AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Fuel Purchase Agreement; Trillium Transportation F

Action Requested: Board of County Commissioners' Signature

Parties to the Agreement: Trillium Transportation Fuels LLC, dba: Trillium CNG

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:

This fuel purchase agreement between the County and Trillium guarantees a fuel price for the next 10 years, with inflationary adjustment mechanisms, in exchange for a commitment from the County to Trillium for minimum fuel purchases which will be allocated in 3 year terms.

Fiscal Impact: none

Submitted by: John Cattles **Submitter's Email Address:** jcattles@gunnisoncounty.org

Finance Review: (●) Required ( ) Not Required

Comments:
No concerns.

Reviewed by: GUNCOUNTY1\lNienhueser Discharge Date: 9/2/2016

County Attorney Review: (●) Required ( ) Not Required

Comments:
ok db 9/1/16

Reveiwed by: GUNCOUNTY1\dBaumgarten Discharge Date: 9/1/2016 Certificate of Insurance Required Yes ( ) No (●)

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 9/2/2016

( ) Consent Agenda (●) Regular Agenda ( ) Worksession Time Allotted: 5

Agenda Date: 9/6/2016

Revised April 2015

FUEL PURCHASE AGREEMENT

THIS FUEL PURCHASE AGREEMENT (this "Agreement") is entered into as of this 7th day of September, 2016, (the "Effective Date") by and between Trillium Transportation Fuels, LLC, a Delaware limited liability company, d/b/a Trillium CNG ("Trillium"), and Gunnison County, a Colorado statutory county ("County").

BACKGROUND

Trillium is in the business of, among other things, operating and maintaining compressed natural gas ("CNG") fueling stations and delivering CNG to such facilities for dispensing CNG for use as a transportation fuel. The County is in the process of developing a fueling station on the property located at 508 W. Tomichi Ave, Gunnison, CO (the "Station"). The County desires to assure itself of a supply of CNG to fuel its fleet and other vehicles all under the terms and conditions set forth below.

FOR GOOD AND VALUABLE CONSIDERATION, including without limitation the covenants and agreements contained herein, the receipt and sufficiency of which are hereby acknowledged, Trillium and the County hereby agree as follows:

AGREEMENT

1. Condition Precedent. This Agreement is contingent upon Trillium and the Colorado Energy Office execution of the Grant Agreement and Trillium's receipt of grant funds under such Grant Agreement, as well as an executed lease agreement between Trillium and BAO Enterprises LLC ("BAO") for land use at 508 W. Tomichi Ave, Gunnison, CO. In the event Trillium and the Colorado Energy Office fail to execute the Grant Agreement or Trillium and BAO do not execute a lease agreement, this Agreement shall automatically terminate and the parties shall have no liability hereunder. Notice of execution of the grant agreement and lease agreement must be provided promptly to the County.

2. Obligations of the Parties.

a. County Obligations. The County will be responsible for (i) securing and directly paying for all services necessary for Station development, including engineering, Station construction costs and expenses and the procurement of all necessary permits (collectively the "Station Development Costs"), (ii) developing the site including; roads, utility connections, and fueling island, and (iii) bringing the necessary electricity and natural gas service to the mechanical equipment at the Station and the fueling island (pathways will be provided from the mechanical equipment to the fueling island as needed. Upon the completion of the Station and being placed in service, the County shall provide Trillium the final aggregate total of the Station Development Costs, along with supporting documentation. Upon the parties' agreement of the final aggregate Station Development Costs, such amount will be used to determine when the County has recovered its Station Development Costs and the cessation of VETC credit extended by Trillium.

b. Trillium Obligations. Trillium will (i) provide technical consultation and contractor specifications to the County related to selection of engineering, civil, mechanical, and electrical contractors for the Station development, (ii) provide compression, storage, dispensing and remaining Station components, (iii) act as Station operator including all maintenance and

operational costs associated with the Station, (iv) provide signage and advertising, and (v) be responsible for all utility bills arising from the operation of the Station,.

3. Purchase of CNG.

a. Purchase and Sale of CNG. During the Term Trillium shall supply to the County at the Station, and the County shall purchase from Trillium at the Station, CNG for fueling of motor vehicles.

b. Term. This Agreement shall be binding upon the parties as of the Effective Date and, unless earlier terminated as provided for herein, shall continue in full force and effect through and including the tenth (10th) anniversary of the Commencement Date ("Term"). "Commencement Date" shall mean the first day of the calendar month immediately following the date on which the Station is completed and operational.

c. County Minimum Purchase Requirement. During the Term of this Agreement, the County shall purchase a minimum of one million, one hundred thousand (1,100,000) gasoline gallon equivalents ("gge") of CNG ("County Committed Volume") at the Station allocated over the Term as described in the Volume Commitment table in Exhibit B. For purposes of this Agreement and except for year ten of the Term, three (3) year periods will be used for the Volume Commitment and shall commence on the Commencement Date and continue for thirty six (36) consecutive calendar months thereafter "Three Year Periods" with each new Three Year Period starting on the subsequent 3rd anniversary date (each of which shall be considered a Three Year Period hereunder. The County Committed Volume will be reduced by all gge sold to any user. For avoidance of doubt if any user purchases 25,000 gge for four consecutive years during the Term, the County Committed Volume shall be reduced by 100,000 gge. For purposes of this Agreement, (1) a "gge" represents the natural gas equivalent volume to the energy content of 1 gallon of regular unleaded gasoline and (2) the energy content of 1 gallon of regular unleaded gasoline is deemed to be 125,000 btu per gallon.

4. Pricing and Payment.

a. Price. The purchase price for the CNG purchased by the County and Additional Authorized Purchasers set forth in Exhibit A pursuant to this Agreement shall be determined in accordance with the "CNG Purchase" formula set forth in Exhibit B. If the County fails to purchase the County Committed Volume of CNG during the Term, then County shall pay Trillium an amount determined in accordance with the "County Committed Volume Requirement True-up" formula set forth in Exhibit B.

b. Invoicing.

i. *Invoices*. By the tenth (10th) day of each calendar month during the Term, Trillium will deliver an invoice to the County reflecting the amount owing from the County for its purchases of CNG during the preceding calendar month

ii. *Invoice for Failure to Meet the County Committed Volume Requirement*. If the County fails to purchase the Volume Commitment during any Three Year Period , then within fifteen (15) days following the end of such Three Year Period, Trillium will deliver an invoice to the County reflecting the amount owing from the County for its failure to purchase

the applicable Volume Commitment based upon the County Committed Volume Requirement True-up formula set forth in Exhibit B.

c. Payment. The County shall pay Trillium the amounts shown on the face of each invoice within thirty (30) calendar days from the date of the applicable invoice. Payments shall be made in U.S. dollars. The County shall pay interest on all past due payments calculated at a rate of twelve percent (12%) per annum from the due date until paid.

d. Taxes.

i. Any and all federal, state and local fuel use taxes, sales taxes, excise taxes, value-added taxes, duties, customs, inspection or testing fees, and all other taxes, fees, interest and charges of any nature whatsoever imposed on or measured by the transactions between Trillium and such applicable Additional Authorized Purchasers under this Agreement shall be paid by such Additional Authorized Purchasers as part of the prices determined in accordance with Exhibit B. In the event that (i) any such taxes, fees, interest and charges are not included in the prices determined in accordance with Exhibit B and (ii) Trillium is required to pay the same, the applicable party shall reimburse Trillium therefor upon demand.

ii. The Volumetric Excise Tax Credit ("VETC"), as described in 26 USC § 6426 and as applied to CNG in 26 USC § 6426 (d)(2)(c) and further described in IRS Notice 2006-92, to the extent that said VETC is applicable in any particular calendar month where the County is engaged in the purchase of CNG from Trillium, the "CNG Purchase" formula shall be modified as described in Exhibit B.

5. Fueling Procedures.

a. County's Employees and Independent Contractors. The County's employees and/or independent contractors identified in advance in writing to Trillium (each, a "County User"), and mutually agreed upon, shall be entitled to purchase CNG at the Station on the County's behalf under this Agreement.

b. Training and Fueling Cards. Prior to any County User and Additional Authorized Purchasers purchasing any CNG at the Station, each such party shall satisfactorily complete, as determined by Trillium, Trillium's fueling training. Upon each such County User and Additional Authorized Purchasers so completing such fueling training, Trillium will issue to such party a non-transferrable Trillium fueling card or such user may use the WEX fueling card (collectively the "Fueling Card") for the purchase of CNG at the Station. In the event a user chooses to use the WEX fueling card, such user shall advise and provide Trillium all necessary information Trillium requires to track such user's fueling activity at the Station via the WEX fueling card.

c. Fueling Procedures. Each user shall perform all fueling acts necessary to purchase CNG, and in no event shall Trillium have any obligation whatsoever to assist any County User or Additional Authorized Purchasers with any fueling acts. Each County User's and Additional Authorized Purchasers' purchase of CNG will be tracked by such party's use of the Fueling Card.

d. County Liability for Purchases. The County shall be responsible for any and all purchases of CNG by any and all County Users or Fueling Cards; provided, however that if the County has notified Trillium in writing (i) not to accept a particular user's Fueling Card or (ii) that a particular

Fueling Card has been lost or stolen, in the case of each of (i) and (ii), as identified by the Fueling Card number, then the County shall have no liability for any purchases of CNG associated with such that identified lost or stolen Fueling Card after twenty-four hours has passed following Trillium's receipt of such notice. Any disputes as to whether the County is liable for any purchases of CNG will be resolved by Trillium in its good faith reliance on the tracked Trillium Fueling Card data.

e. Additional Authorized Purchasers Liability for Purchases. Each Additional Authorized Purchaser shall be responsible for any and all purchases of CNG by such Additional Authorized Purchaser Fueling Cards; provided, however that if Additional Authorized Purchaser has notified Trillium in writing (i) not to accept a particular Fueling Card or (ii) that a particular Fueling Card has been lost or stolen, in the case of each of (i) and (ii), as identified by the Fueling Card information provided to Trillium, then the subject Additional Authorized Purchaser shall have no liability for any purchases of CNG associated with such that identified lost or stolen Fueling Card after twenty-four hours has passed following Trillium's receipt of such notice. Any disputes as to whether an Additional Authorized Purchaser is liable for any purchases of CNG will be resolved by Trillium in its good faith reliance on the tracked Fueling Card data.

f. Adequate Assurances. If Trillium has reasonable grounds for insecurity regarding the payment of invoices issued to the County or an Additional Authorized Purchaser hereunder including, without limitation, any occurrence of a material change in the creditworthiness of such purchaser, then Trillium may demand an Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount and for the term reasonably acceptable Trillium, including, but not limited to, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or a performance bond or guaranty (including the issuer of any such security).

g. Fuel Specifications. Trillium acknowledges and agrees that it is the County's and such Additional Authorized Purchasers' desire to obtain CNG fuel that is made available in accordance with industry best practices and that does not contain impurities such as moisture, oil, and non-methane hydrocarbon content in CNG fuel to the extent practicable. This includes but is not limited to the design of the Trillium's dryer, compressor, and filtration equipment, and regular maintenance of all CNG Station components.

h. In order to fairly assess contamination responsibility, Trillium will provide within five (5) business days after a request from the County operating and maintenance data, samples of oil and other materials as required, as well as access for the County's personnel to inspect compression, drying, and filtering equipment and operations.

6. Warranty; Limitations on Liability.

a. Warranty. Trillium hereby represents and warrants that the CNG sold to the County pursuant to this Agreement shall conform to the specifications set forth on Exhibit C (the "Specifications"), if any. The foregoing such warranty is the sole and exclusive warranty of Trillium with respect to any and all CNG sold to the County pursuant to this Agreement, **AND TRILLIUM HEREBY DISCLAIMS ANY AND ALL OTHER WARRANTIES, WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE AND ANY WARRANTIES ARISING FROM COURSE OF DEALING OR USAGE OF TRADE, AND COUNTY HEREBY ACKNOWLEDGES THE FOREGOING DISCLAIMER.**

b. Exclusive Remedy. Trillium's sole obligation and the County's exclusive remedy for any failure of CNG to conform to Trillium's warranty set forth in Section 6.a shall be to refund to the County the purchase price actually paid by the County for such non-conforming CNG.

c. Limitation of Liability. **TRILLIUM SHALL NOT BE LIABLE FOR: (I) ANY OBLIGATIONS WHATSOEVER ARISING FROM TORT CLAIMS (INCLUDING WITHOUT LIMITATION SUCH CLAIMS BASED UPON NEGLIGENCE OR STRICT LIABILITY) OR (II) ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, SPECIAL, PUNITIVE, EXEMPLARY OR CONTINGENT DAMAGES WHATSOEVER, WHETHER BASED ON BREACH OF CONTRACT, WARRANTY, TORT OR ANY OTHER LEGAL OR EQUITABLE THEORY. TRILLIUM HEREBY DISCLAIMS THE OBLIGATIONS AND DAMAGES DESCRIBED IN CLAUSES (I) AND (II), REGARDLESS OF WHETHER TRILLIUM HAS BEEN GIVEN NOTICE OF THE POSSIBILITY OF SUCH OBLIGATIONS OR DAMAGES.** Without limiting the generality of the foregoing, Trillium specifically disclaims any liability for (i) special or punitive damages, penalties, damages for lost profits or revenues, loss of use of trucks or trailers or other equipment or systems, cost of capital, cost of substitute products or trucks or trailers or other equipment or systems, delay in the County's performance, downtime, or shutdown or slowdown costs; (ii) any other types of economic loss by the County or County Users or any Additional Authorized Purchaser; and (iii) claims of the County, County Users, Additional Authorized Purchaser or any other third party for any such damages, losses, costs or liabilities. Trillium's maximum aggregate liability, regardless of the source or cause of claim, damages or liability, including as to liabilities under Section 7.b, under this Agreement shall not exceed the purchase price by the County for the purchase of CNG.

7. Indemnification.

a. Trillium shall indemnify, defend and hold harmless the County and its affiliates, employees, representatives and agents (the "County Indemnitees") from and against any and all losses, liabilities, costs, damages and expenses (including but not limited to reasonable attorneys' fees and other costs of defense) caused by: (i) the negligence or willful misconduct of Trillium, its employees, agents or contractors, or (ii) resulting from the failure of Trillium to perform or observe any of the terms and conditions of this Agreement, provided that Trillium will not be responsible for providing indemnification due to the negligence or willful misconduct of the County Indemnitees.

8. Events of Default and Termination; Early Termination; Default Damages.

a. Default by the County; Termination by Trillium. This Agreement and the use of any Trillium Fueling Cards may be terminated by Trillium immediately upon written notice in the event (each an "Event of Default") that the County: (a) fails to make any payment hereunder as and when due; (b) by act or omission breaches or defaults on any material term or condition of this Agreement other than the obligation to make payments as and when due and the County fails to cure such breach or default within thirty (30) calendar days after written notice from Trillium; or (c) becomes insolvent, makes an assignment for the benefit of creditors, has a receiver appointed over all or any portion of its property, becomes the subject of an "order for relief" as that term is used in the U.S. Bankruptcy Code, or is liquidated or dissolved or its affairs are wound up.

b. Default by Trillium; Termination by the County. This Agreement may be terminated by the County immediately upon written notice in Event of Default if Trillium: (a) by act or omission breaches or defaults on any material term or condition of this Agreement and Trillium fails to cure such breach or default within thirty (30) calendar days after written notice from the County; or (b)

becomes insolvent, makes an assignment for the benefit of creditors, has a receiver appointed over all or any portion of its property, becomes the subject of an "order for relief" as that term is used in the U.S. Bankruptcy Code, or is liquidated or dissolved or its affairs are wound up.

c. Default by the County and Damages. Upon the occurrence of an Event of Default by the County and termination of the Agreement by Trillium due to the County's default, County shall pay to Trillium the following, not as a penalty, but as a reasonable measure of anticipated or actual loss due to the difficulties that may arise in proof of loss. Within three (3) days of the termination of the Agreement by Trillium arising from the County's default, the County shall pay the sum of (i) any amount previously invoiced and yet to be invoiced charges for CNG dispensed to the County that has not been paid to Trillium plus (ii) the sum of the County Committed Volume Requirement True-up for the remaining gge of the Agreement, plus (iii) the cost of liquidating any natural gas contracts or agreements or related financial transactions ("Gas Procurement Cost") incurred by Trillium for supplying natural gas as a feedstock for the CNG provided to the County. The Gas Procurement Cost is equal to the (i) positive difference, if any, between the Contract Value of the natural gas to be liquidated and the current Market Value of said natural gas plus and (ii) any additional costs and fees that arise from commercially reasonable efforts and transactions for the "buyer" to replace the CNG or the "seller" to sell the CNG to a third party.

For the purposes of Section 8.c, "Contract Value" means the amount of natural gas remaining to be delivered or purchased under a transaction multiplied by the contract price of said natural gas. "Market Value" means the amount of natural gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction, which price shall be determined by the Trillium in a commercially reasonable manner. To ascertain Market Value, the Trillium may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs.

d. Effect of Termination. Neither expiration nor termination of this Agreement shall affect the rights or responsibilities of the parties hereunder that accrued prior to expiration or termination. Sections 6, 7, 8 and 9 shall survive expiration or termination.

9. Miscellaneous.

a. Notice. All notices, requests, demands and other communications under this Agreement shall be given in writing and shall be personally delivered; sent by electronic mail or facsimile transmission; or sent to the applicable parties at their respective addresses indicated in this Section 9.a by registered or certified U.S. mail, return receipt requested and postage prepaid; or by private overnight mail courier service, as follows:

If to Trillium:

Trillium Transportation Fuels, LLC d.b.a Trillium CNG
1111 Bagby, Suite 2400
Houston, Texas 77002
Attention: General Manager
Facsimile: 713-354-5357

With a copy to:
10601 North Pennsylvania Ave.
Oklahoma City, OK 73120
Attention: Assistant General Counsel
Facsimile: 405-463-3793

If to County:

Gunnison County

Gunnison County, CO
200 E. Virginia Ave.
Gunnison, CO 81230
Attention: County Manager
Facsimile: (970)641-3061

or to such other person or address as either party shall have specified by notice in writing to the other party. If personally delivered, such communication shall be deemed delivered upon actual receipt; if sent by electronic mail, such communication shall be deemed delivered upon the recipient's confirmation of receipt (it being understood that an automatic response to such electronic mail shall not be deemed confirmation of receipt); if sent by facsimile transmission, such communication shall be deemed delivered the day of the transmission, or if the transmission is not made on a business day, the first business day after transmission (and sender shall bear the burden of proof of delivery); if sent by overnight courier, such communication shall be deemed delivered upon receipt; and if sent by U.S. mail, such communication shall be deemed delivered as of the date of delivery indicated on the receipt issued by the relevant postal service or, if the addressee fails or refuses to accept delivery, as of the date of such failure or refusal.

b. Assignment; No Third-party Beneficiaries. Neither party may assign this Agreement or its rights or obligations hereunder, in whole or in part, voluntarily or by operation of law, without the prior written consent of the other party, with such consent not unreasonably withheld, delayed or conditioned, and any attempted assignment without such consent shall be null and void and without legal effect. Notwithstanding the foregoing, Trillium may assign this Agreement or its rights or obligations hereunder, in whole or in part, to any of its affiliates or to any person or entity that purchases all or any substantial portion of its assets, without the County's consent. This Agreement shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective permitted successors and permitted assigns. Nothing contained in this Agreement shall be deemed to confer upon any other person or entity any right or remedy under or by reason of this Agreement.

c. Severability. If a court of competent jurisdiction determines any provision(s) of this Agreement to be illegal or excessively broad, then this Agreement shall be construed so that the remaining provisions shall not be affected but shall remain in full force and effect, and any such illegal or excessively broad provision(s) shall be deemed, without further action on the part of any person, to be modified, amended and/or limited to the extent necessary to render the same valid and enforceable in such jurisdiction.

d. Amendment and Waiver. No provisions of this Agreement may be modified, waived or discharged unless such modification, waiver or discharge is agreed to in a writing executed by the County and Trillium. No action taken pursuant to this Agreement shall be deemed to constitute a waiver by the party taking such action of compliance with any representations, warranties, covenants or agreements contained in this Agreement. No waiver by either party at any time of any breach by the other party of, or compliance with, any provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions at the same or at any prior or subsequent time.

e. Entire Agreement. This Agreement (including the exhibits attached hereto) supersedes all prior agreements, whether oral or in writing, between the parties with respect to its subject matter and constitutes the complete and exclusive statement of the terms of the agreement between the parties with respect to its subject matter. There have been and are no conditions, agreements, representations or warranties between the parties with respect to the subject matter of this Agreement other than those set forth or provided for in this Agreement.

f. Counterparts; Facsimile Signatures. This Agreement may be executed by facsimile signature pages and in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

g. Governing Law. **THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH THE INTERNAL LAWS OF THE STATE OF COLORADO, EXCLUDING ANY CHOICE-OF-LAW RULES THAT MAY DIRECT THE APPLICATION OF THE LAWS OF ANOTHER JURISDICTION.** Each party stipulates that any dispute or disagreement between the parties as to the interpretation of any provision of, or the performance of obligations under, this Agreement shall be commenced and prosecuted in its entirety in, and consents to the exclusive jurisdiction and proper venue of, the federal or state courts located in Denver, Colorado, the State of Colorado, and each party consents to personal and subject matter jurisdiction and venue in such courts and waives and relinquishes all right to attack the suitability or convenience of such venue or forum by reason of such party's present or future domiciles or by any other reason. The parties acknowledge that all directions issued by the forum court, including, without limitation, all injunctions and other decrees, will be binding and enforceable in all jurisdictions and countries. **EACH PARTY WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY SUCH DISPUTE OR DISAGREEMENT.**

[SIGNATURES TO FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives, effective as of the date first above set forth.

TRILLIUM TRANSPORTATION FUELS, LLC

By:_____

Name: _____

Title:_____

Date: _____

GUNNISON COUNTY

By:_____

Name:_____

Title:_____

Date: _____

Exhibit A

<u>Additional Authorized Purchasers</u>

Gunnison Valley RTA

Exhibit B

CNG Purchase and County Committed Volume Requirement True-up Formulas

CNG Purchase:

For CNG purchased at the Station during the Term by the County or an Additional Authorized Purchaser who is exempt from Federal, State and other Tax, then the County or such Additional Authorized Purchaser shall pay to Trillium a total amount equal to:

CF Adder + Index Gas Cost – VETC* = Price/gge

For CNG purchased at the Station during the Term by a user who is not exempt from Federal, State and other Tax, then such non-exempt Additional Authorized Purchasers shall pay to Trillium a total amount equal to:

CF Adder + Index Gas Cost + T – VETC* = Price/gge

"Index Gas Cost " means the cost of the natural gas that is included in the total gge's purchased by the Customer at the Station during such calendar month. Company will price the natural gas off of the CIG, Rockies Index.

"T" means the aggregate cost of all federal, state and local fuel use taxes, sales taxes, excise taxes, value-added taxes, duties, customs, inspection or testing fees, and all other taxes, fees, interest and charges to be collected or otherwise paid in connection with the purchase and sale of CNG at the station during the Term.

"VETC" means the total Volume Excise Tax Credit as described in Section 2.d.ii. of the Agreement. To the extent there is a VETC with a positive value, County shall receive one hundred (100%) percent of the VETC received by Trillium, as a credit to its total applicable charges.

"CF Adder" represents a compression fee and is equal to $1.47 multiplied by the gge's dispensed to County during the Term. Beginning on the first anniversary of the Commencement Date, CF Adder above will increase by an amount equal to the adjustment to the Consumer Price Index for the year ending prior to such Agreement year.

* Such VETC deduction shall be included in calculation of the Price/gge for County until the County has recovered its aggregate Station Development Cost.

Fuel Volume Commitment :

The County shall commit to overall volume of 1,100,000 gallons over the Term of the Agreement. The Term shall be divided into three (3) three (3) year periods described above as "Three Year Periods" for the first 9 years of the Term and one (1) year for year 10 of the Term and the overall volume divided likewise for purposes of periodic true-up of commitment shortfall, if any. The Volume Commitment for the first Three Year Period shall be as set forth below with the Volume Commitment for each following Three Year Period being set by an amendment to this Agreement at the end of the first Three Year

Period and for the last Three Year Period. Year 10 of the Term will be set by an amendment at the end of the third Three Year Period.

Volume Commitment:

Year	Volume Commitment (GGE)
1-3	100,000
4-6	to be set at year 4 (360,000) estimated
7-9	to be set at year 7 (480,000) estimated
10	balance of commitment (160,000) estimated

County Committed Volume Requirement True-up:

At the end of each Three Year Period or termination of the Agreement, if the County has failed to purchase the Volume Commitment for any Three Year Period (as adjusted by Additional Authorized Purchasers), then the County shall pay to Trillium an amount equal to: CF Adder * the total Volume Commitment shortfall gge * 65%. In the event of an early termination, the County shall pay Trillium an amount equal to: CF Adder * the total County Committed Volume shortfall gge * 65%.

Exhibit C

Specifications

Subject to the condition that the natural gas delivered to the Station allows Trillium to meet the following fuel composition and standards requirements, the fuel composition dispensed to vehicles shall meet the Cummins Westport methane number, SAE J1616, in order to ensure that water and carryover oil contents are within the parameters for natural gas engines.

All CNG fuel dispensed to County at the Station shall be free of contaminants including, without limitation, moisture and oil.

Trillium will provide a minimum of 25,000 gge/ year of Renewable Natural Gas (RNG) when available if the subject gas meter is in Trillium's name.