



To: Pete Aguilar
Mayor
City of Redlands
35 Cajon Street, Suite 200
Redlands, CA 92373

From: Scott Johns
Vice President of Sales
Applied Natural Gas Fuels, Inc.
31111 Agoura Road, Suite 208
Westlake Village, CA 91361

Date: July 2, 2013

Re: AMENDMENT 1: AGREEMENT FOR THE SALE & PURCHASE OF LIQUEFIED NATURAL GAS

Pursuant to the agreement for the Sale and Purchase of Liquefied Methane Gas between the City of Redlands and Applied LNG Technologies, LLC effective on October 16, 2007, Article XIV, Section 14.1. ("Amendment"), we hereby agree to amend the current agreement and extend for an additional three (3) years effective July 1, 2013 ending June 30, 2016. The LMG Base Unit price as well as the transportation price for each year is listed below under LMG Base Unit Price and Transportation Rates. Also, we hereby agree to amend Article II, Section 2.1 ("Term") and Section 2.2 ("Termination") as outlined below. All other terms of the original agreement stay in effect unless otherwise amended per Article XIV.

LMG Base Unit Price

7/1/13 – 6/30/14: ((SoCal/12.1) x 1.2) + \$0.46 plus transportation and applicable taxes

7/1/14 – 6/30/15: ((SoCal/12.1) x 1.2) + \$0.47 plus transportation and applicable taxes

7/1/15 – 6/30/16: ((SoCal/12.1) x 1.2) + \$0.48 plus transportation and applicable taxes

Transportation Rates

7/1/13 – 6/30/14: \$1800 flat rate per delivery

7/1/14 – 6/30/15: \$1850 flat rate per delivery

7/1/15 – 6/30/16: \$1900 flat rate per delivery

Article II, Section 2.1, Term:

Except as otherwise provided in Exhibit "A", the initial term of this Agreement shall commence on the Commencement Date and shall continue in effect for three (3) years and shall be extended by mutual written consent for successive one (1) year renewal periods thereafter unless terminated as provided in Section 2.2.

Article II, Section 2.2, Termination:

- (a) Buyer shall have the right to terminate this Agreement at the end of the initial term or any renewal period by providing written notice to the Seller at least ninety (90) days prior to the expiration date of such period.
- (b) Seller shall have the right to terminate this Agreement at the end of the initial term or any renewal period by providing written notice to the Buyer at least ninety (90) days prior to the expiration date of such period.

Please review, sign, and return this amendment via email or to the fax number provided below.

Regards,

Scott M. Johns
Vice President of Sales
Applied Natural Gas Fuels, Inc.
Cell: (949) 294-9435
Fax: (818) 450-3660
Email: sjohns@appliedlng.com

City of Redlands (Buyer):

Name: Pete Aguilar
Title: Mayor

Applied Natural Gas Fuels (Seller):

Name: Cem Hacioglu
Title: President and CEO

Attest:

Name: Sam Irwin
Title: City Clerk

APPLIED LNG TECHNOLOGIES (ALT)

31111 AGOURA ROAD, SUITE 208, WESTLAKE VILLAGE, CA 91361
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