



Board Binder Open Session

September 8, 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 September 8, 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/81427410727?pwd=ya0Gej6nbACFRVl5pGxGsXQyeXBybi.1>

Passcode: 747015

Phone one-tap:

+13462487799,,81427410727#,,,,*747015# US (Houston)

+16699009128,,81427410727#,,,,*747015# US (San Jose)

Join via audio:

+1 346 248 7799 US (Houston) +1 669 900 9128 US (San Jose) +1 719 359 4580 US +1 253 205 0468 US

+1 253 215 8782 US (Tacoma) +1 669 444 9171 US +1 646 558 8656 US (New York) +1 646 931 3860 US

+1 689 278 1000 US +1 301 715 8592 US (Washington DC) +1 305 224 1968 US +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

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Webinar ID: 814 2741 0727

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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 July 7, 2025, meeting of the Midland Development Corporation.
3. Motion approving the minutes of the July 8, 2025, meeting of the Midland Development Corporation.
4. Presentation from MOTRAN Alliance, Inc. on infrastructure projects and initiatives in Midland and the Permian Basin.
5. Presentation from the Midland Hispanic Chamber of Commerce on its micro grant program.

6. Presentation from MODE Communications on the Midland Development Corporation's advertising campaign.
7. Discuss, consider, and take action on the proposed adoption of an incentives matrix and guidelines for evaluating and administering future economic development projects of the Midland Development Corporation.
8. Resolution authorizing the execution of an economic development agreement with MOTRAN Alliance, Inc.; and authorizing payment for said agreement.
9. Resolution authorizing the execution of a consultant services agreement with The Perryman Group in an amount not to exceed \$80,000.00 for the production of certain economic indices and reports regarding the City of Midland, Texas, and the Permian Basin.
10. Resolution authorizing the execution of an amendment to that certain economic development agreement entered into on April 22, 2025 between the Midland Development Corporation and AST & Science, LLC.
11. Resolution authorizing the execution of an amendment to that certain commercial lease agreement entered into on April 22, 2025 between the Midland Development Corporation and AST & Science, LLC regarding a certain facility with an address of 2908 Enterprise Lane located at the Midland International Air & Space Port.
12. Presentation on the July 2025 economic development activity report from the Midland Development Corporation Executive Director.
13. 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 September 2025.

Marcia Bentley German
City Governance Officer/City Secretary

July 7th Minutes

MIDLAND DEVELOPMENT CORPORATION

MINUTES

July 7, 2025

The Board of Directors of the Midland Development Corporation convened in regular session in the Midland Chamber of Commerce board room, 300 West Wall Street, Suite 200, Midland, Texas, at 10:00 a.m. on July 7, 2025.

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

Board Members absent: Director Jill Pennington

Staff Members present: City Manager Tommy Gonzalez, Interim City Attorney Nicholas Toulet-Crump, Assistant City Attorney Kevin Bailey, Deputy City Secretary Jan Hamilton, Deputy City Secretary Rachel Guentensberger, City Governance Officer/City Secretary Marcia Bentley-German, Chief of Staff Taylor Novak

Council Member(s) present: Mayor Lori Blong, Council member Brian Stubbs, Council member Amy Stretcher Burkes

MDC Staff Members present: Operations Manager Ken Doyle, Executive Director Sara Harris, Business Development Coordinator Soraye Lara

1. Call meeting to order.

Chairman Sams called the meeting to order at 10:00 a.m.

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

Director Deck moved to approve the minutes of the June 2, 2025, meeting of the Midland Development Corporation, seconded by Director Bullock.

The motion carried by the following vote: AYE: Sams, Donnelly, Deck, Bullock, Brown. NAY: None. ABSTAIN: None. ABSENT: Pennington.

3. ED-502 Resolution approving the budget for the Midland Development Corporation's 2025-2026 Fiscal Year.

*Director Bullock moved to approve Resolution **ED-502**, seconded by Director Deck.*

The motion carried by the following vote: AYE: Sams, Donnelly, Deck, Bullock, Brown. NAY: None. ABSTAIN: None. ABSENT: Pennington

4. **ED-503 Resolution authorizing the designation of thirty-five percent (35%) of Midland Development Corporation's Fiscal Year 2024-2025 sales tax revenues for authorized infrastructure improvement projects.**

*Director Bullock moved to approve Resolution **ED-503**, seconded by Director Deck.*

The motion carried by the following vote: AYE: Sams, Donnelly, Deck, Bullock, Brown. NAY: None. ABSTAIN: None. ABSENT: Pennington

5. **ED-504 Resolution authorizing the execution of an interlocal agreement with the University of Texas of the Permian Basin to advertise and publicize the City of Midland for the purpose of developing new and expanded business enterprises.**

Brian Shedd, Executive Director, Office of Innovation & Commercialization at UTPB gave an overview of the Midland Entrepreneurial Challenge (MEC), including a timeline of events and success statistics. Past winners of the challenge, Sara Babbel with "I'd Rather Bake" and Laura Smith with "The Birth Center" spoke about the challenge and how their participation has affected their lives and businesses.

*Director Deck moved to approve Resolution **ED-504**, seconded by Director Donnelly.*

The motion carried by the following vote: AYE: Sams, Donnelly, Deck, Bullock, Brown. NAY: None. ABSTAIN: None. ABSENT: Pennington

6. **Presentation on the June 2025 economic development activity report from the Midland Development Corporation Executive Director.**

Executive Director Sara Harris introduced the new Business Development Coordinator Soraye Lara. Ms. Harris also gave a brief overview of the June 2025 Economic Development activity report. She also thanked the Directors involved in the recent exchanges with the Australian Delegation.

Public Comment:

Judd Campbell, 110 Ridglea Drive asked for a possible list of outstanding or new projects that the MDC has funded or plans to fund.

All the business at hand having been completed, Chairman Sams adjourned the meeting at 10:27 a.m.

Respectfully submitted,

Rachel Guentensberger, Deputy City Secretary

PASSED AND APPROVED on the 4th Day of August 2025.

Elvie Brown, Secretary

July 8th Minutes

MIDLAND DEVELOPMENT CORPORATION

SPECIAL MEETING MINUTES

July 8, 2025

The Board of Directors of the Midland Development Corporation convened in special session in the Midland Chamber of Commerce board room, 300 West Wall Street, Suite 200, Midland, Texas, at 2:00 p.m. on July 8, 2025.

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

Board Members absent: None

Staff Members present: City Manager Tommy Gonzalez, Deputy City Manager Jose Ortiz, Interim City Attorney Nicholas Toulet-Crump, Assistant City Attorney Kevin Bailey, Deputy City Secretary Jan Hamilton, Deputy City Secretary Rachel Guentensberger, Director of Airports Justine Ruff, Chief of Staff Taylor Novak

Council Member(s) present: Mayor Lori Blong

MDC Staff Members present: Operations Manager Ken Doyle, Executive Director Sara Harris, Business Development Coordinator Soraye Lara

1. **Call meeting to order.**

Chairman Sams called the meeting to order at 2:06 p.m.

2. **Discuss, consider, and take action on the proposed adoption of an incentives matrix and guidelines for evaluating and administering future economic development projects of the Midland Development Corporation.**

Executive Director Sara Harris gave an overview of the incentives matrix and guidelines for evaluating and administering future economic development projects of the Midland Development Corporation. She then opened the floor for feedback/changes and discussion surrounding the proposed matrix. Conversation ensued about “closing the gap” in funding prerequisites. Eventually the board decided to table this item for further discussion at a future meeting.

Director Donnelly moved to defer item #2, seconded by Director Deck.

The motion carried by the following vote: AYE: Sams, Donnelly, Pennington, Deck, Bullock, Brown. NAY: None. ABSTAIN: None. ABSENT: None.

Please note: Council member Amy Stretcher Burkes arrived at the meeting shortly before recess to the executive session.

The board recessed into executive session at 2:34 p.m.

3. **Pursuant to Texas Government Code §551.101, the Board of Directors will hold an Executive Session, which is closed to the public to discuss the following matters as permitted under the following Texas Government Code Sections:**
 - a. **Section 551.071, Consultation with Attorney**
 - i. Discuss a matter in which the duty of the attorney to the Midland Development Corporation under the Texas Disciplinary Rules of Professional Conduct of the State Bar of Texas clearly conflicts with Chapter 551 of the Texas Government Code.
 - b. **Section 551.072, Deliberation Regarding Real Property**
 - i. Discuss the purchase, exchange, lease, or value of real property.
 - c. **Section 551.087, Deliberation Regarding Economic Development Negotiations**
 - i. Discuss business prospects that the Midland Development Corporation seeks to have, locate, stay, or expand in or near the City of Midland, Texas, and discuss possible incentives, and discuss contract compliance on the part of businesses.

All the business at hand having been completed, Chairman Sams adjourned the meeting at 4:35 p.m.

Respectfully submitted,

Rachel Guentensberger, Deputy City Secretary

PASSED AND APPROVED on the 8th Day of September 2025.

Elvie Brown, Secretary

Incentives Criteria

CRITERIA FOR ECONOMIC DEVELOPMENT INCENTIVES

The Midland Development Corporation (MDC) is dedicated to promoting the growth of primary industries in Midland, Texas, with the aim of strengthening and diversifying the local economy to support long-term community prosperity.

As the primary economic development organization in Midland, Texas, MDC actively supports sustained growth and capital investment in Midland. Midland's strategic geographic location, skilled labor force, and robust infrastructure provide a solid foundation for business success. Local incentives can enhance opportunities for companies with strong operational capabilities and aid in the MDC's goal of industry diversification.

The Economic Development Incentives Criteria outlines the potential incentive options that may be available to qualifying businesses. These guidelines are designed to assist potential partners in understanding the opportunities MDC may offer. However, they are not exhaustive and do not represent a binding agreement. Instead, they serve as a general resource to guide initial discussions.

MDC reserves the right to change, pause, or terminate any part of these criteria at its discretion and without prior notice.

PLEASE NOTE: THE INFORMATION PROVIDED IS FOR GENERAL REFERENCE ONLY AND DOES NOT CONSTITUTE A GUARANTEE OR OBLIGATION BY MDC.

IN CASE OF ANY DISCREPANCY BETWEEN THIS DOCUMENT AND CHAPTERS 501 OR 504 OF THE TEXAS LOCAL GOVERNMENT CODE, THE STATUTORY PROVISIONS SHALL PREVAIL.

I. CRITERIA FOR ECONOMIC DEVELOPMENT INCENTIVES

Chapter 501, Subchapter C, Sections 501.101 through 501.108 of the Texas Local Government Code prescribes what projects are authorized uses of funds by the MDC.

Section 501.101 – Projects Related to Creation or Retention of Primary Jobs

- NAICS 111: Crop Production
- NAICS 112: Animal Production
- NAICS 113: Forestry and Logging
- NAICS 11411: Commercial Fishing
- NAICS 115: Support Activities for Agriculture and Forestry
- NAICS 211-213: Mining
- NAICS 221: Utilities
- NAICS 311-339: Manufacturing
- NAICS 42: Wholesale Trade
- NAICS 48-49: Transportation and Warehousing
- NAICS51 (excluding 512131 and 512132) Information (excluding motion picture theaters and drive-in motion picture theaters)
- NAICS 523-525: Securities, Commodity Contracts, and other Financial Investments and Related Activities; Insurance Carriers and Related Activities; Funds, Trusts and other Financial Vehicles
- NAICS 5413, 5415, 5416, 5417, and 5419: Architectural, Engineering, and Related Services; Computer System Design and Related Services; Management, Scientific and Technical Consulting Services; Scientific Research and Development Services; Other Professional, Scientific, and Technical Services
- NAICS 551: Management of Companies and Enterprises
- NAICS 56142: Telephone Call Centers
- NAICS 922140: Correctional Institutions
- NAICS 928110: National Security, for the corresponding index entries for Armed Forces, Army, Navy, Air Force, Marine Corps and Military Bases

A project must also be found suitable by the MDC Board of Directors for the development, retention or expansion of the following:

- Manufacturing and Industrial Facilities;
- Research and Development Facilities;
- Military Facilities, including Closed or Realigned Military Bases;
- Distribution Centers;
- Small Warehouse Facilities Capable of Serving as Decentralized Storage and Distribution Centers;
- Primary Job Training Facilities for Use by Institutions of Higher Education; or
- Regional or National Corporate Headquarter Facilities.

Section 501.102 – Projects Related to Certain Job Training

In this Section, a “project” includes job training required or suitable for the promotion of development and expansion of business enterprises only if the enterprise has a written commitment to the following:

1. Create new positions that offer wages equal to or greater than the prevailing wage for the applicable occupation in the Midland labor market area; and
2. Increase its payroll to ensure that wages meet or exceed the prevailing wage for the applicable occupation in the Midland labor market area.

The MDC may offer economic development incentives for job training offered through a business enterprise only if the enterprise has a written commitment to one of the following:

1. Create new jobs that pay at least the prevailing wage for the applicable occupation in the local labor market; or
2. Increase payroll to meet or exceed the prevailing wage for those occupations.

Section 501.103 – Certain Infrastructure Improvement Projects

In this Section, “project” includes expenditures found suitable by the MDC board for infrastructure necessary to promote or develop new or expanded business enterprises, limited to 1) streets and roads, rail spurs, water and sewer utilities, electric utilities, or gas utilities, drainage, site improvements and related improvements; and 2) telecommunications and internet improvements.

For the purposes of this section, a “project” may include expenditures deemed appropriate by the MDC board for infrastructure essential to the promotion or development of new or expanding business enterprises. Eligible infrastructure is limited to the following:

1. Streets and roads, rail spurs, water and sewer systems, electric or gas utilities, drainage, site enhancements, and related improvements; and
2. Telecommunications and internet infrastructure improvements.

II. VALUE OF ECONOMIC DEVELOPMENT INCENTIVES PROVIDED

Economic development incentives include a range of strategic tools designed to stimulate investment and job creation within a community. These resources play an important role in closing financial and operational gaps for businesses of all sizes, supporting both individuals and industries alike.

Incentives are not limited to attracting new businesses; they also support the growth and retention of existing companies, as well as the development of startups. While incentive programs vary in form, they are typically targeted toward primary businesses. A primary business is defined as a company for which most of its products and/or services are ultimately exported to regional, statewide, national or international markets, thereby introducing new monies into the local economy and creating wealth.

Primary businesses have a strong multiplier effect and produce the most significant economic impact through job creation and increased economic activity.

Economic Development Incentives

Qualifying entities that make capital investments and create “primary jobs” within the community may be eligible to receive performance-based economic development incentives, which may include direct cash disbursements.

A “primary job” is defined as employment (i) within a business whose products and/or services are primarily exported to regional, statewide, national, or international markets, thereby generating new revenue streams and infusing new dollars into the local economy, and (ii) in a sector of the North American Industry Classification System (NAICS) referenced in Section 501.101.

Incentives may be offered in various forms, including, but not limited to, direct cash incentives for job creation, land improvements, infrastructure development, and workforce training support. All incentive agreements will be performance-based to ensure alignment with community economic development goals, with incentives disbursed after contractual performance has been completed and certified.

MDC funding commitments are determined based on several key factors, including the amount of capital investment, as well as the number and wage levels of primary jobs to be created or retained because of the project.

The following outlines the potential funding levels a project may be eligible to receive, based on its projected investment and job creation or retention impact:

Capital Investment	±	Full-Time Equivalent Primary Jobs Created/Retained	±	Average gross wage per job	=	One-time per job incentive
≥ \$1,000,000		≥ 10		≥ \$50,000		Up to \$7,500
≥ \$3,000,000		≥ 15		≥ \$55,000		Up to \$10,000
≥ \$5,000,000		≥ 15		≥ \$70,000		Up to \$15,000
≥ \$7,000,000		≥ 15		≥ \$85,000		Up to \$20,000
≥ \$9,000,000		≥ 15		≥ \$100,000		Up to \$25,000

Midland Entrepreneurial Challenge

The Midland Entrepreneurial Challenge is a business plan competition funded by the Midland Development Corporation (MDC) and administered by the University of Texas Permian Basin (UTPB), which is designed to assist entrepreneurs with expanding an existing business or starting a new one. Each participant will gain a better understanding of how to develop and follow a realistic business plan to ensure a growing business. The Midland Entrepreneurial Challenge’s funding is approved on a year-to-year basis by the MDC board and Midland City Council. More information can be found here: <https://midlandentrepreneurialchallenge.com/>

Businesses that do not fall within the criteria for direct incentives from the MDC may be eligible to apply to the Midland Entrepreneurial Challenge.

III. PROCEDURAL GUIDELINES

Any applicant seeking consideration for economic development incentives from the Midland Development Corporation (MDC) to support business location or expansion in Midland must adhere to the procedural guidelines outlined herein. These guidelines are intended solely to inform the application process and do not, in any way, imply or guarantee that MDC is obligated to provide incentives to any applicant.

Application

To apply for economic development incentives, applicants must complete the MDC Incentives Application Form, available on the MDC website: <https://www.midlandtxedc.com/business-and-economy/incentives>.

The completed application must be submitted to the MDC. All individuals or entities requesting economic development incentives are required to follow the procedures outlined below.

1. The applicant will submit a completed application for the requested incentives utilizing the application outline provided by MDC, at <https://www.midlandtxedc.com/business-and-economy/incentives>.
2. The applicant will address all applicable criteria set forth in this policy and the application.
3. The applicant will provide a plat, map or survey showing the location of the property and the proposed project.
4. The applicant will provide a legal description of the property; the name, address, phone number, of the owner of the property; the tenants or proposed tenants, if any; and state whether the property is to be owner occupied or leased.
5. The applicant will describe in detail the proposed project and the type of economic development incentives requested.
6. The application will be submitted via email.
7. The MDC will review the economic development incentive request and may request additional information from the applicant prior to consideration by the MDC Board of Directors. Failure to submit such additional information will cause the application to be rejected and deemed withdrawn by the applicant without further action by MDC.

Application Review

1. All information submitted as detailed above will be reviewed by the MDC staff for completeness, accuracy and the rationale for projections made. Additional information may be requested as needed.
2. If necessary, copies of the complete application package will be provided to the other appropriate taxing entities.

Consideration of the Application

1. After review by MDC staff, MDC staff may meet with the applicant to negotiate final terms of the incentives. MDC board members may participate in meetings and initial review as needed.
2. Following the finalization of the final terms of the incentives, a proposed economic development incentive agreement will be drafted and placed on a public meeting agenda of the MDC Board of Directors for official consideration by the MDC. If the MDC Board of Directors approves the economic development incentive agreement, the agreement will be placed on a public meeting agenda of the Midland City Council for final approval. No economic development incentive agreement shall become effective unless approved by the Midland City Council. All necessary legal documents will be considered for approval following evaluation of all relevant staff and review team recommendations and reports.

IV. AGREEMENTS

The MDC may not provide direct incentives or make expenditures on behalf of a business enterprise as part of a project unless a formal performance agreement is executed with the enterprise. The performance agreement must, among other requirements, contain the following:

1. A detailed schedule outlining the number of jobs to be created or retained, the associated payroll increases, and the capital investment to be made by the business as consideration for any incentives provided or expenditures incurred by MDC; and
2. The conditions under which repayment or reimbursement is required if the business fails to meet the agreed-upon performance benchmarks.

V. IMPACT ANALYSIS

The MDC reserves the right to perform an economic impact analysis for any project to assess the impact the project will have on the community. If deemed necessary, this analysis will be completed prior to extending any offer of economic development incentives to the applicant.

VI. NEGOTIATION PROCESS

The initial contact and preliminary discussions regarding available economic development incentives shall take place between the authorized representatives of the applicant and the MDC.

All negotiations related to economic development incentives must be conducted between the applicant's authorized representative(s), the MDC, and if applicable, a designed representative of the City of Midland as appointed by the City Manager.

Final decisions by the MDC Board and the Midland City Council will be based on an evaluation of the applicant's submitted application.

MOTRAN Agreement

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION OF
AN ECONOMIC DEVELOPMENT AGREEMENT
WITH MOTRAN ALLIANCE, INC.; AND
AUTHORIZING PAYMENT FOR SAID AGREEMENT**

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of an economic development agreement with the Motran Alliance, Inc.;

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

SECTION ONE. That the Chairman and Secretary are hereby authorized and directed to execute and attest, respectively, on behalf of the Midland Development Corporation, an economic development agreement with the Motran Alliance, Inc. Said agreement shall be of a form that is substantially similar to Exhibit A, which is attached hereto and incorporated herein for all purposes.

SECTION TWO. That the City Comptroller of the City of Midland, Texas, is hereby authorized and directed to pay Motran Alliance, Inc., a maximum of \$142,500.00 in accordance with the terms of said agreement, from funds available in the Midland Development Corporation's budget for fiscal year 2025-2026

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

**ECONOMIC DEVELOPMENT AGREEMENT BETWEEN THE
MIDLAND DEVELOPMENT CORPORATION AND
MOTRAN ALLIANCE, INC.**

WHEREAS, Motran Alliance, Inc., submitted a Proposal to the Midland Development Corporation for economic development purposes and the funds for such Proposal can be appropriated by the Midland Development Corporation for fiscal year 2025-2026; and

WHEREAS, the primary purpose of Motran Alliance, Inc., is to raise funds for and improve the infrastructure of the Permian Basin area; and

WHEREAS, such activities will create the groundwork for developing new and expanded enterprises in the Midland/Odessa area; and

WHEREAS, the parties have agreed on the terms and conditions and have set forth such terms and conditions in this Agreement;

NOW, THEREFORE, the Midland Development Corporation, hereinafter referred to as the "MDC", and Motran Alliance, Inc., a Texas non-profit corporation, hereinafter referred to as "MOTRAN", do hereby contract and agree as follows:

**I.
Economic Development Program**

MOTRAN shall provide the economic development services as provided in **Exhibit B**, which document is incorporated herein by reference. Such program shall be referred to herein as the "Economic Development Program."

**II.
Funding**

The MDC shall pay to MOTRAN the total sum of One Hundred Forty-Two Thousand, Five Hundred Dollars (\$142,500.00), for the MDC fiscal year, said funds to be used solely for the purpose

Exhibit A

of conducting the Economic Development Program as delineated in **Exhibit B**. The MDC shall dispense funds to MOTRAN by paying one-half of the total on or before December 1, 2025, and one-half on or before April 1, 2026. It is understood and agreed that MOTRAN will obtain the remaining necessary funds for completion of the Program from other sources. MOTRAN may perform services that are not eligible for expenditure of funds by the MDC but the percentage of Economic Development Corporation funds received must not exceed the percentage of eligible services performed by MOTRAN.

III. Budget and Financial Reporting

MOTRAN shall comply with the budget showing the revenues and expenses, a copy of which is attached as **Exhibit A**, to be received and incurred during the term of this Agreement. The hereinafter required financial reports shall, in each case, show the relationship of actual expenses to the authorized expenses shown in said budget.

On or before the 25th day of each month during the term of this Agreement, MOTRAN shall make and send to the MDC, and file with the City Secretary of the City of Midland, a report showing an accounting of all funds received and expended during the preceding month. Said report shall also show the cumulative expenses and revenues for the preceding month together with all prior months covered by this Agreement.

MOTRAN shall maintain complete and accurate financial records of each expenditure of Economic Development Program funds made by it. The general method of financial record keeping and reporting proposed by MOTRAN to be used in complying with the requirements of this Agreement shall be submitted to and approved by the MDC. The sufficiency of detail of any activity or financial report required by this Agreement shall be determined by the MDC. All of MOTRAN's records pertaining and related to the activities and funds under the Agreement shall be available for inspection

by the MDC or MDC's representatives at any time during MOTRAN's normal office hours. The revenue provided by the MDC under this Agreement must be maintained by MOTRAN in a separate account established for that purpose and may not be co-mingled with any other money or maintained in any other account.

IV. Informal Reporting

The Activity Reporting Requirements outlined in Article V are for the purpose of providing information to meet the very basic exchange of information. However, to be efficient in the use of economic development funds, to compete in the open market for jobs, to be able to respond to issues and economic development opportunities in a timely manner, to make decisions regarding goals, objectives and priorities and to foster the necessary teamwork between the MDC and MOTRAN, it is necessary to plan and to implement certain informal reporting and interactions which could occur on a frequent basis. For these purposes, the parties agree to engage in certain interaction and interoffice communications.

1. When decisions need to be made regarding negotiations or strategy, MOTRAN will meet with those persons designated by the MDC to develop a plan.
2. MOTRAN will meet with the MDC whenever necessary and also develop and distribute in writing or by oral presentation, reports when needed over and above those required in Article V.

V. Activity Reporting Requirements

MOTRAN will provide quarterly activity reports in writing to the MDC and City Secretary of Midland that will provide a current status report. This report will provide hard data when available.

VI. Audit

In addition to the heretofore required reports covering activities and expenditures under the Economic Development Program, a certified audit of the funds and activities of such Economic Development Program shall be made annually. The costs of making the audit shall be paid by MOTRAN but MOTRAN may use MDC funds. The auditors performing the above described audit shall have access to and the right to examine all records and accounts directly related to the Economic Development Program and such other MOTRAN records and accounts as may be reasonably necessary to conduct and complete its audit of the Economic Development Program funds.

VII. Independent Contractor

It is expressly understood and agreed that as to any and all of the services tendered by MOTRAN in conducting the Economic Development Program under this contract, MOTRAN shall be considered an independent contractor insofar as its relationship to the MDC. Accordingly, the officers and employees of MOTRAN used or involved in the Economic Development Program under this Agreement shall not be considered, for any purpose, to be the officers and employees of the MDC.

It is expressly understood and agreed that MOTRAN shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of the MDC; that MOTRAN 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 MOTRAN, its officers, agents, employees, contractors and subcontractors; and that nothing herein shall be construed as creating a partnership or joint enterprise between MDC and MOTRAN. No

person performing any of the work and services described hereunder shall be considered an officer, agent, servant or employee of the MDC. Further, it is specifically understood and agreed that nothing in this Agreement is intended or shall be construed as creating a "Community of Pecuniary Interest" or "An Equal Right of Control". MOTRAN shall be an independent contractor under this Agreement and shall assume all of the rights, obligations and liabilities, applicable to MOTRAN as such independent contractor hereunder. The MDC does not have the right to control the means, methods or details of MOTRAN's work. The MDC does not have the power to direct the order in which MOTRAN's work should be done. MOTRAN shall assume exclusive responsibility for the work hereunder. MOTRAN is entirely free to do the work in its own way.

VIII. Agreement Period

This Agreement shall become effective on September 23, 2025, and shall terminate on September 30, 2026. If MOTRAN violates the terms or conditions of this Agreement, or fails to provide the agreed services, the MDC may terminate this Agreement under the following conditions. The MDC shall provide written notice of the violations or failures to MOTRAN. MOTRAN shall have thirty (30) days to cure the violations or failures or to file a written response with the MDC. If MOTRAN fails to cure or to file a written response within such 30-day period, the MDC may terminate this Agreement immediately. If a written response is filed, the MDC shall set a hearing before the MDC's Board of Directors and provide notice to MOTRAN. After consideration of the response and the testimony at the hearing, the MDC may declare if there has or has not occurred the stated violations or failures. If the Board finds that such violations or failures have occurred, it shall give MOTRAN thirty (30) days written notice and an opportunity to cure. If not cured within such period, the MDC may terminate this Agreement immediately.

**IX.
Civil Rights**

MOTRAN agrees that as to all of its programs and activities, it will fully comply with all Civil Rights Acts and specifically will not discriminate against any person on the basis of race, color, national origin, sex or disability.

**X.
Indemnity**

MOTRAN SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND MDC AND ALL OF MDC'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, PROPERTY DAMAGE, LOSSES, AND EXPENSE OF ANY CHARACTER WHATSOEVER INCLUDING REASONABLE ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT OF MDC, MDC'S OFFICERS, AGENTS AND EMPLOYEES, WHETHER SUCH NEGLIGENT ACT WAS THE SOLE PROXIMATE CAUSE OF THE INJURY OR DAMAGE OR A PROXIMATE CAUSE JOINTLY AND CONCURRENTLY WITH MOTRAN OR MOTRAN'S EMPLOYEES, AGENTS OR SUBCONTRACTORS NEGLIGENCE, in the execution, supervision and operations growing out of or in any way connected with the performance of this Agreement, and Contractor will be required to pay any judgment with costs which may be obtained against City or any of its officers, agents or employees, including attorney's fees.

**XI.
Excess MDC Funds**

Any funds that are paid by the MDC to MOTRAN pursuant to this Agreement, not expended by the end of the term of this Agreement shall be refunded to the MDC within 30 days after the end of

the term of this Agreement, unless MOTRAN can provide the MDC with written notice as to the funds that have not been expended but have been committed, and such commitment is supported by contracts or other written documentation.

**XII.
Property**

The parties agree any records and documents that are developed for the purpose of accomplishing services on behalf of the MDC by MOTRAN, and necessary to continue to provide such services, or to show the rights or responsibilities of the MDC, shall be the joint property of the MDC and MOTRAN with equal rights of use and access.

**XIII.
Project**

The parties agree that this Agreement is an eligible "Project" as defined in Chapter 501 of the Texas Local Government Code, as amended.

**XIV.
Assignment**

The parties hereto shall not assign or subcontract this Agreement, in whole or in part, any such assignment or subcontract being void.

**XV.
Notice**

Any notice or report which may or shall be given under the provisions of this Agreement shall, unless otherwise provided herein, be in writing and shall be either delivered via email or sent by United States Mail:

If to MDC:
Midland Development Corp.
200 N. Loraine, Ste. 610
Midland, TX 79701

If to MOTRAN:
Motran Alliance, Inc.
P.O. Box 60816 Midland,
TX 79711

with copy to: City Manager
P.O. Box 1152
Midland, TX
79702

**XVI.
Severability**

This Agreement shall be construed in accordance with the laws of the State of Texas. If any clause or provision of this Agreement is illegal, invalid, or unenforceable under present or future laws effective during the term hereof, then it is the intention of the parties hereto that the remainder of this Agreement shall not be affected thereby, and it is also the intention of both parties that in lieu of each clause or provision that is illegal, invalid or unenforceable, there be added as a part of this Agreement a clause or provision as similar in meaning to such illegal, invalid or unenforceable clause or provision as may be possible and be legal, valid and enforceable.

**XVII.
Alteration**

This Agreement may not be altered, changed or amended, except by an instrument in writing signed by both parties hereto.

**XVIII.
Entire Agreement and Binding Effect**

This Agreement constitutes the entire agreement between the MDC and MOTRAN. No prior written or prior or contemporaneous oral promises or representations shall be binding. The provisions of this Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties.

**XIX.
Venue**

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. This Agreement shall be governed by the laws of the State of Texas. The

obligations and undertakings of each of the parties to this agreement shall be deemed to have occurred in Midland County, Texas.

XX.
Compliance With Laws

In the payment and employment of people to serve as employees pursuant to this Agreement, MOTRAN shall comply with all federal, state and local laws, rules, regulations and ordinances with respect to payment of minimum wages. MOTRAN shall not discriminate against people on the basis of race, sex, age, religion, national origin, or mental or physical disability in the application, hiring, termination, evaluation, or compensation of people assigned to work under this Agreement, and shall further comply with all laws, rules and regulations prohibiting such discrimination including but not limited to, the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act, and the Americans With Disabilities Act.

XXI.
Governmental Immunity

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

XXII.
Governmental Immunity

By executing this Agreement, **MOTRAN AGREES TO WAIVE AND DOES HEREBY WAIVE ANY CLAIM IT HAS OR MAY HAVE AGAINST THE MDC, REGARDING THE AWARD OF ATTORNEY'S FEES, WHICH ARE IN ANY WAY RELATED TO THE AGREEMENT, OR THE CONSTRUCTION, INTERPRETATION OR BREACH OF THE AGREEMENT. MOTRAN SPECIFICALLY AGREES THAT IF MOTRAN 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), MOTRAN AGREES TO WAIVE AND RELINQUISH ANY AND ALL RIGHTS TO THE RECOVERY OF ATTORNEY'S FEES TO WHICH MOTRAN MIGHT OTHERWISE BE ENTITLED.

MOTRAN agrees that this is the intentional relinquishment of a presently existing known right. MOTRAN acknowledges that it understands all terms and conditions of the Agreement.

By execution of the Agreement MOTRAN hereby represents and warrants to the MDC that MOTRAN has read and understood the Agreement.

**XXIII.
Release**

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

**XXIV.
Third-Party Beneficiary**

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

EXECUTED by the duly authorized officials of the Parties this _____ day of _____, 2025.

**MIDLAND DEVELOPMENT
CORPORATION**

P. Lourcey Sams, Chairman

ATTEST:

Elvie Brown, Secretary

MOTRAN ALLIANCE, INC.

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 MOTRAN ALLIANCE, INC.

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

Notary Public, State of Texas

MOTRAN, INC.**PROPOSED**

	2022-23	2023-24	2024-25	2025-26
REVENUES				
Founding Members Dues	20,000.00	20,000.00	\$20,000.00	\$20,000.00
Members Dues	75,000.00	75,000.00	\$80,000.00	\$80,000.00
Grants	15,000.00	15,000.00	\$15,000.00	
Interest Earned	500.00	5,500.00	\$6,500.00	\$8,500.00
Midland Development Corp.	142,500.00	142,500.00	\$142,500.00	\$142,500.00
Odessa Development Corp.	142,500.00	142,500.00	\$142,500.00	\$142,500.00
PBC Funds	10,000.00	25,000.00	\$10,000.00	\$10,000.00
TOTAL REVENUES	\$405,500.00	\$425,500.00	\$416,500.00	\$403,500.00
EXPENSES				
Bank Fees	100.00	100.00	\$100.00	
Dues & Subscriptions	1,800.00	1,500.00	\$1,300.00	\$1,000.00
Events	20,000.00	32,000.00	\$25,000.00	\$24,000.00
Food & Entertainment	5,500.00	5,500.00	\$5,800.00	\$5,800.00
Gifts	1,400.00	1,400.00	\$1,800.00	
Health Ins. Reimbursement	11,500.00	11,500.00	\$12,200.00	\$12,800.00
Insurance	4,000.00	4,000.00	\$4,000.00	\$4,000.00
I-14 Initiative	12,500.00	12,500.00	\$10,000.00	\$10,000.00
Miscellaneous Expenses	100.00	100.00	\$0.00	
Office Lease	11,000.00	11,000.00	\$11,000.00	\$12,000.00
Office Supplies	6,000.00	5,500.00	\$5,000.00	\$5,000.00
Payroll-Salaries	238,000.00	240,000.00	\$240,000.00	\$240,000.00
Payroll-Service Fee	1,600.00	1,700.00	\$1,800.00	\$1,900.00
Payroll Taxes	17,500.00	17,500.00	\$17,500.00	\$17,500.00
401 K Contributions	8,000.00	8,800.00	\$8,800.00	\$8,800.00
401 K Fees		1,200.00	\$1,200.00	\$1,300.00
Postage	2,500.00	2,200.00	\$2,000.00	\$1,250.00
Marketing	27,000.00	29,000.00	\$30,000.00	\$25,000.00
Program Supplies	2,500.00	3,000.00	\$2,500.00	\$1,500.00
Telephone	4,000.00	4,000.00	\$4,000.00	\$3,400.00
Travel Expenses	17,000.00	17,000.00	\$15,000.00	\$14,000.00
Professional Services	13,500.00	13,500.00	\$13,500.00	\$14,250.00
Website Updates		2,500.00	\$4,000.00	
TOTAL EXPENSES	\$405,500.00	\$425,500.00	\$416,500.00	\$403,500.00

MOTRAN, INC.

	PROPOSED 2025-26	PROPOSED MDC	PROPOSED ODC
REVENUES			
Founding Members Dues	\$20,000.00		
Members Dues	\$80,000.00		
Grants			
Interest Earned	\$8,500.00		
Midland Development Corp.	\$142,500.00	\$142,500.00	
Odessa Development Corp.	\$142,500.00		\$142,500.00
PBC Funds	\$10,000.00		
TOTAL REVENUES	\$403,500.00	\$142,500.00	\$142,500.00
EXPENSES			
Bank Fees			
Dues & Subscriptions	\$1,000.00		
Events	\$24,000.00		
Food & Entertainment	\$5,800.00		
Gifts			
Health Ins. Reimbursement	\$12,800.00	\$2,500.00	\$2,500.00
Insurance	\$4,000.00		
I-14 Initiative	\$10,000.00	\$2,500.00	\$2,500.00
Miscellaneous Expenses			
Office Lease	\$12,000.00		
Office Supplies	\$5,000.00		
Payroll-Salaries	\$240,000.00	\$110,000.00	\$110,000.00
Payroll-Service Fee	\$1,900.00		
Payroll Taxes	\$17,500.00	\$8,000.00	\$8,000.00
401 K Contributions	\$8,800.00		
401 K Fees	\$1,300.00		
Postage	\$1,250.00		
Marketing	\$25,000.00	\$7,000.00	\$7,000.00
Program Supplies	\$1,500.00		
Telephone	\$3,400.00		
Travel Expenses	\$14,000.00	\$5,500.00	\$5,500.00
Professional Services	\$14,250.00	\$7,000.00	\$7,000.00
Website Updates			
TOTAL EXPENSES	\$403,500.00	\$142,500.00	\$142,500.00



MOTRAN PROPOSAL TO MDC

SCOPE OF SERVICES – FY 2025-2026 (Attachment A)

PURPOSE: SECURE ADDITIONAL AREA INFRASTRUCTURE FUNDING

Additional transportation funding helps facilitate necessary improvements related to maximizing current economic opportunities, as well as, providing the additional capacity in our infrastructure system to accommodate new development (housing, retail, commercial) and lays the groundwork necessary to support developments that would allow economic diversification.

Work to help increase telecommunications infrastructure and investment in the area through increased broadband deployment to gaps in current service and higher levels of service, improved cellular communications, and facilitating a more competitive market.

ENERGY SECTOR IMPROVEMENTS

- MOTRAN will continue to work the department on the Permian Basin Regional Freight Study to develop a list of energy sector projects for the area, that facilitate short and long-term freight needs and economic development opportunities.
- MOTRAN will continue to work for additional capacity/levels of service improvements in the Delaware Basin region, especially as it relates to the build out to standard of the SH 302 between Odessa and Kermit/Mentone and SH 349 from Midland to Rankin to facilitate economic growth along these critical workforce and freight corridors.
- MOTRAN will continue to push priorities in the Central Permian Basin, especially related to connectivity to and from the Midland-Odessa area, that are currently overlooked in the Permian Promise.

PROJECT SPECIFIC IMPROVEMENTS ALONG I-20, LP 338, US 385, SH 349, SH 158, and the South Midland Loop (Extension of Loop 250 South of I-20 to SH 349 and ultimately SH 158), and SH 191 between Midland and Odessa.

- Support development of Loop 338 in Odessa and capacity as a freeway
- Development of a connection of US 385 to I-10 as a freeway design (4 lane divided)
- Development of SH 349 South of I-20 to 4 lane divided
- Capacity Improvements to SH 191
- Completion and Extension of the Craddick Reliever Route West to Odessa and East to I-20

INTERSTATES 14 & 27

- MOTRAN will continue efforts aimed at the development of the western segment of I- 14 to the US 87/SH158/I-20 corridor, and a routing of I-27 which honors the original concept where the route serves both Midland and Odessa, as 4 lane divided freeways with the necessary ROW footprint to accommodate future frontage roads.

Exhibit B

TRUCK PARKING

- Work with TXDOT and local truck stop owners to facilitate opportunities for enhanced truck parking to facilitate transportation and driver needs without creating problems for residential areas and other area businesses.

LOCAL LEVERAGE OPPORTUNITIES

- Work to recruit private sector investments in area infrastructure that can leverage additional state and federal investment.

BROADBAND AND TELECOM INFRASTRUCTURE

- Continue discussions with providers and promoting area growth and new market opportunities to potential providers

INCREASED TRANSMISSION CAPABILITIES

- Continue to support critical infrastructure like pipelines and election transmission necessary to support population growth and economic development activities

COMMERCIAL AIR SERVICE

- Continue communications with carriers and promoting area growth and new market opportunities to potential providers

TELLING THE STORY OF THE PERMIAN BASIN

- Through our Permian Basin Coalition efforts, continue to provide demographic and economic data highlighting the needs and impact of the Permian Basin both to regional leaders and state leaders. In 2020-2021, we expanded our current network to begin communicating this same data on the national/federal level as well.

The Perryman
Group Consulting
Services
Agreement

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION OF
A CONSULTING SERVICES AGREEMENT WITH THE
PERRYMAN GROUP IN AN AMOUNT NOT TO
EXCEED \$80,000.00 FOR THE PRODUCTION OF
CERTAIN ECONOMIC INDICES AND REPORTS
REGARDING THE CITY OF MIDLAND, TEXAS, AND
THE PERMIAN BASIN**

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of a consultant services agreement with The Perryman Group in an amount not to exceed \$80,000.00 for the production of certain economic indices and reports regarding the City of Midland, Texas, and the Permian Basin;

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

SECTION ONE. That the Chairman and Secretary are hereby authorized and directed to execute and attest, respectively, on behalf of the Midland Development Corporation, a consulting services agreement with The Perryman Group in an amount not to exceed \$80,000.00 for the production of certain economic indices and reports regarding the City of Midland, Texas, and the Permian Basin. Said agreement being in the 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 The Perryman Group, in accordance with the terms of the consulting services agreement, from funds available in the Midland Development Corporation Operating Budget upon receipt of proper invoices or statements approved by the Executive Director or her designee.

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

CONSULTING SERVICES AGREEMENT

THIS AGREEMENT is made and effective the 23rd day of September, 2025, by and between the MIDLAND DEVELOPMENT CORPORATION, a Type A corporation pursuant to Chapter 504 of the Texas Local Government Code, as amended ("*MDC*"), and THE PERRYMAN GROUP ("*COMPANY*").

ARTICLE I. PURPOSE

The purpose of this Agreement is to state the terms and conditions under which *COMPANY* shall perform certain consulting services to provide economic indices (the "*Project*") for *MDC*.

ARTICLE II. SERVICES TO BE PERFORMED

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

ARTICLE III. FINANCIAL CONSIDERATIONS

MDC agrees to pay *COMPANY* in an amount not to exceed \$80,000.00 for the consulting services described in **Exhibit A**. *MDC* agrees to pay *COMPANY* according to the schedule set forth in **Exhibit A**.

ARTICLE IV. TERM

The term of this Agreement shall be from September 23, 2025, until September 30, 2026 unless the Agreement is terminated as provided below.

Exhibit A

ARTICLE V. TERMINATION AT WILL

MDC may terminate this Agreement at will for no or any reason upon giving at least one-hundred eighty (180) days' written notice to COMPANY. The parties to this Agreement understand and agree that it is in MDC's sole discretion to cancel the Agreement during the term of the Agreement without penalty to MDC. COMPANY has no expectation and has received no guarantees that this Agreement will not be terminated before the end of the Agreement term. The parties have bargained for the flexibility of terminating this Agreement upon tender of the requisite notice at any time during the term of the Agreement. All work and services under the Agreement shall be suspended upon termination of the Agreement becoming effective.

ARTICLE VI. ASSIGNMENT

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

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

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

ARTICLE VIII. INDEPENDENT CONTRACTOR

It is expressly understood and agreed that COMPANY shall perform all work and services described herein as an independent contractor and not as an officer, agent, servant or employee of MDC; that COMPANY shall have exclusive control of and the exclusive right to control the details of the services and work performed hereunder, and all persons performing the same; and shall be solely responsible for the acts and omissions of its officers, agents, employees, contractors and

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

ARTICLE IX. INSURANCE

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

Commercial General Liability (including Contractual liability):

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

-Property Damage: \$500,000.00 per occurrence

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

Workers' Compensation: Statutory limits

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

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

The Business Automobile Liability insurance provided by COMPANY shall cover any auto for bodily injury and property damage, including owned vehicles, hired and non-hired

vehicles, and employee non-ownership, and the amount of such policy shall be a minimum of \$250,000.00 covering any vehicle used for the execution of the work that is the subject of this Agreement. This insurance shall name MDC as an additional insured and waive subrogation in favor of MDC.

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

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

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

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

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

ARTICLE X. ATTORNEY FEES

BY EXECUTING THIS AGREEMENT, COMPANY AGREES TO WAIVE AND DOES HEREBY WAIVE ANY CLAIM IT HAS OR MAY HAVE IN THE FUTURE

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

COMPANY AGREES THAT THIS IS THE VOLUNTARY AND INTENTIONAL (i) RELINQUISHMENT AND ABANDONMENT OF A PRESENTLY EXISTING KNOWN RIGHT AND (ii) ASSUMPTION OF A FUTURE OBLIGATION IN THE EVENT THAT COMPANY BRINGS OR COMMENCES ANY LEGAL ACTION OR PROCEEDING AGAINST MDC RELATED TO THIS AGREEMENT, THE CONSTRUCTION, INTERPRETATION, VALIDITY OR BREACH OF THIS AGREEMENT, INCLUDING BUT NOT LIMITED TO ANY ACTION PURSUANT TO THE PROVISIONS OF THE TEXAS UNIFORM DECLARATORY JUDGEMENTS ACT (TEXAS CIVIL PRACTICE AND REMEDIES CODE SECTION 37.001, *ET SEQ.*, AS AMENDMED). COMPANY ACKNOWLEDGES THAT COMPANY UNDERSTANDS ALL TERMS AND CONDITIONS OF THE AGREEMENT. COMPANY FURTHER ACKNOWLEDGES AND AGREES THAT THERE WAS AND IS NO DISPARITY OF BARGAINING POWER BETWEEN COMPANY AND MDC. THIS SECTION SHALL NOT BE CONSTRUED OR INTERPRETED AS A WAIVER OF GOVERNMENTAL IMMUNITY.

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

ARTICLE XI. GOVERNMENTAL IMMUNITY

By executing this Agreement MDC is not waiving its right of governmental immunity. MDC is 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.**

ARTICLE XII. NO THIRD-PARTY BENEFICIARIES

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

ARTICLE XIII. RELEASE

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

ARTICLE XIV. INDEMNITY

COMPANY SHALL INDEMNIFY AND HOLD HARMLESS AND DEFEND MDC AND ALL OF MDC'S OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, CLAIMS, DAMAGES, PERSONAL INJURIES, ACCIDENTAL DEATH, LOSSES, PROPERTY DAMAGE AND EXPENSES OF ANY CHARACTER WHATSOEVER, INCLUDING ATTORNEY'S FEES, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ON ACCOUNT OF ANY NEGLIGENT ACT

OF COMPANY, THEIR AGENTS OR EMPLOYEES, OR ANY SUBCONTRACTOR, IN THE EXECUTION, SUPERVISION AND OPERATIONS GROWING OUT OF OR IN ANY WAY CONNECTED WITH THE PERFORMANCE OF THIS AGREEMENT, AND COMPANY WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST MDC OR ANY OF ITS OFFICERS, AGENTS OR EMPLOYEES, INCLUDING ATTORNEY'S FEES.

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

COMPANY AGREES THAT IT WILL INDEMNIFY AND SAVE MDC HARMLESS FROM ALL CLAIMS GROWING OUT OF ANY DEMANDS OF SUBCONTRACTORS, LABORERS, WORKMEN, MECHANICS, MATERIALMEN, AND FURNISHERS OF MACHINERY AND PARTS THEREOF, EQUIPMENT, POWER TOOLS AND ALL SUPPLIES, INCURRED IN THE FURTHERANCE OF THE PERFORMANCE OF THIS AGREEMENT. WHEN MDC SO DESIRES, COMPANY SHALL FURNISH SATISFACTORY EVIDENCE THAT ALL OBLIGATIONS OF THE NATURE HEREINABOVE DESIGNATED HAVE BEEN PAID, DISCHARGED OR

WAIVED. COMPANY, ITS SURETIES AND INSURANCE CARRIERS SHALL DEFEND, INDEMNIFY AND SAVE HARMLESS MDC AND ALL OF ITS OFFICERS, AGENTS AND EMPLOYEES FROM ALL SUITS, ACTIONS, OR CLAIMS OF ANY CHARACTER WHATSOEVER, BROUGHT FOR OR ON ACCOUNT OF ANY INJURIES OR DAMAGES RECEIVED OR SUSTAINED BY ANY PERSON OR PERSONS OR PROPERTY, ARISING FROM ANY ACT OF COMPANY OR ANY SUBCONTRACTOR, THEIR AGENTS OR EMPLOYEES, IN THE EXECUTION AND SUPERVISION OF THIS AGREEMENT, AND WILL BE REQUIRED TO PAY ANY JUDGMENT WITH COSTS WHICH MAY BE OBTAINED AGAINST MDC OR ANY OF ITS OFFICERS, AGENTS, OR EMPLOYEES INCLUDING ATTORNEY'S FEES.

ARTICLE XV. GENERAL PROVISIONS

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

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

C. Notice. Any notice or demand that shall be made regarding this Agreement, shall be made in writing and delivered either in person or by certified or registered mail. Notice by mail shall be complete upon deposit of the paper, postage prepaid, in a post office or official depository

and all terms and requirements under said laws, by such incorporation, are made terms and requirements of this Agreement, to which the parties to this Agreement have agreed to be bound.

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

The statutory prerequisites outlined herein constitute jurisdictional requirements pursuant to Section 271.154 of the Texas Local Government Code and Section 311.034 of the Texas Government Code. Notwithstanding any other provision, COMPANY'S failure to comply with the requirements herein shall perpetually bar COMPANY'S claim for damages under Chapter 271 of the Texas Local Government Code, and Section 311.034 of the Texas Government Code, regardless if MDC has actual or constructive notice or knowledge of said claim or alleged damages. COMPANY agrees that the requirements of this entire Agreement are reasonable.

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

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

Government Code Section 176.006, as amended.

L. 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 "the 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]

EXECUTED IN DUPLICATE the day and year first above mentioned.

MIDLAND DEVELOPMENT CORPORATION

By _____
P. Lourcey Sams, Chairman

ATTEST:

Elvie Brown, Secretary

[Signature Page Follows]

THE PERRYMAN GROUP

By: _____

Name: _____

Title: _____

STATE OF _____ §

§

COUNTY OF _____ §

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

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

Notary Public, State of _____

PROJECT CONCEPT

Development and Maintenance of an Economic Index for Midland and the Permian Basin

August 2025

510 N. Valley Mills Dr., Suite 300

Waco, TX 76710

ph. 254.751.9595, fax 254.751.7855

info@perrymangroup.com

www.perrymangroup.com



Exhibit A

Development and Maintenance of an Economic Index for Midland and the Permian Basin

I. Introduction

The Perryman Group (TPG) The Perryman Group (TPG) is pleased to present this project concept for the development of a summary economic index for Midland and the Permian Basin. This measure would be designed to be easily grasped, while backed by rigorous econometric and statistical modeling. It would also be based on frequently released data to allow for monthly updates and provide detail on individual sectors of the economy.

II. Qualifications

TPG is uniquely qualified to conduct this analysis. Dr. M. Ray Perryman, founder and President of the firm, has extensive experience in econometric modeling, statistical modeling, and other data analysis methods needed for the development of an index for Midland and the Permian Basin.

The Perryman Group has served the needs of more than **2,500 private-sector** clients in numerous industries including

- the **9** largest firms in the US,
- **8 of the 10** largest law firms in the US,
- **3 of the 4** largest domestic foundations,
- the **6** largest energy companies doing business in the US,
- the **12** largest technology companies in the world,
- the **5** largest financial institutions in the US,
- **two-thirds** of the Global 25, and
- more than **one-half** of the Fortune 100.

The firm has also completed over **1,000 public policy studies** on a variety of issues, and Dr. Perryman has served as advisor and/or consultant to several Presidents, numerous House and Senate Committees, 10 Cabinet departments, numerous

foreign governments, and more than 100 other state and federal agencies. He has testified extensively regarding economic, financial, statistical, and damages issues in state and federal courts as well as in more than 100 regulatory proceedings.

Models and Systems

The Perryman Group maintains an extensive set of proprietary models and systems which are ideally suited to this analysis. Dr. M. Ray Perryman, founder and President of the firm, developed the key models to be used in this study in the 1970s and early 1980s and has consistently maintained, expanded, and updated them since that time. The firm also maintains an extensive set of detailed historical data which will be used in the development of an index.

The **US Multi-Regional Econometric Model** provides detailed industry-level is used to provide ongoing forecasts for the various regions and metropolitan areas within the United States. It is formulated in an internally consistent manner and is designed to permit the integration of relevant global, national, state, and local factors into the projection process.

The model is the result of four decades of continuing research in econometrics, economic theory, statistical methods, and key policy issues and behavioral patterns, as well as intensive, ongoing study of all aspects of the global, US, state, metropolitan area, and county economies. It is extensively used by scores of federal and State governmental entities on an ongoing basis, as well as hundreds of major corporations. This model has been used to produce ongoing forecasts of Texas and its regions and counties since the early 1980s and has been extended to include any county or multi-county area in the United States.

The **US Multi-Regional Impact Assessment System (USMRIAS)** is designed to measure the multiplier (or “ripple”) effects of an economic stimulus through the

economy. It has been used in hundreds of applications and public policy studies in all 50 states, has been peer reviewed on numerous occasions, and enjoys an excellent reputation for reliability and credibility. The system reflects the unique industrial structure and characteristics of the United States and every local area within the country.

The USMRIAS is somewhat similar in format to the Input-Output Model of the United States which is maintained by the US Department of Commerce. The model developed by TPG, however, incorporates several important enhancements and refinements. Specifically, the expanded system includes (1) comprehensive 500-sector coverage for any county, multi-county, or urban region; (2) calculation of both total expenditures and value-added by industry and region; (3) direct estimation of expenditures for multiple basic input choices (expenditures, output, income, or employment); (4) extensive parameter localization; (5) price adjustments for real and nominal assessments by sectors and areas; (6) measurement of the induced impacts associated with payrolls and consumer spending; (7) embedded modules to estimate multi-sectoral direct spending effects; (8) estimation of retail spending activity by consumers; and (9) comprehensive linkage and integration capabilities with a wide variety of econometric, real estate, occupational, and fiscal impact models, thus permitting dynamic simulations.

Related Experience

The Perryman Group has analyzed the economic and fiscal effects of various types of economic stimuli on hundreds of occasions over the past four decades. These assessments include effects of corporate locations and expansions, major real estate developments, regulatory and other policy changes, benefits payments, legislative initiatives, tax reform, and numerous others.

The Perryman Group also has extensive experience in index number construction. Dr. Perryman was the first to use econometric models to derive index numbers when he created a measure of Federal Reserve actions while still in graduate school in the 1970s. This measure has been adopted by numerous central banks throughout the world. The Perryman Group has also created industrial production and unit labor cost indices that can be implemented for any county in the US; these measures are widely utilized throughout the country.

Dr. Perryman has been an advisor to the US Department of Labor, the US Department of Commerce, and the Federal Reserve System on various index number construction issues. He also created a technique for weighting various economic measures in an optimal manner. The Perryman Group has developed similar index measures for other clients, and provides a regular quarterly index for multiple regions for a major public investment and financial services firm.

The firm has also conducted a number of studies specifically involving the Permian Basin and Midland. Dr. Perryman developed an econometric model of the areas in the late 1970s and has provided ongoing projections for the region since that time. In addition to the large Priority Midland study which was recently completed, the firm has performed economic development analyses and strategic plans, corporate location impact studies, health care studies, a large-scale study of commercial activity on University Lands, an evaluation of housing patterns and needs, workforce studies, tax policy assessments, studies of tourism and recreation effects of various venues and programs (including new hotels, athletic programs, and cultural amenities), assessments of the costs of homelessness, and many other analyses within the region. The firm recently completed (1) an analysis of the economic impact of the University of Texas Permian Basin; (2) an assessment of the effects of a potential Census undercount on the region; (3) the impact of the Permian Basin on all segments of the Texas economy; (4) economic elements of a strategic plan for the Odessa area; (5) an assessment of literacy issues in the region;

(6) an evaluation of the economic consequences of mental illness in the Permian Basin; (7) six comprehensive economic analyses of the effects of energy in the areas as part of the annual “Power of the Permian” reports by Permian Strategic Partners; (8) an investigation of the relative value of petroleum production in the area for ExxonMobil; and (9) an assessment of the potential benefits of a new library for the Ector County Library Foundation. The firm is presently preparing a comprehensive demographic analysis of the region as part of a comprehensive healthcare investment plan for Beacon Permian.

In summary, TPG brings decades of knowledge and expertise to this endeavor. A short biographical summary for Dr. Perryman and a Firm Profile (attached to this project concept) highlight key aspects of The Perryman Group’s capabilities as well as representative project work and testimony. More detailed information can be found on the firm’s website at www.perrymangroup.com.

III. Scope of Work

- A. TPG will compile research related to this topic including empirical studies related to summary measures of business activity. (TPG is familiar with this literature and, as noted above, Dr. Perryman has published extensively in the field.)
- B. TPG will compile a dataset of reliable data series released with sufficient frequency and granularity to be used as input components of the summary measure. This information will include series that capture patterns in key industries (such as energy, health care, manufacturing, real estate and finance).

- C. TPG will utilize econometric and statistical methods to develop a summary measure. As noted, it is anticipated that this indicator would incorporate industry-level components.
- D. The firm's proprietary models and databases will be used in the development and testing of the summary measure and its individual components. The index will be designed in the same manner as a multi-regional index that TPG has provided for a major financial services firm for the past several years.
- E. TPG will prepare, on a monthly basis, a brief report that provides the latest index values for Midland and the Permian Basin and key sectors and describes the underlying factors causing movement.

IV. Fees and Timing

- A. TPG will complete the initial analysis and provide monthly updates Over the period from October 2025 through September 2026 for one year for an annual fee of \$80,000 plus any direct, out-of-pocket expenses. An initial retainer of one-half of this amount is requested upon project initiation. The remainder will be due of upon completion of the first monthly summary.

V. Other Provisions

- A. Any additional work or appearances will be performed upon request and billed in accordance with the firm's standard rates or be the subject of a separate agreement.

B. TPG will carry appropriate insurance coverage throughout the life of this project. Assuming timely payment of invoices, TPG will hold all sponsoring entities harmless for any debts incurred in the completion of this analysis.

M. RAY PERRYMAN

President & CEO, The Perryman Group
Institute Distinguished Professor of Economic Theory and Method
International Institute for Advanced Studies

ACADEMIC BACKGROUND

Ph.D. in Economics, Rice University
B.S. in Mathematics, Baylor University

SELECTED ACADEMIC/PROFESSIONAL POSITIONS AND ACTIVITY (Current and Former)

Business Economist-in-Residence, Cox School of Business, Southern Methodist University
University Professor and Economist-in-Residence, Baylor University
Herman Brown Professor of Economics, Baylor University
Founder and Director, Center for the Advancement of Economic Analysis, Baylor University
President, Southwestern Economics Association
President, Southwestern Society of Economists
Editor, *The Southwestern Journal of Economic Abstracts*
Editor, *International Series in Economic Modeling* (book series)
Editor and Author, *The Perryman Report & Texas Letter* (monthly economic newsletter)
Editor and Author, *The Perryman Economic Forecast* (subscription forecasting service)
Author, "The Economist" (syndicated weekly newspaper column)
Host, *The Perryman Report*, daily radio broadcast on the Texas State Network
Assistant Editor, *The Journal of Economics*
Contributing Economist, "Marketplace Radio," National Public Radio
Published or presented more than 400 academic papers
Authored or edited 5 books

SELECTED ADVISORY/CONSULTING ACTIVITY (Current and Former)

Advisor or Member for more than 50 governmental entities at the international, federal, state, and regional levels including: Federal Task Force on the Savings and Loan Crisis, Congress of the United States; Joint Economic Committee, Congress of the United States; United States Senate Academic Advisory Committee on the North American Free Trade Agreement; and Governor's Task Force on Economic Growth
Economic Advisor, Federal Reserve System and Federal Home Loan Bank Board
Economic Advisor, United States Senate
Economic Advisor, United States House of Representatives
Economic Advisor, Office of the President
Economic Advisor, US Departments of State, Defense, the Treasury, Labor, Agriculture, the Interior, Commerce, Energy, and Housing and Urban Development
Economic Consultant, Federal Communications Commission
Economic Advisor, Office of the Governor, State of Texas
Economic Advisor, Ministry of Economic Affairs, Republic of China
Chairman of the Board and President, Texas Manufacturing Technology Center
Chairman, Blue Cross & Blue Shield of Texas Affiliate Board

Member, Board of Directors, Health Care Service Corporation (Chair of Finance, Governance and Nominating, and Compensation Committees)
Member, Board of Directors, Real Estate Council of Dallas
Chairman, Texas Legislative Conference
President, Board of Directors, Texas Leadership Institute
Co-Chair, Strategic Advisory Committee, Team Texas: The Future of Nursing, Robert Wood Johnson Foundation
Member, Board of Visitors, Scott & White Hospital
Director, Women's Financial Services, Southern Methodist University
Advisory Director, Texas Association of Business and Chambers of Commerce
Advisory Director, Chase Bank
Director of projects, studies, and analyses for more than 2,000 clients, including major corporations, public utilities, government agencies, and financial services groups
Published more than 2,500 trade articles and columns

SELECTED HONORS AND AWARDS

Doctoris Honoris Causa degree, International Institute for Advanced Studies
Lifetime Achievement Award, International Institute for Advanced Studies
Citation for Outstanding Initiative in Promoting World Trade, China External Development and Trade Administration
Honorary Lifetime Fellow, National Academy of Nursing
Citation for Meritorious Efforts in Promoting World Capitalism (including the People's Republic of China), The Democracy Foundation
Citation for Promoting International Academic Exchange, The Asia and World Institute
Citation for Outstanding Advisory Contributions, Congress of the United States
Presidential Medal of Merit
First Recipient, "Ray Perryman Leadership Award," Texas Association of Nurse Practitioners
Award for Outstanding Research Achievement in Economic Modeling, Systems Research Foundation
Outstanding Texas Leader (John Ben Shepperd Memorial Award)
Outstanding Alumnus in Economic Research, Rice University
Named the Outstanding Young Person in the World in the Field of Economics and Business Innovation, one of five Outstanding Young Texans, one of ten Outstanding Young Americans, and one of ten Outstanding Young Persons in the World
2012 Texan of the Year, Texas Legislative Conference
2013 Distinguished Service Medal, Baylor University
2014 Texas Leadership Hall of Fame, JBS Leadership Institute
2016 Cesar E. Chavez Conscience Builders Award, Cesar E. Chavez Legacy and Educational Foundation
2018 Most Dynamic Economic Researcher in the US by Global Business Insights
2019 Chairman's Award for Lifetime Achievement in Economic Development from the International Economic Development Council
2019 "Go Global" Award for Economic Analysis from the International Trade Council
Recognized by Texas Legislature for "tireless efforts in helping to build a better Texas" and "shaping the economic future of the state; extensive contributions to economic growth in the Lone Star State"

THE PERRYMAN GROUP

Firm Profile and Capabilities

The Perryman Group (TPG) specializes in all aspects of economic analysis, research, and forecasting. Led by Dr. M. Ray Perryman, the organization enjoys a worldwide reputation for its forecasting, modeling efforts, and high-profile public policy studies. For more than 30 years, the firm has provided some of the most innovative approaches in the industry to meet the needs of thousands of clients.

IMPACT ASSESSMENT

Over more than three decades, The Perryman Group has developed a reputation for quality impact assessment techniques. The firm maintains a set of impact evaluation models which can be applied in numerous contexts. These systems have been employed in projects measuring economic effects of various activities around the globe. Specific industrial detail can be provided for more than 500 industries at the national, state, regional, metropolitan statistical area (MSA), and county level.

Previous studies include (among hundreds of others) the economic impact of site locations, utility rate changes, infrastructure development, new transportation facilities, tourism and cultural attractions, regulatory changes, educational programs and investments, legislative changes, economic development initiatives, insurance and judicial reform, immigration policy, water resources, health care facilities and initiatives, mixed-use real estate developments, and communications and Internet policy. In addition to traditional economic aggregates such as employment, income, sales, expenditures, and gross product, TPG also provides projections of consumer spending, secondary development, occupational categories, and fiscal revenues.

REGULATORY ANALYSIS

The Perryman Group has considerable experience and expertise in providing support for regulatory proceedings and initiatives. Previous projects have included analyzing the effects of utility and transportation rate changes on consumers and industrial concerns and evaluating the need for new electric facilities, water projects, transportation projects, and telecommunications investments. The firm also has experience in assessing the economic aspects of environmental regulations, energy policy, insurance, automobile dealerships, and other sectors subject to regulatory oversight. In addition, testimony has been provided before state and federal regulatory bodies on hundreds of occasions.

LITIGATION SUPPORT AND EXPERT TESTIMONY

For litigation support and expert testimony purposes, The Perryman Group investigates and testifies on a variety of issues. Providing research, analysis, and testimony on behalf of major US law firms and their clients in complex matters, the Perryman team has addressed topics including security markets, intellectual property, employment, forensics, officers' and directors' liability,

real estate markets, cash flow estimation, environmental and natural resource factors, lender liability, valuation, taxation, damage measurement, business losses, and antitrust issues. Dr. Perryman has successfully testified on numerous occasions and is well known for making the most difficult material and concepts readily accessible and easy to understand for any audience.

PUBLIC POLICY

The Perryman Group frequently prepares public policy studies that play a key role in shaping legislation. Representative topics include energy deregulation, communications (telephone, Internet, and cable), judicial reforms, insurance, transportation (water, air, rail, trucking, and highway funding), financial services, health care, economic development, education funding and policy, taxation, social services, oil and gas development, pipelines, mergers and acquisitions, competition, real estate, franchising, legal aid, and international trade). Analysis by the firm often plays a key role in policy formulation and implementation. More than 1,000 studies have been prepared.

ECONOMIC DEVELOPMENT AND STRATEGIC PLANNING

The Perryman Group has assisted communities, states, regions, and nations in comprehensive economic development efforts. The firm also aids corporations in determining appropriate sites for new facilities and negotiating suitable arrangements. Efforts by The Perryman Group have played a positive role in the creation of hundreds of thousands of jobs. In particular, the firm provided the underlying analysis that led to the creation of major economic development programs in Texas that are widely regarded as the state-of-the-art.

In today's world, economic development means different things in different places. For some communities, it is investing in major infrastructure programs to support future production. In others, it's attracting traditional manufacturing establishments. In still others, it's creating a base of small or large "high-tech" facilities. Some areas or institutions want to become distribution or service centers; others want to capitalize on an existing natural resource base. In many instances, the primary objective is to retain and expand existing firms; the top priority can also be establishing an environment that is conducive to small company startups. Companies and educational organizations also have multiple objectives, ranging from improved labor rates to opportunities for technology transfer.

Utilizing systems specifically geared to economic development, the firm's consultants can identify "target industries" that are likely to expand in the near future and be a complement to the local resource base. Through detailed analysis of workforce characteristics, the existing industrial base, quality-of-life factors, and local attitudes and perceptions, the firm can craft positive plans to maximize opportunities and go the extra mile to ensure their implementation.

FORECASTING AND MODELING

The firm has developed and maintains a full range of international, national, regional, state, metropolitan area, and small area (zip code, census tract, etc.) forecasting and modeling capabilities. In particular, Dr. Perryman has developed large-scale econometric and impact

assessment models that have been used in hundreds of projects across all 50 states and many foreign countries. These systems and the accompanying data resources permit forecasting of energy demand and supply, real estate market absorption, retail sales, infrastructure needs, industrial performance (manufacturing and service), transportation demand, financial markets, bond feasibility, construction costs, investment returns, and numerous other applications. In addition, projections regarding labor markets, demographics, global markets and trade, and cost factors such as wage rates and capital costs are generated for clients and subscribers on a frequent basis. Forecasts have been provided in a subscription service for more than three decades. The firm is on retainer to various entities (such as financial institutions and electricity providers) to supply ongoing information.

PUBLICATIONS

The Perryman Group prepares several publications on a regular basis. The forecast series provides an in-depth analysis of the national, state, regional, and local economies in the state of Texas. The Perryman Report & Texas Letter is a monthly newsletter that provides analysis of local, statewide, national, and international issues, with particular attention given to how they impact the economy in Texas.

PRESENTATIONS

Nationally recognized as an informative and entertaining speaker, Dr. M. Ray Perryman addresses audiences from all walks of life. Dr. Perryman has established a reputation for communicating often dry subjects in an effective and humorous fashion. Other presentations include specialized seminars on the economic outlook, industrial trends and patterns, economic development, and forecasting techniques.

In addition, the firm often provides briefings to corporate boards of directors and senior management personnel on a variety of topics, including assessment of national and regional economic conditions, trends in specific industries, patterns in international trade, and strategic planning in an uncertain business environment.

AST & Science
Economic
Development
Agreement
Amendment

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THAT CERTAIN ECONOMIC DEVELOPMENT AGREEMENT ENTERED INTO ON APRIL 22, 2025 BETWEEN THE MIDLAND DEVELOPMENT CORPORATION AND AST & SCIENCE, LLC

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of an amendment to that certain economic development agreement entered into on April 22, 2025 between the Midland Development Corporation and AST & Science, 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 amendment to that certain economic development agreement entered into on April 22, 2025 between the Midland Development Corporation and AST & Science, LLC. Said amendment being attached hereto as Exhibit A and incorporated herein for all purposes.

SECTION TWO. 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 amendment.

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

**AMENDMENT TO THE ECONOMIC DEVELOPMENT AGREEMENT
BETWEEN THE MIDLAND DEVELOPMENT CORPORATION
AND AST & SCIENCE, LLC**

THIS AMENDMENT is made and effective September 8, 2025, by and between the **Midland Development Corporation** (“MDC”) a Type A corporation existing under the authority of Chapter 504 of the Texas Local Government Code, and **AST & Science, LLC**, a Delaware limited liability company (“AST”).

WHEREAS, MDC and AST entered into that certain Economic Development Agreement dated April 22, 2025 (the “*Agreement*”), which was approved by the Midland Development Corporation Board of Directors and the Midland City Council; and

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

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

W I T N E S S E T H:

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

1) Article II(E) of the Agreement is hereby amended to read in its entirety as follows:

“E. “*Facility*” means the single facility located at 2908 Enterprise Lane, Midland, Texas 79706 that houses office space and testing and fabrication rooms.

2) The Agreement, inclusive of this Amendment, is hereby ratified and affirmed by AST and MDC, and the Agreement shall in all respects remain in full force and effect in accordance with its provisions and as amended above.

[Signature Pages Follow]

Exhibit A

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

MIDLAND DEVELOPMENT
CORPORATION

P. Lourcey Sams, Chairman

ATTEST:

Elvie Brown, Secretary

AST & SCIENCE, LLC

By: _____

Name: _____

Title: _____

THE STATE OF §
 §
COUNTY OF §

BEFORE ME, _____, a notary public, on this day personally appeared _____ of AST & SCIENCE, LLC, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said company for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, A.D., 2025.

Notary Public, in and for
the State of _____

AST & Science Commercial Lease Amendment

RESOLUTION NO. _____

RESOLUTION AUTHORIZING THE EXECUTION OF AN AMENDMENT TO THAT CERTAIN COMMERCIAL LEASE AGREEMENT ENTERED INTO ON APRIL 22, 2025 BETWEEN THE MIDLAND DEVELOPMENT CORPORATION AND AST & SCIENCE, LLC REGARDING A CERTAIN FACILITY WITH AN ADDRESS OF 2908 ENTERPRISE LANE LOCATED AT THE MIDLAND INTERNATIONAL AIR & SPACE PORT

WHEREAS, the Board of Directors finds it to be in the public interest to authorize the execution of an amendment to that certain commercial lease agreement entered into on April 22, 2025 between the Midland Development Corporation and AST & Science, LLC regarding a certain facility with an address of 2908 Enterprise Lane located at the Midland International Air & Space Port;

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 amendment to that certain commercial lease agreement entered into on April 22, 2025 between the Midland Development Corporation and AST & Science, LLC regarding a certain facility with an address of 2908 Enterprise Lane located at the Midland International Air & Space Port. Said amendment being attached hereto as Exhibit A and incorporated herein for all purposes.

SECTION TWO. 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 amendment.

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

**AMENDMENT TO THE COMMERCIAL LEASE AGREEMENT
BETWEEN THE MIDLAND DEVELOPMENT CORPORATION
AND AST & SCIENCE, LLC**

THIS AMENDMENT is made and effective September 8, 2025, by and between the **Midland Development Corporation** (“MDC” or “Landlord”), a Type A corporation existing under the authority of Chapter 504 of the Texas Local Government Code, and **AST & Science, LLC**, a Delaware limited liability company (“Lessee”).

WHEREAS, MDC and Lessee entered into that certain Commercial Lease Agreement dated April 22, 2025 (the “Agreement”), for the lease a certain facility with an address at 2908 Enterprise Lane located at the Midland Air & Space Port for economic development purposes, which was approved by the Midland Development Corporation Board of Directors and the Midland City Council; and

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

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

W I T N E S S E T H:

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

1) The third recital is hereby amended to read in its entirety as follows:

“WHEREAS, MDC has constructed a single facility on said real property (the “**Facility**”) that houses office space, testing and fabrication rooms; and”

2) The portion of the Agreement titled “LEASE INFORMATION” is hereby amended to reflect that “Lessee’s Proportionate Share of the Facility” shall be One Hundred Percent (100%).

3) Article 1.01 of the Agreement is hereby amended to read in its entirety as follows:

“1.01 **Leased Premises:** MDC agrees to lease to Lessee the Facility located at 2908 Enterprise Lane on Lot 1A, Block 13, Industrial Park Regional Air Terminal, Unit 12, Midland, Midland County, Texas (the “**Leased Premises**”), and being more particularly shown on **Exhibit A** attached hereto and incorporated by reference.”

4) Article 1.04 of the Agreement is hereby deleted in its entirety.

5) Article 3.01 of the Agreement is hereby amended to read in its entirety as follows:

Exhibit A

“3.01 Amount of Monthly Rent (“Rent”): \$21,713.33 \$16/SF(16,285 sq. ft.) /Year Lessee shall pay Landlord Rent in the amount of Twenty-One Thousand Seven Hundred Thirteen and 33/100 Dollars (\$21,713.33) per month on or before the tenth (10th) business day of each month as a fixed rent for the next month’s rent. Rent for any fractional month at the beginning or end of the Lease Term shall be prorated on a per-day basis (also see Article 15 below).”

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

[Signature Pages Follow]

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

MIDLAND DEVELOPMENT
CORPORATION

P. Lourcey Sams, Chairman

ATTEST:

Elvie Brown, Secretary

AST & SCIENCE, LLC

By:

Name:

Title:

THE STATE OF §
 §
COUNTY OF §

BEFORE ME, _____, a notary public, on this day personally appeared _____ of AST & SCIENCE, LLC, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of said company for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE THIS _____ day of _____, A.D., 2025.

Notary Public, in and for
the State of _____

Income Statement

MIDLAND DEVELOPMENT CORPORATION
INCOME STATEMENT FOR THE 10 MONTHS ENDED
July 31, 2025

	Jul-25	YTD	Budgeted Amount
Revenue	\$1,529,581.66	\$12,891,895.65	\$14,976,644.00
40100 - State Sales Tax	\$1,387,548.82	\$11,398,990.90	\$14,000,000.00
40600 - Public ROW Use Fees	\$0.00	\$4,823.00	\$0.00
43000 - Interest	\$0.00	\$163,500.00	\$0.00
43010 - Interest - Nonpooled Invest	\$42,373.84	\$394,547.02	\$0.00
47005 - Government Contributions	\$0.00	\$0.00	\$0.00
46190 - Miscellaneous Rentals	\$99,659.00	\$923,502.00	\$976,644.00
48480 - Reimbursement of Budget Exp	\$0.00	\$6,532.73	\$0.00
49112 - Incr/Decr In Fair Value of Inv	\$0.00	\$0.00	\$0.00
4235150 - Midland Dvlpmt Corp Revenue	\$1,529,581.66	\$12,891,895.65	\$14,976,644.00

Expense	\$2,411,071.27	\$12,339,710.11	\$14,976,644.00
51010 - Base Salary	\$31,025.21	\$297,924.73	\$408,238.00
51090 - Fica MDC Portion	\$2,393.67	\$21,970.80	\$32,976.00
51110 - Health Insurance	\$1,438.74	\$18,714.64	\$41,100.00
51135 - ACCE Profit Sharing	\$350.00	\$6,954.02	\$26,127.00
52010 - Office Supplies	\$515.40	\$8,055.54	\$6,500.00
52110 - Motor Vehicle Supplies	\$20.00	\$609.73	\$1,000.00
52115 - Minor Furniture & Fixtures	\$0.00	\$0.00	\$2,000.00
52155 - Minor Computer Hrdwre & Periph	\$0.00	\$3,089.47	\$5,000.00
52160 - Computer Software & Supplies	\$649.50	\$19,713.54	\$40,000.00
52620 - Postage	\$0.00	\$204.51	\$700.00
53010 - Communication	\$1,075.76	\$11,340.54	\$17,000.00
53030 - Light & Power	\$7.64	\$82.92	\$150.00
53110 - Insurance-External	\$0.00	\$12,766.12	\$150,000.00
53212 - Equipment Rental-External	\$334.98	\$3,014.82	\$5,000.00
53220 - Advertising	\$18,675.59	\$250,943.86	\$300,000.00
53370 - Grounds Maintenance	\$2,622.49	\$23,700.19	\$50,000.00
53405 - Software Maintenance	\$1,777.74	\$1,777.40	\$20,000.00
53440 - External Audit Fees	\$0.00	\$34,500.04	\$45,000.00
53450 - Consulting Fees	\$37,041.67	\$298,137.09	\$500,000.00
53510 - Travel & Entertainment	\$535.44	\$13,929.52	\$15,000.00
53520 - Dues & Subscriptions	\$1,266.02	\$16,820.63	\$20,000.00
53530 - Training,Registration Fees,Etc	\$0.00	\$772.00	\$10,000.00
53905 - Economic Development Incentive	\$8,645.00	\$2,220,537.90	\$6,246,827.00
53907 - Business Recruitment & Retentn	\$10,825.70	\$113,514.83	\$120,000.00
53909 - Prior Year Committed Incentives	\$2,167,514.67	\$6,189,828.67	\$4,251,988.00
53920 - Rent	\$6,118.26	\$60,951.45	\$71,466.00
54010 - Building Maintenance	\$298.60	\$114,918.10	\$125,000.00
55120 - Maint. - Instruments & Appara.	\$293.52	\$4,174.67	\$2,000.00
56188 - MOTRAN	\$0.00	\$142,500.00	\$142,500.00
56202 - General Fund Services	\$35,617.67	\$356,176.70	\$427,412.00
56410 - Payment of Principal	\$0.00	\$0.00	\$70,605.00
56420 - Interest Expense	\$0.00	\$0.00	\$6,595.00
56910 - Depreciation Expense	\$0.00	\$0.00	\$416,460.00
56995 - Project Non Capital - Promotions	\$82,028.00	\$398,028.95	\$1,400,000.00
57000 - Capital Land Purchases	\$0.00	\$1,584,556.73	\$0.00
57002 - Capital Improvements Other Than Buildings	\$0.00	\$79,500.00	\$0.00
57005 - Infrastructure	\$0.00	\$30,000.00	\$0.00
235235 - Midland Development Corp	\$2,411,071.27	\$12,339,710.11	\$14,976,644.00

July 2025 Net Income: (\$881,489.61)

Year-to-Date Net Income: \$552,185.54

Balance Sheet

MIDLAND DEVELOPMENT CORPORATION
BALANCE SHEET FOR THE PERIOD ENDED
July 31, 2025
(Used for Internal Purposes Only)

ASSETS

Current Assets

Cash and cash equivalents	37,034,628	
Investments	5,961,285	
Sales tax receivable	-	
Prepaid expenses	134,721	
Accounts receivable	83,500	
	<u> </u>	43,214,134

Non-Current Assets

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

Total Assets \$ 69,653,325

LIABILITIES AND NET POSITION

Liabilities

Accounts payable	184,417	
Retainage Payable	130,200	
Capital Leases payable	523,818	
Commitments payable		
Due within one year	7,781,997	
Due in more than one year	57,070,428	
Total Commitments Payable	<u> </u>	<u> </u>
		65,690,861

Net Position

Net investment in capital assets	26,432,611	
Restricted for Forgivable Loans	6,579	
Restricted for Capital Leases	523,818	
Promotions	3,017,051	
Unrestricted	(26,017,595)	
	<u> </u>	<u> </u>
		3,962,464

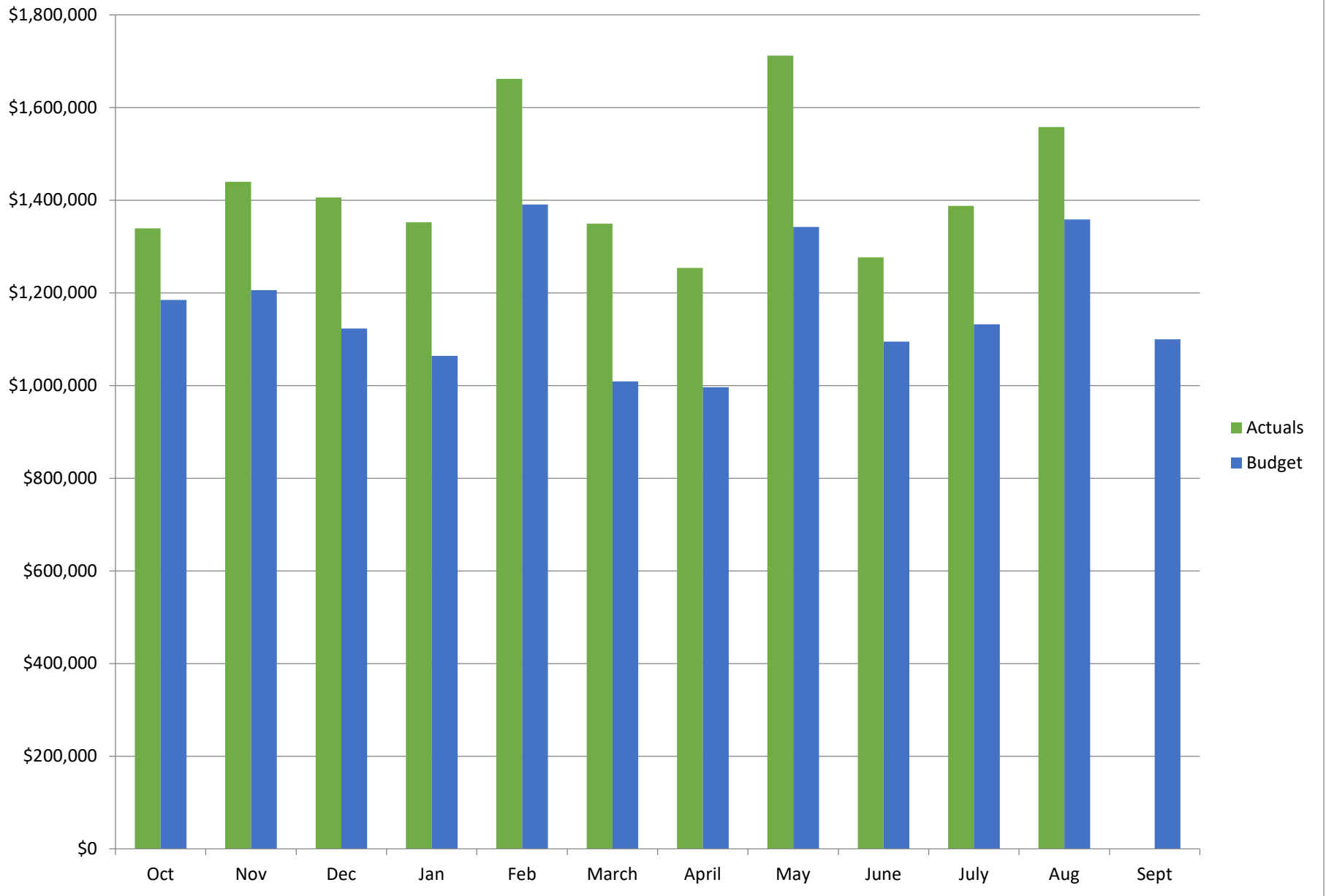
Total Liabilities and Net Position \$ 69,653,325

Sales Tax Revenue

Sales Tax Variance

	2022-2023	2023-2024	% Change	2023-2024	2024-2025	% Change	YTD Change
October	\$1,416,510.48	\$1,376,937.05	2.87%	\$1,376,937.05	\$1,339,067.34	-2.75%	-2.75%
November	\$1,364,595.51	\$1,526,083.42	-10.58%	\$1,526,083.42	\$1,439,817.92	-5.65%	-4.28%
December	\$1,380,834.52	\$1,363,408.12	1.28%	\$1,363,408.12	\$1,405,626.04	3.10%	-1.92%
January	\$1,358,336.22	\$1,290,650.15	5.24%	\$1,290,650.15	\$1,352,302.16	4.78%	-0.36%
February	\$1,649,985.00	\$1,673,418.77	-1.40%	\$1,673,418.77	\$1,662,116.28	-0.68%	-0.44%
March	\$1,344,612.50	\$1,191,145.36	12.88%	\$1,191,145.36	\$1,349,307.23	13.28%	1.50%
April	\$1,266,881.01	\$1,226,873.37	3.26%	\$1,226,873.37	\$1,253,723.43	2.19%	1.59%
May	\$1,597,917.80	\$1,474,708.24	8.35%	\$1,474,708.24	\$1,711,737.58	16.07%	3.51%
June	\$1,325,843.43	\$1,350,292.64	-1.81%	\$1,350,292.64	\$1,276,629.36	-5.46%	2.54%
July	\$1,395,392.32	\$1,404,616.05	-0.66%	\$1,404,616.05	\$1,387,548.82	-1.22%	2.16%
August	\$1,662,691.61	\$1,598,380.46	4.02%	\$1,598,380.46	\$1,557,782.82	-2.54%	1.67%
September	\$1,328,790.99	\$1,298,093.07	2.36%	\$1,298,093.07			
Annual Total	\$17,092,391.39	\$16,774,606.70	-1.86%	\$16,774,606.70	\$15,735,658.98		

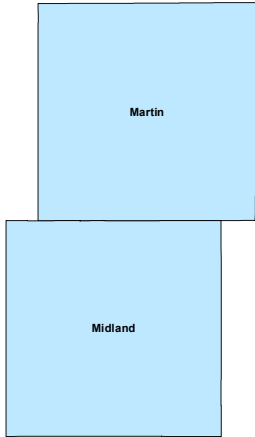
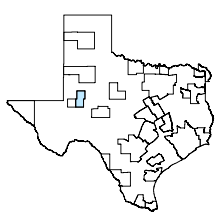
Sales Tax Actuals vs Budget Estimates



Activity Report

Midland MSA

July 2025

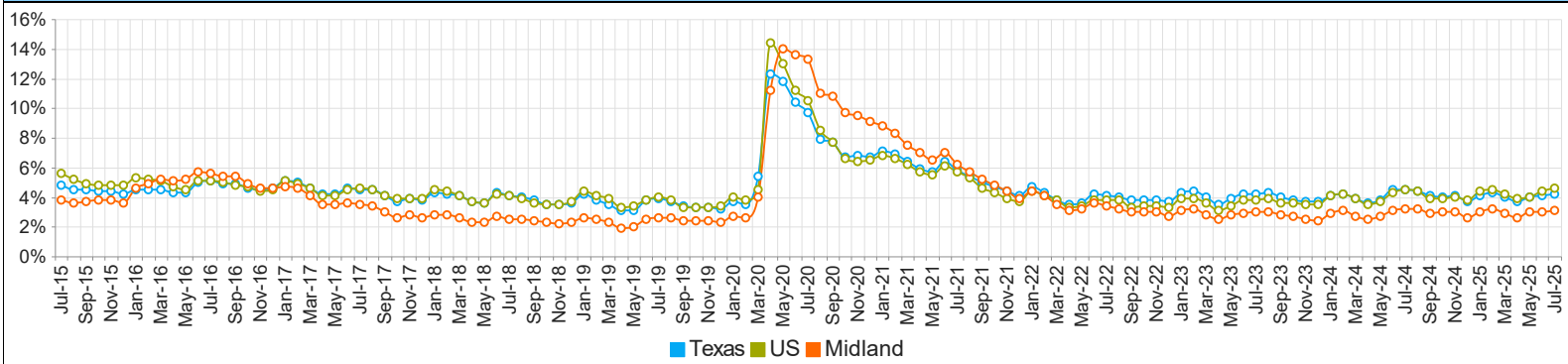


MSA Labor Force Statistics				
	Jul-25	Jun-25	Jul-24	Yearly Change
Civilian Labor Force	106,300	106,128	103,758	2,542
Employed	102,970	102,960	100,455	2,515
Unemployed	3,330	3,168	3,303	27
Unemployment Rate	3.1%	3.0%	3.2%	-0.1%

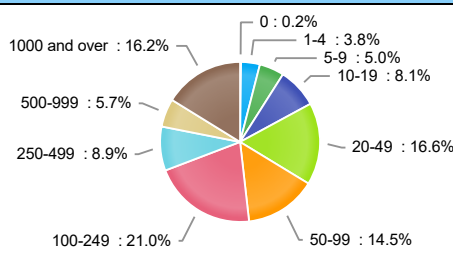
Texas Labor Force Statistics				
	Jul-25	Jun-25	Jul-24	Yearly Change
Civilian Labor Force	15,829,465	15,844,376	15,681,116	148,349
Employed	15,157,405	15,200,009	14,968,877	188,528
Unemployed	672,060	644,367	712,239	-40,179
Unemployment Rate	4.2%	4.1%	4.5%	-0.3%

US Labor Force Statistics				
	Jul-25	Jun-25	Jul-24	Yearly Change
Civilian Labor Force	171,646,000	171,343,000	169,723,000	1,923,000
Employed	163,799,000	163,883,000	162,038,000	1,761,000
Unemployed	7,847,000	7,460,000	7,685,000	162,000
Unemployment Rate	4.6%	4.4%	4.5%	0.1%

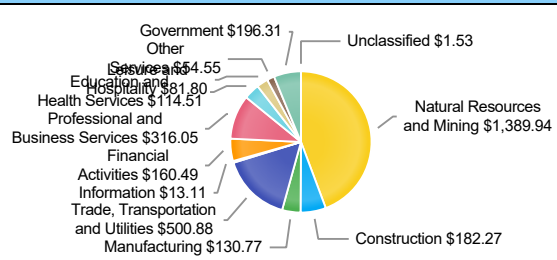
Historical Unemployment Rates



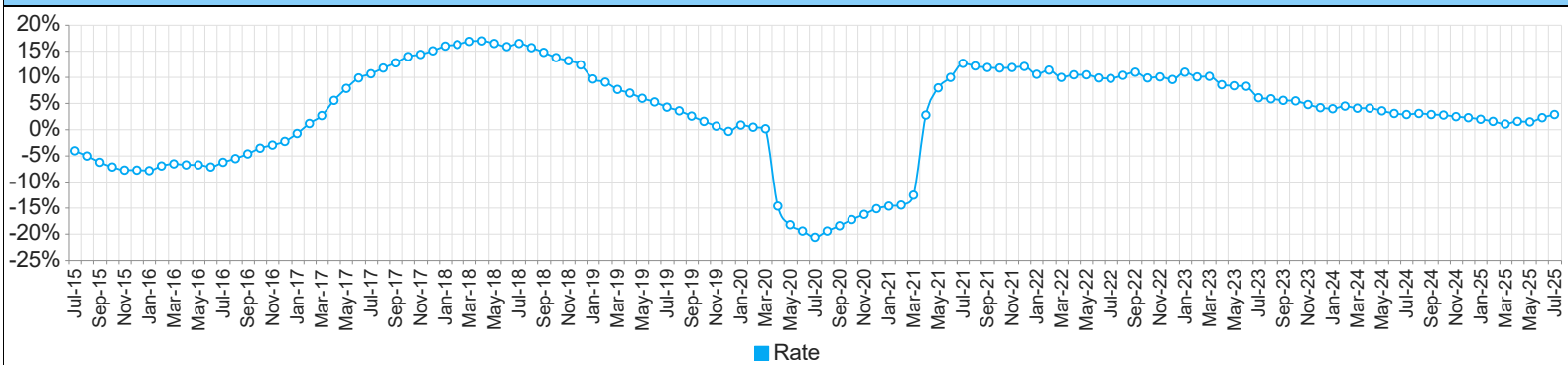
Employment by Size Class (1st Quarter 2025)



Wages by Industry (in millions) (1st Quarter 2025)



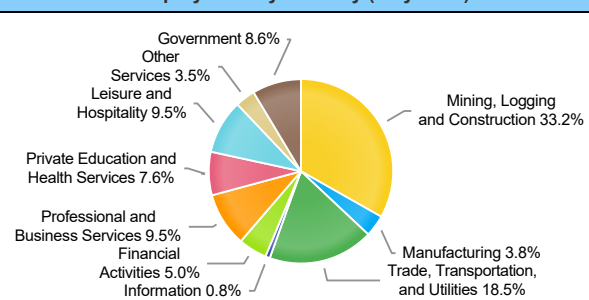
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (July 2025)

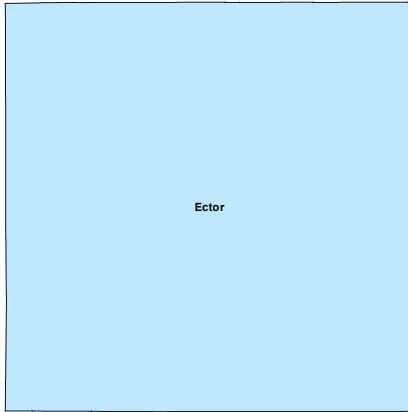
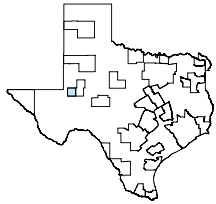
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	126,900	-0.4%	2.8%
Mining, Logging and Construction	42,100	-0.5%	-0.2%
Manufacturing	4,800	0.0%	2.1%
Trade, Transportation, and Utilities	23,500	-0.4%	2.2%
Information	1,000	0.0%	0.0%
Financial Activities	6,400	0.0%	1.6%
Professional and Business Services	12,000	0.8%	1.7%
Private Education and Health Services	9,700	0.0%	21.2%
Leisure and Hospitality	12,100	-0.8%	2.5%
Other Services	4,400	0.0%	-2.2%
Government	10,900	-1.8%	6.9%

Employment by Industry (July 2025)



Odessa MSA

July 2025



Ector

MSA Labor Force Statistics

	Jul-25	Jun-25	Jul-24	Yearly Change
Civilian Labor Force	87,875	88,067	86,690	1,185
Employed	84,544	84,937	83,358	1,186
Unemployed	3,331	3,130	3,332	-1
Unemployment Rate	3.8%	3.6%	3.8%	0.0%

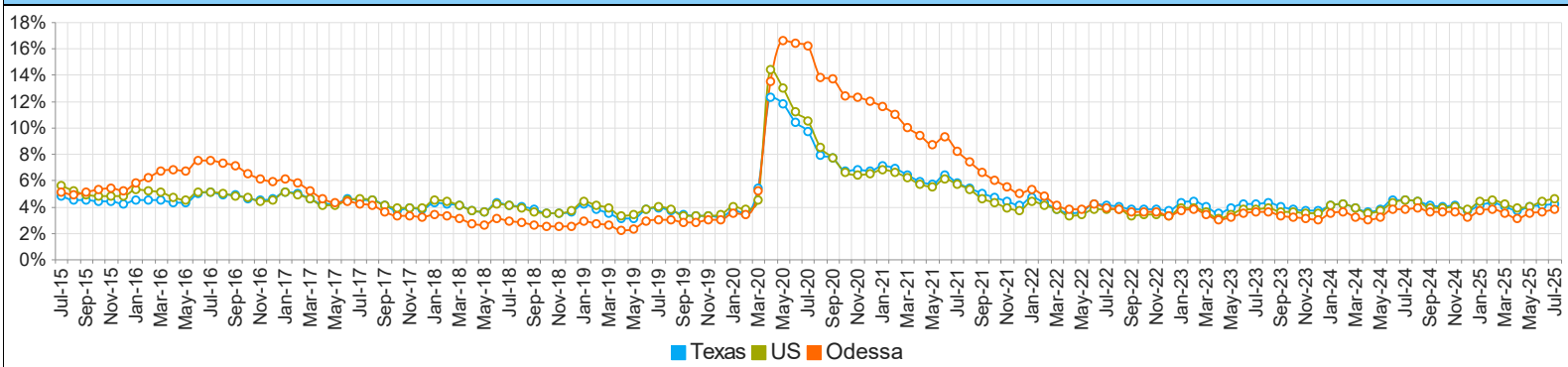
Texas Labor Force Statistics

	Jul-25	Jun-25	Jul-24	Yearly Change
Civilian Labor Force	15,829,465	15,844,376	15,681,116	148,349
Employed	15,157,405	15,200,009	14,968,877	188,528
Unemployed	672,060	644,367	712,239	-40,179
Unemployment Rate	4.2%	4.1%	4.5%	-0.3%

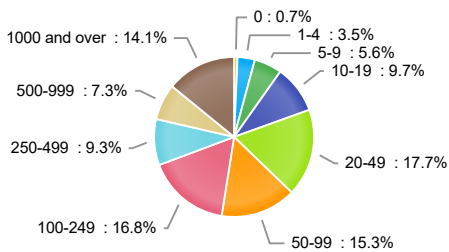
US Labor Force Statistics

	Jul-25	Jun-25	Jul-24	Yearly Change
Civilian Labor Force	171,646,000	171,343,000	169,723,000	1,923,000
Employed	163,799,000	163,883,000	162,038,000	1,761,000
Unemployed	7,847,000	7,460,000	7,685,000	162,000
Unemployment Rate	4.6%	4.4%	4.5%	0.1%

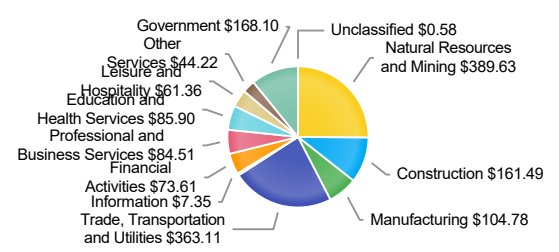
Historical Unemployment Rates



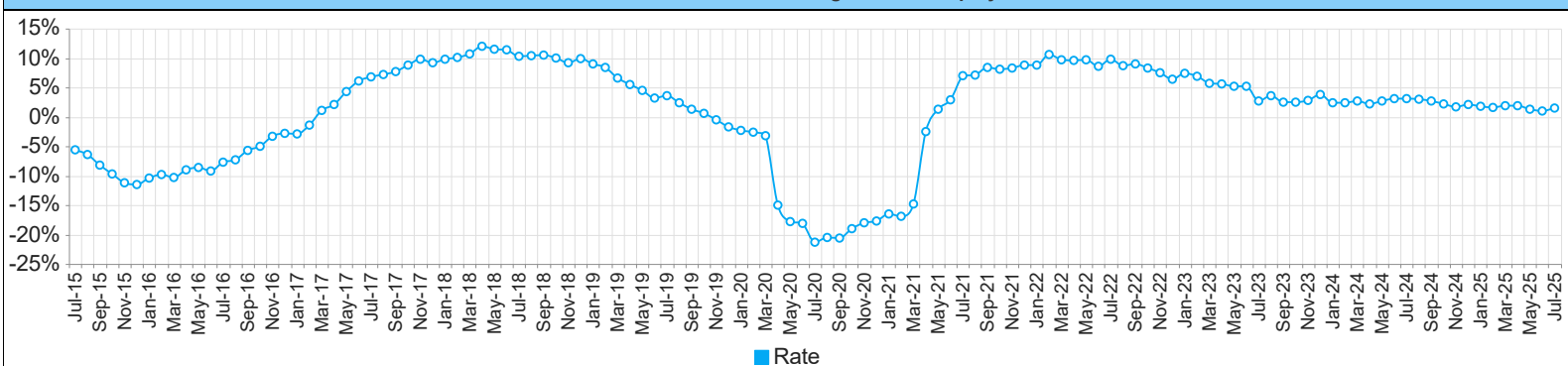
Employment by Size Class (1st Quarter 2025)



Wages by Industry (in millions) (1st Quarter 2025)



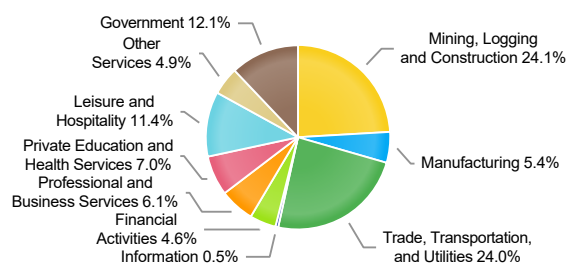
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (July 2025)

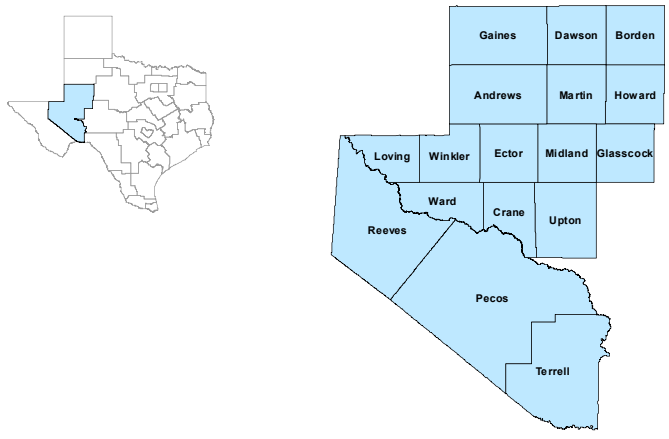
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	83,400	-0.7%	1.5%
Mining, Logging and Construction	20,100	0.5%	3.1%
Manufacturing	4,500	0.0%	0.0%
Trade, Transportation, and Utilities	20,000	1.0%	0.5%
Information	400	0.0%	0.0%
Financial Activities	3,800	2.7%	2.7%
Professional and Business Services	5,100	0.0%	-1.9%
Private Education and Health Services	5,800	0.0%	3.6%
Leisure and Hospitality	9,500	-1.0%	0.0%
Other Services	4,100	2.5%	0.0%
Government	10,100	-9.0%	3.1%

Employment by Industry (July 2025)



Permian Basin Workforce Development Area

July 2025



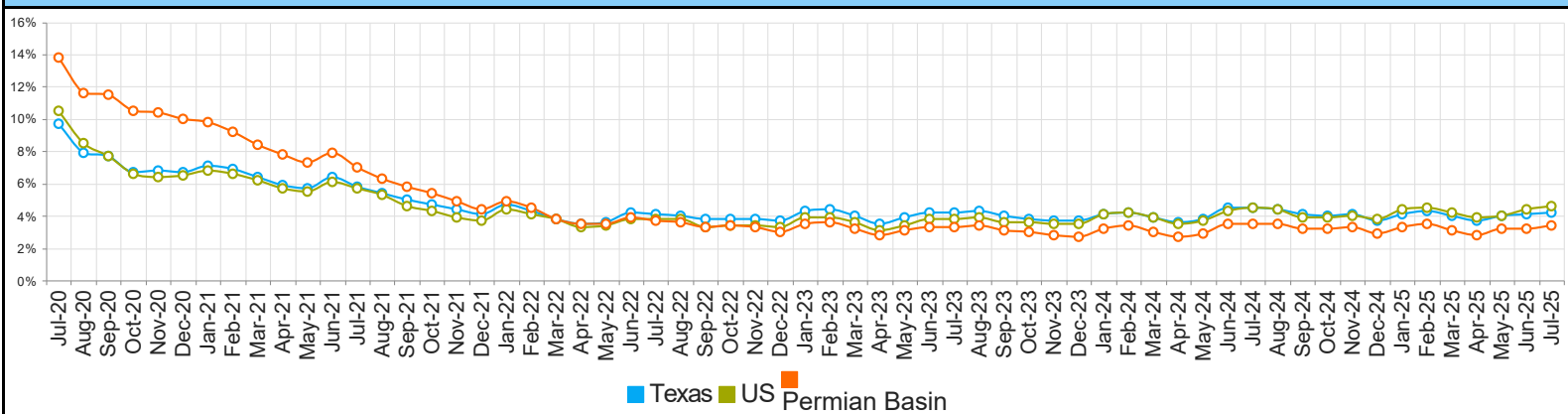
WDA Labor Force Statistics				
	Jul-25	Jun-25	Jul-24	Yearly Change
Civilian Labor Force	263,416	263,411	257,839	5,577
Employed	254,426	254,907	248,762	5,664
Unemployed	8,990	8,504	9,077	-87
Unemployment Rate	3.4%	3.2%	3.5%	-0.1%

Texas Labor Force Statistics				
	Jul-25	Jun-25	Jul-24	Yearly Change
Civilian Labor Force	15,829,465	15,844,376	15,681,116	148,349
Employed	15,157,405	15,200,009	14,968,877	188,528
Unemployed	672,060	644,367	712,239	-40,179
Unemployment Rate	4.2%	4.1%	4.5%	-0.3%

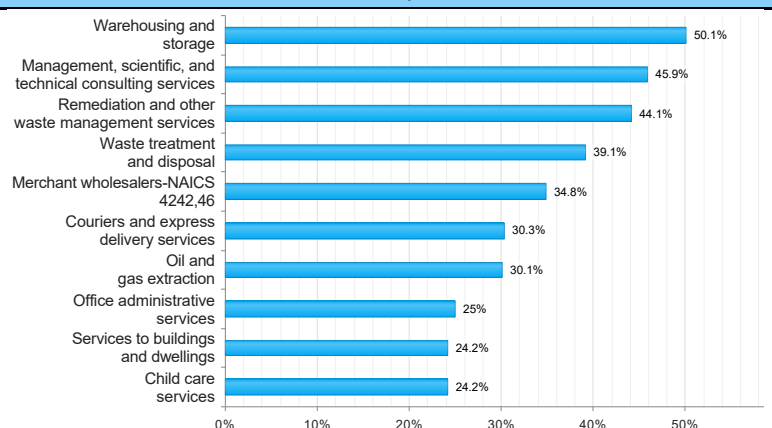
US Labor Force Statistics				
	Jul-25	Jun-25	Jul-24	Yearly Change
Civilian Labor Force	171,646,000	171,343,000	169,723,000	1,923,000
Employed	163,799,000	163,883,000	162,038,000	1,761,000
Unemployed	7,847,000	7,460,000	7,685,000	162,000
Unemployment Rate	4.6%	4.4%	4.5%	0.1%

Continued Claims for the Week of the 12th				
	Jul-25	Jun-25	Jul-24	Yearly Change
WDA	1,687	1,616	1,368	319
Texas	150,209	144,350	141,163	9,046

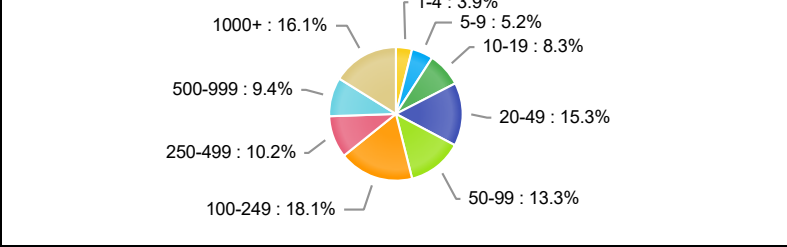
Historical Unemployment Rates



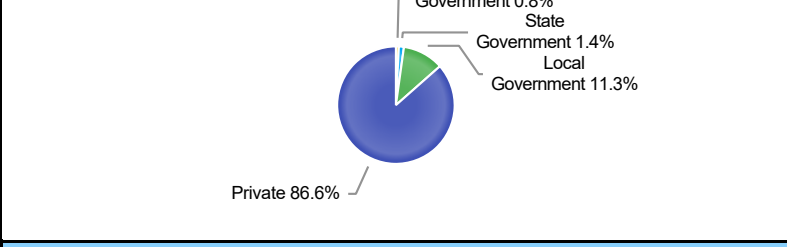
Projected Top Ten Fastest Growing Industries in WDA (% Growth 2022-2032)



Employment by Size Class (1st Quarter 2025)



Employment by Ownership (1st Quarter 2025)

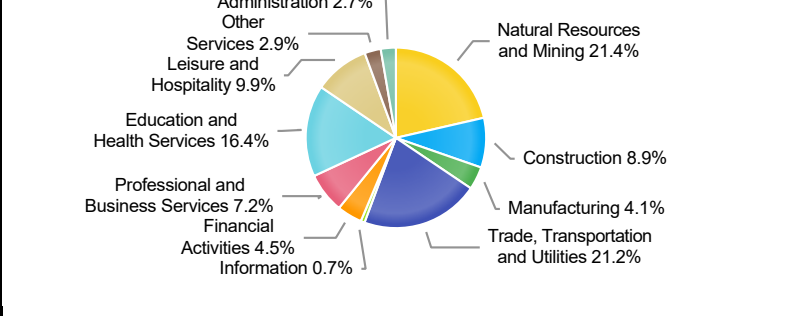


Average Weekly Wage (1st Quarter 2025)					
	Q1 2025	Q4 2024	Q1 2024	Quarterly Change	Yearly Change
WDA	\$1,719	\$1,663	\$1,689	\$56	\$30
Texas	\$1,587	\$1,488	\$1,539	\$99	\$48
US	N/A	\$1,507	\$1,526	N/A	N/A

Employment by Industry (1st Quarter 2025, Percent Change)

Industry	Employment	% of Total	% Quarterly Change	% Yearly Change
Natural Resources and Mining	56,482	21.4%	-1.3%	-0.4%
Construction	23,622	8.9%	-3.8%	3.5%
Manufacturing	10,913	4.1%	3.0%	1.0%
Trade, Transportation and Utilities	56,050	21.2%	-0.5%	2.5%
Information	1,876	0.7%	-0.1%	8.3%
Financial Activities	11,939	4.5%	-0.6%	5.2%
Professional and Business Services	18,923	7.2%	-2.2%	-0.7%
Education and Health Services	43,443	16.4%	0.1%	3.8%
Leisure and Hospitality	26,035	9.9%	-0.9%	-0.6%
Other Services	7,701	2.9%	0.4%	2.2%
Public Administration	7,123	2.7%	-0.2%	2.7%

Employment by Industry (1st Quarter 2025)



*The average weekly wage for U.S. for the latest quarter is not available. It will be updated shortly.