Public Information Act (the "Act") or any decision or ruling of the Texas Attorney General. The Parties agree that the MDC retains the right to exercise its sole and absolute discretion in determining its obligations under the Act. Furthermore, MITRE acknowledges and agrees that MDC's issuance of a request for a ruling from the Office of the Attorney General as to whether the disclosure of Confidential Information is required under the Act in response to a public information request submitted to the MDC shall not constitute a default under this Agreement. Finally, notwithstanding any contrary provision contained herein, MITRE acknowledges and agrees that the MDC's disclosure of Confidential Information pursuant to a decision or ruling of the Office of the Attorney General shall not constitute a default under this Agreement.

6.5. Return or Destruction. All Confidential Information obtained by either Party hereunder shall remain the property of the Disclosing Party and shall be returned to the Disclosing Party, or shall be destroyed, promptly upon request, together with all copies made thereof by the Receiving Party. The Parties agree that each Receiving Party may, if necessary, retain an electronic copy of the Confidential Information in order to comply with its internal document retention policies; *provided, however*, the Receiving Party may no longer use any such retained Confidential Information and such Confidential Information shall remain subject to all obligations of confidentiality and non-disclosure under this Agreement.

6.6. Unauthorized Use or Disclosure. Except as specifically provided for herein, neither Party shall make use of the other Party's Confidential Information for its own benefit or the benefit of any third party. The Receiving Party agrees to notify the Disclosing Party as soon as possible if it becomes aware of any misappropriation, misuse, or unauthorized disclosure of the Disclosing Party's Confidential Information.

6.7. Act of Disclosure. Neither the Confidential Information nor the act of disclosure thereof by either Party shall constitute a grant of any license of any kind to any trademark, patent, trade secret, know-how, copyright, or application for same, nor shall they constitute any representation, warranty, assurance, guarantee, or inducement by either Party with respect to the infringement of any trademark, patent, copyright, trade secret, or any right of privacy, of any right of third persons. Confidential Information is provided "AS-IS."

6.8. Indefinite Duration. The confidentiality obligations of the Receiving Party shall survive the termination or expiration of this Agreement until such time as any of the exceptions in [Section 6.4](#) apply to the relevant piece of Confidential Information.

7. INDEMNIFICATION.

7.1. To the extent permitted by law, and subject to any applicable limitations based on (i) governmental immunity or similar doctrines or (ii) applicable tort claims laws, each Party (as the "Indemnifying Party") agrees to indemnify and defend the other Party and its officers, directors, trustees, agents, and employees (as, individually and collectively, the "Indemnified Party") from and against all third-party claims and related liabilities, costs, damages, attorney's fees, and expenses (collectively, "Claims") arising out of, or in any way connected with, the Indemnifying Party's negligent acts or omissions occurring in connection with or arising out of the Indemnifying Party's performance under this Agreement. The Indemnifying Party shall have no indemnity obligation to the extent that such Claims are caused by the negligent acts or omissions of the Indemnified Party, its officers, directors, trustees, agents, or employees.

7.2. The Party seeking indemnification will provide prompt written notice of any Claim or legal proceeding for which indemnity is claimed, provided, however, that the Indemnifying Party will not be relieved of its indemnification obligations, except to the extent that failure to provide such notice materially prejudices the Indemnifying Party's rights with respect to such Claim. The Indemnified Party shall cooperate with the Indemnifying Party in the handling of any Claim, at the Indemnifying Party's expense. The Indemnifying Party must receive the Indemnified Party's prior written consent (which consent shall not be unreasonably withheld or delayed) to any settlement that includes: (i) admission of liability by the Indemnified Party, (ii) payment of any amounts not covered by the Indemnifying Party's indemnification obligations, and (iii) actions that affect the Indemnified Party's rights in or to its Intellectual Property. The Indemnified Party shall have the option, at its expense, to be present at all substantive proceedings related to the defense or settlement of the claim or action, with counsel of its own choosing.

8. LIMITATION OF LIABILITY.

NEITHER PARTY SHALL, IN ANY EVENT, BE LIABLE FOR ANY SPECIAL, INDIRECT, PUNITIVE, INCIDENTAL, OR CONSEQUENTIAL LOSSES OR DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOST INCOME, LOST REVENUE, LOST PROFITS, OR ANY CLAIM OR DEMAND AGAINST THE OTHER BY ANY THIRD PARTY, WHETHER BASED IN CONTRACT, TORT, OR ANY OTHER THEORY, REGARDLESS OF FORESEEABILITY AND EVEN IF SUCH PARTY IS ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGE. THE MAXIMUM AGGREGATE LIABILITY (WHETHER ARISING IN CONTRACT, TORT, STRICT LIABILITY, OR OTHERWISE) OF EITHER PARTY UNDER A STATEMENT OF WORK MADE PURSUANT TO THIS AGREEMENT SHALL NOT EXCEED THE TOTAL AMOUNT OF COMPENSATION PAID OR PAYABLE TO MITRE UNDER THE STATEMENT OF WORK IN RESPECT OF WHICH THE CLAIM AROSE.

9. WARRANTIES AND WARRANTY DISCLAIMER.

9.1. Each Party represents and warrants that it has the legal right and the power and authority to enter into, and perform, all of its obligations under this Agreement and under each Statement of Work made hereunder.

9.2. Each Party represents and warrants, to the best of its knowledge as of the Effective Date, there

is no conflict of interest with the activities to be performed hereunder and such Party's other business activities. If the Parties determine that a conflict of interest exists and cannot be avoided, neutralized, or mitigated, either Party may terminate this Agreement or any affected Statement of Work upon written notice.

9.3. MITRE represents and warrants that in its activities under this Agreement and each Statement of Work made hereunder, MITRE will conduct its business in a manner befitting the special contractual relationship established by this Agreement, will operate in the public interest with objectivity and independence, and will remain free from organizational conflicts of interest.

9.4. EXCEPT AS OTHERWISE PROVIDED IN THIS AGREEMENT, MITRE MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, ACCURACY, NON-INFRINGEMENT, FUNCTIONING, OR FITNESS FOR A PARTICULAR PURPOSE. MITRE DOES NOT WARRANT THAT ANY SERVICE OR DELIVERABLE, OR ANY INFORMATION DERIVED FROM A SERVICE OR DELIVERABLE, WILL FULFILL ANY OF THE MDC'S PARTICULAR PURPOSES OR NEEDS. THE PARTIES ACKNOWLEDGE THAT ALL RESEARCH AND DEVELOPMENT PROJECTS, INCLUDING THE EFFORTS CONTEMPLATED HEREIN, ARE SPECULATIVE VENTURES AND THAT IT IS IMPOSSIBLE FOR EITHER PARTY TO DETERMINE IN ADVANCE WHAT THE RESULTS OF ITS EFFORTS WILL BE. THEREFORE, THE PARTIES AGREE THAT ANY RESEARCH, DEVELOPMENT, MATERIALS, SERVICES OR PROTOTYPES CONTEMPLATED HEREIN OR PROVIDED HEREUNDER ARE DONE ON AN "AS IS" BASIS ONLY WITHOUT WARRANTY OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, IMPLIED WARRANTIES OF MERCHANTABILITY, ACCURACY, NON-INFRINGEMENT, FUNCTIONING, OR FITNESS FOR A PARTICULAR PURPOSE.

10. TERM AND TERMINATION.

10.1. Term. This Agreement commences on the Effective Date and continues in effect for a period of five (5) years thereafter (the "Term"), unless earlier terminated in accordance with this Section 10. Any Statement of Work made during the Term will continue through the period of performance of the Statement of Work, pursuant to the terms and conditions therein, as if this Agreement had not expired or terminated. No new Statement of Work may be entered into under this Agreement after this Agreement expires or is terminated.

10.2. Termination for Breach. Either Party may terminate this Agreement or any Statement of Work as a result of the other's Party's breach if such breach has not been cured to the reasonable satisfaction of the non-breaching Party within thirty (30) days of the date of written notice from the non-breaching Party stating in detail the nature of said breach.

10.3. Termination for Insolvency. Either Party may terminate this Agreement and all Statements of Work if the other Party becomes insolvent. Insolvency is not a breach susceptible of cure, and the non-insolvent Party is not required to allow the insolvent Party an opportunity for cure.

10.4. Remedies; Equitable Relief. Termination of this Agreement or any Statement of Work is not the exclusive remedy for a breach. Subject to the limitations of liability and the disclaimers established under this Agreement, the non-breaching Party may seek damages and may exercise any other remedies that it may have available at law or in equity. Each Party agrees that its breach of its obligations under Section 5 or Section 6 of this Agreement will result in irreparable harm to the other Party for which there is no adequate remedy at law. Therefore, in the event of any such breach or threatened breach, the non-breaching party will be entitled to seek equitable relief in addition to any

other available remedies. The breaching party hereby waives any requirement for the securing or posting of any bond or other security in connection with such relief.

10.5. Effects of Termination. Upon termination of this Agreement or the applicable Statement of Work, (i) MITRE shall cease providing Research Services as of the effective date of the termination, and (ii) each Party shall return or destroy Confidential Information in accordance with Section 6.5.

10.6. Survival. The following provisions survive the expiration or termination of this Agreement: [Section 5](#) (Intellectual Property); [Section 6](#) (Confidentiality); [Section 7](#) (Indemnification); [Section 8](#) (Limitation of Liability); [Section 11](#) (Relationship of the Parties); [Section 12](#) (Publicity); [Section 13](#) (Notices); [Section 14](#) (Miscellaneous); and any other obligation that, by its nature, survives termination or expiration of this Agreement.

11. RELATIONSHIP OF THE PARTIES. MITRE's performance pursuant to this Agreement shall be as an independent contractor and non-exclusive. This Agreement does not create, and is not to be interpreted as creating, any agency, partnership, joint venture, or other similar relationship between MITRE and the MDC. Each Party acknowledges that it has no express or implied authority to assume or create any obligation on behalf of the other Party. Neither Party, nor any of its employees, officers, directors, contractors, or agents, may hold out that Party (or any of that Party's employees, officers, directors, contractors, or agents) as the other Party's agent, employee, or representative.

12. PUBLICITY/PUBLICATIONS.

12.1. [INTENTIONALLY OMITTED].

12.2 The MDC acknowledges and agrees that MITRE, in fulfillment of its research and public interest missions, may prepare for disclosure to the general public a project report, scientific paper, or other form of publication for the purpose of making freely available to the public research results from Research Services under this Agreement. Except as expressly provided to the contrary in the applicable Statement of Work, MITRE shall provide to the MDC for review prior to publication a copy of MITRE's draft of each intended publication arising from MITRE's Research Services under this Agreement. The MDC may submit comments or objections regarding such draft publication. MITRE will consult with the MDC and will give due consideration to any comments or objections submitted, provided that MITRE will retain full discretion over the content of the final version of the publication, including project reports and project results or outcomes, subject to removal or masking of any confidential or identifying information provided by the MDC.

13. NOTICES.

13.1. All notices under this Agreement shall be in writing and shall be deemed to have been duly given, if delivered by hand (and duly receipted) or sent by registered or certified mail with a delivery receipt, or sent via next-day delivery by a nationally recognized carrier (e.g., the United States Post Service, United Parcel Service, Federal Express) with a delivery receipt, to the address of each Party as set forth below, or to such other address as either Party may substitute by written notice.

Notices to MITRE:

The MITRE Corporation
7515 Colshire Drive
McLean, Virginia 22102-7539
Attention:

Notices to the MDC:

The Midland Development Corporation
200 North Lorraine Street, Suite 610
Midland, Texas 79701
Attention:

13.2. Routine Communication. The Parties do not intend for the formalities of this section to inhibit their routine communication about the subject matter or administration of this Agreement. The Parties may communicate about routine matters in any manner that they determine to be efficient and effective, including telephone and email subject to any requirements for secure communication.

14. MISCELLANEOUS.

14.1. Compliance with Laws. Each Party shall comply with all applicable federal, state, and local laws, rules, and regulations, including equal opportunity and nondiscrimination laws, rules, and regulations, in the performance under this Agreement.

14.2. Disputes. If any dispute arises under this Agreement that is not settled promptly in the ordinary course of business, the Parties shall seek to promptly resolve any such dispute between them through good-faith negotiation. The Parties' obligations hereunder shall continue as required during the pendency of any dispute and subsequent resolution.

14.3. Insurance. Each Party shall maintain insurance coverage as reasonably necessary or advisable in view of its obligations and responsibilities under this Agreement, and as required by law.

14.4. Entire Agreement. This Agreement and each Statement of Work constitutes the entire agreement between the Parties with respect to the subject matter hereof and thereof, superseding all prior oral and written agreements, if any, between the Parties, with respect to such subject matter. Terms set forth in any purchase order or other similar document of the MDC shall have no bearing or effect on this Agreement. Any such document of the MDC is for the MDC's internal purposes only, and MITRE's receipt of any such document shall not be deemed to modify or alter this Agreement in any manner whatsoever.

14.5. Headings. The headings in this Agreement are provided for the convenience of the Parties and shall not affect interpretations or meanings of this Agreement's provisions.

14.6. No Assignment. Neither Party may assign this Agreement, in whole or in part, without the prior written consent of the non-assigning Party.

14.7. Amendment/Severance/Waiver. No amendment to, or modification of, this Agreement or any Statement of Work will be effective, unless it is in writing and signed by each Party. An exchange of email is not effective to amend or modify this Agreement or the Statement of Work. If any provision of

this Agreement is determined by a court of competent jurisdiction to be invalid or unenforceable, application of the provision is to be limited to the extent that the provision is valid or enforceable. The remaining provisions of this Agreement shall continue in full force and effect. Failure to enforce any provision of this Agreement, or any right with respect thereto, shall not constitute a waiver of that provision or right, or of any other provision or right, and shall not affect the validity of this Agreement. The exercise of any right under the terms of this Agreement shall not preclude or prejudice any future exercise of the same or other rights under this Agreement.

14.8. Force Majeure. Neither Party is responsible for failure or delay of performance to the extent caused by events beyond its reasonable control, including: acts of war, hostility, or sabotage; acts of God; a pandemic; an electrical, internet, or telecommunication outage that is not caused by the declaring Party; and government restrictions (including the denial or cancellation of any export or other license, but not including restrictions resulting from any enforcement action). Both Parties shall use reasonable efforts to mitigate the effect of a force majeure event. If the event continues for more than thirty (30) days, either Party may cancel unperformed Research Services or terminate this Agreement upon written notice. This section does not excuse either Party's obligation to take reasonable steps to follow its normal business-continuity and disaster-recovery procedures, or the MDC's obligation to pay for Research Services actually rendered.

14.9. Counterparts. The Parties may sign this Agreement and each Statement of Work in counterparts. When each Party has delivered at least one signed counterpart of this Agreement or a Statement of Work, the counterparts of this Agreement or the Statement of Work, taken together, constitute one agreement, and each counterpart of this Agreement or the Statement of Work is to be considered an original. Counterparts may be exchanged in any file format that maintains the integrity of the text of this Agreement or the Statement of Work and the signatures affixed to it.

14.10. Waiver of Attorney Fees. By executing this Agreement, THE PARTIES AGREE TO WAIVE AND DO HEREBY WAIVE ANY CLAIM THEY HAVE OR MAY HAVE AGAINST THE OTHER PARTY REGARDING THE AWARD OF ATTORNEY FEES, WHICH ARE IN ANY WAY RELATED TO THIS AGREEMENT. THE PARTIES SPECIFICALLY AGREE THAT IF EITHER PARTY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO 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), SAID PARTY AGREES TO WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY FEES TO WHICH IT MIGHT OTHERWISE BE ENTITLED.

14.11. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Texas. All performance and payment made pursuant to this Agreement shall be deemed to have occurred in Midland County, Texas. Exclusive venue for any claims, suits or any other action arising from or connected in any way to this Agreement shall be in Midland County, Texas. The obligations and undertakings of each of the Parties shall be deemed to have occurred in Midland County, Texas.

15. AUTHORITY. The Parties, and each individual executing this Agreement on behalf of a Party, represent and warrant that each such individual is duly authorized to execute and deliver this Agreement on behalf of his or her Party.

{EXECUTION SIGNATURES ON FOLLOWING PAGE}

IN WITNESS WHEREOF, the Parties hereto have duly executed this Master Research and Development Agreement to be effective as of the Effective Date:

The Midland Development Corporation

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

The MITRE Corporation

By: _____
(Signature)

Name: _____

Title: _____

Date: _____

***Signature Page to Master Research and Development Agreement
By and Between
The MITRE Corporation
and
The Midland Development Corporation***

Income Statement

MIDLAND DEVELOPMENT CORPORATION
INCOME STATEMENT FOR THE 8 MONTHS ENDED
May 31, 2024

	May-24	YTD	Budgeted Amount
Revenue	\$1,692,238.44	\$9,592,384.37	\$12,976,644.00
40100 - State Sales Tax	\$1,474,708.24	\$8,220,203.79	\$12,000,000.00
40600 - Public ROW Use Fees	\$0.00	\$4,823.00	\$0.00
43000 - Interest	\$68,457.75	\$312,964.56	\$0.00
43010 - Interest - Nonpooled Invest	\$49,529.51	\$349,662.35	\$0.00
46190 - Miscellaneous Rentals	\$81,387.00	\$651,096.00	\$976,644.00
48480 - Reimbursement of Budget Exp	\$0.00	\$1,187.11	\$0.00
49112 - Incr/Decr In Fair Value of Inv	\$18,155.94	\$52,447.56	\$0.00
4235150 - Midland Dvlpmt Corp Revenue	\$1,692,238.44	\$9,592,384.37	\$12,976,644.00

Expense	\$480,064.99	\$4,544,880.88	\$26,583,805.00
51010 - Base Salary	\$25,649.94	\$212,566.01	\$360,047.00
51090 - Fica MDC Portion	\$1,962.22	\$14,865.11	\$29,038.00
51110 - Health Insurance	\$1,911.13	\$17,146.60	\$28,440.00
51135 - ACCE Profit Sharing	\$1,486.62	\$13,659.00	\$25,203.00
52010 - Office Supplies	\$168.12	\$2,768.41	\$6,500.00
52110 - Motor Vehicle Supplies	\$54.33	\$303.48	\$1,500.00
52115 - Minor Furniture & Fixtures	\$0.00	\$0.00	\$1,000.00
52155 - Minor Computer Hrdwre & Periph	\$0.00	\$0.00	\$12,000.00
52160 - Computer Software & Supplies	\$767.52	\$26,303.43	\$35,000.00
52620 - Postage	\$0.00	\$315.24	\$1,000.00
53010 - Communication	\$532.85	\$10,641.32	\$17,000.00
53030 - Light & Power	\$0.00	\$52.79	\$150.00
53110 - Insurance-External	\$34.00	\$4,862.00	\$150,000.00
53212 - Equipment Rental-External	\$334.98	\$2,360.51	\$5,000.00
53220 - Advertising	\$5,000.00	\$131,388.53	\$225,000.00
53370 - Grounds Maintenance	\$1,682.32	\$16,163.73	\$25,000.00
53405 - Software Maintenance	\$1,525.54	\$12,554.32	\$15,000.00
53440 - External Audit Fees	\$0.00	\$34,832.78	\$40,000.00
53450 - Consulting Fees	\$78,946.25	\$260,317.30	\$500,000.00
53510 - Travel & Entertainment	\$2,125.72	\$11,867.70	\$10,000.00
53520 - Dues & Subscriptions	\$934.23	\$12,573.32	\$17,000.00
53530 - Training,Registration Fees,Etc	\$1,000.00	\$825.08	\$15,000.00
53905 - Economic Development Incentive	\$0.00	\$0.00	\$9,098,141.00
53907 - Business Recruitment & Retentn	\$20,760.01	\$100,848.70	\$70,000.00
53909 - Prior Year Committed Incentives	\$287,019.40	\$2,829,464.09	\$13,464,662.00
53920 - Rent	\$6,121.42	\$46,840.42	\$69,804.00
54010 - Building Maintenance	\$4,762.98	\$42,444.69	\$80,000.00
55120 - Maint. - Instruments & Appara.	\$205.41	\$1,304.31	\$1,200.00
56188 - MOTRAN	\$0.00	\$142,500.00	\$142,500.00
56202 - General Fund Services	\$37,080.00	\$296,640.00	\$444,960.00
56410 - Payment of Principal	\$0.00	\$0.00	\$70,605.00
56420 - Interest Expense	\$0.00	\$0.00	\$6,595.00
56910 - Depreciation Expense	\$0.00	\$182,589.77	\$416,460.00
56995 - Project Non Capital - Promotions	\$0.00	\$115,882.24	\$1,200,000.00
235235 - Midland Development Corp	\$480,064.99	\$4,544,880.88	\$26,583,805.00

May 2024 Net Income: \$1,212,173.45

Year-to-Date Net Income: \$5,047,503.49

Balance Sheet

MIDLAND DEVELOPMENT CORPORATION
BALANCE SHEET FOR THE PERIOD ENDED
May 31, 2024
(Used for Internal Purposes Only)

ASSETS

Current Assets

Cash and cash equivalents	30,321,206	
Investments	5,810,971	
Sales tax receivable	-	
Prepaid expenses	133,644	
Accounts receivable	-	
	-	36,265,821

Non-Current Assets

Capital Assets, net	26,723,935	
Forgivable Loans		
Made to Primary Government	2,984,110	
Made to Other	6,579	
Total Forgivable Loans	2,990,689	
		29,714,624

Total Assets		\$ 65,980,444
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LIABILITIES AND NET POSITION

Liabilities

Accounts payable	190,895	
Retainage Payable	130,200	
Capital Leases payable	523,818	
Commitments payable		
Due within one year	10,617,568	
Due in more than one year	50,612,023	
Total Commitments Payable	61,229,591	
		62,074,504

Net Position

Net investment in capital assets	26,723,935	
Restricted for Forgivable Loans	2,990,689	
Restricted for Capital Leases	523,818	
Promotions	2,438,351	
Unrestricted	(28,770,853)	
	-	3,905,939

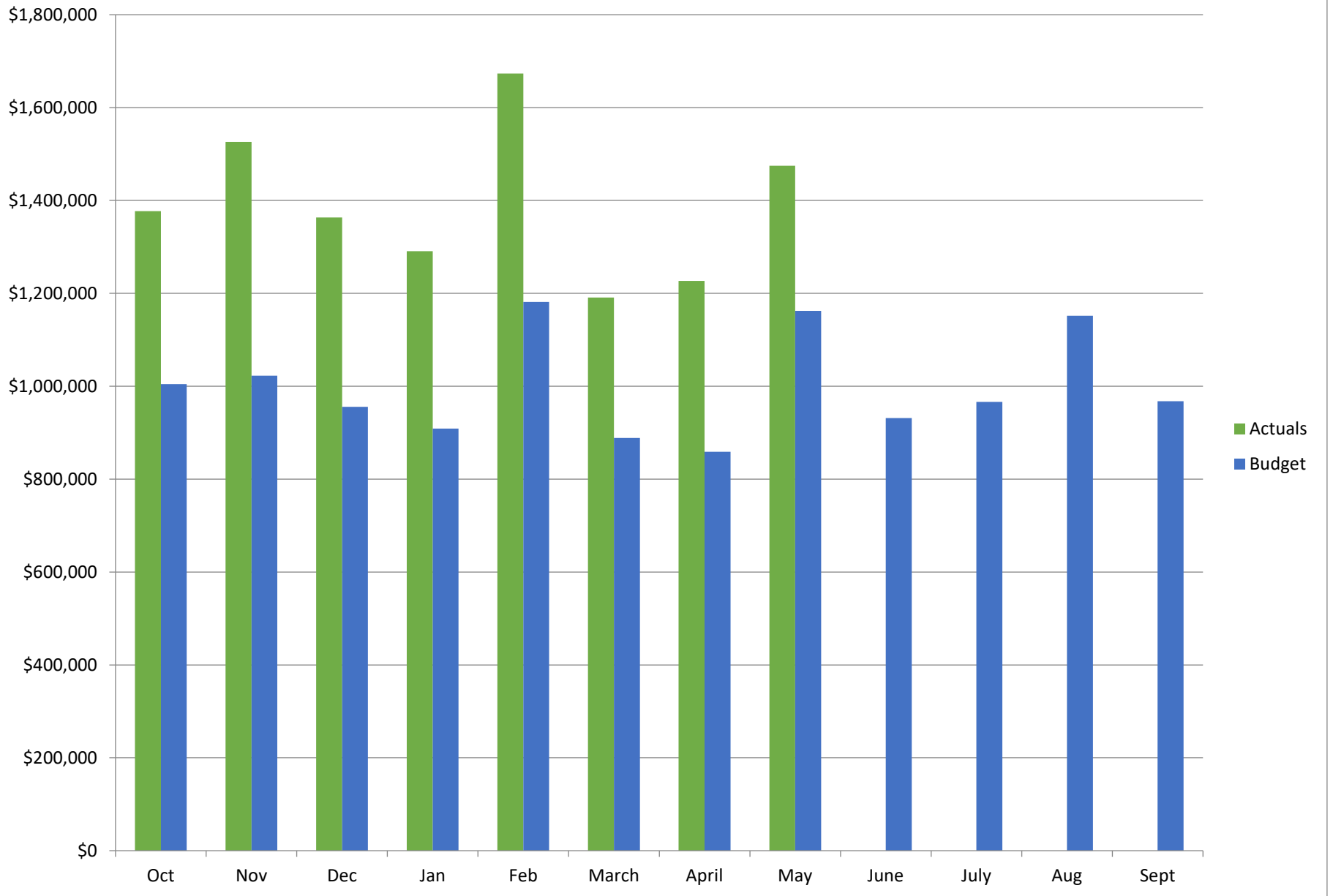
Total Liabilities and Net Position		\$ 65,980,444
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Sales Tax Revenue

Sales Tax Variance

	2021-2022	2022-2023	% Change	2022-2023	2023-2024	% Change	YTD Change
October	\$971,343.63	\$1,416,510.48	45.83%	\$1,416,510.48	\$1,376,937.05	-2.79%	-2.79%
November	\$1,156,353.89	\$1,364,595.51	18.01%	\$1,364,595.51	\$1,526,083.42	11.83%	4.38%
December	\$1,013,549.80	\$1,380,834.52	36.24%	\$1,380,834.52	\$1,363,408.12	-1.26%	2.51%
January	\$1,117,874.02	\$1,358,336.22	21.51%	\$1,358,336.22	\$1,290,650.15	-4.98%	0.67%
February	\$1,434,528.04	\$1,649,985.00	15.02%	\$1,649,985.00	\$1,673,418.77	1.42%	0.84%
March	\$983,421.74	\$1,344,612.50	36.73%	\$1,344,612.50	\$1,191,145.36	-11.41%	-1.09%
April	\$1,015,116.31	\$1,266,881.01	24.80%	\$1,266,881.01	\$1,226,873.37	-3.16%	-1.36%
May	\$1,487,467.44	\$1,597,917.80	7.43%	\$1,597,917.80	\$1,474,708.24	-7.71%	-2.25%
June	\$1,218,236.38	\$1,325,843.43	8.83%	\$1,325,843.43			
July	\$1,326,275.50	\$1,395,392.32	5.21%	\$1,395,392.32			
August	\$1,582,536.23	\$1,662,691.61	5.06%	\$1,662,691.61			
September	\$1,303,011.95	\$1,328,790.99	1.98%	\$1,328,790.99			
Annual Total	\$14,609,714.93	\$17,092,391.39	16.99%	\$17,092,391.39	\$11,123,224.48		

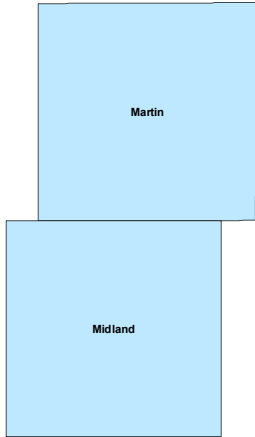
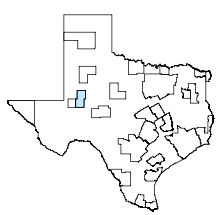
Sales Tax Actuals vs Budget Estimates



Activity Report

Midland MSA

April 2024



MSA Labor Force Statistics

	Apr-24	Mar-24	Apr-23	Yearly Change
Civilian Labor Force	116,498	116,424	114,357	2,141
Employed	113,894	113,417	111,833	2,061
Unemployed	2,604	3,007	2,524	80
Unemployment Rate	2.2%	2.6%	2.2%	0.0%

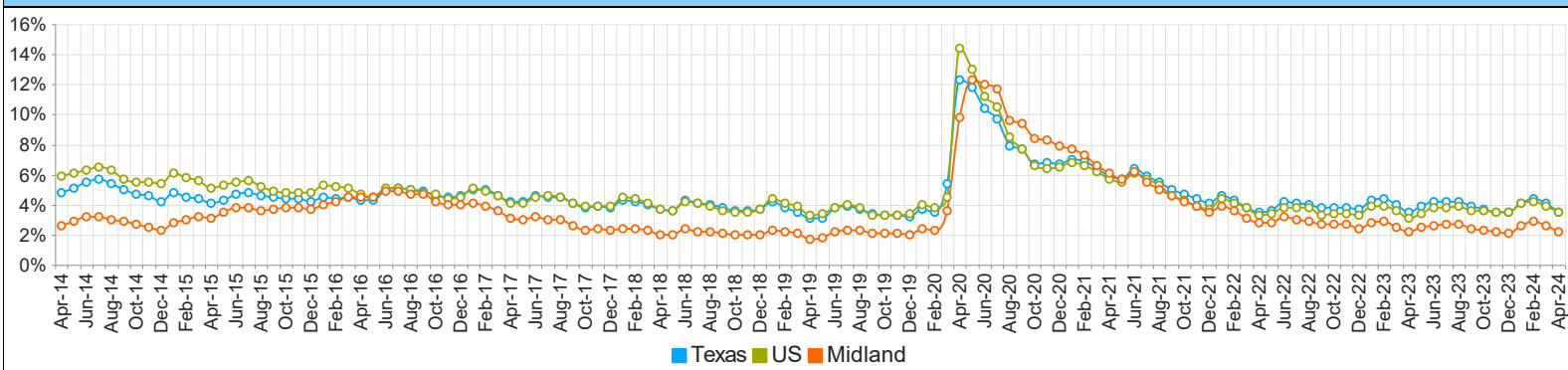
Texas Labor Force Statistics

	Apr-24	Mar-24	Apr-23	Yearly Change
Civilian Labor Force	15,305,019	15,276,654	15,001,944	303,075
Employed	14,762,482	14,654,123	14,473,233	289,249
Unemployed	542,537	622,531	528,711	13,826
Unemployment Rate	3.5%	4.1%	3.5%	0.0%

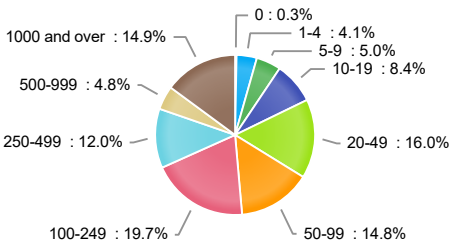
US Labor Force Statistics

	Apr-24	Mar-24	Apr-23	Yearly Change
Civilian Labor Force	167,484,000	167,960,000	166,221,000	1,263,000
Employed	161,590,000	161,356,000	161,075,000	515,000
Unemployed	5,894,000	6,604,000	5,146,000	748,000
Unemployment Rate	3.5%	3.9%	3.1%	0.4%

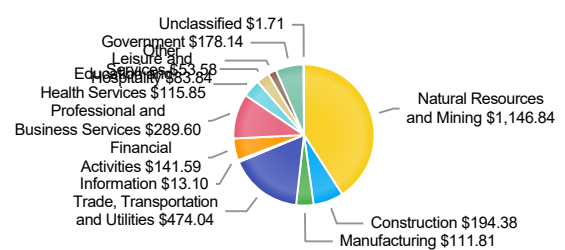
Historical Unemployment Rates



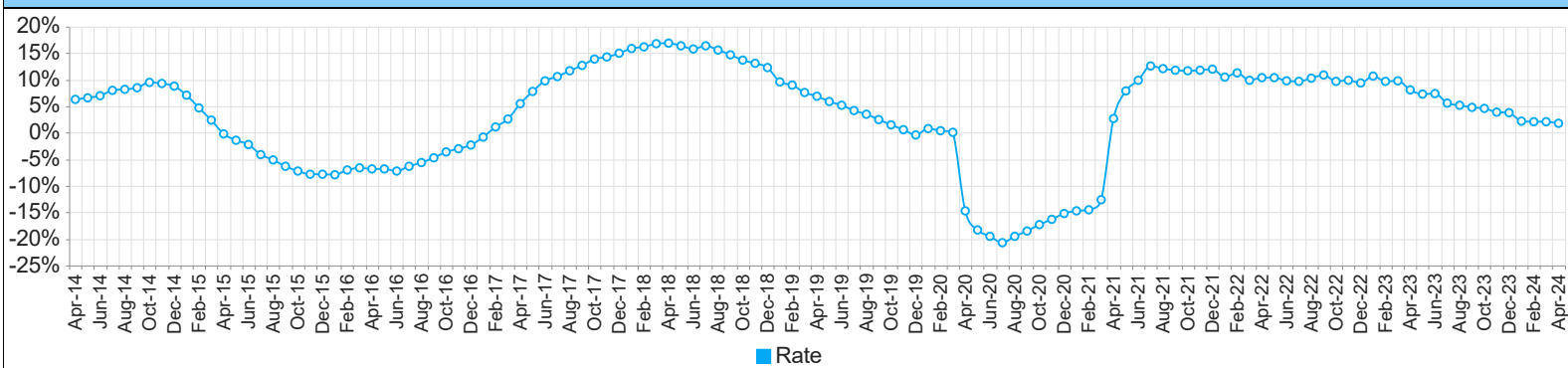
Employment by Size Class (4th Quarter 2023)



Wages by Industry (in millions) (4th Quarter 2023)



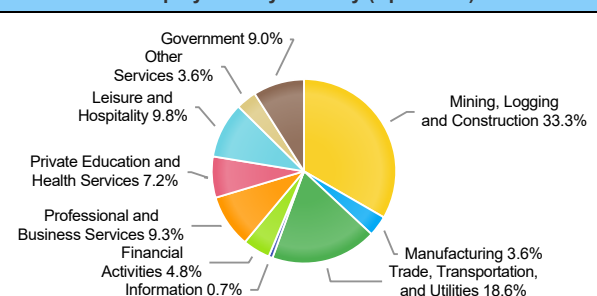
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (April 2024)

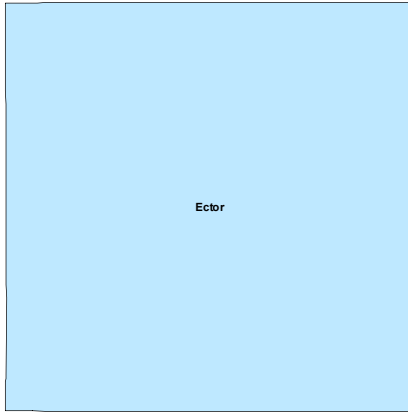
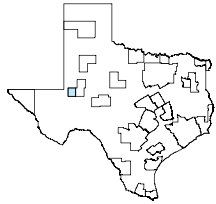
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	121,900	0.2%	1.8%
Mining, Logging and Construction	40,600	-0.7%	-0.5%
Manufacturing	4,400	0.0%	2.3%
Trade, Transportation, and Utilities	22,700	0.9%	3.2%
Information	900	0.0%	-10.0%
Financial Activities	5,800	1.8%	7.4%
Professional and Business Services	11,300	0.0%	0.0%
Private Education and Health Services	8,800	0.0%	-1.1%
Leisure and Hospitality	12,000	1.7%	3.4%
Other Services	4,400	0.0%	2.3%
Government	11,000	0.0%	8.9%

Employment by Industry (April 2024)



Odessa MSA

April 2024

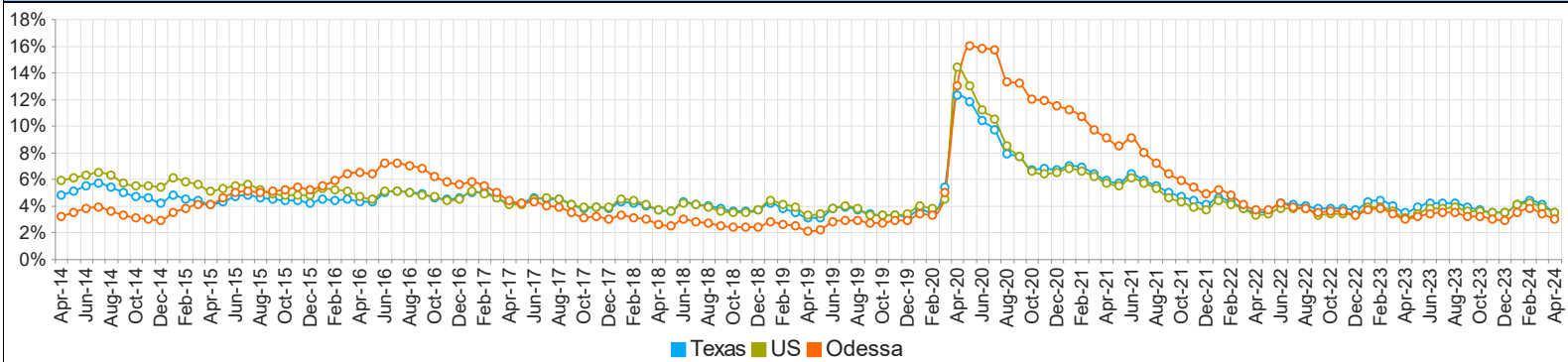


MSA Labor Force Statistics				
	Apr-24	Mar-24	Apr-23	Yearly Change
Civilian Labor Force	87,259	87,298	86,186	1,073
Employed	84,653	84,357	83,630	1,023
Unemployed	2,606	2,941	2,556	50
Unemployment Rate	3.0%	3.4%	3.0%	0.0%

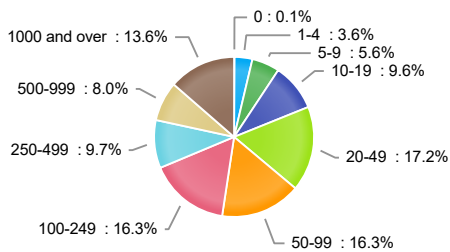
Texas Labor Force Statistics				
	Apr-24	Mar-24	Apr-23	Yearly Change
Civilian Labor Force	15,305,019	15,276,654	15,001,944	303,075
Employed	14,762,482	14,654,123	14,473,233	289,249
Unemployed	542,537	622,531	528,711	13,826
Unemployment Rate	3.5%	4.1%	3.5%	0.0%

US Labor Force Statistics				
	Apr-24	Mar-24	Apr-23	Yearly Change
Civilian Labor Force	167,484,000	167,960,000	166,221,000	1,263,000
Employed	161,590,000	161,356,000	161,075,000	515,000
Unemployed	5,894,000	6,604,000	5,146,000	748,000
Unemployment Rate	3.5%	3.9%	3.1%	0.4%

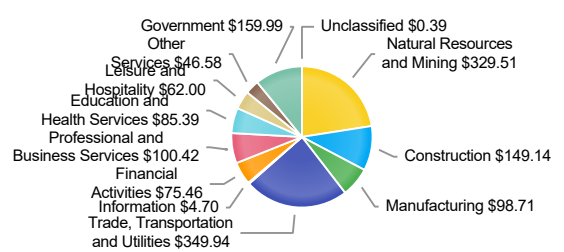
Historical Unemployment Rates



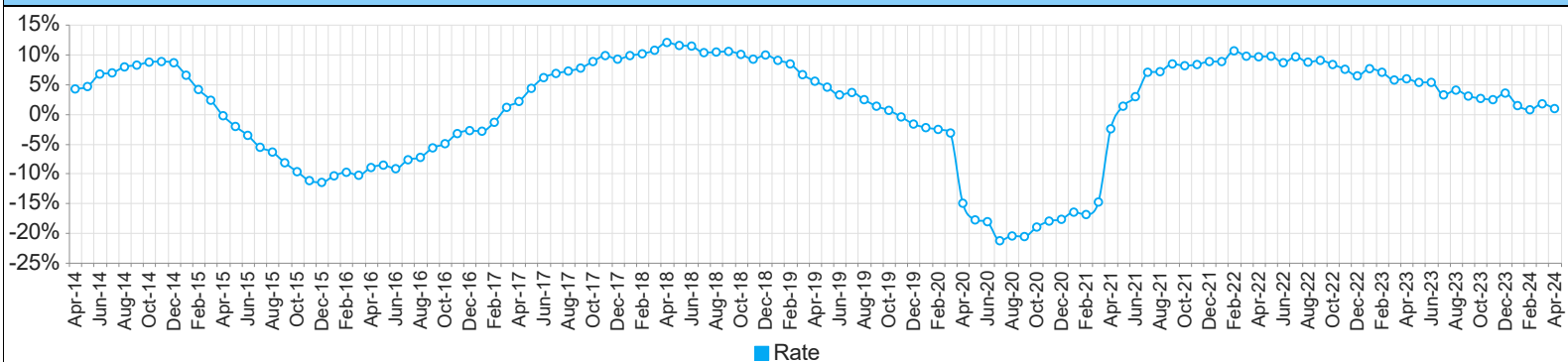
Employment by Size Class (4th Quarter 2023)



Wages by Industry (in millions) (4th Quarter 2023)



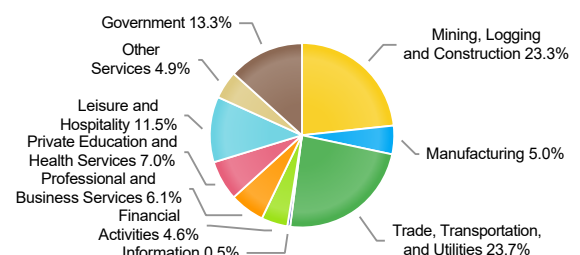
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (April 2024)

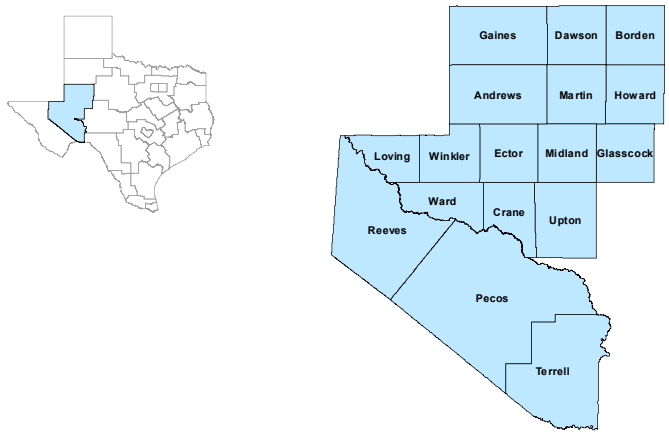
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	81,800	0.2%	0.9%
Mining, Logging and Construction	19,100	0.5%	-2.6%
Manufacturing	4,100	2.5%	2.5%
Trade, Transportation, and Utilities	19,400	0.0%	2.1%
Information	400	0.0%	0.0%
Financial Activities	3,800	0.0%	0.0%
Professional and Business Services	5,000	0.0%	0.0%
Private Education and Health Services	5,700	0.0%	1.8%
Leisure and Hospitality	9,400	0.0%	1.1%
Other Services	4,000	2.6%	8.1%
Government	10,900	-0.9%	1.9%

Employment by Industry (April 2024)



Permian Basin Workforce Development Area

April 2024



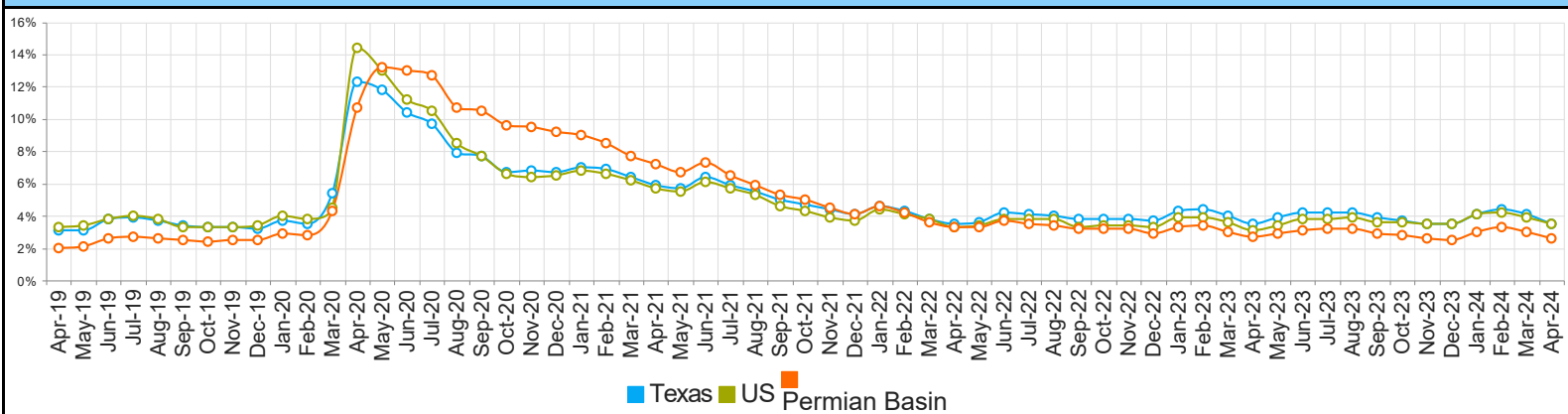
WDA Labor Force Statistics				
	Apr-24	Mar-24	Apr-23	Yearly Change
Civilian Labor Force	278,365	277,752	272,301	6,064
Employed	271,163	269,448	265,080	6,083
Unemployed	7,202	8,304	7,221	-19
Unemployment Rate	2.6%	3.0%	2.7%	-0.1%

Texas Labor Force Statistics				
	Apr-24	Mar-24	Apr-23	Yearly Change
Civilian Labor Force	15,305,019	15,276,654	15,001,944	303,075
Employed	14,762,482	14,654,123	14,473,233	289,249
Unemployed	542,537	622,531	528,711	13,826
Unemployment Rate	3.5%	4.1%	3.5%	0.0%

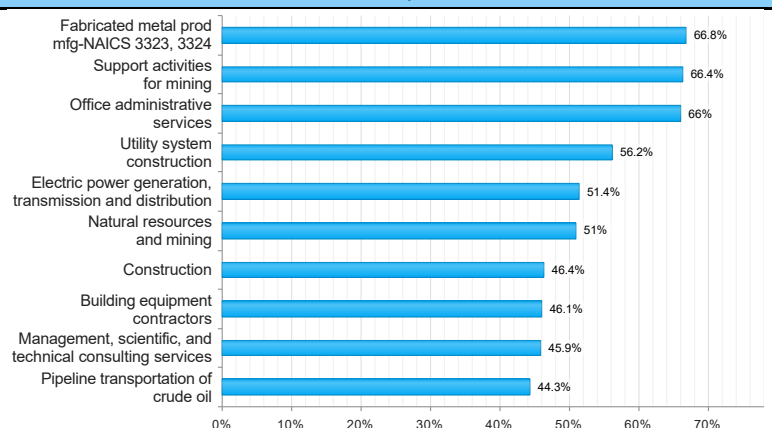
US Labor Force Statistics				
	Apr-24	Mar-24	Apr-23	Yearly Change
Civilian Labor Force	167,484,000	167,960,000	166,221,000	1,263,000
Employed	161,590,000	161,356,000	161,075,000	515,000
Unemployed	5,894,000	6,604,000	5,146,000	748,000
Unemployment Rate	3.5%	3.9%	3.1%	0.4%

Continued Claims for the Week of the 12th				
	Apr-24	Mar-24	Apr-23	Yearly Change
WDA	1,189	1,199	954	235
Texas	115,920	122,266	102,806	13,114

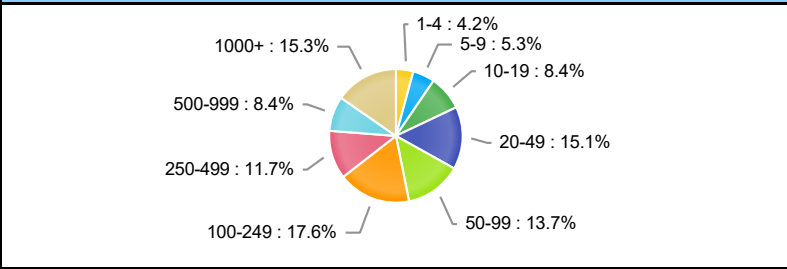
Historical Unemployment Rates



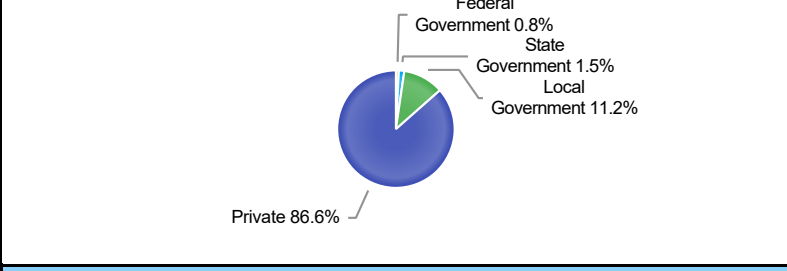
Projected Top Ten Fastest Growing Industries in WDA (% Growth 2020-2030)



Employment by Size Class (4th Quarter 2023)



Employment by Ownership (4th Quarter 2023)



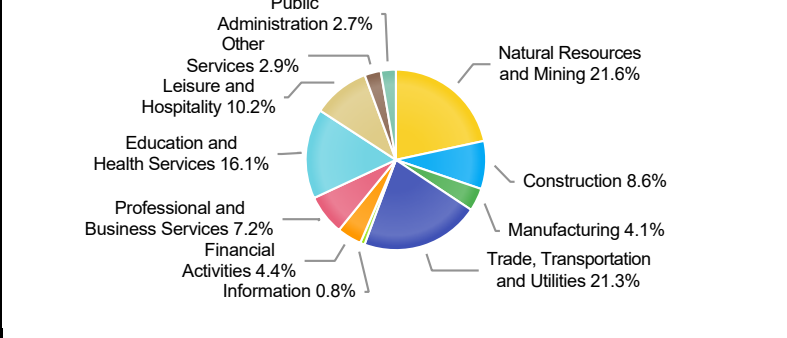
Average Weekly Wage (4th Quarter 2023)

	Q4 2023	Q3 2023	Q4 2022	Quarterly Change	Yearly Change
WDA	\$1,594	\$1,504	\$1,535	\$90	\$59
Texas	\$1,427	\$1,336	\$1,372	\$91	\$55
US	\$1,435	\$1,334	\$1,385	\$101	\$50

Employment by Industry (4th Quarter 2023, Percent Change)

Industry	Employment	% of Total	% Quarterly Change	% Yearly Change
Natural Resources and Mining	55,789	21.6%	-0.9%	3.5%
Construction	22,350	8.6%	1.1%	5.6%
Manufacturing	10,699	4.1%	1.5%	3.5%
Trade, Transportation and Utilities	54,947	21.3%	1.3%	3.2%
Information	1,980	0.8%	-1.2%	4.3%
Financial Activities	11,432	4.4%	1.3%	4.4%
Professional and Business Services	18,677	7.2%	0.6%	0.6%
Education and Health Services	41,732	16.1%	6.0%	4.0%
Leisure and Hospitality	26,334	10.2%	-0.8%	2.3%
Other Services	7,619	2.9%	-1.0%	2.2%
Public Administration	6,990	2.7%	0.3%	0.5%

Employment by Industry (4th Quarter 2023)





MARKETING REPORT

June 3, 2024

SOCIAL MEDIA

Facebook

- 4,045 followers
- Top posts: Welcome Castelion, May Things to Do in Midland, What Can MDC Funds Be Used For?

LinkedIn

- 2,199 followers
- Top posts: Welcome Castelion, MDC Audit News, What Can MDC Funds Be Used For?

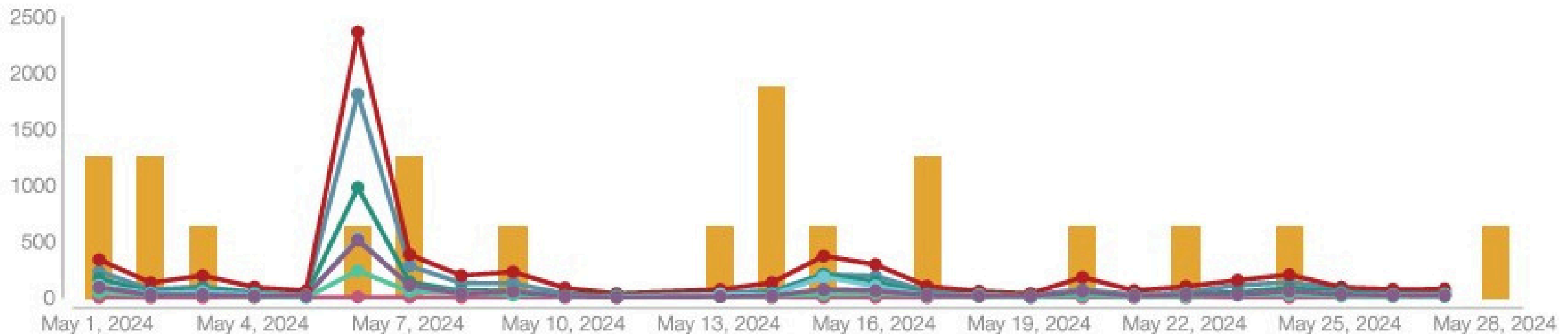
Instagram

- 3,067 followers
- Top posts: May Things to Do in Midland, Welcome Castelion, Where Do MDC Funds Come From?



Demographics: Reach by age

 Midland Development Corporation



WHAT CAN MDC FUNDS BE USED FOR?

The MDC is a **Type A sales tax** organization and was established in 2002 by **Midland voters**. A **quarter-cent** of the local sales tax is collected by the MDC and is used for...



MANUFACTURING & INDUSTRIAL DEVELOPMENT.



LAND, BUILDINGS, EQUIPMENT, AND FACILITIES EXPENDITURES.



TARGETED INFRASTRUCTURE AND IMPROVEMENTS FOR PROJECTS LIKE:

manufacturing and industrial facilities, recycling facilities, distribution centers, and small warehouse facilities; research and development facilities, regional or national corporate headquarters, job training facilities operated by higher education institutions, job training classes, telephone call centers and career centers; infrastructure improvements that promote or develop new or expanded business enterprises; aviation facilities; commuter or light rail or commuter bus operations; port-related facilities, rail ports, rail switching facilities, marine ports, inland ports; maintenance and operating costs associated with projects; and contaminated property clean-up.



- In 2002, Midland voters approved a quarter-cent increase in the local sales tax rate.
- MDC funding comes from local sales tax. MDC does not collect from other taxes such as property or income taxes.
- MDC is a type A corporation which means MDC funds can only be used for type A projects as defined by the State of Texas.



Did you know?

About 55% of the sales tax collected in Midland comes from **outside purchasing** (purchases made by non-residents of Midland) or **business-to-business purchasing**.

WHERE DO MDC FUNDS COME FROM?

Questions? Send us a message or visit our website www.midlandtxedc.com

WHERE DO MDC FUNDS GO IN MIDLAND?

2002-2024, since MDC's inception.



Business Recruitment & Expansion

- Job creation & diversification
- \$71.8M invested



Infrastructure

- Roads, utilities, right-of-way
- \$57.4M invested



Education & Workforce

- Secondary education & job training
- \$19M invested



Assets

- Business parks & buildings
- \$29.3M invested



Healthcare

- For Midland's physical & mental health
- \$12.4M invested



Quality of Life

- Parks & cultural amenities
- \$3M invested

WHAT'S THE RETURN ON INVESTMENT FROM THE MDC?

MDC Commitments	Annual Wages for New Jobs Created	Capital Investment, Personal Property, Inventory	Investment from Other Entities Directly Induced MDC Commitments
08,803,189	\$21,860,000	\$59,995,000	\$256,448,900

Total added value
\$338,303,972
Return on Investment
211%

ROI based on 2015-2024
Return on investment is based on MDC's commitments, businesses' contractually obligated new payroll and capital investment, and contractually obligated investment from other entities directed induced by MDC's commitments.



FOUNDERS BLEND

● May Founders Blend

- **Leyenda Coffee and Urias**
Remodeling provided coffee and breakfast.
- **Phases & Designs and The Energy People**

● June Founders Blend

- **June 5th at Cogdell Learning Center**
- **South Side Barbershop and Venture Robotics**
- **Midland College BEDC providing coffee and breakfast**

UPDATES:

- WEBSITE COPY UPDATE
 - WWW.MIDLANDTXSPACEPORT.COM
- SOCIAL MEDIA
 - INSTAGRAM - 43 FOLLOWERS
 - FACEBOOK - 91 FOLLOWERS
 - LINKEDIN - 143 FOLLOWERS
 - OVER 2,000 IMPRESSIONS ACROSS THESE CHANNELS AND HIGH POST ENGAGEMENT THIS MONTH
- OTHER
 - FAA SPACEPORT HIGHLIGHT
 - AGENCY MEETINGS

