



Board Binder Open Session

March 3, 2025

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 City Hall Council Chamber, 300 North Loraine Street, Midland, Texas, at 10:00 a.m. on March 3, 2025. 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/86918288796?pwd=2rvqhKKTzBdmHytyNNS8zbIRbC8JrG.1>

Passcode: 239139

Phone one-tap:

+13462487799,,86918288796#,,,,*239139# US (Houston)

+17193594580,,86918288796#,,,,*239139# US

Join via audio:

+1 346 248 7799 US (Houston) +1 719 359 4580 US +1 253 205 0468 US +1 253 215 8782 US (Tacoma)
+1 669 444 9171 US +1 669 900 9128 US (San Jose) +1 309 205 3325 US +1 312 626 6799 US (Chicago)
+1 360 209 5623 US +1 386 347 5053 US +1 507 473 4847 US +1 564 217 2000 US +1 646 558 8656 US
(New York) +1 646 931 3860 US +1 689 278 1000 US +1 301 715 8592 US (Washington DC) +1 305 224
1968 US

Webinar ID: 869 1828 8796

Passcode: 239139

International numbers available: <https://us02web.zoom.us/j/86918288796?pwd=2rvqhKKTzBdmHytyNNS8zbIRbC8JrG.1>

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

1. Call meeting to order.
2. Motion approving the minutes of the February 3, 2025, meeting of the Midland Development Corporation.
3. Presentation from the University of Texas Permian Basin Office of Innovation & Commercialization.
4. Resolution authorizing payment in the amount of \$103,815.46 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.

5. Resolution authorizing the execution of a lease agreement with Firehawk Aerospace, Inc., for certain real property described as an 18.69-acre tract of land out of Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas.
6. Resolution authorizing signatories on Midland Development Corporation bank accounts.
7. Presentation on the February 2025 monthly expenses and economic development activity report from the Midland Development Corporation Executive Director and staff.
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 551.071, Consultation with Attorney
 - i. Discuss a matter in which the duty of the attorney to the Midland Development Corporation under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code.
 - b. Section 551.072, Deliberation Regarding Real Property
 - i. Discuss the purchase, exchange, lease, or value of real property.
 - c. Section 551.087, Deliberation Regarding Economic Development Negotiations
 - i. Discuss business prospects that the Midland Development Corporation seeks to have, locate, stay, or expand in or near the City of Midland, Texas, and discuss possible incentives, and discuss contract compliance on the part of businesses.

Posted this 27th day of February 2025.

Marcia Bentley German
City Governance Officer/City Secretary

February 3rd Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

February 3, 2025

The Board of Directors of the Midland Development Corporation convened in regular session in the Midland City Hall Council Chamber, 300 North Loraine Street, Midland, Texas, at 10:00 a.m. on February 3, 2025.

Board Members present: Chairman Lourcey Sams, Director Elvie Brown, Director Brad Bullock, Director Zachary Deck, Director J Ross Lacy, and Director Garrett Donnelly

Board Members absent: Director Jill Pennington

Staff Members present: Assistant City Attorney Nicholas Toulet-Crump, Chief of Staff Taylor Novak, and Chief Deputy City Secretary Vanessa Magallanes

Council Member(s) present: Councilwoman Amy Stretcher Burkes and Councilman John Burkholder

MDC Staff Members present: Executive Director Sara Harris and Business Engagement & Marketing Gabrielle Franks

1. Call meeting to order.

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

2. Motion approving the minutes of the January 6, 2025, meeting of the Midland Development Corporation.

Director Bullock moved to approve the minutes of the January 6, 2025, meeting of the Midland Development Corporation., seconded by Director Deck. The motion carried by the following vote: AYE: Sams, Brown, Lacy, and Donnelly. NAY: None. ABSTAIN: None. ABSENT: Pennington.

3. Presentation from Texas Tech Health Sciences Center on the Child & Adolescent Psychiatry Fellowship Program in Midland.

Dr. Rajendra Badgaiyan from Texas Tech Health Sciences Center gave a presentation over the Texas Tech Health Sciences Center on the Child & Adolescent Psychiatry Fellowship Program.

4. Presentation from InterFlight Global on aerospace development in Midland.

Oscar Garcia, Chairman and CEO of InterFlight Global Corporation gave a presentation over InterFlight Global on aerospace development in Midland, Texas.

5. Resolution authorizing the execution of a consultant services agreement with InterFlight Global Corporation in an amount not to exceed \$192,500.00 for services related to the procurement of new tenants for facilities located at the Spaceport Business Park; and authorizing payment for said agreement.

Director Deck moved to approve Resolution ED-492 authorizing the execution of a consultant services agreement with InterFlight Global Corporation in an amount not to exceed \$192,500.00 for services related to the procurement of new tenants for facilities located at the Spaceport Business Park; and authorizing payment for said agreement., seconded by Director Bullock. The motion carried by the following vote: AYE: Sams, Brown, Lacy, and Donnelly. NAY: None. ABSTAIN: None. ABSENT: Pennington.

6. Motion authorizing the Chairman of the Midland Development Corporation to negotiate and execute a non-binding letter of intent with the Weinacht Family Trust to lease certain real property located in Reeves County, Texas.

Director Deck moved to approve the Motion authorizing the Chairman of the Midland Development Corporation to negotiate and execute a non-binding letter of intent with the Weinacht Family Trust to lease certain real property located in Reeves County, Texas., seconded by Director Bullock. The motion carried by the following vote: AYE: Sams, Brown, and Donnelly. NAY: Lacy. ABSTAIN: None. ABSENT: Pennington.

7. Presentation on the January 2025 monthly expenses and economic development activity report from the Midland Development Corporation Executive Director and staff.

Sara Harris gave an overview of the month's expenses, revenues, and economic development activity. Gabrielle Franks updated the board on social media stats and marketing.

Board recessed into executive session at 11:13 a.m.

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

- a. Section 551.072, Deliberation Regarding Real Property

- i. Discuss the purchase, exchange, lease, or value of real property.

- b. Section 551.074, Personnel Matters

- i. Discuss the employment, evaluation, and duties of the 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.

Board reconvened into open session at 12:16 p.m.

All the business at hand having been completed, Chairman Sams adjourned the meeting at 12:16 p.m.

Respectfully submitted,

Vanessa Magallanes, Chief Deputy City Secretary

PASSED AND APPROVED the 3rd Day of March 2025.

Elvie Brown, Secretary

UTPB Office of Innovation & Commercialization Presentation



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Incubator & Makerspace Update

Midland Development Corporation Board Meeting

March 3rd, 2025

In 2017, MDC & UTPB entered into a Incubator and Makerspace Grant Agreement to support:

- Buildout of the 3rd floor of the Engineering Building (\$3M)
 - UTPB Engineering building was completed in 2019
 - Three-story building covers 105,801 square feet and cost \$55M total
 - Houses Mechanical Engineering (1st floor), Petroleum Engineering (2nd floor), Electrical and Chemical Engineering (3rd floor), and newly announced Civil Engineering (throughout)
- Development of a business incubator and makerspace at the Center for Energy and Economic Diversification (CEED) building (\$2M)
 - Also providing ongoing salary support of \$200k/year
 - CEED renovation was started in 2021 and completed in 2024



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CEED Renovations





www.utpb.edu/CEED



Innovation Corridor

- Office of Innovation & Commercialization (OIC)
- Business Incubator
- Laboratory Space
- Coworking Suite
- Makerspace

Research Labs

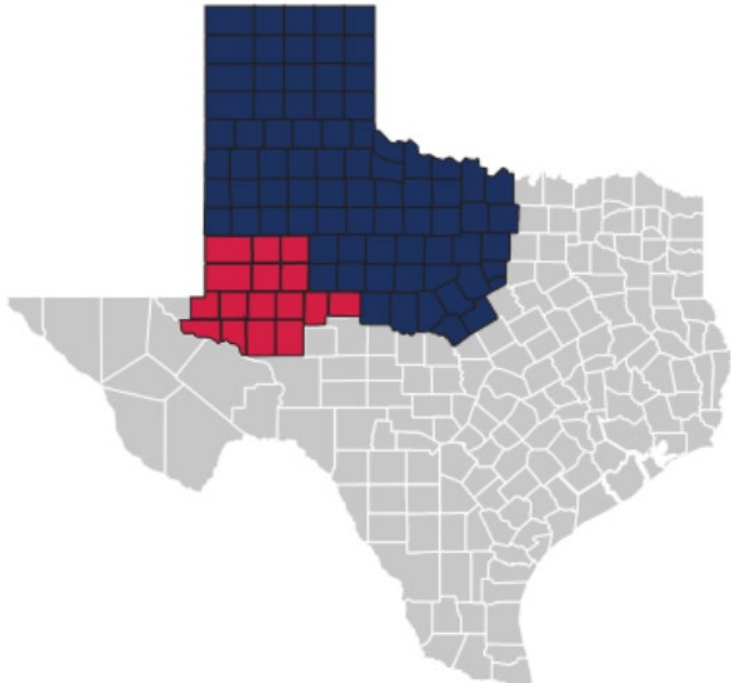
- Advanced Manufacturing Center
- Texas Water and Energy Institute

SBDC

- 1 Director + 2 Business Consultants + 1 Program Coordinator
- Texas Manufacturing Assistance Center
- US Commercial Service

Event Spaces

- Auditorium (125)
- Discovery Classroom (40)
- Executive Classroom (24)
- Boardroom (20)
- Atrium
- Patio



Five Year Totals: 2020 – 2024

• Capital Formation	\$92,420,795
• Clients Counseled	2,216
• Counseling Hours	13,532
• Businesses Opened	210
• Job Created (FTE's)	1,133
• Training Events	187
• Jobs Supported	2,718



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SBDC Suite Tenants



**U.S.
COMMERCIAL
SERVICE**
*United States of America
Department of Commerce*

**Rural
Export
Center**



**Texas Manufacturing
Assistance Center**

Mayra De La Canal

Director

West Texas U.S. Export Assistance Center

Southwest Rural Export Center

U.S. Commercial Service

International Trade Administration

U.S. Department of Commerce

Mobile: +1 (432) 967-5718

E-Mail: Mayra.DeLaCanal@trade.gov

Website: www.trade.gov

Naveen Kumar Narra

Business Field Advisor

TMAC-West Texas

Texas Tech University

Office: 806-834-5311

Cell: 409-454-7379

Email: Naveen.Narra@ttu.edu

Website: <https://www.tmac.org>



CEED Small Business Programs



- Currently in 7th year of holding this event for Midland and MDC (*no spoilers!*)
- Last 2 years have been oversubscribed, hitting the cap of 50 business admitted into the program
- 8 seminars from SBDC and a variety of outside speakers
- Invited IP law firm from Houston to speak – free trademark registration!
- SBDC team dedicated 576.3 hours to the MEC clients this year

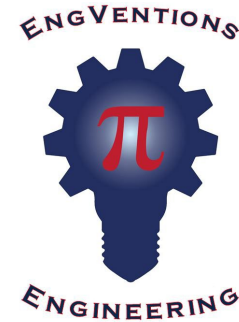


- Founders Blend is a unique community of business owners and startup founders that come together once a month to celebrate new businesses and support each other with the wisdom gained through similar experiences.
- Hosted at a rotating set of venues throughout Midland, including at the CEED



CEED Incubator Tenants

First tenant – August 2023



Priority Industry Categories

- Energy
- Water
- Space/Aerospace

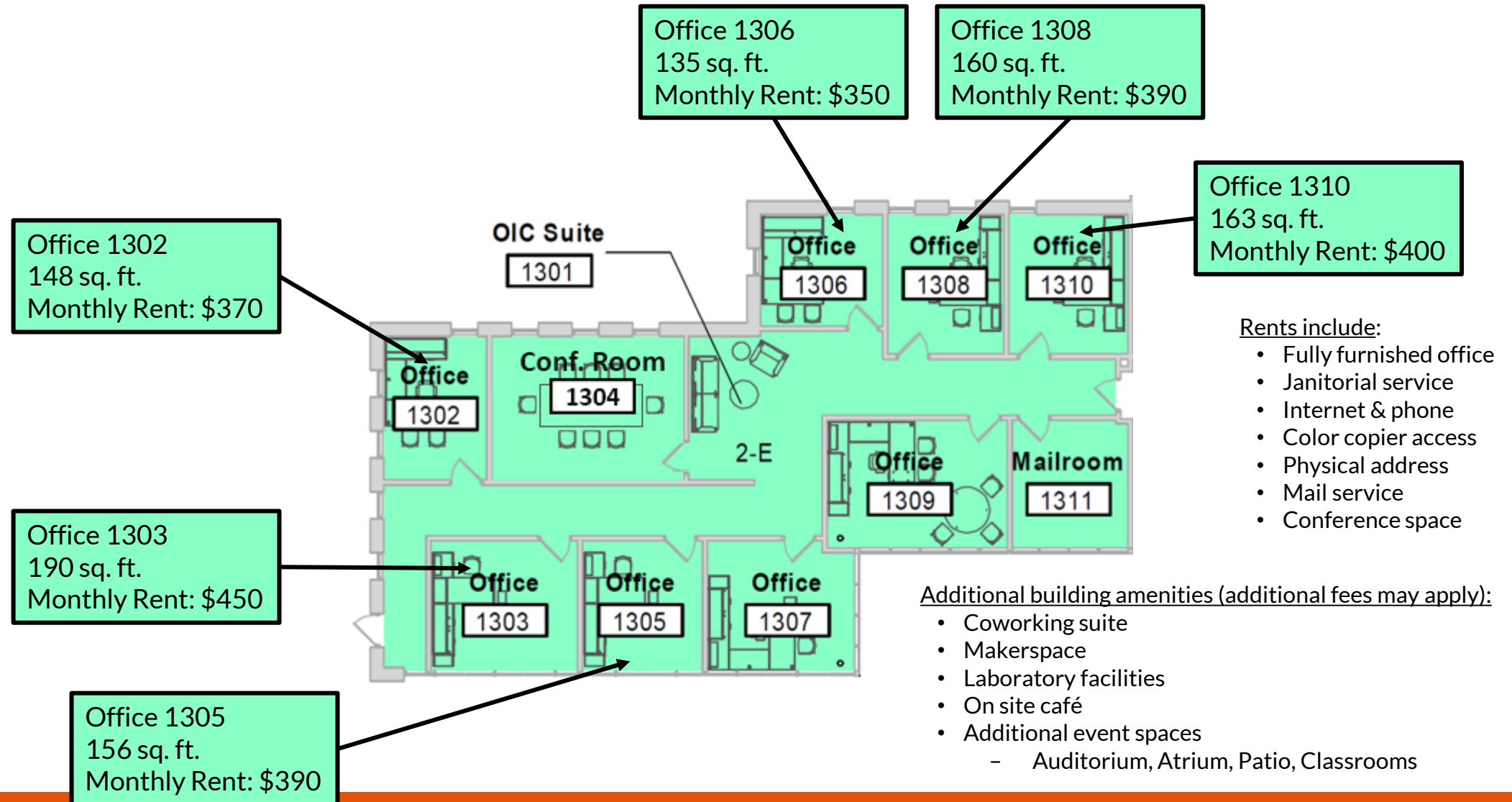
Strategic Fit

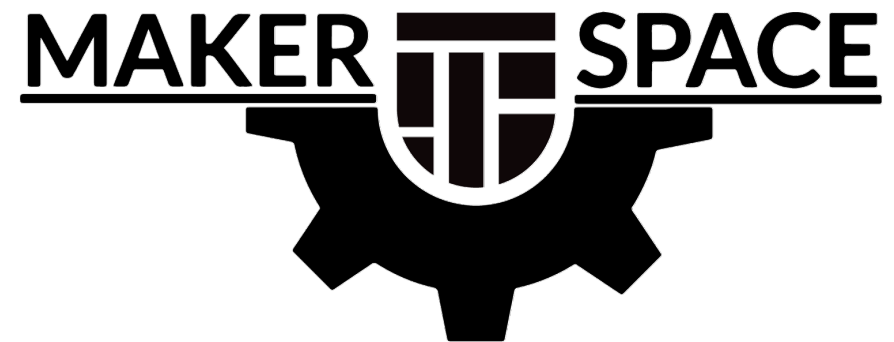
- Companies that have a strategic fit with UTPB or the region





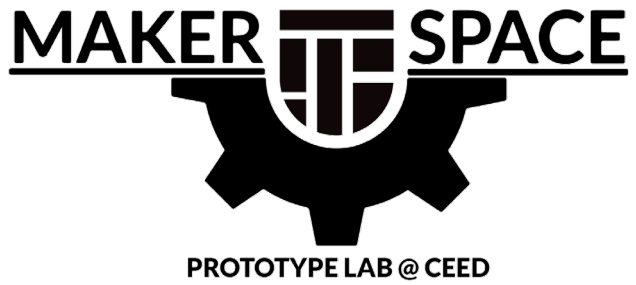
CEED Incubator Layout





PROTOTYPE LAB @ CEED

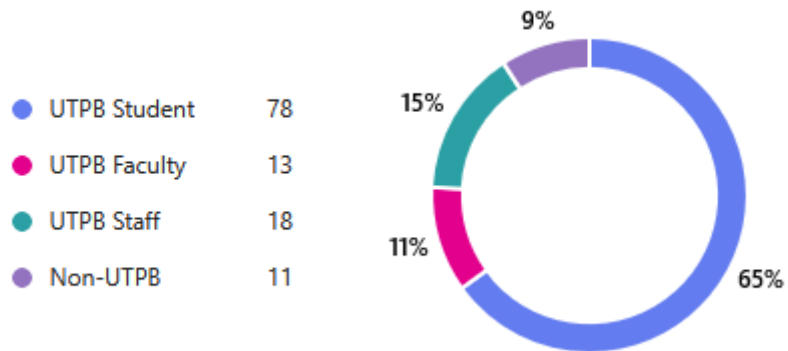


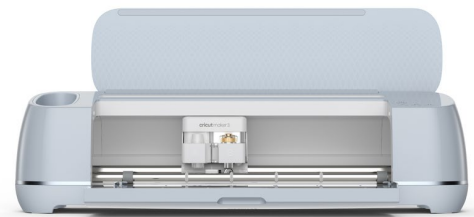
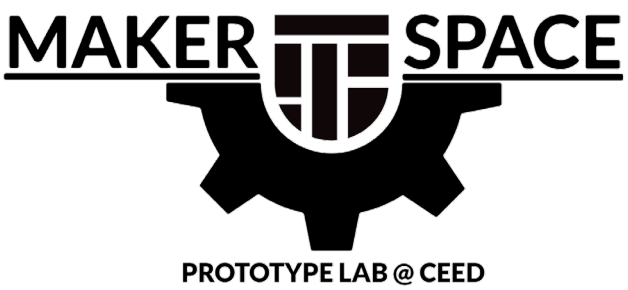


Opened February 2024

Rules, Memberships, and Orientation:
www.utpb.edu/makerspace

120 Individuals Receiving Orientation





Stress-Strain Testing of 3D Printed Beams with Variable Infill

OBJECTIVES AND PROJECT AIM

The objective of this research program is to study the influence of infill characteristics on 3D printed parts. 3D printers allow for control over the internal structure of a part using a variety of different settings to control wall thickness and infill density and type which ultimately determine the strength characteristics of the 3D printed part. During this research study, different infill configurations will be evaluated to determine which provides for optimized strength performance relative to material density and printing speed efficiency.

BACKGROUND AND SIGNIFICANCE

The most common type of 3D printers employ a technique called Fused Deposition Modeling (FDM), which extrudes material through a heated nozzle to deposit material in 2D layers, one on top of the next, in order to create the final 3D part, as shown in Figure 1. (Fuda Ning, 2015)

In order to save on material, print time, and ultimately, cost, 3D prints typically use infill patterns on the interior of the part. Slicer programs, which convert solid models into machine language code for the 3D printers to follow, allow for a variety of settings pertaining to infill to optimize the printed parts. The infill settings menu for Cura, Lulzbot Edition, is shown in Figure 2.

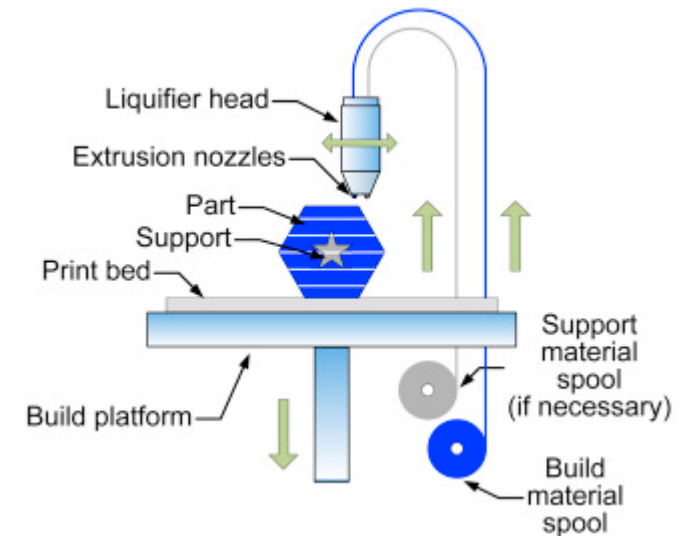
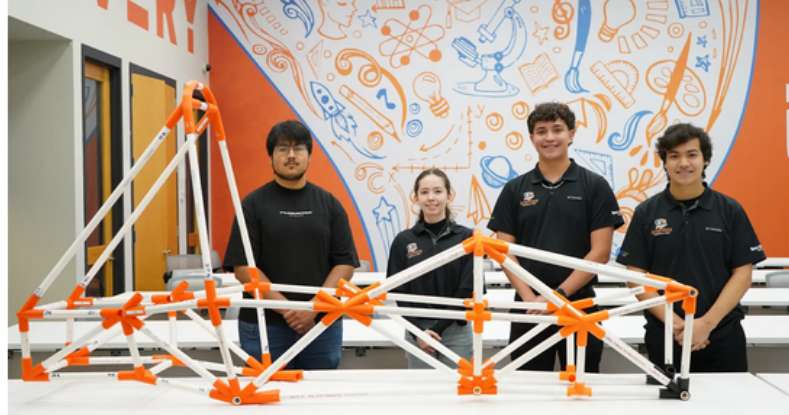


Figure 1. Schematic of FDM Process

Falcon Success Stories



Falcon Racing successfully completes initial full-scale race car prototype

[NEWS](#) | [STUDENT](#) | [CAMPUS](#) | [ACADEMICS](#) | [COMMUNITY](#)

DEC 17, 2024

By Alexandra Macia

Falcon Racing aspires to compete in the Formula SAE International Design Competition in Michigan in 2026.



“The students tasked their senior design team with creating a chassis that adhered to the rules outlined in the SAE handbook. Their team utilized 3D printing in the UTPB Makerspace to produce about 36 joints designed to connect PVC piping that would complete a chassis model. It only cost them about \$250 and took 12 weeks to design, test, and build.”



UT PERMIAN BASIN™

ADVANCED MANUFACTURING CENTER

Permian Basin Manufacturing Consortium

A consortium of manufacturing businesses and machine shops in the Permian Basin committed to training, education, and adoption of advanced manufacturing technologies.



Daily Events

- Open Spaces: Facilities open for members to access equipment

Weekly Events

- Training Events: Workforce development on equipment and materials
- Maker Nights: Learn manufacturing equipment and network

Monthly Events

- Networking Sessions
- Guest Speakers
- Small Fundraisers

Yearly Events

- Conference
- Large Maker Event



AMC Equipment

Characterization

- Instron 68TM-50 Universal Testing Machine
 - Tensile and Compression Testing
 - Up to 50 kN
 - Temperature Chamber
- Instron E20000 Dynamic Test Instrument
 - Cyclic Fatigue Testing
 - Up to 20 kN
 - Temperature Chamber
- AFM Workshop Atomic Force Microscope

Manufacturing Equipment

- 2 Drill Presses
- Langmuir Crossfire XR Plasma Table
 - Work Space of 4' x 8'
- Powermax 85 Sync Plasma System
 - Cuts Up To 1" of Steel
- Laguna Swift CNC Table Mill
 - Work Space of 5' x 10'
 - 3HP Liquid Cooled Spindle
 - 6,000-24,000 RPM
- Wazer Water Jet

Advanced Manufacturing Center



3D Printers

- Ultimaker S5
 - Plastic System
 - Build Volume 330*220*180mm
- Markforged Mark 2
 - Fiber and Plastic System
 - Build Volume 320 x 132 x 154mm
- Markforged Onyx One
 - Fiber and Plastic System
 - Build Volume 320 x 132 x 154mm
- Markforged X7
 - Fiber and Plastic System
 - Build Volume 330 x 270 x 200mm
- Markforged Metal X
 - Metal System
 - Build Volume 320 x 132 x 154mm
- AnyCubic Photon M3 Max
 - Resin System
 - 47-Micron Accuracy
 - Build Volume 298 x 164 x 300mm
- AnyCubic Photon Mono M5
 - Resin System
 - 19-Micron Accuracy
 - Build Volume 123 x 218 x 200 mm

PBMC Planned Training Programs

- External Trainings
 - Certification Programs for Advanced Manufacturing
- Student Trainings
 - Microcredentialing on Machining Technologies
- Course Integrations
 - Adding 1-hour lab components to the following courses:
 - Computer Aided Design (CAD)
 - Manufacturing of Materials
 - Mechanics of Materials
 - Materials Science
 - Graduate Certificate in Advanced Manufacturing



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Thank you for your support!

For questions or tours contact:

Brian Shedd

(432) 552-2435 or shedd_b@utpb.edu

UTPB Incubator & Makerspace Reimbursement

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING PAYMENT IN THE
AMOUNT OF \$103,815.46 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 \$103,815.46 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 \$103,815.46 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., 2025, by the following vote:

Directors voting “AYE”:

Directors voting “NAY”:

P. LOURCEY SAMS,
Chairman of the Midland
Development Corporation

ATTEST:

ELVIE BROWN,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

Firehawk Aerospace Lease Agreement

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION OF A
LEASE AGREEMENT WITH FIREHAWK AEROSPACE,
INC., REGARDING CERTAIN REAL PROPERTY
DESCRIBED AS AN 18.69-ACRE TRACT OF LAND OUT
OF SECTION 33, BLOCK 40, T-1-S, T&P RR CO.
SURVEY, MIDLAND COUNTY, TEXAS**

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of a lease agreement with Firehawk Aerospace, Inc., regarding certain real property described as an 18.69-acre tract of land out of Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas;

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

SECTION ONE. That the Chairman and Secretary are hereby authorized and directed to execute and attest, respectively, on behalf of the Midland Development Corporation, a lease agreement with Firehawk Aerospace, Inc., regarding certain real property described as an 18.69-acre tract of land out of Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas. Said lease 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 Executive Director of the Midland Development Corporation, or her designee, is hereby authorized and directed to administer all the Midland Development Corporation's obligations under said lease agreement, including the issuance of all written notices and confirmation due thereunder.

On motion of Director _____, seconded by Director _____, the above and foregoing resolution was adopted by the Board of Directors of the Midland Development Corporation at a regular meeting on the _____ day of _____, A.D., 2025, by the following vote:

Directors voting "AYE":

Directors voting “NAY”:

P. LOURCEY SAMS,
Chairman of the Midland
Development Corporation

ATTEST:

ELVIE BROWN,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

**LEASE AGREEMENT BETWEEN THE MIDLAND DEVELOPMENT CORPORATION
AND FIREHAWK AEROSPACE, INC.**

THIS LEASE AGREEMENT (“Agreement”) is made and effective this 18th day of March, 2025, by and between the MIDLAND DEVELOPMENT CORPORATION (“MDC” or “Lessor”), a Type A corporation existing under the authority of Chapter 504 of the Texas Local Government Code, and Firehawk Aerospace, Inc. (“Lessee”).

WHEREAS, Lessee desires to lease certain MDC-owned land described as an approximate 18.69-acre tract of land out of Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas, and

WHEREAS, the parties have agreed that said land shall be leased by the MDC to the Lessee upon terms and conditions as set forth herein;

NOW, THEREFORE, for and in consideration of the covenants and conditions herein stated, MDC and Lessee agree as follows:

ARTICLE I. GRANT OF LEASE

1.01 CONVEYANCE OF LEASED PREMISES

MDC hereby leases to Lessee and Lessee does hereby accept and lease an approximate 18.69-acre tract of land out of Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas, (“Leased Premises”) as shown on **Exhibit A**, which is attached hereto and made a part hereof for all legal purposes.

1.02 EASEMENTS

Lessee is to have and to hold the Leased Premises, together with all rights, privileges, easements, and appurtenances belonging to or in any way connected with the Leased Premises and subject to such easements, rights-of-way, drill sites, or other rights or reservations affecting the Leased Premises.

1.03 ACCEPTANCE OF LEASED PREMISES

LESSEE ACCEPTS THE LEASED PREMISES, AND ANY IMPROVEMENTS THERETO, INCLUDING ALL FIXTURES, APPARATUS AND EQUIPMENT LOCATED THEREIN “AS IS” WITH ANY AND ALL LATENT AND PATENT DEFECTS AND THAT THERE IS NO WARRANTY, EXPRESS OR IMPLIED BEING MADE BY THE MDC THAT THE LEASED PREMISES ARE FIT FOR A PARTICULAR PURPOSE. LESSEE ACKNOWLEDGES THAT LESSEE IS NOT RELYING UPON ANY REPRESENTATION MADE BY THE MDC WITH RESPECT TO THE CONDITION OF THE LEASED PREMISES, BUT IS RELYING UPON LESSEE’S EXAMINATION OF THE LEASED PREMISES. BY

Exhibit A

EXECUTING THIS AGREEMENT, LESSEE IS AGREEING TO LEASE THE LEASED PREMISES “AS IS,” TO MAKE ITS OWN APPRAISAL OF THE LEASED PREMISES, AND TO ACCEPT THE RISK THAT LESSEE’S APPRAISAL MAY BE WRONG. MDC GIVES NO ASSURANCES, EXPRESS OR IMPLIED CONCERNING THE VALUE OR CONDITION OF THE LEASED PREMISES. IN NO EVENT SHALL LESSEE HAVE A RIGHT TO RECOVER CONSEQUENTIAL DAMAGES IN CONNECTION WITH THIS AGREEMENT OR THE LEASE OF THE LEASED PREMISES. LESSEE TAKES THE LEASED PREMISES UNDER THE EXPRESS UNDERSTANDING THAT THE LEASED PREMISES IS ACCEPTED “AS IS” AND WITH ALL FAULTS.

ARTICLE II. TERM OF AGREEMENT

The term of this Agreement (“Lease Term”) shall commence on March 18, 2025, and continue thereafter for a period of twenty-four (24) months, unless terminated earlier pursuant to the provisions of this Agreement.

ARTICLE III. RENT

3.01 AMOUNT OF RENT

Lessee agrees to pay MDC annual rent in the amount of **One Hundred and No/100 Dollars** (\$100.00) for the use of the Leased Premises. The annual rent payment(s) shall become due and payable thirty (30) days following the effective date of this Agreement (and the anniversary thereof if applicable).

3.02 DELIVERY OF RENT

All rent payments shall be made to the Midland Development Corporation, ATTN: Executive Director, 200 North Loraine Street, Suite 610, Midland, Texas 79701.

ARTICLE IV. USE OF LEASED PREMISES

4.01 PERMITTED USES

The Leased Premises may be used for testing operations in connection with rocket engines, the commercial space transportation business, and such other uses as may be incidental thereto. Lessee and its Permitted Users may conduct such testing on the Leased Premises, including access to the premises, as indicated on **Exhibit A**. Lessee and its Permitted Users (as defined herein) may use the Leased Premises for other such uses related to the development and testing of rocket engines and rocket propulsion systems for commercial space flight and human transport applications.

“Permitted Users” shall mean users of the Leased Premises pursuant to any MDC-approved subleases, licenses, permits, or any other agreements entered by Lessee. Any such agreement between Lessee and a Permitted User shall be subject to terms and conditions

as deemed appropriate by the Executive Director of the Midland Development Corporation or his/her designee (the “Executive Director”), including but not limited to insurance requirements, indemnification and release provisions, and permitted uses so long as they are not in conflict with the terms of this Agreement. Lessee shall have no further right to assign this Agreement or sublease the Leased Premises without obtaining Lessor’s prior written consent.

4.02 PROHIBITED USES

Lessee shall not use nor permit the use of the Leased Premises for any other or additional purpose that is not, during the Lease Term, a permitted use pursuant to Section 4.01 without first obtaining the prior written consent of MDC, which consent may be granted, withheld, conditioned, or delayed in MDC’s sole and absolute discretion. Lessee acknowledges that the use of the Leased Premises is subject to all statutes, laws, rules, codes, ordinances, regulations, permits, interpretations, certificates, or orders of any governmental entity, or any judgments, decisions, decrees, injunctions, orders, or like actions of any court, arbitrator, or other federal, state, or local governmental entity (the “Governmental Rules”) at any time applicable to the Leased Premises and improvements thereon and that nothing in this Section or elsewhere in this Agreement shall constitute or be deemed to constitute a waiver of Lessee to comply with such Governmental Rules.

4.03 INGRESS AND EGRESS

Lessee, its officers, employees, customers, patrons, Permitted Users, guests or invitees, and its suppliers of materials or services shall have the right of ingress and egress to the Leased Premises over designated roadways, subject to such rules and regulations as may be established from time to time by the MDC or by law. Lessee shall prevent the obstruction of ingress and egress to the Leased Premises by any vehicle owned or used by Lessee, its officers, employees or suppliers.

ARTICLE V. OBLIGATION OF LESSEE REGARDING IMPROVEMENTS

5.01 CONSTRUCTION OF IMPROVEMENTS; ACKNOWLEDGEMENTS

During the Lease Term, Lessee may seek MDC’s permission to construct improvements on the Leased Premises for the purposes consistent with the permitted uses referenced in Section 4.01. The decision as to whether to grant Lessee permission shall be in the sole and absolute discretion of MDC. In constructing the improvements on the Leased Premises, Lessee shall use commercially reasonable efforts to employ contractors based in the City of Midland, Texas, and purchase goods and materials from providers based in the City of Midland, Texas.

5.02 COORDINATION OF CONSTRUCTION ACTIVITIES

Prior to the commencement of any construction, alteration, or change to the Leased Premises, Lessee shall notify the Executive Director of said activities and, if applicable and requested by the Executive Director, reasonably coordinate said activities with MDC.

Lessee shall be responsible for ascertaining the requirements of state and local government agencies regarding permit and application procedures necessary to obtain the final approvals and permits prior to the beginning of any construction on the Leased Premises.

5.03 CONTRACTOR'S INSURANCE

At any time construction activities are undertaken on the Leased Premises, Lessee shall require that its contractor or contractors keep in force insurance issued by a responsible insurance company or companies authorized to conduct business in the State of Texas insuring the improvements during construction under Completed Builder's All Risk Insurance, including fire, extended coverage, vandalism and malicious mischief, in an amount equal to the full insurable value of such construction as the same progresses in order to insure continuity of construction and ultimate completion despite damage or destruction suffered during the course thereof. Further, Lessee shall require that its contractor or contractors keep in force Commercial General Liability Insurance against claims for bodily injury, death, or property damage occurring on, in or about the Leased Premises in at least the amount of \$2,000,000.00 per individual, \$2,000,000.00 per occurrence and \$1,000,000.00 with respect to property damage; the Commercial General Liability shall be on a per project aggregate, including completed operations, and shall be on a claims-occurred basis. **ALL INSURANCE SHALL NAME THE MDC AS ADDITIONAL INSURED AND CO-PAYEE AND PROVIDE FOR A WAIVER OF SUBROGATION IN FAVOR OF THE MDC.**

5.04 [INTENTIONALLY DELETED]

5.05 ENCUMBRANCE OF LEASEHOLD ESTATE

Lessee shall at no time encumber or attempt to encumber its leasehold interest in the Leased Premises by deed of trust, mortgage, security agreement or other security interest.

5.06 MECHANIC'S LIENS

Lessee shall not cause or permit any mechanic's liens or other liens to be filed against the Leased Premises or against Lessee's leasehold interest in any improvements on the Leased Premises by reason of any work, labor, services, or materials supplied or claimed to have been supplied to Lessee or to anyone holding the Leased Premises or any part of them through or under Lessee. If a mechanic's lien or materialman's lien is recorded against the Leased Premises or improvements on the Leased Premises, Lessee shall either cause the same to be removed or, if Lessee in good faith desires to contest the lien, take timely action to do so, at Lessee's sole expense. **IF LESSEE CONTESTS THE LIEN, LESSEE AGREES TO INDEMNIFY MDC AND HOLD MDC HARMLESS FROM ALL LIABILITY FOR DAMAGES OCCASIONED BY THE LIEN OR THE LIEN CONTEST AND SHALL, IN THE EVENT OF A JUDGMENT OF FORECLOSURE ON THE LIEN, CAUSE THE LIEN TO BE DISCHARGED AND REMOVED PRIOR TO THE EXECUTION OF THE JUDGMENT.**

5.07 [INTENTIONALLY DELETED]

5.08 RIGHT TO REMOVE IMPROVEMENTS

Lessee shall have the right to remove any and all machinery, or equipment, owned or placed by Lessee or its licensees, in, under, or on the Leased Premises, or acquired by Lessee, whether before or during the Lease Term. Said right shall expire thirty (30) days following the expiration of the Lease Term.

ARTICLE VI. MAINTENANCE, REPAIR AND RESTORATION OF LEASED PREMISES

6.01 [INTENTIONALLY DELETED]

6.02 PHASE 1 ENVIRONMENTAL SITE ASSESSMENT; CONTAMINATION

Prior to the effective date of this Agreement, MDC caused a Phase I Environmental Site Assessment(s) to be performed for the Leased Premises. Said Phase I Environmental Site Assessment(s) is attached hereto as **Exhibit B** and incorporated herein for all purposes. The purpose of this Phase I Environmental Site Assessment(s) is to ascertain the levels of hazardous waste and hazardous substances present on the Leased Premises as of the effective date of this Agreement, if any, and to provide for the apportionment of certain obligations and liability concerning the same.

The term “hazardous waste” is used in this Agreement as it is defined in 42 U.S.C. Section 69.01, et seq. The term “hazardous substances” is used herein as it is defined in the Comprehensive Environmental Response, Compensation, and Liability Act, as amended (“CERCLA”). These terms shall also include, for the purposes of the Agreement, any substance requiring special treatment, handling, manifesting, and records according to a governmental authority.

Lessee acknowledges that its use of the Leased Premises and the operations, maintenance, and activities conducted thereon may be subject to federal, state, and local environmental laws, rules, and regulations, including, without limitation, CERCLA, the Resources Conservation and Recovery Act, as amended (“RCRA”), and the regulations promulgated thereunder (the “Governmental Regulations”). As a material covenant of the Agreement, Lessee, at its sole expense, shall comply with all present and future Governmental Regulations, applicable to Lessee’s construction, operations, maintenance, use, and activities on the Leased Premises. Further, as a material covenant of this Agreement, MDC, at its sole expense, shall comply with all such present and future Governmental Regulations applicable to the Leased Premises for any hazardous substances or hazardous wastes existing on or under the Leased Premises as of the Effective Date of this Agreement.

LESSEE HEREBY RELEASES, DISCHARGES, AND HOLDS MDC HARMLESS AND AGREES TO INDEMNIFY MDC FOR CLAIMS, LIABILITIES, SUITS, DAMAGES, EXPENSES, AND FINES ARISING OUT OF OR RESULTING FROM ANY SUDDEN OR GRADUAL OR ANY OTHER RELEASE, DISCHARGE, SPILL, CONTAMINATION, OR POLLUTION BY OR FROM HAZARDOUS WASTES OR SUBSTANCES CAUSED BY LESSEE, ITS CONTRACTORS,

SUBCONTRACTORS, AGENTS, OFFICERS, AND REPRESENTATIVES, CREATED, OR OCCURRING ON OR UNDER THE LEASED PREMISES FOLLOWING THE EFFECTIVE DATE OF THIS AGREEMENT.

Should a governmental authority having jurisdiction over environmental matters, including, but not limited to, the TWC, USEPA, TCEQ, or the City of Midland, determine that a response, plan, or action be undertaken due to any spill, discharge, contamination, release, or pollution of hazardous substances or wastes or occurring, arising, or resulting during the Lease Term, whether sudden or gradual, accidental or intentional, on the Leased Premises, the parties shall reasonably cooperate for the purpose of preparing and submitting the required plans and undertake, implement, and diligently perform the required action, response, or plan to completion in accordance with the rules and direction of such governmental authority(ies) and to the satisfaction of MDC. The costs associated with the foregoing shall be shared by the parties, pro rata, in proportions equivalent to each party's respective responsibility for such spill, discharge, contamination, release, or pollution of hazardous substances or waste.

In addition to Lessee's obligations referenced above, Lessee shall submit a Tier I Form to the USEPA for each calendar year Lessee occupies the Leased Premises in accordance with Section 312 of the Emergency Planning and Community Right-to-Know Act of 1986.

Lessee's obligations under this Section shall survive any assignment or subletting of the Leased Premises. Furthermore, Lessee's obligations under this Section shall survive the termination of this Agreement as to any activity or omissions that occurred during the Lease Term.

6.03 REMOVAL OF IMPROVEMENTS; MDC REIMBURSEMENT

Upon the termination of this Agreement, Lessee shall remove all improvements constructed by Lessee and restore the Leased Premises to its original condition as such existed immediately preceding the effective date of this Agreement, normal wear and tear excepted. Lessee shall perform the obligations contained in this Section at its sole cost and expense.

6.04 WASTE REMOVAL

Lessee agrees to remove, at its own expense, all waste, garbage and rubbish from the Leased Premises. While on the Lease Premises, all waste garbage and rubbish shall be contained in properly marked and located trash collection receptacles.

ARTICLE VII. GENERAL CONDITIONS

7.01 RELEASE

SUBJECT TO MDC'S OBLIGATIONS CONTAINED IN SECTION 6.02, BUT NOT WITHSTANDING ANY OTHER CONFLICTING PROVISION CONTAINED HEREIN, LESSEE 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 LESSEE HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING BUT NOT LIMITED TO BREACH OF CONTRACT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR MDC'S NEGLIGENCE.

7.02 INDEMNITY

LESSEE 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, LOSSES, PROPERTY DAMAGE AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING REASONABLE 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 LESSEE, ITS PERMITTED USERS, ITS AGENTS OR EMPLOYEES, OR ANY SUBCONTRACTOR, ARISING OUT OF, OR RESULTING FROM, LESSEE'S USE OF, OR ACTIVITIES ON, THE LEASED PREMISES, AND LESSEE SHALL PAY ANY JUDGMENT WITH COSTS THAT MAY BE OBTAINED AGAINST MDC OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING REASONABLE ATTORNEY'S FEES.

7.03 ATTORNEY'S FEES

BY EXECUTING THIS AGREEMENT, THE PARTIES AGREE TO WAIVE AND DO HEREBY KNOWINGLY, CONCLUSIVELY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY CLAIM EACH PARTY HAS OR MAY HAVE IN THE FUTURE AGAINST THE OTHER PARTY REGARDING THE AWARD OF ATTORNEY'S FEES THAT IS IN ANY WAY RELATED TO THIS AGREEMENT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THIS AGREEMENT. THE PARTIES SPECIFICALLY AGREE THAT IF A PARTY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, ET SEQ., AS AMENDED), OR CHAPTER 271 OF THE TEXAS LOCAL GOVERNMENT CODE, THE PARTY BRINGING SUCH ACTION HEREBY ABANDONS, WAIVES AND RELINQUISHES ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY'S FEES TO WHICH IT MIGHT OTHERWISE BE ENTITLED.

7.04 INDEPENDENT CONTRACTOR

It is expressly understood and agreed that Lessee shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of the MDC; that Lessee shall have 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 Lessee, its officers, agents, employees, contractors and subcontractors; and that nothing herein shall be construed as creating a partnership or joint enterprise between MDC and Lessee. No person performing any of the work and services described hereunder by Lessee shall be considered an officer, agent, servant or employee of MDC. Further, it is specifically understood and agreed that nothing in this contract is intended or shall be construed as creating a "Community or Pecuniary Interest" or "An Equal Right of Control" which would give rise to vicarious liability. Lessee 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 and any provisions in this Agreement which may appear to give MDC the right to direct Lessee as to details of doing the work herein covered or to exercise a measure of control over the work shall be deemed to mean that Lessee shall follow the desires of MDC in the results of the work only. The 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 the Lessee's work. Lessee shall assume exclusive responsibility for the work. Lessee is entirely free to do the work in its own way.

7.05 NO THIRD-PARTY BENEFICIARY

The 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.

7.06 TERMINATION

Subject to Lessee's repayment obligation contained in Section 6.03, either party may terminate this Agreement at any time, without penalty, by giving at least 180 days' written notice.

The parties have bargained for the flexibility of terminating this Agreement upon tender of the requisite notice at any time during the Lease Term.

7.07 INSURANCE REQUIREMENTS

Lessee shall procure and maintain, in full force and effect during the Lease Term, at its sole expense, a public liability insurance policy covering personal injury and property damage risks, including products liability, from a company authorized to do business in the State of Texas, with a minimum coverage of:

- A. Commercial General Liability Insurance (including Contractual liability) against claims for bodily injury, death, or property damage occurring on, in or about the Leased Premises in at least the amount of \$2,000,000.00 per individual, \$2,000,000.00 per occurrence and \$1,000,000.00 with respect to property damage; the Commercial General Liability shall be on a per project aggregate, including completed operations, and shall be on a claims-occurred basis.
- B. During any period of construction, excavation or demolition on the Leased Premises, a Builder's Risk Completed Value Policy with an all-risk endorsement.
- C. Automobile Liability Coverage on all motor vehicles owned and/or operated by Lessee or its employees on the Leased Premises in amounts of not less than \$1,000,000; provided, however, separate automobile coverage shall not be required if such coverage is provided under Lessee's comprehensive general liability policy.

All insurance shall name the MDC as an additional insured and all insurance shall provide for a waiver of subrogation as to the MDC, and shall further provide a broad form of contractual liability protection to include this Agreement between the MDC and Lessee. In addition, said policy shall provide that it will not be canceled or materially altered unless a thirty (30) day written notice of cancellation, material change or non-renewal has been served upon MDC. In the event such policy of insurance is canceled, Lessee shall, prior to the effective date of such cancellation, procure other insurance in the amounts and in accordance with conditions set forth herein.

Notwithstanding any contrary provision contained herein, the Executive Director, in her sole and absolute discretion, may modify the insurance requirements contained in this Agreement.

7.08 CERTIFICATE OF INSURANCE

Lessee shall provide MDC a current certificate of insurance executed by the issuing insurance carrier certifying that Lessee's insurance policy required pursuant to this Agreement is in full force and effect, that all operations of Lessee are covered by such policy, that MDC is named as an additional insured and that there is a waiver of subrogation in favor of MDC.

7.09 INSURANCE NOT LIMITATION ON INDEMNITY

The coverage amounts of Lessee's insurance policy shall not be deemed a limitation of the Lessee's agreement to indemnify and hold harmless MDC, its officers and employees in the event Lessee or MDC, its officers or employees shall become liable in an amount exceeding the coverage amounts of Lessee's insurance policy as a result of Lessee's sole negligence.

7.10 MDC'S RIGHT TO PURCHASE INSURANCE

If Lessee allows its insurance policy to lapse, MDC reserves the right to obtain insurance at Lessee's expense. Upon demand from MDC, Lessee shall reimburse MDC for the full amount of the premium paid on Lessee's behalf.

7.11 ASSIGNMENT AND SUBLEASING

Lessee shall not, either directly or indirectly, sublease or assign, or attempt to sublease or assign any part of this Agreement or any interest, right or privilege herein, without the prior written consent of the MDC. Any such sublease or assignment is void at inception. The issue on whether or not to grant consent to an assignment or sublease is in the sole discretion of the MDC.

7.12 GOVERNING LAW AND VENUE

This Agreement shall be governed by the laws of the State of Texas. The obligations and undertakings of each of the parties to this Agreement shall be deemed to have occurred in Midland County, 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 to this Agreement or its performance shall be in Midland County, Texas.

7.13 GOVERNMENTAL IMMUNITY

By executing this Agreement, MDC is not waiving its right of governmental immunity. MDC is retaining its immunity from liability. **THERE IS NO WAIVER OF GOVERNMENTAL IMMUNITY.**

7.14 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, Lessee or its legal representative, shall give the Executive Director notice in writing (consisting of one original and seven copies of notice attached to a copy of this Agreement) of such damages, duly verified, within one hundred and eighty (180) 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 the Lessee will settle, the physical and mailing addresses of Lessee at the time and date the claim was presented and the physical and mailing addresses of Lessee for the six months immediately preceding the occurrence of such damages, and the names and addresses of the witnesses upon whom the Lessee relies to establish its claim; and a failure to so notify the Executive Director 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 Lessee that Lessee'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, Lessee's failure to comply with the requirements herein shall perpetually bar Lessee'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. Lessee agrees that the requirements of this Agreement are reasonable.

7.15 PARTIES AGREEMENT

This Agreement is supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged.

ARTICLE VIII. SIGNS

No signs shall be placed on the Leased Premises without the prior written approval of the Executive Director. Prior to installation, construction or placing of any such signs or advertising matter on the Leased Premises, Lessee shall submit to the Executive Director a request for installation and any drawings, sketches, design dimensions and information regarding the type, number and character of the sign if requested by the Executive Director. The approval of signs shall be within the sole discretion of the MDC.

ARTICLE IX. DEFAULT AND REMEDIES

9.01 EVENTS OF DEFAULT

The following events shall constitute events of default of Lessee pursuant to this Agreement:

- A. The failure of Lessee to pay at the time and place due any installment of rent or any other payment due to MDC by Lessee pursuant to this Agreement;
- B. The abandonment of the Leased Premises by Lessee;
- C. The violation by Lessee of any other covenant, term or provision in this Agreement binding upon Lessee and the failure of Lessee to remedy such violation within a period of thirty (30) days after written notice thereof by MDC to Lessee;
- D. Failure of a trustee in bankruptcy to affirm this Agreement within thirty (30) days after the filing of any voluntary petition by or against Lessee, or by or against any then owner of Lessee's estate and interest in this Agreement, under any provision of the United States Bankruptcy Code or any other similar law;
- E. Any assignment by Lessee for the benefit of creditors; or
- F. Any appointment of a receiver of the assets of Lessee.

9.02 REMEDIES

Upon the occurrence of any event of uncured default by Lessee, except a default relating to the filing of bankruptcy, MDC shall have the right, at its sole option, to terminate this Agreement at any time by giving at least thirty (30) days' written notice to Lessee of MDC's election to so terminate. Such termination shall be effective upon the expiration of thirty (30) days from the date such notice of such termination is given to Lessee. Upon such termination, MDC shall have the right immediately to re-enter and repossess the Leased Premises. Upon such termination, the rent for the entire stated term of this Lease, and all other indebtedness, if any, payable under the provisions hereof by Lessee to MDC, shall be and become immediately due and payable without notice to Lessee or anyone else, and without regard to whether possession of the Leased Premises shall have been surrendered to or taken by MDC, and Lessee agrees to pay the same to MDC at once, together with payment of all loss or damage which MDC shall have suffered by reason of such event or default. In the event the default arises from the filing of bankruptcy by Lessee, or the filing of an involuntary petition of bankruptcy by Lessee's creditors, MDC shall have the right to terminate this Agreement by providing at least thirty (30) days' notice to the bankruptcy trustee or the trustee in possession if said trustee has failed to ratify this Agreement within forty-five (45) days after filing of said bankruptcy petition.

9.03 REMEDIES NOT EXCLUSIVE

The remedies to which MDC may resort hereunder are cumulative and are not intended to be exclusive of any other remedies or means of a redress to which MDC may lawfully be entitled at any time. MDC may invoke any remedy allowed at law or in equity as if specific remedies were not provided for herein.

9.04 NO WAIVER OF BREACH

MDC's failure or delay in declaring the existence of an event of default by Lessee shall not be construed as a waiver thereof, nor shall it be construed so as to waive or to lessen the right of the MDC to insist upon the performance by Lessee of any term, covenant or condition hereof, or to exercise any rights given it on account of any such event of default. A waiver of any particular event of default shall not be deemed to be a waiver of the same, similar or any other subsequent event of default.

ARTICLE X. MISCELLANEOUS PROVISIONS

10.01 INSPECTION AND ACCESS BY MDC

Subject to arrangements needed to maintain export controls compliance, MDC may enter upon the Leased Premises at any reasonable time for any purpose necessary, incidental to or connected with the performance of its obligations hereunder upon giving Lessee at least twenty-four (24) hours' advance notice.

10.02 RELATIONSHIP OF PARTIES

It is mutually understood and agreed that nothing in this Agreement is intended or shall be construed as in any way making the Lessee an agent of MDC, the relationship at all times being that of landlord and tenant.

10.06 UTILITIES

Lessee understands that grid-connected electricity, municipal water, sewer, telephone, and internet access are not available on the Leased Premises. Lessee will obtain water for testing purposes, utilize off-grid power sources, and satellite or cellular telecommunications. Lessee shall ensure that sufficient sanitation facilities are placed on the Leased Premises to provide for the proper disposal and removal of waste from the Leased Premises.

10.07 CHANGES

MDC reserves the right to make, at any time, such changes in or to the Leased Premises as it may deem necessary, provided that it does not impair Lessee's use of the Leased Premises. Lessee agrees to allow MDC to make such changes and to require no compensation or to seek to attach any liability to MDC for those changes, even if the MDC is negligent therein.

10.08 INABILITY TO PERFORM

If, by reason of (i) strike, (ii) work stoppage, (iii) governmental preemption in connection with a national emergency, (iv) any rule, order or regulation of any governmental agency, (v) conditions of supply or demand which are affected by war or other national, state or municipal emergency, or (vi) other cause beyond the control of MDC, whether or not similar to any of the above, MDC shall after a reasonable time be unable to fulfill its obligations under this Agreement, including but not limited to delivery of possession of the Leased Premises, or shall be unable to supply any service which MDC is obligated to supply to Lessee or to the Leased Premises, this Agreement and Lessee's obligation to pay rent hereunder shall terminate. MDC shall not be liable to Lessee or to anyone else for damages for or on account of MDC's failure to fulfill its obligations under this Agreement due to a reason contained in this Section.

10.09 [INTENTIONALLY DELETED]

10.10 QUALIFIED PERSONNEL

Lessee shall select and designate a representative for its operations at the Leased Premises. The representative shall be vested with the full power and authority to act in the name of the Lessee with respect to the method, manner and conduct of the operations of Lessee to be performed under this Agreement. The representative shall be available during regular business hours. During the representative's absence or unavailability, a authorized subordinate shall be designated and available by Lessee.

10.11 NOTICES

Notices required by this Agreement shall be delivered or sent by email or certified mail, postage prepaid, and addressed to:

MDC:

Executive Director
Midland Development Corporation
200 North Loraine, Suite 610
Midland, Texas 79701
sharris@midlandtxedc.com

Firehawk Aerospace, Inc.:

With Copy To:

Mark Schell
General Counsel
Firehawk Aerospace, Inc.
mark@firehawk aerospace.com

10.12 SURRENDER

On the termination of this Agreement, or upon any re-entry by MDC into the Leased Premises, Lessee shall quit and surrender the Leased Premises to MDC in good order, condition and repair except for ordinary wear and tear and such damage or destruction as MDC is required to repair or restore under this Agreement, and the Lessee shall remove all of Lessee's property therefrom except as otherwise expressly provided in this Agreement. Lessee's obligations to observe or perform this covenant shall survive the expiration or other termination of this Agreement.

10.13 QUIET ENJOYMENT

MDC covenants and agrees that, upon Lessee's paying the rent and observing and performing all the terms, covenants and conditions of this Agreement on Lessee's part to be observed and performed, Lessee may peaceably and quietly enjoy the Leased Premises, subject to the terms and conditions of this Agreement.

10.14 [INTENTIONALLY DELETED]

10.15 [INTENTIONALLY DELETED]

10.16 TAXES AND ASSESSMENTS

Lessee shall pay all taxes, license fees, occupational taxes or assessments, special or general, lawfully levied on account of Lessee's occupancy, and upon Lessee's fixtures, equipment and personal property in and on the Leased Premises.

10.17 SEVERABILITY

If any provision of this Agreement is invalid or unenforceable, this Agreement shall be considered severable as to such provision, and the remainder of this Agreement shall remain valid and binding as though such invalid or unenforceable provision were not included herein.

10.18 AMENDMENTS, MODIFICATIONS, ALTERATIONS

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

10.19 CUMULATIVE RIGHTS AND REMEDIES

The rights and remedies provided by this Agreement are cumulative, and the use of any one right or remedy by either party shall not preclude or waive its rights to use any or all other remedies. The rights and remedies provided in this Agreement are given in addition to any other rights the parties may have by law, statute, ordinance, or otherwise.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

**MIDLAND DEVELOPMENT
CORPORATION**

P. Lourcey Sams, Chairman

ATTEST:

Elvie Brown, Secretary

[Signature Page Follows]

FIREHAWK AEROSPACE, INC.

By: _____

Name: _____

Title: _____

THE STATE OF _____ §

§

COUNTY OF _____ §

BEFORE ME, _____, a notary public, on this day personally appeared _____ of FIREHAWK AEROSPACE, INC., known to me to be the person and officer 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 _____ day of _____, A.D., 2025.

Notary Public, in and for
the State of _____

Exhibit A

Leased Premises Survey/Map

FIREHAWK LEASE

LEASE AGREEMENT DESCRIPTION OF A 18.69 ACRE TRACT OF LAND LOCATED IN SECTION 33, BLOCK 40, T-1-S, T.&P.R. CO. SURVEY, MIDLAND COUNTY, TEXAS AND BEING WITHIN A TRACT IN DESCRIBED IN INSTRUMENT NUMBER 2013-18121.

SUBJECT PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT (N:10,693,996.25, E:1,712,613.03) A 1/2 INCH IRON ROD WITH RED PLASTIC CAP MARKED "TOPOGRAPHIC" SET FOR THE NORTHWEST CORNER OF THE HEREIN DESCRIBED TRACT, FROM WHICH A 2" IRON PIPE FOUND FOR THE NORTHWEST CORNER OF SAID SECTION 33, BEARS N72°17'32"W A DISTANCE OF 2494.39 FEET;

THENCE N75°16'47"E ACROSS SAID SECTION 33, A DISTANCE OF 570.00 FEET TO A 1/2 INCH IRON ROD WITH RED PLASTIC CAP MARKED "TOPOGRAPHIC" SET FOR THE NORTHEAST CORNER OF THE HEREIN DESCRIBED TRACT, FROM WHICH THE NORTHEAST CORNER OF SAID SECTION 33 BEARS N48°12'18"E A DISTANCE OF 2922.50 FEET, FROM SAID NORTHEAST CORNER A 2" IRON PIPE FOUND AT THE SOUTHEAST CORNER OF SECTION 28 SAME BLOCK AND SURVEY BEARS N75°21'37"E A DISTANCE OF 158.27 FEET;

THENCE S14°28'45"E ACROSS SAID SECTION 33 A DISTANCE OF 1312.75 FEET TO A 1/2 INCH IRON ROD WITH RED PLASTIC CAP MARKED "TOPOGRAPHIC" SET FOR THE SOUTHEAST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE S53°10'38"W ACROSS SAID SECTION 33 A DISTANCE OF 616.26 FEET TO A 1/2 INCH IRON ROD WITH RED PLASTIC CAP MARKED "TOPOGRAPHIC" SET FOR THE SOUTHWEST CORNER OF THE HEREIN DESCRIBED TRACT;

THENCE N14°28'45"W ACROSS SAID SECTION 33 A DISTANCE OF 1544.62 FEET TO THE POINT OF BEGINNING

SUBJECT TRACT HAVING A TOTAL OF 18.69 ACRES

SURVEYOR'S CERTIFICATE

TO: MIDLAND DEVELOPMENT CORPORATION

I, MARCUS L. HOSTAS, OF TOPOGRAPHIC, A REGISTERED PROFESSIONAL SURVEYOR OF THE STATE OF TEXAS, DO HEREBY DECLARE THAT THIS PLAT WAS PREPARED FROM AN ON GROUND SURVEY OF THE LAND AND THAT THE CORNER MONUMENTS SHOWN HEREON WERE SET OR FOUND.

THIS PLAT IS TO BE USED FOR LEASE DESCRIPTION PURPOSES ONLY AND NOT TO BE USED TO TRANSFER TITLE.

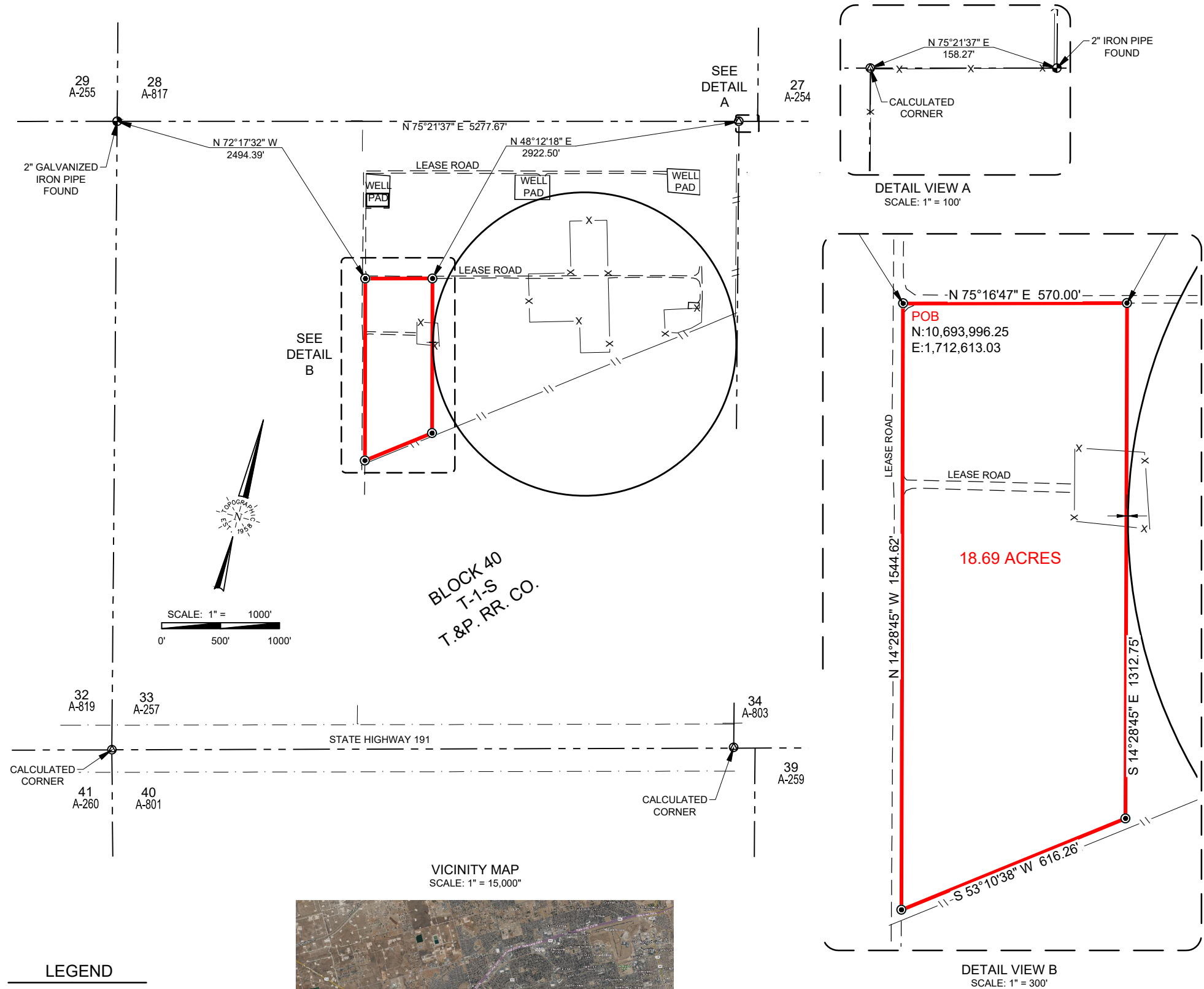


02/19/2025
MARCUS L. HOSTAS

MARCUS L. HOSTAS, P.L.S. No. 5643

SURVEYED DATE: FEBRUARY 06, 2025

FIREHAWK LEASE	REVISION:		NOTES:
	INT	DATE	
DATE: 02/19/25			1. ORIGINAL DOCUMENT SIZE: 11" X 17" 2. ALL BEARINGS AND DISTANCES SHOWN HEREIN ARE GRID CORRELATED TO THE TEXAS STATE PLANE COORDINATE SYSTEM OF 1983, CENTRAL ZONE, U.S. FEET. 3. THIS CERTIFICATION WAS MADE WITHOUT THE BENEFIT OF A TITLE REPORT. THERE MAY BE EASEMENTS AND OR COVENANTS AFFECTING THIS PROPERTY NOT SHOWN HEREON. 4. THIS CERTIFICATION IS LIMITED TO THOSE PERSONS OR ENTITIES SHOWN ON THE FACE OF THIS PLAT AND IS NON-TRANSFERABLE, AND MADE FOR THIS TRANSACTION ONLY. 5. HEIGHT RESTRICTIONS MAY BE APPLICABLE PER FAA DUE TO FIGHT PATH AND VICINITY TO AIRPORT 6. FLOOD ZONE "X" PER FEMA FIRM # 48329C0200F DATED SEPTEMBER 16, 2005 7. NO IMPROVMENTS SHOWN ON THIS PLAT
FILE:BO_FIREHAWK_LEASE			
DRAWN BY: EAH			
SHEET : 1 OF 1			



- LEGEND
- SECTION LINE
 - TRACT BORDER
 - ROAD WAY
 - FENCE LINE
 - EXISTING PIPELINE
 - IRON ROD FOUND
 - CALCULATED CORNER
 - IRON PIPE FOUND
 - 1/2" IRON WITH CAP MARKED "TOPOGRAPHIC" SET



TOPOGRAPHIC
LOYALTY INNOVATION LEGACY
2903 NORTH BIG SPRING • MIDLAND, TEXAS 79705
TELEPHONE: (432) 682-1653 OR (800) 767-1653 • FAX (432) 682-1743
TEXAS FIRM REGISTRATION NO. 10042500
WWW.TOPOGRAPHIC.COM

Exhibit B

Phase I Environmental Site Assessment(s)

MDC 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: P. Lourcey Sams; Jill Pennington; Brad Bullock; Zachary Deck; Elvie Brown; Garrett Donnelly; J.Ross Lacy; 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., 2025, by the following vote:

Directors voting "AYE":

Directors voting "NAY":

P. LOURCEY SAMS,
Chairman of the Midland
Development Corporation

ATTEST:

ELVIE BROWN,
Secretary of the Midland
Development Corporation

APPROVED AS TO FORM ONLY:

JOHN OHNEMILLER,
Attorney for the Midland
Development Corporation

Income Statement

MIDLAND DEVELOPMENT CORPORATION
INCOME STATEMENT FOR THE 5 MONTHS ENDED
February 28, 2025

	Feb-25	YTD	Budgeted Amount
Revenue	\$1,787,466.40	\$5,125,748.81	\$14,976,644.00
40100 - State Sales Tax	\$1,662,116.28	\$4,420,044.48	\$14,000,000.00
40600 - Public ROW Use Fees	\$0.00	\$0.00	\$0.00
43000 - Interest	\$0.00	\$109,500.00	\$0.00
43010 - Interest - Nonpooled Invest	\$43,963.12	\$182,736.60	\$0.00
47005 - Government Contributions	\$0.00	\$0.00	\$0.00
46190 - Miscellaneous Rentals	\$81,387.00	\$406,935.00	\$976,644.00
48480 - Reimbursement of Budget Exp	\$0.00	\$6,532.73	\$0.00
49112 - Incr/Decr In Fair Value of Inv	\$0.00	\$0.00	\$0.00
4235150 - Midland Dvlpmnt Corp Revenue	\$1,787,466.40	\$5,125,748.81	\$14,976,644.00

Expense	\$443,373.66	\$6,014,701.42	\$14,976,644.00
---------	--------------	----------------	-----------------

51010 - Base Salary	\$28,771.24	\$159,153.73	\$408,238.00
51090 - Fica MDC Portion	\$2,212.72	\$11,334.51	\$32,976.00
51110 - Health Insurance	\$2,417.48	\$14,041.41	\$41,100.00
51135 - ACCE Profit Sharing	\$0.00	\$6,254.02	\$26,127.00
52010 - Office Supplies	\$340.72	\$3,865.10	\$6,500.00
52110 - Motor Vehicle Supplies	\$23.00	\$459.26	\$1,000.00
52115 - Minor Furniture & Fixtures	\$0.00	\$0.00	\$2,000.00
52155 - Minor Computer Hrdwre & Periph	\$0.00	\$3,089.47	\$5,000.00
52160 - Computer Software & Supplies	\$0.00	\$17,215.10	\$40,000.00
52620 - Postage	\$0.00	\$204.51	\$700.00
53010 - Communication	\$1,105.13	\$5,837.16	\$17,000.00
53030 - Light & Power	\$0.00	\$30.01	\$150.00
53110 - Insurance-External	\$518.96	\$781.09	\$150,000.00
53212 - Equipment Rental-External	\$334.98	\$1,339.92	\$5,000.00
53220 - Advertising	\$34,802.15	\$152,050.16	\$300,000.00
53370 - Grounds Maintenance	\$2,635.00	\$10,844.05	\$50,000.00
53405 - Software Maintenance	\$3,555.48	\$8,888.70	\$20,000.00
53440 - External Audit Fees	\$0.00	\$3,526.70	\$45,000.00
53450 - Consulting Fees	\$4,427.00	\$150,559.49	\$500,000.00
53510 - Travel & Entertainment	\$1,738.29	\$10,337.01	\$15,000.00
53520 - Dues & Subscriptions	\$1,714.39	\$10,975.48	\$20,000.00
53530 - Training,Registration Fees,Etc	\$79.00	\$237.00	\$10,000.00
53905 - Economic Development Incentive	\$0.00	\$0.00	\$6,246,827.00
53907 - Business Recruitment & Retentn	\$13,491.62	\$76,523.51	\$120,000.00
53909 - Prior Year Committed Incentives	\$287,001.11	\$3,319,965.08	\$4,251,988.00
53920 - Rent	\$6,107.71	\$30,538.55	\$71,466.00
54010 - Building Maintenance	\$9,400.13	\$87,493.63	\$125,000.00
55120 - Maint. - Instruments & Appara.	\$148.33	\$3,464.38	\$2,000.00
56188 - MOTRAN	\$0.00	\$71,250.00	\$142,500.00
56202 - General Fund Services	\$35,617.67	\$178,088.35	\$427,412.00
56410 - Payment of Principal	\$0.00	\$0.00	\$70,605.00
56420 - Interest Expense	\$0.00	\$0.00	\$6,595.00
56910 - Depreciation Expense	\$0.00	\$0.00	\$416,460.00
56995 - Project Non Capital - Promotions	\$6,931.55	\$61,797.31	\$1,400,000.00
57000 - Capital Land Purchases	\$0.00	\$1,584,556.73	\$0.00
57002 - Capital Improvements Other Than Buildings	\$0.00	\$30,000.00	\$0.00
235235 - Midland Development Corp	\$443,373.66	\$6,014,701.42	\$14,976,644.00

February 2025 Net Income: **\$1,344,092.74**

Year-to-Date Net Income: **(\$888,952.61)**

Balance Sheet

MIDLAND DEVELOPMENT CORPORATION
BALANCE SHEET FOR THE PERIOD ENDED
February 28, 2025
(Used for Internal Purposes Only)

ASSETS

Current Assets

Cash and cash equivalents	36,004,555	
Investments	5,961,285	
Sales tax receivable	-	
Prepaid expenses	134,721	
Accounts receivable	83,500	
		42,184,061

Non-Current Assets

Capital Assets, net	26,432,611	
Forgivable Loans		
Made to Primary Government	-	
Made to Other	6,579	
Total Forgivable Loans	6,579	
		26,439,190

Total Assets \$ 68,623,251

LIABILITIES AND NET POSITION

Liabilities

Accounts payable	184,417	
Retainage Payable	130,200	
Capital Leases payable	523,818	
Commitments payable		
Due within one year	7,895,554	
Due in more than one year	61,199,614	
Total Commitments Payable	69,095,168	
		69,933,603

Net Position

Net investment in capital assets	26,432,611	
Restricted for Forgivable Loans	6,579	
Restricted for Capital Leases	523,818	
Promotions	3,353,282	
Unrestricted	(31,626,643)	
		(1,310,352)

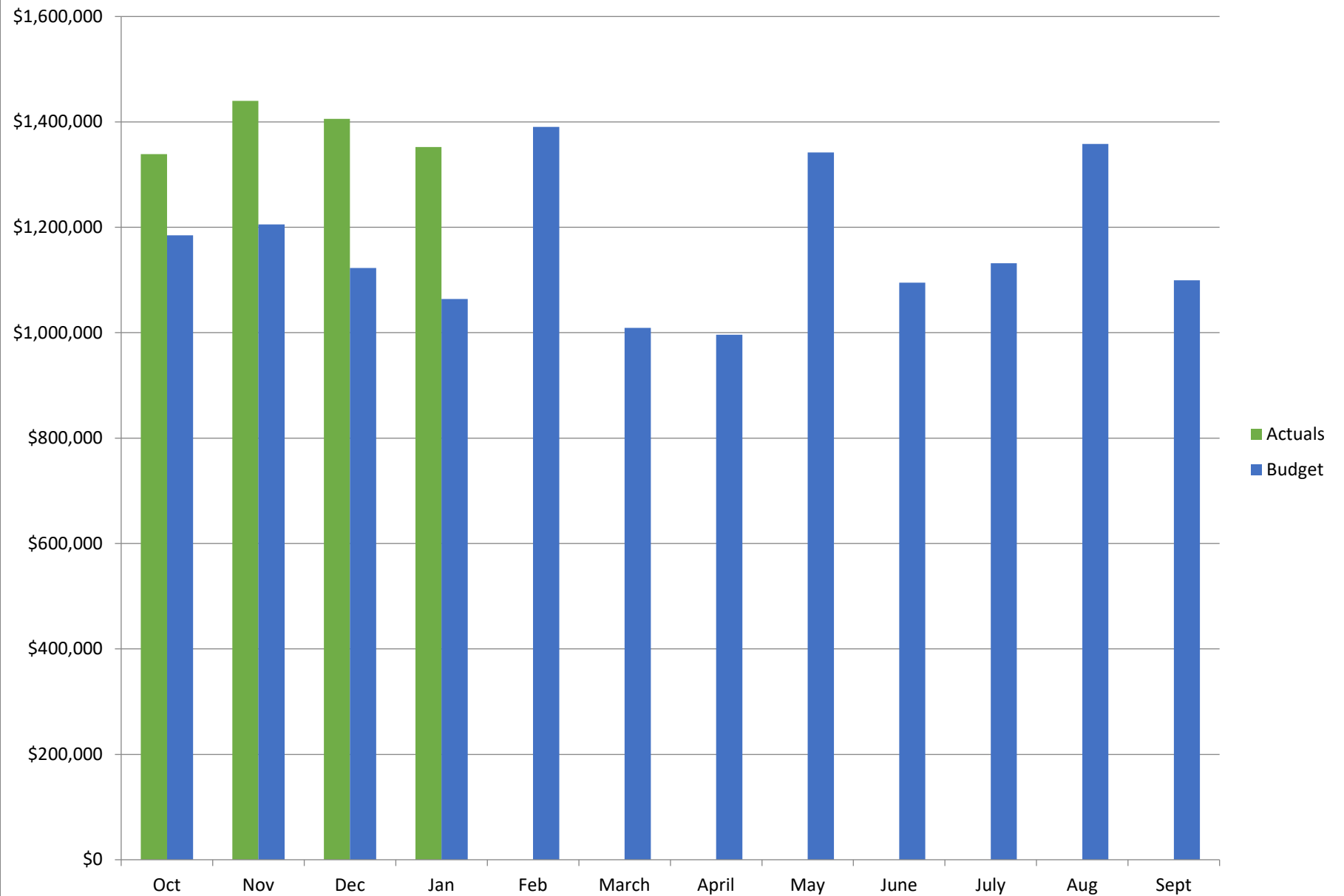
Total Liabilities and Net Position \$ 68,623,251

Sales Tax Revenue

Sales Tax Variance

	2022-2023	2023-2024	% Change	2023-2024	2024-2025	% Change	YTD Change
October	\$1,416,510.48	\$1,376,937.05	2.87%	\$1,376,937.05	\$1,339,067.34	-2.75%	-2.75%
November	\$1,364,595.51	\$1,526,083.42	-10.58%	\$1,526,083.42	\$1,439,817.92	-5.65%	-4.28%
December	\$1,380,834.52	\$1,363,408.12	1.28%	\$1,363,408.12	\$1,405,626.04	3.10%	-1.92%
January	\$1,358,336.22	\$1,290,650.15	5.24%	\$1,290,650.15	\$1,352,302.16	4.78%	-0.36%
February	\$1,649,985.00	\$1,673,418.77	-1.40%	\$1,673,418.77	\$1,662,116.28	-0.68%	-0.44%
March	\$1,344,612.50	\$1,191,145.36	12.88%	\$1,191,145.36			
April	\$1,266,881.01	\$1,226,873.37	3.26%	\$1,226,873.37			
May	\$1,597,917.80	\$1,474,708.24	8.35%	\$1,474,708.24			
June	\$1,325,843.43	\$1,350,292.64	-1.81%	\$1,350,292.64			
July	\$1,395,392.32	\$1,404,616.05	-0.66%	\$1,404,616.05			
August	\$1,662,691.61	\$1,598,380.46	4.02%	\$1,598,380.46			
September	\$1,328,790.99	\$1,298,093.07	2.36%	\$1,298,093.07			
Annual Total	\$17,092,391.39	\$16,774,606.70	-1.86%	\$16,774,606.70	\$7,198,929.74		

Sales Tax Actuals vs Budget Estimates



Activity Report

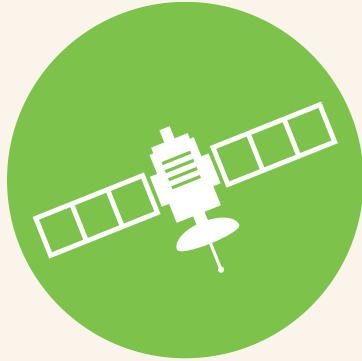


BUSINESS RETENTION & ENGAGEMENT



March 2025 | MDC Board Meeting

WHAT WE LEARNED



Spaceport

Word of the Spaceport and our aerospace business community is spreading! Some businesses and community members are already familiar with the companies and are on board!



Creative Employee Retention

There are concerns about losing workforce to the oilfield especially if another boom is on the horizon. While business increases and presents more opportunities, these businesses lose good employees because they can't compete with hourly pay and overtime pay. Businesses are getting creative with retention tactics (thorough training, quick company advancement, benefits, etc.)



Quality of Life

“Midland has really turned a corner.”
We all have our wish lists of things we'd like to see, but business owners this month were excited about all of the new, upcoming projects (Costco, Lululemon, Downtown Midland, etc).

FOUNDERS BLEND



Wednesday, March 5
Midland College
Cogdell Learning Center
8 am - 9 am

Blending Minds & Building Businesses



Cogdell Learning Center



Rig ID & Brother's Moving & Storage



Midland College BEDC & West Texas IT

FOUNDERS BLEND

Founders Blend Mixer

Join us for our first-ever evening event in celebration of Founders Blend 2nd anniversary! There will be networking, light hors d'oeuvres, drinks and raffle prizes as we celebrate founders like you that make our Midland business community thrive!

Thursday, March 20

5-7pm

Second Story Coworking



Email art@secondstory.co to let us know how your organization would like to contribute!



Second Story Coworking



5:00 PM - 7:00 PM



Celebrating two years of Founders Blend AND our first evening event.

MARKETING REPORT



Facebook

- 5909 followers | +200 followers since January
- Over 76K impressions on posted content
- Reels: 56K Views & 87 comments
- Top posts: New board members, MDC's ROI, TTUHSC information



Instagram

- 3932 followers
- Over 14K impressions on posted content
- Reels: About 5K views
- Top posts: Flour Child Baked Goods, TTUHSC information, BEDC and BAM event

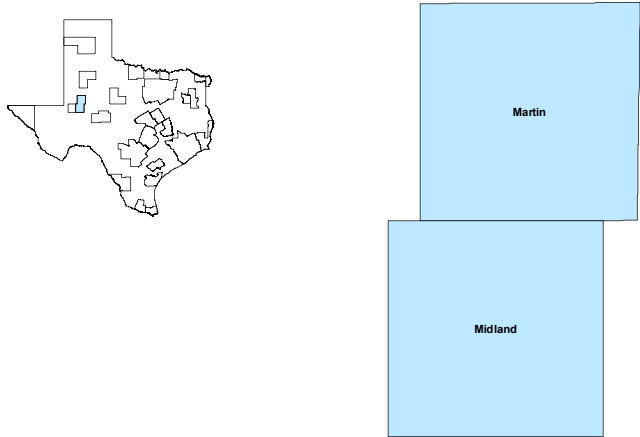


LinkedIn

- 2582 followers | +200 followers since January
- Over 6K impressions on posted content
- Top posts: New board members, MDC ROI, BEDC and BAM event

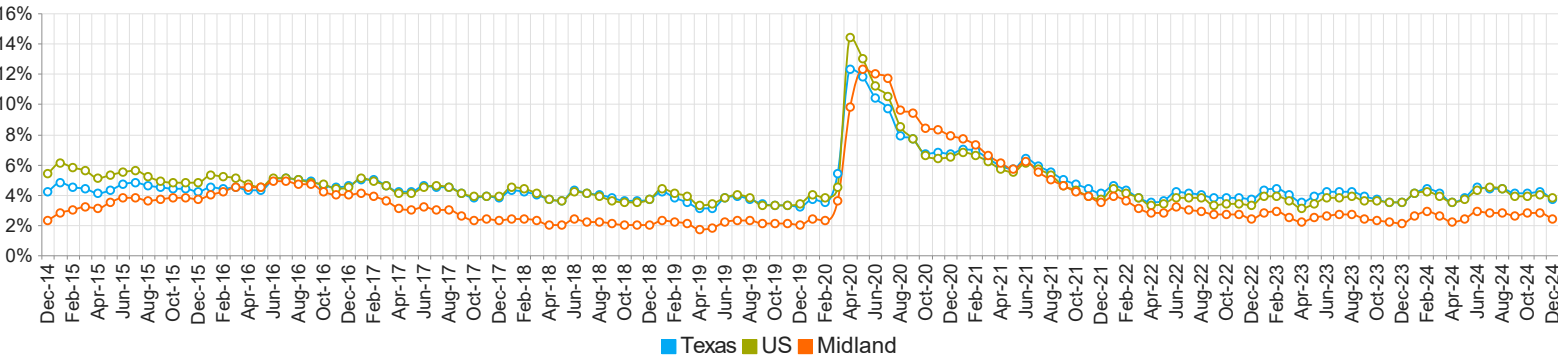
Midland MSA

December 2024



MSA Labor Force Statistics				
	Dec-24	Nov-24	Dec-23	Yearly Change
Civilian Labor Force	118,304	118,571	115,128	3,176
Employed	115,507	115,251	112,721	2,786
Unemployed	2,797	3,320	2,407	390
Unemployment Rate	2.4%	2.8%	2.1%	0.3%
Texas Labor Force Statistics				
	Dec-24	Nov-24	Dec-23	Yearly Change
Civilian Labor Force	15,591,398	15,620,707	15,090,824	500,574
Employed	15,012,362	14,965,379	14,564,917	447,445
Unemployed	579,036	655,328	525,907	53,129
Unemployment Rate	3.7%	4.2%	3.5%	0.2%
US Labor Force Statistics				
	Dec-24	Nov-24	Dec-23	Yearly Change
Civilian Labor Force	167,746,000	168,164,000	166,661,000	1,085,000
Employed	161,294,000	161,456,000	160,754,000	540,000
Unemployed	6,452,000	6,708,000	5,907,000	545,000
Unemployment Rate	3.8%	4.0%	3.5%	0.3%

Historical Unemployment Rates



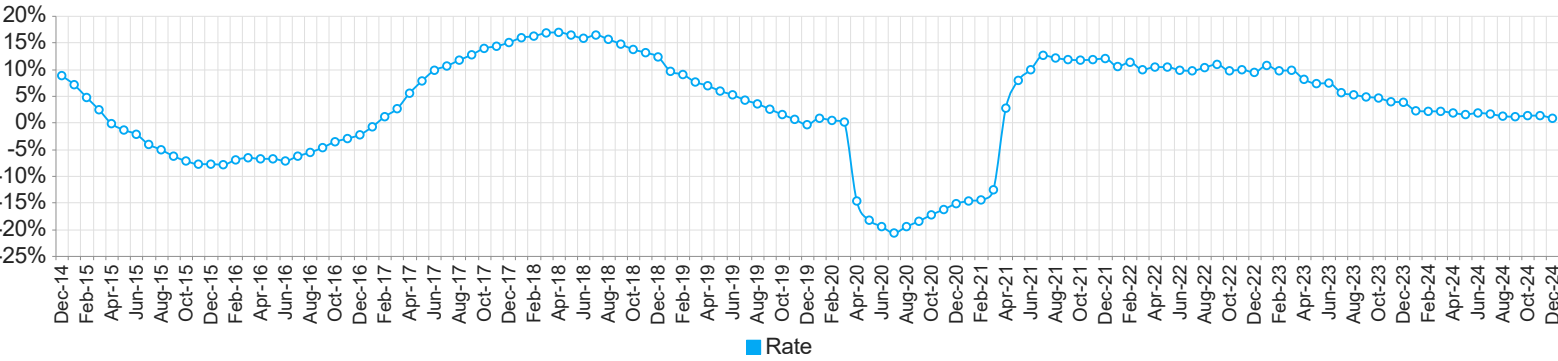
Employment by Size Class (2nd Quarter 2024)

QCEW Employment by Size Class data for MSA profiles will be available here in the first quarter of 2025.
Current data and chart can be found in the QCEW tab of Popular Downloads at <https://texaslmi.com/Home/PopularDownloads>.

Wages by Industry (in millions) (2nd Quarter 2024)

QCEW Wages by Industry data for MSA profiles will be available here in the first quarter of 2025.
Current data and chart can be found in the QCEW tab of Popular Downloads at <https://texaslmi.com/Home/PopularDownloads> or the QCEW section of LMI by Category at <https://texaslmi.com/LMIbyCategory/QCEW>

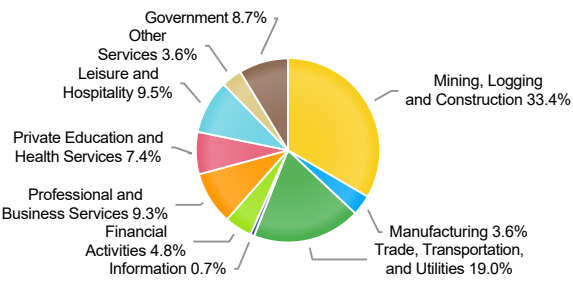
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (December 2024)

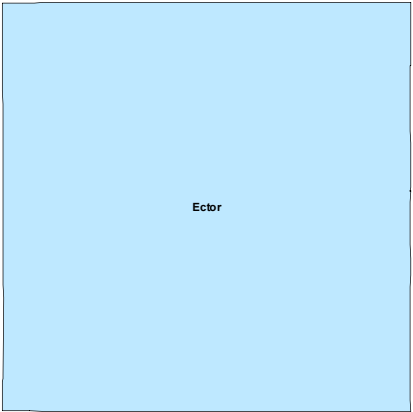
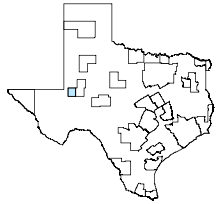
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	123,900	-0.1%	0.8%
Mining, Logging and Construction	41,400	-0.2%	1.5%
Manufacturing	4,400	0.0%	0.0%
Trade, Transportation, and Utilities	23,600	0.9%	0.0%
Information	900	0.0%	0.0%
Financial Activities	5,900	0.0%	3.5%
Professional and Business Services	11,500	0.0%	-0.9%
Private Education and Health Services	9,200	0.0%	3.4%
Leisure and Hospitality	11,800	-0.8%	0.0%
Other Services	4,400	0.0%	2.3%
Government	10,800	-0.9%	-0.9%

Employment by Industry (December 2024)



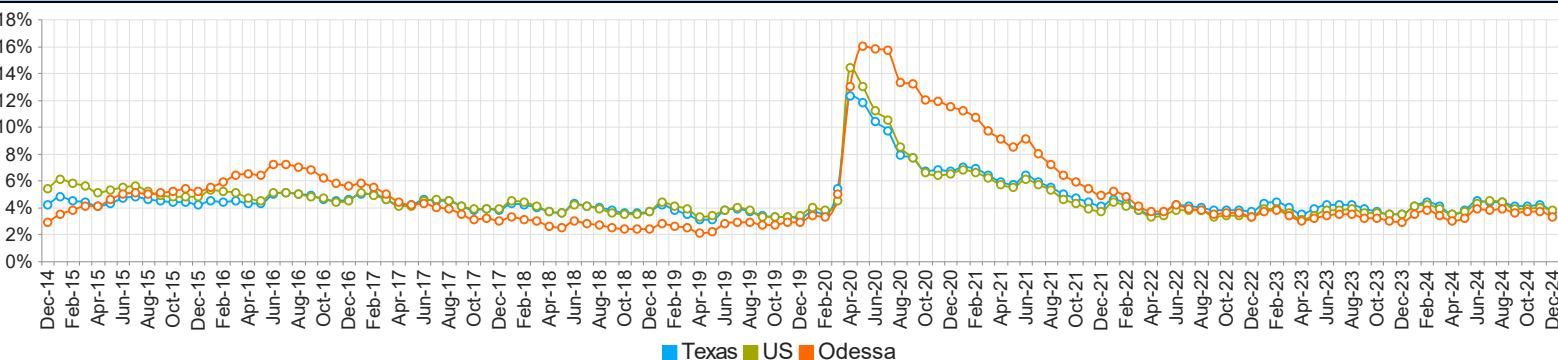
Odessa MSA

December 2024



MSA Labor Force Statistics				
	Dec-24	Nov-24	Dec-23	Yearly Change
Civilian Labor Force	88,649	88,517	86,316	2,333
Employed	85,732	85,205	83,816	1,916
Unemployed	2,917	3,312	2,500	417
Unemployment Rate	3.3%	3.7%	2.9%	0.4%
Texas Labor Force Statistics				
	Dec-24	Nov-24	Dec-23	Yearly Change
Civilian Labor Force	15,591,398	15,620,707	15,090,824	500,574
Employed	15,012,362	14,965,379	14,564,917	447,445
Unemployed	579,036	655,328	525,907	53,129
Unemployment Rate	3.7%	4.2%	3.5%	0.2%
US Labor Force Statistics				
	Dec-24	Nov-24	Dec-23	Yearly Change
Civilian Labor Force	167,746,000	168,164,000	166,661,000	1,085,000
Employed	161,294,000	161,456,000	160,754,000	540,000
Unemployed	6,452,000	6,708,000	5,907,000	545,000
Unemployment Rate	3.8%	4.0%	3.5%	0.3%

Historical Unemployment Rates



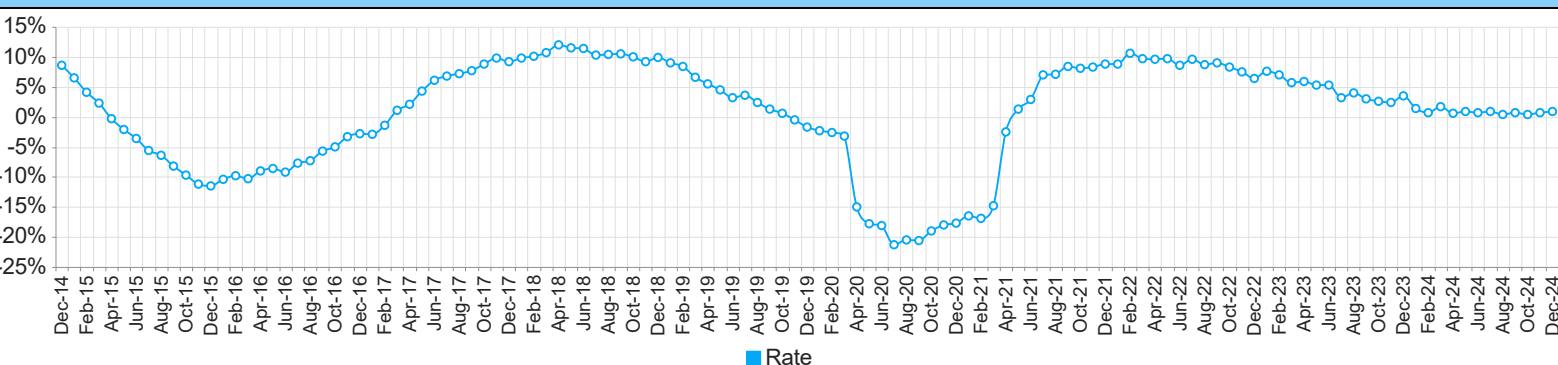
Employment by Size Class (2nd Quarter 2024)

QCEW Employment by Size Class data for MSA profiles will be available here in the first quarter of 2025.
Current data and chart can be found in the QCEW tab of Popular Downloads at <https://texaslmi.com/Home/PopularDownloads>.

Wages by Industry (in millions) (2nd Quarter 2024)

QCEW Wages by Industry data for MSA profiles will be available here in the first quarter of 2025.
Current data and chart can be found in the QCEW tab of Popular Downloads at <https://texaslmi.com/Home/PopularDownloads> or the QCEW section of LMI by Category at <https://texaslmi.com/LMIbyCategory/QCEW>

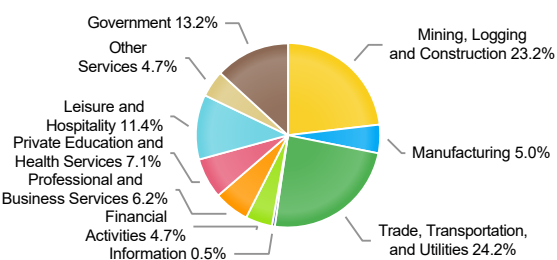
Annual Growth Rate Total Non-agricultural employment



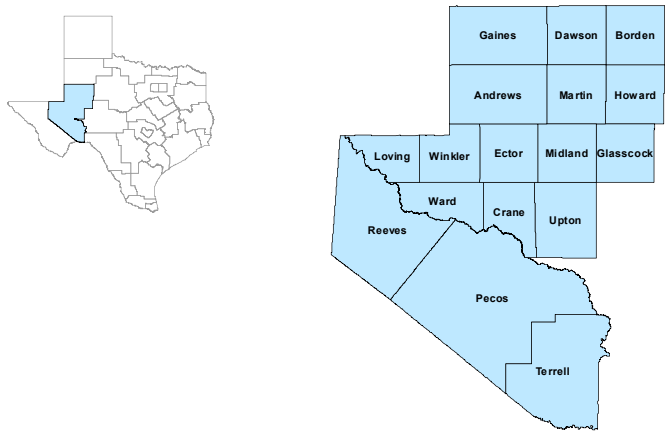
Employment by Industry (December 2024)

Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	82,800	0.5%	0.9%
Mining, Logging and Construction	19,200	1.6%	2.1%
Manufacturing	4,100	0.0%	0.0%
Trade, Transportation, and Utilities	20,000	0.5%	-1.0%
Information	400	0.0%	0.0%
Financial Activities	3,900	0.0%	2.6%
Professional and Business Services	5,100	0.0%	0.0%
Private Education and Health Services	5,900	0.0%	3.5%
Leisure and Hospitality	9,400	0.0%	1.1%
Other Services	3,900	0.0%	2.6%
Government	10,900	0.0%	0.0%

Employment by Industry (December 2024)



Permian Basin Workforce Development Area



December 2024

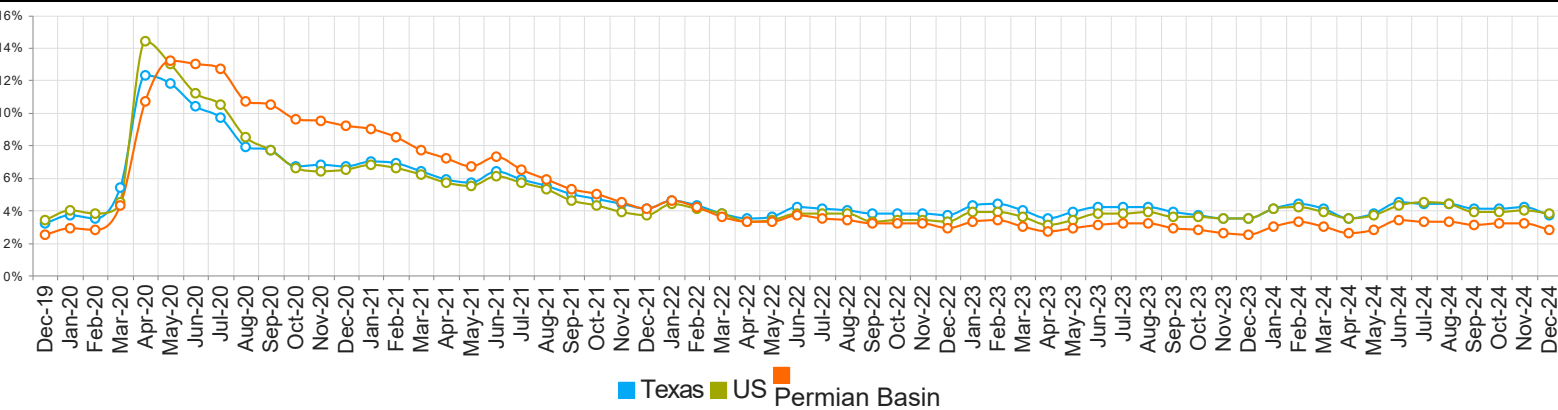
WDA Labor Force Statistics				
	Dec-24	Nov-24	Dec-23	Yearly Change
Civilian Labor Force	282,680	282,876	272,685	9,995
Employed	274,832	273,728	265,906	8,926
Unemployed	7,848	9,148	6,779	1,069
Unemployment Rate	2.8%	3.2%	2.5%	0.3%

Texas Labor Force Statistics				
	Dec-24	Nov-24	Dec-23	Yearly Change
Civilian Labor Force	15,591,398	15,620,707	15,090,824	500,574
Employed	15,012,362	14,965,379	14,564,917	447,445
Unemployed	579,036	655,328	525,907	53,129
Unemployment Rate	3.7%	4.2%	3.5%	0.2%

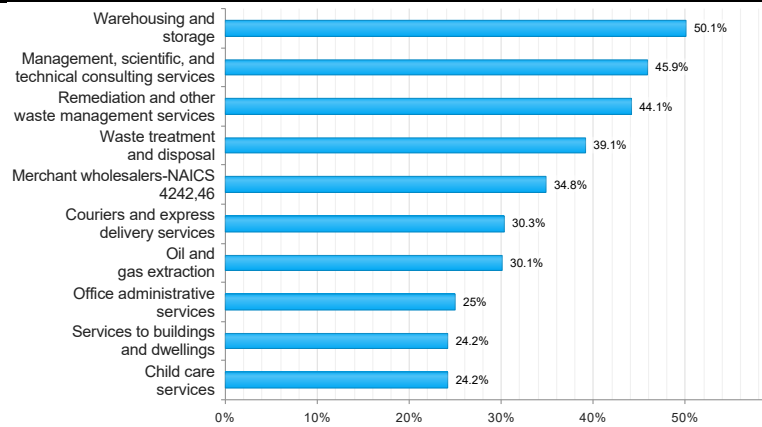
US Labor Force Statistics				
	Dec-24	Nov-24	Dec-23	Yearly Change
Civilian Labor Force	167,746,000	168,164,000	166,661,000	1,085,000
Employed	161,294,000	161,456,000	160,754,000	540,000
Unemployed	6,452,000	6,708,000	5,907,000	545,000
Unemployment Rate	3.8%	4.0%	3.5%	0.3%

Continued Claims for the Week of the 12th				
	Dec-24	Nov-24	Dec-23	Yearly Change
WDA	1,383	1,366	1,065	318
Texas	122,026	116,908	114,107	7,919

Historical Unemployment Rates



Projected Top Ten Fastest Growing Industries in WDA (% Growth 2022-2032)



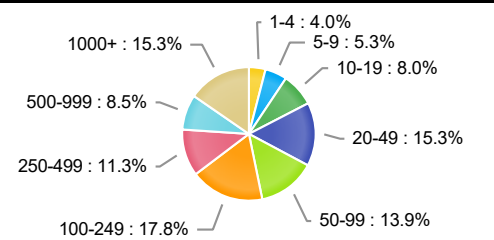
Average Weekly Wage (2nd Quarter 2024)

	Q2 2024	Q1 2024	Q2 2023	Quarterly Change	Yearly Change
WDA	\$1,529	\$1,689	\$1,471	\$-160	\$58
Texas	\$1,381	\$1,540	\$1,321	\$-159	\$60
US	\$1,390	\$1,527	\$1,332	\$-137	\$58

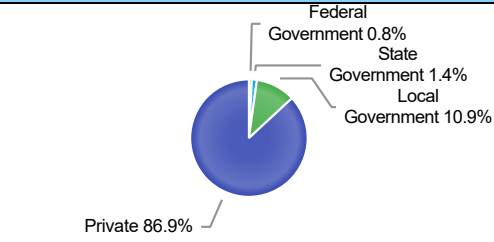
Employment by Industry (2nd Quarter 2024, Percent Change)

Industry	Employment	% of Total	% Quarterly Change	% Yearly Change
Natural Resources and Mining	57,147	21.8%	0.7%	0.4%
Construction	23,432	8.9%	2.8%	6.4%
Manufacturing	11,003	4.2%	1.8%	5.4%
Trade, Transportation and Utilities	55,290	21.1%	1.1%	3.1%
Information	1,731	0.7%	-0.1%	-15.3%
Financial Activities	11,823	4.5%	4.2%	6.3%
Professional and Business Services	19,242	7.3%	1.0%	1.1%
Education and Health Services	41,200	15.7%	-1.5%	3.3%
Leisure and Hospitality	26,835	10.2%	3.1%	1.9%
Other Services	7,687	2.9%	2.0%	-0.4%
Public Administration	7,072	2.7%	1.9%	2.2%

Employment by Size Class (2nd Quarter 2024)



Employment by Ownership (2nd Quarter 2024)



Employment by Industry (2nd Quarter 2024)

