



CAPE COD GATEWAY AIRPORT JET FUEL DISCOUNT PROGRAM

Effective Date: October 19, 2021

Effective on the date above, the Cape Cod Gateway Airport Commission has revised the jet fuel discount program dated February 18, 2020 as outlined below and shown on the attached pricing schedules.

The regular retail price of jet fuel at Cape Cod Gateway Airport ("Fuel Seller") is based upon the PLATTS New York Harbor Jet Barge Mean Previous Week wholesale price, plus the cost differential and transportation costs billed by Fuel Seller's fuel supplier, plus applicable Federal taxes and Fuel Seller handling costs, to determine Fuel Seller's "cost of fuel." The Fuel Seller adds a margin per gallon to all fuel to arrive at a retail price, adjusted on a weekly basis. The margin is the amount between the selling price of fuel and the cost of fuel. The margin is calculated internally based on demand for fuel and the Fuel Seller's cost of doing business, which includes all fees associated with the Fueling Cost Center such as staff salaries, necessary staff training to meet federal fuel delivery safety standards, fuel truck leases and maintenance, fuel truck insurance, hazardous materials transport and pollution insurance, and other overhead associated with the Fueling Cost Center. This margin is adjusted on a weekly basis.

Discounts will be offered to those under contract to purchase jet fuel from the Fuel Seller. As shown in the pricing noted below, the "Discount Rate" will be provided to purchasers of jet fuel ("Fuel Purchaser") under contract ("Fuel Agreement").

Discounts will be offered to those under Fuel Agreement. The term of the Fuel Agreement is twelve (12) months from the date the Fuel Agreement is signed, the ("Effective Date") and will terminate on the twelve (12) month anniversary of the Effective Date.



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Discounts for Fuel Purchaser under a Fuel Agreement to purchase jet fuel from the Fuel Seller will be available to purchasers who own or operate an aircraft, or manage aircraft (or fleets of aircraft) under FAR Parts 91K, 121, and 135. Supporting documentation will be required.

In order to qualify for the various discount programs, participants must either:

- a. Utilize a 0% transaction charge credit card, such as the Philips card, or other Fuel Seller approved credit card; or
- b. Prepay the Fuel Seller sufficient funds to cover anticipated fuel purchases; or
- c. Prior agreed upon fuel purchases would be billed under a Net 10 payment plan.

See notes for each program below and Attachment A for credit and payment terms.

There are three (3) types of discounts now available under a contractual basis with the Fuel Seller. Fuel Purchasers must enter into Fuel Agreement with the Fuel Seller to qualify.

I. GOLD PROGRAM - Multiple Cumulative Purchases – WITH an Annual Fuel Quota Fuel Agreement:

- a. Discounted prices are available from gallon one (1) if the Fuel Purchaser enters into an annual contract for Multiple Cumulative Purchases – WITH an Annual Fuel Quota Fuel Agreement and is based upon the amount contracted (“Fuel Quota”). Additional discounts beyond the contracted amount are available upon reaching each successive tier level over the contracted amount stated in the Fuel Agreement – the more fuel purchased, the higher the Discount Rate.
- b. It is up to the Fuel Purchaser to notify the Fuel Seller when more than the Fuel Quota has been reached and upon reaching each successive tier level over the contracted Fuel Agreement amount. The Fuel Purchaser is to notify the Fuel Seller via the general email hya.officemailbox@flyhya.com.



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- c. See Schedule A - GOLD PROGRAM (below) for multiple cumulative purchases, using the Airport payment and credit terms.
- d. Example: For a Fuel Pricing Agreement with a Fuel Quota in the amount of 300,000 gallons, the Discount Rate from gallon one (1) would be \$0.75 per gallon. If the Fuel Purchaser actually purchased over 300,001 gallons, the Discount Rate would change to \$0.90 per gallon for all fuel purchased over 300,001 gallons.
- e. Note that any waiver of Ramp Fees must be in alignment with the Airport's published rates and charges. There is NO waiver of Airport imposed landing fees.
- f. Any aircraft wishing to participate in this program must have a prior written approved Fuel Agreement from the Fuel Seller; and for based or fleets of aircraft they must provide a list of eligible aircraft tail numbers in advance of purchases and provide a specific fuel release for each purchase.
- g. If Fuel Purchaser purchases less than the Fuel Quota from the Fuel Seller during the term of the Fuel Agreement, then Fuel Purchaser shall pay Fuel Seller a penalty ("Fuel Quota Penalty"). The Fuel Quota Penalty would be paid in addition to the previously paid Discount Rate for each gallon of fuel purchased during the term of this Agreement, a lump sum payment at the end of the term to account for the shortfall in fuel purchases. The Fuel Quota Penalty shall be calculated as follows:

Where:

Y = Gallons actually purchased by Fuel Purchaser from Fuel Seller during the term of an Agreement

Fuel Quota Penalty Rate = \$2.40/gallon

Fuel Quota Penalty = \$2.40 – the discount price per gallon x (Fuel Quota-Y)



Example:

Fuel Quota	=	400,001 gallons
Y	=	350,001 gallons
Fuel Quota Not Met (in gallons)	=	(400,001 – 350,001) = 50,000
Fuel Quota Penalty Rate Per Gallon(1)	=	\$2.40
Discount Price Per Gallon	=	\$1.10
Fuel Quota Penalty	=	\$2.40 - \$1.10 x 50,000
	=	\$65,000

Notes:

(1) The Fuel Seller adds a margin per gallon to all fuel to arrive at a retail price, adjusted on a weekly basis. Because this rate is adjusted on a weekly basis and can therefore fluctuate weekly, the Fuel Quota Penalty has identified this margin as a fixed rate for ease of calculation and known quantity for any penalties implemented.

h. The Discount Rate would only change when the new tier is reached beyond the Fuel Quota, not back to gallon one.

II. SILVER PROGRAM - Multiple Cumulative Purchases – WITH/OUT an Annual Fuel Quota Fuel Agreement:

- a. Discounted prices are available and awarded only when the Gallons/Uplift (see Schedule B below - SILVER PROGRAM) is achieved if the Fuel Purchaser enters into an annual contract for Multiple Cumulative Purchases – WITH/OUT an Annual Fuel Quota Fuel Agreement. Additional discounts are available upon reaching each successive tier level – the more fuel purchased, the higher the Discount Rate once the tier level is reached.
- b. It is up to the Fuel Purchaser to notify the Fuel Seller upon reaching each successive tier level. The Fuel Purchaser is to notify the Fuel Seller via the general email hya.officemailbox@flyhya.com.
- c. See Schedule B – SILVER PROGRAM (below) for multiple cumulative purchases, using the Airport payment and credit terms.
- d. Example: For a Fuel Pricing Agreement with/out a Fuel Quota, if the Fuel Purchaser purchases 50,000 gallons, no Discount Rate is applied. If the Fuel Purchaser purchases 100,001 gallons within the same contract year, each gallon thereafter and up to 200,000 gallons



purchased is eligible for a \$0.35 discount/gallon, the Discount Rate, (from 100,001 gallons to 200,000 gallons purchased). If the Fuel Purchaser purchases 200,001 gallons within the same contract year, each gallon thereafter and up to 300,000 gallons purchased is eligible for a \$0.50 discount/gallon (from 200,001 gallons to 300,000 gallons purchased) and so on.

- e. The Discount Rate would only change when the new tier is reached and will not apply back to gallon one.
- f. Note that any waiver of Ramp Fees must be in alignment with the Airport's published rates and charges. There is NO waiver of Airport imposed landing fees.
- g. Any aircraft wishing to participate in this program must have a prior written approved Fuel Agreement from the Fuel Seller; and for based or fleets of aircraft they must provide a list of eligible aircraft tail numbers in advance of purchases and provide a specific fuel release for each purchase.

III. BRONZE PROGRAM - Multiple Cumulative Purchases – WITH/OUT an Annual Fuel Quota Fuel Agreement (“Loyalty Program”):

- a. Discounted prices are available and awarded only when the Gallons/Uplift (see Schedule C below - BRONZE PROGRAM) is achieved if the Fuel Purchaser enters into an annual contract for Multiple Cumulative Purchases – WITH/OUT an Annual Fuel Quota Fuel Agreement - Loyalty Program.
- b. It is up to the Fuel Purchaser to enter into an annual contract for Multiple Cumulative Purchases – WITH/OUT an Annual Fuel Quota Fuel Agreement - Loyalty Program. The Loyalty Program will be administered in the following manner:
 - i. Year One (initial contract year). Fuel Purchaser must contract under the SILVER PROGRAM - Multiple Cumulative Purchases – WITH/OUT an Annual Fuel Quota Fuel Agreement
 - ii. Year Two. Based on Fuel Purchaser's ability to purchase fuel that exceeds the second tier under the SILVER PROGRAM - Multiple Cumulative Purchases – WITH/OUT an Annual Fuel Quota Fuel Agreement (100,001 gallons of



fuel purchased), the Discount Price for year Two will be available from gallon one (1).

- iii. See Schedule C - BRONZE PROGRAM (below)
- c. It is up to the Fuel Purchaser to notify the Fuel Seller upon reaching each successive tier level over the contracted amount. The Fuel Purchaser is to notify the Fuel Seller via the general email hya.officemailbox@flyhya.com.
- d. See Schedule C – BRONZE PROGRAM (below) for multiple cumulative purchases, using the Airport payment and credit terms.
- e. Example: Multiple Cumulative Purchases – WITH/OUT an Annual Fuel Quota Fuel Agreement - Loyalty Program, if the Fuel Purchaser purchases 100,001 gallons of fuel in Year One, the Discount Rate is applied in Year Two of the Fuel Agreement from gallon one (1).
- f. Note that any waiver of Ramp Fees must be in alignment with the Airport’s published rates and charges. There is NO waiver of Airport imposed landing fees.
- g. Any aircraft wishing to participate in this program must have a prior written approved Fuel Agreement from the Fuel Seller; and for based or fleets of aircraft they must provide a list of eligible aircraft tail numbers in advance of purchases and provide a specific fuel release for each purchase.



Program Schedules

SCHEDULE A – GOLD PROGRAM

Tier Level	Gallons/ Uplift	Discount/Gal	Waive Ramp Fees (See Published Airport Rates and Charges)
1	100,001 - 200,000	\$0.60	Yes
2	200,001 - 300,000	\$0.75	Yes
3	300,001 - 400,000	\$0.90	Yes
4	400,001 - 500,000	\$1.10	Yes
5	500,001 and above	TBD	Yes

Sales with approved credit card or pre-approved net 10 credit/payment plan and terms

SCHEDULE B – SILVER PROGRAM

Tier Level	Gallons/ Uplift	Discount/Gal	Waive Ramp Fees (See Published Airport Rates and Charges)
1	1-100,000	\$0.00	Yes
2	100,001 - 200,000	\$0.35	Yes
3	200,001 - 300,000	\$0.50	Yes
4	300,001 - 400,000	\$0.65	Yes
5	400,001 - 500,000	\$0.85	Yes
6	500,001 and above	TBD	Yes

Sales with approved credit card or pre-approved net 10 credit/payment plan and terms

SCHEDULE C – BRONZE PROGRAM

Tier Level	Gallons/ Uplift	Discount/Gal	Waive Ramp Fees (See Published Airport Rates and Charges)
1	1-100,000	\$0.20	Yes
2	100,001 - 200,000	\$0.35	Yes
3	200,001 - 300,000	\$0.50	Yes
4	300,001 - 400,000	\$0.65	Yes
5	400,001 - 500,000	\$0.85	Yes
6	500,001 and above	TBD	Yes

Sales with approved credit card or pre-approved net 10 credit/payment plan and terms



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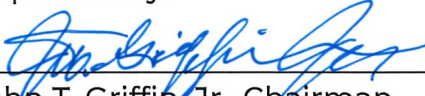
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Larger annual quantity discounts for purchases exceeding 500,000 gallons may be offered and will be subject to a negotiated contract.

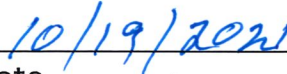
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Approved by:



John T. Griffin, Jr., Chairman
Cape Cod Gateway Airport Commission



Date



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Attachment A

Credit and Payment Terms.

Payment by Fuel Purchaser shall be made by check or approved electronic funds transfer, and the terms shall be net ten (10) days subject to credit approval by the Fuel Seller. Past due amounts shall accrue interest at a rate of one and one-half percent (1.5%) per month, or the maximum rate permitted by applicable law, whichever is less. All amounts more than fifteen (15) days past due shall incur an additional five percent (5%) administrative fee. Any waiver by the Fuel Seller of interest charges or administrative fees on a particular invoice shall not be construed as a waiver by the Fuel Seller of its right to impose such charges on other or subsequent jet fuel sales. The Fuel Seller reserves the right to apply Fuel Purchaser's payments to any outstanding invoices or obligations of Fuel Purchaser as determined by the Fuel Seller in its sole discretion, without regard to the aging of any account. Fuel Purchaser shall be liable for all fees and costs, including without limitation attorney's fees, incurred by the Fuel Seller in connection with any collection activities undertaken by the Fuel Seller for the non-payment of any amounts due hereunder by Fuel Purchaser. The Fuel Seller reserves the right to modify or cancel the credit terms provided to the fuel customer at any time, in its sole discretion upon notice to Fuel Purchaser. If the Fuel Seller selects not to extend or cancels any credit terms provided to the Fuel Purchaser, prior to each sale of aviation jet fuel, Fuel Purchaser shall: (a) make a prepayment to Fuel Seller; (b) cause to be issued a letter of credit in favor of the Fuel Seller in a form and in an amount from a bank that is acceptable to the Fuel Seller from time to time in its sole discretion; (c) cause all Fuel Purchaser sales transactions to be by the use of a Fuel Seller approved 0% carrying charge credit card; or (d) give other security to the Fuel Seller in a manner, or a type, in a form and in an amount that is acceptable to the Fuel Seller. The Fuel Seller reserves the right, in addition to all other rights and remedies available to it under the law, in equity or otherwise, to suspend further performance of fuel sales, and demand payment of all outstanding balances, if Fuel Purchaser fails to make any payment as herein provided, or if the Airport at any time deems itself insecure with regard to the creditworthiness or financial condition of the Fuel Purchaser.



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