

FUEL SALES AGREEMENT

This fuel sales agreement ("Agreement") is made this 03 day of MARCH, 2008, ("Effective Date"), between the City of Redlands, a municipal corporation ("City"), and Abbas Moradi, a IND organized and existing under the laws of the State of California ("Buyer"). City and Buyer are sometimes individually referred to herein as a "Party" and, together, as the "Parties."

RECITALS

A. The Parties contemplate that Buyer will purchase from City and City will sell to Buyer fuel on an ongoing basis.

B. To avoid having to resolve questions of conflicting terms and conditions on purchase orders and purchase order acknowledgments each time Buyer purchases fuel from City, the Parties wish to enter into an agreement that sets forth the terms and conditions that will govern all such transactions between them.

In consideration of the mutual benefits and obligations set forth in this Agreement, the Parties agree as follows:

AGREEMENT

ARTICLE 1 - DEFINITION OF PRODUCT

1.1 The term "fuel" means Liquid Natural Gas/Compressed Natural Gas ("LNG/CNG") for which Buyer issues to City a purchase order during the term of this Agreement.

ARTICLE 2 - ISSUANCE OF PURCHASE ORDERS

2.1 Buyer may issue purchase orders to City from time to time. Each purchase order shall contain a description of the products ordered, the quantities and prices, the shipment schedule, the terms and place of delivery, and the following notation: "This order is issued pursuant and subject to Agreement No. [number] between City and buyer." Every purchase order issued by Buyer to City following the date of this Agreement and bearing such a notation shall be governed by and be deemed to include the provisions of this Agreement. In the event of any inconsistency between the terms and conditions of this Agreement and the terms of a purchase order, the terms and conditions of this Agreement shall prevail.

ARTICLE 3 – SAFETY TRAINING

3.1 All of Buyer's drivers utilizing the City's fuel facility shall undergo training to provide for the safe fueling of Buyer's vehicles.

3.2 Failure of Buyer's drivers to show proof of training will result in the immediate suspension of sales to Buyer until such proof can be shown.

ARTICLE 4 - TERM

41 The term of this Agreement for purposes of purchase order placement shall commence on the Effective Date of this Agreement and continue for a subsequent period of five (5) years.

ARTICLE 5 - CANCELLATION

5.1 Either Party may terminate this Agreement at any time upon twenty (20) days' prior written notice.

ARTICLE 6 – INDEMNIFICATION

6.1 Buyer shall defend, indemnify and hold harmless City, its elected officials, officers, agents and employees, from and against any and all liabilities, damages, losses, costs and expenses for injury to property or injury or death of any person arising out of or in connection with products and services to be provided under this Agreement. Buyer also shall release and waive any liability of and claim against the City, its elected officials, officers, agents, and employees, for loss of or damage to property, including loss of use arising directly or indirectly out of or in connection with Buyer's performance under this Agreement.

ARTICLE 7 - GENERAL CONSIDERATIONS

7.1 In the event any action is commenced to enforce or interpret any of the terms or conditions of this Agreement the prevailing party shall, in addition to any costs and other relief, be entitled to recover its reasonable attorneys' fees, including fees for use of in-house counsel by a Party.

7.2 This Agreement shall be governed by and construed in accordance with the laws of the State of California.

7.3 If any provision or part of the Agreement is held to be void or unenforceable under any law or regulation, it shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon the parties.

7.4 This Agreement contains the entire agreement of the Parties and supersedes all prior verbal or written agreements of the Parties with respect to the subject matter hereof. This Agreement shall be amended or modified only by written agreement, signed by the Parties.

IN WITNESS WHEREOF, duly authorized representatives of the Parties have signed in confirmation of this Agreement.

CITY OF REDLANDS

By Jon Harrison
Jon Harrison, Mayor

ATTEST:

Jelesa Ballinger
Asst. City Clerk

BUYER

By A. M. D.
NAME

Date 03/03/08

TITLE _____

WORD: FROMS: FM FUEL SALES AGREEMENT