



CITY OF CONROE

CIDC MEETING

June 18th, 2020 @ 4:00 pm

via Zoom

**NOTICE OF REGULAR MEETING
BOARD OF DIRECTORS
CONROE INDUSTRIAL DEVELOPMENT CORPORATION**

**CITY COUNCIL CHAMBERS – CONROE CITY HALL – 300 WEST DAVIS, CONROE
THURSDAY, June 18, 2020 – 4:00 p.m.**

DUE TO THE COVID-19 PANDEMIC EMERGENCY AND THE NEED TO IMPLEMENT SOCIAL DISTANCING THE GOVERNOR OF TEXAS HAS SUSPENDED THE APPLICATION OF CERTAIN LAWS RELATED TO THE PHYSICAL ASSEMBLY OF A QUORUM OF BOARD MEMBERS AND PERMITTING GOVERNMENTAL BODIES TO CONDUCT MEETINGS TELEPHONICALLY OR BY VIDEO CONFERENCING. MEMBERS OF THE CITY COUNCIL MAY ATTEND AND PARTICIPATE IN THIS MEETING BY TELEPHONE, VIDEO CONFERENCING OR BY THEIR PHYSICAL ATTENDANCE AT THE POSTED MEETING LOCATION.

MEMBERS OF THE PUBLIC MAY VIEW THE OPEN MEETING ONLINE AT www.CityofConroe.org/OurCityTV

PROVISION WILL BE MADE VIA TOLL FREE PHONE NUMBER FOR CITIZEN COMMENT DURING ANY PUBLIC HEARING OR CITIZENS INQUIRY TIME DESIGNATED ON THE MEETING AGENDA: 877-853-5257 (Toll Free) or 888-475-4499 (Toll Free) Webinar ID: 856 3201 1630.

IN ACCORDANCE WITH GUIDELINES AND DIRECTIVES RELATED TO PUBLIC ASSEMBLIES DURING THE PRESENT EMERGENCY THE PHYSICAL ASSEMBLY OF PERSONS IN THE COUNCIL CHAMBERS WILL BE LIMITED TO NO MORE THAN TEN (10) PERSONS. CITIZENS WHO DESIRE TO VIEW THE MEETING OR MAKE PUBLIC COMMENT ARE ENCOURAGED TO USE THE WEB LINK.

CONROE CITY COUNCIL MEETING NOTICE

A quorum of the Conroe City Council may attend this meeting, including any executive session that is closed to the general public. This notice shall also serve as notice of a meeting of the City Council as required by the Texas Open Meetings Act. No action shall be taken by the City Council during this meeting and any deliberations between a quorum of the City Council shall be limited to the items posted below and shall be incidental to the meeting of the development corporation.

CALL TO ORDER - CALL OF ROLL

- 1. Minutes of prior meeting(s)**
- 2. Recess regular meeting to conduct Public Hearings on the following City of Conroe CIP infrastructure projects benefitting Conroe Park North Industrial Park:**
 - a. Water Supply Elevated Storage Tank at Conroe Park North - \$3,045,000**
 - b. 10,200 linear foot Water Line Extension from SH 75 to FM 1484 through Conroe Park North - \$3,066,000**
 - c. Traffic Signal for Conroe Park North at the intersection of Seven Coves Road and Farrell Road - \$370,000**
- 3. Approve funding for Conroe Park North Elevated Storage Tank - \$3,045,000**

It is the policy of the Board of Directors to afford disabled persons maximum access to all public meetings. The Board of Directors will make reasonable accommodations to address the needs of persons with vision or hearing impairments or other disabilities, including the provision of readers or sign language interpreters when requested reasonably in advance.

4. Approve funding for 10,200 linear foot Water Line Extension - \$3,066,000
5. Approve funding for Traffic Signal at the intersection of Seven Coves Road and Farrell Road - \$370,000
6. Monthly Financial Report
7. Quarterly Investment Report
8. Review of CIDC FY 20-21 Proposed Budget
9. Approve purchase of a generator for the Deison Technology Park as recommended by the Director of Public Works
10. Closed session deliberation(s) concerning:
 - a) the offer of a financial incentive – Gov. Code § 551.087
 - b) purchase, exchange or value of real property § 551.072
11. Contract(s)/Offer(s) for sale and purchase of land
12. Executive Director’s Report
 - a. Marketing and promotional activities
 - b. New business prospects, expansion and relocation activities
 - c. Industrial and Technology park development activities
 - d. Land sales
13. Payment of Invoices
14. ADJOURN

EXECUTIVE SESSION: At any time during the meeting the Board may announce it will go into closed session pursuant to Chapter 551 of the Texas Government Code to receive advice from legal counsel, to discuss the offer of a financial incentive for economic development purposes, to discuss matters of land acquisition, personnel matters or other lawful matters that are specifically related to items listed on this agenda. Prior to any such closed session the presiding officer, in open session, will identify the agenda item to be discussed and the section or sections of Chapter 551 under which the closed discussion is authorized.

ORDER OF BUSINESS: The Board may vote and/or act upon each of the items listed in this agenda in an order considered to be convenient to the public and the Board. One agenda item will be discussed at a time unless logic and practical consideration allow similar topics to be considered together for efficiency.

ACTION: The Board may vote on and authorize any action reasonably related to an agenda item and neither the use nor omission of words such as “discuss”, “consider”, “approve” or “act” shall be deemed to limit the authority of the Board to act with respect to an agenda item.



Marcus L. Winberry, Board Secretary

I certify that the above notice of meeting was posted on bulletin board in the City Hall, 300 West Davis, and in other places accessible to the public on the 12th day of June, 2020.



Marcus L. Winberry, Board Secretary

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ITEM 1

MINUTES OF PRIOR MEETING(S)

**MINUTES OF THE BOARD OF DIRECTORS
CONROE INDUSTRIAL DEVELOPMENT CORPORATION
REGULAR BOARD MEETING OF MAY 21, 2020**

On May 21, 2020 the Board of Directors of the Corporation did meet via Zoom teleconference due to the COVID-19 pandemic, written notice of the time, place and subject of said public meeting having been previously given in accordance with Texas Government Code, Chapter 551 and the pandemic emergency procedures authorized by the Governor and Attorney General of the State of Texas, and to each Director of the Corporation in the manner provided by law.

All of the following members were present:

George Waggoner
Keaton Hineman
Chip VanSteenberg
Seth Gibson
Toby Powell
Raymond McDonald
Duke Coon

Members absent were:

Other persons in attendance included:

Paul Virgadamo, President
Steve Williams, Treasurer
Marcus Winberry, Secretary
Danielle Scheiner, Executive Director CEDC
Tommy Woolley, Director of Capital Projects - Engineering
Norman McGuire, Director of Public Works

A quorum of the Board was present and the Chairman convened the meeting.

Item 1. A Motion by **Director Powell** seconded by **Director Gibson** to:

APPROVE AS SUBMITTED THE MINUTES OF THE MEETING OF
APRIL 16, 2020

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
George Waggoner			
Chip VanSteenberg			
Seth Gibson			
Keaton Hineman			
Duke Coon			
Raymond McDonald			
Toby Powell			

The motion was passed and adopted.

Item 2. A Motion by **Director Powell** seconded by **Director VanSteenberg** to:

APPROVE THE MONTHLY FINANCIAL REPORT FOR MARCH 2020 AS PRESENTED

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
George Waggoner			
Chip VanSteenberg			
Seth Gibson			
Keaton Hineman			
Duke Coon			
Raymond McDonald			
Toby Powell			

The motion was passed and adopted.

Item 3. A Motion by **Director Powell** seconded by **Director VanSteenberg** to:

RIGHT OF FIRST REFUSAL PURCHASE AGREEMENT WITH SUPRA AMERICA REAL ESTATE, LLC FOR RESTRICTED RESERVE C IN CONROE PARK NORTH SECTION 7

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
George Waggoner			
Chip VanSteenberg			
Seth Gibson			
Keaton Hineman			
Duke Coon			
Raymond McDonald			
Toby Powell			

The motion was passed and adopted.

Item 4. DISCUSSION OF CITY OF CONROE REQUEST FOR CAPITAL IMPROVEMENT FUNDING. *(These requests were to seek approval to move forward with the Public Hearing process to set action.)*

Tommy Woolley and Norman McGuire discussed with our CIDC Board Members the requests for capital improvement funding for:

A. TRAFFIC SIGNAL ON SEVEN COVES ROAD AT FARRELL ROAD - \$370,000

B. WATER LINE EXTENSION AT WALLY WILKERSON ROAD TO FM 1484 - \$3,066,000

C. WATER WELL AND STORAGE AT TOM STINSON RD. AND TECHNOLOGY PARK DR. - \$6,147,000

*** THIS WILL ONLY BE FOR STORAGE TANKS AND NOT THE WATER WELL.**

No formal action was taken but the President directed the staff to proceed with publication of public hearing notices to consider the items at a future meeting.

Item 5. At 4:33 pm the Chairman recessed the regular meeting for an Executive Session to deliberate the offer of financial incentive and deliberate concerning the sale, purchase, exchange or value of real property.

At 4:45 pm the Chairman reconvened the regular meeting.

Item 6. CONTRACT(S)/OFFER(S) FOR SALE AND PURCHASE OF LAND

A Motion by **Director Gibson** seconded by **Director VanSteenberg** to:

RECOMMENDATION FOR A CONTRACT WITH PILECO, INC.

One contract was presented for the sale of 9.94 acres of land in Conroe Park North for the standard price of \$2.50 per square foot with PileCo, Inc.

<u>For</u>	<u>Against</u>	<u>Abstained</u>	<u>Absent</u>
George Waggoner			
Chip VanSteenberg			
Seth Gibson			
Keaton Hineman			
Duke Coon			
Raymond McDonald			
Toby Powell			

The motion was passed and adopted.

Item 7. Executive Director's Report - Danielle Scheiner gave an updated activity and status report.

Item 8. Payment of Invoices - no invoices were presented for payment.

Item 9. With no further items for discussion, the meeting was adjourned at 4:55 pm.

CERTIFICATE OF CORPORATE SECRETARY

I hereby certify that the above and foregoing minutes were approved and adopted by majority vote of the Board of Directors on the ____ day of June, 2020.

Signed this ____ day of June, 2020.

Board Secretary

ITEM 2

RECESS REGULAR MEETING TO CONDUCT PUBLIC HEARINGS ON THE FOLLOWING CITY OF CONROE CIP INFRASTRUCTURE PROJECTS BENEFITTING CONROE PARK NORTH INDUSTRIAL PARK:

- A. WATER SUPPLY ELEVATED STORAGE TANK AT CONROE PARK NORTH - \$3,045,000**
- B. 10,200 LINEAR FOOT WATER LINE EXTENSION FROM SH 75 TO FM 1484 THROUGH CONROE PARK NORTH - \$3,066,000**
- C. TRAFFIC SIGNAL FOR CONROE PARK NORTH AT THE INTERSECTION OF SEVEN COVES ROAD AND FARRELL ROAD - \$370,000**

NOTICE OF PROPOSED PROJECT AND PUBLIC HEARING

Notice is hereby given that the Board of Directors of the Conroe Industrial Development Corporation, a Type B development corporation operating under Texas Local Government Code Chapters 501, 502 and 505, will conduct a Public Hearing on Thursday, June 18, 2020, at 4:00 p.m. in the Council Chambers of the City Hall located at 300 West Davis Street in Conroe, Texas.

The purpose of the public hearing is to receive public comment on the following infrastructure projects to be undertaken by the City of Conroe at the expense of the corporation for the purposes of providing enhanced utility service and traffic management benefitting the Conroe Park North Industrial Park:

- a. Water Supply Elevated Storage Tank at Conroe Park North - \$3,045,000
- b. 10,200 linear foot Water Line Extension from SH 75 to FM 1484 through Conroe Park North - \$3,066,000
- c. Traffic Signal for Conroe Park North at the intersection of Seven Coves Road and Farrell Road - \$370,000

The meeting will be conducted by video conferencing. Members of the public may attend in person or may view the open meeting online at www.CityofConroe.org/OurCityTV

Persons wishing to comment during the public hearing may do so during the designated time by calling 877-853-5257 (Toll Free) or 888-475-4499 (Toll Free) Webinar ID: 856 3201 1630

All interested persons are invited to make comment.

Marcus L. Winberry, Board Secretary

ITEM 3

**APPROVE FUNDING FOR CONROE
PARK NORTH ELEVATED STORAGE
TANK - \$3,045,000**

Capital Improvement Program

Report data returned based on the user's security permissions. **Project Sheet**

Project Type:	Water	Project Code:	TBD
Project Title:	Water Plant EST - In the Industrial Park and Technology Park Area (CIDC)		
Project Manager:	Engineering		
Location Description:	In the Industrial Park and Technology Park Area		
Project Summary:	This project includes the installation of a 1.0 million gallon elevated storage tank adjacent to the Industrial Park and Technology Park area. Exact location to be determined.		

Start Date:	10/1/2022
Completion Date:	9/30/2023

Project Forecast

Object Code	2021	2022	2023	2024	2025	2026-2030	Total Cost
Funding Source							
6550 - Transfer In	-	945,000	2,100,000	-	-	-	3,045,000
Total Funding Source	-	\$945,000	\$2,100,000	-	-	-	\$3,045,000
Expenditure							
9030 - Improvements >\$5,000	-	945,000	2,100,000	-	-	-	3,045,000
Total Expenditure	-	\$945,000	\$2,100,000	-	-	-	\$3,045,000

Budget Details

Object Codes	Comments	Object Code Subtotals	2021 Budget
Expenditure			
90 - Capital Outlay			
9030 - Improvements >\$5,000		-	
9030 - Improvements >\$5,000	Construction	-	
Total			

Operating Impact

No data found for the selected parameters and user's security permissions.

Capital Improvement Program

Report data returned based on the user's security permissions

Project Sheet

Project Type:

Water

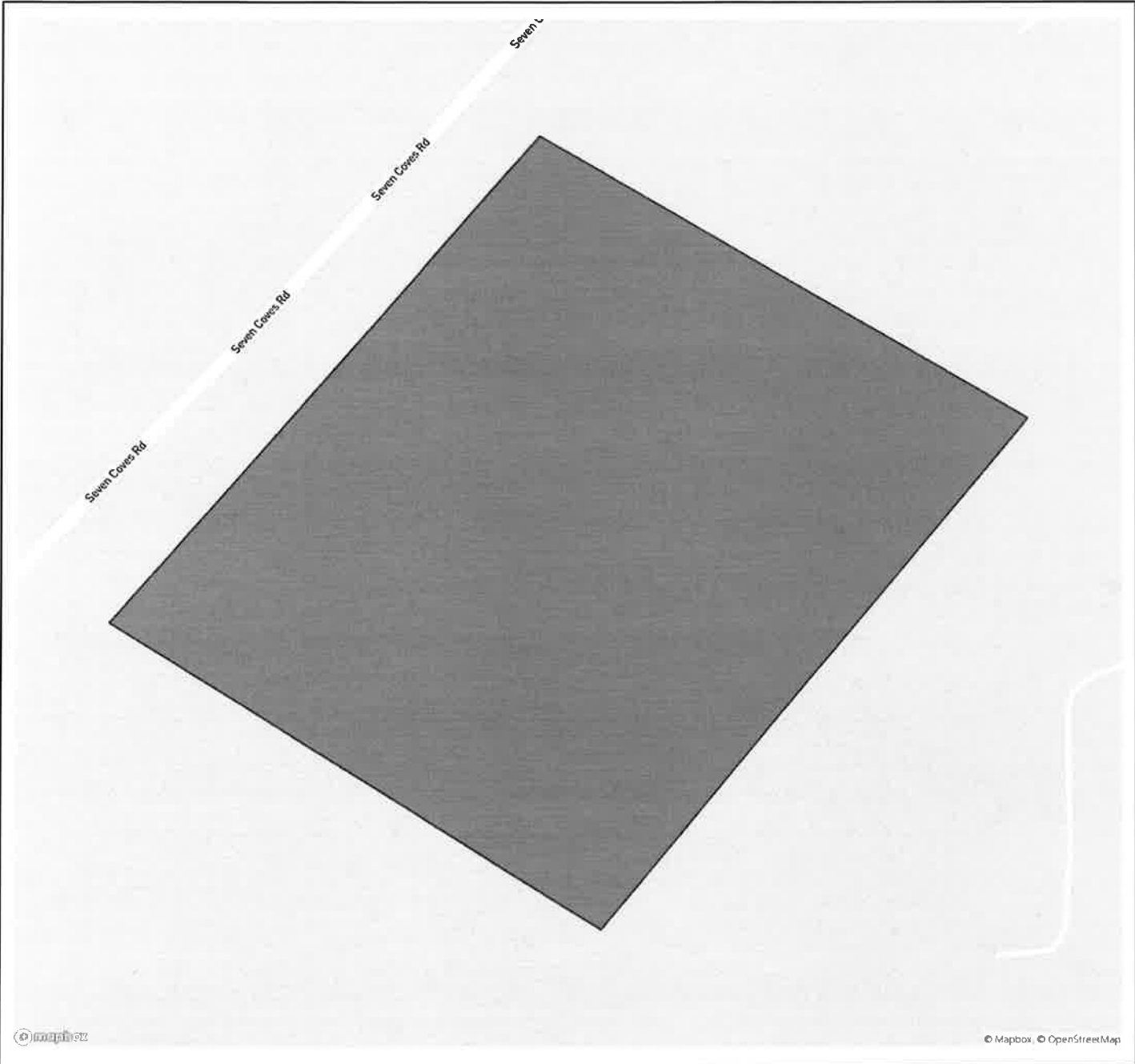
Project Code:

TBD

Project Title:

Water Plant EST - In the Industrial Park and Technology Park Area (CIDC)

Location:



ITEM 4

**APPROVE FUNDING FOR 10,200
LINEAR FOOT WATER LINE
EXTENSION - \$3,066,000**

Capital Improvement Program

Project Sheet

Report data returned based on the user's security permissions.

Project Type:	Water	Project Code:	TBD-024
Project Title:	Water Line Extension - Wally Wilkerson to FM 1484 (CIDC)		
Project Manager:	Engineering		
Location Description:	Wally Wilkerson SH 75 to Conroe Park West Drive & Pollok Drive to FM 1484		
Project Summary:	<p>This project is to install approximately 10,200 linear feet of 12" water line along Wally Wilkerson from SH 75 to Conroe Park West Drive and from Pollok Drive to FM 1484. The water line extension will provide service and an interconnected loop system in the northeast area of Conroe to Conroe Park North Industrial Park and Deison Technology Park. In addition, it will extend a water line under FM 1484 to the Deison Technology Park.</p>		

Start Date:	10/1/2020
Completion Date:	9/30/2021

Project Forecast

Object Code	2021	2022	2023	2024	2025	2026-2030	Total Cost
Funding Source							
6550 - Transfer In	3,066,000	-	-	-	-	-	3,066,000
Total Funding Source	\$3,066,000	-	-	-	-	-	\$3,066,000
Expenditure							
9030 - Improvements >\$5,000	3,066,000	-	-	-	-	-	3,066,000
Total Expenditure	\$3,066,000	-	-	-	-	-	\$3,066,000

Budget Details

Object Codes	Comments	Object Code Subtotals	2021 Budget
Expenditure			
90 - Capital Outlay			
9030 - Improvements >\$5,000		3,066,000	
Total		\$3,066,000	

Operating Impact

No data found for the selected parameters and user's security permissions.

Capital Improvement Program

Report data returned based on the user's security permissions

Project Sheet

Project Type:

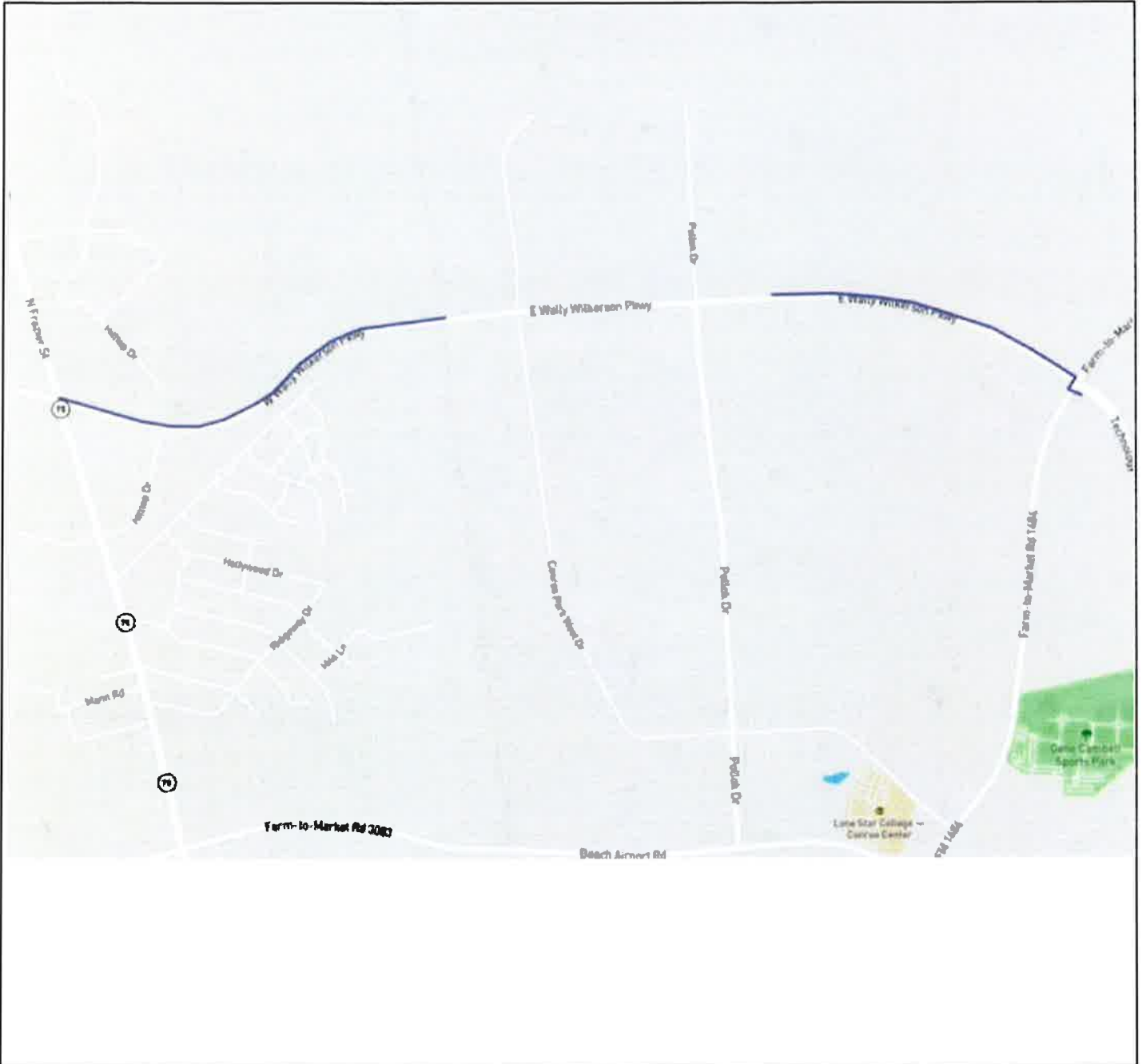
Water

Project Code: TBD-024

Project Title:

Water Line Extension - Wally Wilkerson to FM 1484 (CIDC)

Location:



ITEM 5

**APPROVE FUNDING FOR TRAFFIC
SIGNAL AT THE INTERSECTION OF
SEVEN COVES ROAD AND FARRELL
ROAD - \$370,000**

Capital Improvement Program

Report data returned based on the user's security permissions. **Project Sheet**

Project Type:	Signals	Project Code:	TBD
Project Title:	Signal - Seven Coves at Farrel Road (CIDC)		
Project Manager:	Engineering		
Location Description:	Intersection of Seven Coves Road and Farrel Road		
Project Summary:	Install Highway Traffic Signal (mast arms) to TxDOT standards.		

Start Date:	10/1/2022
Completion Date:	9/30/2023

Project Forecast

Object Code	2021	2022	2023	2024	2025	2026-2030	Total Cost
Funding Source							
6550 - Transfer In	-	-	370,000	-	-	-	370,000
Total Funding Source	-	-	\$370,000	-	-	-	\$370,000
Expenditure							
9030 - Improvements >\$5,000	-	-	370,000	-	-	-	370,000
Total Expenditure	-	-	\$370,000	-	-	-	\$370,000

Budget Details

Object Codes	Comments	Object Code Subtotals	2021 Budget
Expenditure			
90 - Capital Outlay			
9030 - Improvements >\$5,000	Construction	-	
9030 - Improvements >\$5,000	Planning/Design	-	
Total			-

Operating Impact

No data found for the selected parameters and user's security permissions.

Capital Improvement Program

Report data returned based on the user's security permissions

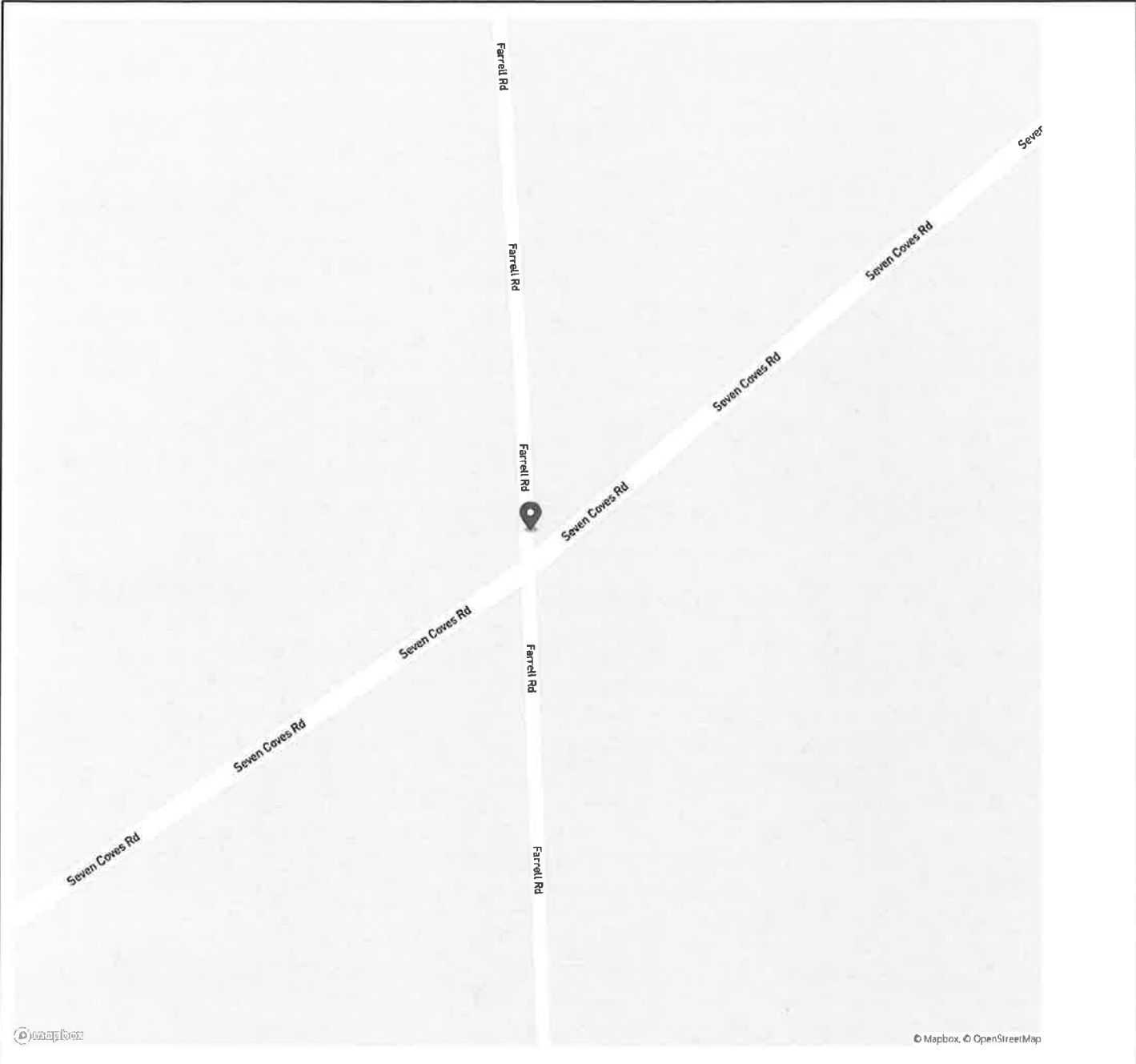
Project Sheet

Project Type: Signals

Project Code: TBD

Project Title: Signal - Seven Coves at Farrel Road (CIDC)

Location:



ITEM 6

MONTHLY FINANCIAL REPORT

CIDC Monthly Treasurer's Report
Annual Funding Schedule and Cash Flows
 April 2020

		CIDC Fund						
		FY 19/20 Budget	FY 19/20 Estimate	Current Period	Encum- brances	YTD @ 4/30/20 (Incl. Enc.)	Over/ (Under) Budget	YTD as % of Budget
BEGINNING FUND BALANCE		\$ 34,657,669	\$ 34,657,669			\$ 34,657,669		
REVENUES								
4040	Sales Tax	\$ 11,681,425	\$ 11,542,379	\$ 900,045	\$ -	\$ 7,172,045	\$ (4,509,380)	61.4%
6010	Interest	585,547	485,547	34,765	-	348,453	(237,094)	59.5%
6035	Land Sales	-	5,061,256	-	-	5,061,256	5,061,256	N/A
TOTAL REVENUE		\$ 12,266,972	\$ 17,089,182	\$ 934,810	\$ -	\$ 12,581,754	\$ 314,782	102.6%
EXPENDITURES								
7010	Salaries	\$ 391,703	\$ 391,703	\$ 39,733	\$ -	\$ 221,197	\$ (170,506)	56.5%
7012	Salaries Part-time	14,549	14,549	-	-	554	(13,995)	3.8%
7020	Overtime	-	5	-	-	5	5	N/A
7025	Social Security	31,212	31,212	2,977	-	15,736	(15,476)	50.4%
7030	Retirement & Pension	63,616	63,616	6,453	-	36,045	(27,571)	56.7%
7035	Workers' Comp	1,101	1,101	-	-	636	(465)	57.8%
7040	Insurance	93,750	93,750	7,813	-	54,688	(39,063)	58.3%
Total Personnel Services		\$ 595,931	\$ 595,936	\$ 56,975	\$ -	\$ 328,861	\$ (267,070)	55.2%
7110	Office Supplies	\$ 8,000	\$ 5,140	\$ 103	\$ -	\$ 4,309	\$ (3,691)	53.9%
7180	Equipment Repairs	1,500	500	-	-	-	(1,500)	0.0%
7200	Other Oper. Supplies	900	350	-	-	80	(820)	8.9%
7253	Furn & Fixtures <\$5,000	1,000	5,271	-	-	5,271	4,271	527.1%
7254	Mach & Equip <\$5,000	-	2,968	-	-	2,968	2,968	N/A
Total Supplies		\$ 11,400	\$ 14,229	\$ 103	\$ -	\$ 12,628	\$ 1,228	110.8%
8010	Utilities	\$ 22,000	\$ 12,847	\$ 1,449	\$ -	\$ 10,368	\$ (11,632)	47.1%
8030	Legal Services	3,000	3,000	-	-	-	(3,000)	0.0%
8050	Travel & Training	120,454	104,494	1,995	-	66,137	(54,317)	54.9%
8060	Contract Svcs (CIDC Debt Service)	5,500	5,500	-	-	-	(5,500)	0.0%
8060	Contract Svcs (CIDC General Fund)	492,027	492,027	41,001	90,174	325,729	(166,298)	66.2%
8063	Incentives	1,654,604	1,628,575	-	1,111,921	1,111,921	(542,683)	67.2%
8350	Legal Newspaper Notices	2,000	2,000	251	-	679	(1,321)	33.9%
8520	Transfer Out	14,034,430	10,136,923	29,311	-	2,952,105	(11,082,325)	21.0%
Total Contractual		\$ 16,334,015	\$ 12,385,366	\$ 74,006	\$ 1,202,094	\$ 4,466,940	\$ (11,867,075)	27.3%
9600	Principal	\$ 3,690,000	\$ 3,655,000	\$ -	\$ -	\$ -	\$ (3,690,000)	0.0%
9610	Interest	2,992,673	2,881,926	-	-	1,427,297	(1,565,376)	47.7%
9615	Handling Charges	1,391	1,391	-	-	750	(641)	53.9%
Total Debt Service		\$ 6,684,064	\$ 6,538,317	\$ -	\$ -	\$ 1,428,047	\$ (5,256,017)	21.4%
TOTAL EXPENDITURES		\$ 23,625,410	\$ 19,533,848	\$ 131,085	\$ 1,202,094	\$ 6,236,476	\$ (17,388,934)	26.4%
Debt Service Reserve		\$ 6,215,879	\$ 6,215,879			\$ 6,215,879		
Land Sales (574 acre portion) (Fund 047)		\$ 7,214,904	\$ 2,502,276			\$ 2,502,276		
ENDING FUND BALANCE		\$ 24,298,256	\$ 28,499,400			\$ 37,289,344		

Notes:

1. Incentives updated as of 4/30/2020.

CIDC Monthly Treasurer's Report
Annual Funding Schedule and Cash Flows
 April 2020

	FY 20/21 Budget	FY 21/22 Budget	FY 22/23 Budget	FY 23/24 Budget	FY 24/25 Budget	FY 25/26 Budget
BEGINNING FUND BALANCE	\$ 28,499,400	\$ 13,613,005	\$ 14,547,077	\$ 15,803,416	\$ 17,403,190	\$ 19,138,380
REVENUES						
4040 Sales Tax	\$ 11,138,584	\$ 11,249,970	\$ 11,362,470	\$ 11,476,094	\$ 11,590,855	\$ 11,706,764
6010 Interest	233,511	235,846	238,205	240,587	242,992	245,422
6035 Land Sales	-	-	-	-	-	-
TOTAL REVENUE	\$ 11,372,095	\$ 11,485,816	\$ 11,600,674	\$ 11,716,681	\$ 11,833,848	\$ 11,952,186
EXPENDITURES						
7010 Salaries	\$ 359,840	\$ 370,635	\$ 381,754	\$ 393,207	\$ 405,003	\$ 417,153
7012 Salaries Part-time	-	-	-	-	-	-
7020 Overtime	-	-	-	-	-	-
7025 Social Security	20,150	20,755	21,377	22,018	22,679	23,359
7030 Retirement & Pension	61,399	63,241	65,138	67,092	69,105	71,178
7035 Workers' Comp	19,720	20,312	20,921	21,549	22,195	22,861
7040 Insurance	94,411	97,243	100,161	103,165	106,260	109,448
Total Personnel Services	\$ 555,520	\$ 572,186	\$ 589,351	\$ 607,032	\$ 625,243	\$ 644,000
7110 Office Supplies	\$ 8,000	\$ 8,240	\$ 8,487	\$ 8,742	\$ 9,004	\$ 9,274
7180 Equipment Repairs	1,500	1,545	1,591	1,639	1,688	1,739
7200 Other Oper. Supplies	900	927	955	983	1,013	1,043
7253 Furn & Fixtures <\$5,000	1,000	1,030	1,061	1,093	1,126	1,159
7254 Mach & Equip <\$5,000	-	-	-	-	-	-
Total Supplies	\$ 11,400	\$ 11,742	\$ 12,094	\$ 12,457	\$ 12,831	\$ 13,216
8010 Utilities	15,000	15,450	15,914	16,391	16,883	17,389
8030 Legal Services	3,000	3,090	3,183	3,278	3,377	3,478
8050 Travel & Training	127,954	131,793	135,746	139,819	144,013	148,334
8060 Contract Svcs (CIDC Debt Service)	5,500	5,665	5,835	6,010	6,190	6,376
8060 Contract Svcs (CIDC General Fund)	492,027	506,788	521,991	537,651	553,781	570,394
8063 Incentives	1,958,616	2,148,491	1,902,313	1,546,389	1,490,930	1,381,418
8350 Legal Newspaper Notices	1,500	1,545	1,591	1,639	1,688	1,739
8520 Transfer Out	16,662,574	537,407	538,431	628,682	628,774	628,718
Total Contractual	\$ 19,266,171	\$ 3,350,228	\$ 3,125,004	\$ 2,879,859	\$ 2,845,636	\$ 2,757,846
9600 Principal	\$ 3,820,000	\$ 3,970,000	\$ 4,155,000	\$ 4,315,000	\$ 4,480,000	\$ 4,660,000
9610 Interest	2,603,966	2,646,113	2,461,365	2,300,994	2,133,336	1,958,124
9615 Handling Charges	1,433	1,476	1,520	1,566	1,613	1,661
Total Debt Service	\$ 6,425,399	\$ 6,617,588	\$ 6,617,885	\$ 6,617,559	\$ 6,614,948	\$ 6,619,785
TOTAL EXPENDITURES	\$ 26,258,490	\$ 10,551,745	\$ 10,344,335	\$ 10,116,907	\$ 10,098,658	\$ 10,034,846
Debt Service Reserve						
Land Sales (574 acre portion) (Fund 047)						
ENDING FUND BALANCE	\$ 13,613,005	\$ 14,547,077	\$ 15,803,416	\$ 17,403,190	\$ 19,138,380	\$ 21,055,720

On 9/1/2021, the Conroe IDC will redeem \$8,360,000 of outstanding 2012 Sales Tax Revenue Bonds. The figures above include taxable refunding in July 2021. See e-mail from J.Robuck on 12/5/2017.

Notes:

1. Incentives updated as of 4/30/2020.

CIDC Monthly Treasurer's Report
Annual Funding Schedule and Cash Flows
 April 2020

	FY 26/27 Budget	FY 27/28 Budget	FY 28/29 Budget	FY 29/30 Budget	FY 30/31 Budget	FY 31/32 Budget
BEGINNING FUND BALANCE	\$ 21,055,720	\$ 23,255,002	\$ 25,517,086	\$ 27,844,624	\$ 30,354,663	\$ 34,005,045
REVENUES						
4040 Sales Tax	\$ 11,823,831	\$ 11,942,070	\$ 12,061,490	\$ 12,182,105	\$ 12,303,926	\$ 12,426,966
6010 Interest	247,877	250,355	252,859	255,388	257,941	260,521
6035 Land Sales	-	-	-	-	-	-
TOTAL REVENUE	\$ 12,071,708	\$ 12,192,425	\$ 12,314,349	\$ 12,437,493	\$ 12,561,868	\$ 12,687,486
EXPENDITURES						
7010 Salaries	\$ 429,668	\$ 442,558	\$ 455,835	\$ 469,510	\$ 483,595	\$ 498,103
7012 Salaries Part-time	-	-	-	-	-	-
7020 Overtime	-	-	-	-	-	-
7025 Social Security	24,060	24,782	25,525	26,291	27,080	27,892
7030 Retirement & Pension	73,314	75,513	77,778	80,112	82,515	84,991
7035 Workers' Comp	23,547	24,253	24,981	25,730	26,502	27,297
7040 Insurance	112,732	116,114	119,597	123,185	126,880	130,687
Total Personnel Services	\$ 663,320	\$ 683,220	\$ 703,716	\$ 724,828	\$ 746,572	\$ 768,970
7110 Office Supplies	\$ 9,552	\$ 9,839	\$ 10,134	\$ 10,438	\$ 10,751	\$ 11,074
7180 Equipment Repairs	1,791	1,845	1,900	1,957	2,016	2,076
7200 Other Oper. Supplies	1,075	1,107	1,140	1,174	1,210	1,246
7253 Furn & Fixtures <\$5,000	1,194	1,230	1,267	1,305	1,344	1,384
7254 Mach & Equip <\$5,000	-	-	-	-	-	-
Total Supplies	\$ 13,612	\$ 14,021	\$ 14,441	\$ 14,874	\$ 15,321	\$ 15,780
8010 Utilities	\$ 17,911	\$ 18,448	\$ 19,002	\$ 19,572	\$ 20,159	\$ 20,764
8030 Legal Services	3,582	3,690	3,800	3,914	4,032	4,153
8050 Travel & Training	152,784	157,367	162,088	166,951	171,959	177,118
8060 Contract Svcs (CIDC Debt Service)	6,567	6,764	6,967	7,176	7,392	7,613
8060 Contract Svcs (CIDC General Fund)	587,506	605,131	623,285	641,984	661,243	681,080
8063 Incentives	1,182,383	1,194,207	1,206,149	1,218,211	1,230,393	1,242,697
8350 Legal Newspaper Notices	1,791	1,845	1,900	1,957	2,016	2,076
8520 Transfer Out	628,484	628,569	629,085	514,153	-	-
Total Contractual	\$ 2,581,008	\$ 2,616,021	\$ 2,652,277	\$ 2,573,918	\$ 2,097,194	\$ 2,135,502
9600 Principal	\$ 4,830,000	\$ 5,015,000	\$ 5,205,000	\$ 5,410,000	\$ 5,065,000	\$ 5,285,000
9610 Interest	1,782,775	1,600,318	1,409,563	1,201,965	985,473	763,296
9615 Handling Charges	1,711	1,762	1,815	1,869	1,925	1,983
Total Debt Service	\$ 6,614,486	\$ 6,617,080	\$ 6,616,378	\$ 6,613,834	\$ 6,052,398	\$ 6,050,279
TOTAL EXPENDITURES	\$ 9,872,426	\$ 9,930,341	\$ 9,986,812	\$ 9,927,454	\$ 8,911,485	\$ 8,970,531
Debt Service Reserve						
Land Sales (574 acre portion) (Fund 047)						
ENDING FUND BALANCE	\$ 23,255,002	\$ 25,517,086	\$ 27,844,624	\$ 30,354,663	\$ 34,005,045	\$ 37,722,001

Notes:

1. Incentives updated as of 4/30/2020.

CIDC Monthly Treasurer's Report
Annual Funding Schedule and Cash Flows
 April 2020

	FY 32/33 Budget	FY 33/34 Budget	FY 34/35 Budget	FY 35/36 Budget	FY 36/37 Budget	FY 37/38 Budget
BEGINNING FUND BALANCE	\$ 37,722,001	\$ 42,552,315	\$ 50,751,627	\$ 59,012,896	\$ 67,337,888	\$ 75,723,332
REVENUES						
4040 Sales Tax	\$ 12,551,235	\$ 12,676,748	\$ 12,803,515	\$ 12,931,550	\$ 13,060,866	\$ 13,191,474
6010 Interest	263,126	265,757	268,415	271,099	273,810	276,548
6035 Land Sales	-	-	-	-	-	-
TOTAL REVENUE	\$ 12,814,361	\$ 12,942,505	\$ 13,071,930	\$ 13,202,649	\$ 13,334,676	\$ 13,468,023
EXPENDITURES						
7010 Salaries	\$ 513,046	\$ 528,437	\$ 544,290	\$ 560,619	\$ 577,438	\$ 594,761
7012 Salaries Part-time	-	-	-	-	-	-
7020 Overtime	-	-	-	-	-	-
7025 Social Security	28,729	29,591	30,479	31,393	32,335	33,305
7030 Retirement & Pension	87,540	90,167	92,871	95,658	98,527	101,483
7035 Workers' Comp	28,116	28,959	29,828	30,723	31,645	32,594
7040 Insurance	134,608	138,646	142,805	147,089	151,502	156,047
Total Personnel Services	\$ 792,039	\$ 815,800	\$ 840,274	\$ 865,482	\$ 891,447	\$ 918,190
7110 Office Supplies	\$ 11,406	\$ 11,748	\$ 12,101	\$ 12,464	\$ 12,838	\$ 13,223
7180 Equipment Repairs	2,139	2,203	2,269	2,337	2,407	2,479
7200 Other Oper. Supplies	1,283	1,322	1,361	1,402	1,444	1,488
7253 Furn & Fixtures <\$5,000	1,426	1,469	1,513	1,558	1,605	1,653
7254 Mach & Equip <\$5,000	-	-	-	-	-	-
Total Supplies	\$ 16,254	\$ 16,741	\$ 17,244	\$ 17,761	\$ 18,294	\$ 18,842
8010 Utilities	\$ 21,386	\$ 22,028	\$ 22,689	\$ 23,370	\$ 24,071	\$ 24,793
8030 Legal Services	4,277	4,406	4,538	4,674	4,814	4,959
8050 Travel & Training	182,432	187,905	193,542	199,348	205,329	211,488
8060 Contract Svcs (CIDC Debt Service)	7,842	8,077	8,319	8,569	8,826	9,091
8060 Contract Svcs (CIDC General Fund)	701,513	722,558	744,235	766,562	789,559	813,246
8063 Incentives	1,255,124	1,267,675	1,280,352	1,293,155	1,306,087	1,319,147
8350 Legal Newspaper Notices	2,139	2,203	2,269	2,337	2,407	2,479
8520 Transfer Out	-	-	-	-	-	-
Total Contractual	\$ 2,174,713	\$ 2,214,851	\$ 2,255,944	\$ 2,298,014	\$ 2,341,092	\$ 2,385,202
9600 Principal	\$ 4,455,000	\$ 1,340,000	\$ 1,395,000	\$ 1,450,000	\$ 1,510,000	\$ 1,570,000
9610 Interest	544,000	355,800	302,200	246,400	188,400	128,000
9615 Handling Charges	2,043	-	-	-	-	-
Total Debt Service	\$ 5,001,043	\$ 1,695,800	\$ 1,697,200	\$ 1,696,400	\$ 1,698,400	\$ 1,698,000
TOTAL EXPENDITURES	\$ 7,984,048	\$ 4,743,192	\$ 4,810,661	\$ 4,877,657	\$ 4,949,232	\$ 5,020,235
Debt Service Reserve						
Land Sales (574 acre portion) (Fund 047)						
ENDING FUND BALANCE	\$ 42,552,315	\$ 50,751,627	\$ 59,012,896	\$ 67,337,888	\$ 75,723,332	\$ 84,171,119

Notes:

- Incentives updated as of 4/30/2020.

CIDC Monthly Treasurer's Report
Annual Funding Schedule and Cash Flows
 April 2020

	FY 38/39 Budget	FY 39/40 Budget	FY 40/41 Budget
BEGINNING FUND BALANCE	\$ 84,171,119	\$ 92,683,103	\$ 102,951,095
REVENUES			
4040 Sales Tax	\$ 13,323,389	\$ 13,456,623	\$ 13,591,189
6010 Interest	279,314	282,107	284,928
6035 Land Sales	-	-	-
TOTAL REVENUE	\$ 13,602,703	\$ 13,738,730	\$ 13,876,117
EXPENDITURES			
7010 Salaries	\$ 612,604	\$ 630,982	\$ 649,911
7012 Salaries Part-time	-	-	-
7020 Overtime	-	-	-
7025 Social Security	34,304	35,333	36,393
7030 Retirement & Pension	104,528	107,664	110,893
7035 Workers' Comp	33,572	34,579	35,617
7040 Insurance	160,728	165,550	170,517
Total Personnel Services	\$ 945,736	\$ 974,108	\$ 1,003,331
7110 Office Supplies	\$ 13,619	\$ 14,028	\$ 14,449
7180 Equipment Repairs	2,554	2,630	2,709
7200 Other Oper. Supplies	1,532	1,578	1,626
7253 Furn & Fixtures <\$5,000	1,702	1,754	1,806
7254 Mach & Equip <\$5,000	-	-	-
Total Supplies	\$ 19,408	\$ 19,990	\$ 20,590
8010 Utilities	\$ 25,536	\$ 26,303	\$ 27,092
8030 Legal Services	5,107	5,261	5,418
8050 Travel & Training	217,833	224,368	231,099
8060 Contract Svcs (CIDC Debt Service)	9,363	9,644	9,934
8060 Contract Svcs (CIDC General Fund)	837,643	862,772	888,655
8063 Incentives	1,332,339	1,345,662	1,359,119
8350 Legal Newspaper Notices	2,554	2,630	2,709
8520 Transfer Out	-	-	-
Total Contractual	\$ 2,430,376	\$ 2,476,640	\$ 2,524,026
9600 Principal	\$ 1,630,000	\$ -	\$ -
9610 Interest	65,200	-	-
9615 Handling Charges	-	-	-
Total Debt Service	\$ 1,695,200	\$ -	\$ -
TOTAL EXPENDITURES	\$ 5,090,719	\$ 3,470,738	\$ 3,547,947
Debt Service Reserve			
Land Sales (574 acre portion) (Fund 047)			
ENDING FUND BALANCE	\$ 92,683,103	\$ 102,951,095	\$ 113,279,265

Notes:

1. Incentives updated as of 4/30/2020.

ITEM 7

QUARTERLY INVESTMENT REPORT



Investment Report

City of Conroe

01/01/20 - 03/31/20



This report summarizes the investment position of City of Conroe for the period 01/01/20 to 03/31/20.

	12/31/19	03/31/20
Book Value	60,602,614.38	55,814,158.89
Market Value	60,626,278.70	55,912,538.47
Par Value	60,651,018.70	55,838,588.47
Change in Market Value		4,526,823.60
Weighted Average Maturity (in Days)	68	53
Weighted Average Yield-to-Maturity of Portfolio	1.8950%	1.4024%
Yield-to-Maturity of 2 Yr. Treasury Note	1.5880%	0.2190%
Accrued Interest		24,843.80
Received and Accrued Interest		227,479.35

This report is presented in accordance with the Texas Government Code Title 10 Section 2256.023. The below signed hereby certify that, to the best of their knowledge on the date this report was created, City of Conroe is in compliance with the provisions of Government Code 2256 and with the stated policies and strategies of City of Conroe.

Steve Williams

Collin Boothe

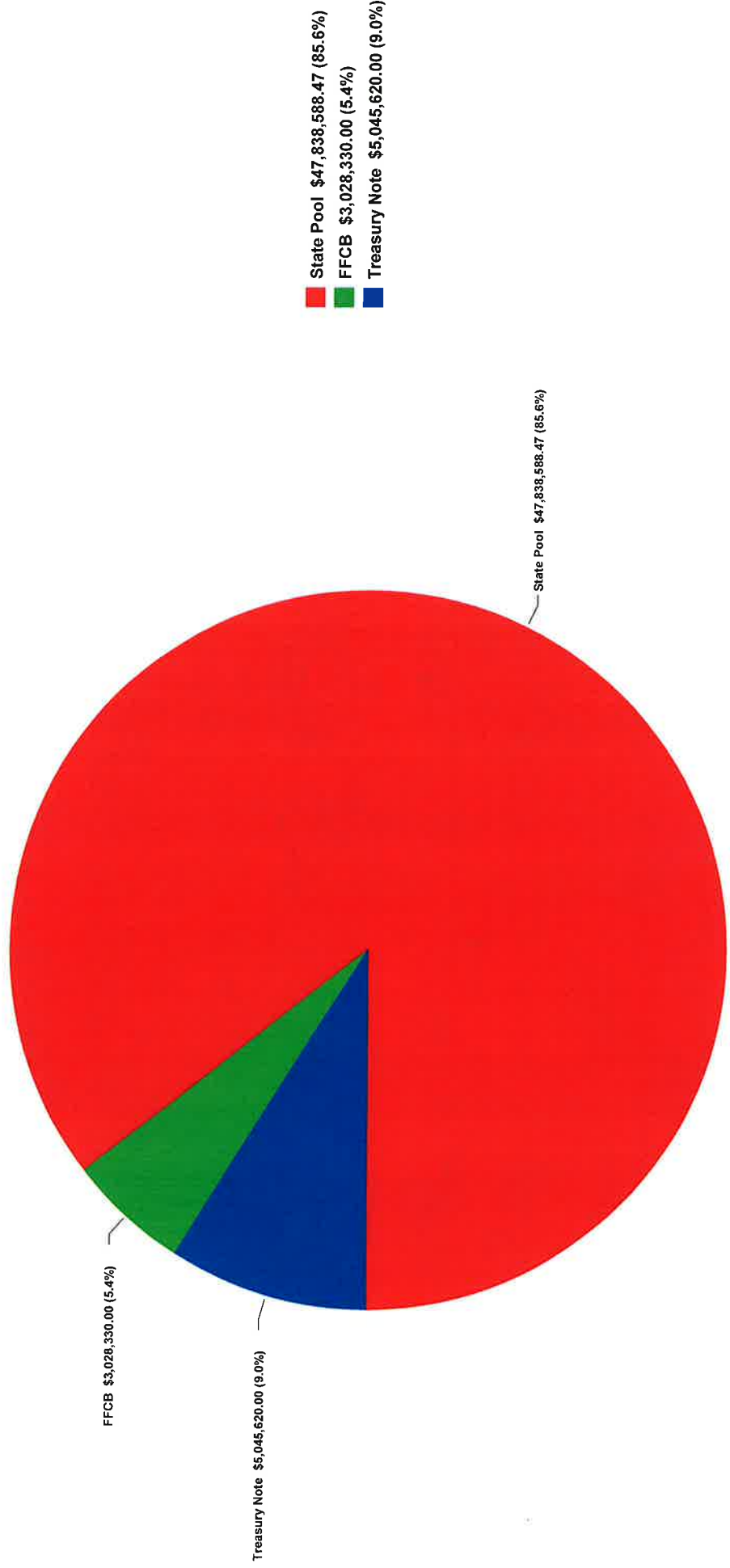
Denise Morrison

Paula Sheffield

Portfolio Value at Market City of Conroe

Effective Interest - Actual Life
Receipts in Period
03/31/20

Showing Ending Market Val: \$55,912,538.47

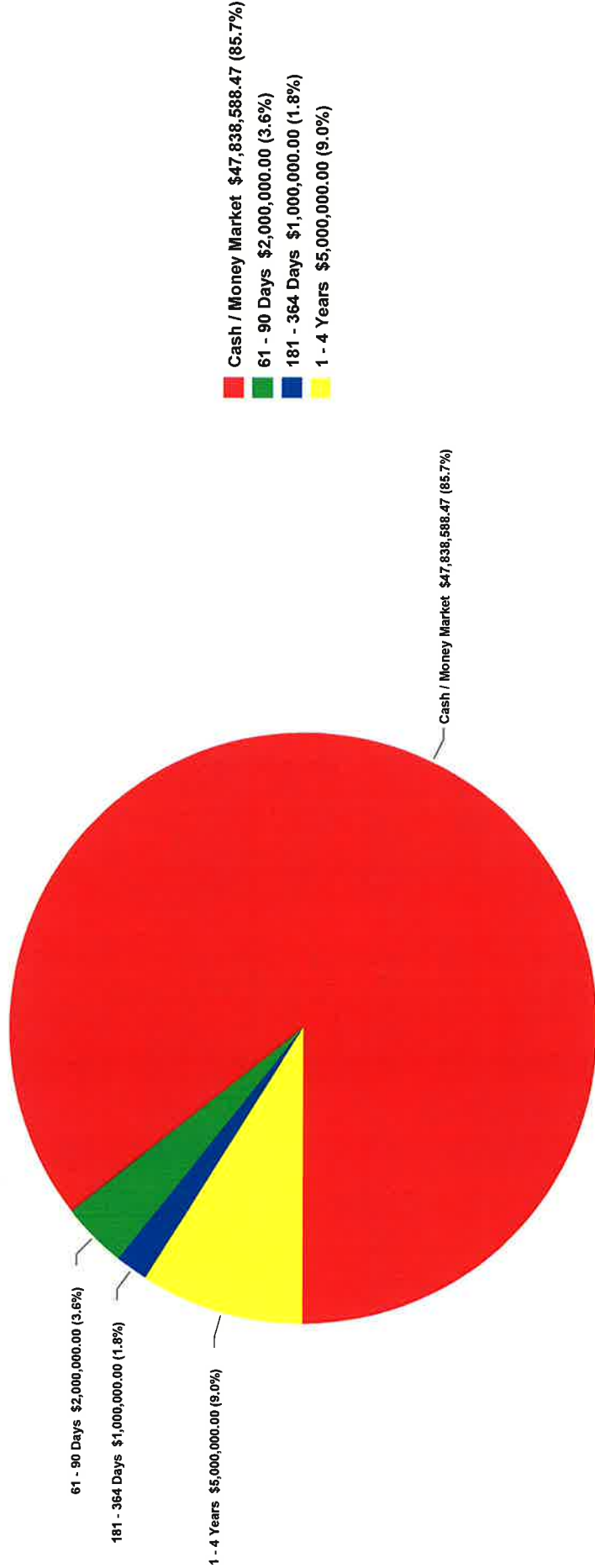


Days Remaining to Maturity

City of Conroe

Effective Interest - Actual Life
Receipts in Period
03/31/20

Showing Ending Par Val/Shares: \$55,838,588.47



Investment Ratings

City of Conroe

Effective Interest - Actual Life
 Receipts in Period
 01/01/20 - 03/31/20

Invest Number	CUSIP	Security Description	Purchase Date	Maturity Date	S & P Rating	Moody's Rating
17-0003-01	3135G0S46	FNMA 1.65 01/27/20	01/27/17	01/27/20	AA+	Aaa
19-0003-01	3136G33P8	FNMA 1.20 02/28/20	12/06/18	02/28/20	AA+	Aaa
19-0010-01	912828W22	Treasury Note 1.375 02/15/20	12/06/18	02/15/20	AA+	Aaa
19-0017	3133EKFP6	FFCB 2.23 04/05/21	04/05/19	04/05/21	AA+	Aaa
19-0018	912828XU9	Treasury Note 1.50 06/15/20	09/23/19	06/15/20	AA+	Aaa
19-0023	3133EKU38	FFCB 1.96 12/30/20	09/30/19	12/30/20	AA+	Aaa
19-0025-01	912796TL3	Treasury Bill 0.00 03/19/20	09/23/19	03/19/20	AA+	Aaa
20-0001	3133ELCY8	FFCB 1.59 12/10/21	12/10/19	12/10/21	AA+	Aaa
20-0006	9128282F6	Treasury Note 1.125 08/31/21	12/18/19	08/31/21	AA+	Aaa
AR-0008	TexPool	State Pool	06/30/19	Open	AAAm	
AR-0009	TexStar	State Pool	06/30/19	Open	AAAm	
AR-0010	Texas Class	State Pool	06/30/19	Open	AAAm	
AR-0011	Texas Class Government	State Pool	06/30/19	Open	AAAm	

Investment Total

Portfolio Position City of Conroe

Effective Interest - Actual Life
Receipts in Period
01/01/20 - 03/31/20

Run Date: 04/21/20
Run Time: 13:15:36
Page 1 of 2

CUSIP	Invest Number	Security Description	Purchase Date	Call Date	Par Value On 01/01/20	Par Value On 03/31/20	Market Val On 01/01/20	Market Val On 03/31/20	Purchase Cost	Sales Proceeds	Original Princ./Cost	Amor Value On 01/01/20	Amor Value On 03/31/20
402 - CIDC CIP Fund, STRB 2019													
State Pool													
Texas Class													
State Pool Total													
Treasury Bill													
912796TL3	19-0025-01	Treasury Bill 0.00 03/19/20	06/30/19	Open	20,514,430.26	20,601,445.87	20,514,430.26	20,601,445.87	0.00	0.00	0.00	20,514,430.26	20,601,445.87
Treasury Bill Total													
402 - CIDC CIP Fund, STRB 2019 Total													
009 - Conroe Industrial Development													
FFCB													
3133EKF6	19-0017	FFCB 2.23 04/05/21	04/05/19	Open	1,000,000.00	1,000,000.00	1,008,300.00	1,019,940.00	0.00	0.00	998,736.45	999,197.01	999,354.04
3133EKU38	19-0023	FFCB 1.96 12/30/20	09/30/19	03/30/20	1,000,000.00	1,000,000.00	1,000,310.00	1,000,000.00	0.00	0.00	1,000,000.00	1,000,000.00	1,000,000.00
3133ELCY8	20-0001	FFCB 1.59 12/10/21	12/10/19	12/10/20	1,000,000.00	1,000,000.00	999,050.00	1,008,390.00	0.00	0.00	1,000,000.00	1,000,000.00	1,000,000.00
FFCB Total													
FNMA													
3135G0S46	17-0003-01	FNMA 1.65 01/27/20	01/27/17	07/27/17	1,000,000.00	0.00	1,000,020.00	0.00	0.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
3136G33P8	19-0003-01	FNMA 1.20 02/28/20	12/06/18	Open	2,000,000.00	0.00	1,998,740.00	0.00	0.00	2,000,000.00	1,961,621.38	1,995,024.68	0.00
FNMA Total													
State Pool													
TexPool													
912828F6	AR-0008	State Pool	06/30/19	Open	0.00	1,502,325.88	0.00	1,502,325.88	0.00	0.00	0.00	0.00	1,502,325.88
912828W22	AR-0009	State Pool	06/30/19	Open	4,274,663.34	4,790,468.20	4,274,663.34	4,790,468.20	0.00	0.00	2,446,316.34	4,274,663.34	4,790,468.20
912828XU9	AR-0010	State Pool	06/30/19	Open	12,915,762.82	12,970,547.32	12,915,762.82	12,970,547.32	0.00	0.00	19,228,917.70	12,915,762.82	12,970,547.32
Texas Class Government													
State Pool													
State Pool Total													
Treasury Note													
912828Z28	20-0006	Treasury Note 1.125 08/31/21	12/18/19	Open	3,000,000.00	3,000,000.00	2,976,930.00	3,039,840.00	0.00	0.00	2,973,281.25	2,973,880.93	2,977,764.52
912828XU9	19-0010-01	Treasury Note 1.375 02/15/20	12/06/18	Open	3,000,000.00	0.00	2,998,950.00	0.00	0.00	3,000,000.00	2,950,809.12	2,994,912.86	0.00
Treasury Note Total													
009 - Conroe Industrial Development Total													
Combined Port													
FFCB													
3133EKF6	19-0017	FFCB 2.23 04/05/21	04/05/19	Open	1,000,000.00	1,000,000.00	1,008,300.00	1,019,940.00	0.00	0.00	998,736.45	999,197.01	999,354.04
3133EKU38	19-0023	FFCB 1.96 12/30/20	09/30/19	03/30/20	1,000,000.00	1,000,000.00	1,000,310.00	1,000,000.00	0.00	0.00	1,000,000.00	1,000,000.00	1,000,000.00
3133ELCY8	20-0001	FFCB 1.59 12/10/21	12/10/19	12/10/20	1,000,000.00	1,000,000.00	999,050.00	1,008,390.00	0.00	0.00	1,000,000.00	1,000,000.00	1,000,000.00
FFCB Total													
FNMA													
3135G0S46	17-0003-01	FNMA 1.65 01/27/20	01/27/17	07/27/17	1,000,000.00	0.00	1,000,020.00	0.00	0.00	1,000,000.00	1,000,000.00	1,000,000.00	0.00
3136G33P8	19-0003-01	FNMA 1.20 02/28/20	12/06/18	Open	2,000,000.00	0.00	1,998,740.00	0.00	0.00	2,000,000.00	1,961,621.38	1,995,024.68	0.00
FNMA Total													
State Pool													
TexPool													
912796TL3	AR-0008	State Pool	06/30/19	Open	0.00	1,502,325.88	0.00	1,502,325.88	0.00	0.00	0.00	0.00	1,502,325.88
912796TL3	AR-0009	State Pool	06/30/19	Open	4,274,663.34	4,790,468.20	4,274,663.34	4,790,468.20	0.00	0.00	2,446,316.34	4,274,663.34	4,790,468.20
912796TL3	AR-0010	State Pool	06/30/19	Open	33,430,193.08	33,571,993.19	33,430,193.08	33,571,993.19	0.00	0.00	19,228,917.70	33,430,193.08	33,571,993.19
Texas Class Government													
State Pool													
State Pool Total													
Treasury Bill													
912796TL3	19-0025-01	Treasury Bill 0.00 03/19/20	09/23/19	Open	2,000,000.00	0.00	1,993,660.00	0.00	0.00	2,000,000.00	1,981,804.44	1,992,006.75	0.00
Treasury Bill Total													
Total													

Earnings and Yields Summary

City of Conroe

Effective Interest - Actual Life
 Receipts in Period
 01/01/20 - 03/31/20

Security Description	01/01/20 01/31/20	02/01/20 02/29/20	03/01/20 03/31/20	01/01/20 03/31/20
Combined Port				
FFCB	4,869.01	4,869.01	4,869.01	14,607.03
FNMA	5,810.26	4,156.73	0.00	9,966.99
State Pool	69,097.13	64,137.84	53,894.28	187,129.25
Treasury Bill	3,169.15	2,973.82	1,850.28	7,993.25
Treasury Note	14,362.40	10,057.24	7,337.93	31,757.57
Port Total	97,307.95	86,194.64	97,951.50	251,454.09
Combined Port				
FFCB	1,9482	1,9482	1,9482	1,9482
FNMA	2,4456	2,7931	0,0000	2,5794
State Pool	1,7870	1,7205	1,3316	1,6074
Treasury Bill	1,8828	1,8886	1,8932	1,8874
Treasury Note	2,1275	1,9754	1,7375	1,9768
Port Total	1,8722	1,7983	1,4106	1,6981

ITEM 8

REVIEW OF CIDC FY20-21

PROPOSED BUDGET

ITEM 9

**APPROVE PURCHASE OF A GENERATOR
FOR THE DEISON TECHNOLOGY PARK
AS RECOMMENDED BY THE DIRECTOR
OF PUBLIC WORKS**

Our energy working for you.™



Quotation

CUMMINS SOUTHERN PLAINS, LLC
7045 N. Loop 610 East
Houston TX 77028 United States
Direct: 713-440-9286
March 11, 2020

Project Name: City of Conroe - Conroe Industrial Park Utilities

Quotation: 467400000130764

Thank you for your inquiry. We are pleased to quote as follows:

		USD
Item	Description	Qty
Transfer Switch-Electronic Control:125A		
OPEC125	Transfer Switch-Electronic Control,125Amp	1
A028-7	Poles-3	1
A035-7	Application-Utility To Genset	1
A046-7	Listing-UL 1008/CSA Certification	1
A044-7	Frequency-60 Hertz	1
A042-7	System-3 Phase,3 Wire Or 4 Wire	1
R026-7	Voltage-480 Vac	1
B002-7	Cabinet-Type 3R	1
L202-7	Auxiliary Relay-Switch In Emergency Position-12VDC	1
L203-7	Auxiliary Relay-Switch In Normal Position-12VDC	1
M033-7	Genset Starting Battery-12VDC	1
J030-7	Clock-Exercise, External	1
G007-7	Transfer Switch Warranty-5 Yr Comprehensive	1
CP01-7	Common Parts Listing	1
SPEC-A	Product Revision - A	1
Spark Ignited Genset: 60Hz-60kW		
Install-US-Stat	U.S. EPA, Stationary Emergency Application	1
C60 N6	60kW, 60HZ, Standby, Natural Gas/Propane Genset	1
A331-2	Duty Rating-Standby Power	1
L193-2	NFPA 110 Type 10 Level 1 Capable	1
L090-2	Listing-UL 2200	1
L155-2	Emissions Certification-Spark Ignited, EPA, Emergency, Stationary, 40CFR60	1
C284-2	Single Gas Fuel - NG or LP Vapor	1
F231-2	Enclosure-Alum, Sound,Att,Level 1,w/Exhaust System	1
R002-2	Voltage-277/480,3 Phase,Wye,4 Wire	1

BB95-2	Alternator-60Hz, 12L, 480/277V, 105C, 40C amb, IMS	1
H700-2	Generator Set Control-PowerCommand 1.1	1
B240-2	Exciter/Regulator-Torque Match	1
A366-2	Engine Governor-Electronic, Isochronous Only	1
H536-2	Display Language-English	1
H012-2	Gauge-Oil Pressure	1
H609-2	Control Mounting-Left Facing	1
A292-2	Heater-Alternator, 120 Volt AC	1
KV03-2	Load Connection-Single	1
KV41-2	CB, Loc A, 125A, 3P, 600VAC, 80%, UL	1
P176-2	Enclosure Color-Green, Aluminum Enclosure	1
F252-2	Enclosure - Wind Load 180MPH, ASCE7-10	1
F179-2	Skidbase-Housing Ready	1
A422-2	Engine Starter - 12 VDC Motor	1
A333-2	Battery Charging Alternator-Normal Output	1
BB89-2	Battery Charger - 6 Amp, Regulated	1
E125-2	Engine Cooling-High Ambient Air Temperature	1
H389-2	Shutdown-Low Coolant Level	1
E089-2	Extension-Engine Coolant Drain	1
H669-2	Engine Coolant-50% Antifreeze, 50% Water Mixture	1
E153-2	Coolant Heater, Cold Ambient	1
D041-2	Engine Air Cleaner-Normal Duty	1
H487-2	Engine Oil Heater-120 Vac, Single Phase	1
H706-2	Engine Oil	1
L189-2	ST 5YR 2500HR Parts + Labor + Travel	1
L050-2	Literature-English	1
A322-2	Packing-Skid, Poly Bag	1
F065-2	Rack-Battery	1
H268-2	Extension-Oil Drain	1
CP01-2	Common Parts Listing	1
SPEC-A	Product Revision - A	1
A045J201	Annunciator-Panel Mount With Enclosure (RS485)	1
Genset Freight	Generator Freight	1
Start-Up	System Check & Inspection	1
Load Bank-Site Testing Resistive	_ Hour Resistive Load Bank, with written record	1
Mileage	Start Up-Travel to and from Job Site	1
G0069	1" NPT-Regulator, Strainer, 12VDC Solenoid Valve and Flexible Fuel Line (GGHE & GGHF)-Ships Loose	1
Level I Walk Through Training	System Instruction for Site Personnel by Field Technician	1
Submittals	Installation Documents	1
BATTERY - GROUP 26	12 VOLT LEAD ACID	1
Load Bank Charge	Resistive, Transportation, Set-Up & Operation	1

Grand Total: \$36,741.00

Notes, Exceptions, & Clarifications:

- This Quote includes Cummins Start-Up, Field Testing, Freight, and Owner's Training.
- Cummins Standard Field Testing provided. All other testing and associated costs are to be provided by others.
- Note: Cummins Warranty begins following factory Start-Up and Testing.
- Note: Cummins will only be providing electronic O&M Manuals.

Our energy working for you.™



SUBMITTALS. An order for the equipment covered by this proposal will be accepted on a "Hold For Release" basis. Your order will not be released and scheduled for production until written approval to proceed is received in our office.

TERMS AND CONDITIONS FOR SALE OF POWER GENERATION EQUIPMENT

These Terms and Conditions for Sale of Power Generation Equipment, together with the Quote, Sales Order, and/or Credit Application on the front side or attached hereto, are hereinafter referred to as this "Agreement" and shall constitute the entire agreement between the customer identified in the quote ("Customer") and Cummins Southern Plains LLC ("Cummins") and supersede any previous representation, statements, agreements or understanding (oral or written) between the parties with respect to the subject matter of this Agreement. No prior inconsistent course of dealing, course of performance, or usage of trade, if any, constitutes a waiver of, or serves to explain or interpret, the Terms and Conditions set forth in this Agreement. Electronic transactions between Customer and Cummins will be solely governed by the Terms and Conditions of this Agreement, and any terms and conditions on Customer's website or other internet site will be null and void and of no legal effect on Cummins. In the event Customer delivers, references, incorporates by reference, or produces any purchase order or document, any terms and conditions related thereto shall be null and void and of no legal effect on Cummins.

SCOPE. Cummins shall supply power generation equipment and any related parts, materials and/or services expressly identified in this Agreement (collectively, "Equipment"). No additional services, parts or materials are included in this Agreement unless agreed upon by the parties in writing. Any Quote is valid for 60 days. The price is firm provided drawings are approved and returned within 60 days after submission and ship date is not extended beyond published lead times. Any delays may result in escalation charges. A Sales Order for Equipment is accepted on hold for release basis. The Sales Order will not be released and scheduled for production until written approval to proceed is received. A Quote is limited to plans and specifications section set forth in the Quote. No other sections shall apply. Additional requirements for administrative items may require additional costs. The Quote does not include off unit wiring, off unit plumbing, offloading, rigging, installation, exhaust insulation or fuel, unless otherwise stated.

SHIPPING; DELIVERY; DELAYS. Unless otherwise agreed in writing by the parties, Equipment shall be delivered FOB origin, freight prepaid to first destination. For consumer and mobile products, freight will be charged to Customer. Unless otherwise agreed to in writing by the parties, packaging method, shipping documents and manner, route and carrier and delivery shall be as Cummins deems appropriate. Cummins may deliver in installments. A reasonable storage fee, as determined by Cummins, may be assessed if delivery of the Equipment is delayed, deferred, or refused by Customer. Offloading, handling, and placement of Equipment and crane services are the responsibility of Customer and not included unless otherwise stated. All shipments are made within normal business hours, Monday through Friday. Any delivery, shipping, installation, or performance dates indicated in this Agreement are estimated and not guaranteed. Further, delivery time is subject to confirmation at time of order and will be in effect after engineering drawings have been approved for production. Cummins shall use best efforts to meet estimated dates, but shall not be liable to customer or any third party for any delay in delivery, shipping, installation, or performance, however occasioned, including any delays in performance that result directly or indirectly from acts of Customer or any unforeseen event, circumstance, or condition beyond Cummins' reasonable control including, but not limited to, acts of God, actions by any government authority, civil strife, fires, floods, windstorms, explosions, riots, natural disasters, embargos, wars, strikes or other labor disturbances, civil commotion, terrorism, sabotage, late delivery by Cummins' suppliers, fuel or other energy shortages, or an inability to obtain necessary labor, materials, supplies, equipment or manufacturing facilities.

PAYMENT TERMS; CREDIT; RETAINAGE. Unless otherwise agreed to by the parties in writing and subject to credit approval by Cummins, payments are due thirty (30) days from the date of the invoice. If Customer does not have approved credit with Cummins, as solely determined by Cummins, payments are due in advance or at the time of supply of the Equipment. If payment is not received when due, in addition to any rights Cummins may have at law, Cummins may charge Customer eighteen percent (18%) interest annually on late payments, or the maximum amount allowed by law. Customer agrees to pay Cummins' costs and expenses (including reasonable attorneys' fees) related to Cummins' enforcement and collection of unpaid invoices, or any other enforcement of this Agreement by Cummins. Retainage is not acceptable nor binding, unless required by statute or accepted and confirmed in writing by Cummins prior to shipment.

TAXES; EXEMPTIONS. Unless otherwise stated, the Quote excludes all applicable local, state and federal sales and/or use taxes, permits and licensing. Customer must provide a valid resale or exemption certificate prior to shipment of Equipment or applicable taxes will be added to the invoice.

TITLE; RISK OF LOSS. Unless otherwise agreed in writing by the parties, title and risk of loss for the Equipment shall pass to Customer upon delivery of the Equipment by Cummins to freight carrier or to Customer at pickup at Cummins' facility.

INSPECTION AND ACCEPTANCE. Customer shall inspect the Equipment upon delivery, before offloading, for damage, defects, and shortage. Any and all claims which could have been discovered by such inspection shall be deemed absolutely and unconditionally waived unless noted by Customer on the bill of lading. Where Equipment is alleged to be non-conforming or defective, written notice of defect must be given to Cummins within three (3) days from date of delivery after which time Equipment shall be deemed accepted. Cummins shall have a commercially reasonable period of time in which to correct such non-conformity or defect. If non-conformity or defect is not eliminated to Customer's satisfaction, Customer may reject the Equipment (but shall protect the Equipment until returned to Cummins) or allow Cummins another opportunity to undertake corrective action. In the event startup of the Equipment is included in the services, acceptance shall be deemed to have occurred upon successful startup.

LIEN; SECURITY AGREEMENT. Customer agrees that Cummins retains all statutory lien rights. To secure payment, Customer grants Cummins a Purchase Money Security Interest in the Equipment. If any portion of the balance is due to be paid following delivery, Customer agrees to execute and deliver such security agreement, financing statements, deed of trust and such other documents as Cummins may request from time to time in order to permit Cummins to obtain and maintain a perfected security interest in the Equipment; or in the alternative, Customer grants Cummins a power of attorney to execute and file all financing statements and other documents needed to perfect this security interest. Cummins may record this Agreement, bearing Customer's signature, or copy of this Agreement in lieu of a UCC-1, provided that it shall not constitute an admission by Cummins of the applicability or non-applicability of the UCC nor shall the failure to file this form or a UCC-1 in any way affect, alter, or invalidate any term, provision, obligation or liability under this Agreement. The security interest shall be superseded if Customer and Cummins enter into a separate security agreement for the Equipment. Prior to full payment of the balance due, Equipment will be kept at Customer's location noted in this Agreement, will not be moved without prior notice to Cummins, and is subject to inspection by Cummins at all reasonable times.

CANCELLATION; CHARGES. Orders placed with and accepted by Cummins may not be cancelled except with Cummins' prior written consent. If Customer seeks to cancel all or a portion of an order placed pursuant to this Agreement, and Cummins accepts such cancellation in whole or in part, Customer shall be assessed cancellation charges as follows: (i) 10% of total order price if cancellation is received in Cummins' office after Cummins has provided submittals and prior to releasing equipment to be manufactured; (ii) 25% of total order price if cancellation is received in Cummins' office after receipt of submittal release to order, receipt of a purchase order for a generator already on order with the factory, or is asked to make any hardware changes to the equipment already on order with the factory; (iii) 50% of total order price if cancellation is received in Cummins' office 60 or fewer days before the scheduled shipping date on the order; or (iv) 100% of total order price if cancellation is received in Cummins' office after the equipment has shipped from the manufacturing plant.

MANUALS. Unless otherwise stated, electronic submittals and electronic operation and maintenance manuals will be provided, and print copies may be available upon Customer's request at an additional cost.

TRAINING; START UP SERVICES; INSTALLATION. Startup services, load bank testing, and owner training are not provided unless otherwise stated. Site startup will be subject to the account being current and will be performed during regular Cummins business hours, Monday to Friday. Additional charges may be added for work requested to be done outside standard business hours, on weekends, or holidays. One visit is allowed unless specified otherwise in the Quote. A minimum of two-week prior notice is required to schedule site startups and will be subject to prior commitments and equipment and travel availability. A signed site check sheet confirming readiness will be required, and Cummins personnel may perform an installation audit prior to the startup being completed. Any issues identified by the installation audit shall be corrected at the Customer's expense prior to the start-up. Portable load banks for site test (if offered in the Quote) are equipped with only 100 feet of cable. Additional lengths may be arranged at an extra cost. Cummins is not responsible for any labor or materials charged by others associated with start-up and installation of Equipment, unless previously agreed upon in writing. Supply of fuel for start-up and/or testing, fill-up of tank after start up, or change of oil is not included unless specified in the Quote. All installation/execution work at the site including, but not limited to: civil, mechanical, electrical, supply of wall thimbles, exhaust extension pipe, elbows, hangers, expansion joints, insulation and cladding materials, fuel/oil/cooling system piping, air ducts, and louvers/dampers is not included unless specified in the Quote. When an enclosure or sub-base fuel tank (or both) are supplied, the openings provided for power cable and fuel piping entries, commonly referred to as "stub-ups", must be sealed at the site by others before commissioning. All applications, inspections and/or approvals by authorities are to be arranged by Customer.

MANUFACTURER'S WARRANTY. Equipment purchased hereunder is accompanied by an express written manufacturer's warranty ("Warranty") and, except as expressly provided in this Agreement, is the only warranty offered on the Equipment. A copy of the Warranty is available upon request. While this Agreement and the Warranty are intended to be read and applied in conjunction, where this Agreement and the Warranty conflict, the terms of the Warranty shall prevail.

WARRANTY PROCEDURE. Prior to the expiration of the Warranty, Customer must give notice of a warrantable failure to Cummins and deliver the defective Equipment to a Cummins location or other location authorized and designated by Cummins to make the repairs during regular business hours. Cummins shall not be liable for towing charges, maintenance items such as oil filters, belts, hoses, etc., communication expenses, meals, lodging, and incidental expenses incurred by Customer or employees of Customer, "downtime" expenses, overtime expenses, cargo damages and any business costs and losses of revenue resulting from a warrantable failure.

LIMITATIONS ON WARRANTIES

THE REMEDIES PROVIDED IN THE WARRANTY AND THIS AGREEMENT ARE THE SOLE AND EXCLUSIVE WARRANTIES AND REMEDIES PROVIDED BY CUMMINS TO THE CUSTOMER UNDER THIS AGREEMENT. EXCEPT AS SET OUT IN THE WARRANTY AND THIS AGREEMENT, AND TO THE EXTENT PERMITTED BY LAW, CUMMINS EXPRESSLY DISCLAIMS ALL OTHER REPRESENTATIONS, WARRANTIES, ENDORSEMENTS, AND CONDITIONS OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY STATUTORY OR COMMON LAW IMPLIED REPRESENTATIONS, WARRANTIES AND CONDITIONS OF FITNESS FOR A PURPOSE OR MERCHANTABILITY.

The limited warranty does not cover Equipment failures resulting from: (a) inappropriate use relative to designated power rating; (b) inappropriate use relative to application guidelines; (c) inappropriate use of an EPA-SE application generator set relative to EPA's standards; (d) normal wear and tear; (e) improper and/or unauthorized installation; (f) negligence, accidents, or misuse; (g) lack of maintenance or unauthorized or improper repair; (h) noncompliance with any Cummins published guideline or policy; (i) use of improper or contaminated fuels, coolants, or lubricants; (j) improper storage before and after commissioning; (k) owner's delay in making Equipment available after notification of potential Equipment

problem; (l) replacement parts and accessories not authorized by Cummins; (m) use of battle short mode; (n) owner or operator abuse or neglect such as: operation without adequate coolant, fuel, or lubricants; over fueling; over speeding; lack of maintenance to lubricating, fueling, cooling, or air intake systems; late servicing and maintenance; improper storage, starting, warm-up, running, or shutdown practices, or for progressive damage resulting from a defective shutdown or warning device; or (o) damage to parts, fixtures, housings, attachments and accessory items that are not part of the generating set.

INDEMNITY. Customer shall indemnify, defend and hold harmless Cummins from and against any and all claims, actions, costs, expenses, damages and liabilities, including reasonable attorneys' fees, brought against or incurred by Cummins related to or arising out of this Agreement or the Equipment supplied under this Agreement (collectively, the "Claims"), where such Claims were caused or contributed to by, in whole or in part, the acts, omissions, fault or negligence of the Customer. Customer shall present any Claims covered by this indemnity to its insurance carrier unless Cummins directs that the defense will be handled by Cummins' legal counsel at Customer's expense.

LIMITATION OF LIABILITY

NOTWITHSTANDING ANY OTHER TERM OF THIS AGREEMENT, IN NO EVENT SHALL CUMMINS, ITS OFFICERS, DIRECTORS, EMPLOYEES, OR AGENTS BE LIABLE TO CUSTOMER OR ANY THIRD PARTY FOR ANY INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES OF ANY KIND (INCLUDING WITHOUT LIMITATION DOWNTIME, LOSS OF PROFIT OR REVENUE, LOSS OF DATA, LOSS OF OPPORTUNITY, DAMAGE TO GOODWILL, ENHANCED DAMAGES, MONETARY REQUESTS RELATING TO RECALL EXPENSES AND REPAIRS TO PROPERTY, AND/OR DAMAGES CAUSED BY DELAY) IN ANY WAY RELATED TO OR ARISING FROM CUMMINS' SUPPLY OF EQUIPMENT UNDER THIS AGREEMENT OR THE USE OR PERFORMANCE OF EQUIPMENT SUPPLIED UNDER THIS AGREEMENT. IN NO EVENT SHALL CUMMINS' LIABILITY TO CUSTOMER OR ANY THIRD PARTY CLAIMING DIRECTLY THROUGH CUSTOMER OR ON CUSTOMER'S BEHALF UNDER THIS AGREEMENT EXCEED THE TOTAL COST OF EQUIPMENT SUPPLIED BY CUMMINS UNDER THIS AGREEMENT GIVING RISE TO THE CLAIM. BY ACCEPTANCE OF THIS AGREEMENT, CUSTOMER ACKNOWLEDGES CUSTOMER'S SOLE REMEDY AGAINST CUMMINS FOR ANY LOSS SHALL BE THE REMEDY PROVIDED HEREIN EVEN IF THE EXCLUSIVE REMEDY UNDER THE WARRANTY IS DEEMED TO HAVE FAILED OF ITS ESSENTIAL PURPOSE.

DEFAULT; REMEDIES. Customer shall be in breach and default if: (a) any of the payments or amounts due under this Agreement are not paid; (b) Customer fails to comply, perform, or makes any misrepresentation relating to any of the Customer's obligations or covenants under this Agreement; or (c) prior to full payment of the balance due, Customer ceases to do business, becomes insolvent, makes an assignment for the benefit of its creditors, appoints a receiver, commences an action for dissolution or liquidation, or becomes subject to bankruptcy proceedings, or the Equipment is attached, levied upon, seized under legal process, is subjected to a lien or encumbrance, or transferred by operation of law or otherwise to anyone other than Cummins.

Upon the occurrence of any event of Customer's default, Cummins, at its sole option and without notice, shall have the right to exercise concurrently or separately any one or all of the following remedies, which shall be cumulative and not alternative: (a) to declare all sums due, and to become due, under this Agreement immediately due and payable; (b) to commence legal proceedings, including collection actions and specific performance proceedings, to enforce performance by Customer of any and all provisions of this Agreement, and to be awarded damages or injunctive relief for the Customer's breach; (c) to require the Customer to deliver the Equipment to Cummins' branch specified on the face of this Agreement; (d) to exercise one or more of the rights and remedies available to a secured party under applicable law; and (e) to enter, without notice or liability or legal process, onto any premises where the Equipment may be located, using force permitted by law, and there to disconnect, remove and repossess the Equipment, the Customer having waived further right to possession after default. A waiver of any event of default by Cummins shall not be a waiver as to any other or subsequent default.

CUSTOMER REPRESENTATIONS; RELIANCE. Customer is responsible for obtaining, at its cost, permits, import licenses, and other consents in relation to the Equipment, and if requested by Cummins, Customer shall make these permits, licenses, and consents available to Cummins prior to shipment. Customer represents that it is familiar with the Equipment and understands operating instructions and agrees to perform routine maintenance services. Until the balance is paid in full, Customer shall care for the Equipment properly, maintain it in good operating condition, repair and appearance; and Customer shall use it safely and within its rated capacity and only for purpose it was designed. Even if Customer's purchase of Equipment from Cummins under this Agreement is based, in whole or in part, on specifications, technical information, drawings, or written or verbal advice of any type from third parties, Customer has sole responsibility for the accuracy, correctness and completeness of such specifications, technical information, drawings, or advice. Cummins make no warranties or representations respecting the accuracy, correctness and completeness of any specifications, technical information, drawings, advice or other information provided by Cummins. Cummins makes no warranties or representations respecting the suitability, fitness for intended use, compatibility, integration or installation of any Equipment supplied under this Agreement. Customer has sole responsibility for intended use, for installation and design and performance where it is part of a power, propulsion, or other system. Limitation of warranties and remedies and all disclaimers apply to all such technical information, drawings, or advice. Customer acknowledges and agrees by accepting delivery of the Equipment that the Equipment purchased is of the size, design, capacity and manufacture selected by the Customer, and that Customer has relied solely on its own judgment in selecting the Equipment.

CONFIDENTIALITY. Each party shall keep confidential any information received from the other that is not generally known to the public and at the time of disclosure, would reasonably be understood by the receiving party to be proprietary or confidential, whether disclosed in oral, written, visual, electronic, or other form, and which the receiving party (or agents) learns in connection with this Agreement including, but not limited to: (a) business plans, strategies, sales, projects and analyses; (b) financial information, pricing, and fee structures; (c) business processes, methods, and models; (d) employee and supplier information; (e) specifications; and (f) the terms and conditions of this Agreement. Each party shall take necessary steps to ensure compliance with this provision by its employees and agents.

GOVERNING LAW AND JURISDICTION. This Agreement and all matters arising hereunder shall be governed by and construed in accordance with the laws of the State of Indiana without giving effect to any choice or conflict of law provision. The parties agree that the courts of the State of Indiana shall have exclusive jurisdiction to settle any dispute or claim arising in connection with this Agreement.

INSURANCE. Upon Customer's request, Cummins will provide to Customer a Certificate of Insurance evidencing Cummins' relevant insurance coverage.

ASSIGNMENT. This Agreement shall be binding on the parties and their successors and assigns. Customer shall not assign this Agreement without the prior written consent of Cummins.

INTELLECTUAL PROPERTY. Any intellectual property rights created by either party, whether independently or jointly, in the course of the performance of this Agreement or otherwise related to Cummins pre-existing intellectual property or subject matter related thereto, shall be Cummins' property. Customer agrees to assign, and does hereby assign, all right, title, and interest to such intellectual property to Cummins. Any Cummins pre-existing intellectual property shall remain Cummins' property. Nothing in this Agreement shall be deemed to have given Customer a licence or any other rights to use any of the intellectual property rights of Cummins.

MISCELLANEOUS. Cummins shall be an independent contractor under this Agreement.

All notices under this Agreement shall be in writing and be delivered personally, mailed via first class certified or registered mail, or sent by a nationally recognized express courier service to the addresses set forth in this Agreement.

No amendment of this Agreement shall be valid unless it is in writing and signed by the parties hereto. Failure of either party to require performance by the other party of any provision hereof shall in no way affect the right to require such performance at any time thereafter, nor shall the waiver by a party of a breach of any of the provisions hereof constitute a waiver of any succeeding breach.

Any provision of this Agreement that is invalid or unenforceable shall not affect the validity or enforceability of the remaining terms hereof.

These terms are exclusive and constitute entire agreement. Customer acknowledges that the provisions were freely negotiated and bargained for and Customer has agreed to purchase of the Equipment pursuant to these terms and conditions. Acceptance of this Agreement is expressly conditioned on Customer's assent to all such terms and conditions. Neither party has relied on any statement, representation, agreement, understanding, or promise made by the other except as expressly set out in this Agreement. In the event of a conflict in the terms of this Agreement with any Customer terms or conditions or agreement (whether referenced in an order submitted by Customer as the terms that govern the purchase of the Equipment or otherwise) or any terms set forth in any other documentation of Customer with respect to the Equipment, the terms of this Agreement shall govern.

Cummins may incur additional charges which will be passed on to the Customer, as applicable.

COMPLIANCE. Customer shall comply with all laws applicable to its activities under this Agreement, including, without limitation, any and all applicable federal, state, and local anti-bribery, environmental, health, and safety laws and regulations then in effect. Customer acknowledges that the Equipment, and any related technology that are sold or otherwise provided hereunder may be subject to export and other trade controls restricting the sale, export, re-export and/or transfer, directly or indirectly, of such Equipment or technology to certain countries or parties, including, but not limited to, licensing requirements under applicable laws and regulations of the United States, the United Kingdom and other jurisdictions. It is the intention of Cummins to comply with these laws, rules, and regulations. Any other provision of this Agreement to the contrary notwithstanding, Customer shall comply with all such applicable all laws relating to the cross-border movement of goods or technology, and all related orders in effect from time to time, and equivalent measures. Customer shall act as the importer of record with respect to the Equipment and shall not resell, export, re-export, distribute, transfer, or dispose of the Equipment or related technology, directly or indirectly, without first obtaining all necessary written permits, consents, and authorizations and completing such formalities as may be required under such laws, rules, and regulations. In addition, Cummins has in place policies not to distribute its products for use in certain countries based on applicable laws and regulations including but not limited to UN, U.S., UK, and European Union regulations. Customer undertakes to perform its obligations under this Agreement with due regard to these policies. Strict compliance with this provision and all laws of the territory pertaining to the importation, distribution, sales, promotion and marketing of the Equipment is a material consideration for Cummins entering into this Agreement with Customer and continuing this Agreement for its term. Customer represents and warrants that it has not and shall not, directly or through any intermediary, pay, give, promise to give or offer to give anything of value to a government official or representative, a political party official, a candidate for political office, an officer or employee of a public international organization or any other person, individual or entity at the suggestion, request or direction or for the benefit of any of the above-described persons and entities for the purposes of inducing such person to use his influence to assist Cummins in obtaining or retaining business or to benefit Cummins or any other person in any way, and will not otherwise breach any applicable laws relating to anti-bribery. Any failure by Customer to comply with these provisions will constitute a default giving Cummins the right to immediate termination of this Agreement and/or the right to elect not to recognize the warranties associated with the Equipment. Customer shall accept full responsibility for any and all civil or criminal liabilities and costs arising from any breaches of those laws and regulations and will defend, indemnify, and hold Cummins harmless from and against any and all fines, penalties, claim, damages, liabilities, judgments, costs, fees, and expenses incurred by Cummins or its affiliates as a result of Customer's breach.

Authorization:

I, _____ (printed name) accept the above terms and conditions on behalf of _____ (printed company name) and authorize **Cummins Southern Plains LLC** to order the equipment detailed in this Proposal as per approved submittals and as described in the above Proposal.

Accepted By:

Authorized Signature

Date

Printed Name & Title

Purchase Order # or Job Name Reference

Thank you for considering Cummins Power Generation products. We appreciate the opportunity to work with you on this project. If any additional information or assistance is desired, please do not hesitate to contact me.

Thank you,

A handwritten signature in black ink, appearing to read "John Solheim". The signature is fluid and cursive, with the first name "John" and last name "Solheim" clearly distinguishable.

John Solheim
Power Generation – Inside Sales Representative
Cummins Southern Plains LLC
(713) 440-9286
John.Solheim@Cummins.com

ITEM 10

CLOSED SESSION DELIBERATION(S)

ITEM 11

**CONTRACT(S)/OFFER(S) FOR SALE
AND PURCHASE OF LAND**

ITEM 12

EXECUTIVE DIRECTOR'S REPORT

ITEM 13

PAYMENT OF INVOICES

ITEM 14

ADJOURN