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Facsimile memorandum of
Contract
Retail Dealer Petroleum
Purchase Agreement
Texor Petroleum



Doc#: 1007848108 Fee: \$50.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 03/19/2010 04:19 PM Pg: 1 of 8

This instrument was prepared by, and after recording should be returned to:

John Conway, Esq.
Sullivan Hincks & Conway
120 West 22nd Street, Suite 100
Oak Brook, IL 60523

Filing Instruction:

- (1) This document must be recorded with the recorder of the county in which the real estate held by this trust is located.
- (2) The recorded original or a stamped copy must be delivered to the trustee with the original assignment to be lodged.

Legal Description follows on next page.

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Legal Description

THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF FRACTIONAL SECTION 14, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN AND THE NORTH OF THE INDIAN BOUNDARY LINE, (EXCEPT THE NORTH 80 FEET OF THE WEST 183 FEET AND EXCEPT THE EAST 150 FEET THEREOF, AND EXCEPT THE NORTH 120 FEET OF THE SOUTH 153 FEET OF THE WEST 183 FEET AND EXCEPT THAT PORTION TAKEN FOR HIGHWAY PURPOSES BY DEED FILED AS DOC. NO. 2384615), IN COOK COUNTY, ILLINOIS.

Permanent Index Numbers: 28-14-309-019-0000 and 28-14-309-026-0000

Commonly known as: 15969 S. Pulaski/Crawford, Markham, Illinois 60428 or
159th Street & Crawford, Markham, Illinois 60428

Property of Cook County Clerk's Office

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RETAIL DEALER PETROLEUM

PURCHASE AGREEMENT

By and Between

**WORLD FUEL SERVICES, INC. d/b/a
TEXCO® PETROLEUM**

and

**FIRST CHOICE GAS, INC. and
MAZHAR R. BHATTI, Individually**

(d/b/a FIRST CHOICE CITGO)

Dated

March 27, 2009

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RETAIL DEALER PETROLEUM PURCHASE AGREEMENT

This Agreement is made as of March 27, 2009, between WORLD FUEL SERVICES, INC. d/b/a TEXOR PETROLEUM ("Supplier") and FIRST CHOICE GAS, INC. and MAZHAR R. BHATTI, individually, doing business as FIRST CHOICE CITGO (hereinafter collectively referred to as "Dealer").

1. **Product and Quality.** Dealer agrees to buy from Supplier all of Dealer's requirements of gasoline, diesel fuel, ethanol and any other petroleum products (except motor oils and other miscellaneous automotive lubricants) which may be required for gasoline blending (collectively, "Product") in connection with the operation of Dealer's place of business located at 16857 S. Pulaski Rd., Markham, Illinois (the "Location") and Supplier agrees to sell and deliver to Dealer such quantities of Product as Dealer may require for resale to the motoring public at the Location during the duration of this Agreement.
2. **Identification and Image.** Dealer agrees to maintain the image of the Location in accordance with CITGO Petroleum Corporation ("CITGO" or "Franchisor") brand identification requirements and to operate the Location in accordance with all of Franchisor's rules, regulations, requirements and procedures, including but not limited to Dealer's meeting Franchisor's cleanliness and appearance standards, attendance at required training classes, and compliance with uniform and dress requirements. Dealer acknowledges that Supplier has or will pay certain costs and expenses, estimated to total \$14,000 to \$15,000, to facilitate the imaging of the Location to the Franchisor's image requirements (hereinafter referred to as "image costs"). Supplier shall provide Dealer with an itemized schedule of the initial image costs, which shall be made a part of this Agreement as Exhibit A. In the event Dealer breaches the terms of this Agreement or in the event this Agreement is terminated or canceled for whatever reason, Dealer shall immediately reimburse Supplier for all of the image costs expended by Supplier.
3. **Term.** This Agreement shall be for an initial term commencing on the date first written above and ending on the 5th anniversary of first day of the first month in which Product is delivered to the Location pursuant to this Agreement (the "Initial Term"). Notwithstanding the foregoing, this Agreement may be earlier terminated by either party in the event of any material breach hereof by the other party. Upon termination, as provided in this Agreement, Dealer shall immediately: (i) cease all use of anything which would give the impression that Dealer has any affiliation whatsoever with the Supplier; (ii) pay to Supplier all amounts due or to become due to Supplier; and (iii) remove and return, all signage and other brand identification originally provided by Supplier.
4. **Automatic Renewal.** This agreement shall automatically renew upon expiration of the Initial Term for successive one-year terms (individually, "Renewal Term") unless no later than ninety (90) days prior to expiration of the Initial Term or any Renewal Term, either party provides written notice of nonrenewal to the other.
5. **Grade.** Product shall be Supplier's regular commercial grades generally offered to Supplier's customers for similar use and sale at the time and in the geographic region of delivery.
6. **Lead-Free Gasoline.** Supplier agrees that lead-free gasoline (in this paragraph called the "gasoline") sold hereunder, if any, shall comply in all respects to the requirements of federal, state, and local rules and regulations relating to the gasoline at the time and place title to the same shall pass to Dealer. Dealer agrees:
 - a) That it will prohibit commingling the gasoline with others;
 - b) That it will properly use equipment (including pumps, nozzles, tanks, piping and hoses) designed and intended for the storage, dispensing and sale of the gasoline;
 - c) That it will keep the equipment referenced in (b) above, clean and in good working condition at all times;
 - d) That it will permit Supplier, its suppliers, agents and employees to inspect and/or copy the daily inventory control records and reconciliations, and to inspect pump meters at the Location;
 - e) To permit Supplier, its suppliers, agents and employees to inspect and sample the gasoline in Dealer's possession at any and all reasonable times and fully cooperate with Supplier and its suppliers to cure and correct, at Dealer's sole cost and expense, any contamination if discovered. If the investigation reveals that the contamination was caused by Supplier then the expenses to remove all such contaminated gasoline and appropriately replace same shall be borne by Supplier;
 - f) That it will comply with all laws, ordinances and regulations relative to the storage, dispensing and sale of the gasoline, including, but not limited to, Stage II Vapor Recovery and other EPA requirements; and
 - g) To protect, indemnify and hold harmless Supplier from any and all losses, claims, damages, fines, penalties, suits or costs including, without limitation, reasonable attorneys fees, which may arise or grow out of any failure by Dealer to fully comply with the terms and provisions of this Paragraph.
7. **Delivery.** Supplier shall deliver Product to the Location in single deliveries of not less than eight thousand (8,000) gallons, within forty-eight (48) hours following receipt of Dealer order, however, deliveries outside of normal business hours or on Sundays or holidays shall not be required.
8. **Price.** Dealer shall pay Supplier for each delivery of Product hereunder at a price not to exceed CITGO's posted distributor price for the date of delivery, plus \$0.01 per gallon, plus CITGO advertising and other program fees, plus applicable taxes and delivery charges, if any, to Dealer's place of business.
9. **Rebate.** Supplier and Dealer shall execute a separate Rebate Agreement in the form attached hereto as Exhibit B.


Initial Initial

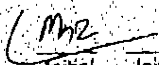
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10. **Payment and Security.** Terms shall be net ten (10) days with payment via electronic funds transfer. If Dealer shall fail to make any payment when due, Supplier may suspend deliveries hereunder until such payment has been made, but such suspension shall not be Supplier's sole remedy or otherwise limit Supplier's remedies and shall not relieve Dealer of its obligation to purchase Product hereunder. Dealer agrees to sign all financing statements and other security agreements of any kind required by Supplier (including renewals thereof) in order to secure payment of present and future indebtedness owed by Dealer to Supplier. Such indebtedness shall include, but not be limited to, amounts owed for delivery of Product hereunder, credit card chargebacks, unapportioned rebates, unpaid loan balances (including accrued interest thereon), and all other obligations due from Dealer to Supplier under this Agreement. Dealer agrees and understands that Supplier may file and/or record any documents necessary to protect its interests under this Agreement, including but not limited to UCC financing statements.
11. **Personal Guaranty.** MAZHAR R. BHATTI and MIRZA BAIG shall execute personal guaranties in a form acceptable to Supplier covering all of Dealer's obligations under this Agreement.
12. **Resale Provisions.** Dealer agrees to resell all Product herein provided only under Supplier's brands or Supplier authorized brands and only at the Location, and to maintain Supplier's brands or Supplier authorized brands, trademarks and names on pumps and other facilities through which Product is dispensed. Dealer agrees not to mix, substitute or adulterate Product with any other petroleum products or material as long as Supplier is ready, willing and able to promptly fulfill and supply Dealer's needs.
13. **Taxes.** The amount of any tax, excise or charge now or hereafter imposed on Supplier by any governmental authority upon, incident to, or as a result of the manufacture, storage, withdrawal from storage, transportation, distribution, sale or handling of Product covered hereunder or measured by the proceeds of such distribution or sale shall (unless it is specified in writing that such taxes are included in the prices stated by Supplier) be added thereto and be paid upon demand by Dealer to Supplier. Dealer agrees to execute any and all affidavits and other documents, including without limitation sales tax affidavits, requested by Supplier in connection with Product sold pursuant to this Agreement.
14. **Credit Card Program.**
- a) During the term of this Agreement, Dealer shall be entitled to grant credit to holders of credit cards which may be issued by Franchisor and/or issued by other companies listed in Franchisor's then current credit card regulations, a copy of which has been provided to Dealer. It is specifically understood that the granting of credit shall be pursuant to the terms and conditions set forth in such credit card regulations and that Franchisor shall have the right, in its sole discretion, to amend or terminate such regulations and discontinue its credit card program at any time. Dealer agrees that all credit card invoices which it may transmit and assign to Supplier through Franchisor shall be in conformity with Franchisor's credit card regulations and that Franchisor or Supplier may reject or charge back any credit card invoices not conforming to said instructions. All credit card invoices shall be forwarded by registered mail or other means authorized by Supplier to such place(s), and at such time intervals, as Supplier may designate, from time to time.
 - b) Dealer agrees to use Franchisor's processing facilities for all credit card transactions, which shall include both Franchisor's proprietary credit cards and non-proprietary credit cards.
 - c) Dealer shall reimburse Supplier, either upon demand or as a credit against any sum owed by Supplier to Dealer, for any equipment rental charges, or other fees imposed by Supplier or the entity issuing the credit cards in connection with the credit card program.
 - d) The rights granted herein are subject to an agreement between Supplier and Franchisor and/or its licensee and shall be subject to changes implemented by Franchisor, from time to time.
15. **Liabilities.** The obligation of the parties to deliver and receive Product hereunder shall be suspended and excused: (a) if Supplier is prevented from or delayed in purchasing, producing, manufacturing, transporting or delivering in its normal manner any Product hereunder or the materials from which such Product is manufactured because of acts of God, earthquake, fire, flood, or the lockouts, boycotts, picketing, labor disputes or disturbance, compliance with any directive, order or regulation of any governmental authority or representative thereof acting under claim or color of authority; or (b) loss or shortage of any Product because of reasons beyond Supplier's reasonable control or (c) loss or shortage of any part of Supplier's own customary transportation or delivery facilities because of reasons beyond Supplier's reasonable control, or (d) for any reason beyond Supplier's reasonable control. Whenever such causes occur Supplier may, in its sole judgment, restrict or suspend deliveries to Dealer, whether or not Supplier restricts delivery to others and regardless of the extent of restrictions or suspensions, if any, on deliveries to others.
16. **Minimum Business Hours.** Dealer agrees that, for the Term of this Agreement, it will maintain minimum business hours for the sale of gasoline and general convenience store merchandise of 8:00 a.m. to 10:00 p.m. Monday through Friday, and 8:00 a.m. to 10:00 p.m. on Saturdays, and 8:00 a.m. to 8:00 p.m. on Sundays and Holidays.
17. **Insurance.** Dealer shall procure and maintain, at its sole cost and expense, for the Term of this Agreement, insurance policies as follows: (a) Worker's Compensation and Occupational Disease Insurance, including Employers' Liability Insurance in compliance with Illinois state laws; (b) Comprehensive General Liability Insurance covering bodily injury, including death and property damage and endorsed to include contractual liability, premises and operations, products/completed operations with a combined single limit of not less than \$1,000,000.00; and (c) Insurance for Supplier's property in Dealer's care, custody and control, with limits of not less than fair market value. Dealer's insurance shall be endorsed to include Supplier and Franchisor as an additional insured. Dealer shall provide Supplier with a certificate of insurance which shall provide that Supplier be given at least thirty (30) days written notice prior to cancellation or any material change in the required coverages.


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16. **Indemnity.** Dealer shall protect, indemnify and hold harmless Supplier from any and all losses, damages, claims, suits, and costs including, (without limitation) reasonable attorney's fees which directly or indirectly arise out of or are in any way connected with any injury to any person(s) or loss or damage to any property (including the person or property of Dealer or Dealer's employees) caused by or resulting in any manner from the conduct or operation of Dealer's business or from the use or condition of the equipment or premises used by Dealer for the storage, handling and/or dispensing of petroleum products, including, but not limited to, underground storage tank or line leaks resulting in groundwater and/or soil contamination or from a violation or threatened violation of any federal, state, county or local environmental law, statute, ordinance, order, award, rule or regulation.
19. **Representation.** Dealer represents that he has no contractual obligation to purchase fuel for the Location from any party other than Supplier. Dealer further agrees to indemnify and harmless Supplier from any and all losses, damages, claims, suits, and costs including, (without limitation) reasonable attorney's fees which directly or indirectly arise out of or are in any way connected with claims made other parties in connection with purported contractual obligations of Dealer at the Location.
20. **Right of First Refusal.** In the event Dealer desires to sell, lease or otherwise transfer the Location or the business located at the Location (either by transfer of all or a portion of stock ownership in Dealer or otherwise) (an "Interest"), and obtains from a proper purchaser a bona fide offer to purchase an interest (the "Offer"), it shall first give written notice thereof to Supplier (a "Transfer Notice"). The Transfer Notice shall be delivered to Supplier not less than five (5) days following Dealer's receipt of the Offer, shall describe the Interest to be transferred, the date of the scheduled closing of the proposed transfer, the name and address of the proposed transferee, and the price, terms and conditions of the proposed transfer, and shall have attached to it a copy of the Offer in written form. Within fifteen (15) days after receipt of the Transfer Notice, Supplier shall have the right to elect to purchase the Interest at the same price and on the same terms and conditions as the proposed Transfer by giving Dealer written notice thereof provided, however, the closing of any such purchase shall be contingent on the outcome of or proper environmental testing procedures and subject to environmental representations and warranties. If Supplier does not exercise its right of first refusal pursuant to this paragraph, then Dealer shall have the right for a period of sixty (60) days following the date the right of Supplier to acquire the Interest terminated to sell or transfer the Interest to the same proposed transferee named in the Transfer Notice at the same price and on the same terms and conditions set forth in the Transfer Notice. If Dealer fails to close the sale or transfer within such sixty (60) day period, the Interest shall again be subject to all of the conditions set forth in this paragraph.
21. **Sale of Underlying Business.** Notwithstanding the sale by Dealer of the business underlying this Agreement, the terms of this Agreement shall remain in place until expiration of the Initial Term.
22. **Indebtedness.** Dealer agrees that a material inducement for Supplier to enter into this Agreement with Dealer is that the term of this Agreement is for the entire Initial Term and any extensions thereto. During this Initial Term, Dealer shall sell a minimum of Seven Hundred Eighty Thousand (780,000) gallons of gasoline and/or diesel fuel per year (the "Minimum Gallons"). In the event that the Dealer fails to purchase the Minimum Gallons from Supplier during any year of the term of this Agreement including any extensions thereto, then Dealer agrees to pay to Supplier, as liquidated damages and not as a penalty, the sum of \$0.01 per gallon for every gallon by which the Minimum Gallons exceed the actual gallons purchased by Dealer from Supplier for any given year of the term of this Agreement, and any extensions thereto (the "Indebtedness"). The Supplier's pricing and payment of rebates, if any; extensions of credit, if any; and other financial incentives provided by Supplier to Dealer, if any pursuant to this Agreement are premised upon the Dealer's performance of this Agreement for the full five (5) year term and any extensions thereto. The parties further agree that in order to secure the Dealer's performance of this Agreement for the full five (5) year term and any extensions thereto, that this Agreement shall be considered a security agreement and shall allow the Supplier to file and/or record this Agreement as appropriate as a lien upon the real property of the Supplier, if any. In the event that the Dealer terminates this Agreement prior to the end of the five (5) year term or any extensions thereto, then all amounts due pursuant to this paragraph shall become immediately due and owing by Dealer to Supplier as of the date that Dealer ceases to purchase its fuel requirements from the Supplier for sale at the Location and Dealer shall be deemed to have purchased none of the Minimum Gallons for the remaining term of this Agreement.
23. **Covenant of Continued Ownership.** The Dealer agrees that any change in the ownership of the Location, or the sale of the Dealer's business, or any liquidation of substantially all of the Dealer's assets, shall be deemed a default of this Agreement, and shall allow Supplier the immediate right to full payment of all amounts due Supplier including the amounts of indebtedness as described herein.
24. **Supplier's Right to Record A Memorandum of The Supply Agreement.** It is expressly understood and agreed that the Supplier shall have the right to record with the county recorder's office, a memorandum of this Agreement and any addendums thereto, if any, without notice to the Dealer and without any prior approval of Dealer.
25. **Further Assurances.** Each party shall execute, acknowledge and deliver to the other party such instruments and take such other actions, in addition to the instruments and actions specifically provided for herein at any time and from time to time after execution of this Agreement as such other party may reasonably request in order to effectuate the provisions of this, or to confirm or perfect any right to be created or transferred hereunder or pursuant to this Agreement.
26. **Notice.** Each payment, request or notice required or permitted to be given hereunder shall be deemed properly given and served upon the earlier to occur of actual receipt or three (3) days following deposit, postage prepaid, Registered or Certified, return receipt requested, in the United States mail or, in lieu of such mailing, any such demands, requests or notices may be personally served upon Dealer or Supplier, and if to Dealer, addressed to the Location, and if to Supplier, addressed to 3340 SOUTH HARLEM AVENUE, RIVERSIDE, ILLINOIS 60546.


 Initial Initial

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27. **Waiver.** Time is of the essence hereof. The waiver of any breach shall not be deemed to be a waiver of any other or subsequent breach of any of the same or any other provision hereof.
28. **Termination and Nonrenewal.** This Agreement is subject to and governed by the Petroleum Marketing Practices Act, 15 U.S.C. Section 2801, et seq. ("Act"), which is made a part of the Agreement for the purpose of setting forth the grounds on which it may be terminated or nonrenewed by Supplier. Supplier's right to terminate or not renew under the Act shall be in addition to any and all other rights and remedies otherwise available to it.
29. **Governmental Laws and Regulations.** This Agreement may be modified or superseded by any and all governmental laws and regulations enacted subsequent hereto, pertaining to energy allocation and conservation. However, hardships and forfeitures shall not be enforced between the parties as a result.
30. **Remedies.** Either party will be entitled to enforce its rights under this Agreement specifically, to recover damages by reason of any breach of any provision of this Agreement and to exercise all other rights existing in its favor. The parties hereto agree and acknowledge that money damages may not be an adequate remedy for any breach of the provisions of this Agreement and that either party may, in its sole discretion, apply to any court of law or equity of competent jurisdiction for specific performance or injunctive relief (without the necessity of posting bond) in order to enforce or prevent any violations of the provisions of this Agreement. Without limiting the generality of the foregoing, in the event of a default by either party hereunder the other party, at its option, may (a) terminate this Agreement; (b) suspend deliveries of Product to the Location; (c) suspend payment of sums otherwise due to Dealer under the Agreement; and/or (d) enter the Location and remove all Product for which payment has not been tendered, signage and image identification at the Location.
31. **Attorneys Fees and Costs.** Dealer shall pay all of Supplier's costs, charges and expenses, including court costs and attorneys' fees incurred in enforcing Dealer's obligations under this Agreement or incurred in any claim or litigation in which Dealer causes Supplier, without Supplier's fault, to become involved or concerned.
32. **Assignment.** This Agreement shall not be assigned by Dealer or by operation of law (and any attempt to do so shall be void) without Supplier's prior written consent which shall not be unreasonably withheld. Except as limited by the preceding sentence, this Agreement shall be binding upon and shall inure to the benefit of the parties, their heirs, their representatives, successors and assigns.
33. **Relationship.** The relationship between Supplier and Dealer is that of independent contractors. Neither party hereto, its agents or employees, shall, under any circumstances, be deemed partners, employees, agents or representatives of the other. Neither party shall have the right to enter into any contract or commitment in the name of the other party, or to otherwise bind the other party.
34. **Other Agreements.** Supplier and Dealer may have agreements related to other locations that are owned or otherwise controlled by Dealer. Any default under any such other agreement shall be considered a default under this Agreement.
35. **Governing Law.** Except to the extent governed by applicable federal law, this Agreement shall be interpreted, construed and governed by the laws of the State of Illinois without regard to any conflict of law provisions.
36. **Complete Agreement.** This Agreement (a) contains all the understandings and representations between the parties relating to the matters referred to herein; (b) supersedes any and all arrangements previously entered into between them with respect thereto; and (c) may be amended or modified only by a written supplement, duly executed by each of the parties.
37. **Enforcement.**
- a) The respective rights and remedies of each party are cumulative, and no exercise or enforcement by either party of any right or remedy hereunder shall preclude the exercise or enforcement by such party of any right or remedy hereunder or which such party is entitled by law to enforce.
 - b) Each party only in writing may waive any obligation of or restriction upon the other under this Agreement. No failure, refusal, neglect, delay, waiver, forbearance or omission of either party hereto to exercise any right under this Agreement or to insist upon full compliance by the other with its obligations hereunder, shall constitute a waiver of any provision of this Agreement.
38. **Construction.**
- a) The headings appearing at the beginning of each paragraph of this Agreement are for convenience only and shall not be deemed to define, limit or construe the contents of any such paragraph.
 - b) Each provision of this Agreement shall be severable. If, for any reason, any provision herein is finally determined to be invalid and contrary to, or in conflict with, any existing or future law or regulation by a court or agency having valid jurisdiction, such determination shall not impair the operation or affect the remaining provisions of this Agreement, and such remaining provisions will continue to be given full force and effect and bind the parties. Each invalid provision shall be deemed not to be a part of this Agreement.
 - c) If any applicable statute, rule or regulation contains any requirement that is contrary to or conflicts with any provision of this Agreement, such requirement will be substituted for such provision to the minimum extent necessary to validate such provision.


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IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

SUPPLIER:

WORLD FUEL SERVICES, INC. d/b/a TEXOR
PETROLEUM

By: _____

Its: _____

DEALER:

FIRST CHOICE GAS, INC.

By: Mazhar

Its: _____

MAZHAR R. BHATTI, Individually

16517 S Oxford Dr Tinley Park, IL, 60477
Home Address

708-342-0498
Home Telephone

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