



## **PURCHASE AGREEMENT** **Compressed Natural Gas**

**THIS AGREEMENT** is made and entered into this (“Effective Date”) by and between the **CITY OF BILLINGS, MONTANA**, a municipal corporation organized and existing under the laws of the State of Montana, P.O. Box 1178, Billings, Montana 59103, hereinafter referred to as “City,” and, **MONTANA-DAKOTA UTILITIES CO**, a Division of MDU Resources Group, Inc., 400 N 4<sup>th</sup> St, Bismarck, ND 58501, hereinafter referred to as “Seller.”

In consideration of the mutual covenants and agreements herein contained, the receipt and sufficiency whereof being hereby acknowledged, the parties hereto agree as follows:

1. **PRODUCT PURCHASED:** Seller agrees to sell and City agrees to purchase compressed Natural Gas (CNG) from Montana-Dakota’s CNG facility located at 408 N 18<sup>th</sup> St. Billings, MT. The city does not have a minimum volume or maximum volume purchase requirement.

2. **Price:** The City agrees to pay the CNG gasoline gallon equivalent (GGE) price per gallon of \$1.99 for all CNG purchased by the City during the term of this Agreement.

3. **Contract Term and Renewal:** The term of the Agreement shall be for a period of one year from the Effective Date. The Agreement may be renewed by mutual agreement of the Parties for three additional one-year periods. The mutual agreement will include the price for that up-coming year.

4. **Station Capacity:** If station storage tanks are full, storage capacity is 50 gallons. Without any other load on the station next full fill of 50 gallons would be 3 hours later. With no other load on the station max output would be 6 50 gallon fills in 24 hours. The station is set to allow for 50 gallons of fuel per fill transaction.

5. **Billing Agreement:** The billing cycle ends at the end of each month. The payment due date will be the Monday of the third week of each month. There will be no charge for use of the CNG charge cards provided to the City.

6. **Nondiscrimination:** Seller agrees that all hiring by Seller of persons performing this Agreement will be on the basis of merit and qualification and will not discriminate on the basis of race, color, religion, creed, political ideas, sex, age, marital status, physical or mental



disability, or national origin.

7. **Termination:** This agreement may be terminated by either party. The termination will be effective 60 days from the date one party gives written notice to the other party that they are electing to terminate the agreement.

8. **Default and Seller Termination:** In the event of default and termination of this Agreement by the Seller, the City may procure substitute goods or product to replace the CNG described herein.

9. **Seller's Volume:** Seller will provide CNG on a best efforts basis but does not commit to provide a minimum volume of CNG during the term of the Agreement due to the vintage of Seller's CNG station.

10 **Assignment:** Neither the City nor the Seller may assign this Agreement or any of its rights hereunder without the express written consent of the other Party.

11. **Entire Agreement:** This Agreement, including its appendices, if any, is the entire understanding between the parties relating to the subject matter contained herein. No agent or representative of either party has authority to make any representations, statements, warranties or agreements not herein expressed and all modifications or amendments of this agreement, including the appendices, must be in writing and signed by an authorized representative of each of the parties hereto.

12. **Governing Law and Venue:** This Agreement shall be construed and enforced in accordance with the laws of the State of Montana. Venue for any suit between the parties arising out of this Agreement shall be the State of Montana Thirteenth Judicial District Court, Yellowstone County.



**IN WITNESS WHEREOF**, the parties hereto have executed this instrument the day and year first above written.

**CITY OF BILLINGS, MONTANA**

By \_\_\_\_\_  
**THOMAS W. HANEL, MAYOR**

\_\_\_\_\_  
**(Company Name)**

By \_\_\_\_\_  
**(Signature of Seller)**

\_\_\_\_\_  
**(Print Name)**

\_\_\_\_\_  
**(Print Title)**

\_\_\_\_\_  
**(Write Phone Number for Orders Above)**

**APPROVED AS TO FORM**

By \_\_\_\_\_  
**BRENT BROOKS, City Attorney**