



Board Binder Open Session

May 3, 2021

Agenda



Effective March 16, 2020, Governor Greg Abbott authorized the temporary suspension of certain statutory provisions of the Texas Open Meetings Act. This meeting of the Midland Development Corporation is being held pursuant to such authorization and will limit face-to-face interactions for the purpose of slowing the spread of the coronavirus (COVID-19).

**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 May 3, 2021.

Videoconference Information

Join Zoom Webinar

<https://us02web.zoom.us/j/86547522266?pwd=OEM3cVVzKytOY1JlL3lZR203OG1HZz09>

Password: 322431

Or join by phone:

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

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

Webinar ID: 865 4752 2266

Passcode: 322431

International numbers available: <https://us02web.zoom.us/j/86547522266?pwd=OEM3cVVzKytOY1JlL3lZR203OG1HZz09>

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 Brad Bullock.
3. Motion approving the minutes of the April 12, 2021, meeting of the Midland Development Corporation.
4. Receive a presentation from the Museum of the Southwest.
5. Resolution authorizing signatories on Midland Development Corporation bank accounts.
6. Resolution authorizing the execution of an amendment to that certain Economic Development Agreement between the Midland Development Corporation and Kepler Aerospace, Ltd.

7. Presentation on the April 2021 monthly expenses from the Midland Development Corporation.
8. Resolution authorizing the execution of an employment separation and release agreement between the Midland Development Corporation and John Trischitti III.
9. Pursuant to Texas Government Code §551.101, the Board of Directors will hold an Executive Session, which is closed to the public to discuss the following matters as permitted under the following Texas Government Code Sections:
 - a. Section 551.072 Deliberation Regarding Real Property
 - i. Discuss the purchase, exchange, lease or value of real property described as Lots Five (5), Six (6), Seven (7), and Eight (8), Block Thirty-Five (35), Original Town of Midland, an addition to the City of Midland, Midland County, Texas.
 - b. Section 551.074 Deliberation Regarding Personnel Matters
 - i. Discuss the appointment and employment of an Executive Director.
 - c. Section 551.087 Deliberation Regarding Economic Development Negotiations
 - i. Discuss business prospects that the Midland Development Corporation seeks to have, locate, stay, or expand in or near the City of Midland, Texas, and discuss possible incentives, and discuss contract compliance on the part of businesses.
10. Resolution authorizing the execution of an employment agreement with Sara Harris for the position of Executive Director of the Midland Development Corporation.

Posted this 30th day of April, 2021.

Amy M. Turner
City Secretary

April 12th Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

April 12, 2021

The Board of Directors of the Midland Development Corporation convened in regular session at the Midland Chamber of Commerce conference room, 303 W. Wall Street, Suite 200, Midland, Texas, at 10:00 a.m. on April 12, 2021.

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

Board Members absent: Director Jill Pennington and Director Chase Gardaphe

Staff Members present: Assistant City Manager Morris Williams, Assistant City Attorney Nicholas Toulet-Crump, Director of Finance Mark Mason, Director of Airports Justine Ruff, Comptroller Christy Weakland, Budget Manager Jamie Radcliff, Engineer Claudius Sanchez and Deputy City Secretary SueAnn Reyes

Council Member(s) present: Mayor Patrick Payton, Council member Lori Blong, Council member Michael Trost

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

1. Call meeting to order.

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

2. Motion approving the minutes of the February 1, 2021, meeting of the Midland Development Corporation.

Director Lowery moved to approve the minutes of the February 01, 2021 meeting of the Midland Development Corporation; seconded by Director Simpson. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Sams. NAY: None. ABSTAIN: None. ABSENT: Pennington and Gardaphe.

3. Motion approving the minutes of the March 4, 2021, meeting of the Midland Development Corporation.

Director Sams moved to approve the minutes of the March 04, 2021 meeting of the Midland Development Corporation; seconded by Director Simpson. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Sams. NAY: None. ABSTAIN: None. ABSENT: Pennington and Gardaphe.

4. Receive and discuss the Independent Auditors' Report and the Basic Financial Statements for the Fiscal Year 2019-2020 presented by Mark Mason, Director of Finance for the City of Midland.

Mark Mason, Director of Finance for the City of Midland presented MDC's Fiscal Year 2019-2020 Basic Financial Statements and the Independent Auditor's report and noted the audit had no material weakness or deficiencies

5. Motion approving an application process for businesses seeking Midland Development Corporation funding assistance in accordance with Chapters 501 and 504 of the Texas Local Government Code.

Director Lowery moved to approve an application process for businesses seeking Midland Development Corporation funding assistance in accordance with Chapters 501 and 504 of the Texas Local Government Code; seconded by Director Simpson. The motion carried by the following vote: AYE: Bownds, Lowery, Simpson, Sams. NAY: None. ABSTAIN: None. ABSENT: Pennington and Gardaphe.

6. Presentation on the March 2021 monthly expenses from the Midland Development Corporation.

Director of Operations Sara Harris reported that the MDC is still on target to meet their budget revenue of \$9 million for Fiscal Year 2021. She added that the TxDOT Loop 250 HW/191 project had been let for bids, triggering a disbursement of \$2 million from the MDC to TxDOT in accordance with the donation agreement.

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

Executive Director John Trischitti updated the board on a trip he made to Austin that included a conversation with the state economic development group regarding the Texas Enterprise Fund. The MDC has been assigned a staff member to explore the process.

Board recessed into executive session at 10:19 am

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

- a. Section 551.072 Deliberation Regarding Real Property

- i. Discuss the sale, exchange, lease or value of real property described as an approximate 53.62-acre tract of land out of Section 11, Block 40, T-2-S, T&P RR Co. Survey, Midland County, Texas.

- c. Section 551.087 Deliberation Regarding Economic Development Negotiations

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

Board reconvened into open session at 11:06 am

All the business at hand having been completed, Chairman Bownds adjourned the meeting at 11:07 a.m.

Respectfully submitted,

SueAnn Reyes, Deputy City Secretary

PASSED AND APPROVED the 3rd Day of May 2021.

Berry Simpson, Secretary

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: Wesley Bowns; Stephen Lowery; Chase Gardaphe; Berry Simpson; P. Lourcey Sams; Jill Pennington; Brad Bullock; 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., 2021, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

WESLEY BOWNS,
Chairman of the Midland
Development Corporation

ATTEST:

BERRY SIMPSON,
Secretary of the Midland
Development Corporation

APPROVED ONLY AS TO FORM:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

Kepler Aerospace
Economic
Development
Agreement
Amendment

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THAT CERTAIN ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE MIDLAND DEVELOPMENT CORPORATION AND KEPLER AEROSPACE, LTD.

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of an amendment to that certain Economic Development Agreement with Kepler Aerospace, Ltd.;

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

SECTION ONE. That the Chairman and Secretary are hereby authorized and directed to execute and attest, respectively, on behalf of the Midland Development Corporation, an amendment to that certain Economic Development Agreement with Kepler Aerospace, Ltd. Said amendment being attached hereto as Exhibit A and incorporated herein for all purposes.

SECTION TWO. That said amendment shall not become effective until approved by the Midland City Council.

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., 2021, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

WESLEY BOWNDS,
Chairman of the Midland
Development Corporation

ATTEST:

BERRY SIMPSON,
Secretary of the Midland
Development Corporation

APPROVED ONLY AS TO FORM:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

**AMENDMENT TO THE ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN THE MIDLAND DEVELOPMENT CORPORATION
AND KEPLER AEROSPACE, LTD.**

THIS AMENDMENT is made and effective May 26, 2021, by and between the Midland Development Corporation (“MDC” or “Landlord”), a Type A corporation existing under the authority of Chapter 504 of the Texas Local Government Code, and Kepler Aerospace, Ltd., a Delaware corporation licensed to do business in the state of Texas (“Company”).

WHEREAS, MDC and Company entered into that certain Economic Development Agreement dated January 29, 2020 (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, Company and MDC 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:

- 1) Section III.A of the Agreement is hereby deleted in its entirety and replaced with the following:
 - A. **Personal Property and Inventory Investment Obligation.** Company or its Affiliates shall invest in and maintain cumulative Personal Property and quarter-end Inventory balances (collectively referred to herein as the “*Personal Property and Inventory*”) at the Property in accordance with the following schedule and as of the following measurement dates:
 1. Personal Property and Inventory of \$40,000,000.00 as of January 1, 2022.
 2. Personal Property and Inventory of \$80,000,000.00 as of January 1, 2023.
 3. Personal Property and Inventory of \$120,000,000.00 as of January 1, 2024.

The Personal Property and Inventory at the Property shall be evidenced by tax statements issued by the Midland Central Appraisal District, which shall be provided to MDC no later than October 1 of each year during the term of this Agreement. The value of the Personal Property and Inventory shall be determined in accordance with the tax statements issued by the Midland Central Appraisal District. Company shall maintain its investment in the Personal Property and Inventory for the duration of the term of this Agreement.

BN

2) Section III.B of the Agreement is hereby deleted in its entirety and replaced with the following:

B. Full-Time Jobs and Payroll Obligations. Company shall create and maintain new Full-Time Jobs and Annual Payroll in accordance with the following schedule:

1. Twelve (12) Full-Time Jobs with an Annual Payroll of \$1,010,000.00 as of January 1, 2022.
2. Twenty-One (21) Full-Time Jobs with an Annual Payroll of \$1,850,000.00 as of January 1, 2023.
3. Twenty-Eight (28) Full-Time Jobs with an Annual Payroll of \$2,430,000.00 as of January 1, 2024.

Company shall maintain said Full-Time Jobs and Payroll for the duration of the term of this Agreement.

3) Section III.E of the Agreement is hereby deleted in its entirety and replaced with the following:

E. Company's Earned Rental Option. If by January 1, 2024, Company certifies to MDC, in accordance with Section IX.B below, that Company has invested at least (i) \$150,000,000.00 in Personal Property and Inventory or other tangible assets at the Property and (ii) created and maintained Forty (40) new Full-Time Jobs at the Property, then Company shall be entitled to an additional Three (3) years' worth of rent abatement (the "*Rental Option*"), as provided for in the Sublease described herein. The Rental Option and Company's exercise thereof shall be subject to the terms and conditions of this Agreement and the Sublease.

4) Article VII of the Agreement is hereby deleted in its entirety and replaced with the following:

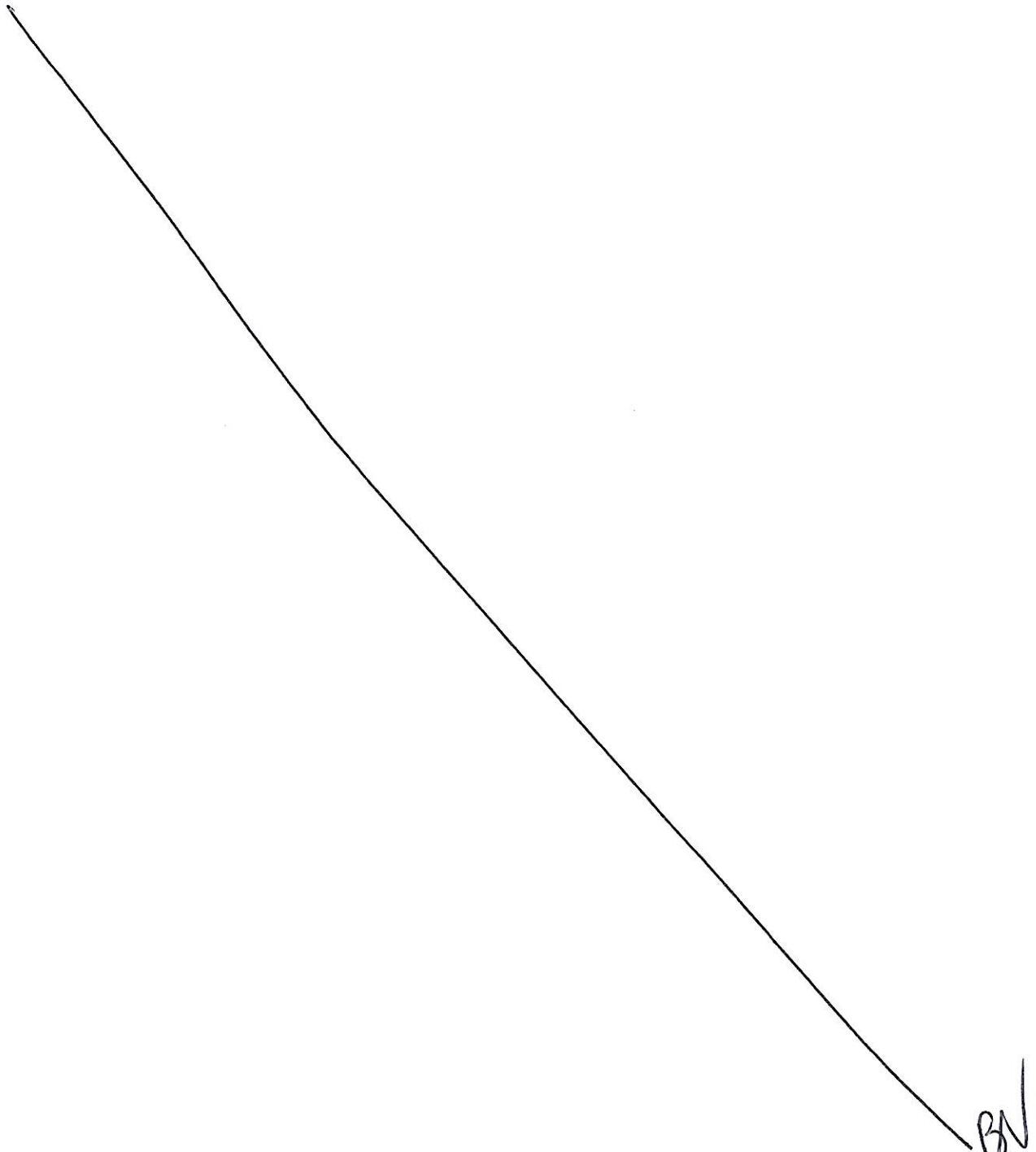
VII. Term

Upon execution by all of the parties, this Agreement becomes effective on the Effective Date and shall terminate on January 31, 2024, or when terminated by mutual agreement of the parties, or when terminated as set forth in Section X.E. Notwithstanding any contrary provision contained herein, in the event that Company exercises the Rental Option in accordance with Section III.E, the Agreement shall terminate upon the conclusion of the second three (3) year term during which Company's rent is abated.



- 5) The Agreement, inclusive of this Amendment, is hereby ratified and affirmed by Company and MDC, 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]



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

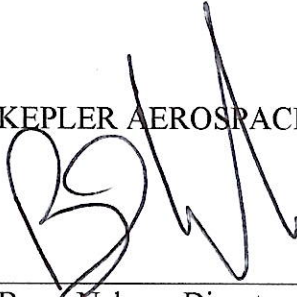
MIDLAND
DEVELOPMENT CORPORATION

Wesley Bownds, Chairman

ATTEST:

Berry Simpson, Secretary

KEPLER AEROSPACE, LTD.



Brent Nelson, Director and Founder

THE STATE OF Texas §

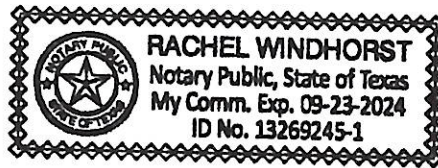
Midland §

COUNTY OF ~~Ector~~ Midland §

BEFORE ME, Rachel Windhorst, a notary public, on this day personally appeared Brent Nelson, Director and Founder of Kepler Aerospace, Ltd., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said Company for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS 28th day of April, A.D., 2021.

Rachel Windhorst
Notary Public, in and for
the State of Texas



Income Statement

MIDLAND DEVELOPMENT CORPORATION
INCOME STATEMENT FOR THE 7 MONTHS ENDED
April 30, 2021

	Apr-21	YTD	Budgeted Amount
Revenue	\$769,496.55	\$7,059,057.31	\$9,000,000.00
40100 - State Sales Tax	\$687,198.37	\$6,477,616.63	\$9,000,000.00
43000 - Interest	\$0.00	\$2,125.17	\$0.00
43010 - Interest - Nonpooled Invest	\$911.18	\$9,606.51	\$0.00
46190 - Miscellaneous Rentals	\$81,387.00	\$569,709.00	\$0.00
4235150 - Midland Dvlpmt Corp Revenue	\$769,496.55	\$7,059,057.31	\$9,000,000.00

Expense	\$2,306,747.96	\$8,072,349.82	\$22,656,815.00
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51010 - Base Salary	\$30,395.84	\$270,014.21	\$692,150.00
51090 - Fica MDC Portion	\$2,328.38	\$16,747.26	\$65,456.00
51110 - Health Insurance	\$2,260.53	\$18,232.19	\$55,460.00
51135 - ACCE Profit Sharing	\$1,884.89	\$14,631.49	\$48,451.00
52010 - Office Supplies	\$168.88	\$1,293.68	\$11,000.00
52110 - Motor Vehicle Supplies	\$53.49	\$211.37	\$1,000.00
52115 - Minor Furniture & Fixtures	\$0.00	\$0.00	\$500.00
52155 - Minor Computer Hrdwre & Periph	\$0.00	\$0.00	\$5,000.00
52160 - Computer Software & Supplies	\$0.00	\$15,277.69	\$30,000.00
52620 - Postage	\$0.00	\$120.00	\$700.00
53010 - Communication	\$1,425.07	\$9,965.00	\$17,000.00
53030 - Light & Power	\$0.00	\$44.59	\$150.00
53110 - Insurance-External	\$0.00	\$4,090.00	\$190,000.00
53212 - Equipment Rental-External	\$345.34	\$2,414.98	\$5,000.00
53220 - Advertising	\$4,665.30	\$181,185.74	\$200,000.00
53370 - Grounds Maintenance	\$985.00	\$6,418.80	\$5,000.00
53405 - Software Maintenance	\$1,251.72	\$8,851.43	\$12,000.00
53440 - External Audit Fees	\$8,193.00	\$22,218.00	\$20,000.00
53450 - Consulting Fees	\$32,083.27	\$108,411.23	\$500,000.00
53510 - Travel & Entertainment	\$1,123.27	\$1,594.93	\$15,000.00
53520 - Dues & Subscriptions	\$1,253.19	\$9,810.12	\$20,000.00
53530 - Training,Registration Fees,Etc	\$0.00	\$1,205.00	\$10,000.00
53905 - Economic Development Incentive	\$2,002,000.00	\$5,604,623.59	\$18,553,329.00
53907 - Business Recruitment & Retentn	\$11,540.89	\$26,180.82	\$50,000.00
53920 - Rent	\$6,094.00	\$41,489.68	\$75,000.00
54010 - Building Maintenance	\$1,633.21	\$78,131.91	\$45,000.00
55120 - Maint. - Instruments & Appara.	\$55.65	\$194.86	\$3,000.00
56188 - MOTRAN	\$68,500.00	\$137,000.00	\$137,000.00
56202 - General Fund Services	\$32,557.08	\$227,899.56	\$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	\$37,344.26	\$186,721.32	\$0.00
56995 - Project Non Capital - Promotions	\$58,605.70	\$208,932.70	\$27,000.00
57000 - Capital Land Purchases	\$0.00	\$20,812.50	\$0.00
57001 - Capital Buildings & Structures	\$0.00	\$722,359.38	\$0.00
57002 - Capital Improve Other Than Bldg	\$0.00	\$125,265.79	\$1,400,000.00
57070 - Construction in Process	\$0.00	\$436,645.70	\$0.00
235235 - Midland Development Corp	\$2,306,747.96	\$8,508,995.52	\$22,656,815.00

April 2021 Net Income: (\$1,537,251.41)

Year-to-Date Net Income: (\$1,013,292.51)

Balance Sheet

MIDLAND DEVELOPMENT CORPORATION
BALANCE SHEET FOR THE PERIOD ENDED
April 30, 2021
(Used for Internal Purposes Only)

ASSETS

Current Assets

Cash and cash equivalents	22,334,637	
Sales tax receivable	2,186,318	
Prepaid expenses	107,133	
Accounts receivable	-	
	-	24,628,087

Non-Current Assets

Capital Assets, net	21,527,291	
Forgivable Loans		
Made to Primary Government	-	
Made to Other	506,579	
Total Forgivable Loans	506,579	
		22,033,870

Total Assets		\$ 46,661,957
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LIABILITIES AND NET POSITION

Liabilities

Accounts payable	133,073	
Retainage Payable	11,112	
Capital Leases payable	163,962	
Commitments payable		
Due within one year	10,666,312	
Due in more than one year	23,857,864	
Total Commitments Payable	34,524,176	
		34,832,324

Net Position

Net investment in capital assets	21,527,291	
Restricted for Forgivable Loans	506,579	
Restricted for Capital Leases	163,962	
Promotions	2,003,275	
Unrestricted	(12,371,474)	
	11,829,633	

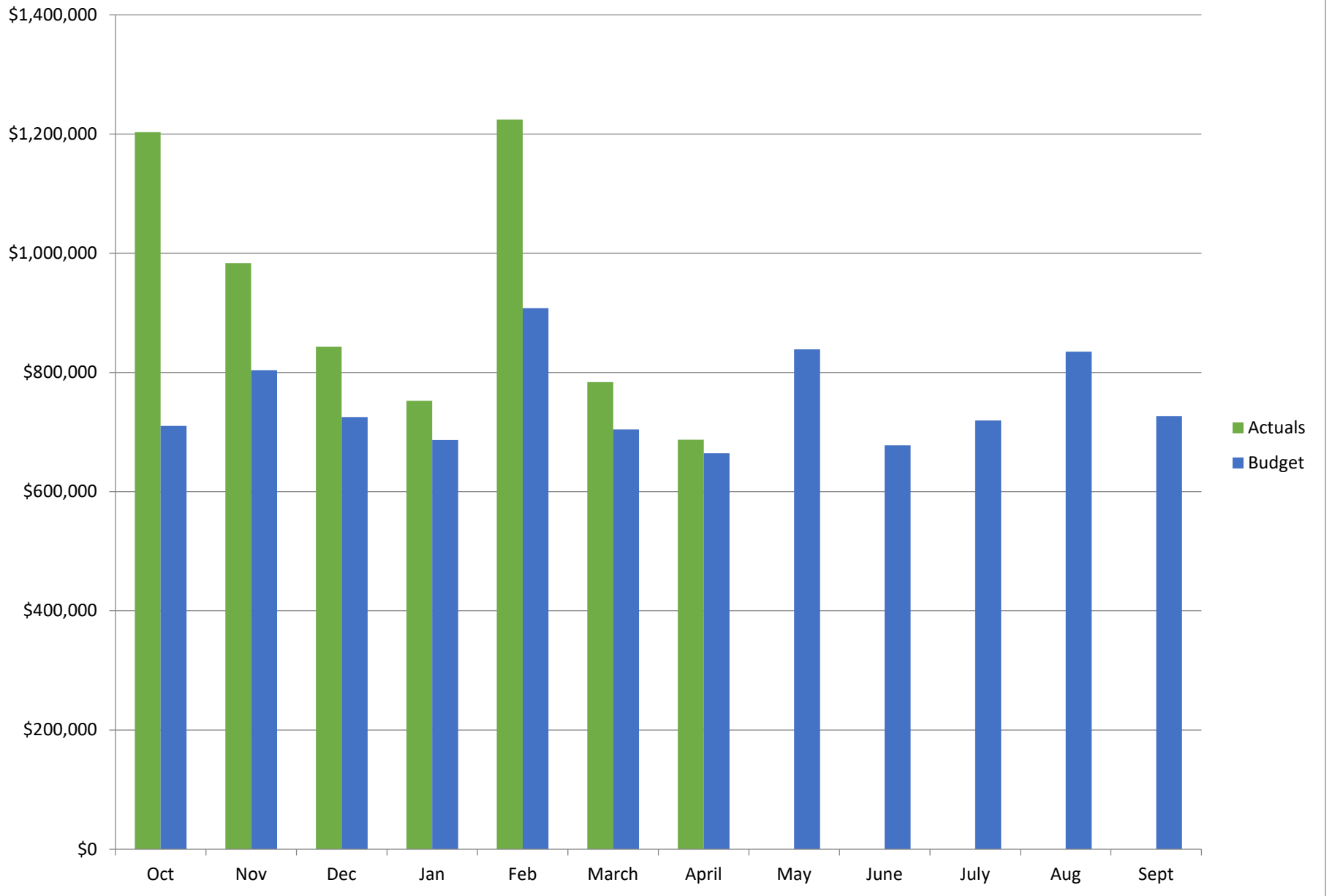
Total Liabilities and Net Position		\$ 46,661,957
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Sales Tax

Sales Tax Variance

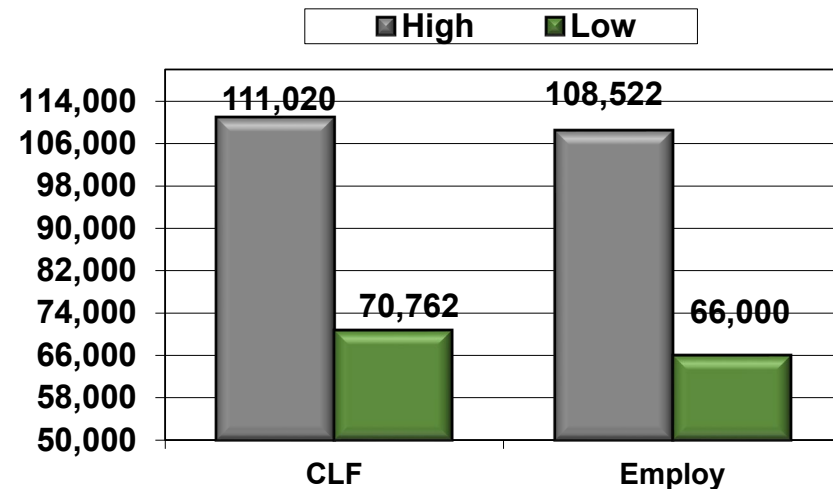
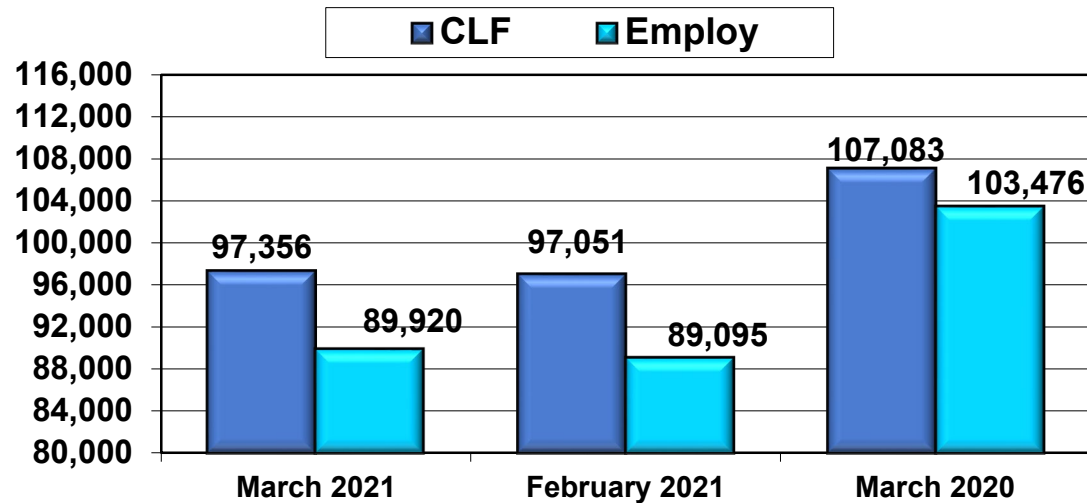
	2018-2019	2019-2020	% Change	2019-2020	2020-2021	% Change	YTD Change
October	\$1,168,778.63	\$1,219,993.44	4.38%	\$1,219,993.44	\$1,203,058.10	-1.39%	-1.39%
November	\$1,315,318.62	\$1,266,357.10	-3.72%	\$1,266,357.10	\$983,259.60	-22.36%	-12.07%
December	\$1,185,882.84	\$1,263,226.93	6.52%	\$1,263,226.93	\$843,087.27	-33.26%	-19.21%
January	\$1,143,749.27	\$1,036,178.70	-9.41%	\$1,036,178.70	\$752,584.05	-27.37%	-20.97%
February	\$1,442,774.27	\$1,279,615.49	-11.31%	\$1,279,615.49	\$1,224,314.99	-4.32%	-17.46%
March	\$1,209,440.03	\$966,824.94	-20.06%	\$966,824.94	\$783,914.25	-18.92%	-17.66%
April	\$1,135,613.41	\$1,006,559.17	-11.36%	\$1,006,559.17	\$687,198.37	-31.73%	-19.42%
May	\$1,381,858.75	\$1,251,139.57	-9.46%	\$1,251,139.57			
June	\$1,175,734.10	\$897,050.21	-23.70%	\$897,050.21			
July	\$1,242,133.20	\$876,285.08	-29.45%	\$876,285.08			
August	\$1,359,171.41	\$1,074,175.26	-20.97%	\$1,074,175.26			
September	\$1,315,787.31	\$834,182.16	-36.60%	\$834,182.16			
Annual Total	\$15,076,241.84	\$12,971,588.05	-13.96%	\$12,971,588.05	\$6,477,416.63		

Sales Tax Actuals vs Budget Estimates



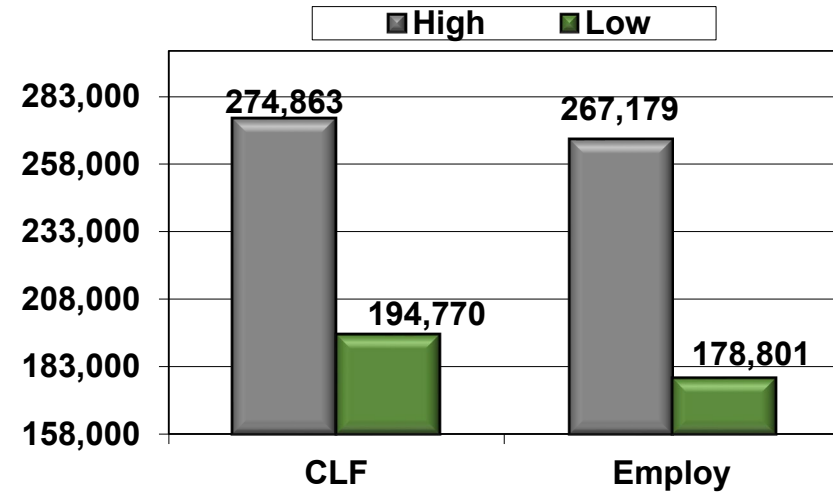
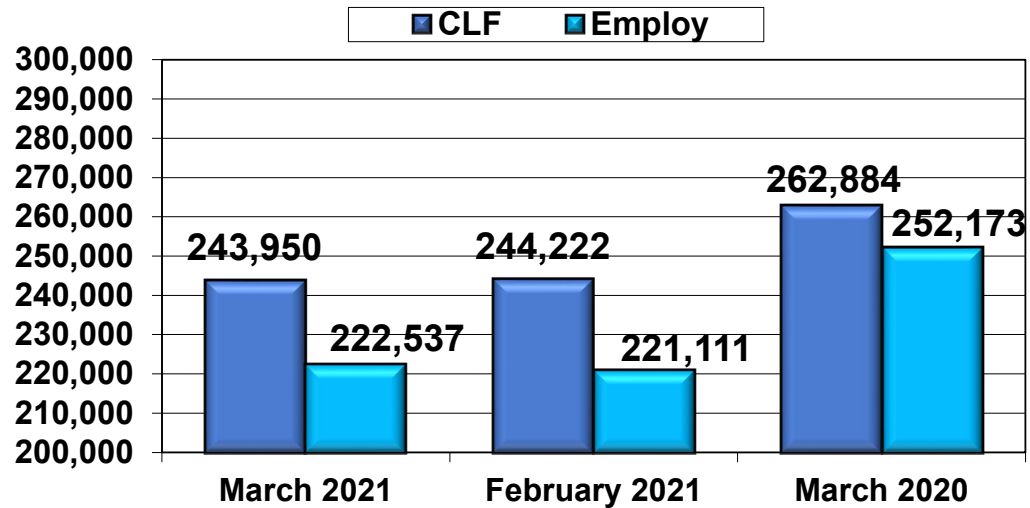
Activity Report

March 2021 Midland MSA Employment Information



	March 2021	February 2021	March 2020	High	Low
Civilian Labor Force	97,356	97,051	107,083	111,020 (Feb 2020)	70,762 (Jan 2010)
Employment	89,920	89,095	103,476	108,522 (Dec 2019)	66,000 (Jan 2010)
Unemployment	7,436	7,956	3,607	12,725 (May 2020)	1,788 (May 2019)
Unemployment Rate	7.6%	8.2%	3.4%	12.4% (May 2020)	1.7% (Apr 2019)

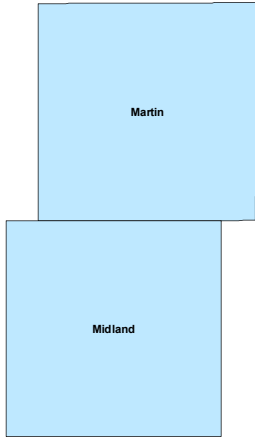
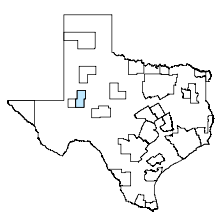
March 2021 Permian Basin Workforce Development Area Employment Information



	March 2021	February 2021	March 2020	High	Low
Civilian Labor Force	243,950	244,222	262,884	274,863 (Feb 2020)	194,770 (Jan 2010)
Employment	222,537	221,111	252,173	267,179 (Feb 2020)	178,801 (Jan 2010)
Unemployment	21,413	23,111	10,711	34,542 (May 2020)	5,115 (Apr 2019)
Unemployment Rate	8.8%	9.5%	4.1%	13.4% (May 2020)	1.9% (Apr 2019)

Midland MSA

March 2021

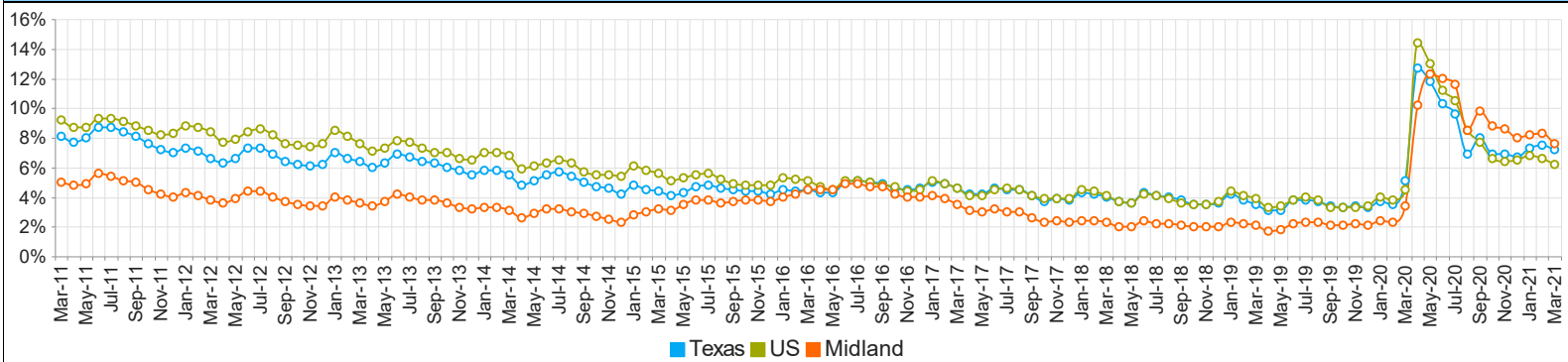


MSA Labor Force Statistics				
	Mar-21	Feb-21	Mar-20	Yearly Change
Civilian Labor Force	97,356	97,061	107,083	-9,727
Employed	89,920	89,040	103,476	-13,556
Unemployed	7,436	8,021	3,607	3,829
Unemployment Rate	7.6%	8.3%	3.4%	4.2%

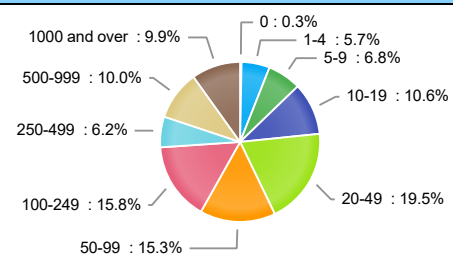
Texas Labor Force Statistics				
	Mar-21	Feb-21	Mar-20	Yearly Change
Civilian Labor Force	14,096,630	14,047,933	13,953,661	142,969
Employed	13,086,898	12,989,157	13,248,772	-161,874
Unemployed	1,009,732	1,058,776	704,889	304,843
Unemployment Rate	7.2%	7.5%	5.1%	2.1%

US Labor Force Statistics				
	Mar-21	Feb-21	Mar-20	Yearly Change
Civilian Labor Force	160,397,000	160,008,000	162,537,000	-2,140,000
Employed	150,493,000	149,522,000	155,167,000	-4,674,000
Unemployed	9,905,000	10,486,000	7,370,000	2,535,000
Unemployment Rate	6.2%	6.6%	4.5%	1.7%

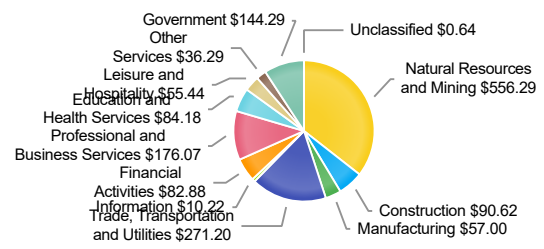
Historical Unemployment Rates



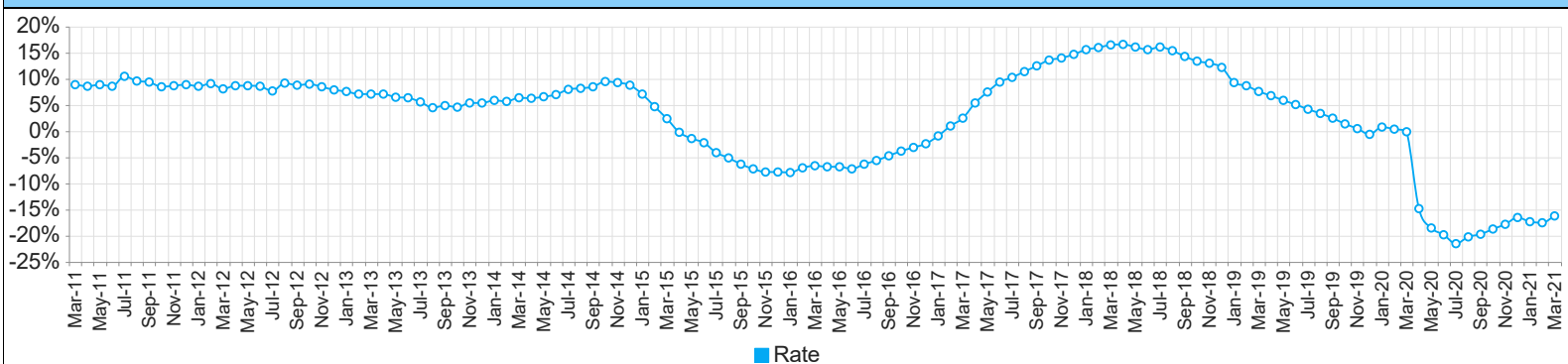
Employment by Size Class (3rd Quarter 2020)



Wages by Industry (in millions) (3rd Quarter 2020)



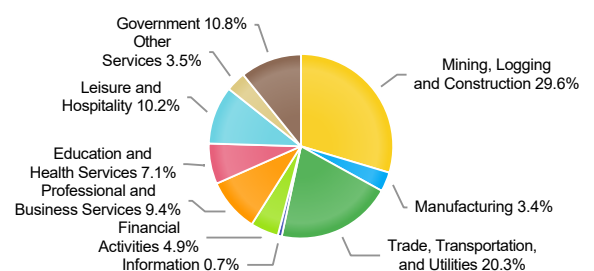
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (March 2021)

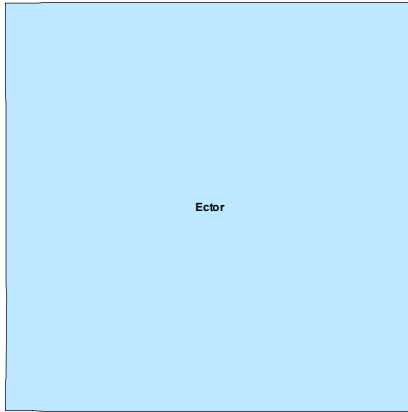
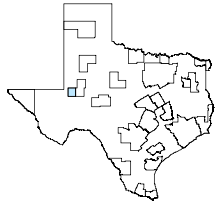
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	94,200	1.0%	-16.2%
Mining, Logging and Construction	27,900	4.5%	-26.4%
Manufacturing	3,200	0.0%	-22.0%
Trade, Transportation, and Utilities	19,100	0.0%	-12.8%
Information	700	0.0%	-22.2%
Financial Activities	4,600	0.0%	-11.5%
Professional and Business Services	8,900	0.0%	-16.0%
Education and Health Services	6,700	-2.9%	-9.5%
Leisure and Hospitality	9,600	0.0%	-10.3%
Other Services	3,300	-2.9%	-17.5%
Government	10,200	0.0%	5.2%

Employment by Industry (March 2021)



Odessa MSA

March 2021

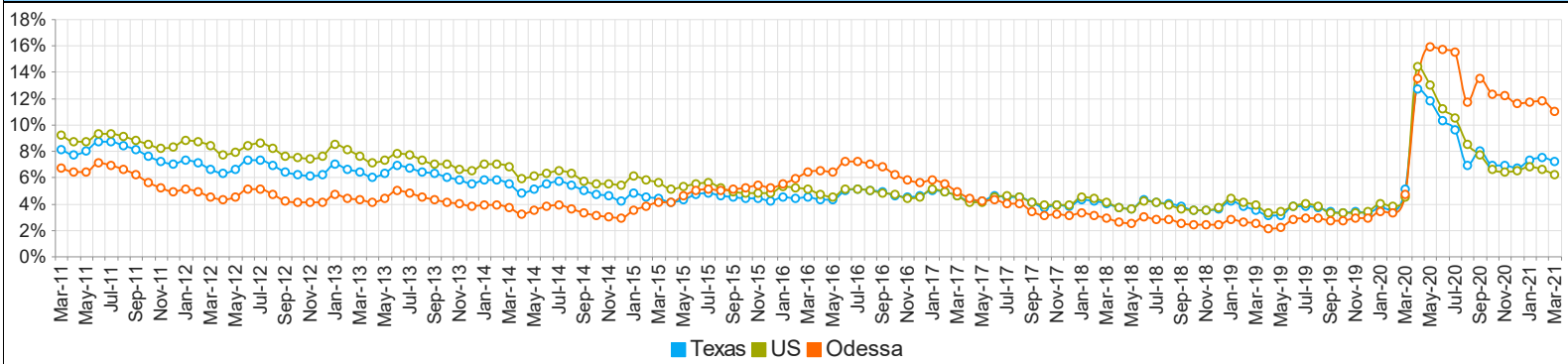


MSA Labor Force Statistics				
	Mar-21	Feb-21	Mar-20	Yearly Change
Civilian Labor Force	79,257	79,777	85,687	-6,430
Employed	70,559	70,363	81,632	-11,073
Unemployed	8,698	9,414	4,055	4,643
Unemployment Rate	11.0%	11.8%	4.7%	6.3%

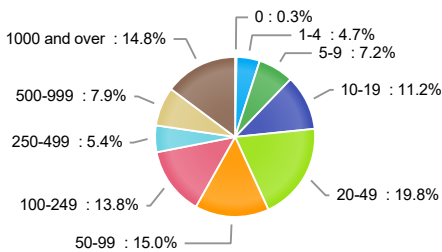
Texas Labor Force Statistics				
	Mar-21	Feb-21	Mar-20	Yearly Change
Civilian Labor Force	14,096,630	14,047,933	13,953,661	142,969
Employed	13,086,898	12,989,157	13,248,772	-161,874
Unemployed	1,009,732	1,058,776	704,889	304,843
Unemployment Rate	7.2%	7.5%	5.1%	2.1%

US Labor Force Statistics				
	Mar-21	Feb-21	Mar-20	Yearly Change
Civilian Labor Force	160,397,000	160,008,000	162,537,000	-2,140,000
Employed	150,493,000	149,522,000	155,167,000	-4,674,000
Unemployed	9,905,000	10,486,000	7,370,000	2,535,000
Unemployment Rate	6.2%	6.6%	4.5%	1.7%

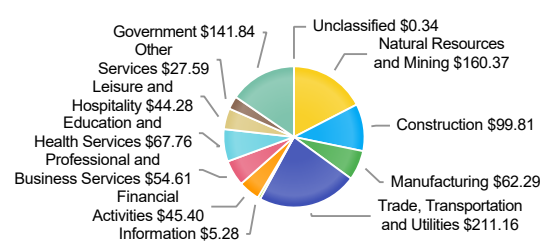
Historical Unemployment Rates



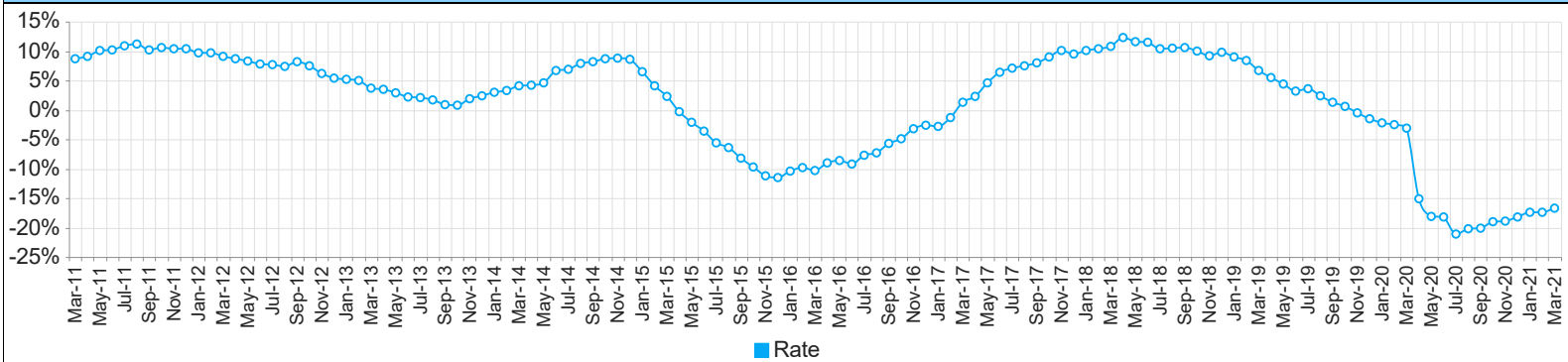
Employment by Size Class (3rd Quarter 2020)



Wages by Industry (in millions) (3rd Quarter 2020)



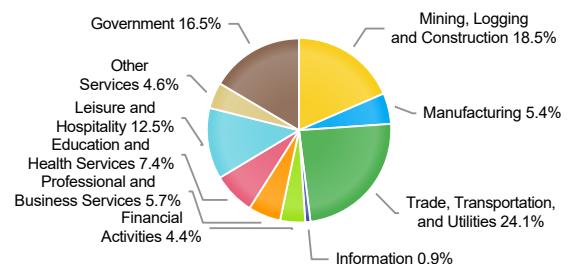
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (March 2021)

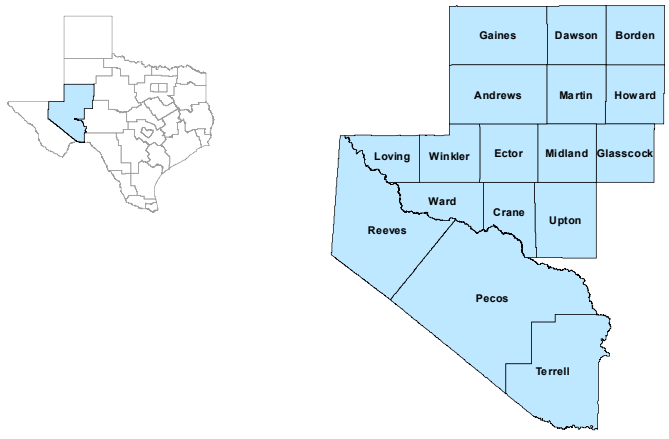
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	68,000	0.1%	-16.7%
Mining, Logging and Construction	12,600	-1.6%	-38.8%
Manufacturing	3,700	0.0%	-24.5%
Trade, Transportation, and Utilities	16,400	0.0%	-11.4%
Information	600	0.0%	-25.0%
Financial Activities	3,000	0.0%	-16.7%
Professional and Business Services	3,900	0.0%	-18.8%
Education and Health Services	5,000	0.0%	-3.8%
Leisure and Hospitality	8,500	2.4%	-4.5%
Other Services	3,100	0.0%	-13.9%
Government	11,200	0.9%	4.7%

Employment by Industry (March 2021)



Permian Basin Workforce Development Area

March 2021



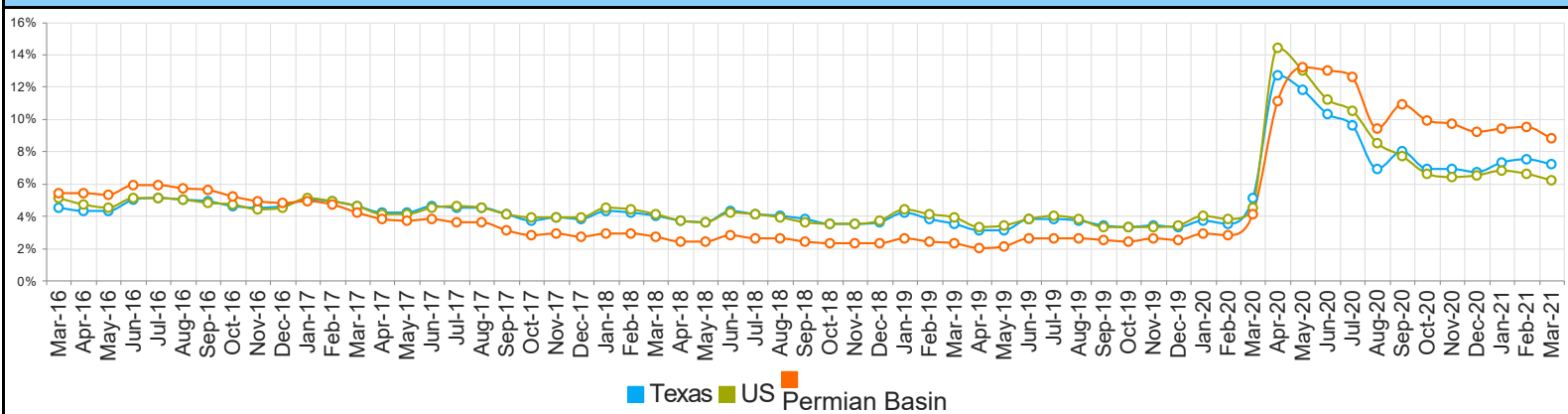
WDA Labor Force Statistics				
	Mar-21	Feb-21	Mar-20	Yearly Change
Civilian Labor Force	243,950	244,222	262,884	-18,934
Employed	222,537	221,111	252,173	-29,636
Unemployed	21,413	23,111	10,711	10,702
Unemployment Rate	8.8%	9.5%	4.1%	4.7%

Texas Labor Force Statistics				
	Mar-21	Feb-21	Mar-20	Yearly Change
Civilian Labor Force	14,096,630	14,047,933	13,953,661	142,969
Employed	13,086,898	12,989,157	13,248,772	-161,874
Unemployed	1,009,732	1,058,776	704,889	304,843
Unemployment Rate	7.2%	7.5%	5.1%	2.1%

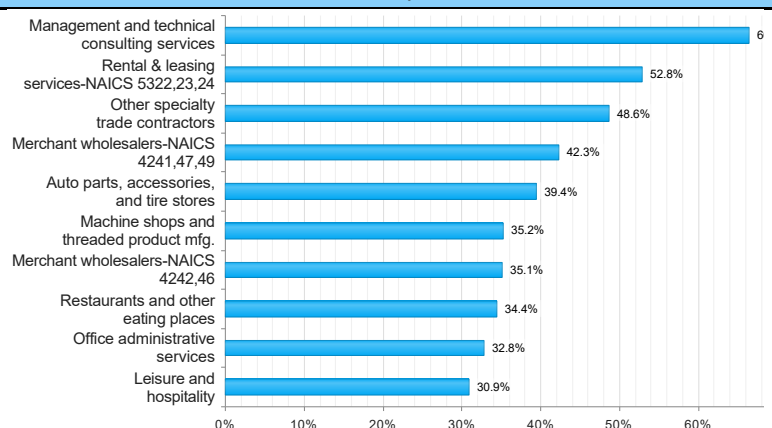
US Labor Force Statistics				
	Mar-21	Feb-21	Mar-20	Yearly Change
Civilian Labor Force	160,397,000	160,008,000	162,537,000	-2,140,000
Employed	150,493,000	149,522,000	155,167,000	-4,674,000
Unemployed	9,905,000	10,486,000	7,370,000	2,535,000
Unemployment Rate	6.2%	6.6%	4.5%	1.7%

Continued Claims for the Week of the 12th				
	Mar-21	Feb-21	Mar-20	Yearly Change
WDA	3,778	4,535	2,011	1,767
Texas	204,996	221,149	124,065	80,931

Historical Unemployment Rates

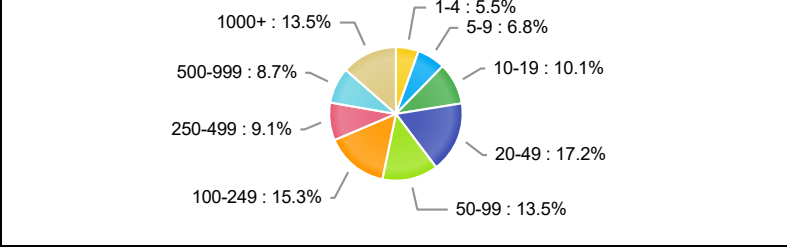


Projected Top Ten Fastest Growing Industries in WDA (% Growth 2018-2028)

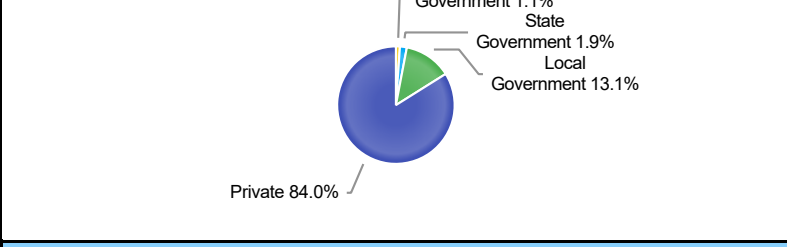


Average Weekly Wage (3rd Quarter 2020)					
	Q3 2020	Q2 2020	Q3 2019	Quarterly Change	Yearly Change
WDA	\$1,194	\$1,231	\$1,301	-\$37	-\$107
Texas	\$1,149	\$1,156	\$1,108	-\$7	\$41
US	\$1,173	\$1,188	\$1,092	-\$15	\$81

Employment by Size Class (3rd Quarter 2020)



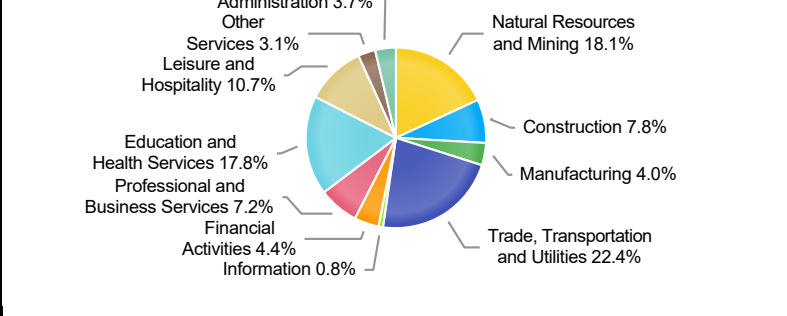
Employment by Ownership (3rd Quarter 2020)



Employment by Industry (3rd Quarter 2020, Percent Change)

Industry	Employment	% of Total	% Quarterly Change	% Yearly Change
Natural Resources and Mining	37,345	18.1%	-11.8%	-36.4%
Construction	16,019	7.8%	-8.6%	-27.2%
Manufacturing	8,313	4.0%	-9.2%	-27.3%
Trade, Transportation and Utilities	46,157	22.4%	-2.9%	-15.0%
Information	1,590	0.8%	13.7%	-31.5%
Financial Activities	9,092	4.4%	-6.6%	-11.6%
Professional and Business Services	14,845	7.2%	-4.1%	-15.7%
Education and Health Services	36,775	17.8%	2.6%	-0.9%
Leisure and Hospitality	22,049	10.7%	9.2%	-13.9%
Other Services	6,367	3.1%	0.8%	-14.2%
Public Administration	7,541	3.7%	3.7%	3.6%

Employment by Industry (3rd Quarter 2020)



Employment Separation & Release Agreement

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION OF
AN EMPLOYMENT SEPARATION AND RELEASE
AGREEMENT BETWEEN THE MIDLAND
DEVELOPMENT CORPORATION AND JOHN
TRISCHITTI III**

WHEREAS, the Board of Directors of the Midland Development Corporation finds it to be in the public interest to authorize the execution of an employment separation and release agreement between the Midland Development Corporation and John Trischitti III;

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

THAT the Chairman is hereby authorized and directed to execute an employment separation and release agreement between the Midland Development Corporation and John Trischitti III. Said agreement shall be in a form substantially similar to 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., 2021, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

WESLEY BOWNDS,
Chairman of the Midland
Development Corporation

ATTEST:

BERRY SIMPSON,
Secretary for the Midland
Development Corporation

APPROVED ONLY AS TO FORM:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

**EMPLOYMENT SEPARATION
AND RELEASE AGREEMENT**

THIS EMPLOYMENT SEPARATION AND RELEASE AGREEMENT ("Agreement") is effective as of May 15, 2021 ("*Effective Date*"), by and between the **MIDLAND DEVELOPMENT CORPORATION ("MDC")** and **JOHN TRISCHITTI III ("*Employee*")**.

THIS AGREEMENT CONTAINS A TOTAL AND COMPLETE RELEASE AND WAIVER OF YOUR RIGHTS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT AS WELL AS OTHER FEDERAL, STATE AND LOCAL LAWS PROTECTING EMPLOYEE RIGHTS. IF YOU SIGN THIS AGREEMENT, YOU ARE WAIVING ALL OF YOUR RIGHTS TO ASSERT ANY CLAIMS UNDER THESE LAWS. PLEASE READ THIS AGREEMENT CAREFULLY AND, IF YOU WISH, SEEK THE ADVICE OF AN ATTORNEY REGARDING THE LEGAL EFFECT OF SIGNING THIS AGREEMENT.

1. **Employment Separation.** MDC and Employee acknowledge and agree that Employee's employment as Executive Director of MDC shall cease on May 15, 2021.
2. **Consideration to Employee.** If Employee executes this Agreement during the Review Period (as defined in Section 4), and provided Employee does not revoke this Agreement during the Revocation Period (as defined in Section 4), then MDC agrees to pay and Employee agrees to accept a lump sum severance payment ("*Severance Payment*") in the total amount of ONE HUNDRED TWELVE THOUSAND FOUR HUNDRED THIRTY AND 29/100 DOLLARS (\$112,430.29), as well as MDC's assistance with respect to the continuation of medical benefits as detailed below:
 - a. FOURTEEN THOUSAND NINE HUNDRED AND FIVE AND 29/100 DOLLARS (\$14,905.29), as advance payment in full for 172.00 hours of accrued and unused paid time off ("*PTO*").
 - b. NINETY THOUSAND TWENTY-FIVE AND No/100 DOLLARS (\$90,025.00), as termination and severance pay as required by Employee's Executive Director Employment Agreement with the MDC.
 - c. SEVEN THOUSAND FIVE HUNDRED AND No/100 DOLLARS (\$7,500.00) as additional consideration.
 - d. In addition, MDC shall pay or cause to be paid for the benefit of Employee up to the total amount of \$2,032.61 to allow Employee to continue to receive the benefits of his existing Blue Cross Blue Shield medical insurance as if Employee continued to serve as a full-time employee of MDC for a period ending August 31, 2021. MDC shall continue to offer coverage for Employee's spouse and family members, but MDC shall not pay or cause to be paid any amounts related to any Blue Cross

Blue Shield medical insurance benefits in connection with Employee's spouse or family members. The continuation of this coverage for the benefit of Employee, and Employee's spouse and family remains subject to all eligibility criteria, terms and conditions of such insurance plan and controlling agreements and documents.

The Severance Payment will become due and payable by MDC to Employee after the expiration of ten (10) days from the Effective Date provided that this Agreement was executed by Employee during the Review Period and not revoked by Employee during the Revocation Period. The Severance Payment will be subject to deductions for retirement plan contributions, federal income tax withholding, contributions under the Federal Insurance Contributions Act, and all other applicable deductions associated with the payment of wages.

3. **FULL, FINAL & COMPLETE RELEASE.** IN CONSIDERATION OF MDC'S AGREEMENT TO PAY THE SUMS SET FORTH IN SECTION 2, EMPLOYEE AGREES NOT TO INSTITUTE OR HAVE INSTITUTED ON HIS BEHALF CLAIMS, CAUSES OF ACTION OR LAWSUITS OF ANY NATURE AGAINST MDC, ITS DIRECTORS, OFFICIALS, AGENTS, REPRESENTATIVES, OR EMPLOYEES, EITHER INDIVIDUALLY OR IN THEIR OFFICIAL CAPACITY, WITH RESPECT TO ANY VIOLATIONS OF FEDERAL OR STATE LAWS OR REGULATIONS, INCLUDING BUT NOT LIMITED TO, ANY CLAIMS, CAUSES OF ACTIONS OR SUITS THAT MIGHT HAVE BEEN ALLEGED AS A RESULT OF EVENTS OCCURRING DURING EMPLOYEE'S EMPLOYMENT WITH MDC, INCLUDING, BUT NOT LIMITED TO, EVENTS RELATED TO EMPLOYEE'S INVOLUNTARY SEPARATION. NOTWITHSTANDING ANY OTHER PROVISION OF THIS AGREEMENT, EMPLOYEE FOR HIMSELF AND HIS HEIRS, EXECUTORS, ADMINISTRATORS, ASSIGNS, AND LEGAL REPRESENTATIVES HEREBY FULLY, FINALLY AND COMPLETELY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES MDC, ITS DIRECTORS, OFFICIALS, AGENTS, REPRESENTATIVES, AND EMPLOYEES, BOTH INDIVIDUALLY AND IN THEIR OFFICIAL CAPACITY, FROM ANY AND ALL DEMANDS, CLAIMS, DAMAGES, CAUSES OF ACTION OR SUITS OF ANY KIND WHATSOEVER THAT EMPLOYEE HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING BUT NOT LIMITED TO COMPENSATORY DAMAGES (INCLUDING, BUT NOT LIMITED TO, BACK PAY, FRONT PAY, OVERTIME PAY, OR LOST FUTURE EMPLOYMENT BENEFITS), PUNITIVE DAMAGES, BREACH OF CONTRACT, QUANTUM MERUIT, TORT CLAIMS, MDC'S NEGLIGENCE, ATTORNEYS' FEES, COURT COSTS, MENTAL PAIN AND ANGUISH, DAMAGE TO REPUTATION, SLANDER, DEFAMATION, OR OTHER PERSONAL INJURY, ALL CLAIMS ARISING FROM COMMON LAW, THE UNITED STATES AND TEXAS CONSTITUTIONS, FEDERAL OR STATE LAWS OR REGULATIONS, INCLUDING BUT NOT LIMITED TO, THE AGE DISCRIMINATION IN EMPLOYMENT ACT, AS AMENDED, THE OLDER WORKERS BENEFITS PROTECTION ACT, AS AMENDED, THE FAIR LABOR STANDARDS ACT, AS AMENDED, THE CIVIL RIGHTS ACT OF 1991, AS AMENDED, TEXAS LABOR CODE § 451.001 *ET SEQ.*, THE AMERICANS WITH DISABILITIES ACT, AS AMENDED, AND ANY AND ALL SIMILAR FEDERAL OR

TEXAS STATUTES THAT PROHIBIT DISCRIMINATION ON THE BASIS OF RACE, GENDER, AGE, NATIONAL ORIGIN, SEX, DISABILITY, OR RELATE TO THE PAYMENT OF OVERTIME, AND TEXAS GOVERNMENT CODE § 554.001 *ET SEQ.* EMPLOYEE AND MDC ACKNOWLEDGE THAT THIS AGREEMENT DOES NOT PROHIBIT EMPLOYEE OR ANY THIRD PARTY FROM FILING COMPLAINTS OF ALLEGED DISCRIMINATION WITH THE EQUAL EMPLOYMENT OPPORTUNITY COMMISSION, THE TEXAS HUMAN RIGHTS COMMISSION, OR THE TEXAS WORKFORCE COMMISSION BUT DOES, HOWEVER, BAR EMPLOYEE, HIS HEIRS, EXECUTORS, LEGAL REPRESENTATIVES, AND ASSIGNS FROM RECEIVING ANY RECOVERY OF ANY NATURE, INCLUDING, BUT NOT LIMITED TO, ATTORNEYS' FEES, RESULTING DIRECTLY OR INDIRECTLY FROM THE FILING OF SUCH CHARGES. THIS RELEASE SHALL BE INTERPRETED TO EFFECTUATE THE BROADEST RELEASE OF CLAIMS AND CAUSES OF ACTION ALLOWED BY APPLICABLE LAWS. EMPLOYEE ADMITS HE HAS RECEIVED FROM MDC ALL PAYMENTS, RIGHTS, AND BENEFITS POTENTIALLY DUE TO HIM PURSUANT TO THE FAIR LABOR STANDARDS ACT.

4. **ADEA RELEASE.** EMPLOYEE HEREBY ACKNOWLEDGES THAT HE KNOWINGLY AND VOLUNTARILY ENTERS INTO THIS AGREEMENT WITH THE PURPOSE OF WAIVING AND RELEASING ANY AND ALL CLAIMS UNDER THE AGE DISCRIMINATION IN EMPLOYMENT ACT OF 1967 ("*ADEA*"), AS AMENDED, AND THE OLDER WORKERS BENEFIT PROTECTION ACT ("*OWBPA*"), AS AMENDED, AND AS SUCH HE ACKNOWLEDGES AND AGREES THAT:
- a. THIS AGREEMENT IS WORDED IN AN UNDERSTANDABLE WAY;
 - b. ANY RIGHTS OR CLAIMS ARISING UNDER THE ADEA AND OWBPA ARE WAIVED;
 - c. CLAIMS UNDER THE ADEA AND OWBPA THAT MAY ARISE AFTER THE DATE OF THIS AGREEMENT ARE NOT WAIVED;
 - d. THE RIGHTS AND CLAIMS WAIVED IN THIS AGREEMENT ARE IN EXCHANGE FOR ADDITIONAL CONSIDERATION OVER AND ABOVE ANYTHING TO WHICH EMPLOYEE WAS ALREADY ENTITLED;
 - e. EMPLOYEE HAS BEEN ADVISED IN WRITING TO CONSULT WITH AN ATTORNEY PRIOR TO EXECUTING THIS AGREEMENT, AND HAS HAD AN OPPORTUNITY TO DO SO; AND
 - f. EMPLOYEE HAS BEEN GIVEN A PERIOD OF TIME, TWENTY-ONE (21) DAYS, IF DESIRED, TO CONSIDER THIS AGREEMENT (THE "REVIEW PERIOD"), AND UNDERSTANDS THAT HE MAY REVOKE HIS WAIVER AND RELEASE OF ANY ADEA (AGE DISCRIMINATION) OR OWBPA CLAIMS COVERED BY THIS AGREEMENT IN THE SEVEN (7) DAY PERIOD FOLLOWING HIS EXECUTION OF THIS AGREEMENT (THE

"*REVOCATION PERIOD*").

- g. EMPLOYEE ACKNOWLEDGES THAT ANY REVOCATION OF THIS AGREEMENT SHALL REQUIRE EMPLOYEE TO PROVIDE SPECIFIC WRITTEN NOTICE OF HIS REVOCATION TO SARA HARRIS AT 200 NORTH LORAIN STREET, SUITE 610, MIDLAND, TEXAS 79701 OR VIA EMAIL ADDRESS AT SHARRIS@MIDLANDTXEDC.COM AND TITLED "REVOCATION OF SEVERANCE AGREEMENT IN THE SUBJECT LINE. EMPLOYEE MUST REQUEST AND RECEIVE CONFIRMATION OF RECEIPT BY MDC FOR ALL NOTICES.
 - h. EMPLOYEE SPECIFICALLY UNDERSTANDS AND AGREES THE AGREEMENT WILL NOT BECOME EFFECTIVE UNTIL THE REVOCATION PERIOD HAS EXPIRED WITHOUT ACTION BY EMPLOYEE.
5. **Taxes.** MDC and Employee shall report, as may be required by law for income tax purposes, their respective payment(s) and receipt of payment(s) hereunder. Each party shall bear their respective tax liabilities, if any, arising from this Agreement. Employee acknowledges that MDC has made no representations to Employee regarding the tax consequences of any amount received by Employee pursuant to the terms of this Agreement. Employee represents and warrants to MDC that Employee has made an independent evaluation of the claims released and consequences (including tax consequences) of this Agreement and has not relied on any representation by MDC in this regard except as may be contained in this Agreement.
6. **No Liability.** It is expressly agreed and understood by Employee that this Agreement is not, in any form or fashion, an admission of any liability on the part of MDC, its individual directors, or any other agent, employee, official or representative of MDC.
7. **Entire Agreement.** It is understood and agreed by the parties hereto that this Agreement is the entire Agreement between MDC and Employee and that it cannot be changed or modified by any oral agreements given before, during or after its execution. This Agreement is contractual and not a mere recital. This Agreement supersedes any and all prior agreements, arrangements, or understandings with respect to the subject matter discussed herein. No oral understandings, statements, promises, terms, conditions, or agreements contrary or in addition to the terms of this Agreement exist.
8. **Knowing & Voluntary.** Employee represents and warrants that he enters into this Agreement both knowingly and voluntarily in exchange for the good and valuable consideration heretofore recited and not based on any representations or statements of any kind by MDC, its directors, officials, agents, or employees.
9. **Use.** Employee further understands and agrees that this Agreement shall not be used as evidence against MDC, its directors, officials, agents or employees in their individual or official capacity, as to any actions occurring on or prior to the Effective Date of this Agreement.

10. **Venue; Governing Law.** All performance and payment made pursuant to this Agreement shall be deemed to have occurred in Midland County, Texas. The sole, exclusive, and mandatory venue for any claims, suits, disputes or any other action arising from, relating to or concerning in any way this Agreement or the performance of this Agreement shall be in Midland County, Texas. The obligations and undertakings of each of the parties to this Agreement shall be deemed to have occurred in Midland County, Texas. The laws of the State of Texas shall govern, construe and enforce all the rights and duties of the parties, including but not limited to tort claims and any and all contractual claims or disputes, arising from or relating in any way to the subject matter of this Agreement, without regard to conflict of laws and rules that would direct application of the laws of another jurisdiction.
11. **Legal Construction.** If one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
12. **Consideration.** MDC and Employee agree this Agreement is supported by good and valuable consideration, the receipt and sufficiency of which is acknowledged by each party hereto.
13. **Public Record.** Employee acknowledges and agrees that this Agreement is subject to the provisions of the Texas Public Information Act.
14. **Continued Cooperation.** Employee acknowledges and agrees that events may occur, which will necessitate MDC receiving information and assistance from Employee in the future. As part of the consideration for this Agreement, Employee agrees to timely and reasonably respond to requests for information and assistance from MDC with respect to any matters, claims, or litigation that may arise. If Employee receives a subpoena or request seeking testimony, documents, or information Employee may have related to MDC or any of the parties released herein, Employee shall provide MDC with a copy of the subpoena or request for information prior to the date specified for compliance and no later than four (4) business days following Employee's receipt.
15. **Notices.** It is of the utmost important that Employee keeps MDC informed of his current address as MDC may need to send very important information to Employee in the future. Unless notice from Employee is otherwise received in writing by MDC at **200 NORTH LORAIN STREET, SUITE 610, MIDLAND, TEXAS 79701, OR VIA EMAIL TO SHARRIS@MIDLANDTXEDC.COM**, MDC shall send all future correspondence and communications to Employee at the following address:

John Trischitti III
3107 HAYNES DRIVE
MIDLAND, TEXAS 79705

- 16. Warranties, Acknowledgements, and Representations.** Employee acknowledges and represents that he is legally competent to execute this Agreement. Employee warrants that he has not assigned or otherwise transferred to any other person or entity any interest in any claim, demand, action, and/or cause of action Employee has, may have, or may claim to have against MDC or other parties released herein. Employee represents and warrants that Employee has made an independent evaluation of the claims released by this Agreement. Employee represents and warrants Employee has not relied on any representation made by MDC except as may be contained in this Agreement. Employee represents and warrants that Employee has not suffered any on the job injury for which Employee has not already filed a claim. Employee agrees that other than the amounts set forth herein, there are no amounts due and owing to Employee arising out of or in any way related to his employment by MDC. Employee affirms that he has not filed, nor has Employee caused to be filed, nor is Employee presently a party to any claim, complaint, or action against MDC in any form. By way of further affirmation, Employee is not aware of any facts that would support the filing of a claim, charge, or other proceeding against MDC.

[Signature Pages Follow]

By signing below and not exercising any right to revoke it as provided for herein, Employee understands and agrees that:

- (a) MDC advises Employee to consult with an attorney of Employee’s choice (and at his sole cost) before signing this Agreement;**
- (b) Employee enters into this Agreement on a knowing and voluntary basis, with the intent to be legally bound, and to waive, settle, and release all releasable claims Employee has or might have against MDC; and**
- (c) MDC executes this Agreement and shall provide the payments hereunder in reliance on Employee’s representations, warranties, and releases.**

IN WITNESS WHEREOF, THIS AGREEMENT IS EXECUTED BY THE FOLLOWING PARTIES ON THE DATES SET FORTH BELOW.

EMPLOYEE

Date: _____

STATE OF TEXAS §
 §
 COUNTY OF MIDLAND §

BEFORE ME, the undersigned authority, on this day personally appeared JOHN TRISCHITTI III, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____, 2021.

Notary Public, State of Texas

**MIDLAND DEVELOPMENT
CORPORATION**

Date: _____

STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

BEFORE ME, the undersigned authority, on this day personally appeared _____ of the Midland Development Corporation, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that they executed the same as the act and deed of said entity for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ DAY OF _____, 2021.

Notary Public, State of Texas

Employment Agreement

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION OF
AN EMPLOYMENT AGREEMENT WITH SARA
HARRIS FOR THE POSITION OF EXECUTIVE
DIRECTOR OF THE MIDLAND DEVELOPMENT
CORPORATION**

WHEREAS, the Midland Development Corporation Board of Directors finds it to be in the public interest to authorize the execution of an employment agreement Sara Harris for the position of Executive Director of the Midland Development Corporation;

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 employment agreement with Sara Harris for the position of Executive Director of the Midland Development Corporation. Said agreement being in a form substantially similar to 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., 2021, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

WESLEY BOWNDS,
Chairman of the Midland
Development Corporation

ATTEST:

BERRY SIMPSON,
Secretary of the Midland
Development Corporation

APPROVED ONLY AS TO FORM:

JOHN OHNEMILLER,
Attorney for the
Midland Development Corporation

**MIDLAND DEVELOPMENT CORPORATION
EXECUTIVE DIRECTOR
EMPLOYMENT AGREEMENT**

THIS AGREEMENT is made and entered into by and between the MIDLAND DEVELOPMENT CORPORATION, a Type A Corporation pursuant to Chapter 504 of the Texas Local Government Code (“*MDC*”) and SARA HARRIS (“*Employee*”), to establish and set forth the terms and conditions of the employment of Employee; the parties agree as follows:

**ARTICLE I.
APPOINTMENT**

MDC hereby appoints Employee as Executive Director of MDC beginning on the 15th day of May, 2021, to perform the functions and duties specified in MDC’s Bylaws, as amended, and to perform such other legally permissible and proper duties and functions as the Chairman or Board of Directors of MDC may assign from time to time.

**ARTICLE II.
EMPLOYEE AT WILL**

Employee shall serve as Executive Director as an employee-at-will for an indefinite term, but may be removed at any time in accordance with the provisions of this Agreement. Employee expressly acknowledges and agrees that the provisions of this Article II and Agreement govern the nature of her employment by MDC.

**ARTICLE III.
COMPENSATION**

A. MDC agrees to pay Employee for her services the annual base salary of \$180,250.00 payable in installments in the same manner and at the same time as other employees of MDC are paid, and subject to the same applicable deductions for employee benefit contributions.

B. In addition, the Chairman or the Board of Directors (the “*Board*”) may review Employee’s performance from time to time, and may consider adjustments to said base salary in such amounts and to such extent as the Chairman or the Board may determine desirable on the basis of any such review.

C. In the event of the termination of this Agreement or the separation of Employee’s employment with MDC for any reason, the then-applicable base salary shall be paid only to the effective date of such termination or separation.

**ARTICLE IV.
TERMINATION AND SEVERANCE PAY**

A. In the event of involuntary separation, Employee shall within forty-five (45) days of the effective date of the involuntary separation be entitled to receive a lump-sum payment equal to six (6) months of her then-current base salary plus the value of any accrued unused vacation leave, which shall be computed on an hourly basis. Notwithstanding any contrary provision of this

Agreement, MDC shall have no obligation to pay the severance sum(s) set forth herein if Employee is terminated for one of the following reasons: (i) conviction of a felony; (ii) conviction of a misdemeanor involving moral turpitude (e.g., a misdemeanor involving dishonesty, fraud, or deceit); (iii) Employee's intentional failure or refusal to faithfully, diligently, and/or competently perform her duties hereunder; (iv) misconduct or violation of a MDC policy, rule, or regulation that, by its nature, has a material adverse effect on MDC, the confidence of the public in the integrity of MDC, or the relationship of Employee and other employees (a "**Policy Violation**"). The termination of Employee's employment by MDC pursuant to grounds (i)-(iv) of this Section shall require a majority vote of the Board in open session.

For purposes of this Agreement, "base salary" means the monthly cash remuneration paid to Employee for performing the specific duties for which Employee was hired, including annual or other increases given to Employee and payments based on years of service in accordance with a formalized MDC longevity payment schedule, but "base salary" does not mean or include payments by MDC for insurance premiums or benefit payments, or any fringe benefits of any kind including, but not limited to transportation allowances, housing allowances, retirement benefits, certification pay, or social security payments.

B. As used in this Agreement, "involuntary separation" shall mean: (i) Employee's resignation following a reduction in salary or other financial benefits in a greater percentage than an applicable across-the-board reduction for all MDC employees, provided that such across-the-board reduction is greater than a five percent (5%) from the previous year and such across-the-board reduction takes place more frequently than annually; (ii) Employee's termination by the Board for reasons other than those stated in Article IV Paragraph A; (iii) Employee's resignation following a material reassignment of Employee's duties by the Board; (iv) a material breach by the MDC, the Board, or the failure of any of their successors or assigns, including not by way of limitation, the City of Midland, of any obligation of this agreement that results in Employee's resignation; and (v) the failure of any successor or assign of the MDC, including not by way of limitation the City of Midland, to assume the MDC's obligations under this agreement.

C. To the extent Employee seeks to classify any separation of employment as an "involuntary separation", an occurrence which otherwise may constitute an "involuntary separation" shall not entitle Employee to receive a lump sum payment as described above if (i) Employee fails to provide written notice to each current Board Member of MDC of the occurrence alleged to constitute the "involuntary separation within fourteen (14) calendar days after such occurrence; (ii) MDC cures, corrects, or otherwise remedies such occurrence within thirty (30) days after MDC's receipt of Employee's written notice hereunder, as determined in MDC's reasonable judgment; or (iii) in the event MDC does not cure, correct, or otherwise remedy such occurrence as provided above, Employee fails to resign within sixty (60) days after the occurrence.

D. Employee agrees to give the Board at least thirty (30) days' written notice of her intention to voluntarily resign her position, stating the reasons for the resignation as a matter of professional courtesy.

**ARTICLE V.
QUALIFYING OFFER OF EMPLOYMENT**

A. In the event that the MDC is defunded, dissolved, or its existence terminated or wound up, or in the event that the MDC's authority and activities are absorbed into the City of Midland, Employee shall be entitled to the termination and severance pay described in Article IV of this agreement, unless a Qualifying Offer of Employment is made to Employee by the City of Midland. If Employee accepts any offer of employment from a successor-in-interest to MDC within 6 months of MDC being defunded, dissolved, or its existence terminated or wound up, Employee shall not be entitled to the termination and severance pay described in Article IV. Any severance pay previously paid to Employee shall be immediately returned by Employee to the successor-in-interest to MDC.

For purposes of this agreement, "Qualifying Offer of Employment" means an offer of employment that (i) is for a position with substantially comparable job responsibility, scope, title, location; (ii) includes base salary which is not greater than 10% less than Employee's then existing base salary provided to Employee by the MDC, and (iii) complies in all respects with applicable Law, including Laws governing employment discrimination, wages and hours, and employee classifications.

**ARTICLE VI.
RELEASE**

CONDITIONED UPON MDC FULFILLING ITS OBLIGATIONS TO PAY THE SEVERANCE AMOUNT, UPON AN INVOLUNTARY SEPARATION, EMPLOYEE WAIVES AND RELEASES HER RIGHT TO CONTINUED EMPLOYMENT WITH MDC AND HEREBY WAIVES, RELEASES AND AGREES TO HOLD MDC, ITS OFFICIALS, OFFICERS, EMPLOYEES, INSURERS AND AGENTS HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS SHE MAY HAVE NOW OR ACQUIRE IN THE FUTURE RELATED TO THE INVOLUNTARY SEPARATION, TERMINATION OF EMPLOYMENT WITH MDC, THE SEVERANCE PACKAGE OR ANY OTHER MATTER ARISING FROM OR RELATED TO THIS AGREEMENT. EMPLOYEE FURTHER AGREES TO EXECUTE AN AGREEMENT WITH MDC THAT REFLECTS THE WAIVER AND RELEASE STATED ABOVE. THE PROVISIONS OF THIS SECTION OF THE AGREEMENT SHALL SURVIVE THE TERMINATION, EXPIRATION OR OTHER END OF THIS AGREEMENT AND/OR EMPLOYEE'S EMPLOYMENT WITH MDC. IF EMPLOYEE DOES NOT EXECUTE A TOTAL AND COMPLETE RELEASE, MDC HAS NO OBLIGATION TO PAY EMPLOYEE ANY SEVERANCE AMOUNT, AND EMPLOYEE WAIVES THE RIGHT TO COLLECT SAME. THE TOTAL AND COMPLETE RELEASE SHALL RELEASE MDC AND MDC'S OFFICIALS, OFFICERS AND EMPLOYEES IN THEIR INDIVIDUAL AND OFFICIAL CAPACITIES.

**ARTICLE VII.
GOVERNING LAW AND VENUE**

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

**ARTICLE VIII.
THIRD-PARTY BENEFICIARY**

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

**ARTICLE IX.
CONSIDERATION**

The terms of this Agreement are supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties named herein.

**ARTICLE X.
CONFLICT WITH POLICIES**

In the event that any conflict shall exist between this Agreement and the policies or resolutions of MDC (including, but not limited to MDC's personnel policies, as amended), the provisions of this Agreement shall apply and take precedence over any conflicting policy or resolution.

**ARTICLE XI.
OTHER TERMS AND CONDITIONS OF EMPLOYMENT**

In addition to the benefits provided in this Agreement, all provisions of MDC's Bylaws, as amended, Articles of Incorporation, as amended, and rules and regulations of MDC relating to vacation leave, sick leave, retirement system contributions, holidays, and other fringe benefits and working conditions, as they now exist or may be amended, shall apply to Employee as they would to other employees of MDC, insofar as those provisions, rules, and regulations are not inconsistent with this Agreement.

**ARTICLE XII.
ENTIRE AGREEMENT**

This Agreement constitutes the entire agreement between the parties. No prior written or contemporaneous oral promises or representations shall be binding or enforceable on the parties.

**ARTICLE XIII.
DISPUTE RESOLUTION**

MDC and Employee agree that they will each attempt to mutually resolve any dispute concerning this Agreement or arising out of Employee's employment through informal discussions. Should these informal discussions fail, MDC and Employee agree to mediate any dispute in Midland, Texas prior to the filing of any lawsuit, except in extraordinary circumstances in which the mediation cannot be completed prior to irreparable harm being suffered by one of the parties. Each party shall pay 1/2 the cost of the mediator's fees, and shall each bear their own costs with respect to any associated expenses, including their own attorneys' fees. The parties hereby agree they shall cooperate, act reasonably, and in good-faith when selecting the mediator.

EXECUTED this _____ day of May, 2021.

MIDLAND DEVELOPMENT
CORPORATION

By _____
Wesley Bownds, Chairman

ATTEST:

Berry Simpson, Secretary

Sara Harris

STATE OF TEXAS §
COUNTY OF MIDLAND §

BEFORE ME, the undersigned authority, on this day personally appeared Sara Harris, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that she executed the same for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of May, 2021.

Notary Public, State of Texas

Printed Name of Notary

My Commission Expires: _____