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QUOTATION - FIXED - FALL

Prepared For: City of Aniak ("Buyer")
 Delivered To: Aniak, Alaska
 Attention: Morgan Simeon
 Email: aniacityclerk@gmail.com

Date: June 13, 2023
 Phone: 907-675-4481
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This Quotation is an offer by Vitus Marine, a Division of Vitus Energy LLC ("Seller") to the above-named Buyer to sell the below-described petroleum products in the quantities shown ("Product"), subject to the terms and conditions of this Quotation:

Product	Quantity	Index Code*	Starting Average Index Price**	Transportation Differential	Base Price/Gal Ex Tax	Base Price Ex Tax	Federal Tax	State Tax	Full Price
ULSD #1	5,000	FIXED	FIXED	FIXED	\$5.4468	\$27,234.00	\$0.0010	\$0.0095	\$27,286.50
						\$0.00			\$0.00
Sub-Total (Ex Tax)						\$27,234.00	Total with Tax		\$27,286.50

Please read the attached Exhibit A - Standard Terms and Conditions for the manner in which price is determined.

*See Section 2 of this Quotation.

**Prices shown above are FIXED for FALL Delivery 2023 and for quantity stated.

- Delivery shall be to Buyer's permanent, fixed bulk fuel storage tank located at: Aniak, AK. Delivery shall be made in FALL of 2023, as Buyer may elect, on a date to be determined by Seller and subject to water availability and navigability of the Kuskokwim River area. Measurement of quantity delivered shall be accomplished by using Seller's delivery meters. Price assumes the customer's tanks have barge access and trucking is not needed.
- The price per gallon of a particular Product shall be as set forth in Seller's Standard Terms and Conditions attached as Exhibit A hereto ("Standard Terms"), which Standard Terms are incorporated in and form a part of this Quotation. The Index Codes used in this Quotation correspond to the following published price indices, and the Index Code for a particular Product indicates the price index applicable to that Product:
 A - Pacific Northwest Ultra Low Sulfur No 2 B - Pacific Northwest Sub-Octane Unleaded Regular
- The taxes shown above are based on the price shown above, which is based on the hypothetical lift date indicated above and the tax rates currently in effect. Actual taxes will depend on actual price adjusted by the actual lift date, the tax rates in effect at time of delivery when title transfers to buyer and may be subject to change based on required certificates or exemptions.
- If delivery requires that Seller use more than 200 feet of hose, then Seller may charge an additional \$2.00 per foot of hose for each foot of hose required in excess of 200 feet. Seller shall have no obligation to deliver Product if delivery would require that Seller use more than 700 feet of hose. If the offloading of Product into Buyer's fuel storage tank takes more than 8 hours after Seller docks at Buyer's facility, then Seller may charge an additional \$750.00 for each additional hour or part thereof necessary to complete such offloading.
- Sale of the Product is subject to the Standard Terms. BUYER SHOULD REVIEW THE STANDARD TERMS CAREFULLY BEFORE ACCEPTING THIS QUOTATION. This Quotation and the Exhibits are referred to collectively in the Exhibits as the "Agreement."
- ANY TERMS PROPOSED IN BUYER'S ACCEPTANCE OF THIS QUOTATION WHICH ADD TO, VARY FROM, OR CONFLICT WITH THE TERMS HEREOF ARE HEREBY OBJECTED TO AND REJECTED, SHALL NOT CONSTITUTE ANY PART OF ANY CONTRACT RESULTING FROM THIS QUOTATION, AND SHALL HAVE NO FORCE OR EFFECT. THE TERMS HEREIN SHALL CONSTITUTE THE COMPLETE AND EXCLUSIVE STATEMENT OF THE TERMS AND CONDITIONS OF ANY CONTRACT RESULTING FROM THIS QUOTATION AND MAY BE MODIFIED ONLY BY WRITTEN INSTRUMENT EXECUTED BY THE AUTHORIZED REPRESENTATIVES OF BOTH PARTIES.
- 10% deposit is required upon signing. Balance is due in advance and prior to loading unless credit arrangements have been requested by the BUYER and specifically agreed to by SELLER.

This offer will remain valid until 5:00 pm Alaska Time: 6/13/2023. To accept this offer please sign, date and return to my attention via fax or email. Vitus Marine appreciates your business!

BUYER'S ACCEPTANCE OF THIS QUOTATION SHALL RESULT IN A CONTRACT BETWEEN SELLER AND BUYER FOR SALE OF THE PRODUCT ON THE TERMS AND CONDITIONS SET FORTH IN THIS QUOTATION, INCLUDING WITHOUT LIMITATION SELLER'S STANDARD TERMS AND CONDITIONS AT EXHIBIT A.

Vitus Energy, LLC d/b/a Vitus Marine

By: _____ Date: _____

Its: _____

ACCEPTED BY BUYER:

Company Name: _____

Sign: _____

Print: _____

Date: _____



EXHIBIT A – STANDARD TERMS AND CONDITIONS
(Marine Fuel Sales)

1. **Price.**
- a. The price per gallon of a particular Product delivered under this Agreement shall be the sum of (i) the Starting Average Index Price (defined below) for such Product, plus (ii) the dollar change in the Average Index Price (defined below) for such Product between the effective date of the Hypothetical Lift Date and the first date of lift, plus (iii) the Transportation Differential, plus (iv) applicable taxes, plus (v) such additional costs and charges as are provided for in this Agreement.
 - b. If for any reason the applicable price index for a particular Product is no longer published by the referenced reporting service, the parties may, by mutual agreement signed by both parties, substitute comparable data from another source. If the parties are unable to agree as to another source within twenty (20) days after termination of the affected price reporting service, then this Agreement shall terminate.
 - c. “Starting Average Index Price” is the Average Index Price computed as though the first day of lift were the Hypothetical Lift Date.
 - d. “Average Index Price” means the average of the arithmetic average of the high postings of the applicable price index on the first date of lift, and the 1 calendar days before and 1 calendar days after the first date of lift. If no price is reported by the price index reporting service for any day used in determining the Average Index Price, the applicable price index for the most recent previously reported day shall be used for that day. The “first date of lift” for any delivery shall be that day during which Seller’s barge hoses are first flanged up to Seller’s fuel supplier’s header, date of fuel acquisition from fuel supplier, or date which a futures contract was entered or sold, at the sellers discretion. A lift that begins on one day and ends on another will be treated as though the lift were completed on the date that the lift began.
 - e. If the Term of the Agreement is for more than one year, then on each anniversary of the Commencement of the Agreement, the Transportation Differential shall be increased by three percent (3%).
 - f. There shall be added to the price of each Product, and Buyer shall pay, any and all taxes, now or hereafter imposed by any governmental authority or any tribal authority in respect to or measured by the Product delivered hereunder or by the manufacture, storage, delivery, receipt, exchange or inspection thereof. If Buyer claims an exemption, Buyer shall provide Seller with copies of the applicable tax certificates establishing such exemption.
 - g. **Fuel Surcharge.** Buyer may be charged a fuel surcharge on the Transportation Differential, when the Average Index Price for Pacific Northwest Ultra Low Sulfur No 2 is over \$2.00 per gallon the Fuel Surcharge may be added to the price if indicated on the Fuel Quotation form. The Fuel Surcharge Rate is 1% per \$.10 increase in the Average Index Price for Pacific Northwest Ultra Low Sulfur No2 over \$2.00 per gallon (Calculation: Average Index Price - \$2.00 /\$.10 = Fuel Surcharge Rate %).
 - h. Buyer shall obtain and pay the cost of obtaining whatever permissions are required to be obtained at or in respect to the place of delivery from any governmental authority, any tribal authority, or any other third party in order for Seller to deliver Product hereunder. Buyer shall be responsible for payment of any and all fees and charges of any kind whatsoever imposed or demanded at or in respect to the place of delivery by any governmental authority, any tribal authority, or any other third party in order for Seller to deliver Product hereunder, including without limitation all tariffs, port charges, fill line usage charges, trucking, dockage and wharfage charges, storage fees, handling fees, user fees, and line handling charges. In the case of a waterborne delivery, Buyer shall be responsible for payment of any and all waterborne tariffs at the port of delivery.

2. **Product Requirements.** This Paragraph 2 shall apply only if the Term of the Agreement is for more than one year.
- a. Unless otherwise provided in this Agreement, an “Agreement year” is the period of June 1 of each calendar year through September 15 of the next calendar year during the Term of this Agreement. “Spring Delivery” means a delivery between May and July 15 of an Agreement year, and “Fall Delivery” means a delivery between July 16 and September 15 of an Agreement year.
 - b. On or before March 1 of each Agreement year during the Term of the Agreement, Buyer shall give Seller written notice specifying its Product requirements for the next Agreement year, and specifying what portion of those Product requirements are for Spring Delivery (“Spring Delivery Requirements”), and what portion are for Fall Delivery (“Fall Delivery Requirements”). Buyer shall have the right to increase or decrease its specified Spring Delivery Requirements for particular Product for a particular Agreement year by up to 5% in the aggregate by providing Seller with written notice of such adjustment

prior to May 1 of that Agreement year. Buyer shall have the right to increase or decrease its specified Fall Delivery Requirements for particular Product for a particular Product Year by up to 5% in the aggregate by providing Seller with written notice of such adjustment prior to July 1 of that Agreement year. If Buyer desires to increase its specified Spring Delivery Requirements or Fall Delivery Requirements for particular Product for a particular Agreement year other than as permitted in the preceding sentence, including if Buyer desires to increase its specified requirements by more than 5%, Buyer may request such increase at any time, but Seller shall be under no obligation to agree to the same. Within 10 days after receiving such a request, Seller shall give written notice to Buyer as to whether Seller agrees to supply such additional Product. If Seller agrees to supply such additional Product, then such additional Product shall be included in Buyer's Product requirements for that Agreement year. If Seller does not agree to supply such additional Product, then Seller shall have no obligation to supply such additional Product, and Buyer shall have no obligation to purchase such additional Product from Buyer.

c. Except as expressly provided in subparagraph (b) above, Buyer shall purchase from Seller all Product required by Buyer during the Term of this Agreement, and Buyer may not cancel or reduce any Product requirements specified in any notice given pursuant to subparagraph (a) above without Seller's consent, which consent may be withheld for any or no reason at Seller's absolute discretion. Without limiting the preceding sentence, Seller may condition any consent to cancellation or reduction in the specified Product requirements (beyond the adjustment permitted in subparagraph (b) above) upon payment of Seller's lost profits resulting from such cancellation or reduction. Seller's remedies for breach in the event Buyer fails to purchase all of its Product requirements from Seller, or in the event Seller does not consent to cancellation or reduction by Buyer of its Product requirements as specified in any notice given pursuant to subparagraph (a) above, shall not be limited by this paragraph. Without limiting the preceding sentence, Seller's damages for any unconsented cancellation or reduction of Buyer's specified Product requirements may include but shall not be limited to Seller's lost profits resulting from such cancellation or reduction.

3. Delivery.

a. Buyer represents and warrants that all storage facilities to which Product is to be delivered under this Agreement (including all improvements, storage tanks, pipes, valves, fixtures, and equipment which comprise the storage facilities) are in good condition and comply with all applicable federal, state, and local laws and regulations, and that all storage tanks to which Product is to be delivered have sufficient unused capacity to accommodate the delivery.

b. Buyer or Buyer's designee shall be present at delivery, and any designee will be deemed to have full authority to act for Buyer with respect to the delivery. Seller may require that Buyer or Buyer's designee sign a meter ticket, receipt, or other proof of delivery of Product, but Buyer is obligated to pay for all delivered Product whether or not Seller requires or obtains such a signature. Buyer acknowledges and agrees that Seller may contract with one or more subcontractors to deliver Product under this Agreement.

4. Title and Risk of Loss. Ownership, title, and risk of loss to Product shall pass to Buyer upon delivery. Without limiting the preceding sentence, Seller is not responsible for theft of Product after it is delivered to Buyer. For waterborne deliveries, delivery is completed when the Product passes the permanent shore pipeline flange or header. The parties will cooperate with each other to develop a mutually acceptable delivery schedule. Seller will make commercially reasonable effort to deliver Product in accordance with that delivery schedule.

5. Warranties. Seller warrants that Product delivered hereunder shall have been identified by Seller's supplier as conforming to the following specifications:

For AV100LL:	ASTM D910
For Unleaded:	ASTM D4814
For Jet A:	ASTM D1655
For ULSD 1 and 2:	ASTM D975 or D1655
For Heating Fuel:	ASTM D396 or D975 or D1655
For Propane:	ASTM D1835

SELLER MAKES NO FUTHER WARRANTY OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, AND ALL WARRANTIES OF MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE AND OTHER WARRANTIES OF WHATEVER KIND ARE HEREBY DISCLAIMED BY SELLER AND EXCLUDED EXCEPT AS MAY BE REQUIRED BY LAW. In no event shall Seller be liable for errors or omissions of its suppliers in identification of the type, requirements or specifications of any Product. Buyer's sole and exclusive remedy in the event of any breach of warranty shall be as provided for in Paragraph 6 of these Standard Terms and Conditions.

6. Claims and Exclusive Remedy. **ANY CLAIM BY BUYER AGAINST SELLER RELATING TO THE PRODUCT OR THE DELIVERY THEREOF IS CONCLUSIVELY WAIVED UNLESS NOTICE OF SUCH CLAIM IS GIVEN TO SELLER WITHIN TWENTY (20) DAYS OF THE TIME OF DELIVERY. BUYER'S EXCLUSIVE REMEDY IN THE EVENT OF ANY SUCH CLAIM SHALL BE, AT SELLER'S OPTION, REPLACEMENT OR OTHER CURE OF THE DEFECTIVE PRODUCT OR PERFORMANCE, OR RETURN OF SO MUCH OF THE PURCHASE PRICE AS HAS ACTUALLY BEEN PAID BY BUYER AND REMOVAL OF ANY DEFECTIVE PRODUCT.** As used in this paragraph, "claim" includes without limitation any claim for breach of warranty (including without limitation any warranty as to the quality of the Product), failure to deliver Product ordered, or shortage in quantity.

7. Pollution. Buyer shall comply with all federal, state, and local laws and regulations relating to oil spills and water, air, and land pollution. Buyer shall be responsible for all liability and damages, if any, that may result from any spill, leak, venting, or other escape or accidental discharge of Product in connection with the delivery of any Product purchased under the Agreement; PROVIDED, however, that Buyer shall not be responsible for damages resulting from any escape or accidental discharge caused solely by Seller's reckless misconduct.

8. Security Interest.

a. As security for full and timely performance and payment by Buyer of all indebtedness, liabilities and obligations of Buyer to Seller, whether now existing or later arising, including without limitation payment of all amounts owed by Buyer to Seller for in connection with the purchase of Product under this Agreement, Buyer grants Seller a security interest in the following property of Buyer (collectively, "Collateral"):

All Product and all other petroleum products in which Buyer has or hereafter acquires an interest, wherever located, and however commingled; and

All cash and non-cash proceeds (including without limitation accounts receivable) of the foregoing, and all products of any of the foregoing.

b. Seller is authorized to file a financing statement ("UCC-1") without Buyer's signature in order to perfect Seller's security interest in the Collateral.

9. Default. Buyer shall be in default if Buyer fails to perform, keep, or observe any other term, provision, condition or covenant contained in this Agreement that is required to be performed, kept or observed by Buyer, including without limitation Buyer's failure to purchase from Seller all Product that Buyer is required to purchase from Seller under this Agreement, if such failure continues for ten (10) days after the giving of written notice thereof. In the event of default, Seller may pursue any and all other rights or remedies provided in this Agreement or by law.

10. Limitation of Liability. Without limiting Paragraph 6 of these Standard Terms and Conditions:

a. Seller's liability for any shortage in quantity, defects in quality or specifications, delivery of Product other than specified, failure to deliver Product ordered, breach of warranty, or any other breach in the performance of any delivery of Product shall not exceed the difference between the cost of cover and the price of such Product under this Agreement. As used in the preceding sentence, the "cost of cover" is the actual price paid by Buyer by making in good faith and without unreasonable delay a reasonable purchase of Product, for delivery by barge, in substitution for the Product due from Supplier, but not including Buyer's overhead or administrative costs.

b. Notwithstanding any other provision of this Agreement to the contrary, **SELLER'S LIABILITY FOR ALL CLAIMS OF ANY NATURE WHATSOEVER ARISING OUT OF OR RELATING TO THIS AGREEMENT, THE PRODUCT, THE SALE OR DELIVERY OF PRODUCT TO BUYER UNDER THIS AGREEMENT, OR SELLER'S ACTS OR OMISSIONS IN CONNECTION WITH THIS AGREEMENT, INCLUDING WITHOUT LIMITATION ALL CLAIMS FOR BREACH OF THIS AGREEMENT, NEGLIGENCE, OR STRICT LIABILITY, SHALL NOT EXCEED IN THE AGGREGATE THE PRICE TO BE PAID FROM BUYER TO SELLER UNDER THIS AGREEMENT. IN NO EVENT SHALL SELLER BE LIABLE FOR ANY INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, OR PUNITIVE DAMAGES OF ANY KIND IN CONNECTION WITH ANY CLAIM, INCLUDING WITHOUT LIMITATION LOST PROFITS OR LOSS OF INCOME EARNING CAPACITY, EVEN IF SELLER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

11. Measurement. Quantity shall be measured in units of volume identified by Seller unless otherwise required by law. If measurement of quantity delivered is to be by gauging the Product in the tanks to which delivery is to be made both immediately before and immediately after delivery, then Buyer shall give Seller reasonable notice before such measurements are taken, and Seller shall have the right to be present at such measurements. Either the buyer or seller can elect for an independent gauging, in which case the costs will be split 50/50 between buyer and seller. If measurement of quantity delivered is by means of delivery meters, built-in temperature compensators may be employed. Volume measurements shall be taken in accordance with the API

Manual of Petroleum Measurement Standards and converted to net gallons at 60° F in accordance with the appropriate Table of ASTM-D-1250 in its latest version for the Product carried. Gross Standard Volume is defined in the January 1982 Annex to Chapter 1 of the API Manual of Petroleum Standards. For purposes of this Agreement, a “gallon” is a U.S. standard gallon of 231 cubic inches at 60° F.

12. Indemnity. Buyer hereby agrees to defend, indemnify and hold harmless Seller and Seller’s shareholders, members, managers, directors, officers, employees, trustees, agents, attorneys, insurers, sureties, parent and subsidiary and affiliated corporations, successors and assigns from and against any and all liabilities, damages, losses, costs and expenses (including reasonable attorneys’ fees and other expenses of litigation), arising in whole or in part from, or related in any way to any act or omission of Buyer, or any person acting on behalf of Buyer or under Buyer’s direction or control, in connection with this Agreement.

13. Hazardous Nature of Product. Buyer represents and warrants that it is knowledgeable and aware that the Product delivered hereunder is hazardous material and that Buyer is sophisticated and knowledgeable with respect to (i) the hazards and risks associated with such Product, and (ii) the handling, receipt, transportation, storage and use of such Product. Buyer shall also transmit to Buyer’s customers any health and safety warnings and notices received from Seller promptly after such are furnished to Buyer by Seller, but Seller shall not have any obligation to provide such warnings or notices.

14. Force Majeure. The Seller shall not be liable for failure to perform this contract in whole or in part if such failure is due to strikes, work stoppages or slowdowns, local labor shortages, accidents, fire, storms, flood, late break-up or early freeze-up, riots, war, failure of equipment, delays in transportation, shortages in cars, shortages of fuel, power or materials, laws, regulations or requirements of any government or government agency, acts of God, or other contingencies beyond the reasonable control of the Seller. Without limiting the preceding sentence, the time for Seller to make delivery hereunder shall be extended during any period in which delivery shall be delayed or prevented by reason of any of the foregoing causes. If any delivery hereunder shall be so delayed or prevented for more than thirty (30) days beyond the stated delivery period, Seller or Buyer may terminate this contract with respect to such delivery upon written notice.

15. Waiver. The failure of a party to insist on the strict performance of any provision of this Agreement or to exercise any right, power or remedy upon a breach hereof shall not constitute a waiver of any provision of this Agreement or limit the party’s rights thereafter to enforce any provision or exercise any right, unless such waiver is evidenced in writing and executed by the party.

16. No Third Party Beneficiaries. This Agreement is not entered into for the benefit of any entity other than the specific parties hereto.

17. Construing of Agreement. The terms of this Agreement shall be construed according to the fair intent of the parties and not for or against either party

18. Law and Venue; Waiver of Jury Trial. This Agreement is governed by the laws of the State of Alaska. In any dispute arising out of or relating to this Agreement or any of the transactions contemplated herein, jurisdiction and venue shall lie exclusively in the courts at Anchorage, Alaska. Buyer irrevocably waives all rights to a trial by jury in any action, proceeding, or counterclaim (whether based on contract, tort or otherwise) arising out of or relating to this Agreement or any of the transactions contemplated herein. The prevailing party in any action shall be entitled to an award of its attorney fees and costs.

19. Notice. All notices required or permitted to be given under this Agreement shall be in writing and (i) delivered personally to the designated officer of the party to whom directed; or (ii) sent by registered or certified United States mail, postage prepaid, return receipt requested; or (iii) sent by email to the party’s email address specified in this Agreement. Notice is complete upon receipt.

20. Integration and Modification. This Agreement, including these Standard Terms and Conditions and any other Exhibits to the Agreement, constitutes the entire sole understanding of the parties with respect to the subject matter herein and supersedes any prior oral or written representations or agreements concerning the same. Buyer warrants that it is not relying on any representations other than those contained in this Agreement. No modification of this Agreement shall be binding unless such modification is in writing and executed by both parties subsequent to the date hereof.



Indexed or Fixed Prices Frequently Asked Questions

Indexed Price

Market prices go up or down for a variety of reasons, For that reason, the price Vitus charges its customers is based on a published market price. This is called an “Indexed Price” system.

What is an “indexed Price”?

Your quote or order is linked to a major fuel benchmark or “index”. These indexes are published by independent companies who track prices in the Western United States. From the index price we add a “transportation differential” to cover the cost to get the fuel to villages in Western Alaska. Your final price changes on a cent for cent basis when the index moves from the quoted lift date to the actual date the fuel is purchased or loaded onto our supply vessels.

How does this pricing work?

For example, we might quote a heating fuel order based on the index *Opis PNW ULSD* plus a transportation differential of \$1.20/gallon. In the below example, we assume Opis PNW was at \$3.10/gallon based on the day in the quote, and we show what the final price would be if the Opis PNW went up or down between the day of the quote and the day the ship or barge is loaded.

EXAMPLE:

	Day used in Quote	Day we load the fuel (prices go up)	Day we load the fuel (prices go down)
PNW Ultra Low Sulfur No 2	\$3.10	\$3.25	\$2.75
Transportation Differential	\$1.20	\$1.20	\$1.20
Invoice Price (before tax)	\$4.30	\$4.45	\$3.95

As you can see by the example, the final invoice price depends on the indexed price at the day of loading. Vitus makes the same amount of margin whether the market price is higher or lower.

Who uses indexed prices?

In Western Alaska nearly all major fuel consumers, such as: the utilities, mines, schools, and military, are quoted indexed prices if they are buying large, marine wholesale quantities. Indexed pricing allow the transportation company to offer the best overall price to customers.

If the indexed price goes down my price will go down?

Yes. Your prices moves cent for cent with the indexed price between the stated lift date in your quote and the actual date the fuel was loaded. If the index goes up your price would go up.

Fixed Price

What is a fixed price?

A fixed price is where the cost of the fuel is locked in for a specific number of gallons. If the market goes up, your price on those gallons stays the same. **If the market goes down your price on those gallons says the same.** Sometimes called price insurance, a fixed price is typically higher than an indexed price. A deposit is generally required.

Can Vitus advise me on when to select a fixed price?

No. Vitus does not know the future of oil prices so we cannot make recommendations. Vitus can provide market information to help you make an informed decision about price. The unknown positive or negative benefits of selecting a fixed price are yours and you are responsible for that decision.

What if I change my mind about the fixed price?

Once the fixed price is locked you are committed. There is no unlock. That price is set and the price does not change on the fuel if the market goes up or down.

Sample

How exactly can I find the index and the transportation differential on my agreement?

Refer to the sample quote below: First locate the "index code" on your quote. You will see a letter, in the below sample see letter "B". Then look at section 2 of the quote to see the Index

being used. If the quote is a fixed price it will say "FIXED" in the indexed code section the index price section and the transportation differential.

The "Starting Average Index Price" will show you what the index was as of the date used in the quote. In the below sample the index was at \$3.10.

The "Transportation Differential" is one column over. This number will not change. In this sample the Transportation Differential was \$1.20.

SAMPLE:

Product	Quantity	Index Code ^a	Starting Average Index Price ^{**}	Transportation Differential	Base Price/Gal Ex Tax	Base Price Ex Tax	Federal Tax	State Tax	Full Price
UNL Gasoline	1,000	A	\$3.0500	\$1.2000	\$4.2500	\$4,250.00	\$0.1840	\$0.0800	\$4,514.00
Diesel #1	5,000	B	\$3.1000	\$1.2000	\$4.3000	\$21,500.00	\$0.0010	\$0.0000	\$21,505.00
						\$0.00			\$0.00
Sub-Total (Ex Tax)						\$25,750.00	Total with Tax		\$26,019.00

IMPORTANT: The foregoing quotation assumes a hypothetical lift date of XX/XX/XX. Because the Starting Average Index Price is based on a variable price index, the actual invoiced price will vary depending on the date the fuel is actually lifted by Vitus Marine. Please read the attached Exhibit A - Standard Terms and Conditions for the manner in which price is determined.

*See Section 2 of this Quotation.

**Assumes a hypothetical lift date of XX/XX/XX. The actual date of lift will be different.

1. Delivery shall be to Buyer's permanent, fixed bulk fuel storage tank located at: _____, AK. Delivery shall be made in Spring of XXXX, as Buyer may elect, on a date to be determined by Seller and subject to water availability and navigability of the _____ area. Measurement of quantity delivered shall be accomplished by using Seller's delivery meters. Price assumes the customer's tanks have barge access and trucking is not needed.

2. The price per gallon of a particular Product shall be as set forth in Seller's Standard Terms and Conditions attached as Exhibit A hereto ("Standard Terms"), which Standard Terms are incorporated in and form a part of this Quotation. The Index Codes used in this Quotation correspond to the following published price indices, and the Index Code for a particular Product indicates the price index applicable to that Product:

A - Pacific Northwest Sub-Octane Unleaded Regular B - Pacific Northwest Ultra Low Sulfur No 2

How do we know your actual load date is correct?

Upon request we will send you a third party report showing the date we loaded from our supplier.

Is there a way for us to get index data directly from the source?

Yes. For a fee you can subscribe to the index data from the publisher. Follow the web link for more details. <http://www.opisnet.com/>

IMPORTANT NOTE: The above explanation is informational only and is not an offer. Please see your quotation or agreement for the terms that apply to you.