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Facsimile memorandum of
Contract
Retail Dealer Petroleum
Purchase Agreement
Texor Petroleum



Doc#: 1010448053 Fee: \$46.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
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19-03-415-011-0000; 19-03-415-012-0000.

Legal:

LOTS 87, 88 AND 89, TAKEN AS A TRACT (EXCEPT THAT PART TAKEN FOR WIDENING OF SOUTH PULASKI ROAD) IN FREDERICK H. BARTLETT'S 47TH STREET SUBDIVISION OF LOT "C" IN THE CIRCUIT COURT PARTITION OF THE SOUTH ½ OF SECTION 3, AND THAT PART OF THE NORTHWEST ¼ LYING SOUTH OF THE ILLINOIS AND MICHIGAN CANAL OF SECTION 3, TOWNSHIP 38, NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known as: 4540 South Pulaski Road, Chicago, Illinois 60632

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.



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RETAIL DEALER PETROLEUM

PURCHASE AGREEMENT

By and Between

TEXOR PETROLEUM COMPANY, INC.

and

I.O.M. CORP. and

ORESTES GARCIA, Individually and

ISRAEL GARCIA, Individually

Dated

April 8, 2002



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RETAIL DEALER PETROLEUM PURCHASE AGREEMENT

This Agreement is made as of April 8, 2002, between TEXOR PETROLEUM COMPANY, INC., ("Supplier") and I.O.M. CORP. and ORESTES GARCIA, individually, and ISRAEL GARCIA, doing business as SOUTH PULASKI MOBIL (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 **4540 S. Pulaski, Chicago, IL 60632** (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 for the duration of this Agreement.
2. **Identification and Image.** Dealer agrees to maintain the image of the Location in accordance with Mobil Oil Corporation ("Mobil" 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, and compliance with uniform and dress requirements. Dealer acknowledges that Supplier will pay certain costs and expenses, estimated to approximate \$25,000, to facilitate the imaging of Dealer's property in order that Dealer can sell petroleum under the Franchisor's brand (hereinafter referred to as "image costs"). Supplier shall provide an itemized statement of the image costs that shall be made a part of this Agreement as Exhibit A. A specimen of Exhibit A is attached hereto. 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.
3. **Term.** This Agreement shall be for an initial term of ten (10) years commencing on the first day of the first month following the sale of Mobil branded product at the Location (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 a "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 Mobil's posted distributor price for the date of delivery, plus \$0.01 per gallon, plus applicable taxes and delivery charges to Dealer's place of business. Dealer shall receive the same prompt payment discount terms as Supplier receives from Mobil as long as Dealer is not in default under this or any other agreement with Supplier.

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9. **Rebate.** Supplier and Dealer shall execute a separate Rebate Agreement in the form attached hereto as Exhibit B.
10. **Payment and Deposit.** 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.
11. **Financial Assistance.** Within ten days of Dealer's initial sale of Product at retail, Supplier shall provide Dealer with an allowance of \$15,000 to be used at Dealer's sole discretion. Dealer shall not be obligated to repay this allowance to Supplier unless there is an event of default under this or any other agreement between the parties. In the event of any such default, Dealer will repay to Supplier, within five (5) business days of receipt of notice, all of the \$15,000 allowance.
12. **Personal Guaranty.** Orestes Garcia and Israel Garcia shall execute personal guaranties in a form acceptable to Supplier covering all of Dealer's obligations under this Agreement.
13. **Mobil Agreement.** Dealer acknowledges that Mobil requires its distributor and Supplier to enter into an agreement (the "Mobil Agreement") for the supply of Mobil branded product to the Location. Upon execution, a copy of the Mobil Agreement shall be provided to Dealer and made a part of this Agreement. Dealer agrees to comply with all applicable terms and conditions of the Mobil Agreement and to provide any information and to execute any agreements required by Supplier in connection with the Mobil Agreement.
14. **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.
15. **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 delivered 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.
16. **Credit Card and Other Programs.**
 - 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 Franchisor through Supplier 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 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 or other programs sponsored by Mobil.
 - c) 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.
17. **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 an order, 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.
18. **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 6:00 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.
19. **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

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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.

20. **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.
21. **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.
22. **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.
23. **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.
24. **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.
25. **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 signage and image identification at the Location.
26. **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.
27. **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.
28. **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.
29. **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.
30. **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.
31. **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.

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- 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.

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

SUPPLIER:

TEXOR PETROLEUM COMPANY, INC.

By: *[Signature]*
 Its: President

DEALER:

I.O.M. CORP.

By: *[Signature]*
 Its: President

ORESTES GARCIA, Individually

1037 S. WILSON ST. CHICAGO
Home Address

(630) 250-0760
Home Telephone

Social Security #

[Signature]
ISFAEL GARCIA, Individually

80 HARBIRD CIRCLE HIGHWOOD, IL. 60004
Home Address

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Social Security #

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