



Board Binder Open Session

April 4, 2022

Agenda



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

NOTICE OF PUBLIC MEETING

In accordance with Chapter 551, Texas Government Code, as amended, notice is hereby given to the public that the Board of Directors of the Midland Development Corporation will meet in regular session, open to the public, in the Midland Chamber of Commerce board room, 303 West Wall Street, Suite 200, Midland, Texas, at 10:00 a.m. on April 4, 2022. A quorum of the Board of Directors of the Midland Development Corporation intends to be physically present at the aforementioned location.

Videoconference Information

Join Zoom Webinar

<https://us02web.zoom.us/j/89534576538?pwd=WUJZNFE5ajE3NWQ5eU11Z2tYMXdRUT09>

Passcode: 761801

Or join by phone:

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

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

Webinar ID: 895 3457 6538

Passcode: 761801

International numbers available: <https://us02web.zoom.us/j/89534576538?pwd=WUJZNFE5ajE3NWQ5eU11Z2tYMXdRUT09>

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. Introduction of new Midland Development Corporation director Lucy Sisniega.
3. Presentation from the University of Texas Permian Basin regarding the Incubator/Makerspace program at UTPB's Midland campus.
4. Motion approving the minutes of the March 7, 2022, meeting of the Midland Development Corporation.
5. Resolution authorizing the execution of an amendment to that certain Incubator and Makerspace Grant Agreement between the Midland Development Corporation and the University of Texas of the Permian Basin.
6. Resolution authorizing payment in the amount of \$117,051.79 to the University of Texas of the Permian Basin pursuant to that certain incubator and makerspace grant agreement between the Midland Development Corporation and the University of Texas of the Permian Basin.

7. Resolution ratifying the Chairman of the Midland Development Corporation's execution of an amendment to that certain purchase and sale agreement between the Midland Development Corporation and the Estate of J.L. Davis for the purchase of certain real property described as Lots 1A and 9-12, Block 35, Original Town of Midland, City of Midland, Midland County, Texas.
8. Resolution authorizing the execution of a consulting services agreement with Strong Environmental Services, LLC, in the amount of \$8,727.50 for services related to the purchase of certain real property described as Lots 1A and 9-12, Block 35, Original Town of Midland, City of Midland, Midland County, Texas; and authorizing payment for said agreement.
9. Resolution authorizing signatories on Midland Development Corporation bank accounts.
10. Presentation on the March 2022 monthly expenses and economic development activity report from the Midland Development Corporation Executive Director and staff.
11. 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 551.087 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 1st day of April 2022.

Amy M. Turner
City Secretary

March 7th Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

March 07, 2022

The Board of Directors of the Midland Development Corporation convened in regular session at the Midland Chamber of Commerce board room, 303 West Wall Street, Suite 200, Midland, Texas, at 10:00 a.m. on March 07, 2022.

Board Members present: Chairman Stephen Lowery, Director Berry Simpson, Director Jill Pennington, Director Lourcey Sams, and Director Brad Bullock

Board Members absent: Director Chase Gardaphe

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

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

MDC Staff Members present: Executive Director Sara Harris, and Marketing and Administrative Coordinator Kendall Gray

1. Call meeting to order.

Chairman Lowery called the meeting to order at 10:03 am

2. Motion approving the minutes of the February 7, 2022 meeting of the Midland Development Corporation.

Director Sams moved to approve the minutes of the February 7, 2022 meeting of the Midland Development Corporation; seconded by Director Pennington. The motion carried by the following vote: AYE: Lowery, Simpson and Bullock. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

3. Resolution authorizing the execution of an economic development agreement with the City of Midland; said agreement providing for the City of Midland Department of Airports' purchase of certain real property described as an approximate 327.67-acre tract of land located in Sections 4 and 9, Block 40, T-2-S, T&P RR. Co. Survey, Midland County, Texas; and authorizing payment therefor.

Director Sams moved to approve Resolution ED-401 authorizing the execution of an economic development agreement with the City of Midland; said agreement providing for the City of Midland Department of Airports' purchase of certain real property described as an approximate 327.67-acre tract of land located in Sections 4 and 9, Block 40, T-2-S, T&P RR. Co. Survey, Midland County, Texas; and authorizing payment therefor; seconded by Director Bullock. The motion carried by the following vote: AYE: Lowery, Pennington and Simpson. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

4. Resolution authorizing the execution of a memorandum of understanding between the Midland Development Corporation and the City of Midland; said memorandum of understanding to provide for the marketing of certain City-owned real property located at the Midland International Air & Space Port.

Director Bullock moved to approve Resolution ED-402 authorizing the execution of a memorandum of understanding between the Midland Development Corporation and the City of Midland; said memorandum of understanding to provide for the marketing of certain City-owned real property located at the Midland International Air & Space Port.; seconded by Director Pennington. The motion carried by the following vote: AYE: Lowery, Simpson, and Sams. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

5. Resolution authorizing payment in the amount of \$14,999.00 to the University of Texas of the Permian Basin pursuant to that certain incubator and makerspace grant agreement between the Midland Development Corporation and the University of Texas of the Permian Basin.

Director Pennington moved to amend Resolution ED-403 authorizing payment in the amount of \$14,999.00 to the University of Texas of the Permian Basin pursuant to that certain incubator and makerspace grant agreement between the Midland Development Corporation and the University of Texas of the Permian Basin.; seconded by Director Sams. The motion carried by the following vote: AYE: Lowery, Bullock and Simpson. NAY: None. ABSTAIN: None. ABSENT: Gardaphe.

6. Receive and discuss the 2021-2022 annual report of the Midland Development Corporation.

Kendall Gray discussed the 2022 Annual Report which included the marketing collateral to be given out to businesses and economic incentive prospects. The Annual Report highlights the different areas that the Midland Development Corporation's funds have been distributed to including infrastructure, healthcare, education, and quality of place.

7. Presentation on the February 2022 monthly expenses and economic development activity report from the Midland Development Corporation Executive Director.

Sara Harris reported a 17% sales tax increase year-over-year in collections. Sara Harris reported that February collections are based on December sales. She also reported a contractual disbursement to Weir Oil and Gas.

Board recessed into executive session at 10:30 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:

1. Section 551.072 Deliberation Regarding Real Property

1. Discuss the sale, exchange, lease or value of real property described as Lots 5 and 6, Block 35, Original Town of Midland, an addition to the City of Midland, Midland County, Texas.

2. Discuss the sale, exchange, lease or value or real property described as Lots 1A and 9-12, Block 35, Original Town of Midland, an addition to the City of Midland, Midland County, Texas.

2. Section 551.087 Deliberation Regarding Economic Development Negotiations

1. 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 11:20 a.m.

All the business at hand having been completed, Chairman Lowery adjourned the meeting at 11:21 a.m.

Respectfully submitted,

Vanessa White, Deputy City Secretary

PASSED AND APPROVED the 4th Day of April 2022.

Jill Pennington, Secretary

UTPB Incubator
Makerspace
Grant
Agreement
Amendment

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THAT CERTAIN INCUBATOR AND MAKERSPACE GRANT AGREEMENT BETWEEN THE MIDLAND DEVELOPMENT CORPORATION AND THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of an amendment to that certain Incubator and Makerspace Grant Agreement between the Midland Development Corporation and the University of Texas of the Permian Basin;

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

THAT the Chairman and Secretary are hereby authorized and directed to execute and attest, respectively, on behalf of the Midland Development Corporation, an amendment to that certain Incubator and Makerspace Grant Agreement between the Midland Development Corporation and the University of Texas of the Permian Basin. Said amendment shall be 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., 2022, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

STEPHEN LOWERY,
Chairman of the Midland
Development Corporation

ATTEST:

JILL PENNINGTON,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

AMENDMENT TO THE INCUBATOR AND MAKERSPACE GRANT AGREEMENT
BETWEEN
THE MIDLAND DEVELOPMENT CORPORATION
AND
THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN

THIS AMENDMENT is made and effective _____, 2022, by and between the **MIDLAND DEVELOPMENT CORPORATION**, a Type A corporation existing under the authority of Chapter 504 of the Texas Local Government Code (“*MDC*”), and **THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN** (“*UTPB*”).

WHEREAS, MDC and UTPB entered into that certain Incubator and Makerspace Grant Agreement dated October 11, 2017, providing for UTPB’s management and operation of an Incubator and Makerspace (as defined therein) on behalf of MDC to serve the community and promote new and expanded business enterprises in the City of Midland, Texas (the “*Agreement*”), which was approved by the Midland Development Corporation Board of Directors, the Midland City Council, and the Board of Regents of The University of Texas System; and

WHEREAS, the Agreement has been in full force and effect since its effective date and has not been allowed to lapse; and

WHEREAS, MDC and UTPB desire to make certain amendments to the Agreement as set forth below;

W I T N E S S E T H:

For and in consideration of the execution of this Amendment and the mutual promises and covenants of the parties hereto, it is mutually promised, understood and agreed as follows:

A. Section 4(e) of the Agreement is hereby deleted in its entirety and replaced with the following:

4. Location of and Responsibilities to Manage and Operate the MDC Incubator and Makerspace.

(e) On or before April 30, July 31, October 31, and January 31 of each year during the Term, UTPB shall provide MDC with a written report of its progress, accomplishments, and any ongoing projects or programs regarding the Incubator and Makerspace for the previous calendar quarter. At least once (1) per year during the Term and at the request of MDC, UTPB shall provide an annual report at an MDC Board of Directors meeting consisting of the above information for the previous twelve (12) month period. Upon the request of MDC, UTPB shall certify the total costs incurred by UTPB for salaries and benefits paid by UTPB for staff hired to

Exhibit A

manage and direct the operations of the Incubator and Makerspace program.

- B. The Agreement, inclusive of this Amendment, is hereby ratified and affirmed by MDC and UTPB, and the Agreement shall in all respects remain in full force and effect in accordance with its provisions and as amended above.
- C. MDC and UTPB acknowledge and agree that this Amendment shall not become effective until approved by the Midland Development Corporation Board of Directors, the Midland City Council, and the Board of Regents of The University of Texas System.

[Signature Pages Follow]

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

MIDLAND
DEVELOPMENT CORPORATION

Stephen Lowery, Chairman

ATTEST:

Jill Pennington, Secretary

THE UNIVERSITY OF TEXAS
OF THE PERMIAN BASIN

By: _____
Name: _____
Title: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me on this ____ day of _____, 2022, by _____, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he or she executed the same for the purposes and consideration therein expressed, and in the capacity therein stated.

Notary Public, State of Texas

UTPB Incubator Makerspace Reimbursement

RESOLUTION NO. _____

RESOLUTION AUTHORIZING PAYMENT IN THE AMOUNT OF \$117,051.79 TO THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN PURSUANT TO THAT CERTAIN INCUBATOR AND MAKERSPACE GRANT AGREEMENT BETWEEN THE MIDLAND DEVELOPMENT CORPORATION AND THE UNIVERSITY OF TEXAS OF THE PERMIAN BASIN

WHEREAS, the Midland Development Corporation previously entered into that certain Incubator and Makerspace Grant Agreement with the University of Texas of the Permian Basin; and

WHEREAS, the Board of Directors finds it to be in the public interest to authorize a reimbursement payment to the University of Texas of the Permian Basin pursuant to the terms of said agreement;

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

SECTION ONE. That the payment of \$117,051.79 to the University of Texas of the Permian Basin is hereby approved.

SECTION TWO. That the City Comptroller of the City of Midland, Texas, is hereby authorized and directed to pay the University of Texas of the Permian Basin the sum of \$117,051.79 from funds available in the Midland Development Corporation Fund (235) operating budget (Economic Development Incentives) (53905).

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

Directors voting "AYE":

Directors voting "NAY":

STEPHEN LOWERY,
Chairman of the Midland
Development Corporation

ATTEST:

JILL PENNINGTON,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation



THE UNIVERSITY OF TEXAS
PERMIAN BASIN

Contract: MDC Incubator Administration

For the Period
Invoice # 55021528 Fy 2021

09/01/2020/-8/31/2021

Billed To: Midland Development Corporation
200 N Loraine Street Suite 610
Midland, Tx 79701

Please Remit To:
The University of Texas of the Permian Basin
Accounting Office
4901 E. University Blvd.
Odessa TX 79762

| Description | Current Period Charges |
|---|------------------------|
| Salary -Program Coordinator hired for this project | 42,467.73 |
| Fringe- Program Coordinator hired for this project | 19,584.06 |
| vendor Kom Ferry which was for Professional Consulting Services | 55,000.00 |
| | |
| TOTAL DUE | 117,051.79 |

Print Name Felecia Burns

Title: Director of Accounting

Signature 

Date: 2/1/22

Accounting
432-552-3715

J.L. Davis Purchase
and Sale
Agreement
Amendment

RESOLUTION NO. _____

RESOLUTION RATIFYING THE CHAIRMAN OF THE MIDLAND DEVELOPMENT CORPORATION'S EXECUTION OF AN AMENDMENT TO THAT CERTAIN PURCHASE AND SALE AGREEMENT BETWEEN THE MIDLAND DEVELOPMENT CORPORATION AND THE ESTATE OF J.L. DAVIS REGARDING CERTAIN REAL PROPERTY DESCRIBED AS LOTS 1A AND 9-12, BLOCK 35, ORIGINAL TOWN OF MIDLAND, CITY OF MIDLAND, MIDLAND COUNTY, TEXAS

WHEREAS, the Board of Directors finds it to be in the public interest to ratify the Chairman of the Midland Development Corporation's execution of an amendment to that certain Purchase and Sale Agreement between the Midland Development Corporation and the Estate of J.L. Davis regarding certain real property described as Lots 1A and 9-12, Block 35, Original Town of Midland, City of Midland, Midland County, Texas;

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

SECTION ONE. That the amendment to that certain Purchase and Sale Agreement between the Midland Development Corporation and the Estate of J.L. Davis regarding certain real property described as Lots 1A and 9-12, Block 35, Original Town of Midland, City of Midland, Midland County, Texas, is hereby ratified and approved. Said amendment being attached hereto as Exhibit A and incorporated herein for all purposes.

SECTION TWO. That the City Comptroller is hereby authorized and directed to pay for the purchase of said real property and all associated costs, including title insurance and closing costs, out of funds that are available in the Midland Development Corporation annual operating budget in the Economic Development Account (53905) budget account.

SECTION THREE. That the Chairman, or his designee, is hereby authorized and directed to file, or ensure that the title company files, the instrument(s) of conveyance acquired in accordance with this Resolution in the Deed Records of Midland County, Texas. A copy of said instrument(s) of conveyance shall be maintained on file in the City Secretary's

Office.

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

Directors voting "AYE":

Directors voting "NAY":

STEPHEN LOWERY,
Chairman of the Midland
Development Corporation

ATTEST:

JILL PENNINGTON,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

AMENDMENT TO THE PURCHASE AND SALE AGREEMENT
BETWEEN
THE MIDLAND DEVELOPMENT CORPORATION
AND
THE ESTATE OF J.L. DAVIS

THIS AMENDMENT is made and effective March 9, 2022, by and between the **ESTATE OF J.L. DAVIS** ("*Seller*"), and the **MIDLAND DEVELOPMENT CORPORATION**, a Type A corporation existing under the authority of Chapter 504 of the Texas Local Government Code ("*Purchaser*").

WHEREAS, Seller and Purchaser entered into that certain Purchase and Sale Agreement dated January 25, 2022, regarding certain real property described as Lots 1A and 9-12, Block 35, Original Town of Midland, City of Midland, Midland County, Texas (the "*Agreement*"), which was approved by the Midland Development Corporation Board of Directors and the Midland City Council; and

WHEREAS, the Agreement has been in full force and effect since its effective date and has not been allowed to lapse; and

WHEREAS, Seller and Purchaser desire to make certain amendments to the Agreement as set forth below;

W I T N E S S E T H:

For and in consideration of the execution of this Amendment and the mutual promises and covenants of the parties hereto, it is mutually promised, understood and agreed as follows:

- A. Section 3(a) and Section 3(d) of the Agreement are hereby deleted in their entirety and replaced with the following:

3. Inspection Period.

- (a) Purchaser shall have until April 30, 2022, to conduct, at its expense, its due diligence with respect to the Property (the "*Inspection Period*").
- ...
- (d) Upon obtaining Seller's written consent, Purchaser shall have the option to extend the Inspection Period in increments of six (6) business days by requesting such in writing on or before the end of the Inspection Period. For every extension requested by Purchaser and consented by Seller, an amount equal to One Hundred and No/100 Dollars (\$100.00) of the Earnest Money shall not be refundable.

Exhibit A

- B. The Agreement, inclusive of this Amendment, is hereby ratified and affirmed by Seller and Purchaser, and the Agreement shall in all respects remain in full force and effect in accordance with its provisions and as amended above.

[Signature Pages Follow]


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

MIDLAND
DEVELOPMENT CORPORATION



Stephen Lowery, Chairman

ATTEST:



Jill Pennington, Secretary

Strong
Environmental
Services
Assessments

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION OF A CONSULTING SERVICES AGREEMENT WITH STRONG ENVIRONMENTAL SERVICES, LLC, IN THE AMOUNT OF \$8,727.50 FOR SERVICES RELATED TO THE PURCHASE OF CERTAIN REAL PROPERTY DESCRIBED AS LOTS 1A AND 9-12, BLOCK 35, ORIGINAL TOWN OF MIDLAND, CITY OF MIDLAND, MIDLAND COUNTY, TEXAS; AND AUTHORIZING PAYMENT FOR SAID AGREEMENT

WHEREAS, the Board of Directors finds it to be in the public interest to ratify and approve a Consulting Services Agreement with Strong Environmental Services, LLC, in the amount of \$8,727.50 for services related to the purchase of certain real property described as Lots 1A and 9-12, Block 35, Original Town of Midland, City of Midland, Midland County, Texas;

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

SECTION ONE. That the Executive Director is hereby authorized and directed to execute the above-referenced Consulting Services Agreement with Strong Environmental Services, LLC. Said Agreement being in a form substantially similar to that of Exhibit A, which is attached hereto and incorporated herein for all purposes.

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

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

Directors voting "AYE":

Directors voting "NAY":

STEPHEN LOWERY,
Chairman of the Midland
Development Corporation

ATTEST:

JILL PENNINGTON,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

CONSULTING SERVICES AGREEMENT

THIS AGREEMENT is made and effective the 4th day of April 2022, by and between the MIDLAND DEVELOPMENT CORPORATION, a Type A corporation pursuant to Chapter 504 of the Texas Local Government Code, as amended (“MDC”), and STRONG ENVIRONMENTAL SERVICES, LLC (“COMPANY”).

ARTICLE I. PURPOSE

The purpose of this Agreement is to state the terms and conditions under which COMPANY shall perform certain consulting services related to performing sample collection and TCLP (Toxicity Characteristic Leaching Procedure) and analysis of materials previously identified as lead containing at 211 North Colorado Street and 210 North Big Spring Street, Midland, Texas 79701 (hereinafter also referred to as the “*Project*”) for MDC.

ARTICLE II. SERVICES TO BE PERFORMED

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

ARTICLE III. FINANCIAL CONSIDERATIONS

MDC agrees to pay COMPANY in an amount not to exceed \$8,727.50 for the consulting services described in **Exhibit A**. MDC agrees to pay COMPANY according to the schedule set forth in **Exhibit A**. The MDC Executive Director, or his/her designee, must approve all additional expenses and reimbursable expenses in advance. Within thirty (30) days of the date on which COMPANY’s invoice is received by MDC, MDC shall pay the full amount of such invoice; provided, however, that if MDC objects to any portion of an invoice, MDC shall notify COMPANY of MDC’s objection and the grounds thereof within fifteen (15) days of the date of receipt of the invoice, and the parties shall immediately make every effort to settle the disputed

Exhibit A

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

ARTICLE IV. TERM

The term of this Agreement shall be from **April 4, 2022 until April 30, 2022**, unless the Project is completed sooner or the Agreement is terminated as provided below.

ARTICLE V. TERMINATION AT WILL

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

ARTICLE VI. ASSIGNMENT

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

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

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

ARTICLE VIII. INDEPENDENT CONTRACTOR

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

ARTICLE IX. INSURANCE

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

Commercial General Liability (including Contractual liability):

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

-Property Damage: \$500,000.00 per occurrence

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

Workers’ Compensation: Statutory limits

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

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

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

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

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

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

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

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

with state law is the sole responsibility of COMPANY.

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

ARTICLE X. ATTORNEY FEES

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

COMPANY AGREES THAT THIS IS THE VOLUNTARY AND INTENTIONAL (i) RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY EXISTING KNOWN RIGHT AND (ii) ASSUMPTION OF A FUTURE OBLIGATION IN THE EVENT THAT COMPANY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING AGAINST MDC RELATED TO THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY ACTION PURSUANT TO

THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGEMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, ET SEQ., AS AMENDMED). COMPANY ACKNOWLEDGES THAT COMPANY UNDERSTANDS ALL TERMS AND CONDITIONS OF THE AGREEMENT. COMPANY FURTHER ACKNOWLEDGES AND AGREES THAT THERE WAS AND IS NO DISPARITY OF BARGAINING POWER BETWEEN COMPANY AND MDC. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OF GOVERNMENTAL IMMUNITY.

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

ARTICLE XI. GOVERNMENTAL IMMUNITY

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

ARTICLE XII. NO THIRD-PARTY BENEFICIARIES

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

ARTICLE XIII. RELEASE

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

AGREEMENT.

ARTICLE XIV. INDEMNITY

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

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

OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES.

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

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

ARTICLE XV. GENERAL PROVISIONS

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

B. Governing Law and Venue. The laws of the State of Texas shall govern, construe and enforce all rights and duties of the Parties, including, but not limited to, tort claims and any contractual claims or disputes arising from or relating in any way to the subject matter of this Agreement, without regard to conflict of laws and rules that would direct application of the laws

this Agreement, and duly executed by the parties to this Agreement.

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

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

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

The statutory prerequisites outlined herein constitute jurisdictional requirements pursuant to Section 271.154 of the Texas Local Government Code and Section 311.034 of the Texas Government Code. Notwithstanding any other provision, COMPANY'S failure to comply with the requirements herein shall perpetually bar COMPANY'S claim for damages under Chapter 271 of the Texas Local Government Code, and Section 311.034 of the Texas Government Code,

regardless if MDC has actual or constructive notice or knowledge of said claim or alleged damages. COMPANY agrees that the requirements of this entire Agreement are reasonable. The provisions of this Section shall survive the termination of this Agreement.

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

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

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

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

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

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

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

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

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

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

[Signature Pages Follow]

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

MIDLAND DEVELOPMENT CORPORATION

Sara Harris, Executive Director

[Signature Page Follows]

COMPANY:

By: _____

Name: _____

Title: _____

STATE OF _____ §

§

COUNTY OF _____ §

§

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

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

Notary Public, State of _____

Strong Environmental Services, LLC

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

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

March 23, 2022

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

Re: Price Request – TCLP Lead Assessment for Demolition - JL Davis Properties

To Whom It May Concern,

As requested, Texas Consulting Services has assembled the following price request for the properties collectively known as the “JL Davis Properties” including: 211 N. Colorado, 221 N. Colorado and 210 N. Big Spring. This price request is based on performing sample collection and TCLP (Toxicity Characteristic Leaching Procedure) and analysis of materials previously identified as lead containing in the subject properties.

TCLP Sample Collection and Analysis:

The purpose of this sampling is to determine if lead containing paint in the facilities exceeds the 5mg/L threshold for toxic waste according to OSHA 29 CFR 1926. TCLP lead analysis and summary reporting would be complete within 7-10 business days of on-site inspection. Sampling would be performed over 2 business days. Sampling protocol would include sampling facilities according to known buildout history (3 floors for 211 N. Colorado, 1 floor for 221 N. Colorado and 2 floors for 210 N. Big Spring). Materials identified but not limited to doors, walls, and various other construction materials known to be lead containing would be sampled as representative of demolition debris for the purpose of comparing to the OSHA CFR thresholds. Sampling is to include up to 50 bulk matrix samples for submission to a qualified laboratory for analysis. Price request includes all labor, insurance, samples and reporting as described herein.

The price request for the services is as follows:

- *TCLP Lead Assessment & Reporting: \$8,727.50*

Exhibit A

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

Respectfully submitted,



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

Client Approval

Date

Midland
Development
Corporation Bank
Account
Signatories

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING SIGNATORIES ON
MIDLAND DEVELOPMENT CORPORATION BANK
ACCOUNTS**

WHEREAS, the Midland Development Corporation Board of Directors finds it to be in the public interest to authorize withdrawals from all bank accounts held by the Midland Development Corporation by the individuals listed in Section One hereof;

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

SECTION ONE. That the following individuals are hereby authorized to withdraw funds from all bank accounts held by the Midland Development Corporation: Stephen Lowery; Chase Gardaphe; Berry Simpson; P. Lourcey Sams; Jill Pennington; Brad Bullock; Lucy Sisniega, and Sara Harris.

SECTION TWO. That two (2) signatures shall be required for withdrawal amounts over \$2,500.00, and for any employee expense reimbursement over \$500.00.

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

Directors voting "AYE":

Directors voting "NAY":

STEPHEN LOWERY,
Chairman of the Midland
Development Corporation

ATTEST:

JILL PENNINGTON,
Secretary of the Midland
Development Corporation

APPROVED ONLY AS TO FORM:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

Income Statement

MIDLAND DEVELOPMENT CORPORATION
INCOME STATEMENT FOR THE 6 MONTHS ENDED
March 31, 2022

| | Mar-22 | YTD | Budgeted Amount |
|---------------------------------------|-----------------------|-----------------------|------------------------|
| Revenue | \$1,066,135.82 | \$5,042,411.89 | \$10,976,644.00 |
| 40100 - State Sales Tax | \$983,421.74 | \$4,549,364.60 | \$10,000,000.00 |
| 40600 - Public ROW Use Fees | \$0.00 | \$0.00 | \$0.00 |
| 43000 - Interest | \$412.54 | \$909.79 | \$0.00 |
| 43010 - Interest - Nonpooled Invest | \$914.54 | \$3,815.50 | \$0.00 |
| 46190 - Miscellaneous Rentals | \$81,387.00 | \$488,322.00 | \$976,644.00 |
| 4235150 - Midland Dvlpmt Corp Revenue | \$1,066,135.82 | \$5,042,411.89 | \$10,976,644.00 |

| Expense | \$318,021.18 | \$6,943,072.55 | \$21,110,973.00 |
|--|---------------------|-----------------------|------------------------|
| 51010 - Base Salary | \$23,974.18 | \$132,588.23 | \$350,493.00 |
| 51090 - Fica MDC Portion | \$1,836.41 | \$8,707.11 | \$28,442.00 |
| 51110 - Health Insurance | \$1,201.70 | \$3,775.12 | \$30,180.00 |
| 51135 - ACCE Profit Sharing | \$0.00 | \$725.00 | \$24,535.00 |
| 52010 - Office Supplies | \$158.30 | \$3,090.47 | \$6,000.00 |
| 52110 - Motor Vehicle Supplies | \$450.24 | \$824.10 | \$1,000.00 |
| 52115 - Minor Furniture & Fixtures | \$0.00 | \$0.00 | \$500.00 |
| 52155 - Minor Computer Hrdwre & Periph | \$0.00 | \$49.98 | \$5,000.00 |
| 52160 - Computer Software & Supplies | \$378.86 | \$30,797.33 | \$25,000.00 |
| 52620 - Postage | \$128.32 | \$128.32 | \$300.00 |
| 53010 - Communication | \$1,279.95 | \$7,975.41 | \$17,000.00 |
| 53030 - Light & Power | \$9.00 | \$44.78 | \$150.00 |
| 53110 - Insurance-External | \$3,009.00 | \$4,341.00 | \$110,000.00 |
| 53212 - Equipment Rental-External | \$361.50 | \$1,917.07 | \$5,000.00 |
| 53220 - Advertising | \$28,766.30 | \$135,587.06 | \$200,000.00 |
| 53370 - Grounds Maintenance | \$985.00 | \$7,705.56 | \$12,000.00 |
| 53405 - Software Maintenance | \$1,112.53 | \$6,773.68 | \$12,000.00 |
| 53440 - External Audit Fees | \$6,477.00 | \$25,411.00 | \$24,000.00 |
| 53450 - Consulting Fees | \$47,463.83 | \$134,591.38 | \$250,000.00 |
| 53510 - Travel & Entertainment | \$1,794.60 | \$2,355.44 | \$8,000.00 |
| 53520 - Dues & Subscriptions | \$526.70 | \$4,203.84 | \$20,000.00 |
| 53530 - Training,Registration Fees,Etc | \$1,611.70 | \$4,605.70 | \$8,000.00 |
| 53905 - Economic Development Incentive | \$0.00 | \$0.00 | \$4,527,925.00 |
| 53907 - Business Recruitment & Retentn | \$213.52 | \$21,616.72 | \$50,000.00 |
| 53909 - Prior Year Committed Incentives | \$17,111.00 | \$5,268,294.59 | \$9,798,329.00 |
| 53920 - Rent | \$5,540.00 | \$33,240.00 | \$75,000.00 |
| 54010 - Building Maintenance | \$7,256.73 | \$24,105.90 | \$80,000.00 |
| 55120 - Maint. - Instruments & Appara. | \$110.23 | \$401.70 | \$1,000.00 |
| 56188 - MOTRAN | \$71,250.00 | \$142,500.00 | \$142,500.00 |
| 56202 - General Fund Services | \$32,557.08 | \$195,342.52 | \$390,619.00 |
| 56410 - Payment of Principal | \$0.00 | \$0.00 | \$60,000.00 |
| 56420 - Interest Expense | \$0.00 | \$0.00 | \$12,000.00 |
| 56910 - Depreciation Expense | \$0.00 | \$161,688.20 | \$336,000.00 |
| 56995 - Project Non Capital - Promotions | \$25,000.00 | \$213,512.72 | \$1,000,000.00 |
| 57001 - Capital Buildings & Structures | \$37,457.50 | \$135,457.50 | \$0.00 |
| 57002 - Capital Improve Other Than Bldg | \$0.00 | \$0.00 | \$3,500,000.00 |
| 57070 - Construction in Process | \$0.00 | \$230,715.12 | \$0.00 |
| 235235 - Midland Development Corp | \$318,021.18 | \$6,943,072.55 | \$21,110,973.00 |

March 2022 Net Income: \$748,114.64

Year-to-Date Net Income: (\$1,900,660.66)

Balance Sheet

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

ASSETS

Current Assets

| | | |
|---------------------------|------------|------------|
| Cash and cash equivalents | 23,181,765 | |
| Sales tax receivable | - | |
| Prepaid expenses | - | |
| Accounts receivable | - | |
| | - | 23,181,765 |

Non-Current Assets

| | | |
|----------------------------|------------|------------|
| Capital Assets, net | 21,893,788 | |
| Forgivable Loans | | |
| Made to Primary Government | - | |
| Made to Other | 6,579 | |
| Total Forgivable Loans | 6,579 | |
| | | 21,900,367 |

| | | |
|--------------|--|---------------|
| Total Assets | | \$ 45,082,132 |
|--------------|--|---------------|

LIABILITIES AND NET POSITION

Liabilities

| | | |
|---------------------------|------------|------------|
| Accounts payable | 55,646 | |
| Retainage Payable | 330 | |
| Capital Leases payable | 93,357 | |
| Commitments payable | | |
| Due within one year | 6,556,374 | |
| Due in more than one year | 8,438,358 | |
| Total Commitments Payable | 14,994,732 | |
| | | 15,144,065 |

Net Position

| | | |
|----------------------------------|------------|------------|
| Net investment in capital assets | 21,893,788 | |
| Restricted for Forgivable Loans | 6,579 | |
| Restricted for Capital Leases | 93,357 | |
| Promotions | 1,527,334 | |
| Unrestricted | 6,417,009 | |
| | 6,417,009 | 29,938,067 |

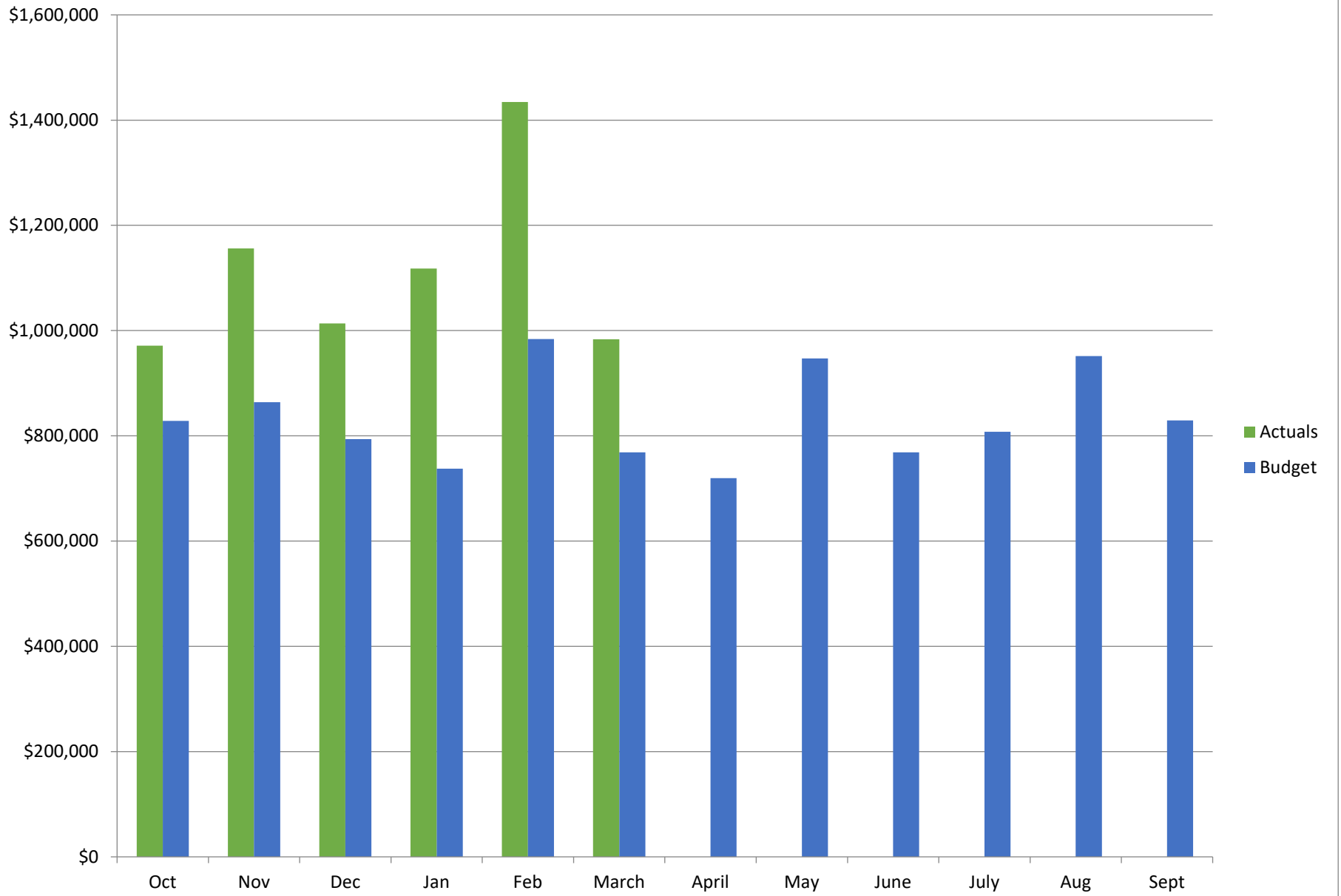
| | | |
|------------------------------------|--|---------------|
| Total Liabilities and Net Position | | \$ 45,082,132 |
|------------------------------------|--|---------------|

Sales Tax

Sales Tax Variance

| | 2019-2020 | 2020-2021 | % Change | 2020-2021 | 2021-2022 | % Change | YTD Change |
|---------------------|------------------------|------------------------|----------------|------------------------|-----------------------|----------|------------|
| October | \$1,219,993.44 | \$1,203,058.10 | -1.39% | \$1,203,058.10 | \$971,343.63 | -19.26% | -19.26% |
| November | \$1,266,357.10 | \$983,259.60 | -22.36% | \$983,259.60 | \$1,156,353.89 | 17.60% | -2.68% |
| December | \$1,263,226.93 | \$843,087.27 | -33.26% | \$843,087.27 | \$1,013,549.80 | 20.22% | 3.69% |
| January | \$1,036,178.70 | \$752,584.05 | -27.37% | \$752,584.05 | \$1,117,874.02 | 48.54% | 12.62% |
| February | \$1,279,615.49 | \$1,224,314.99 | -4.32% | \$1,224,314.99 | \$1,434,528.04 | 17.17% | 13.73% |
| March | \$966,824.94 | \$783,914.25 | -18.92% | \$783,914.25 | \$983,421.74 | 25.45% | 15.32% |
| April | \$1,006,559.17 | \$687,198.37 | -31.73% | \$687,198.37 | | | |
| May | \$1,251,139.57 | \$1,198,336.79 | -4.22% | \$1,198,336.79 | | | |
| June | \$897,050.21 | \$927,060.71 | 3.35% | \$927,060.71 | | | |
| July | \$876,285.08 | \$909,387.44 | 3.78% | \$909,387.44 | | | |
| August | \$1,074,175.26 | \$1,176,070.55 | 9.49% | \$1,176,070.55 | | | |
| September | \$834,182.16 | \$978,956.15 | 17.36% | \$978,956.15 | | | |
| Annual Total | \$12,971,588.05 | \$11,667,228.27 | -10.06% | \$11,667,228.27 | \$6,677,071.12 | | |

Sales Tax Actuals vs Budget Estimates



Activity Report

MIDLAND AIR AND SPACE PORT

High-Speed Airspace Corridor Feasibility Study

March 2022

Prepared For:



Prepared By:



Introduction

The Midland Development Corporation (MDC) commissioned a study to assess the feasibility of developing high-speed airspace corridors accessible from Midland International Air and Space Port (MAF) to support a range of potential aerospace systems that include subsonic and supersonic aircraft, hypersonic systems, and suborbital launch vehicles. As part of this effort, Kimley-Horn assisted MDC with the planning, execution, and delivery of a National Airspace System (NAS) simulation model. Kimley-Horn validated the simulation model with the Federal Aviation Administration (FAA) and other key stakeholders to evaluate the NAS impacts of the proposed corridors on anticipated aircraft activity during MAF operations and to identify periods when there would be the least projected impact on current NAS operations. The results of the study are the basis for this document.

PROJECT BACKGROUND

MDC, MAF, InterFlight Global (IFG), Kimley-Horn, and other industry stakeholders have been engaged in technical discussions regarding the use of airspace around MAF for high-speed missions for many years prior to this study's commencement. In February 2020, Kimley-Horn completed an initial "Phase 1" study, which investigated the extension of existing Part 420 licensed flight corridors at MAF. The resulting options for possible extension are shown in **Figure 1**.

One of the recommendations that resulted from the Phase 1 study was to refine a preferred corridor option through modeling and simulation. Thus, this current high-speed airspace corridor feasibility study, also referred to as "Phase 2," is an evolution of the previous analysis. It focuses on Option C, which is conceptualized as a high-speed airspace corridor connecting MAF and Spaceport America and would be capable of accommodating a variety of high-speed missions to include subsonic, supersonic, hypersonic, and point-to-point suborbital missions.

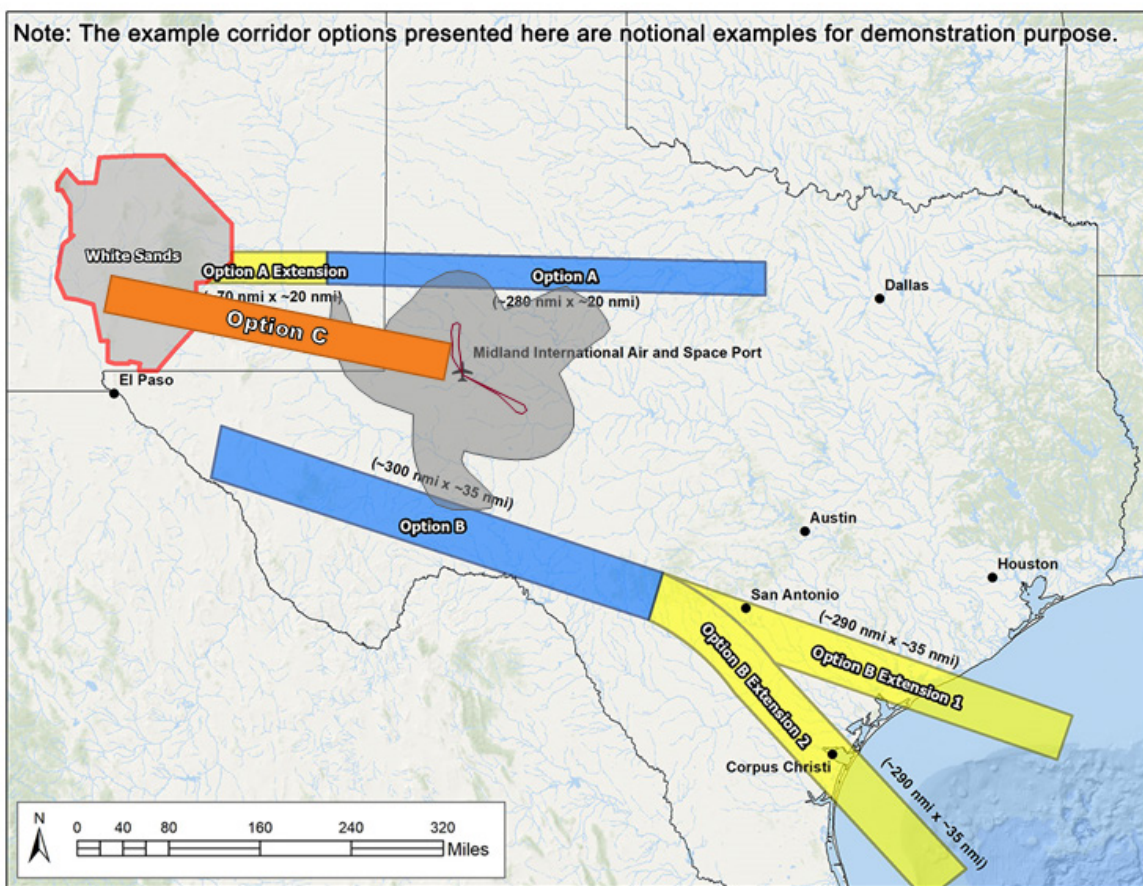


Figure 1. Options for Airspace Extension at MAF (Phase 1)

METHODOLOGY

Kimley-Horn's methodology for the study was comprised of three major components 1) airspace design, 2) modeling and simulation and 3) recommendations (see **Figure 2**).

As part of the airspace design process, Kimley-Horn used the FAA Terminal Area Route Generation Evaluation and Traffic Simulation (TARGETS) tool to identify existing airspace structure, low-altitude and high-altitude airways, and navigational aids. Kimley-Horn also used TARGETS to incorporate conceptual airspace design for the high-speed airspace corridors. As stated on the TARGETS website (<https://targets.cssiinc.com/>), "the integrated capabilities of TARGETS enable quick assessment of alternative design concepts, leading to robust solutions that satisfy operational needs and comply with design constraints."

As part of the modeling and simulation effort, Kimley-Horn incorporated the conceptual airspace design from TARGETS into the Dynamic Air Traffic Management (ATM) Research Technology (DART) tool, which is a weather-aware, superfast-time NAS/ATM simulator model. Kimley-Horn used DART to generate air traffic simulations and generate metrics for further analysis and post-processing.

Following analysis and post-processing of the simulation results, Kimley-Horn identified areas for further study and additional data analysis recommended on the results. These recommendations are provided at the conclusion of this document.

STAKEHOLDER COORDINATION AND INPUT

An integral aspect of this high-speed airspace corridor feasibility study was the engagement of stakeholders throughout the process. MDC, MAF and Kimley-Horn engaged the FAA on this effort as early as the scoping process. Technical interchange meetings were conducted throughout the study, which included participation from various lines of business within the FAA such as the Office of Commercial Space Transportation (AST), Office of Airports (ARP), Air Traffic Organization (ATO), military stakeholders, and Spaceport America. Kimley-Horn met with commercial space Original Equipment Manufacturers (OEMs) at MAF and presented initial study findings to attendees at the Midland High-Speed Aerospace Transportation (HSAT) Workshop in December 2021.

As part of the Phase 1 and Phase 2 study efforts, Kimley-Horn also conducted stakeholder surveys to gather information on anticipated airspace requirements. Along with survey input, several OEMs provided notional trajectory data to support the design of the corridor. Due to the sensitive and proprietary nature of this information, the detailed trajectory data was not included in this document; however, the resulting airspace design concepts for the high-speed airspace corridors have considered these dimensional requirements.

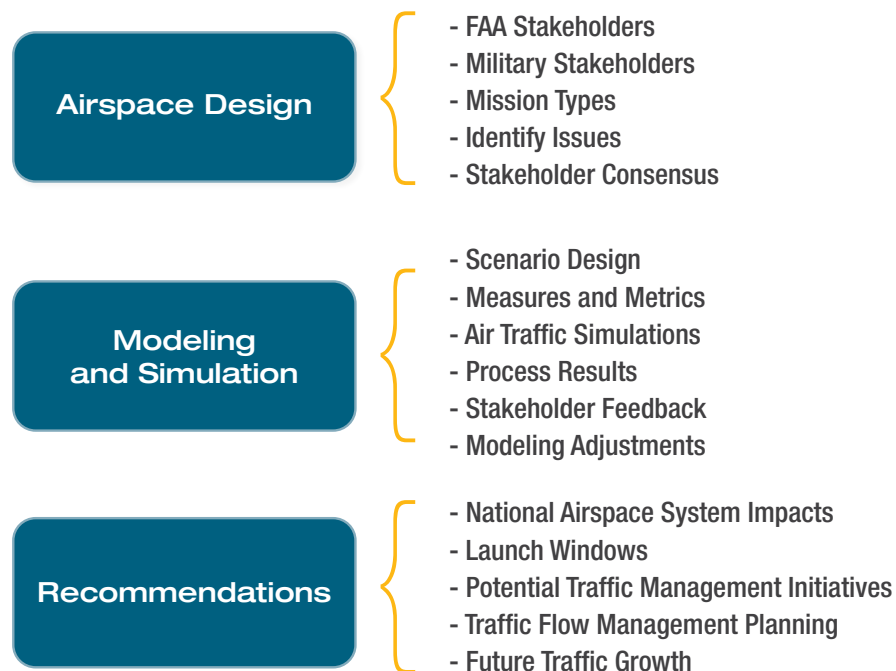


Figure 2. Methodology

AIRSPACE DESIGN

During the Phase 2 study effort, Kimley-Horn modeled the airspace structure near MAF extending to White Sands Missile Range (WSMR) and Spaceport America including current FAA aircraft flight routings, controlled airspace sectors from Albuquerque (ZAB) and Fort Worth (ZFW) Air Route Traffic Control Centers (ARTCCs), Midland Class C airspace, and WSMR-restricted airspace.

The distance between MAF and Spaceport America is approximately 250 nautical miles. Kimley-Horn designed a bidirectional conceptual high-speed airspace corridor connecting MAF and Spaceport America that is approximately 200 nautical-miles long (to the WSMR airspace boundary) and 20 nautical-miles wide from the Surface (SFC) to 60,000 feet (FT) (FL600). The corridor is depicted differently within the WSMR restricted airspace (in other words, the 50 nautical miles closest to Spaceport America), as that airspace falls under the jurisdiction of Department of Defense and its scheduling requirements; thus, requiring advanced planning for mission-specific commercial space usage.

While it is not anticipated that a high-speed airspace corridor implemented in this location would be SFC to FL600, this floor and ceiling represent the most conservative design, such that when the design is carried forward to simulation, that it represents the “worst-case” scenario for NAS impacts. Kimley-Horn also designed a conceptual connector airspace from 7001 FT to FL600 to bridge the Midland Class C airspace to the corridor. It is important to note that the Midland Class C airspace has a ceiling of 7,000 FT and is managed by Midland Tower Air Traffic Controllers for the commercial traffic to/from the airport during spaceport operations.

As mentioned above, the high-speed airspace corridors connecting MAF and Spaceport America have been designed to accommodate a variety of high-speed missions to include subsonic, supersonic, and hypersonic flight as shown in **Figure 3**, with the initial focus on point-to-point suborbital missions. **Figure 4** shows the final conceptual airspace corridor design for point-to-point missions. It is important to note that while Kimley-Horn developed a number of airspace design concepts, only the corridor designed specifically point-to-point missions was simulated for this feasibility study.

Figure 5 provides another view of the final conceptual airspace corridor design for point-to-point missions. The airspace is depicted in 3-dimensions and features Military Operations Areas (MOAs), WSMR restricted airspace along with ZAB and ZFW airspace that contains en route sectors. For visualization purposes, a notional flight trajectory is included to represent a conceptual point-to-point mission from MAF to Spaceport America.

Modeling and Simulation

Once the airspace design was complete for the point-to-point airspace corridor, Kimley-Horn integrated the that design into DART. Kimley-Horn built a baseline infrastructure model that contains all the restricted airspace, en route sector airspace, Midland Class C airspace, MAF runways, MAF airport departure and arrival procedures, and Jet and Victor (low altitude) airways. It is important to note that the integration of the airspace corridor in DART is an iterative process where the geometric coordinates are translated into a simulation readable format, then tested within the model to verify the correct translation of the airspace, while also developing an airspace schedule file. After the schedule for both the corridor and WSMR restricted airspace was completed, Kimley-Horn conducted additional testing to verify the schedule

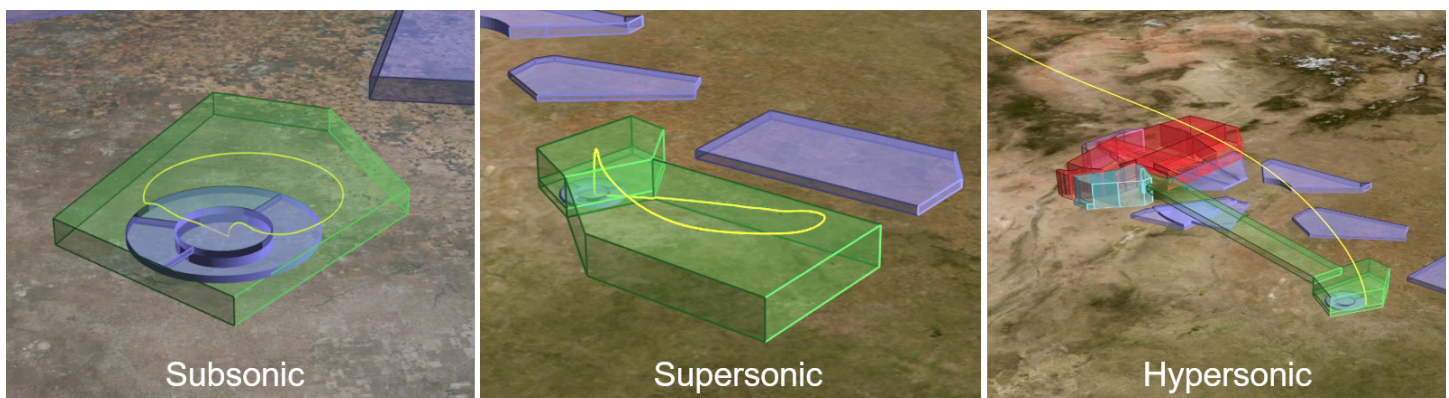


Figure 3. Subsonic, Supersonic, and Hypersonic Corridor Design Concepts

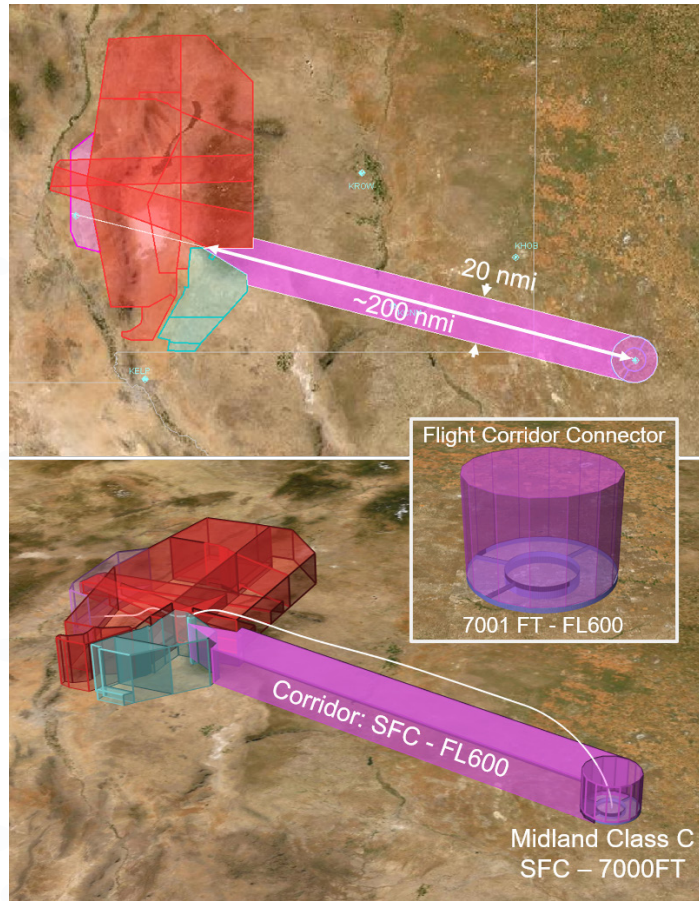


Figure 4. Point-To-Point Airspace Corridor Design

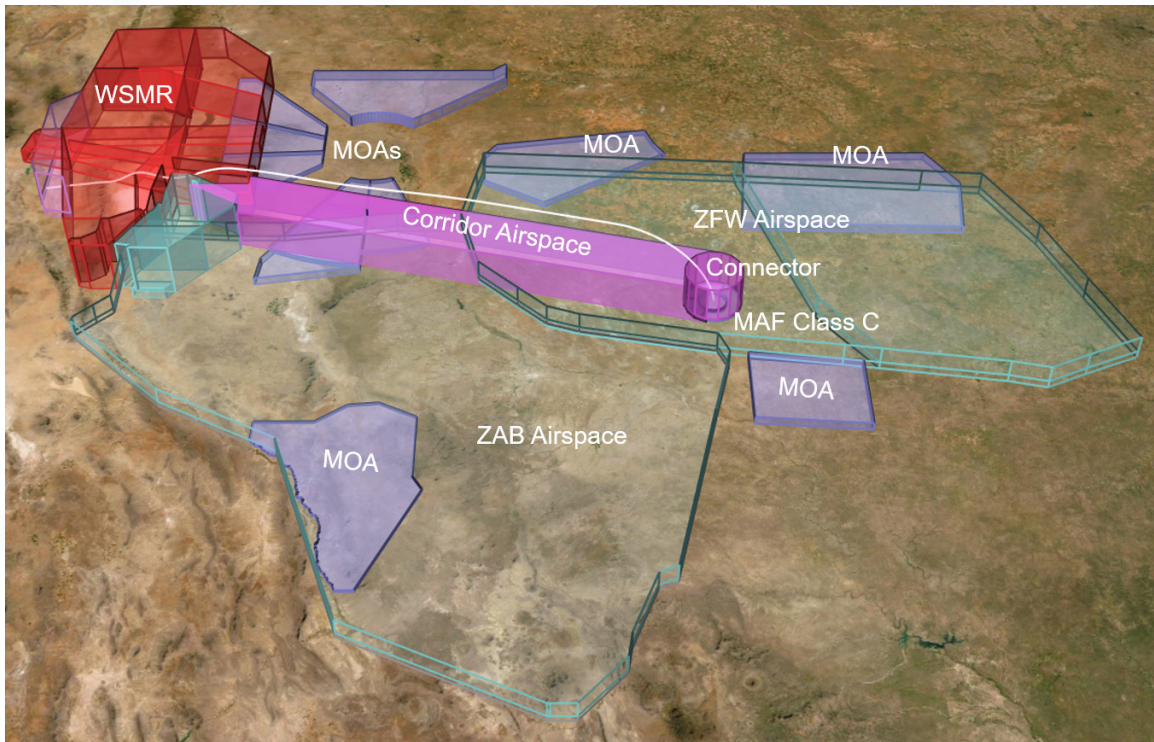


Figure 5. Final Conceptual Airspace Corridor Design for Point-to-Point Missions

was functioning per design. A major component of the simulation model is selecting and creating an air traffic file from FAA flight plans. These plans include all traffic in the NAS that filed an Instrument Flight Rules (IFR) flight plans for any given day. For management of the simulation model runs, Kimley-Horn created a scenario matrix, set up computer batch files, generated software tools to post-process results, and built graphics templates to interpret results.

Key Considerations for the Simulation Model

- » DART used commercial flight plans from calendar year 2019 (pre-COVID) based on the highest traffic volume days to simulate the maximum NAS impact scenarios
- » DART has the capability to run a full year of NAS data; however, for the purposes of this analysis, Kimley-Horn used 28 representative high-volume days that could generate the required metrics
- » Simulation validation of the baseline model consisted of simulating actual FAA flight plans (not flight-track data) and routings that were used for each day; these flight plans account for all route amendment changes issued by air traffic controllers
- » DART leverages functionality to include convective weather periods and Traffic Management Initiatives (TMIs) as issued by the FAA, which were considered in this study
- » DART contains all air traffic in the continental U.S. and any Special Use Airspace (SUA) that exists within the country
- » DART processes the full NAS, generating large output datasets; however, Kimley-Horn chose to limit flight metrics for operations for West Texas and Eastern New Mexico traffic for the operations near MAF to better focus on flights impacted by an active high-speed airspace corridor

Scenario Matrix

A well-planned simulation exercise requires a concise scenarios matrix to set up and collect data in an organized manner. For this study, Kimley-Horn selected 28 baseline days to account for peak traffic during weekdays and higher traffic levels during the weekends. The corridor scenarios consisted of 17 mission start-time periods for a total of 476 airspace corridor simulation scenarios capturing a statistically significant sample of air traffic throughout the year. **Figure 6** shows the scenario matrix for the simulations in the analysis. The days were selected by comparing the volume of air traffic in every day in 2019 and modeling the 28 highest volume traffic days. After determining that no weekends were in the highest traffic days, five Saturdays and five Sundays with high-traffic volume were selected to represent the worst-case scenario (from a traffic-volume perspective) to understand NAS impacts for point-to-point corridor missions.

The mission start times are on the top of the matrix in Greenwich Mean Time (GMT) in two-hour increments. For example, the start time, 1200z, corresponds to 0600 local Midland time, and signifies the simulation scenario in which the corridor is active from 1200z to 1400z. The two-hour increment for corridor activation was selected based on conversations with OEMs and the FAA ATO as to the time required to support a point-to-point missions between MAF and Spaceport America. It is important to note that there were no simulations performed for the night hours (0500z–1000z) due to the very low volume of traffic and the increase in noise sensitivity during nighttime hours.

Simulation Implementation

Kimley-Horn performed the simulations using DART and processed data for each of the scenarios specified in the scenario matrix. **Figures 7** and **8** show 2-dimensional and 3-dimensional screen captures, respectively, from the simulation model depicting a single simulation run with aircraft rerouting around WSMR and the corridor. It is important to note that aircrafts are rerouted to the north and south of the corridor when the corridor airspace is considered active. Both figures display red, yellow, and green hexagonal cells, which represent convective weather in the area on that simulation day. For example, red cells have the most severe weather impacts and thus, the model reroutes traffic around these cells. Therefore, in this example, in addition to the aircraft are being rerouted around WSMR and the active corridor, they also are being rerouted around convective weather. This results in additional delays to the system if the weather is close to Midland during spaceport operations.

| CASE | DATE | DOW | MORNING | | | | | | AFTERNOON | | | | | | EVENING | | | | | NIGHT | | | | | | | |
|------|------------|-----|----------|-------|-------|-------|-------|-------|-----------|-------|-------|-------|-------|-------|---------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--|
| | | | 1100Z | 1200Z | 1300Z | 1400Z | 1500Z | 1600Z | 1700Z | 1800Z | 1900Z | 2000Z | 2100Z | 2200Z | 2300Z | 0000Z | 0100Z | 0200Z | 0300Z | 0400Z | 0500Z | 0600Z | 0700Z | 0800Z | 0900Z | 1000Z | |
| 1 | 04/12/2019 | Fri | WEEKDAYS | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | | |
| 2 | 04/18/2019 | Thu | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 3 | 04/25/2019 | Thu | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 4 | 05/02/2019 | Thu | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 5 | 05/09/2019 | Thu | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 6 | 05/15/2019 | Wed | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 7 | 05/16/2019 | Thu | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 8 | 05/17/2019 | Fri | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 9 | 05/24/2019 | Fri | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 10 | 05/30/2019 | Thu | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 11 | 06/06/2019 | Thu | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 12 | 08/22/2019 | Thu | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 13 | 08/29/2019 | Thu | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 14 | 08/30/2019 | Fri | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 15 | 09/12/2019 | Thu | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 16 | 09/26/2019 | Thu | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 17 | 10/03/2019 | Thu | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 18 | 10/17/2019 | Thu | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 19 | 06/02/2019 | Sun | WEEKENDS | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | | |
| 20 | 07/06/2019 | Sat | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 21 | 08/24/2019 | Sat | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 22 | 08/25/2019 | Sun | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 23 | 09/21/2019 | Sat | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 24 | 09/29/2019 | Sun | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 25 | 10/05/2019 | Sat | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 26 | 10/19/2019 | Sat | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 27 | 10/27/2019 | Sun | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |
| 28 | 12/01/2019 | Sun | | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | • | | | | | | | | |

Figure 6. Simulation Scenario Matrix

To evaluate the worst-case scenario, the 18 most high traffic weekdays and 10 most high traffic weekends are summarized in **Figure 6** and modeled for the analysis to establish feasibility.

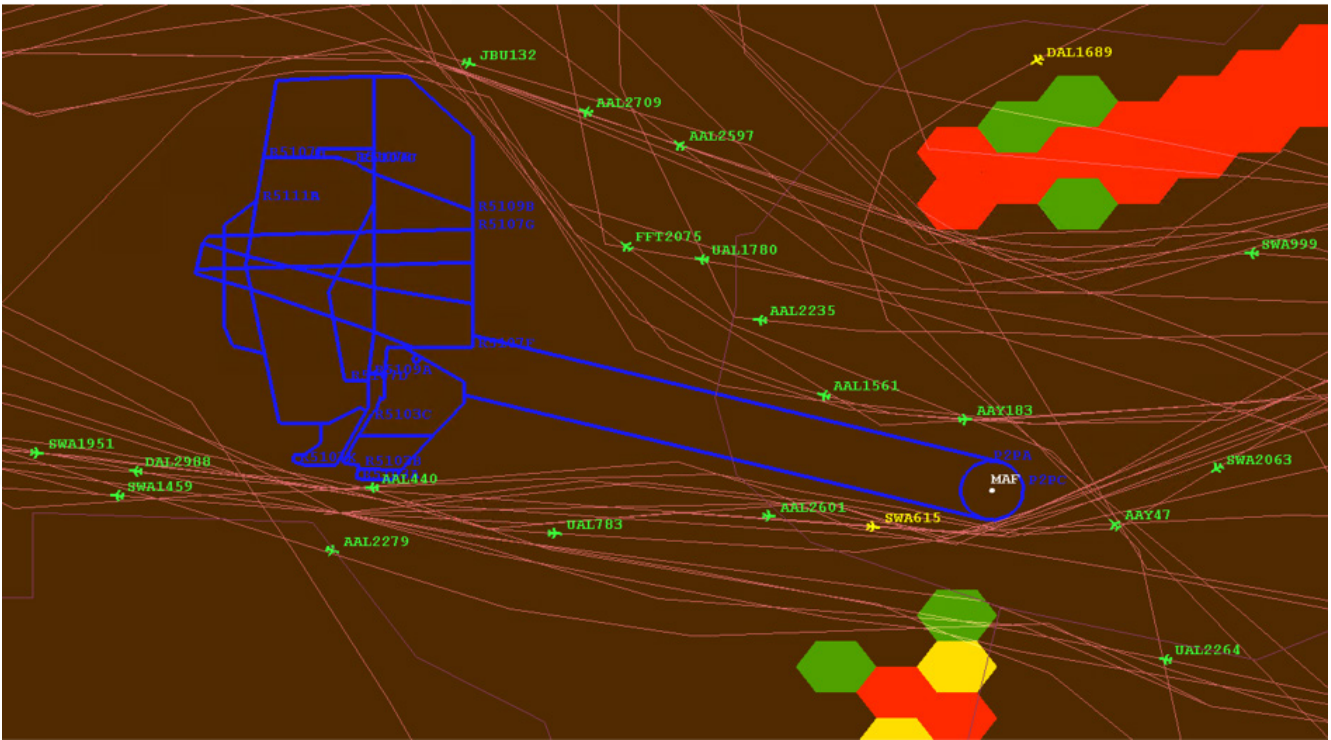


Figure 7. Point-To-Point Simulation Model 2-Dimensional Screen Capture

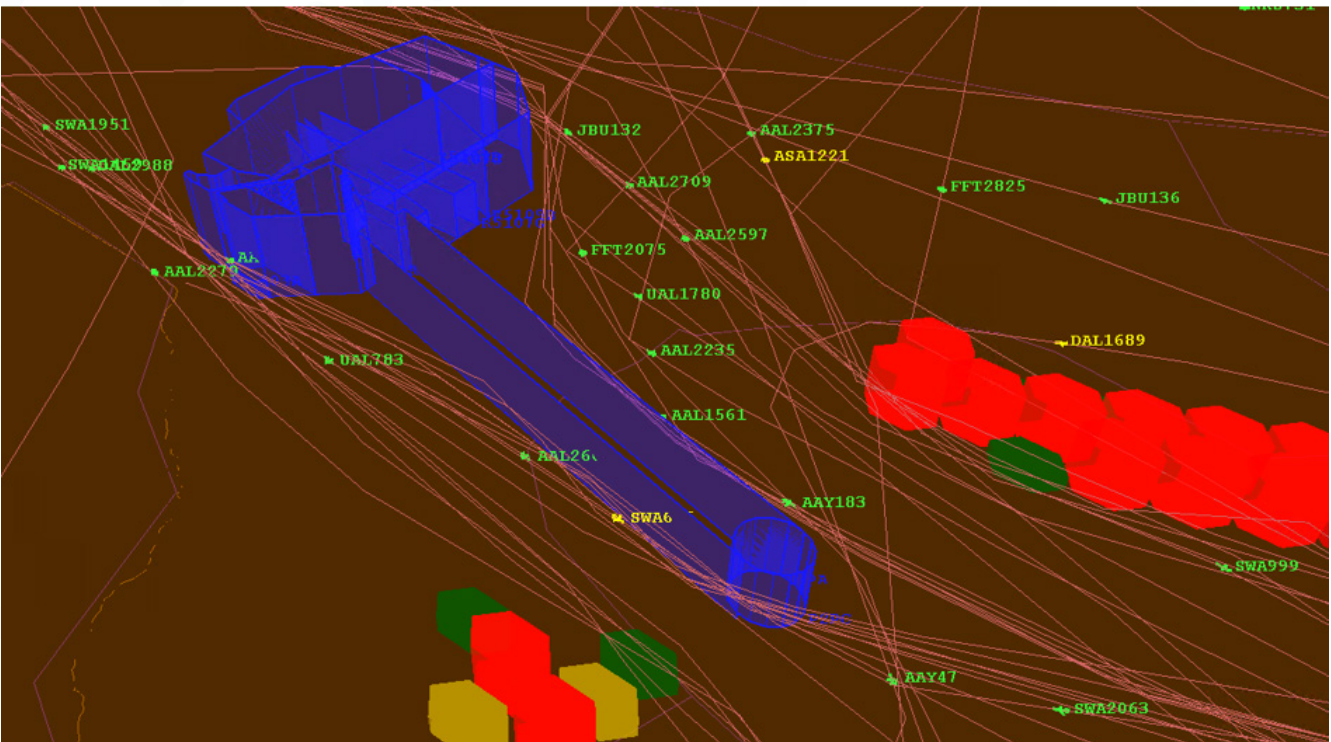


Figure 8. Point-To-Point Simulation Model 3-Dimensional Screen Capture

PERFORMANCE METRICS

After the simulation runs were complete, Kimley-Horn post-processed the results to extract performance metrics to better understand the impact of the corridor on NAS operations, including:

1. The additional miles flown for commercial air traffic when the corridor is active
2. The potential ground and airborne delays to avoid in-flight-rerouting of aircraft
3. The potential airspace sector congestion due to rerouted aircraft

As previously discussed, these measures were collected assuming the corridor was active from the SFC to FL600. For the simulation model outputs, the performance metrics were applied to understand the impact of the corridor on NAS commercial flights as measured using miles flown, delays, and airspace capacity. These performance metrics are illustrated for a single flight in **Figure 9** below.

Miles flown are the recorded distance of an individual flight from the origin airport to the destination airport based on the initial flight plan. If the flight path is augmented due to weather, airspace congestion, and reroutes, the accumulated additional distance will be recorded. Flights also could experience short cuts in the route to reduce the total planned distance to fly. For this study, surface and airborne delays were aggregated into a single value that is the summation of each component from the simulation output, i.e., the ground delays include all the departure and arrival delay components. Similarly, the airborne delays included additional flight time for all the components shown in Figure 9. The airspace sector capacity was measured from the simulation for FAA en route sectors from ZAB and ZFW that are in the vicinity of MAF and would be impacted when the point-to-point flight corridor is active. Additional details in the application and results of these metrics are discussed in the following sections.

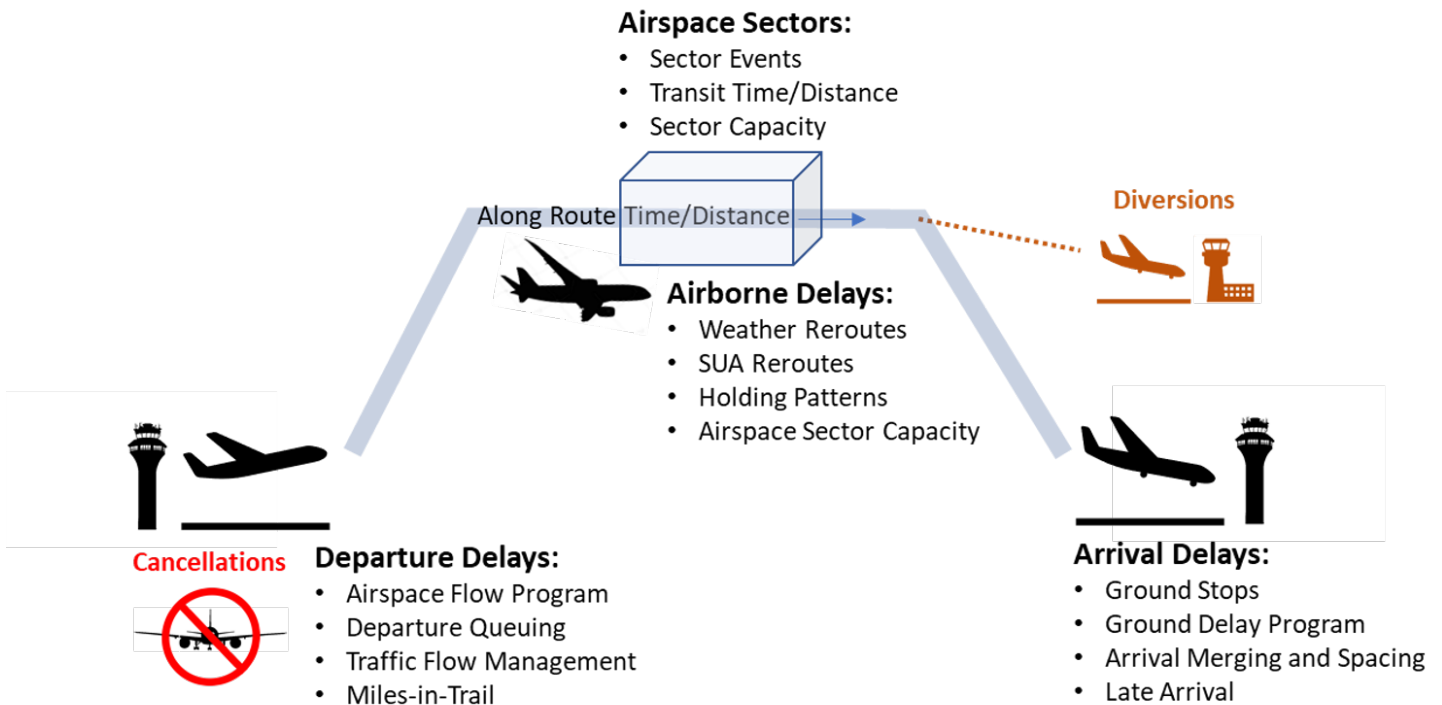


Figure 9. Simulation Metrics Collection

Flight Distance

The distance flown results were summarized by weekdays and weekends in **Figure 10** where the distance represents the average additional daily flight distance travelled per aircraft for flights due to the point-to-point mission start time as specified through the day. It is apparent there would be minimal impact for flights in late evening, late afternoon, and early morning hours for current traffic patterns.

Flight Delays

In a similar manner as flight distance, the ground and airborne delays consisted of average additional flight hours for all flights due to active corridor airspace. These ground and airborne delays are shown in **Figures 11** and **12**, respectively. As expected, the minimal flight delays were focused on the early morning and late evening hours with steady values throughout the day, regardless of mission start time. A comparison of distance and delay metrics for Saturday and Sunday missions—when flight schedules tend to be lighter than peak weekdays—the average delays were significantly lower, thus making weekend times more favorable candidates for point-to-point missions from MAF.

A weighted metric was developed to combine the distance travelled and delay measures into a single normalized metric. A value of 1.0 would indicate the mission time as being less optimal for point-to-point missions at MAF. **Figure 13** presents the results of the weighted impact metric from the original simulation results, which indicates that the best hours of high-speed missions are early in the day and during late afternoons and evenings. Again, the weekends showed a significant impact reduction early and late in the day, but not as much during busy midday traffic hours.

Airspace Sector Capacity

The airspace capacity in the current NAS is measured by the traffic managers in the ARTCC facilities using the FAA Monitor Alert Parameter (MAP) for airspace sectors (FAA Order 7210.3CC). This is a measure developed by the FAA to indicate aircraft saturation over time by using a data-driven process to determine a capacity number for aircraft count that the sector should not exceed over a one-minute period. This number is known as the MAP value for a sector and is assigned to every sector in the NAS. It is important to ensure traffic operations do not exceed the MAP value for sustained periods of time to keep traffic flowing safely and to not overwhelm the air traffic controllers. The ZAB and

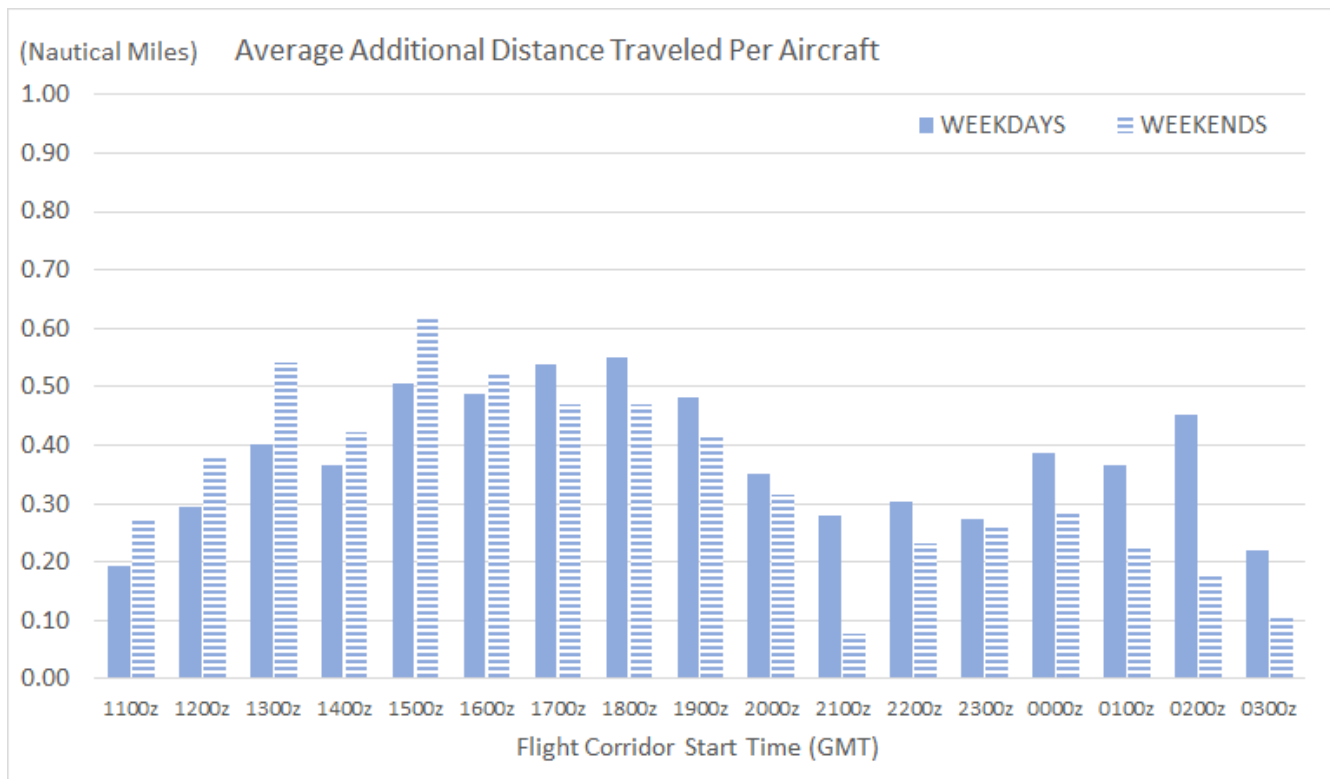


Figure 10. Average Daily Increase in Flight Distance per Aircraft

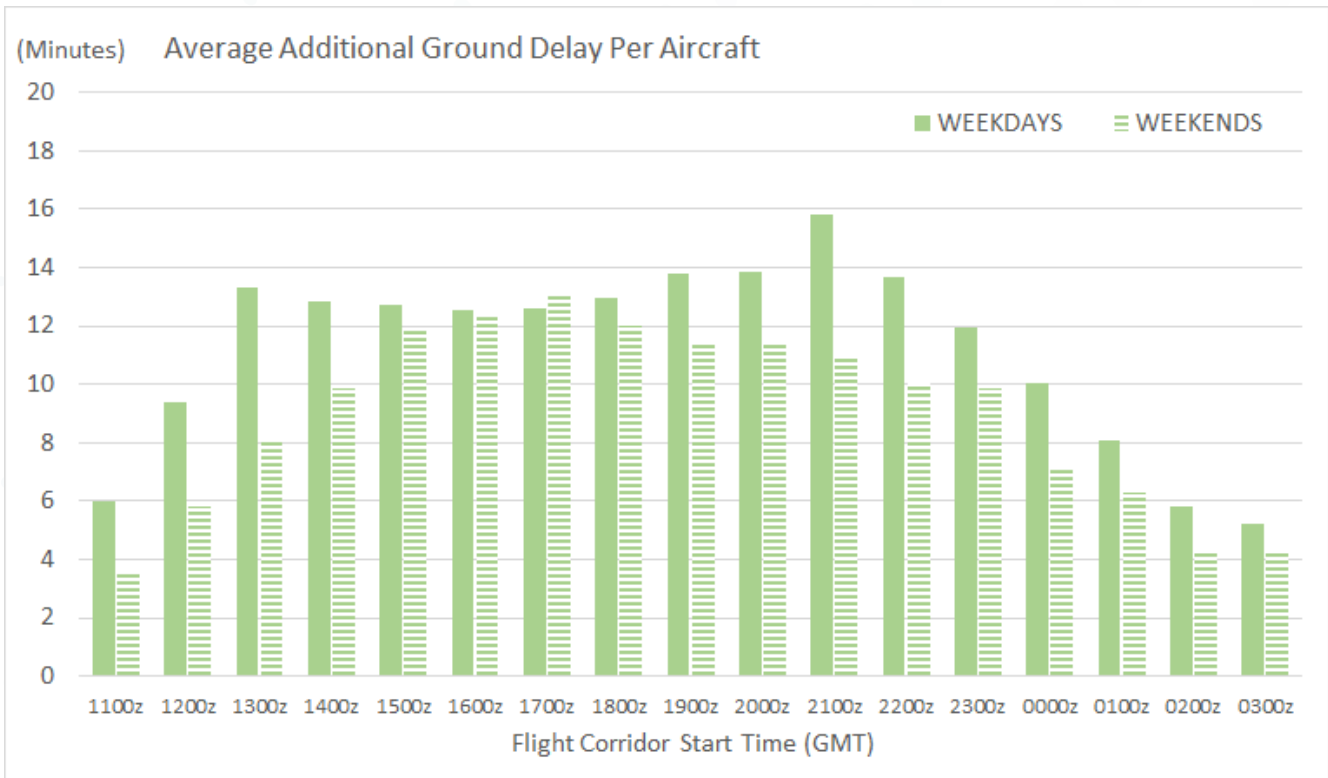


Figure 11. Average Daily Increase in Ground Delays per Aircraft

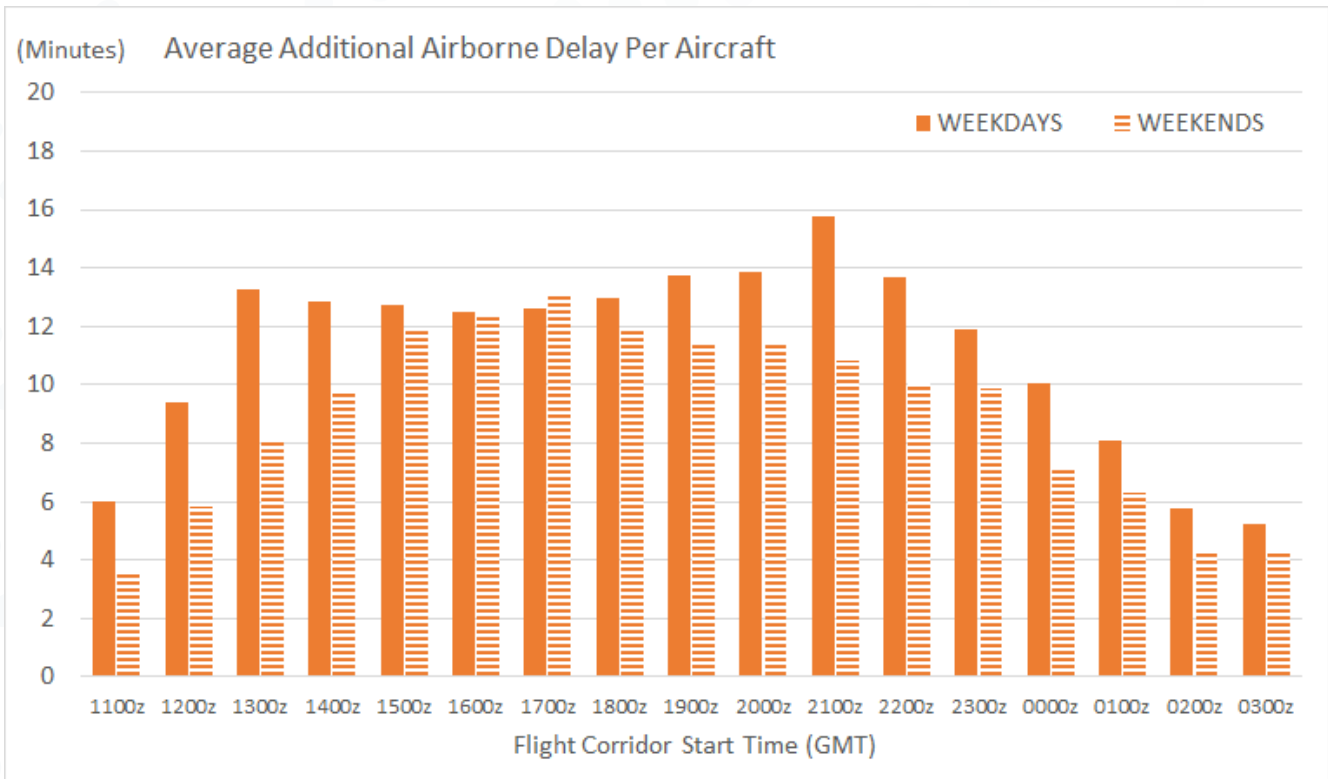


Figure 12. Average Daily Increase in Airborne Delays per Aircraft

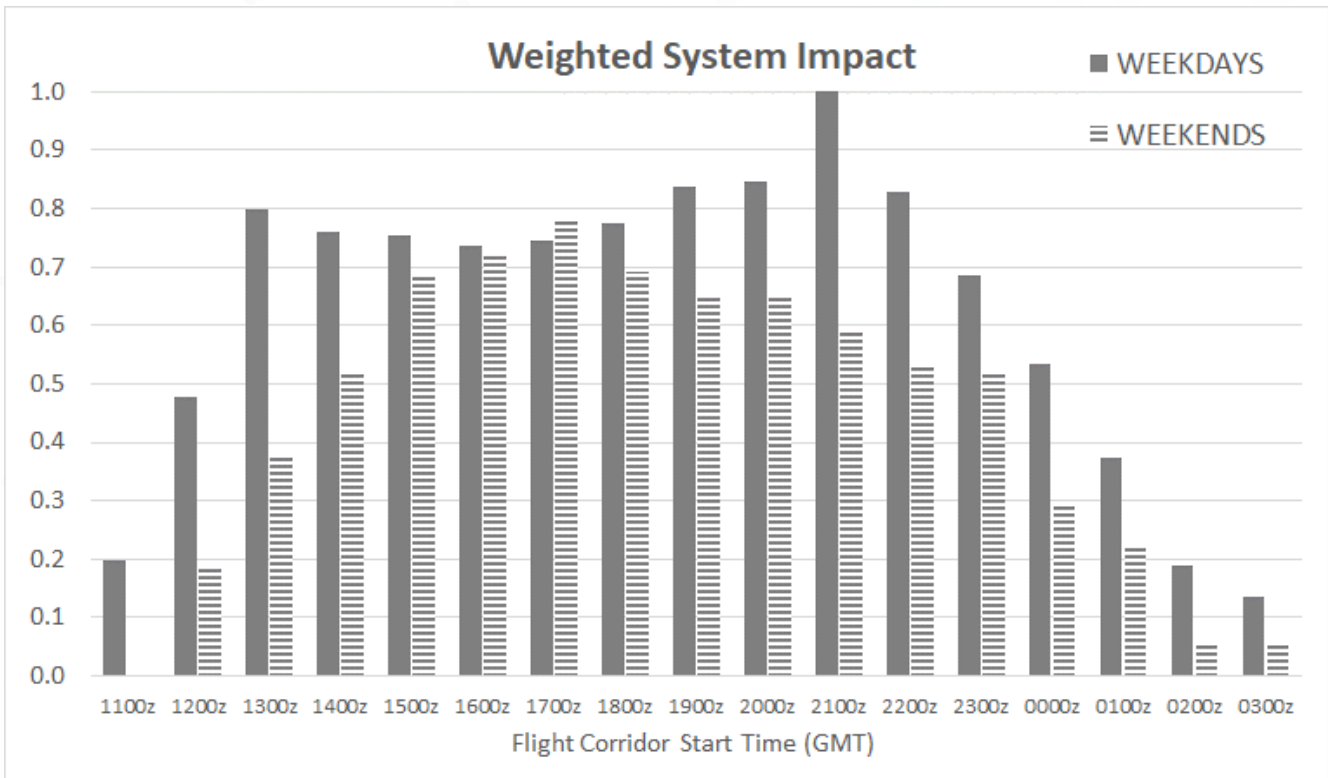


Figure 13. Average Daily Increase in Airborne Delays per Aircraft

ZFW ARTCC sectors were used for this study, and their currently assigned MAP values are displayed in **Figure 14**. These sectors include ZAB63 and ZAB78, ZFW24, ZFW61, and ZFW82.

Figure 15 provides a sample of daily sector occupancy as a function of time for a single traffic day of ZFW24 traffic when the corridor airspace is active from 0100z–0300z. The MAP capacity value for this sector is 18 (i.e., no more than 18 aircraft may occupy the sector for any given minute of time) to not exceed the capacity of the sector. In this case, the green area in the chart represents traffic counts that were below the sector MAP value of 18 while the red time periods exceeded this map value. There are 58 total periods that exceed that MAP value per 1440 daily minutes, which indicates ZFW24 exceeds the capacity for 4 percent of the day. The blue dotted line represents the baseline traffic counts for the unimpeded day. At 0100z, the unimpeded traffic exceeded the MAP values for a period when the corridor was active; however, the MAP is suppressed due the simulation of holding aircraft on the ground at the point of departure, thus creating ground delays. When the corridor became inactive at 0300z the delayed aircraft were released, resulting in a surge of traffic later in the day exceeding the sector’s MAP value or capacity.

In an actual scenario, traffic flow managers would mitigate this surge via use of TMLs which were not applied in this simulation model. **Figures 16, 17** and **18** show the weekday and weekend daily percentage of time above capacity for sectors ZFW24, ZAB63, and ZAB78, respectively. These percentages were for the day that the sector was above the MAP capacity number, as detailed in the previous paragraph. ZFW61 and ZFW82 are not included as figures since the sectors did not exceed the MAP capacities for all simulation scenarios. Note, for each of the figures, the baseline model capacity percentage is listed on the first line for comparison to the scenario capacity percentages showing the same or slightly increased sector capacity due the active airspace corridor.

The results from the simulation model indicated that sector capacity exceedance for all the ZAB and ZFW ARTCC sectors should not be a limiting factor in the feasibility of the high-speed airspace corridor between MAF and Spaceport America. ZFW24 is the most impacted sector with very infrequent MAP overage, namely for three days, with May 24 having significant weather rerouting in addition to the active airspace corridor. It is important to note that the model automatically limits the traffic flow to protect the sector capacities at the expense of increasing ground delays at the point of departure for flights, although these numbers would be expected to occasionally exceed the sector capacities.

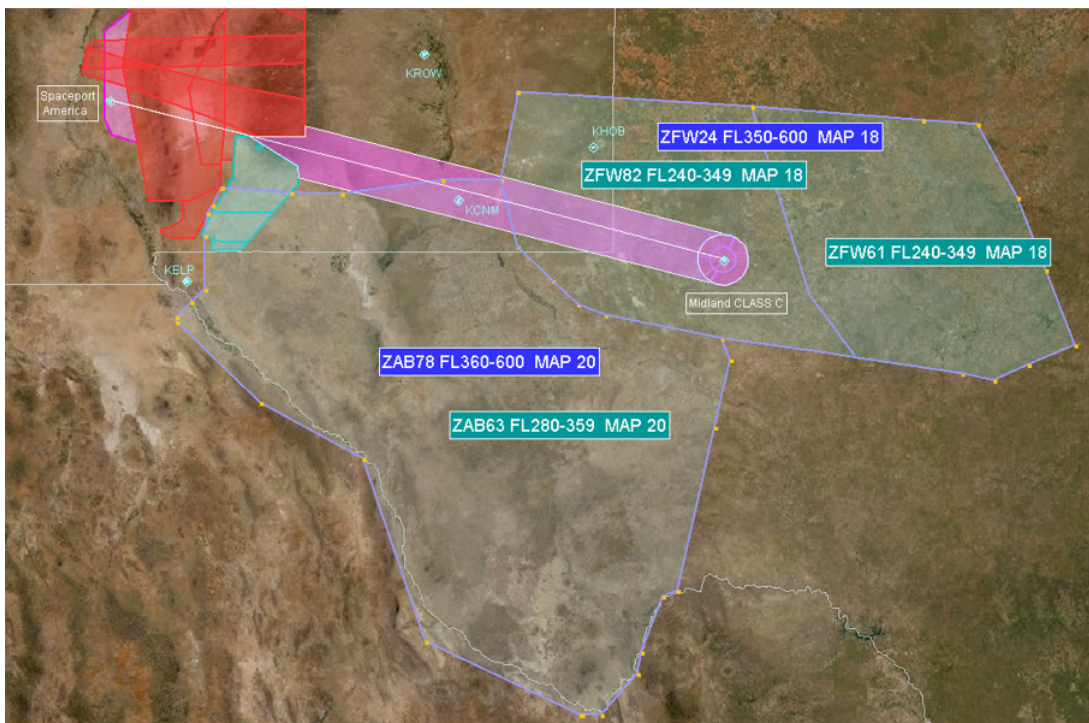


Figure 14. Average Daily Increase in Airborne Delays per Aircraft

KEY FINDINGS

The key findings from the simulation are summarized as follows:

- » An active high-speed airspace corridor during 0500z–1100z, which corresponds to local night hours, had minimal impact on NAS operations in the vicinity of MAF
- » An active high-speed airspace corridor during 1100 and 1200z, which corresponds to local morning hours, had minimal impact on NAS operations in the vicinity of MAF
- » 1700z–2200z, which corresponds to local afternoon hours, had the highest commercial traffic operations in the vicinity of MAF
- » An active high-speed airspace corridor during 0100z–0300z, which corresponds to local evening hours, had minimal impact on NAS operations in the vicinity of MAF
- » Weekends showed reduced impact early and late in the day, but not as much during busy midday traffic hours
- » Sector capacity (i.e., MAP overage) impacts were minimal to NAS operations due to reroutes around the active flight corridors; however, the reroutes created ground and airborne delays

RECOMMENDATIONS

The takeaway from this study is that, even when evaluating the 28 highest traffic days of a year, there are multiple times throughout a given day where an active high-speed airspace corridor between MAF and Spaceport America would have minimal impacts on NAS operations. Based on stakeholder feedback and the modeling and simulation results to-date, it appears that this high-speed airspace corridor is feasible from an airspace and operations perspective. A range of operational scenarios also exist that can further reduce impacts to the NAS, such as integrating supersonic and hypersonic flights without the need for airspace closures and reduced corridor closure durations for short duration suborbital point-to-point missions.

The next phase of the study, Phase 3, will be focused on mission-specific design and licensing on a case-by-case basis with proposed analysis detailing sonic boom, flight safety, air quality, explosive siting review, and airspace for expanded operations at MAF.

From a modeling and simulation perspective, we recommend the following analyses:

- » Study impact of raising the floor altitude of the point-to-point corridor
- » Expand the traffic matrix to include a full year of data for trend analysis
- » Implement TMIs and routing Playbooks in the simulation during active corridor time periods
- » Examine impacts of subsonic, supersonic, and hypersonic and other operations per trajectory specifications from OEMs
- » Model the impact of future scenarios to account for commercial traffic growth

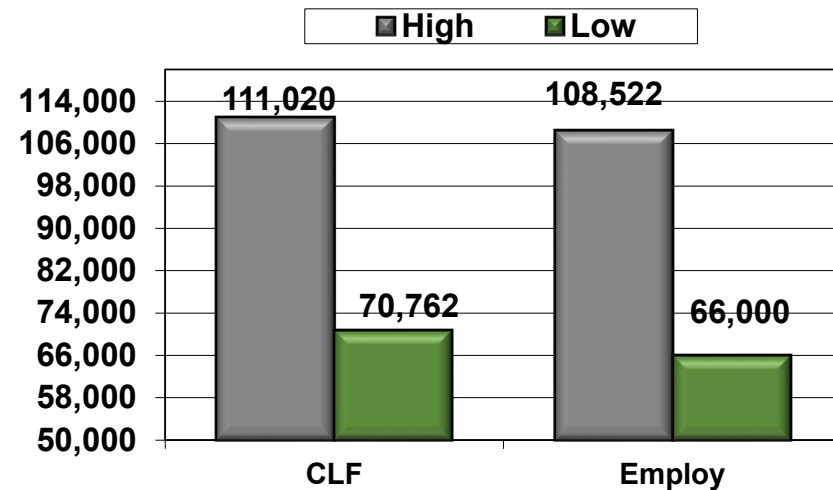
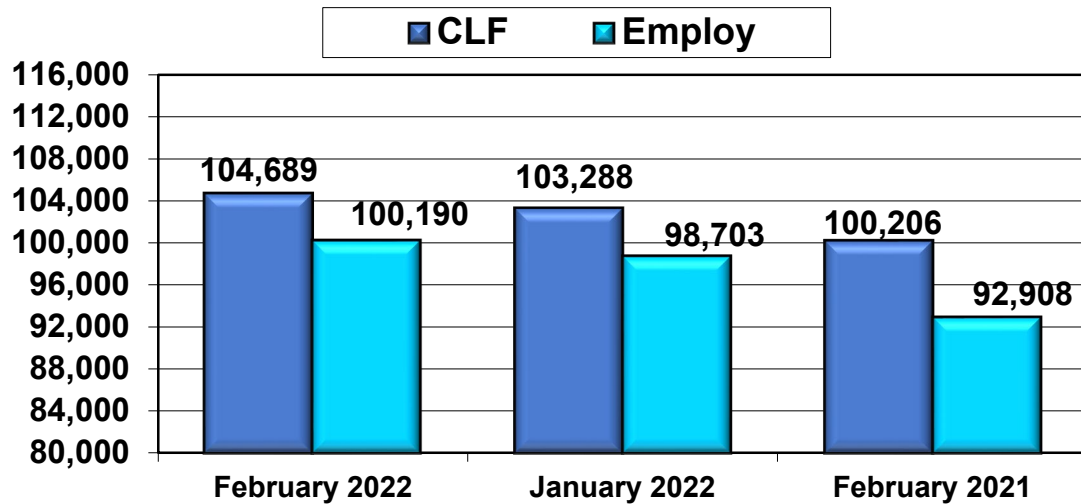
Finally, it is recommended that MDC and the project team at-large continue to engage stakeholders, such as OEMs, military, and FAA stakeholders to continue the conversation for mission and airspace planning as commercial space operations continue to develop into the future and at MAF, specifically.

Kimley»»Horn

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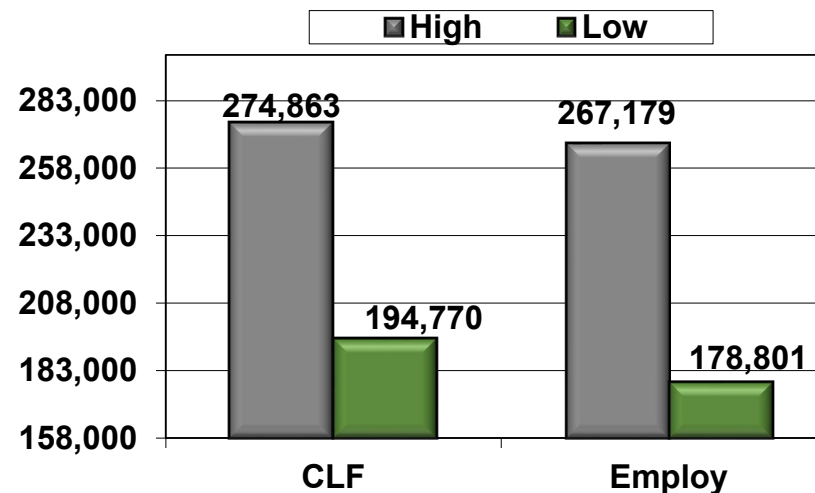
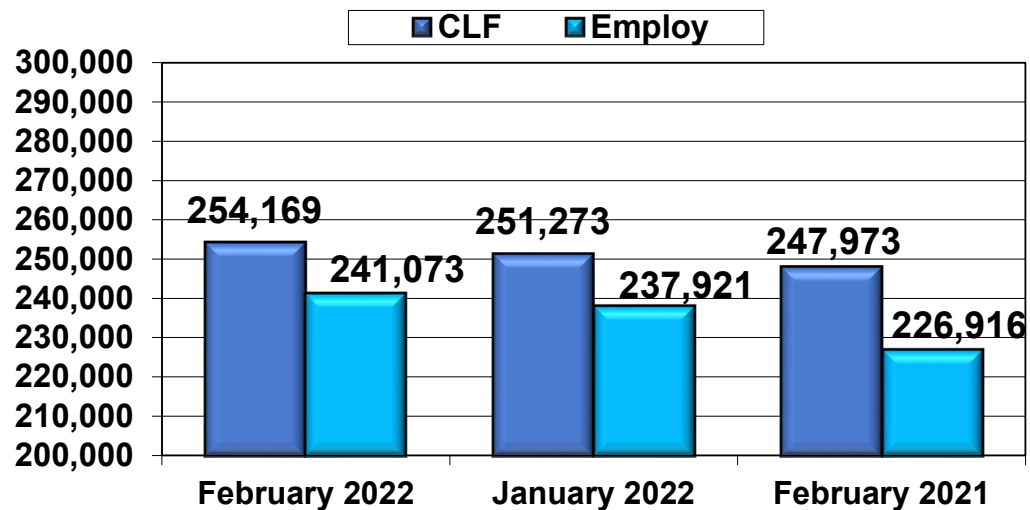
www.Kimley-Horn.com

February 2022 Midland MSA Employment Information



| | February 2022 | January 2022 | February 2021 | High | Low |
|----------------------|----------------|--------------|---------------|------------------------------|-----------------------------|
| Civilian Labor Force | 104,689 | 103,288 | 100,206 | 111,020 (Feb 2020) | 70,762 (Jan 2010) |
| Employment | 100,190 | 98,703 | 90,805 | 108,522 (Dec 2019) | 66,000 (Jan 2010) |
| Unemployment | 4,499 | 4,585 | 7,298 | 11,912 (May 2020) | 1,788 (May 2019) |
| Unemployment Rate | 4.3% | 4.4% | 7.3% | 12.3% (May 2020) | 1.7% (Apr 2019) |

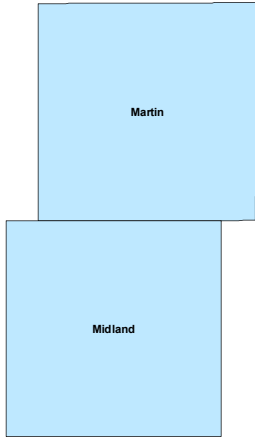
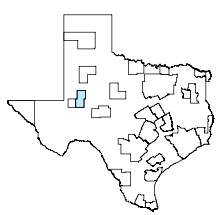
February 2022 Permian Basin Workforce Development Area Employment Information



| | December 2021 | November 2021 | December 2020 | High | Low |
|----------------------|----------------|---------------|---------------|-------------------------------|-------------------------------|
| Civilian Labor Force | 254,169 | 251,273 | 247,973 | 274,863 (Feb 2020) | 194,770 (Jan 2010) |
| Employment | 241,073 | 237,921 | 226,916 | 267,179 (Feb 2020) | 178,801 (Jan 2010) |
| Unemployment | 13,096 | 13,352 | 21,057 | 32,215 (May 2020) | 5,115 (Apr 2019) |
| Unemployment Rate | 5.2% | 5.3% | 8.5% | 13.2% (May 2020) | 1.9% (Apr 2019) |

Midland MSA

February 2022



MSA Labor Force Statistics

| | Feb-22 | Jan-22 | Feb-21 | Yearly Change |
|----------------------|---------|---------|---------|---------------|
| Civilian Labor Force | 104,689 | 103,288 | 100,206 | 4,483 |
| Employed | 100,190 | 98,703 | 92,908 | 7,282 |
| Unemployed | 4,499 | 4,585 | 7,298 | -2,799 |
| Unemployment Rate | 4.3% | 4.4% | 7.3% | -3.0% |

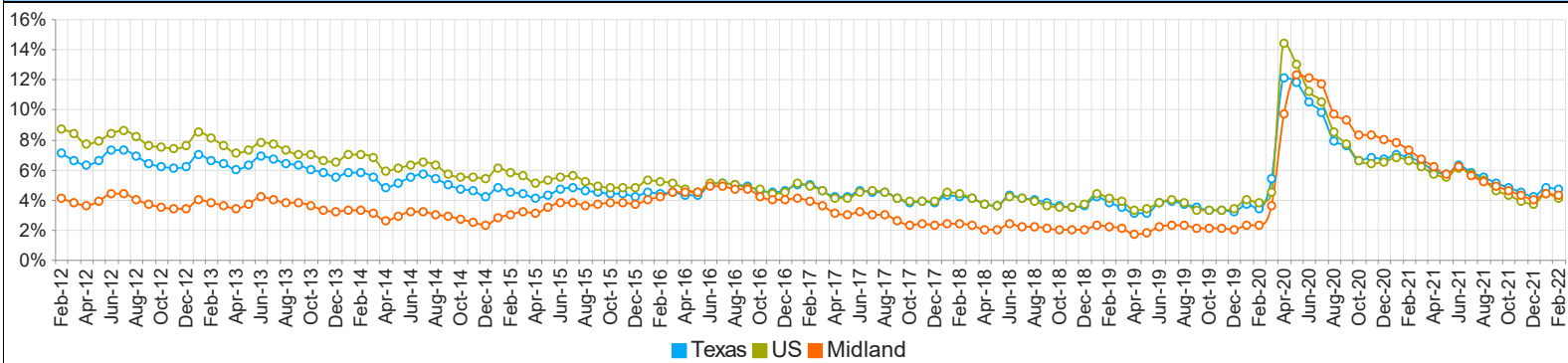
Texas Labor Force Statistics

| | Feb-22 | Jan-22 | Feb-21 | Yearly Change |
|----------------------|------------|------------|------------|---------------|
| Civilian Labor Force | 14,540,775 | 14,385,613 | 14,143,980 | 396,795 |
| Employed | 13,855,155 | 13,691,438 | 13,176,261 | 678,894 |
| Unemployed | 685,620 | 694,175 | 967,719 | -282,099 |
| Unemployment Rate | 4.7% | 4.8% | 6.8% | -2.1% |

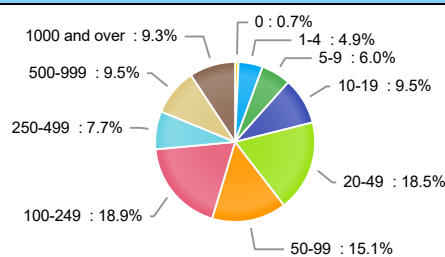
US Labor Force Statistics

| | Feb-22 | Jan-22 | Feb-21 | Yearly Change |
|----------------------|-------------|-------------|-------------|---------------|
| Civilian Labor Force | 163,725,000 | 162,825,000 | 160,008,000 | 3,717,000 |
| Employed | 156,942,000 | 155,618,000 | 149,522,000 | 7,420,000 |
| Unemployed | 6,782,000 | 7,207,000 | 10,486,000 | -3,704,000 |
| Unemployment Rate | 4.1% | 4.4% | 6.6% | -2.5% |

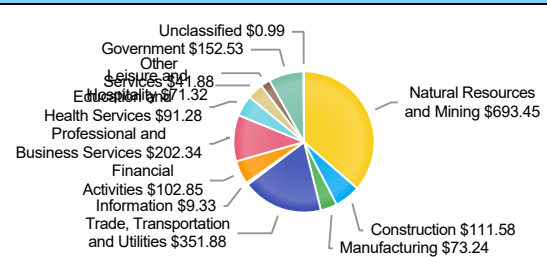
Historical Unemployment Rates



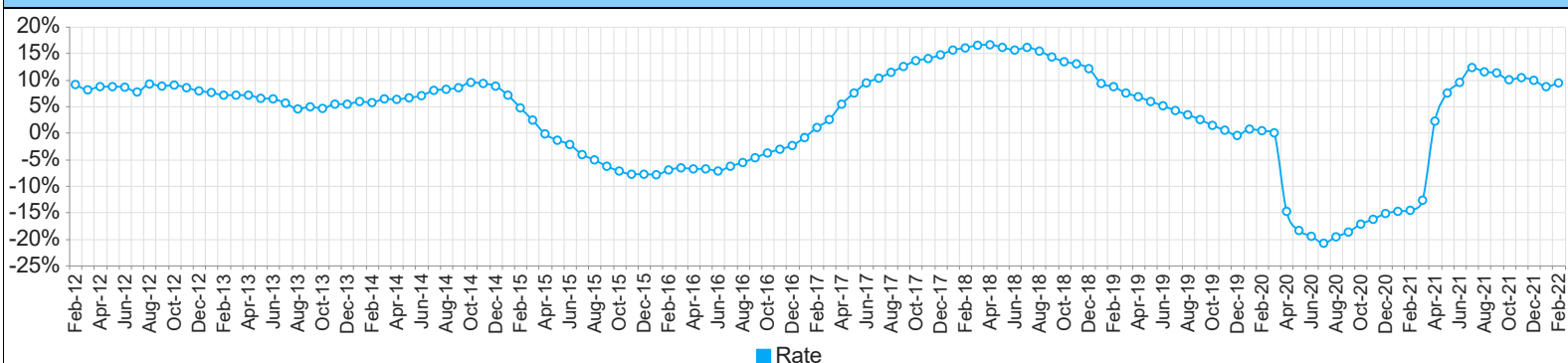
Employment by Size Class (3rd Quarter 2021)



Wages by Industry (in millions) (3rd Quarter 2021)



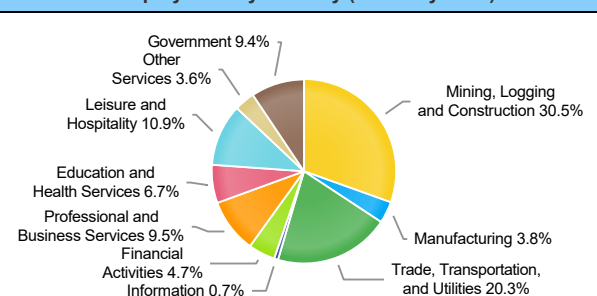
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (February 2022)

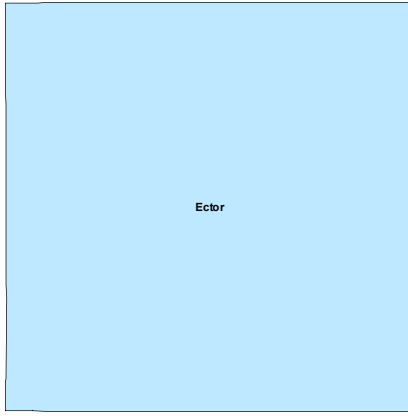
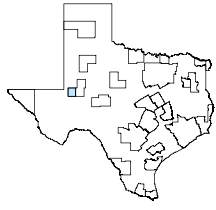
| Industry | Current Month Employment | % Monthly Change | % Yearly Change |
|--------------------------------------|--------------------------|------------------|-----------------|
| Total Nonfarm | 105,600 | 1.5% | 9.4% |
| Mining, Logging and Construction | 32,200 | 2.2% | 14.2% |
| Manufacturing | 4,000 | 0.0% | 11.1% |
| Trade, Transportation, and Utilities | 21,400 | 0.5% | 9.7% |
| Information | 700 | 0.0% | 16.7% |
| Financial Activities | 5,000 | 0.0% | 8.7% |
| Professional and Business Services | 10,000 | 1.0% | 7.5% |
| Education and Health Services | 7,100 | 1.4% | 0.0% |
| Leisure and Hospitality | 11,500 | 2.7% | 15.0% |
| Other Services | 3,800 | 0.0% | 8.6% |
| Government | 9,900 | 3.1% | -2.0% |

Employment by Industry (February 2022)



Odessa MSA

February 2022

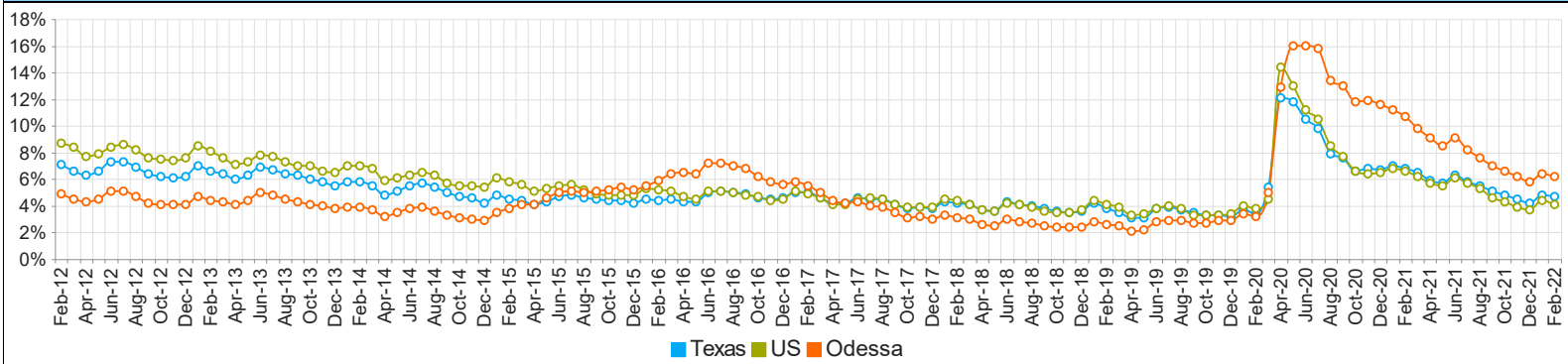


| MSA Labor Force Statistics | | | | |
|----------------------------|--------|--------|--------|---------------|
| | Feb-22 | Jan-22 | Feb-21 | Yearly Change |
| Civilian Labor Force | 81,737 | 81,295 | 80,580 | 1,157 |
| Employed | 76,666 | 76,123 | 71,992 | 4,674 |
| Unemployed | 5,071 | 5,172 | 8,588 | -3,517 |
| Unemployment Rate | 6.2% | 6.4% | 10.7% | -4.5% |

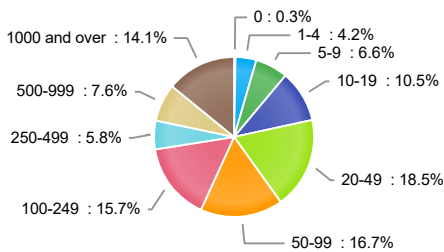
| Texas Labor Force Statistics | | | | |
|------------------------------|------------|------------|------------|---------------|
| | Feb-22 | Jan-22 | Feb-21 | Yearly Change |
| Civilian Labor Force | 14,540,775 | 14,385,613 | 14,143,980 | 396,795 |
| Employed | 13,855,155 | 13,691,438 | 13,176,261 | 678,894 |
| Unemployed | 685,620 | 694,175 | 967,719 | -282,099 |
| Unemployment Rate | 4.7% | 4.8% | 6.8% | -2.1% |

| US Labor Force Statistics | | | | |
|---------------------------|-------------|-------------|-------------|---------------|
| | Feb-22 | Jan-22 | Feb-21 | Yearly Change |
| Civilian Labor Force | 163,725,000 | 162,825,000 | 160,008,000 | 3,717,000 |
| Employed | 156,942,000 | 155,618,000 | 149,522,000 | 7,420,000 |
| Unemployed | 6,782,000 | 7,207,000 | 10,486,000 | -3,704,000 |
| Unemployment Rate | 4.1% | 4.4% | 6.6% | -2.5% |

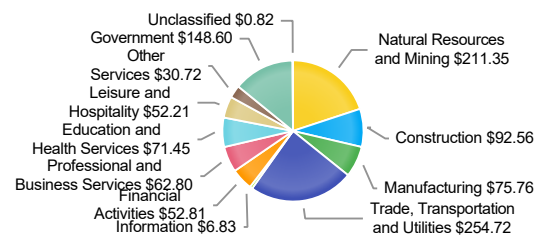
Historical Unemployment Rates



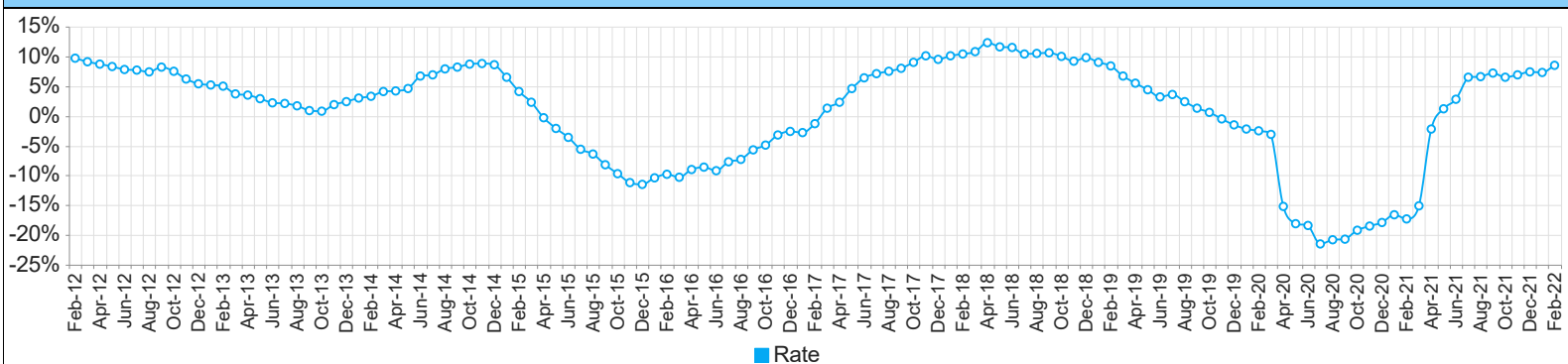
Employment by Size Class (3rd Quarter 2021)



Wages by Industry (in millions) (3rd Quarter 2021)



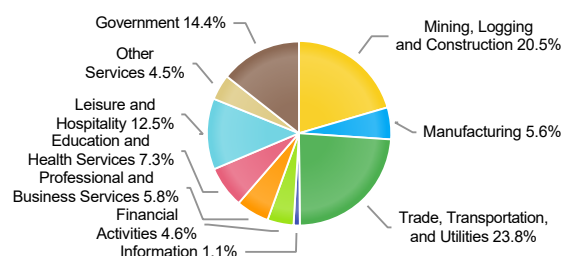
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (February 2022)

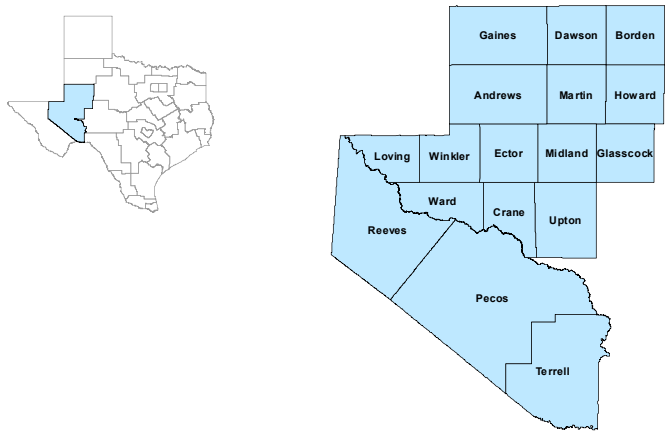
| Industry | Current Month Employment | % Monthly Change | % Yearly Change |
|--------------------------------------|--------------------------|------------------|-----------------|
| Total Nonfarm | 73,800 | 1.0% | 8.5% |
| Mining, Logging and Construction | 15,100 | 2.0% | 12.7% |
| Manufacturing | 4,100 | 2.5% | 10.8% |
| Trade, Transportation, and Utilities | 17,600 | -1.1% | 7.3% |
| Information | 800 | 0.0% | 33.3% |
| Financial Activities | 3,400 | 3.0% | 9.7% |
| Professional and Business Services | 4,300 | 0.0% | 4.9% |
| Education and Health Services | 5,400 | 1.9% | 3.8% |
| Leisure and Hospitality | 9,200 | 2.2% | 13.6% |
| Other Services | 3,300 | 0.0% | 10.0% |
| Government | 10,600 | 1.0% | 1.9% |

Employment by Industry (February 2022)



Permian Basin Workforce Development Area

February 2022



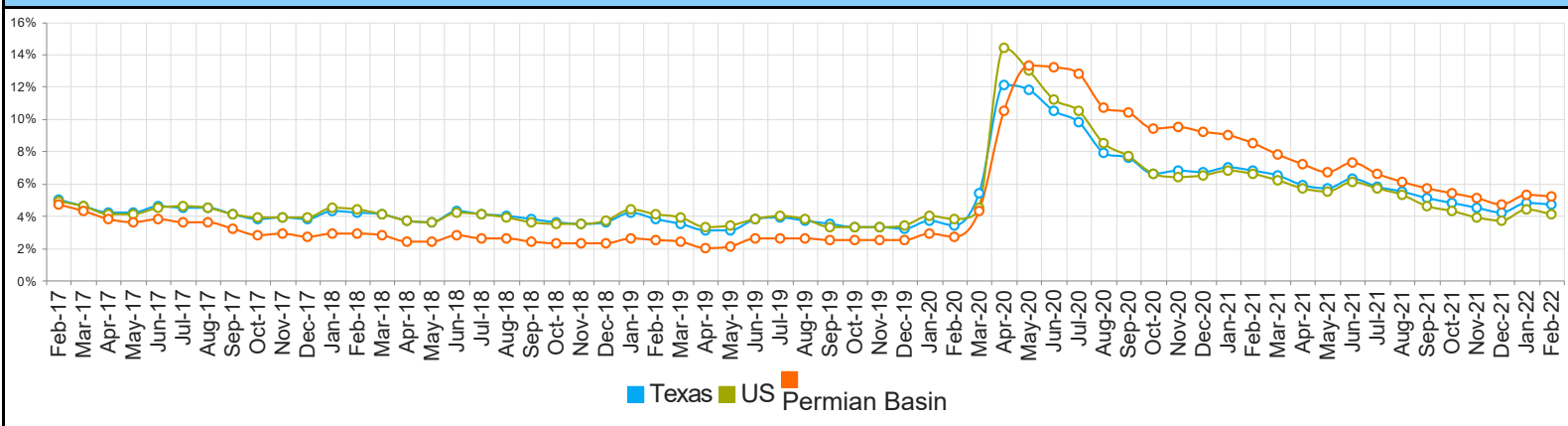
| WDA Labor Force Statistics | | | | |
|----------------------------|---------|---------|---------|---------------|
| | Feb-22 | Jan-22 | Feb-21 | Yearly Change |
| Civilian Labor Force | 254,169 | 251,273 | 247,973 | 6,196 |
| Employed | 241,073 | 237,921 | 226,916 | 14,157 |
| Unemployed | 13,096 | 13,352 | 21,057 | -7,961 |
| Unemployment Rate | 5.2% | 5.3% | 8.5% | -3.3% |

| Texas Labor Force Statistics | | | | |
|------------------------------|------------|------------|------------|---------------|
| | Feb-22 | Jan-22 | Feb-21 | Yearly Change |
| Civilian Labor Force | 14,540,775 | 14,385,613 | 14,143,980 | 396,795 |
| Employed | 13,855,155 | 13,691,438 | 13,176,261 | 678,894 |
| Unemployed | 685,620 | 694,175 | 967,719 | -282,099 |
| Unemployment Rate | 4.7% | 4.8% | 6.8% | -2.1% |

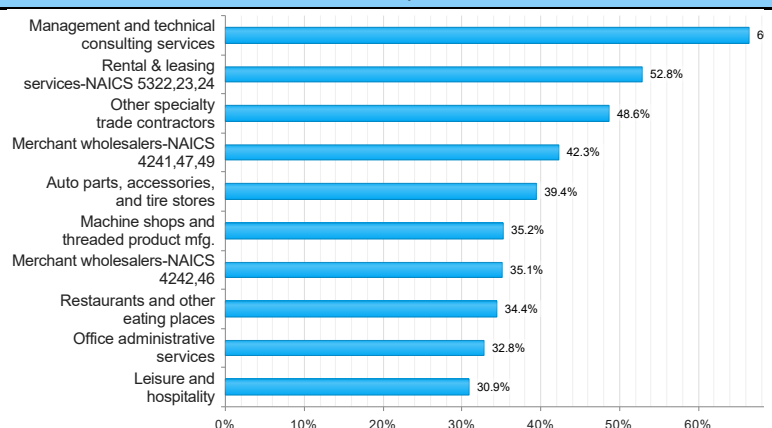
| US Labor Force Statistics | | | | |
|---------------------------|-------------|-------------|-------------|---------------|
| | Feb-22 | Jan-22 | Feb-21 | Yearly Change |
| Civilian Labor Force | 163,725,000 | 162,825,000 | 160,008,000 | 3,717,000 |
| Employed | 156,942,000 | 155,618,000 | 149,522,000 | 7,420,000 |
| Unemployed | 6,782,000 | 7,207,000 | 10,486,000 | -3,704,000 |
| Unemployment Rate | 4.1% | 4.4% | 6.6% | -2.5% |

| Continued Claims for the Week of the 12th | | | | |
|---|--------|--------|---------|---------------|
| | Feb-22 | Jan-22 | Feb-21 | Yearly Change |
| WDA | 1,149 | 1,228 | 4,623 | -3,474 |
| Texas | 76,094 | 85,128 | 226,447 | -150,353 |

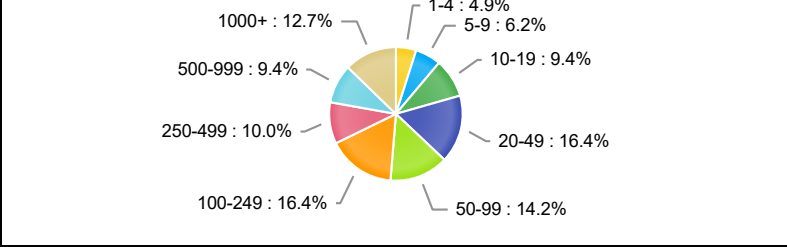
Historical Unemployment Rates



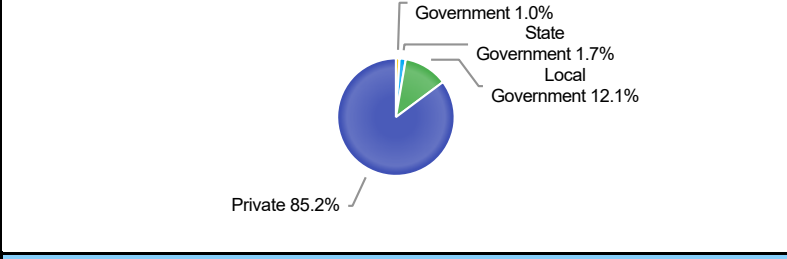
Projected Top Ten Fastest Growing Industries in WDA (% Growth 2018-2028)



Employment by Size Class (3rd Quarter 2021)



Employment by Ownership (3rd Quarter 2021)



| Average Weekly Wage (3rd Quarter 2021) | | | | | |
|--|---------|---------|---------|------------------|---------------|
| | Q3 2021 | Q2 2021 | Q3 2020 | Quarterly Change | Yearly Change |
| WDA | \$1,294 | \$1,247 | \$1,194 | \$47 | \$100 |
| Texas | \$1,228 | \$1,210 | \$1,149 | \$18 | \$79 |
| US | \$1,251 | \$1,240 | \$1,172 | \$11 | \$79 |

Employment by Industry (3rd Quarter 2021, Percent Change)

| Industry | Employment | % of Total | % Quarterly Change | % Yearly Change |
|-------------------------------------|------------|------------|--------------------|-----------------|
| Natural Resources and Mining | 43,639 | 19.5% | 2.4% | 16.5% |
| Construction | 16,146 | 7.2% | 0.6% | 0.3% |
| Manufacturing | 9,394 | 4.2% | 3.1% | 10.8% |
| Trade, Transportation and Utilities | 49,157 | 22.0% | 1.7% | 6.6% |
| Information | 1,901 | 0.9% | 6.0% | 19.3% |
| Financial Activities | 10,000 | 4.5% | 1.3% | 10.4% |
| Professional and Business Services | 16,541 | 7.4% | 0.6% | 11.7% |
| Education and Health Services | 37,529 | 16.8% | -2.1% | 2.1% |
| Leisure and Hospitality | 24,980 | 11.2% | 2.1% | 12.0% |
| Other Services | 6,655 | 3.0% | 3.2% | 4.9% |
| Public Administration | 7,295 | 3.3% | 0.0% | -3.8% |

Employment by Industry (3rd Quarter 2021)

