



Board Binder Open Session

May 5, 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 Chamber of Commerce board room, 303 West Wall Street, Suite 200, Midland, Texas, at 10:00 a.m. on May 5, 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/89614278613?pwd=1VaSA6avt6Xjp40qkClzaulYQJZ3MW.1>

Passcode: 309460

Phone one-tap:

+13462487799,,89614278613#,,, *309460# US (Houston)

+16694449171,,89614278613#,,, *309460# US

Join via audio:

+1 346 248 7799 US (Houston) +1 669 444 9171 US +1 669 900 9128 US (San Jose) +1 719 359 4580 US

+1 253 205 0468 US +1 253 215 8782 US (Tacoma) +1 646 931 3860 US +1 689 278 1000 US

+1 301 715 8592 US (Washington DC) +1 305 224 1968 US +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)

Webinar ID: 896 1427 8613

Passcode: 309460

International numbers available: <https://us02web.zoom.us/u/kkuAKQkBM>

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 April 7, 2025, meeting of the Midland Development Corporation.
3. Motion approving the minutes of the April 14, 2025, meeting of the Midland Development Corporation.
4. Presentation from the City of Midland regarding ongoing and upcoming infrastructure projects and initiatives in the City of Midland, Texas.

5. Resolution authorizing the execution of an amended and restated economic development agreement with Flour Child Baked Goods, LLC; and authorizing payment therefor.
6. Resolution authorizing the Chairman to negotiate and execute a consent and amendment agreement regarding (i) that certain Economic Development Agreement dated November 13, 2018, (ii) that certain Sublease Agreement dated November 13, 2018, and (iii) that certain Security Agreement dated November 13, 2018, all between the Midland Development Corporation and AST & Science LLC.
7. Resolution authorizing the execution of a license agreement between the Midland Development Corporation and the Midland Chamber of Commerce regarding the use of certain real property described as Lots 5 and 6, Block 35, Original Town Addition, City and County of Midland, Texas.
8. Motion authorizing payment to NC Sturgeon, LP, in the amount of \$79,500.00 for certain design, engineering, and soil testing services related to the proposed development and construction of a new hangar facility at the Midland International Air & Space Port.
9. Motion authorizing the Chairman to negotiate and execute an easement and right-of-way agreement with Oncor Electric Delivery Company, LLC, regarding certain real property described as Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas.
10. Presentation on the April 2025 economic development activity report.
11. Pursuant to Texas Government Code §551.101, the Board of Directors will hold an Executive Session, which is closed to the public to discuss the following matters as permitted under the following Texas Government Code Sections:
 - a. Section 551.072, Deliberation Regarding Real Property
 - i. Discuss the purchase, exchange, lease, or value of real property.
 - b. Section 551.087, Deliberation Regarding Economic Development Negotiations
 - i. Discuss business prospects that the Midland Development Corporation seeks to have, locate, stay, or expand in or near the City of Midland, Texas, and discuss possible incentives, and discuss contract compliance on the part of businesses.

Posted this 2nd day of May 2025.

Marcia Bentley German
City Governance Officer/City Secretary

April 7, 2025

Meeting

Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

April 7, 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 April 7, 2025.

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

Board Members absent: None

Staff Members present: City Manager Tommy Gonzalez, Assistant City Manager Jose Ortiz, Interim City Attorney Nicholas Toulet-Crump, Assistant City Attorney Kevin Bailey, Chief of Staff Taylor Novak, City Governance Officer/City Secretary Marcia Bentley-German, Deputy City Secretary Jan Hamilton, Deputy City Secretary Rachel Guentensberger, Director of Finance Christy Weakland, Comptroller Gerry Adkins, and Financial Reporting Manager Jamie Barton.

Council Member(s) present: Mayor Lori Blong, Councilman Jack Ladd, Councilman Brian Stubbs

MDC Staff Members present: Executive Director Sara Harris, Business Engagement & Marketing Gabrielle Franks, and Operations Manager Ken Doyle

1. Call meeting to order.

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

2. Motion approving the minutes of the March 03, 2025, meeting of the Midland Development Corporation.

Director Lacy moved to approve the minutes of the March 03, 2025, meeting of the Midland Development Corporation., seconded by Director Pennington. The motion carried by the following vote: AYE: Sams, Lacy, Donnelly, Pennington, Bullock, Deck, Brown. NAY: None. ABSTAIN: None. ABSENT: None.

3. **Receive and discuss the Independent Auditors' Report and the Basic Financial Statements for the Fiscal Year 2023-2024 presented by Christy Weakland, Director of Finance for the City of Midland.**

Director of Finance, Christy Weakland gave an overview of the FY 2023/2024 Audit, reporting zero-findings and a clean bill of health. Discussion only, no action taken.

4. **Motion ratifying and approving that certain letter dated March 25, 2025, from the Midland Development Corporation Chairman addressed to the City Manager of the City of Midland requesting assistance in obtaining services necessary for the administration of the Midland Development Corporation in accordance with Article II, Section 6 of the Amended and Restated Bylaws of the Midland Development Corporation.**

Director Pennington moved to approve the motion ratifying and approving that certain letter dated March 25, 2025, from the Midland Development Corporation Chairman addressed to the City Manager of the City of Midland requesting assistance in obtaining services necessary for the administration of the Midland Development Corporation in accordance with Article II, Section 6 of the Amended and Restated Bylaws of the Midland Development Corporation, seconded by Director Deck. The motion carried by the following vote: AYE: Sams, Lacy, Donnelly, Pennington, Bullock, Deck, Brown. NAY: None. ABSTAIN: None. ABSENT: None

5. **Motion authorizing the Midland Development Corporation Chairman to negotiate and execute an easement and right-of-way agreement with Oncor Electric Delivery Company, LLC, regarding certain real property described as Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas.**

Director Bullock moved to approve the motion authorizing the Midland Development Corporation Chairman to negotiate and execute an easement and right-of-way agreement with Oncor Electric Delivery Company, LLC, regarding certain real property described as Section 33, Block 40, T-1-S, T&P RR Co. Survey, Midland County, Texas., seconded by Director Deck. The motion carried by the following vote: AYE: Sams, Lacy, Donnelly, Pennington, Bullock, Deck, Brown. NAY: None. ABSTAIN: None ABSENT: None.

6. **Resolution authorizing the execution of an economic development agreement with AST & Science, LLC.**

Director Lacy moved to approve the Resolution authorizing the execution of an economic development agreement with AST & Science, LLC., seconded by Director Pennington. The motion carried by the following vote: AYE: Sams, Lacy, Donnelly, Pennington, Bullock, Deck, Brown. NAY: None. ABSTAIN: None ABSENT: None.

7. **Resolution authorizing the execution of a commercial lease agreement with AST & Science, LLC, regarding a portion of that certain facility located on Lot 1A, Block 13, Industrial Park Regional Air Terminal, Unit 12, Midland, Midland County, Texas, at the Midland International Air & Space Port.**

Director Deck moved to approve the resolution authorizing the execution of a commercial lease agreement with AST & Science, LLC, regarding a portion of that certain facility located on Lot 1A, Block 13, Industrial Park Regional Air Terminal, Unit 12, Midland, Midland, Midland County, Texas, at the Midland International Air & Space Port., seconded by Director Ross. The motion carried by the following vote: AYE: Sams, Lacy, Donnelly, Pennington, Bullock, Deck, Brown. NAY: None. ABSTAIN: None ABSENT: None.

8. Presentation on the March 2025 economic development activity report from the Midland Development Corporation Executive Director and staff.

Sara Harris gave a brief overview of the month's expenses, revenues, and economic development activity.

The board recessed into executive session at 10:11 a.m.

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

a. Section 551.071, 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 551.074, Personnel Matters

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

d. 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.

The board reconvened into open session at 11:37a.m.

All the business at hand having been completed, Chairman Sams adjourned the meeting at 11:39 a.m.

Respectfully submitted,

Rachel Guentensberger, Deputy City Secretary

PASSED AND APPROVED on the 5th Day of May 2025.

Elvie Brown, Secretary

April 14,

2025

Meeting

Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

April 14, 2025

The Board of Directors of the Midland Development Corporation convened in special session in the Midland Chamber of Commerce board room, 303 West Wall Street, Suite 200, Midland, Texas, at 9:00 a.m. on April 14, 2025.

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

Board Members absent: None

Staff Members present: Interim City Attorney Nicholas Toulet-Crump and Assistant City Attorney Kevin Bailey.

Council Member(s) present: Mayor Lori Blong

MDC Staff Members present: Executive Director Sara Harris, Business Engagement & Marketing Gabrielle Franks, and Operations Manager Ken Doyle

1. Call meeting to order.

Chairman Sams called the meeting to order at 9:00 am

The board recessed into executive session at 9:00 a.m.

2. 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 551.074, Personnel Matters

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

The board reconvened into open session at 9:33 a.m.

All the business at hand having been completed, Chairman Sams adjourned the meeting at 9:33 a.m.

Respectfully submitted,

Rachel Guentensberger, Deputy City Secretary

PASSED AND APPROVED on the 5th Day of May 2025.

Elvie Brown, Secretary

Flour Child
Amended
&
Reinstated
Agreement

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION OF
AN AMENDED AND RESTATED ECONOMIC
DEVELOPMENT AGREEMENT WITH FLOUR CHILD
BAKED GOODS, LLC; AND AUTHORIZING
PAYMENT THEREFOR**

WHEREAS, the Midland Development Corporation and Flour Child Baked Goods, LLC, entered into that certain Economic Development Agreement dated January 6, 2025; and

WHEREAS, the Midland Development Corporation and Flour Child Baked Goods, LLC, desire to modify the Economic Development Agreement by amending and restating the same in its entirety; and

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of an amended and restated economic development agreement with Flour Child Baked Goods, LLC;

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

SECTION ONE. That the Chairman and Secretary are hereby authorized to execute and attest, respectively, on behalf of the Midland Development Corporation, an amended and restated economic development agreement with Flour Child Baked Goods, LLC. Said amended and restated agreement being in a form substantially similar to that of Exhibit A, which is attached hereto and incorporated herein for all purposes.

SECTION TWO. That the City Comptroller is hereby authorized and directed to pay Flour Child Baked Goods, LLC, in accordance with the terms of said amended and restated agreement from funds available in the Midland Development Corporation Fund (235) Operating Budget upon receipt of proper invoices or statements approved by the Chairman of the Midland Development Corporation or his designee.

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

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

NICHOLAS TOULET,
Attorney for the Midland
Development Corporation

**AMENDED AND RESTATED
ECONOMIC DEVELOPMENT AGREEMENT**

THIS AMENDED AND RESTATED ECONOMIC DEVELOPMENT AGREEMENT (this “Agreement”) is entered into by and between the MIDLAND DEVELOPMENT CORPORATION (“MDC”), a Type A corporation pursuant to Chapter 504 of the Texas Local Government Code, as amended, and FLOUR CHILD BAKED GOODS, LLC (“Company”).

**I.
Recitals**

- A. Company owns certain machinery, and equipment located in the corporate limits of the City of Midland, Texas, being located at One Wall Plaza, 306 West Wall Street.
- B. Company is operating a Business (as defined herein) in the City of Midland, Texas.
- C. Company presently contributes to local taxing entities based on sales tax and job creation and is committed to expanding the presence and value of the Business so as to provide additional value to the community of Midland, Texas.
- D. MDC and Company desire to set forth the terms and conditions upon which incentive funds will be provided to Company as consideration for Company's creation and retention of primary jobs and payroll on the Property (as defined herein).
- E. Company will exercise its best reasonable efforts to employ Midland residents and to advertise the availability of job openings in Midland, Texas.
- F. Company anticipates creating and maintaining Full-Time Jobs (as defined herein) at the Property by the end of 2030, resulting in a total Annual Payroll (as defined herein) of not less than \$520,000.00.
- G. MDC finds that the expansion of the Business will promote or develop new or expanded business enterprises in the City of Midland.
- H. MDC finds that the purpose of this Agreement qualifies as a “project,” as defined in Section 501.101 of the Texas Local Government Code and is therefore eligible for MDC funding.
- I. MDC finds that its contribution of incentive funds to Company for said project is an administrative expense or other such expense necessary or incident to placing a project in operation in accordance with Section 501.152 of the Texas Local Government Code.
- J. MDC finds that the project is for the creation or retention of “primary jobs,” as defined in Section 501.002 of the Texas Local Government Code; and that said project is required or suitable for the development, retention, or expansion of a manufacturing and industrial facility, as required in Section 501.101(2)(A) of the Texas Local Government Code.
- K. MDC and Company previously entered into that certain Economic Development Agreement, dated January 6, 2025.

- L. MDC and Company desire to modify the Economic Development Agreement by amending and restating it in its entirety.

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

II. Definitions

When used in this Agreement, capitalized terms not otherwise defined shall have the meanings set forth below:

- A. “*Annual Payroll*” means payments made by Company to individuals employed by Company in a Full-Time Job, including base pay, paid vacation, paid sick leave or bonuses, and benefits such as 401(k) programs, associated matching payments, and health insurance pursuant to Company's policies or practices, over a twelve-month period that begins on January 1 and ends on December 31 of such year. Such payments shall only qualify as Annual Payroll for the purposes set forth in this Agreement if the payments are actually disbursed and made during the relevant year and the term of this Agreement. Annual Payroll shall be calculated by summing such disbursements for the calendar year in which the disbursements are made.
- B. “*Business*” means Company's commercial operations relating to the wholesale distribution of confections, or other such related or similar business.
- C. “*Effective Date*” means January 14, 2025.
- D. “*Full-Time Job*” means a position of employment that requires an individual (i) work 2,000 hours per year, including allowance for vacation, sick leave, earned time off, or other of Company's policies and practices and (ii) spend a substantial amount of his or her time performing job duties at the Business on the Property.
- E. “*Personal Property*” means the following: (i) two (2) walk-in industrial freezers, (ii) one (1) freezer/reefer truck, (iii) two (2) stacking industrial ovens, (iv) two (2) double-door refrigerators, (v) one (1) dough sheeter, (vi) one (1) biscotti slicer, (vii), one (1) dough extruder, (viii) one (1) three-bay wash sink, (ix) one (1) Rheon machine, and (x) other associated equipment, if any, to be placed within or situated upon the Property. Personal Property shall be movable in nature and of a kind that is capable of being utilized at a variety of location types.
- F. “*Property*” means the facility at One Wall Plaza, 306 West Wall Street, or such other location within the corporate limits of the City of Midland, Texas as may be designated by the MDC Chairman from time to time.
- G. “*Starting Payroll*” means \$216,000.00.

III. Conditions Precedent

A condition precedent to MDC's obligations under this Agreement shall be that Company certify to MDC the Starting Payroll, as described in Section X.B below.

IV.
Obligations of the Company

- A. **Employment Prior to December 31, 2026.** By January 31, 2027, Company shall certify to MDC, as described in Section X.B below, that a minimum of one (1) new Full-Time Job has been created, staffed, and maintained at the Business on the Property between January 1, 2026, and December 31, 2026, and that such one (1) new Full-Time Job results in an increase of \$27,000.00 in total Annual Payroll above the Starting Payroll, resulting in a new total Annual Payroll of at least \$243,000.00.
- B. **Employment Prior to December 31, 2027.** By January 31, 2028, Company shall certify to MDC, as described in Section X.B below, that a minimum of one (1) new Full-Time Job has been created, staffed, and maintained at the Business on the Property between January 1, 2027, and December 31, 2027, and that such one (1) new Full-Time Job results in an increase of \$29,000.00 in total Annual Payroll, resulting in a new total Annual Payroll of at least \$272,000.00. There will be a total of two (2) new Full-Time Jobs created and maintained by the Company during the period between January 1, 2026 and December 31, 2027.
- C. **Employment Prior to December 31, 2028.** By January 31, 2029, Company shall certify to MDC, as described in Section X.B below, that a minimum of two (2) new Full-Time Jobs have been created, staffed, and maintained at the Business on the Property between January 1, 2028, and December 31, 2028, and that such two (2) new Full-Time Jobs result in an increase of \$58,000.00 in total Annual Payroll, resulting in a new total Annual Payroll of at least \$330,000.00. There will be a total of four (4) new Full-Time Jobs created and maintained by the Company during the period between January 1, 2026 and December 31, 2028.
- D. **Employment Prior to December 31, 2029.** By January 31, 2030, Company shall certify to MDC, as described in Section X.B below, that a minimum of three (3) new Full-Time Jobs have been created, staffed, and maintained at the Business on the Property between January 1, 2029, and December 31, 2029, and that such four (3) new Full-Time Jobs result in an increase of \$82,000.00 in total Annual Payroll, resulting in a new total Annual Payroll of at least \$412,000.00. There will be a total of seven (7) new Full-Time Jobs created and maintained by the Company during the period between May 1, 2026 and December 31, 2029.
- E. **Employment Prior to December 31, 2030.** By January 31, 2031, Company shall certify to MDC, as described in Section X.B below, that a minimum of four (4) new Full-Time Jobs have been created, staffed, and maintained at the Business on the Property between January 1, 2030, and December 31, 2030, and that such four (4) new Full-Time Jobs result in an increase of \$108,000.00 in total Annual Payroll, resulting in a new total Annual Payroll of at least \$520,000.00. There will be a total of eleven (11) new Full-Time Jobs created and maintained by the Company during the period between January 1, 2026 and December 31, 2030.
- F. **Personal Property Investment.** Company shall invest or cause to be invested certain funds for the purchase new Personal Property to be utilized by the Business at the Property in accordance with the following schedule:

1. \$50,000.00 by December 31, 2026; and
2. \$172,998.00 by December 31, 2028.

For the avoidance of any doubt, the investment amounts indicated in the above schedule shall be cumulative of each other and shall include all such Personal Property investments made by Company as of November 1, 2024. Company shall (i) maintain such minimum values of new Personal Property at the Property through January 31, 2030, and (ii) maintain said new Personal Property in good-working condition at the Business on the Property. Said investments in Personal Property in the Business at the Property shall be evidenced by tax statements issued by the Midland Central Appraisal District, which shall be provided to MDC on a yearly basis during the term of this Agreement. Company shall provide paid invoices and certification that the Personal Property has been paid for, in full, and the Personal Property has been installed and is functioning properly.

Notwithstanding any contrary provision contained in this Agreement, Company's Personal Property investment obligations contained in this Section shall be calculated using the purchase price actually paid by Company in its procurement of the Personal Property referenced herein, as evidenced by paid invoices and certifications referenced above; such investment obligations shall not account for or be calculated using the depreciated value of the Personal Property, if any, or the value of the Personal Property as assessed by the Midland Central Appraisal District.

Personal Property purchased under this Agreement shall not be considered, deemed, or treated as a fixture of the Property, and shall in all cases be removable and transportable such that Company can utilize the Personal Property for its intended purpose(s) if the Business is relocated pursuant to Section X.H below.

G. Annual Compliance Certifications. Beginning in January 2026 and continuing every year during the term of this Agreement, each year by January 31 Company shall certify to MDC, as described in Section X.B below, the following:

1. The total Annual Payroll as of December 31 of the preceding month.
2. The total amount of Personal Property investment made at the Business on the Property as of December 31 of the preceding month. Company shall describe or list the Personal Property investment and provide certification as to the purchase price or cost of such Personal Property until such time as \$172,998.00 has been invested in Personal Property.

Pursuant to this Section, there will be a total of six (6) Annual Compliance Certifications due, covering Full-Time Jobs created and maintained, and Personal Property expenditures in years 2025 through 2031.

H. Security Agreement. Within sixty (60) days following Company's written certification that it has made the minimum Personal Property investment Referenced in Section IV.F.1, Company shall execute the Security Agreement in a form substantially similar to that of Exhibit A, attached hereto and incorporated herein for all purposes (the "Security Agreement"). MDC shall have the

right to file a UCC-1 Financing Statement in the state of Company's incorporation in order to perfect a lien on the assets described in the Security Agreement. Company agrees that MDC may, in an event of default by Company under the Agreement, as amended, execute against Company's Personal Property pursuant to the terms of the Security Agreement.

V.

Obligation of the MDC

Subject to Company's timely satisfaction of its obligations and any condition precedent required by this Agreement, MDC agrees to provide Company an interest-free forgivable loan in the amount of Fifty Thousand and No/100 Dollars (\$50,000.00) within ten (10) days following MDC's receipt of written notice from Company that Company has made the minimum Personal Property investment referenced in Section IV.F.1. Said written notice shall be accompanied by copies of invoices or receipts that sufficiently evidence Company's minimum Personal Property investment. The interest-free forgivable loan shall be disbursed in a single lump sum payment subject to Company's full and continued compliance with the terms of this Agreement.

VI.

Repayment Provisions

The following payment and recapture provisions shall apply to this Agreement:

- A. **Recapture; Loan.** If the interest-free forgivable loan was disbursed and not previously repaid, and (i) an annual compliance certification demonstrates that Company has not maintained the obligations set forth in Section IV or (ii) Company has failed to comply with any other provision or requirement of this Agreement, then Company's repayment shall immediately and automatically be accelerated, and Company shall repay to MDC \$50,000.00 in accordance with Section VI.B.
- B. **Repayment Terms.** Any amount repayable to the MDC hereunder shall be repaid, without interest, within thirty (30) days after MDC gives written notice to Company that Company is in default. Notwithstanding anything to the contrary contained anywhere in this Agreement, under no circumstances shall Company be obligated to repay MDC an amount exceeding the total funds actually received by Company from MDC under this Agreement.

VII.

Cure Period

In lieu of demanding repayment within thirty (30) days after MDC gives Company written notice of its default as set forth in this Agreement, MDC may, in its sole and absolute discretion, elect to allow Company a period not to exceed one hundred eighty (180) days to cure any such default. Any such election by MDC to allow Company to cure such a default shall in no way be construed as, or shall operate as, a waiver of any of MDC's rights contained herein, including but not limited to MDC's rights to repayment under this Agreement.

VIII.

Term

Upon execution by the parties, this Agreement becomes effective on the Effective Date and shall terminate on the earlier to occur of (a) March 31, 2031, or (b) as set forth in Section XI.E.

IX.
Law

The parties acknowledge that the funds herein granted shall be utilized solely for purposes authorized under the terms of this Agreement and the Development Corporation Act, Chapter 501 of the Texas Local Government Code.

X.
Special Conditions

- A. **Total Financial Commitment.** Notwithstanding any other provision hereof which might be interpreted otherwise, MDC's total financial commitment during the term of this Agreement shall not exceed \$50,000.00 in the aggregate.
- B. **Certifications.** Company agrees to the following certification requirements:
1. As to the certifications required in Section IV.A-E, Company shall provide reasonable evidence or supporting documentation. Documentation for employment numbers may be in the form of Texas Workforce Commission Employer Quarterly Reports, or certified employee rosters that show the hours worked and positions filled, or such other reports as may be agreed upon by MDC and Company. Upon a reasonable request, MDC may review Company's Texas Workforce Commission Employer Quarterly Reports in Midland, Texas, but may not copy or retain a copy of said reports.
 2. Company shall provide to MDC a supplemental employment report as of September 30 of each year during the term of this Agreement evidencing the current number of Full-Time Jobs created, staffed, and maintained and the corresponding total Annual Payroll resulting from said Jobs.
 3. Company shall allow MDC reasonable access to the Property for purposes of determining Company's compliance with the employment certifications given by Company, provided that such access shall be (i) with prior written notice; (ii) accompanied by representatives of Company; (iii) during normal business hours; and (iv) in accordance with the reasonable rules and regulations of Company governing such entrance, including all reasonable health, safety and environmental procedures and policies issued by Company from time to time.
 4. As to the certifications required in Section IV.F, Company shall provide a letter from Company's president or executive officer.
 5. When requested in writing by MDC to do so, Company will provide an annual statement in a form acceptable to MDC and Company that, to Company's knowledge, Company is in compliance with each applicable material term of this Agreement.
 6. All certifications required under this Agreement shall be signed and sworn to by Company's chief executive officer and chief financial officer, or equivalents thereto, before a notary and shall contain the statement that the information contained in the certification is true and correct. E-mail shall not be an acceptable form of certification under this Agreement.

7. Company shall maintain, during the term of this Agreement and for a period of three (3) years following expiration of the term, all records necessary to confirm that it has met its obligations under this Agreement relating to Annual Payroll and Personal Property, including (as appropriate): (a) all payroll records and daily time sheets and other records of personnel utilization on work activities at the Property (including records on an hourly basis for personnel); (b) invoices for materials and equipment; and (c) agreements, subcontracts and purchase orders relating to the Personal Property. Upon reasonable advance written notice, Company shall make all such documents available to MDC for inspection, audit and copying, regardless of whether a dispute is then pending between the parties. Access shall be provided to MDC during normal business hours in an adequate workspace.
- C. **Covenants.** Company makes the following covenants to MDC and agrees that in the event of failure of Company to comply with such covenants, the breach of any one of which shall constitute an event of default, MDC may terminate this Agreement, at its sole and absolute discretion. In the event of such termination, if any consideration has been paid to or on behalf of Company, and not earned by Company as to its obligations pursuant to this Agreement, Company must reimburse MDC for such consideration:
1. Company is a legal entity duly organized, validly existing and in good standing and is duly authorized to do business in the State of Texas.
 2. The execution of this Agreement has been duly authorized by Company's board of directors or other governing body, or by officers empowered to execute such agreements and bind Company and is not in contravention of the provisions of Company's articles of incorporation or bylaws, or of any agreement or instrument to which Company is party to or by which it may be bound, the breach of which would have a material, adverse effect on Company and its operations.
 3. There are no bankruptcy proceedings currently pending by or against Company.
- D. **Suspension.** MDC, under the following circumstances and at its sole discretion, may terminate this Agreement, and Company must reimburse any of the unearned consideration as to the Personal Property and Employment investment paid by MDC to Company pursuant to this Agreement:
1. The insolvency of Company. "Insolvency" shall have the meaning set forth in federal bankruptcy law.
 2. The appointment of a receiver of Company, or of all or any substantial part of its property, and the failure of such receiver to be discharged within sixty (60) days thereafter.
 3. The adjudication of Company as bankrupt, the filing by Company of a petition to be adjudged bankrupt, or a petition or answer seeking reorganization or admitting the material allegations of a petition filed against Company in any bankruptcy or reorganization proceeding.
- E. **Additional Covenants.** If Company should fail to comply with any of the following provisions, and such failure continues for thirty (30) days following written notice to Company (each, an event of default), MDC may terminate this Agreement. In the event that the Agreement is terminated, Company shall be required to reimburse MDC for all consideration paid to Company by MDC and not earned by Company pursuant to this Agreement.

1. Company, or any affiliate of, or successor to Company, shall continue its fulltime commercial operations in accordance with Company's obligations set forth in this Agreement on the Property at all times during the period of this Agreement.
 2. Company shall pay, or cause to be paid, before delinquent all ad valorem taxes assessed against the Property and Personal Property owed to the taxing authorities having jurisdiction. In addition, Company will pay before delinquent all employment, income, franchise and all other taxes to all local, state and federal entities.
 3. Company shall, on a yearly basis during the term of this Agreement, provide MDC with tax certificates from Midland Central Appraisal District demonstrating that all taxes on the Property and Personal Property have been paid in full to the current tax year.
 4. Company shall obtain and maintain all necessary rights, licenses, and permits to carry on its Business.
 5. Company agrees that, as to all of the programs and activities arising out of this Agreement, it shall comply in all material respects with all Civil Rights Acts and specifically will not discriminate against any person on the basis of race, color, national origin, religion, age, sex or by reason of being disabled.
 6. Company agrees that it shall comply with Texas Government Code Section 2264.001 *et seq.*, as amended.
 7. Notwithstanding Section X.H below, Company shall maintain the Business at all times during the term of this Agreement at a location within the corporate limits of the City of Midland, Texas.
- F. **Payments.** Payments to be made to Company shall be made upon a written request from Company and completion and submission of all necessary supporting documentation as required pursuant to this Agreement. The payment request and documentation should be directed in accordance with Section XI.N below.
- G. **Interpretation of Terms & Obligations.** Notwithstanding any other provision contained herein to the contrary, the parties agree that in the event that there is a dispute regarding whether a particular item falls within the definition of Annual Payroll, Personal Property, or Full-Time Job, MDC shall make such determination in its sole and absolute discretion and said decision shall be binding on Company.
- H. **Relocation of the Business.** The parties acknowledge and agree that it might be commercially advantageous for Company to relocate the Business during the term of this Agreement to another location within the corporate limits of the City of Midland to accommodate Company's future growth and/or an expansion of its present facilities. If Company chooses to relocate the Business for the purposes referenced herein, Company shall provide MDC with ninety (90) days' written notice prior to any proposed relocation. The notice shall include (i) the address at which the Business is proposed to be relocated to, and (ii) a detailed explanation of reasons for the relocation and any anticipated impact on the Business. Approval of the Business' relocation shall be subject to the written approval of MDC's Chairman of the Board of Directors, which shall not be unreasonably withheld, conditioned, or delayed. At MDC's option, Company shall make the facilities new location of the Business available for inspection by personnel authorized by MDC.

Company acknowledges and agrees that the consideration and benefits conferred to it under the terms of this Agreement are made expressly subject to Company's covenant to operate the Business within the corporate limits of the City of Midland. Company's (i) failure to operate the Business within the corporate limits of the City of Midland, or (ii) relocation of the Business outside the corporate limits of the City of Midland during the term of this Agreement shall constitute a default.

XI. General Terms

- A. **Entire Agreement.** This Agreement embodies the complete agreement of the parties hereto, superseding all oral or written, previous and contemporary agreements between the parties relating to matters in this Agreement; and except as otherwise provided herein, this Agreement cannot be modified or amended without a written agreement of the parties. This Agreement acts to supersede and replace that certain Economic Development Agreement dated January 6, 2025, between the parties, which shall be of no further force or effect.
- B. **Legal Relationships.** The parties are not, and shall not be considered as, joint venturers, partners, or agents of each other and no party shall have the power to bind or obligate another, except as set forth in this Agreement. The parties agree not to represent to anyone that they are agents of one another or have any authority to act on behalf of one another. It is mutually understood and agreed that nothing in this Agreement is intended or shall be construed as in any way creating or establishing any partnership, joint venture, or agency between MDC and Company. Further, it is specifically understood and agreed that nothing in this Agreement is intended or shall be construed as creating a community of pecuniary interest or an equal right of control that would give rise to vicarious liability.
- C. **No Third-Party Beneficiary.** The parties' approval of the Agreement does not create a third-party beneficiary. There is no third-party beneficiary to this Agreement. No person or entity that is not a party to this Agreement shall have any third-party beneficiary or other rights hereunder.
- D. **Independent Contractor.** It is expressly understood and agreed that Company shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of MDC; that Company shall have exclusive control of and the exclusive right to control the details of the services and work performed hereunder, and all persons performing the same; and shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors; that the doctrine of *respondeat superior* shall not apply as between MDC and Company, their officers, agents, employees, contractors and subcontractors; and that nothing herein shall be construed as creating a partnership or joint enterprise between MDC and Company. No person performing any of the work and services described hereunder shall be considered an officer, agent, servant or employee of MDC. Company shall be an independent contractor under this Agreement and shall assume all of the rights, obligations and liabilities applicable to it as such independent contractor hereunder. MDC does not have the power to direct the order in which the work is done. MDC shall not have the right to control the means, methods or details of Company's work. Company shall assume exclusive responsibility for the work. Company is entirely free to do the work in its own way.
- E. **Terminations.** This Agreement may be terminated by mutual agreement of the parties or by any party, upon the failure of another party to fulfill a material obligation as set forth herein if the

default is not cured within thirty (30) days after written notice from the other party reasonably specifying such breach, or such longer period as may be reasonably necessary so long as such party has commenced the cure within such thirty (30) day period, and thereafter is diligently pursuing such cure.

- F. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.
- G. **Governing Law & Venue.** This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas without regard to conflict of laws or rules that would direct the application of the laws of another jurisdiction. All performance and payment made pursuant to this Agreement shall be deemed to have occurred in Midland County, Texas. The sole, exclusive, and mandatory venue for any claims, suits, disputes or any other action arising from, relating to or concerning in any way this Agreement or the performance of this Agreement shall be in Midland County, Texas. All payments under this Agreement are deemed to have taken place in Midland County, Texas.
- H. **Legal Construction.** In case one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions hereof and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.
- I. **Law.** This Agreement is subject to all applicable municipal, county, state and federal laws, regulations, orders and rules and Company agree that they will comply in all material respects with all such applicable laws, regulations, orders and rules of the State of Texas and other such governmental agencies. As used in this Agreement, the phrase “applicable law” is deemed to include the foregoing. This Agreement shall be governed by and construed in accordance with the laws and court decisions of the State of Texas.
- J. **Assignment.** This Agreement shall be binding upon the parties hereto and their successors and assigns. This Agreement may not be assigned without the prior written consent of the other parties.
- K. **Notices.** All notices to the parties required under this Agreement shall be sent by certified U.S. mail, postage prepaid, addressed to such party at the addresses shown below. All notices shall be deemed given on the date so deposited in the mail, unless otherwise provided herein. Any party hereto may change the address below by sending written notice of such change to the other parties in the manner provided herein.

If to MDC:

Midland Development Corporation
Attn: MDC Chairman
Attn: Executive Director
200 N. Loraine Street, Suite 610
Midland, Texas 79701

If to Company:

Flour Child Baked Goods, LLC
610 West Kansas Avenue
Midland, Texas 79701

With Copy To:

City Attorney's Office
City Hall
300 N. Loraine Street, Suite 320
Midland, Texas 79701

- L. **Waiver of Attorney Fees.** BY EXECUTING THIS AGREEMENT, THE PARTIES AGREE TO WAIVE AND DO HEREBY WAIVE ANY CLAIM THEY HAVE OR MAY HAVE IN THE FUTURE AGAINST EACH OTHER REGARDING THE AWARD OF ATTORNEY FEES THAT ARE IN ANY WAY RELATED TO THIS AGREEMENT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THIS AGREEMENT. THE PARTIES AGREE THAT IF EITHER PARTY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, ET SEQ., AS AMENDED) OR CHAPTER 271 OF THE TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, THAT SAID PARTY AGREES TO WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY FEES TO WHICH IT MIGHT OTHERWISE BE ENTITLED.

THE PARTIES AGREE THAT THIS IS THE VOLUNTARY AND INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY EXISTING KNOWN RIGHT. THE PARTIES ACKNOWLEDGE THAT THEY UNDERSTAND ALL TERMS AND CONDITIONS OF THE AGREEMENT. THE PARTIES FURTHER ACKNOWLEDGE AND AGREE THAT THERE WAS AND IS NO DISPARITY OF BARGAINING POWER BETWEEN THE PARTIES. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OF GOVERNMENTAL IMMUNITY.

THE PARTIES ARE RELYING ON THEIR OWN JUDGMENT. EACH PARTY AGREES IT HAD THE OPPORTUNITY TO DISCUSS THIS AGREEMENT WITH LEGAL COUNSEL PRIOR TO ITS EXECUTION.

- M. **Amendment.** This Agreement may only be amended by written instrument executed by both parties expressly stating the intention to amend this Agreement. No amendment shall be effective unless approved by a resolution duly passed by the MDC Board of Directors.
- N. **Payments.** All payments to any party required under this Agreement shall be sent by certified U.S. mail, postage prepaid, addressed to such party at the addresses shown below. All payments shall be deemed given on the date so deposited in the mail, unless otherwise provided herein. Any party hereto may change the address below by sending written notice of such change to the other in the manner provided herein.

If to MDC:

Midland Development Corporation
Attn: MDC Chairman
Attn: Executive Director
200 N. Loraine Street, Suite 610

If to Company:

Flour Child Baked Goods, LLC
311 East Illinois Street
Midland, Texas 79701

Midland, Texas 79701

- O. **Release.** NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, COMPANY HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES MDC, MDC'S EMPLOYEES AND OFFICERS, FROM ANY AND ALL DEMANDS CLAIMS, DAMAGES, OR CAUSES OF ACTION OF ANY KIND WHATSOEVER WHICH COMPANY HAS OR MIGHT HAVE IN THE FUTURE, INCLUDING BUT NOT LIMITED TO BREACH OF CONTRACT, QUANTUM MERUIT, CLAIMS UNDER THE DUE PROCESS AND TAKINGS CLAUSES OF THE TEXAS AND UNITED STATES CONSTITUTIONS, TORT CLAIMS, OR MDC'S NEGLIGENCE.
- P. **Consideration.** MDC and Company hereby agree and acknowledge that this Agreement is supported by good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties.
- Q. **Governmental Immunity.** By executing this Agreement, MDC is not waiving its right of governmental immunity. MDC is retaining its immunity from suit. MDC is not granting consent to be sued by legislative resolution or action.

THERE IS NO WAIVER OF GOVERNMENTAL IMMUNITY.

- R. **Governmental Function.** MDC AND COMPANY HEREBY ACKNOWLEDGE AND AGREE THAT THE ENTIRETY OF MDC'S PERFORMANCE AND OBLIGATIONS UNDER THIS AGREEMENT ARE GOVERNMENTAL FUNCTIONS. BY ENTERING INTO THIS AGREEMENT, COMPANY RELEASES MDC FROM ANY PRESENT OR FUTURE CLAIMS ASSERTING MDC'S PERFORMANCE AND OBLIGATIONS UNDER THIS AGREEMENT ARE NOT GOVERNMENTAL FUNCTIONS. MDC AND COMPANY ACKNOWLEDGE AND AGREE THAT THIS AGREEMENT IS IN THE PUBLIC INTEREST AND SERVES A PUBLIC PURPOSE OF THE STATE OF TEXAS AND CITY OF MIDLAND IN PROMOTING THE WELFARE OF THE GENERAL PUBLIC ECONOMICALLY BY SECURING AND RETAINING BUSINESS ENTERPRISES AND AS A RESULT OF MAINTAINING A HIGHER LEVEL OF EMPLOYMENT, ECONOMIC ACTIVITY, AND STABILITY.
- S. **No Disparity of Bargaining Position.** MDC and Company agree that there was no disparity of bargaining power between the parties in the negotiation and execution of this Agreement. MDC and Company acknowledge and agree that they were represented by legal counsel. MDC and Company acknowledge and agree that they read and understood the entire Agreement prior to its execution. MDC and Company acknowledge and agree that there were numerous compromises and concessions made by the parties resulting in the agreed-upon terms of this Agreement.
- T. **Notice of Alleged Breach; Statutory Prerequisites.** As a condition precedent to filing suit for alleged damages incurred by an alleged breach of an express or implied provision of this Agreement, Company or its legal representatives, shall give the MDC Chairman notice in writing (consisting of one (1) original and two (2) copies of notice attached to a copy of this Agreement) of such damages, duly verified, within one hundred twenty (120) days after the same has been sustained. The discovery rule does not apply to the giving of this notice. The notice shall include

when, where and how the damages occurred, the apparent extent thereof, the amount of damages sustained, the amount for which Company will settle, the physical and mailing addresses of Company at the time and date the claim was presented and the physical and mailing addresses of Company for the six (6) months immediately preceding the occurrence of such damages, and the names and addresses of the witnesses upon whom Company relies to establish its claims. Failure to so notify the MDC Chairman within the time and manner provided herein shall exonerate, excuse and except MDC from any liability whatsoever. MDC is under no obligation to provide notice to Company that Company's notice is insufficient. MDC reserves the right to request reasonable additional information regarding the claim. Said additional information shall be supplied within thirty (30) days after receipt of notice.

The statutory prerequisites outlined herein constitute jurisdictional requirements pursuant to Texas law. Notwithstanding any other provision, Company's failure to comply with the requirements herein shall perpetually bar Company's claim for damages regardless of whether MDC has actual or constructive notice or knowledge of said claim or alleged damages. Company agrees that the requirements of this Section are reasonable.

- U. **Approval Required.** This Agreement shall not become effective until approved by the Midland City Council.
- V. **Company's Expansion Options.** Company had many options to expand the Business within the Permian Basin, and Company specifically chose to expand the Business in the corporate limits of the City of Midland due to the commercial and community advantages offered in Midland.
- W. **Waiver of Consequential Damages.** **THE PARTIES HEREBY WAIVE ALL CLAIMS AGAINST EACH OTHER FOR ALL CONSEQUENTIAL DAMAGES ARISING OR RELATED TO THIS AGREEMENT. THIS MUTUAL WAIVER INCLUDES, BUT IS NOT LIMITED TO, DAMAGES INCURRED BY EITHER PARTY FOR RENTAL EXPENSES, FOR LOSSES OF USE, INCOME, PROFIT, FINANCING, BUSINESS AND REPUTATION, AND FOR LOSS OF MANAGEMENT OR EMPLOYEE PRODUCTIVITY OR FOR THE SERVICES OF SUCH PERSONS, AND FOR PRINCIPAL OFFICE EXPENSES INCLUDING THE COMPENSATION OF PERSONNEL STATIONED AT THE BUSINESS ON THE PROPERTY, FOR LOSSES OF FINANCING, BUSINESS AND REPUTATION, AND FOR LOSS OF PRESENT AND FUTURE PROFITS.**
- X. **Required Verifications.** Pursuant to Chapter 2264 of the Texas Government Code, Company certifies that as of the effective date of this Agreement and throughout the term of this Agreement, Company's business, or a branch, division, or department thereof, does not and will not knowingly employ an undocumented worker (as defined in Section 2264.001 of the Texas Government Code), and if Company's business, or a branch, division, or department thereof, is convicted of a violation of 8 U.S.C. § 1324a(f) occurring during the term of this Agreement, Company shall repay to the MDC the total amount of funds paid to Company under this Agreement, plus interest at the Agreed Rate (as defined below), not later than the 120th day after the date the MDC notifies Company of the violation. It is agreed that for purposes of this Section, but only if permissible under Chapter 2264 of the Texas Government Code, (i) "Company's business, or a branch, division, or department thereof" shall be limited to Company's business in

Midland, Texas; (ii) Company shall not be liable for a violation of Chapter 2264 of the Texas Government Code by a person or entity with whom Company contracts; (iii) neither Company nor its business, or branch, division, or department thereof, shall be deemed to have been “convicted of a violation” until all appeals have been exhausted and/or the time for all appeals has expired; and (iv) the date that “MDC notifies Company of the violation” may not be earlier than the date that Company has been “convicted of a violation” as provided above in this Section. For purposes of this Section, “Agreed Rate” shall mean shall mean the lesser of: (i) the Wall Street Journal prime rate announced by and as quoted in Wall Street Journal, from time to time, as its prime commercial rate or, if the Wall Street Journal prime rate ceases to be made available by the publisher, or any successor to the publisher, a similar reference interest rate based on the interest large United States money center commercial banks charge on short term uninsured loans to their most creditworthy borrowers and (ii) the highest lawful rate.

In accordance with Section 2252.152 of the Texas Government Code, the parties covenant and agree that Company is not on a list maintained by the State Comptroller’s office prepared and maintained pursuant to Section 2252.153 of the Texas Government Code.

To the extent that Sections 2271.002, 2274.002, and 2276.002 of the Texas Government Code (collectively, the “Anti-Boycott Statutes”) apply to this Agreement, Company hereby verifies that Company does not: (i) boycott Israel and will not boycott Israel during the term of this Agreement; (ii) boycott energy companies and will not boycott energy companies during the term of this Agreement; and (iii) have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate during the term of this Agreement against a firearm entity or firearm trade association.

To the extent that the Anti-Boycott Statutes do not apply to this Agreement, such verification is not required, and Company shall be deemed to have not made such verification.

[Signature Pages Follow]

IN WITNESS WHEREOF, MDC and Company have executed this Agreement as of the Effective Date.

**MIDLAND DEVELOPMENT
CORPORATION**

P. Lourcey Sams, Chairman

ATTEST:

Elvie Brown, Secretary

FLOUR CHILD BAKED GOODS, LLC

By: _____

Name: _____

Title: _____

THE STATE OF TEXAS §

§

COUNTY OF MIDLAND §

BEFORE ME, the undersigned authority, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he/she executed and delivered the foregoing instrument for the purposes and consideration therein expressed on behalf of FLOUR CHILD BAKED GOODS, LLC.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 202__.

Notary Public, State of Texas

SECURITY AGREEMENT

THIS SECURITY AGREEMENT ("Security Agreement") is made by and between the Midland Development Corporation ("Secured Party"), and Flour Child Baked Goods, LLC ("Debtor").

WHEREAS, Secured Party and Debtor have entered into that certain Economic Development Agreement dated _____, 2025 (the "Economic Development Agreement"), which is incorporated herein by reference for all purposes; and

WHEREAS, to secure payment and performance of any and all liabilities and obligations of Debtor to the Secured Party (as hereinafter described) pursuant to the Economic Development Agreement, Debtor hereby assigns, transfers, pledges, and grants a security interest in the Collateral (as hereinafter defined) to the Secured Party, and Debtor hereby warrants, covenants and agrees that the Secured Party shall have the rights, remedies, and benefits hereinafter set forth.

NOW, THEREFORE, it is agreed as follows:

1. DEFINITIONS: The terms "Secured Party" and "Debtor" as used in this Security Agreement shall include the successors or assigns of these parties. If more than one Debtor executes this Security Agreement, the term "Debtor" shall include each Debtor as well as all of them, and their obligations under this Security Agreement shall be joint and several.
 - A. For purposes of this Security Agreement, the term "Business" shall mean the Business owned and operated by Debtor; the term "Premises" shall include the present and any or all future locations of the Business, whether singular or multiple and wherever located, including the property located at 311 East Illinois Street, Midland, Texas.
 - B. The term "Liabilities" shall include all financial obligations of Debtor to Secured Party, now existing or hereafter arising, whether direct or indirect, assumed or acquired outright, conditionally or as collateral security from another, absolute or conditional, joint or several, secured or unsecured, due or not due, contractual or tortious, liquidated or unliquidated, arising by operation of law or otherwise.
 - C. The term "Collateral" shall mean the following: (i) two (2) walk-in industrial freezers, (ii) one (1) freezer/reefer truck, (iii) two (2) stacking industrial ovens, (iv) two (2) double-door refrigerators, (v) one (1) dough sheeter, (vi) one (1) biscotti slicer, (vii), one (1) dough extruder, (viii) one (1) three-bay wash sink, (ix) one (1) Rheon machine, and (x) other associated equipment, if any, to be fixed or attached to, or placed within or situated upon the Premises by Debtor.
2. SECURITY INTEREST: In consideration and as an inducement for Secured Party's extending credit to Debtor for purchasing the Collateral, Debtor agrees to the following:
 - A. Secured Party may file one or more UCC Financing Statements (to be provided and filed by Secured Party's attorney), where and when required for the perfection of Secured Party's security interest in the Collateral.

- B. Debtor hereby grants to Secured Party a lien on, and a continuing security interest in the Collateral together with all substitutions, replacements, and proceeds, including all of the foregoing now in existence and all hereafter acquired by Debtor at any time or times regardless of whether simultaneous with or subsequent to the incurring of any of Debtor's Liabilities to Secured Party (the "Security Interest").
 - C. The Security Interest created herein shall attach without the execution or delivery to Secured Party of any instruments, documents, assignments, or other agreements of transfer, and in the event that any such instruments, documents, or other agreements of transfer are or will be delivered to Secured Party, the same are and will be in furtherance of and in addition to the Security Interest created by virtue of this Security Agreement.
3. VALIDATION OF SECURITY INTEREST, U.C.C. FILINGS: At any time, and at reasonable intervals, upon request of Secured Party (or Secured Party's attorney), Debtor will give, execute and deliver any notice, statement, instrument, document, agreement, or other papers that Secured Party may reasonably request in order to create, preserve, perfect, or validate any security interest granted pursuant hereto or to enable Secured Party to exercise and enforce its rights hereunder or with respect to such security interest. The Secured Party acknowledges and agrees that it is the responsibility of the attorney for the Secured Party to file all UCC Financing Statements, where and when required, including renewals.
4. SALE OR TRANSFER OF COLLATERAL AND OTHER ASSETS: Debtor hereby represents and agrees that while there remains any unpaid Liability to Secured Party:
- A. Except for a transfer occurring in the ordinary course of business, Debtor will not sell, transfer, convey, or assign any portion of the Collateral exceeding a book value of Ten Thousand Dollars (\$10,000.00) in any fiscal year without previously notifying Secured Party in writing and obtaining Secured Party's prior written consent, and provided that:
 - (i) the funds received from the sale, transfer, assignment or other conveyances of a portion of the Collateral must be used to immediately replace the sold goods with goods of equal or greater value, net of any debt thereon, which such replacement goods shall thereafter become part of the Collateral; or
 - (ii) if such goods are not replaced, then such entire amount received shall be immediately paid to Secured Party and applied to the outstanding Liabilities.
 - B. Subject to the provisions of Section 4.A above, if more than fifty percent (50%) of Debtor's interest in the Business is sold, then the balance of the Liabilities, at the option of Secured Party, shall become immediately due and payable. The aforementioned sale or transfer restrictions shall not be considered applicable if made to a partnership or corporation of which Debtor is an equal or majority partner or stockholder provided the transferee agrees in writing prior to the transfer to be bound by the terms and conditions hereto; any amount received by Debtor for the sale of any interest in the Business shall be immediately paid to Secured Party and

applied to the outstanding Liabilities.

5. JUDICIAL ENCUMBRANCES AND DEFENSE OF TITLE: Debtor shall not, after the effective date of this Security Agreement, allow or create any lien or encumbrance to be attached by law or any judicial process to the Collateral, unless expressly made subordinate to Secured Party's Security Interest; however, Debtor shall be entitled to "cure" any such encumbrance or lien within ten (10) days of receipt of notice of the same from Secured Party. Debtor will defend the title and Secured Party's Security Interest in and to the Collateral at Debtor's sole cost and expense.

A. Debtor will pay and discharge promptly all taxes, assessments, and governmental charges or levies imposed upon Debtor or Debtor's income or the Collateral, as well as all judgment liens and all claims for labor and materials which, if unpaid, may constitute a lien or charge upon the Collateral, unless and only to the extent that the same shall be appropriately reserved against and be diligently contested in good faith by appropriate proceedings.

B. Debtor will give Secured Party full and prompt written notice of any condemnation or forfeiture proceeding, and of any judgment, order, or decree entered against Debtor or the Collateral, in or by any court or governmental authority.

6. MAINTENANCE AND INSURANCE: During the term of this Security Agreement:

A. Debtor will, at Debtor's cost, maintain the Collateral in good order and repair. Unless the Collateral is specified as a fixture, Debtor will prevent the Collateral or any part of the Collateral from becoming a fixture. Debtor shall promptly pay all costs, expenses and obligations of every kind and nature incurred in connection with the use, maintenance, servicing, repair or operation of the Collateral. Debtor agrees to operate the Business in compliance with all applicable O.S.H.A. rules and regulations.

B. Debtor shall insure the Collateral against fire, theft, and such other risks to the extent they are insurable, and Secured Party shall be named as additional insured

(i) if any lien is filed against Debtor relating to the Collateral (unless subordinate to Secured Party's lien or paid or bonded within thirty (30) days); or

(ii) if a petition in bankruptcy or for relief under any law relating to the relief of Debtor's indebtedness, readjustment of indebtedness, reorganization, composition, or extension shall be filed, or any proceeding shall be instituted under any such law by or against Debtor which if instituted against (but not by) Debtor remains undismissed for a period of sixty (60) days; or

Should Secured Party waive, in writing, any of the aforementioned insurance requirements stemming from the occurrence of one of the above-referenced events (each of which shall constitute an event of default), such waiver shall not be continuing.

C. Debtor agrees to promptly give written notice to Secured Party upon the discovery of an occurrence of an event of default or of a third-party claim of default (e.g.,

Debtor's landlord). Except as otherwise provided herein, upon the occurrence of an event of default (subject to cure as set forth in this Security Agreement), the Liabilities shall, at the option of Secured Party, without further notice or demand, become immediately due and payable.

7. NOTICE OF DEFAULT AND RIGHT TO CURE: Unless elsewhere provided to the contrary, **Debtor shall have ten (10) days after receipt of written notice to cure if a default occurs for a failure to make payment of any Liability, and thirty (30) days after written notice to cure if the default is curable and a default other than the failure to make payment.** The right to cure shall expire at the end of the later of the aforementioned 10-day or 30-day cure period provided for in this section or another time provided in any of the events of default referenced in this Security Agreement.
8. RIGHTS AND REMEDIES ON DEFAULT: Secured Party shall have the rights and remedies with respect to the Collateral of a Secured Party under the State Uniform Commercial Code and any other applicable law that may be in effect from time to time. Without limiting the generality of the foregoing, upon the occurrence of an event of default hereunder and failure of Debtor to cure after notice is provided, the following shall apply:
 - A. Secured Party shall have the right to the appointment of a receiver, by an arbitrator or by other process of law, and the right to enter upon the Premises and, without resistance or interference by Debtor, take possession of the Collateral; and/or remove all or any part of the Collateral from the Premises on which any part thereof may be located for the purpose of affecting sale or other disposition thereof. Secured Party may require Debtor to assemble and make available all or any part of the Collateral at any place and time designated reasonably convenient to Secured Party and Debtor.
 - B. Secured Party may sell or cause the Collateral to be sold, in one or more sales, at such price and terms as Secured Party may deem best, at public or private sale, without demand of performance or notice of intention to sell or of time or place of sale (except such notice as is required by applicable statute and cannot be waived) and Secured Party or anyone else may be the purchaser of any or all of the Collateral so sold and thereafter hold the same absolutely free from any claim or right of whatsoever kind, including any equity of redemption, of Debtor, any such demand, notice or right and equity being hereby expressly waived and released.
 - C. Should Secured Party take possession of the Collateral and use the Collateral to operate the Business on the Premises while seeking another purchaser for the Business, then such use of the Collateral shall not constitute an election by Secured Party to retain the Collateral in satisfaction of the debt.
 - D. Upon a determination by a court of competent jurisdiction that Debtor is in default hereof, Debtor will pay to Secured Party all reasonable expenses actually incurred, including reasonable attorneys' fees incidental to the enforcement of any of the provisions hereof or of any of the Liabilities, or any actual or attempted sale, retaking, enforcement, collection, compromise, or settlement of any of the Collateral

or receipt of the proceeds thereof, and for the care of the Collateral and defending or asserting the rights and claims of Secured Party in respect thereof, by litigation or otherwise, including expenses of insurance, and all such expenses shall be liabilities within the terms of this Security Agreement and secured by the Collateral.

- E. If the proceeds of any sale or other lawful disposition of the Collateral are insufficient to pay the expenses, including attorneys' fees, of retaking, holding, preparing it for sale or other disposition and selling it or otherwise disposing of it, and to satisfy all of Debtor's Liabilities to Secured Party, then Debtor agrees to pay any deficiency. Debtor shall be entitled to any surplus if one results after lawful application of such proceeds.
 - F. Secured Party may notify any account debtor (of Debtor) of the Security Interest and may direct such account debtor to make all payments on the Collateral to Secured Party. All such payments or other proceeds received by Secured Party shall be applied to the outstanding indebtedness of Debtor.
 - G. Secured Party may demand, collect and sue for all proceeds of Collateral (either in Debtor's name or Secured Party's name), with the right to enforce compromise, settle or discharge any proceeds. Debtor appoints Secured Party as Debtor's attorney-in-fact to endorse Debtor's name on all checks, commercial paper and instruments pertaining to the proceeds.
 - H. Secured Party may exercise all and any number of the Secured Party's rights and remedies (and they shall be cumulative and not alternative) which Secured Party may have hereunder and any other paper delivered by Debtor in connection with any of Debtor's liabilities to Secured Party, and the Uniform Commercial Code or any other law, or otherwise, at any time or times, and in whole or in part.
 - I. Secured Party shall be under no liability to anyone for the exercise of any right or for any failure to exercise any thereof, and the exercise or failure shall not affect or discharge any liability or debt of any other person.
 - J. In the event Debtor fails to maintain insurance, pay taxes, assessments, costs and expenses which the Debtor is required to pay under the terms hereof or fails to keep the Collateral free from other security interests, liens or encumbrances or to maintain the Collateral in good order and repair or shall be in default in the performance of any other provisions of this Security Agreement, the Secured Party may make expenditures or take action for any such purposes. The amount so expended, together with interest thereon at the highest rate permitted by Texas law, shall immediately become due and payable by Debtor to Secured Party and shall be part of the Liabilities secured by the Security Interest herein granted.
9. **CASH PROCEEDS OF RECEIVABLES:** With respect to receivables (which shall include all Debtor's rights of payment, including, without limitation, rights of payment relating to chattel paper, accounts, contract rights and instruments), Debtor shall, in the absence of default hereunder, at Debtor's own expense take all necessary action promptly to collect Debtor's accounts, contract rights, instruments and chattel paper.

- A. After the occurrence of an event of default and subject to Secured Party's rights described in Section 8 above, all cash proceeds of receivables (including money and checks or other drafts), shall be promptly deposited, in the form received with any endorsements necessary for collection, in a special deposit account with Secured Party (the "Collateral Collection Account") on which Debtor shall have no right to make withdrawals. At any time, Secured Party shall apply this Account, if any, to the payment of any obligation secured hereby, in the order as Secured Party may choose, or may release all or any part of the Account to Debtor.
- B. After the occurrence of an event of default, Debtor shall pay and deliver all proceeds of the accounts, contract rights, instruments and chattel paper into the Collateral Collection Account immediately upon receipt, in the exact form received, with any endorsement necessary for collection, without co-mingling with any other property.
- C. After the occurrence of an event of default, Debtor shall notify account debtors that their accounts, contract rights, instruments or chattel paper have been assigned to Secured Party and shall be paid directly to Secured Party. At its option, at any time after default and at Debtor's expense, Secured Party may notify account debtors to pay Secured Party directly, and may sue, collect, compromise on terms it considers proper, endorse, sell or otherwise deal with the accounts, contract rights, instruments and chattel paper either in its own name or in that of Debtor. After deduction of any expenses, including attorneys' fees, all proceeds of the collections received by Secured Party shall be applied to the payment of any obligation secured hereby, in the order as Secured Party may choose.
- D. After the occurrence of an event of default, with respect to non-receivables, Debtor shall, to the extent required by Secured Party:
 - i. deliver chattel paper and instruments to Secured Party, and to more specifically identify Collateral, give Secured Party assignments or endorsements, as the case may be, in the forms specified by Secured Party, of specific accounts, contract rights, instruments and chattel paper as the accounts arise, the contracts are made or the paper is acquired;
 - ii. furnish Secured Party with the originals or copies of statements of account or ledger cards and contracts applicable to each account or contract right noting thereon, if Secured Party so requires, Secured Party's assignment and any additional statement required;
 - iii. inform Secured Party immediately of the claim of an account debtor relating to any specific assigned accounts, contract rights, instruments or chattel paper;
 - iv. make no material change in any specifically assigned account or any account arising out of a contract right assigned to Secured Party and no material change in the terms of any contract;
 - v. furnish Secured Party with all information received by Debtor relating to

the financial condition of the account debtor on any specifically assigned account, contract right, instrument or chattel paper;

- vi. furnish to Secured Party satisfactory evidence of performance of services; and
- vii. tender to Secured Party a list of account debtors (showing names, addresses and amounts owing) and such other data concerning Debtor's accounts, contract rights, chattel paper, instruments, collections and other matters as Secured Party may from time to time specify.

10. NON-WAIVER: No failure or delay on the part of Secured Party in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any power or right hereunder preclude other or further exercise thereof or the exercise of any other power or right. No waiver shall be enforceable against Secured Party unless in writing, signed by Secured Party, and shall be limited solely to that one event. The rights, remedies, and benefits herein expressly specified are cumulative and not exclusive of any rights, remedies, or benefits which Secured Party may otherwise have.

11. **WAIVER OF ATTORNEYS' FEES: BY EXECUTING THIS SECURITY AGREEMENT, DEBTOR AGREES TO WAIVE AND DOES HEREBY WAIVE ANY CLAIM IT HAS OR MAY HAVE IN THE FUTURE AGAINST SECURED PARTY REGARDING THE AWARD OF ATTORNEY FEES THAT ARE IN ANY WAY RELATED TO THIS SECURITY AGREEMENT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THIS SECURITY AGREEMENT. DEBTOR AGREES THAT IF DEBTOR BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING RELATED TO THIS SECURITY AGREEMENT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS SECURITY 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, AS AMENDED, THAT DEBTOR AGREES TO WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY FEES TO WHICH IT MIGHT OTHERWISE BE ENTITLED.**

DEBTOR AGREES THAT THIS IS THE VOLUNTARY AND INTENTIONAL RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY EXISTING KNOWN RIGHT. DEBTOR ACKNOWLEDGES THAT IT UNDERSTANDS ALL TERMS AND CONDITIONS OF THE SECURITY AGREEMENT. DEBTOR FURTHER ACKNOWLEDGES AND AGREES THAT THERE WAS AND IS NO DISPARITY OF BARGAINING POWER BETWEEN THE PARTIES. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OF GOVERNMENTAL IMMUNITY.

DEBTOR RELYING ON ITS OWN JUDGMENT. DEBTOR AGREES IT HAD THE OPPORTUNITY TO DISCUSS THIS SECURITY AGREEMENT WITH LEGAL COUNSEL PRIOR TO ITS EXECUTION.

12. **RELEASE: NOTWITHSTANDING ANY OTHER PROVISION CONTAINED HEREIN, DEBTOR HEREBY RELEASES, ACQUITS, RELINQUISHES AND FOREVER DISCHARGES SECURED PARTY, SECURED PARTY'S EMPLOYEES AND OFFICERS, FROM ANY AND ALL DEMANDS CLAIMS, DAMAGES, OR CAUSES OF ACTION OF ANY KIND WHATSOEVER WHICH DEBTOR 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 SECURED PARTY'S NEGLIGENCE.**
13. **TERMINATION OF SECURITY INTEREST:** Upon the payment of the Liabilities in full, this Security Agreement shall automatically terminate, and Secured Party shall execute a termination statement at that time. However, the parties' rights, responsibilities, warranties and covenants and indemnifications as described in the attached Economic Development Agreement and its exhibits shall survive termination of this Security Agreement.

[Signature Page Follow]

IN WITNESS WHEREOF, Debtor hereto has executed this Security Agreement on the _____ day of _____, 2024.

**FLOUR CHILD BAKED GOODS,
LLC**

By _____

Name _____

Title _____

THE STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

BEFORE ME, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged that he/she executed and delivered the foregoing instrument for the purposes and consideration therein expressed on behalf of FLOUR CHILD BAKED GOODS, LLC.

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

Notary Public, State of Texas

AST &
Science
Amended
Agreement
(2018)

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE CHAIRMAN TO NEGOTIATE AND EXECUTE A CONSENT AND AMENDMENT AGREEMENT REGARDING (i) THAT CERTAIN ECONOMIC DEVELOPMENT AGREEMENT DATED NOVEMBER 13, 2018, (ii) THAT CERTAIN SUBLEASE AGREEMENT DATED NOVEMBER 13, 2018, AND (iii) THAT CERTAIN SECURITY AGREEMENT DATED NOVEMBER 13, 2018, ALL BETWEEN THE MIDLAND DEVELOPMENT CORPORATION AND AST & SCIENCE LLC

WHEREAS, the Midland Development Corporation and AST & Science LLC are parties to (i) that certain Economic Development Agreement dated November 13, 2018, (ii) that certain Sublease Agreement dated November 13, 2018, as amended, and (iii) that certain Security Agreement dated November 13, 2018, (collectively, the “Agreements”); and

WHEREAS, the Agreements have been in full force and effect since November 13, 2018, and have not been allowed to lapse; and

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the Chairman to negotiate and execute a consent and amendment agreement with AST & Science LLC regarding the Agreements;

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

SECTION ONE. That the Chairman is hereby authorized and directed to negotiate and execute a consent and amendment agreement regarding the Agreements.

SECTION TWO. That the Chairman is hereby authorized and directed to negotiate and execute, on behalf of the Midland Development Corporation, any and all related legal instruments or documents necessary and appropriate to carry out the intent of the consent and amendment agreement.

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 ONLY AS TO FORM:

NICHOLAS TOULET,
Attorney for the Midland
Development Corporation

Chamber of Commerce License Agreement

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION OF
A LICENSE AGREEMENT BETWEEN THE MIDLAND
DEVELOPMENT CORPORATION AND THE
MIDLAND CHAMBER OF COMMERCE REGARDING
THE USE OF CERTAIN REAL PROPERTY
DESCRIBED AS LOTS 5 AND 6, BLOCK 35, ORIGINAL
TOWN ADDITION, CITY AND COUNTY OF
MIDLAND, TEXAS**

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of a license agreement between the Midland Development Corporation and the Midland Chamber of Commerce regarding the use of certain real property described as Lots 5 and 6, Block 35, Original Town Addition, City and County of Midland, Texas;

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

THAT the Chairman and Secretary are hereby authorized and directed to execute and attest, respectively, on behalf of the Midland Development Corporation, a license agreement between the Midland Development Corporation and the Midland Chamber of Commerce regarding the use of certain real property described as Lots 5 and 6, Block 35, Original Town Addition, City and County of Midland, Texas. Said license agreement being in a form substantially similar to that of Exhibit A, which is attached hereto and incorporated herein for all purposes.

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

NICHOLAS TOULET,
Attorney for the Midland
Development Corporation

LICENSE AGREEMENT

THIS LICENSE AGREEMENT (“*Agreement*”) is made and effective this 3rd day of July, 2025 (the “*Effective Date*”), by and between the MIDLAND DEVELOPMENT CORPORATION (“*Licensor*”), an economic development corporation existing under the authority of Chapter 504, Texas Local Government Code, and the MIDLAND CHAMBER OF COMMERCE (“*Licensee*”), a Texas nonprofit corporation. In this Agreement, Licensor and Licensee are sometimes individually referred to as a “*Party*” and collectively referred to as the “*Parties*.”

I. Recitals

WHEREAS, Licensee acknowledges and agrees that it must obtain permission from Licensor to use certain property owned by Licensor; and

WHEREAS, the Parties desire to set forth the terms and conditions under which Licensor will permit Licensee to use certain property owned by Licensor for the limited purpose set forth herein;

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

II. Property; Use

A. License. Licensor hereby grants to Licensee a license to use certain real property described as Lots 5 and 6, Block 35, Original Town, City and County of Midland, Texas, and more specifically depicted on **Exhibit A** attached hereto and incorporated herein for all purposes (the “*Property*”). The Property may be used exclusively for the purpose of locating a beer garden to be operated during the Fourth of July Star Spangled Salute event (the “*Permitted Use*”).

This Agreement and the license granted herein is a privilege to go on the Property for a certain, limited purpose, and does not confer on, or vest in Licensee any title, interest, or estate to the Property. This is a revocable and unassignable privilege; this Agreement does not constitute an interest in the Property itself.

B. Access. Licensee, Licensee’s employees, contractors, and agents shall at all times during the Term (as defined below) have the right of ingress and egress to and from the Property.

C. Interference. Licensee shall not use the Property in any manner that interferes with Licensor’s use of the Property. Upon notice of such interference from Licensor, Licensee shall immediately cease said interference. In the event said interference does not cease after Licensee’s receipt of such notice, Licensor shall have the right to terminate this Agreement immediately, at no cost, expense, or penalty to Licensor, by issuing written notice to Licensee. Said termination shall become effective upon Licensee’s receipt of said written notice.

D. Acceptance of the Property “AS-IS.” LICENSEE COVENANTS AND AGREES THAT LICENSEE ACCEPTS THE PROPERTY “AS-IS” WITH ANY AND ALL LATENT

AND PATENT DEFECTS AND THAT THERE IS NO WARRANTY, EXPRESS OR IMPLIED, BEING MADE BY LICENSOR THAT THE PROPERTY IS FIT FOR A PARTICULAR PURPOSE. LICENSEE ACKNOWLEDGES THAT LICENSEE IS NOT RELYING UPON ANY REPRESENTATION MADE BY LICENSOR WITH RESPECT TO THE CONDITION OF THE PROPERTY BUT IS RELYING UPON LICENSEE'S EXAMINATION OF THE PROPERTY. LICENSOR GIVES NO ASSURANCES, EXPRESS OR IMPLIED, CONCERNING THE CONDITION OF THE PROPERTY.

III. Term & Termination

A. Term. The term of this Agreement shall commence on the Effective Date and continue thereafter until the end of business on July 5, 2025 (the "***Term***"), unless terminated sooner as provided herein.

B. Termination. Lessor may terminate this Agreement (i) pursuant to Section II.C, or (ii) upon Licensee's default. The parties to this Agreement understand and agree that it is in Lessor's sole discretion to cancel the Agreement during the term of the Agreement without penalty to Lessor. Lessee has no expectation and has received no guarantees that this Agreement will not be terminated before the end of the Agreement term. The Parties have bargained for the flexibility of terminating this Agreement upon tender of the requisite notice at any time during the term of the Agreement.

IV. Consideration

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

V. Care & Use of the Property

Licensee shall not use or permit the use of the Property for any unlawful purpose, maintain any nuisance, permit any waste, or use the Property in any way that creates a hazard to persons or property. Licensee shall keep the Property in a safe, neat, clean, and presentable condition and in good condition and repair. Upon the termination of this Agreement, Licensee shall ensure that the Property is surrendered in good order, condition, and repair, except for ordinary wear and tear, and Lessee shall remove all Lessee's (and its contractors') property. Lessee's obligations to observe this obligation shall survive the expiration or termination of this Agreement.

VI. Liens

Licensee shall not allow any liens to attach to the Property for any services, labor, or materials arising from Licensee's use of the Property. Licensor shall not, and shall not permit any party under its control to, encumber the Permitted Facilities.

VII. Lessee's Compliance with Laws; Indemnity

Licensee shall comply with all laws, ordinances of the City of Midland, rules, regulations, and orders relating to Licensee's use of the Property. This obligation shall include, but is not

limited to, obtaining all necessary license and permits from the City of Midland and the Texas Alcoholic Beverage Commission.

NOTWITHSTANDING ANY CONTRARY PROVISION CONTAINED HEREIN, LESSEE SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND LESSOR AND ALL OF LESSOR'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, FINES, PENALTIES, AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES, RELATED TO LICENSEE'S FAILURE TO COMPLY WITH THE REQUIREMENTS OF THIS SECTION, AND LESSEE SHALL BE REQUIRED TO PAY ANY JUDGMENT, FINE, OR ASSESSMENT, WITH COSTS, WHICH MAY BE OBTAINED AGAINST LESSOR OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES. This Section shall survive the expiration or sooner termination of this Agreement.

VIII. CONTRACTOR INSURANCE; COMPLIANCE

A. Contractor's Insurance. Licensee shall contractually require all contractors and subcontractors that perform any work on the Property to keep in force insurance coverage that meets or exceeds the policy requirements and minimum amounts described in Section X.J. Furthermore, Licensee shall contractually require that all such insurance coverage policies provide for a waiver of subrogation in favor of Licensor and name Licensor as an additional insured.

B. Compliance with Codes and Standards. All work performed on the Property shall be performed by qualified, responsible, and reputable contractors, subcontractors and suppliers. All work shall be completed in a good and workmanlike manner and in compliance with all applicable laws, ordinances, regulations, and codes.

IX. STANDARD TERMS & CONDITIONS

A. Attorney Fees. BY EXECUTING THIS AGREEMENT, LICENSEE AGREES TO WAIVE AND DOES HEREBY KNOWINGLY, CONCLUSIVELY, VOLUNTARILY, AND INTENTIONALLY WAIVE ANY CLAIM IT HAS OR MAY HAVE IN THE FUTURE AGAINST LICENSOR REGARDING THE AWARD OF ATTORNEY FEES, WHICH ARE IN ANY WAY RELATED TO THIS AGREEMENT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THIS AGREEMENT. LICENSEE SPECIFICALLY AGREE THAT IF IT 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, THAT LICENSEE AGREES TO ABANDON, WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY FEES TO WHICH LICENSEE MIGHT OTHERWISE BE ENTITLED.

B. Third-Party Beneficiary. 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.

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

D. Indemnity. LICENSEE SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND LICENSOR AND ALL OF LICENSOR'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, LOSSES, PROPERTY DAMAGE AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING REASONABLE ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY AND PAYABLE TO UNAFFILIATED THIRD PARTIES, ON ACCOUNT OF ANY NEGLIGENT ACT OF LICENSEE, ITS AGENTS OR EMPLOYEES, OR ANY CONTRACTOR OR SUBCONTRACTOR, ARISING OUT OF, OR RESULTING FROM, LICENSEE'S USE OF, OR ACTIVITIES ON, THE PROPERTY, AND LICENSEE SHALL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS THAT MAY BE OBTAINED AGAINST LICENSOR OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES WITH RESPECT TO SUCH INDEMNIFIED CLAIMS, INCLUDING REASONABLE ATTORNEY'S FEES.

E. Notice of Alleged Breach; Statutory Prerequisites. Licensee or its legal representative, shall give Licenser notice in writing of such damages, duly verified, as soon as is practical after the same has been discovered. The notice shall include when, where and how the damages occurred, the apparent extent thereof, the amount of damages sustained, and the amount for which Licensee will settle. Licenser reserves the right to request reasonable additional information regarding the claim. Said additional information shall be supplied to Licenser as soon as is practical.

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, Licensee's failure to comply with the requirements herein shall perpetually bar Licensee's claim for damages under Chapter 271 of the Texas Local Government Code, and Section 311.034 of the Texas Government Code, regardless of whether Licenser has actual or constructive notice or knowledge of said claim or alleged damages. Licensee agrees that the requirements of this entire Agreement are reasonable.

F. Independent Contractor. It is expressly understood and agreed that Licensee shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of Licenser; that Licensee shall have exclusive control of and the exclusive right to control the details of the services and work performed hereunder, and all persons performing the same; and shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and subcontractors; that the doctrine of *respondeat superior* shall not apply as between Licenser and Licensee, its officers, agents, employees, contractors and

subcontractors; and that nothing herein shall be construed as creating a partnership or joint enterprise between Licensor and Licensee. No person performing any of the work and services described hereunder by Licensee shall be considered an officer, agent, servant or employee of the Licensor. Further, it is specifically understood and agreed that nothing in this Agreement is intended or shall be construed as creating a “*Community of Pecuniary Interest*” or “*An Equal Right of Control*” which would give rise to vicarious liability. Licensee shall be an independent contractor under this Agreement and shall assume all rights, obligations, and liabilities, applicable to it as such independent contractor hereunder. Licensee shall assume exclusive responsibility for the work.

G. Governing Law & 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.

H. (Intentionally Omitted.)

I. Assignment. Licensee shall not, either directly or indirectly, assign all or any part of this Agreement or any interest, right or privilege herein, without the prior written consent of Licensor. The issue of whether or not to grant consent to an assignment shall be in the sole and absolute discretion of Licensor.

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

Commercial General Liability (including Contractual liability):

- Personal Injury: \$1,000,000.00 per person
\$1,000,000.00 per occurrence
- Property Damage: \$500,000.00 per occurrence
- General Aggregate: \$2,000,000.00

Business Automobile Liability: \$1,000,000.00 combined single
limit—Personal Injury and Property
Damage

Umbrella Liability: \$3,000,000.00 per occurrence, aggregate

Workers’ Compensation: Statutory limits

The Commercial General Liability insurance shall be on a per project aggregate, including completed operations, and shall be on an occurrence basis. The Commercial General Liability insurance shall name Licensor as an additional insured and waive all rights of subrogation against Licensor.

The Business Automobile Liability insurance provided by Licensee shall cover any auto for bodily injury and property damage, including owned vehicles, hired and non-owner vehicles, and the amount of such policy shall be a minimum of \$1,000,000.00 covering any vehicle used for the execution of the work that is the subject of this Agreement. The Business Automobile Liability insurance shall name Licensor as an additional insured and waive all rights of subrogation against Licensor.

The Workers' Compensation coverage provided by Licensee shall inure to the benefit of employees injured during the course and scope of their employment by Licensee pursuant to this Agreement. The Workers' Compensation insurance shall waive all rights of subrogation against Licensor.

All insurance required pursuant to this Agreement shall provide for a waiver of subrogation in favor of Licensor. All insurance required pursuant to this Agreement, except for Workers' Compensation Insurance, shall name Licensor as an additional insured on an occurrence basis.

Licensee shall contractually require all contractors, subcontractors, and sub-subcontractors that work on the Property to obtain insurance coverage that meets or exceeds the policy requirements and minimum amounts specified herein. All contractors, subcontractors, and sub-subcontractors shall obtain insurance policies that provide blanket waivers of subrogation in favor of Licensor and policies that name Licensor as an additional insured on an occurrence basis (except Workers' Compensation coverage).

Prior to the execution of this Agreement, Licensee shall provide one or more certificates of insurance specifically stating that these requirements have been met and subject to the approval of Licensor. Licensor shall not be required to provide any insurance whatsoever pursuant to this Agreement.

Notwithstanding any contrary provision contained herein, the Chairman of the Midland Development Corporation may, in his sole and absolute discretion, modify or eliminate the insurance requirements contained in this Section.

K. No Waiver of Governmental Immunity; Ch. 271, Tex. Loc. Govt. Code. The Parties agree that this Agreement does not constitute an agreement for providing goods or services to Licensor as described in Subchapter I of Chapter 271 of the Texas Local Government Code, and Licensor does not waive, to the maximum extent allowed by law, any constitutional, statutory or common law right to sovereign immunity or governmental immunity from liability or suit. Licensor expressly does not consent to be sued or be liable. To the maximum extent allowed by law, nothing in this Agreement constitutes a waiver of Licensor's governmental immunity and the Parties expressly covenant and agree that this Agreement shall not constitute nor be interpreted as a waiver of Licensor's governmental immunity under Subchapter I of Chapter 271 of the Texas Local Government Code, nor shall it constitute nor be interpreted as a waiver of Licensor's governmental immunity for the benefit of any third party lacking privity to the Agreement. Licensee covenants and agrees that any provision in this Agreement that restricts the use of property to a specific purpose shall not require the use of property for that specific purpose. Any such provision shall be deemed to be a covenant against noncomplying use, not a covenant to use.

Licensee's use of property in compliance with a restriction shall not constitute a service, and such complying use shall not operate to waive Licensor's governmental immunity.

L. Notices. All notices must be given in writing by certified mail return receipt requested addressed as shown:

If to Licensor:

Midland Development Corporation
200 N. Loraine St., Suite 610
Midland, TX 79701
Attn: Chairman

If to Licensee:

Midland Chamber of Commerce
303 W. Wall Street, Suite 200
Midland, TX 79701
Attn: President

M. Entire Agreement. This Agreement constitutes the entire agreement between the Parties governing the matters addressed herein. This Agreement shall supersede and replace all prior agreements or representations, whether verbal or written, between the Parties concerning the subject matter hereof. The invalidity of any provision of this Agreement shall not affect the validity or enforceability of any other provision of the Agreement. The waiver of any breach of any term or condition of this Agreement does not waive any other breach of that term or condition or of any other term or condition. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Parties hereto.

IN WITNESS WHEREOF, the Parties hereto have caused this Agreement to be executed by persons duly authorized on the day and year first written above.

[Signature Page Follows]

**MIDLAND DEVELOPMENT
CORPORATION**

P. Lourcey Sams, Chairman

ATTEST:

Elvie Brown, Secretary

MIDLAND CHAMBER OF COMMERCE

Evan Thomas, President and CEO

THE STATE OF TEXAS §
 §
COUNTY OF MIDLAND §

BEFORE ME, the undersigned authority, on this day personally appeared EVAN THOMAS, President and CEO of the Midland Chamber of Commerce, known to me to be the person and official whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of the Midland Chamber of Commerce, for the purposes and consideration therein expressed, and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the _____ day of _____, 2025.

Notary Public, State of Texas

Exhibit A
The Property
Lots 5 and 6, Block 35, Original Town, City and County of Midland, Texas



Location Map

Scale: 1" = 93'

Lots 5 and 6, Block 35, Original Town, City and County of Midland, Texas.

Generally located at the northwest corner of the intersection of North Colorado Street, and West Texas Avenue. (Council District 2)

LEGEND

- CITY LIMITS
- PARCEL
- PRIVATE BLDGS



©THE CITY OF MIDLAND - 2021
THIS DATA IS NOT A SUBSTITUTION FOR A
SPECIALTY PRODUCT, NOR IS IT DESIGNED TO
BE USED AS AN APPROPRIATE TOOL, IN ANY MANNER,
OR FOR OTHER DECISIONS MADE, ESPECIALLY ON THE
Basis OF INFORMATION CONTAINED HEREIN.
THE CITY OF MIDLAND SHALL NOT BE RESPONSIBLE FOR
ANY DECISIONS BASED UPON THE USE OF THIS DATA.

NC

Sturgeon

Invoice

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

PAGE ONE OF TWO PAGES

TO OWNER
City of Midland/MDC
PO Box 3419
Midland, Texas 79702

PROJECT: Starfighters Hangar
MAF
Midland, Tx 79706
Design and Engineering

APPLICATION NO: One
PERIOD TO: 4/1/2025

PROJECT NOS: Design only
CONTRACT DATE:

Distribution to:

☒ OWNER
☒ ARCHITECT
☐ CONTRACTOR

FROM CONTRACTOR:
N.C. STURGEON, LP
P.O. Box 60708
Midland, Texas 79711-0708

VIA ARCHITECT:

EMAIL TO:

CONTRACT FOR: New Building Construction

CONTRACTOR'S APPLICATION FOR PAYMENT

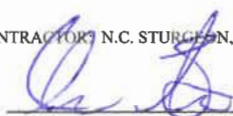
Application is made for payment, as shown below, in connection with the Contract.
Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM	79,500.00
2. Net change by Change Orders	
3. CONTRACT SUM TO DATE (Line 1 ± 2)	79,500.00
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	-
5. RETAINAGE:	
a. (Column D + E on G703) 5 % of Completed Work	\$0.00
b. (Column F on G703) % of Stored Material	
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	\$0.00
6. TOTAL EARNED LESS RETAINAGE (Line 4 Less Line 5 Total)	-
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$0.00
8. CURRENT PAYMENT DUE	-
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	79,500.00

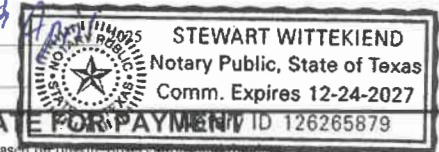
CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	\$0.00	\$0.00
Total approved this Month	\$0.00	\$0.00
TOTALS	\$0.00	\$0.00
NET CHANGES by Change Order	\$0.00	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: N.C. STURGEON, LP

By: 
State Texas
County of: Midland
Subscribed and sworn to before me this 7th
Notary Public:
My Commission expires:

Date: 4.7.25



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED \$ 79,500.00

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT:

By: 

Date: 4.7.25

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CONTINUATION SHEET

AIA DOCUMENT G703

PAGE 2 OF 2 PAGES

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed certification is attached.

APPLICATION NO: **One**
APPLICATION DATE: 4/1/2025

In tabulations below, amounts are stated to the nearest dollar.

PERIOD TO: 4/1/2025

Use Column I on Contracts where variable retainage for line items may apply.

ARCHITECT'S PROJECT NO:

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G ÷ C)		
1	Outside Engineering at cost	35,000.00	0.00	35,000.00					0
	In house Design 70% drawings X2	44,500.00	0.00	44,500.00					
2									
3									
4									
5									
6									
7									
8									
9									
10									
11									
12									
13									
14									
15									
16									
17									
18									
19									
20									
21									
22									
23									
24									
25									
	Total Cost	79,500.00	-	79,500.00	-	-	0%	79,500.00	-

Activity
Report:
UTPB
Quarterly
Report

**Written Quarterly Report
February 1st 2025 - April 30th 2025**

**Midland Development Corporation
Incubator and Makerspace Grant Agreement**

We are pleased to provide Midland Development Corporation with this quarterly report on our progress, accomplishments, and ongoing projects or programs regarding the Incubator and Makerspace at the Center for Energy and Economic Diversification (CEED) for the period from February 1st, 2025 through April 30th, 2025. Please note that some of this information may be carried over from previous reports if that activity is still ongoing, but information is updated to reflect the current status.

Incubator Updates:

The Incubator currently is now fully occupied with all 6 offices currently leased. Our current incubator tenants are:

- [Permian Road Safety Coalition](#) - a non-profit collection of stakeholders who are committed to improving safety on the roadways of the Permian Basin in Southeast New Mexico and West Texas.
- [WEX Foundation](#) & [Astroport Space Technologies](#) - WEX is a non-profit educational company that integrates space exploration technology with project-based learning to advance middle and high school STEM education and foster a robust future for the space technology workforce and Astroport is an affiliated for-profit company focused on developing infrastructure and technologies to support infrastructure development for planetary and moon bases.
- [Filmhunter Media](#) (2 offices) - a marketing and content creation company based in Midland & Odessa Texas.
- [Permian Energy Development Laboratory](#) - The Permian Energy Development Lab is a New Mexico- and Texas-based nonprofit 501(c)3 organization dedicated to advancing energy research, fostering innovation and creating value for energy communities through collaboration with academic institutions, industry partners and government agencies.
- [EngVentions Engineering Solutions](#) - Engineering services and consulting firm.

We also have a new coworking tenant, Space Nation. They are holding portions of their simulated space mission trainings at the CEED now that they are a tenant. Depending on the timing of their relocation to the Midland Air & Spaceport, we are looking at several ways to have them utilize space at CEED for their trainings on a longer-term basis.

Makerspace (Prototype Lab) Updates:

Community memberships at the makerspace are up for 2025, we have had 7 total months of membership purchases across 4 new customers. The primary users at the makerspace are UTPB Engineering students that are completing prototypes for their senior capstone design course projects.

On Friday April 25th, UTPB held membership recruitment luncheon for the Permian Basin Manufacturing Consortium (PBMCM). The PBMCM will bring together manufacturing and machining companies throughout the Permian Basin to increase collaboration and deliver advanced manufacturing training. The first student training program will be held at the AMC and Prototype Lab Makerspace starting on June 2nd and running a total of 8-weeks.

Week	Topic	Outcome
1	3D Printing: Polymer	Overview of modeling and slicing software Introduction to FDM & Resin printing Production of polymer test samples
2	3D Printing: Metal	Production of metal test samples
3	Metal Casting	Polymer test samples are used to create molds that are cast with Aluminum
4	Machining: Lathe (manual)	Production of metal test samples
5	Machining: Mill (manual)	Production of metal test samples
6	Machining: Table Mill (CNC)	Introduction to CNC programming Production of metal test samples
7	Cutting: Water Jet & Plasma	Cutting of metal test samples
8	Material Characterization	Tensile and Fatigue testing of samples

The goal of this program is for students to gain hands-on experience learning different manufacturing techniques over the course of 8 weeks. In Week 1, students will learn how to create a simple 3D model and transfer the file to the format needed for 3D printing. They will then create mechanical test samples in two major shapes: (1) flat rectangular (170 mm x 30 mm x 5 mm) and (2) flat dog-bone shapes of the same rectangular size, with a gage length of 60 mm and a fillet radius of 70 mm. These models will then be 3D printed and used in the following weeks. These sample samples will be 3D printed in metal in Week 2. In Week 3, students will use the polymeric models created in Week 1 as patterns for molding and then cast them using sand casting with aluminum alloys. In Weeks 4, 5, and 6, students will machine their polymeric, cast, and welded components to standard sizes using manual and CNC lathes and mills. In Week 7, students will cut flat, standard-sized mechanical test specimens from steel, wood, and polymers using plasma and water jet cutting techniques. Lastly, in Week 8, students will test the tensile, three-point bending, and fatigue properties of the test specimens they have fabricated over the past weeks.

More details about the Prototype Lab Makerspace can be found here:

<https://www.utpb.edu/makerspace>

We would like to thank MDC for their continued support of these efforts and welcome additional requests for information or tours at any time.

Sincerely,



Brian Shedd, Ph.D.

Executive Director for the Office of Innovation & Commercialization



Incubator & Makerspace Update

April 30th, 2025

CEED Building



Innovation Corridor

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

Research Labs

- Advanced Manufacturing Center
- Texas Water and Energy Institute

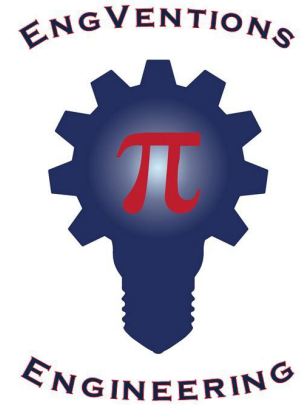
SBDC

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

Event Spaces

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

CEED Building Incubator Tenants

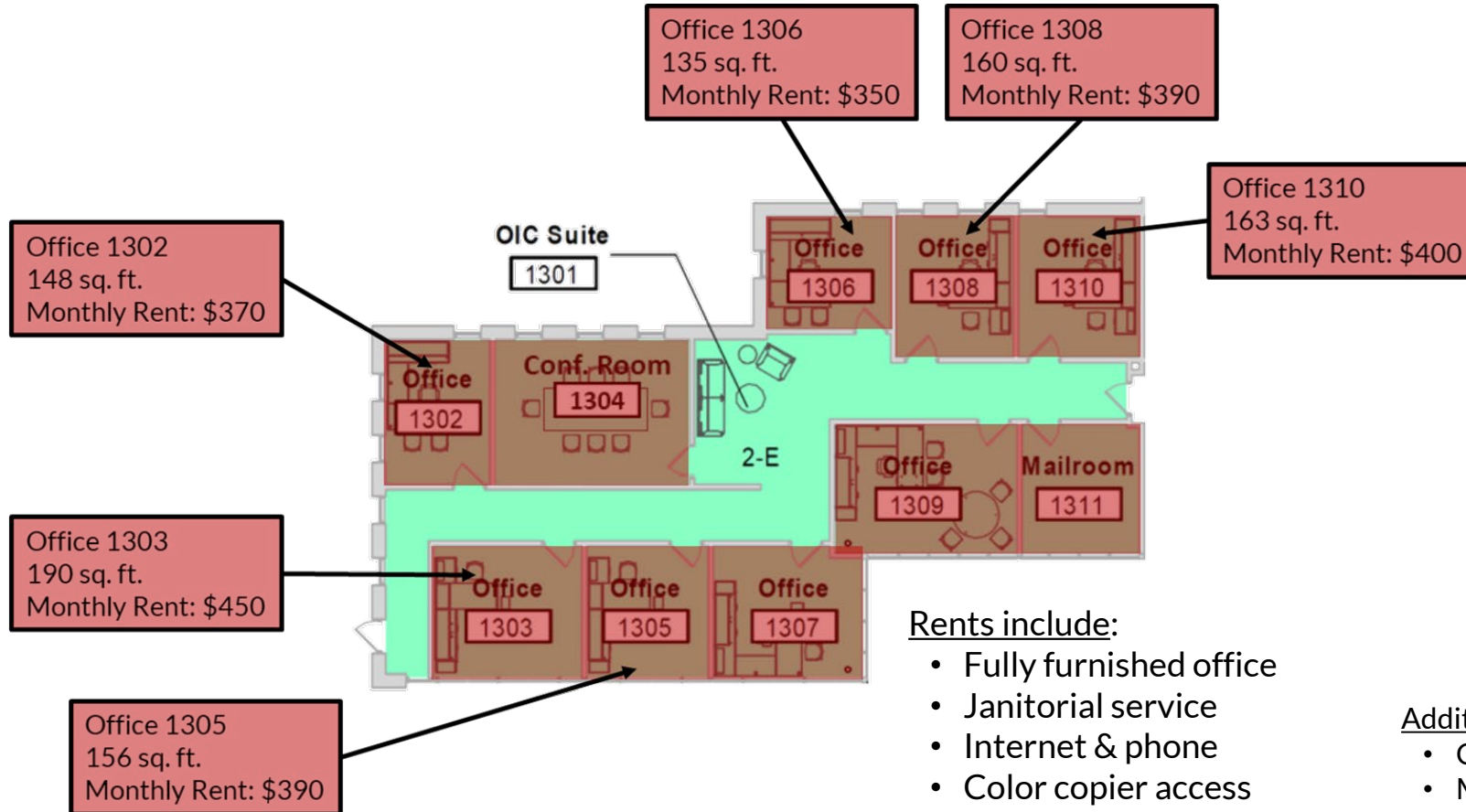


Coworking Tenants





Incubator & Coworking Facilities



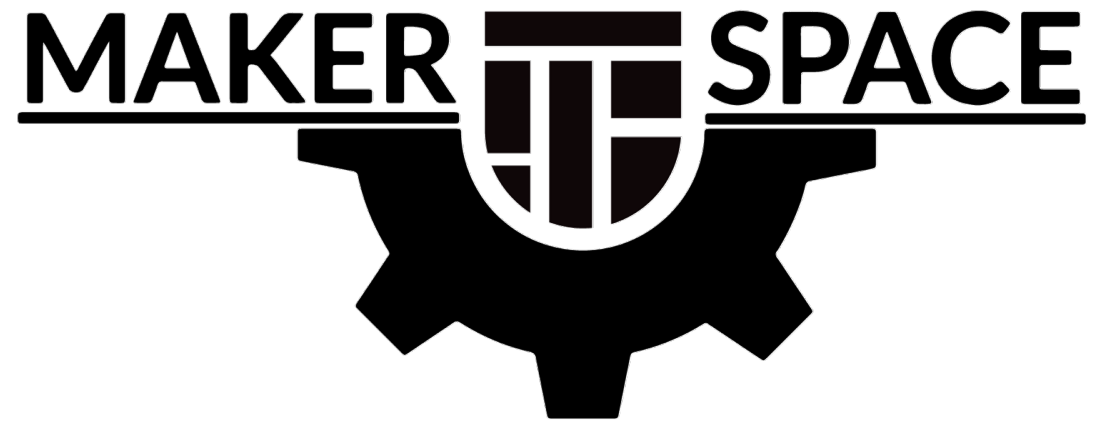
Rents include:

- Fully furnished office
- Janitorial service
- Internet & phone
- Color copier access
- Physical address
- Mail service
- Conference space

Additional building amenities (additional fees may apply):

- Coworking suite
- Makerspace
- Laboratory facilities
- On site café
- Additional event spaces
 - Auditorium, Atrium, Patio, Classrooms





PROTOTYPE LAB @ CEED





UT PERMIAN BASIN™

THE OFFICE OF INNOVATION
& COMMERCIALIZATION

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.



Permian Basin Manufacturing Consortium

\$1,000

Non-Profit Member

- Includes 3 individual memberships
- Access to networking events
- Reduced pricing to specialty events
- Access to unique student recruitment events
- Reduced-fee (Partner) pricing for AMC equipment use and PBMC training opportunities

\$5,000

Steel Member

- Same benefits as Non-Profit Business Member
- Sponsorship listed on AMC/PBMC website and in marketing
- Expectation to take on one UTPB intern

\$10,000

Titanium Member

- Same benefits as Steel Member
- Upgrade to 6 memberships
- Recognition of sponsorship inside of the AMC
- Featured space at networking events
- Expectation to take on 2 UTPB interns



Permian Basin Manufacturing Consortium

Daily Access

- Open Spaces: Facilities open for members to access equipment

Weekly Events

- Training Events: Workforce development on equipment and materials

Monthly Events

- Maker Nights: Learn manufacturing equipment and network

Quarterly Events

- **PBMC Member Meetings**
- Guest Speakers

Yearly Events

- Conference
- Large Maker Event



UT PERMIAN BASIN™

THE OFFICE OF INNOVATION
& COMMERCIALIZATION

Manufacturing Training Program

The goal of this program is for students to gain hands-on experience learning different manufacturing techniques over the course of 8 weeks



8-Week Schedule

Week	Topic	Outcome
1	3D Printing: Polymer	Overview of modeling and slicing software Introduction to FDM & Resin printing Production of polymer test samples
2	3D Printing: Metal	Production of metal test samples
3	Metal Casting	Polymer test samples are used to create molds that are cast with Aluminum
4	Machining: Lathe (manual)	Production of metal test samples
5	Machining: Mill (manual)	Production of metal test samples
6	Machining: Table Mill (CNC)	Introduction to CNC programming Production of metal test samples
7	Cutting: Water Jet & Plasma	Cutting of metal test samples
8	Material Characterization	Tensile and Fatigue testing of samples



Training Program Cost Estimates

Materials & Consumables:

- 3D Printing: Plastic practice material, \$40 per student
- CNC Mill: Plastic and metal practice materials, \$250 per student
- CNC Plasma Table: Metal practice materials, \$250 per student
- CNC Router Table: Wood practice materials, \$100 per student
- Manual Lathe: Wood and metal practice materials, \$250 per student
- Manual Mill: Plastic and metal practice materials, \$250 per student
- Water Jet Cutter: Metal and ceramic practice materials, \$100 per student
- Various: Tool heads, \$260 per student

Total per student cost: \$1,500

Instructor Time:

- Lab Manager, Jesse Chavez: \$20,000

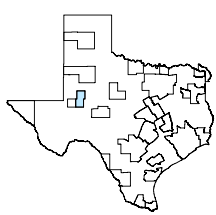
Total
\$50,000

(for initial cohort of 20 students)

Activity Report: Economic Profile Reports

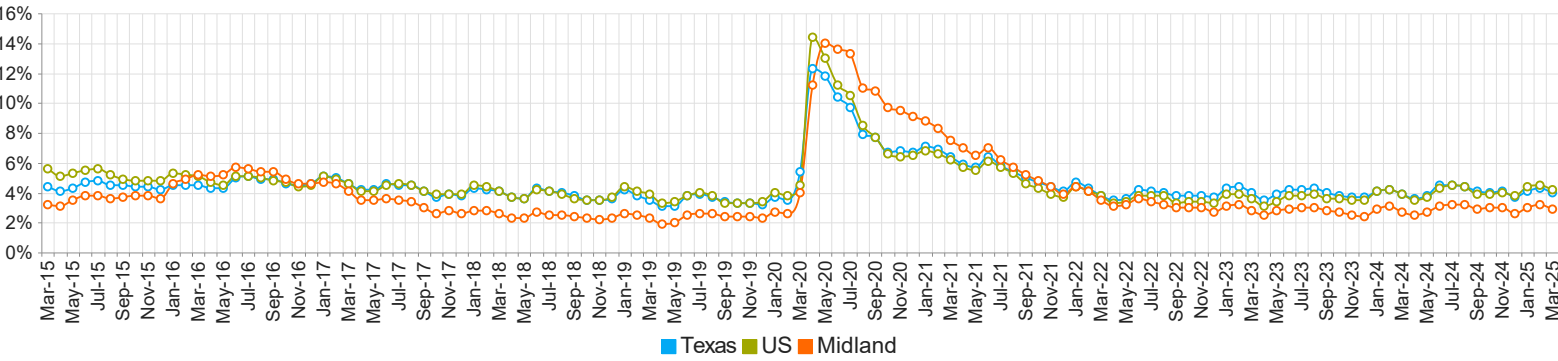
Midland MSA

March 2025

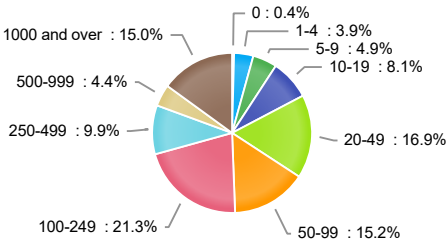


MSA Labor Force Statistics				
	Mar-25	Feb-25	Mar-24	Yearly Change
Civilian Labor Force	105,220	105,721	103,221	1,999
Employed	102,158	102,339	100,384	1,774
Unemployed	3,062	3,382	2,837	225
Unemployment Rate	2.9%	3.2%	2.7%	0.2%
Texas Labor Force Statistics				
	Mar-25	Feb-25	Mar-24	Yearly Change
Civilian Labor Force	15,807,696	15,839,371	15,512,671	295,025
Employed	15,177,754	15,162,847	14,903,001	274,753
Unemployed	629,942	676,524	609,670	20,272
Unemployment Rate	4.0%	4.3%	3.9%	0.1%
US Labor Force Statistics				
	Mar-25	Feb-25	Mar-24	Yearly Change
Civilian Labor Force	170,653,000	170,116,000	167,960,000	2,693,000
Employed	163,412,000	162,544,000	161,356,000	2,056,000
Unemployed	7,242,000	7,572,000	6,604,000	638,000
Unemployment Rate	4.2%	4.5%	3.9%	0.3%

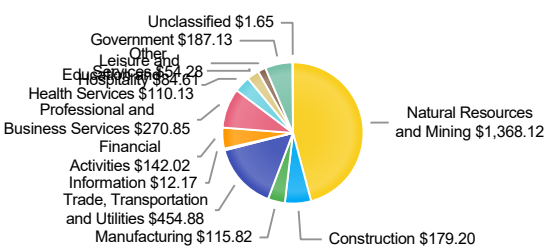
Historical Unemployment Rates



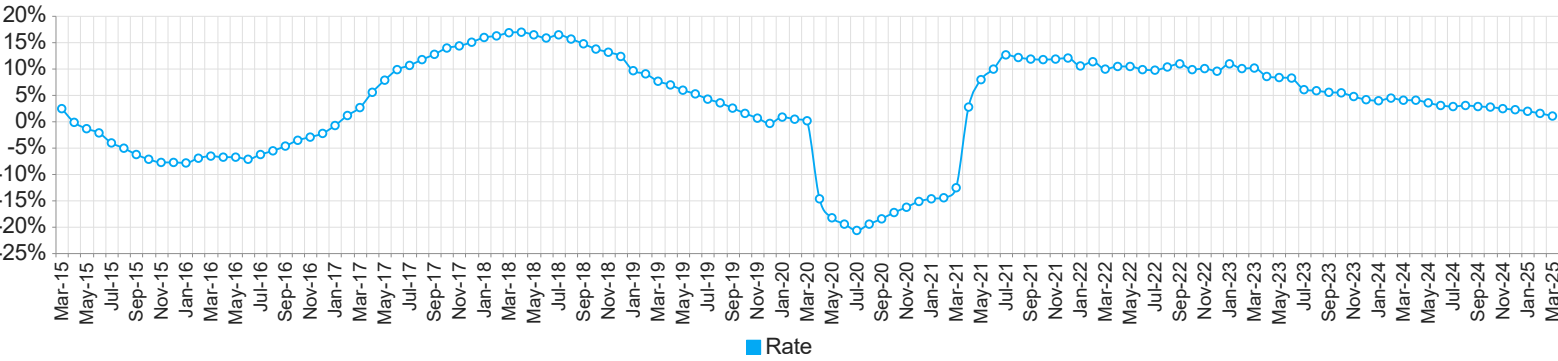
Employment by Size Class (3rd Quarter 2024)



Wages by Industry (in millions) (3rd Quarter 2024)



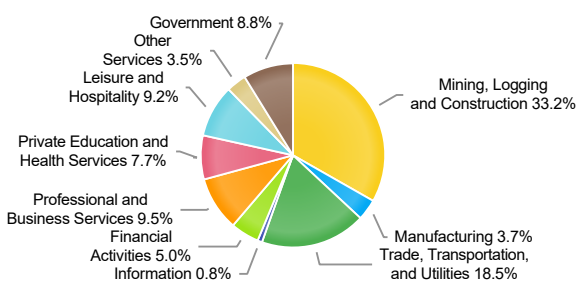
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (March 2025)

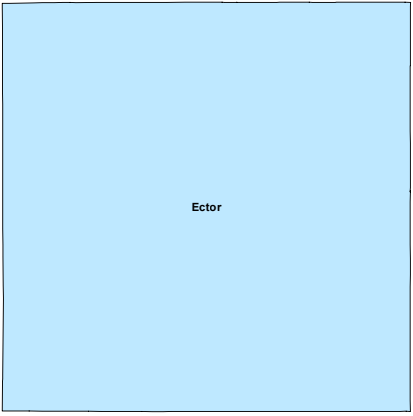
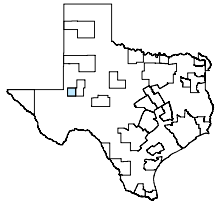
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	125,700	-0.3%	1.0%
Mining, Logging and Construction	41,700	-1.0%	-0.7%
Manufacturing	4,700	0.0%	0.0%
Trade, Transportation, and Utilities	23,300	0.0%	2.2%
Information	1,000	0.0%	11.1%
Financial Activities	6,300	0.0%	5.0%
Professional and Business Services	11,900	-0.8%	0.8%
Private Education and Health Services	9,700	0.0%	4.3%
Leisure and Hospitality	11,600	0.0%	0.9%
Other Services	4,400	2.3%	0.0%
Government	11,100	0.0%	0.9%

Employment by Industry (March 2025)



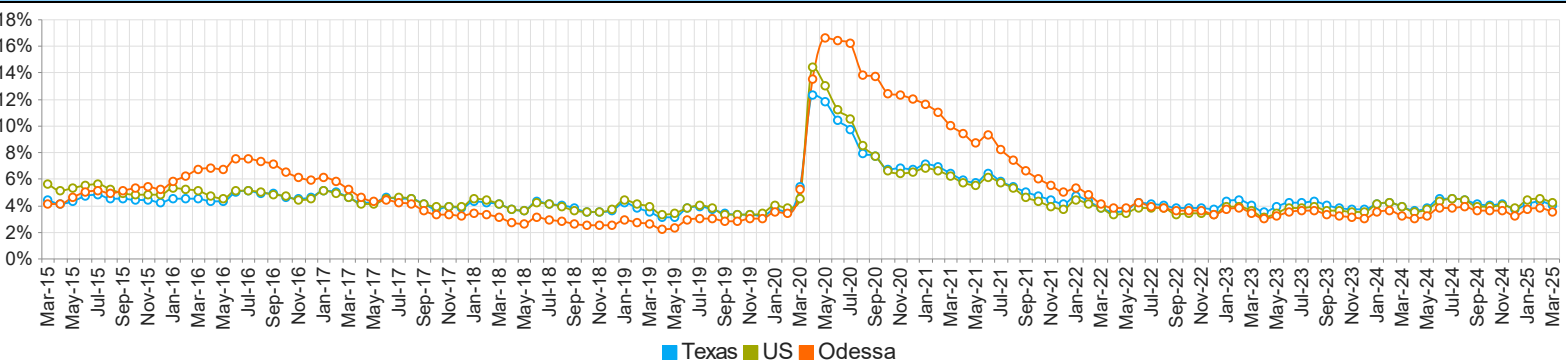
Odessa MSA

March 2025

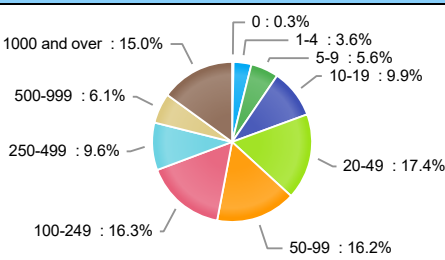


MSA Labor Force Statistics				
	Mar-25	Feb-25	Mar-24	Yearly Change
Civilian Labor Force	87,819	88,025	85,846	1,973
Employed	84,763	84,655	83,085	1,678
Unemployed	3,056	3,370	2,761	295
Unemployment Rate	3.5%	3.8%	3.2%	0.3%
Texas Labor Force Statistics				
	Mar-25	Feb-25	Mar-24	Yearly Change
Civilian Labor Force	15,807,696	15,839,371	15,512,671	295,025
Employed	15,177,754	15,162,847	14,903,001	274,753
Unemployed	629,942	676,524	609,670	20,272
Unemployment Rate	4.0%	4.3%	3.9%	0.1%
US Labor Force Statistics				
	Mar-25	Feb-25	Mar-24	Yearly Change
Civilian Labor Force	170,653,000	170,116,000	167,960,000	2,693,000
Employed	163,412,000	162,544,000	161,356,000	2,056,000
Unemployed	7,242,000	7,572,000	6,604,000	638,000
Unemployment Rate	4.2%	4.5%	3.9%	0.3%

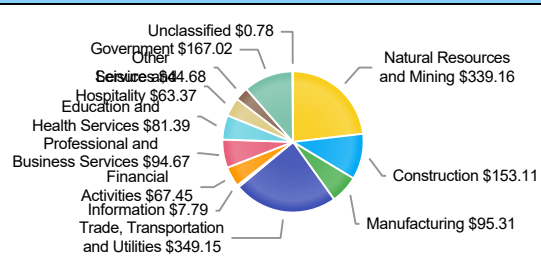
Historical Unemployment Rates



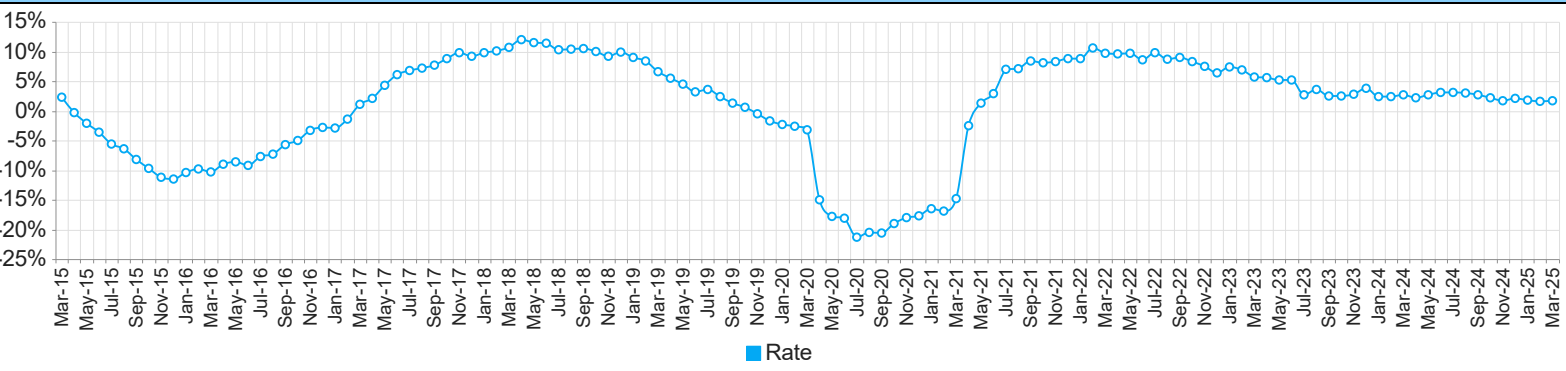
Employment by Size Class (3rd Quarter 2024)



Wages by Industry (in millions) (3rd Quarter 2024)



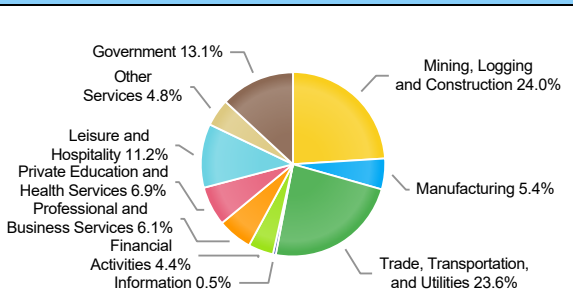
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (March 2025)

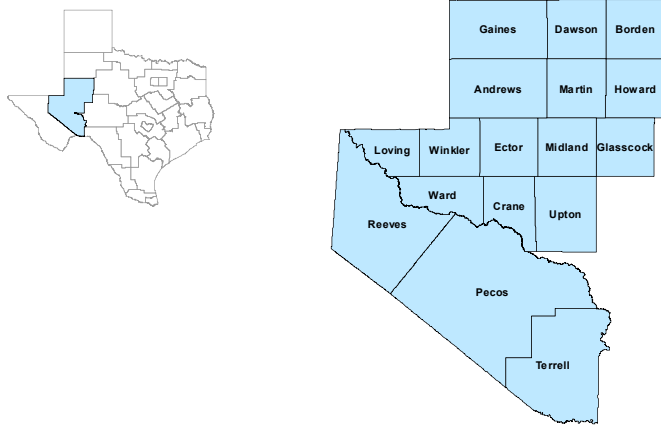
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	83,800	0.2%	1.7%
Mining, Logging and Construction	20,100	0.0%	3.6%
Manufacturing	4,500	2.3%	4.7%
Trade, Transportation, and Utilities	19,800	0.5%	1.5%
Information	400	0.0%	0.0%
Financial Activities	3,700	0.0%	0.0%
Professional and Business Services	5,100	-1.9%	-3.8%
Private Education and Health Services	5,800	0.0%	5.5%
Leisure and Hospitality	9,400	0.0%	-1.1%
Other Services	4,000	2.6%	2.6%
Government	11,000	0.0%	0.9%

Employment by Industry (March 2025)



Permian Basin Workforce Development Area

March 2025



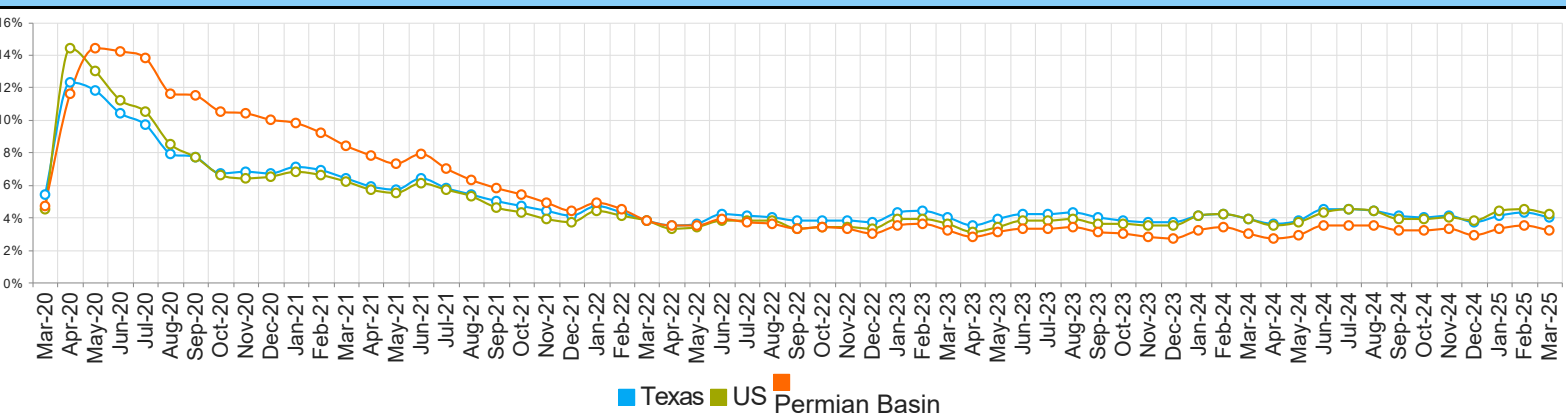
WDA Labor Force Statistics				
	Mar-25	Feb-25	Mar-24	Yearly Change
Civilian Labor Force	261,847	262,924	255,417	6,430
Employed	253,598	253,820	247,731	5,867
Unemployed	8,249	9,104	7,686	563
Unemployment Rate	3.2%	3.5%	3.0%	0.2%

Texas Labor Force Statistics				
	Mar-25	Feb-25	Mar-24	Yearly Change
Civilian Labor Force	15,807,696	15,839,371	15,512,671	295,025
Employed	15,177,754	15,162,847	14,903,001	274,753
Unemployed	629,942	676,524	609,670	20,272
Unemployment Rate	4.0%	4.3%	3.9%	0.1%

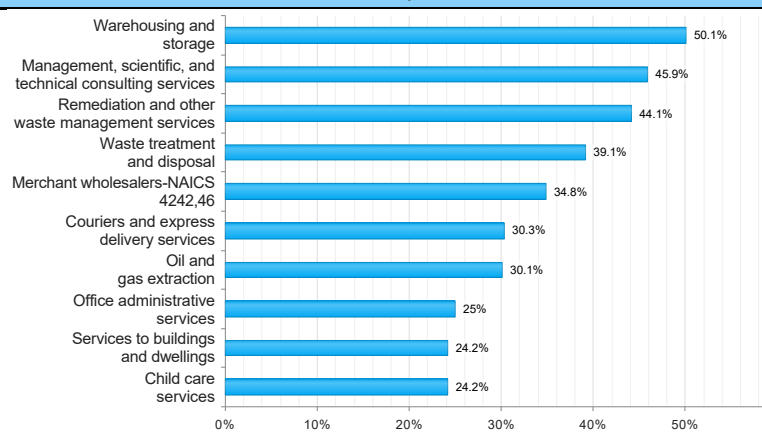
US Labor Force Statistics				
	Mar-25	Feb-25	Mar-24	Yearly Change
Civilian Labor Force	170,653,000	170,116,000	167,960,000	2,693,000
Employed	163,412,000	162,544,000	161,356,000	2,056,000
Unemployed	7,242,000	7,572,000	6,604,000	638,000
Unemployment Rate	4.2%	4.5%	3.9%	0.3%

Continued Claims for the Week of the 12th				
	Mar-25	Feb-25	Mar-24	Yearly Change
WDA	1,343	1,358	1,204	139
Texas	124,335	120,048	122,927	1,408

Historical Unemployment Rates



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



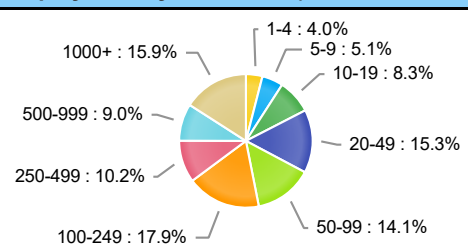
Average Weekly Wage (3rd Quarter 2024)

	Q3 2024	Q2 2024	Q3 2023	Quarterly Change	Yearly Change
WDA	\$1,627	\$1,532	\$1,504	\$95	\$123
Texas	\$1,396	\$1,381	\$1,335	\$15	\$61
US	\$1,394	\$1,390	\$1,334	\$4	\$60

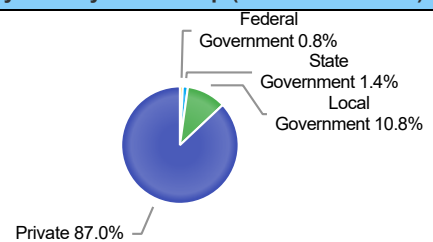
Employment by Industry (3rd Quarter 2024, Percent Change)

Industry	Employment	% of Total	% Quarterly Change	% Yearly Change
Natural Resources and Mining	57,259	21.8%	-0.1%	1.7%
Construction	24,349	9.3%	3.8%	10.2%
Manufacturing	10,909	4.2%	-1.1%	3.5%
Trade, Transportation and Utilities	55,512	21.1%	0.4%	2.4%
Information	1,923	0.7%	10.5%	-4.1%
Financial Activities	11,859	4.5%	0.8%	5.0%
Professional and Business Services	19,170	7.3%	-0.5%	2.8%
Education and Health Services	40,416	15.4%	-1.9%	2.7%
Leisure and Hospitality	26,561	10.1%	-1.2%	0.0%
Other Services	7,671	2.9%	-0.7%	-0.4%
Public Administration	7,174	2.7%	1.4%	3.0%

Employment by Size Class (3rd Quarter 2024)



Employment by Ownership (3rd Quarter 2024)



Employment by Industry (3rd Quarter 2024)

