

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:) Chapter 11
)
GAS CITY, LTD., *et al.*,¹) Case No. 10- 47879 (ERW)
)
Debtors.) Jointly Administered

**MOTION OF DEBTORS FOR ENTRY OF INTERIM
AND FINAL ORDERS: (A) AUTHORIZING DEBTOR GAS CITY, LTD. TO
OBTAIN POSTPETITION FINANCING; (B) GRANTING LIENS AND
SUPERPRIORITY CLAIMS; (C) AUTHORIZING USE OF CASH
COLLATERAL; (D) GRANTING ADEQUATE PROTECTION TO
PRE-PETITION SENIOR LENDER; AND (E) SCHEDULING A FINAL HEARING**

Gas City, Ltd. ("Gas City") and The William J. McEnery Revocable Trust Dated April 22, 1993 (the "Trust," and collectively with Gas City, the "Debtors") respectfully represent as follows:

Preliminary Statement

1. By this motion (this "Motion"), the Debtors request entry of interim and final orders (together, the "DIP Orders") authorizing Gas City to, among other things: (i) obtain postpetition financing pursuant to sections 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d), and 507 of title 11 of the United States Code 11 U.S.C. §§ 101 – 1532 (the "Bankruptcy Code") and Rule 4001 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") on an interim basis and on a final basis, for the sole purpose of obtaining a post-petition letter of credit in the amount of \$2,228,100 (the "DIP Letter of Credit") or the "DIP Facility") from Bank of America, N.A. ("Bank of America") (in its capacity as the letter of credit issuer, the "DIP

¹ The Debtors in these chapter 11 cases are: Gas City, Ltd. and The William J. McEnery Revocable Trust Dated 4/22/1993.



Issuer”); (ii) use cash collateral pursuant to section 363 of the Bankruptcy Code; and (iii) grant adequate protection pursuant to sections 361, 362, 363, 364, and 507 of the Bankruptcy Code to Bank of America in its capacity as the Debtors’ prepetition secured lender, the “Prepetition Lender”). This Motion further seeks authority for the Trust to guaranty Gas City’s obligations under the DIP Facility, grant non-priming liens to secure such guaranty, and provide adequate protection to Bank of America. Pending a final hearing on this Motion (the “Final Hearing”), the DIP Letter of Credit will be issued on an interim basis pursuant to the terms of that certain Application and Agreement for Standby Letter of Credit and the related Addendum thereto, by and between the Debtors and the DIP Issuer, in substantially the form attached as Exhibit A to the proposed form of interim order attached hereto as Exhibit A (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “DIP Credit Agreement”). In support of the Motion, the Debtors rely upon and incorporate by reference the *Declaration of A. Jeffrey Zappone, Chief Restructuring Officer of Gas City, Ltd., in Support of First Day Pleadings* (the “Zappone Declaration”), which was filed with the Court concurrently herewith.

Jurisdiction

2. The Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 1334. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2).
3. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.
4. The bases for the relief requested herein are sections 105, 361, 362, 363 and 364 of title the Bankruptcy Code, Rules 2002, 4001 and 9014 of the Bankruptcy Rules and Rule 4001-2 of the Local Rules of the United States Bankruptcy Court for the Northern District of Illinois (the “Local Rules”).

Background

5. On the date hereof (the "Petition Date"), each of the Debtors filed a voluntary petition for relief with the Court under chapter 11 of the Bankruptcy Code. Gas City is operating its business and the Debtors are managing their respective properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request for the appointment of a trustee or examiner has been made in these chapter 11 cases (the "Chapter 11 Cases"), and as of the date of the filing of this Motion, no official committees have been appointed or designated.

6. The factual background relating to the Debtors' commencement of these Chapter 11 Cases is set forth in detail in the Zappone Declaration filed on the Petition Date and incorporated herein by reference.

Relief Requested

7. The Debtors request that the Court authorize Gas City to obtain senior secured, superpriority postpetition financing consisting of the DIP Letter of Credit, to be issued for the benefit of The Hanover Insurance Group or its affiliates ("Hanover") for the purpose of obtaining a surety bond or bonds from Hanover necessary to maintain certain licenses that are essential to Gas City's operations, pursuant to the terms of this Motion, the DIP Credit Agreement and the DIP Orders. The Debtors further request that the Court authorize the Trust to execute a secured guaranty of the DIP Facility. The Debtors' obligations under the DIP Facility will be secured by junior liens on assets presently subject to prepetition liens and mortgages in favor of lenders other than Bank of America, senior liens on any assets of the Debtors that are presently unencumbered, and priming liens on all assets of the Debtors that are presently encumbered by the liens and mortgages of the Prepetition Lender.

8. The proposed financing will be provided by the DIP Issuer. The Debtors' obligations thereunder, including obligations to reimburse the DIP Issuer for any draws on the DIP Letter of Credit, will be senior to all liens and obligations under the Prepetition Credit Agreements (as defined below). As such, the liens created under the DIP Credit Agreement are priming liens with respect to liens currently held by the Prepetition Lender, as well as any consensual or nonconsensual liens that are junior in priority to the liens securing the Debtors' obligations under the Prepetition Credit Agreements. The liens securing the DIP Facility will not prime any consensual liens granted by the Debtors in favor of any secured party that held priority over the liens of the Prepetition Lender as of the Petition Date, or that relate to assets of the Trust that are not encumbered by liens of the Prepetition Lender.

9. Pending entry of the final order authorizing the DIP Credit Agreement (the "Final DIP Order"), the Debtors request that the Court authorize the Debtors, on an interim basis (the "Interim DIP Order"), to: (a) obtain issuance of the DIP Letter of Credit; (b) use cash collateral as provided in the Interim DIP Order; (c) grant to the DIP Issuer the liens and superpriority claims described herein; (d) provide adequate protection to the Prepetition Lender, as described herein and in the Interim DIP Order; (e) approve the proposed notice of the Final Hearing; and (f) schedule the Final Hearing.

Funding of the Debtor's Operations

10. Prior to the commencement of the Chapter 11 Case, the Prepetition Lender made certain loans and other financial accommodations (the "Prepetition Loans") to Gas City pursuant to (i) that certain Loan Agreement dated as of February 1, 2005 (as amended, supplemented or otherwise modified prior to the date hereof, the "2005 Prepetition Credit Agreement"), by and between Gas City as the borrower and the Prepetition Lender as the lender, and (ii) that certain

Loan Agreement, dated as of December 7, 2009 (as amended, supplemented or otherwise modified prior to the date hereof, the “2009 Prepetition Credit Agreement” and, together with the 2005 Prepetition Credit Agreement, the “Prepetition Gas City Credit Agreements”), by and between Gas City as the borrower and the Prepetition Lender as the lender. In connection with the Prepetition Gas City Credit Agreements, Gas City entered into certain collateral and ancillary documentation with the Prepetition Lender (such collateral and ancillary documentation, including without limitation the Prepetition Gas City Guaranty (as hereinafter defined), collectively with the Prepetition Gas City Credit Agreements, the “Prepetition Gas City Credit Documents”).

11. As of the Petition Date, the Debtor was indebted under the Prepetition Credit Agreements in the approximate principal amount of \$29,600,000, plus interest accrued and accruing, costs, expenses, fees (including attorneys’ fees and legal expenses) other charges and other obligations, including, without limitation, on account of cash management, credit card, depository, investment, hedging and other banking or financial services.

12. Gas City’s obligations under the Prepetition Gas City Credit Documents are secured by (i) first priority security interests in and continuing liens on substantially all of the assets and property of Gas City, including, but not limited to, all personal and fixture property of every kind and nature, including without limitation, all goods (including inventory, equipment, and any accessions thereto), instruments (including promissory notes), documents, accounts receivable (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance

claims and proceeds, and all general intangibles (including all payment intangibles), and all proceeds, products, accessions, rents and profits of or in respect of any of the foregoing, in each case wherever located, whether then owned or existing or thereafter acquired or arising, and (ii) a pledge of 100% of the issued and outstanding capital stock of Gas City. All collateral granted or pledged by Gas City to the Prepetition Lender pursuant to the Prepetition Gas City Credit Documents shall collectively be referred to herein as the “Prepetition Gas City Collateral.”

13. Pursuant to that certain Amended and Restated Loan Agreement dated as of July 31, 2006 (as amended, supplemented or otherwise modified prior to the date hereof, the “Prepetition Trust Credit Agreement”), by and among the Trust and the Prepetition Lender, the Prepetition Lender made certain loans and other financial accommodations to or for the benefit of the Trust. In connection with the Prepetition Trust Credit Agreement, the Trust entered into certain collateral and ancillary documentation with the Prepetition Lender (such collateral and ancillary documentation, including without limitation the Prepetition Trust Guaranty (as hereinafter defined), collectively with the Prepetition Trust Agreement, the “Prepetition Trust Credit Documents”). All obligations of the Trust arising under the Prepetition Trust Credit Documents, including all loans, advances, debts, liabilities, principal, interest, fees, swap exposure, charges, expenses, indemnities, and obligations for the performance of covenants, tasks or duties, or for the payment of monetary amounts owing to the Prepetition Lender by the Trust, of any kind or nature, whether or not evidenced by any note, agreement or other instrument, shall hereinafter be referred to as the “Prepetition Trust Obligations”.

14. As of the Petition Date, the Trust was indebted to the Prepetition Lender pursuant to the Prepetition Trust Credit Documents in the aggregate principal amount of approximately \$48,000,000 in respect of loans and other financial accommodations made by the Prepetition

Lender pursuant to and in accordance with the terms of the Prepetition Trust Credit Documents, plus (i) all accrued or hereafter accruing and unpaid interest thereon, (ii) all unpaid fees and expenses (including the fees and expenses of attorneys and financial advisors for the Prepetition Lender) now or hereafter due under the Prepetition Trust Credit Documents, and (iii) any other obligations of the Trust under the Prepetition Trust Credit Documents.

15. Pursuant to the Prepetition Trust Credit Documents, the Prepetition Trust Obligations are secured by (i) first priority mortgages on certain real property and fixtures owned or leased by the Trust and located in Arizona, Florida, Illinois and Indiana (including gas station properties in all four states operated by Gas City), (ii) first priority security interests in and continuing liens on all deposit accounts of the WJM Trust subject to possession or control by the Prepetition Lender, and (iii) a pledge of 100% of the issued and outstanding capital stock of Gas City. All collateral granted or pledged by the Trust to the Prepetition Lender pursuant to the Prepetition Trust Credit Documents shall collectively be referred to herein as the “Prepetition Trust Collateral” and, together with the Prepetitio Gas City Collateral, the “Prepetition Collateral”.

16. Pursuant to that certain Continuing Guaranty dated as of July 31, 2006 (as amended, supplemented or otherwise modified from time to time, the “Prepetition Gas City Guaranty”) made by Gas City in favor of the Prepetition Lender, Gas City unconditionally guaranteed the payment when due and timely performance of all obligations of the Trust under the Prepetition Trust Credit Documents, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or then or thereafter existing. Gas City’s obligations under the Prepetition Gas City Guaranty are secured by first priority security interests in and liens upon the Prepetition Gas City Collateral.

Proposed DIP Letter of Credit and Use of Cash Collateral

A. Background

17. Prior to the Petition Date, Gas City had obtained issuance of certain surety bonds from Liberty Mutual Insurance Company in the aggregate amount of approximately \$2,970,800, to or for the benefit of certain licensing authorities in the states of Illinois and Indiana (Florida?), and municipalities therein, statutorily required in order to maintain essential licenses for the operation of Gas City's business, including, without limitation, motor fuel retail licenses and liquor licenses for Gas City's convenience stores. In early August 2010, Liberty Mutual issued notices of termination of these bonds, effective as of early October 2010. Upon the loss of the surety bonds, Gas City faces the loss of these critical licenses in short order. Gas City therefore requires replacement surety bonds as soon as possible.

18. After a diligent search, the best terms that Gas City was able to locate for replacement bonds were from Hanover. In order to issue these bonds, Hanover requires partial collateralization of the bonds in the form of a standby letter of credit in the amount of \$2,228,100, which is 75% of the face amount of the surety bonds. Gas City surveyed various sources of such a letter of credit. In exploring those options, Gas City recognized that the obligations owed to the Prepetition Lender are secured by virtually all of Gas City's property. The only realistic alternative was the Prepetition Lender. The Prepetition Lender, however, was unwilling to issue a new \$2,228,100 letter of credit on a prepetition basis. In considering possible alternative providers for the DIP Letter of Credit on a postpetition basis, Gas City determined that either: (a) such alternative issuer either would need to agree to issue a postpetition letter of credit without security, or with security junior in priority to the liens of the Prepetition Lender; or (b) the liens of the Prepetition Lender would have to be primed in order to

provide such security. Because the Prepetition Lender advised Gas City's representatives that it would not consent to be primed by another letter of credit issuer, obtaining a collateralized letter of credit from another postpetition issuer that required liens and claims senior to that of the Prepetition Lender likely could only be accomplished through an extended, contested hearing to determine compliance with the requirements of section 364(d) of the Bankruptcy Code.

19. In view of these circumstances, the DIP Issuer is willing to issue the DIP Letter of Credit on the terms and conditions described herein and thus prime its own prepetition security interests during the interim period to secure Gas City's reimbursement obligations and the Trust's guaranty obligations thereunder. The Debtors concluded that the DIP Issuer proposal was desirable because, among other things, it permits Gas City to secure the necessary DIP Letter of Credit to continue operations, and avoid the loss of critical licenses, and avoid an extended, contested hearing under section 364(d) of the Bankruptcy Code.

B. Negotiations

20. The Debtors and the DIP Issuer engaged in extensive, arms'-length negotiations with respect to the terms and conditions of the DIP Letter of Credit and Interim DIP Order. Importantly, the DIP Credit Agreement and Interim DIP Order provide that Gas City may immediately obtain issuance of the DIP Letter of Credit and avoid the pending loss of its licenses, and also provide adequate liquidity through the use of cash collateral to maintain operations in the ordinary course of business pending entry of the Final DIP Order.

21. Gas City and the Prepetition Lender have also agreed upon a budget (the "Budget") for the use of cash collateral, as attached to the Interim DIP Order as **Exhibit B**, projecting cash flow for thirteen weeks. On a weekly basis, Gas City will provide to the Prepetition Lender an updated budget for comparison purposes and line-by-line variance reports.

Gas City believes that the Budget is achievable and will allow it to operate and pay its postpetition obligations as they mature.

22. The Prepetition Lender has consented to the proposed DIP Letter of Credit, including the granting of priming liens in connection therewith.

C. Material Terms of the DIP Credit Agreement and Interim DIP Order²

Borrower: Gas City, Ltd.

Guarantor: The William J. McEnery Revocable Trust Dated April 22, 1993

Commitment: A letter of credit facility in the amount of \$2,228,100.

Borrowing Availability: DIP Letter of Credit to be provided pursuant to the terms and conditions set forth in the DIP Credit Agreement.

Use of DIP Letter of Credit: DIP Letter of Credit in the amount of \$2,228,100 to be issued to Hanover as collateral for surety bonds to be issued to appropriate licensing authorities in the states of Illinois and Indiana, and municipalities therein, to maintain motor fuel retail licenses and other licenses necessary for ordinary course operations.

Maturity Date: Gas City's authority to use Cash Collateral shall terminate on the earliest to occur of: (i) November 26, 2010, unless prior to such date Gas City's use of Cash Collateral has been extended with the consent of the Prepetition Lender; (ii) thirty (30) days after entry of the Interim Order if the Final Order shall not have been entered on or before such date; (iii) the occurrence of the effective date under a plan of reorganization for the Debtors; (iv) the closing of the sale of all or substantially all of the Debtors' assets; and (v) the occurrence and continuation of an Event of Default under the Interim or Final Order or the DIP Credit Agreement.

² In case of any discrepancy between the terms of this summary of the DIP Facility and the terms of the Interim DIP Order, the Interim DIP Order shall control.

Priority and Liens: Subject to the Carve Out and the Limited Trust Fund Carve-Out (each as defined below) (i) the DIP Credit Agreement and (ii) all other obligations under or in respect of the DIP Credit Agreement will be entitled to (a) super priority claim status pursuant to section 364(c)(1) of the Bankruptcy Code, and (b) will be secured by (i) a first priority perfected security interest pursuant to section 364(c)(2) and (c)(3) and section 364(d) of the Bankruptcy Code in all of the existing and after acquired real and personal, tangible and intangible assets of the Debtors and of William J. McEnery, solely in his capacity as trustee of the Trust, with priority over liens securing the Prepetition Loans and any consensual and nonconsensual liens junior in priority to such liens as of the Petition Date (the "Primed Liens"), and junior in priority to any and all valid, properly perfected, enforceable and non-avoidable liens other than the Primed Liens on assets of the Debtor in existence as of the Petition Date, but only to the extent such liens are senior in priority to the Primed Liens and are valid, properly perfected, and unavoidable.

Carve-Out: (a) allowed administrative expenses pursuant to 28 U.S.C. Section 1930(a)(6); (b) allowed, unpaid fees and expenses of attorneys and financial advisors employed by the Debtors and any official committee(s) of creditors pursuant to sections 327, 328 and 1103 of the Bankruptcy Code, and any chief restructuring officer and similar personnel hired by the Debtor and not retained pursuant to court order (the "Case Professionals") accruing prior to the Termination Date (defined below) as set forth in the Budget; and (c) any fees and expenses incurred by the Case Professionals after such Termination Event in an aggregate amount not to exceed \$100,000 provided that such fees and expenses are approved by this Court, or such lesser amount as so approved.

Limited Trust Fund Carve-Out Gas City shall deposit funds in accordance with the Budget into a segregated bank account at Bank of America (the “Segregated Bank Account”) for the purpose of paying sales and use taxes deemed to be collected by Gas City on behalf of state and local taxing authorities from and after the Petition Date (collectively, the “Trust Fund Taxes”). Gas City shall use the funds on deposit in the Segregated Bank Account solely for the purpose of remitting Trust Fund Taxes to the applicable taxing authorities. The Segregated Bank Account shall be subject to a deposit account control agreement in favor of Bank of America and each disbursement from the Segregated Bank Account shall be accompanied by a certification from the Debtors that such disbursement constitutes a remittance of Trust Fund Taxes. The funds deposited into the Segregated Bank Account shall constitute DIP Collateral and Prepetition Collateral, provided that the Prepetition Lender’s liens on such funds shall be subject to the payment of all Trust Fund Taxes collected by Gas City from the Petition Date through the date on which Gas City ceases to collect Trust Fund Taxes. Until the earlier of (i) the first date on which the Segregated Bank Account holds at least \$1.4 million in deposits (the “Limited Trust Fund Carve-Out Termination Date”), or (ii) November 19, 2010, the DIP Liens and the Primed Liens on, and Superpriority Claims with respect to, that portion of the Cash Collateral consisting of cash and credit card receivables collected by Gas City but not yet deposited into Gas City’s deposit accounts shall be subject to the payment of all Trust Fund Taxes, in an amount not to exceed \$1.3 million, that Gas City has collected or shall collect on behalf of any state and local taxing authorities from September 1, 2010 through the date immediately preceding the Limited Trust Fund Carve-Out Termination Date (the “Limited Trust Fund Carve-Out”). For the avoidance of doubt, the Limited Trust Fund Carve-Out shall expire on the Limited Trust Fund Carve-Out Termination Date.

Fee: (a) letter of credit fee in the amount of the greater of 5% of the DIP Letter of Credit Amount, or \$50,000, plus (b) closing fee in the amount of \$25,000, fully earned and payable to the DIP Issuer on the date of entry of the Interim DIP Order.

Interest Rate: Upon any draw of the DIP Letter of Credit, interest of the resulting reimbursement obligation will accrue at a fluctuating rate per annum equal to the DIP Issuer’s publicly announced prime rate plus 8.00%.

Events of Default: Usual and customary for facilities of this type, and failure to hit sale milestones, including but not limited to:

- (i) failure by the Debtors to make any payment to the DIP Issuer or the Prepetition Lender within three (3) days after such payment becomes due;

- (ii) failure by the Debtors to comply with any provision of the Interim or Final DIP Orders or the DIP Credit Agreement;
- (iii) the Debtors shall take any material action in the Chapter 11 Cases that is adverse to the Prepetition Secured Lender or its interests in the Prepetition Collateral;
- (iv) failure by the Debtors to file a joint motion for approval of bidding and sale procedures for the sale of all or substantially all of their assets (the "Bid Procedures Motion"), which shall be in form and substance reasonably satisfactory to the DIP Issuer and the Prepetition Lender, with the Court by November 5, 2010;
- (v) failure by the Debtors to obtain this Court's approval of the Bid Procedures Motion by November 26, 2010;
- (vi) failure by the Debtors to enter into one or more definitive sale agreements, in form and substance acceptable to the DIP Issuer and the Prepetition Secured Lender, on or before January 24, 2010
- (vii) failure by the Debtors to obtain an order of this Court approving the sale of all or substantially all of the Debtor's assets relating to the gas station business, which order shall be in form and substance acceptable to the DIP Issuer and the Prepetition Lender, on or before January 31, 2011;
- (viii) failure by the Debtors to consummate the sale of all or substantially all of their assets on or before February 7, 2011;
- (ix) the chapter 11 cases of either Debtor shall be dismissed or converted to a chapter 7 case, or a chapter 11 trustee with plenary powers, a responsible officer, or an examiner with enlarged powers relating to the operation of the Debtor's business shall be appointed in the Chapter 11 Case of Gas City;
- (x) this Court shall enter an order granting relief from the automatic stay to the holder or holders of any security interest to permit foreclosure (or the granting of a deed in lieu of foreclosure or similar enforcement remedies) on any assets of the Debtors which have an aggregate value in excess of 1,500,000, and such order shall not be subject to a stay pending appeal;
- (xi) an order shall be entered reversing, amending, supplementing, staying, vacating or otherwise modifying the DIP Orders without the consent of the Prepetition Lender;
- (xii) the Debtors shall create, incur or suffer to exist any post-petition

liens or security interests other than: (a) those granted pursuant to the DIP Orders, (b) carriers', mechanics', warehousemen's, repairmen's or other similar liens arising in the ordinary course of business, (c) deposits to secure the payment of any post-petition statutory obligations, performance bonds and other obligations of a like nature incurred in the ordinary course of business, and (d) any other junior liens or security interests that the Debtors are permitted to incur under the Prepetition Credit Agreements;

- (xiii) the filing by the Debtors of any motion, application or adversary proceeding challenging the validity, enforceability, perfection or priority of the liens securing the Prepetition Loans or asserting any claim or cause of action against and/or with respect to the Prepetition Loans, the liens securing the Prepetition Loans, or the Prepetition Lender or any of its affiliates, agents, attorneys, financial advisors, officers, managers, directors or employees (or if the Debtors support any such motion, application or adversary proceeding commenced by any third party);
- (xiv) this Court shall enter an order terminating the Debtors' exclusive period to file a plan of reorganization;
- (xv) the Debtors shall file, or support the filing of, any plan of reorganization or liquidation that is not acceptable to the DIP Issuer and the Prepetition Lender;
- (xvi) that certain Industrial Building Lease by and among Gas City and the Trust (the "Master Lease"), dated as of January 1, 2007, shall be terminated, rejected by Gas City or the Trust pursuant to section 365 of the Bankruptcy Code, or be amended or modified on terms that are not acceptable to the Prepetition Lender;
- (xvii) Jeff Zappone shall cease to be the Chief Restructuring Officer of Gas City;
- (xviii) Fred Caruso shall cease to be a restructuring advisor to the Trust;
- (xix) any misrepresentation of a material fact made after the Petition Date by the Debtors or any of their agents to the Prepetition Lender about (a) the financial condition of the Debtor, (b) the nature, extent, location or quality of any Prepetition Collateral, or (c) the disposition or use of any Prepetition Collateral, including the Cash Collateral; or
- (xx) the Debtors shall file, or support the filing of, a motion seeking the authority for the Debtors to abandon any of the Prepetition Collateral pursuant to section 554 of the Bankruptcy Code or otherwise.

Remedies on Event of Default: Upon the occurrence of an Event of Default, the DIP Issuer shall have customary remedies, including, without limitation, the right (exercisable upon three (3) days' prior written notice to the Debtors, any official Committee and the U.S. Trustee) to realize on any or all Collateral without the necessity of obtaining any further relief or order from the Bankruptcy Court. The Bankruptcy Court shall retain exclusive jurisdiction with respect to all matters relating to the exercise of rights and remedies under the Documentation, the Interim DIP Order, the Final DIP Order and with respect to the Collateral.

Budget: Gas City shall meet and comply, in all respects, with the Budget. On a weekly basis for the period from the Petition Date through the last day of each week of determination, (i) the aggregate actual disbursements by Gas City from the Petition Date to any report date shall be no greater than 110% of the aggregate amount of projected disbursements for such period as set forth in the Budget, and (ii) the aggregate actual cash receipts collected by Gas City from the Petition Date to any report date shall be no less than 90% of the aggregate amount of projected cash receipts for such period as set forth in the Budget. Gas City shall provide to the DIP Issuer and the Prepetition Lender, so as to actually be received by 5 p.m. (Chicago time) of each Tuesday of each calendar week, weekly line-by-line variance reports (in form and scope reasonably acceptable to the DIP Issuer and the Prepetition Lender) for the immediately preceding weekly period and on a cumulative basis from the Petition Date to the report date, comparing actual cash receipts and actual cash disbursements to cash receipts and cash disbursements forecasted in the Budget for such period and showing on a line-by-line basis any variance to the corresponding line-item of the Budget together with an explanation for such variance. Gas City shall not make any payments or other disbursements other than the itemized projected disbursements set forth in the Budget without the prior written consent of the DIP Issuer and the Prepetition Lender. Failure by Gas City to comply with the Budget variance provisions described herein shall constitute an Event of Default under the DIP Credit Agreement and the DIP Orders. The Budget shall not be modified without the prior written consent of the DIP Issuer and the Prepetition Lender.

D. Provisions that Potentially Implicate Local Rule 4001-2

23. Rule 4001-2 of the Local Rules requires that certain provisions contained in the Interim DIP Order and/or the DIP Credit Agreement be highlighted, and that the Debtors must

provide justification for the inclusion of such highlighted provision(s). The Debtors believe that certain provision of the Interim DIP Order and/or the DIP Credit Agreement may implicate Local Rule 4001-2, and that such provisions are justified and necessary in the context and circumstances of this case.

24. Local Rule 4001-2(A)(2)(b) requires a movant to point out provisions that bind the estates or other parties in interest with respect to the validity, perfection or amount of the secured creditor's prepetition lien or debt or waive claims against the secured creditor without giving parties in interest at least 75 days from the entry of the order or 60 days from the date a creditors' committee is formed to investigate such matters. *See* N.D. II. Bankr. L.R. 4001-2(A)(2)(b). The Interim Order provides waivers of the type referenced in Local Rule 4001-2(A)(2)(b) as it relates to the claims and liens of the Prepetition Lender, and shortens each of the challenge periods by fifteen days. *See* Interim Order at ¶29. The Debtors submit that such shortened time is adequate for other parties in interest to review the liens and conduct of the Prepetition Lender under the relatively straightforward facts of these cases and the Prepetition Credit Facilities.

25. Local Rule 4001-2(A)(2)(c) requires explicit disclosure of provisions that seek to waive, without notice, the estate's rights under section 506(c) of the Bankruptcy Code. Although the Interim Order contains a provision waiving the estate's rights under section 506(c), such provision would not take effect upon the entry of the Final DIP Order after notice and a final hearing. *See* Interim Order at ¶21. Moreover, the Debtors contemplate, as part of bid procedures for which they have sought approval concurrently herewith, that any unpaid administrative expenses upon the closing of the sale of substantially all of the Debtors' gas station assets will be paid from sale proceeds prior to any distribution of such proceeds to the secured creditors.

26. Local Rule 4001-2(A)(2)(d) provides for additional disclosure with respect to provisions that immediately grant liens on the Debtors' claims or causes of action under 11 U.S.C. §§ 544, 545, 547, 548, and 549 (the "Avoidance Claims"). The Interim DIP Order provides that the DIP Collateral shall include Avoidance Claims, which liens would only take effect upon the entry of the Final DIP Order after notice and a hearing. *See* Interim Order at ¶12.

27. Local Rule 4001-2(A)(2)(f) provides for disclosure of any provision that, among other things, limits the use of fee carve-out amounts by an official committee's professionals. The Interim DIP Order provides that any such committee may only use \$20,000 of its fee carve-out to investigate claims against the Prepetition Lender. *See* Interim Order at ¶17. The Debtors believe this amount is appropriate given the relatively straightforward nature of the Prepetition Credit Agreements and the related liens.

28. Local Rule 4001-2(A)(2)(g) provides for additional disclosure with respect to provisions that prime any secured lien, without the respective lienor's consent. The Interim DIP Order provides that the liens securing the DIP Facility and the Prepetition Lender's adequate protection claims are senior to existing liens that were junior to the Prepetition Lender's liens prior to the Petition Date. *See* Interim Order at ¶13. The Debtors believe that the claims of the Prepetition Lender are undersecured, and thus any claims secured by junior liens on the Prepetition Collateral are effectively unsecured. Consequently, the lien rights related to such claims are not entitled to adequate protection.

29. Local Rule 4001-2(A)(2)(h) provides for additional disclosure with respect to provisions that declare that the order does not impose lender liability on any secured creditor. The Interim DIP Order states that, in providing the DIP Facility, the DIP Issuer shall not be deemed to be a party in control, responsible person or owner/operator. *See* Interim Order at ¶30.

Given the limited nature of the DIP Facility, i.e. the issuance of the DIP Letter of Credit, the Debtors assert this provision is appropriate.

30. Local Rule 4001-2(A)(2)(i) provides for additional disclosure with respect to provisions that grant the lender expedited relief from the automatic stay without further court order. The Interim DIP Order provides that the DIP Issuer and the Prepetition Lender may require immediate cash collateralization of the DIP Letter of Credit, terminate the use of cash collateral, and exercise remedies against the Prepetition Collateral and the DIP Collateral (including setoff of bank accounts) without further court order. *See* Interim Order at ¶27. The Interim DIP Order provides the Debtors with five (5) days advance notice from either the DIP Issuer or the Prepetition Lender prior to such actions taking effect, which will provide the Debtors will sufficient time to challenge any such action if consistent with its fiduciary duties.

E. Use of Cash Collateral and Proposed Adequate Protection

31. In order to address its capital needs and fund its restructuring efforts, Gas City also requires the use of cash collateral of the Prepetition Lender (the “Cash Collateral”). The use of Cash Collateral will provide the Debtors with the necessary capital with which to operate its business, pay its employees, maximize value and pursue a sale or reorganization under chapter 11.

32. The Prepetition Lender has consented to Gas City’s use of Cash Collateral in the ordinary course of business in accordance with the Budget, subject to the adequate protection liens and payments discussed below, and the other terms and conditions set forth in the Interim DIP Order.

33. The Prepetition Lender has requested and is entitled, pursuant to sections 361 and 363(e) of the Bankruptcy Code, to adequate protection of its interests in collateral under the

Prepetition Credit Agreements to the extent that there is a diminution in the value of its interests in such collateral from and after the Petition Date. As adequate protection for any such diminution in value, the Debtors propose that the Prepetition Lender shall be granted, pursuant to sections 361, 363(e), and 364(c) of the Bankruptcy Code, additional and replacement security interests and liens (the “Replacement Liens”) in and upon all existing and after acquired real and personal, tangible and intangible, assets of the Debtors (the “Collateral”).

34. The Replacement Liens shall have the same relative priority as the liens securing their respective prepetition claims, and be junior only to the liens granted to the DIP Issuer, the Carve-Out (as described above) and Non-Primed Liens (as defined in the Interim DIP Order). The Replacement Liens are and shall be valid, perfected, enforceable and effective as of the date of the entry of the Interim DIP Order, without any further action by the parties and without the necessity of the execution by the Debtors of mortgages, security agreements, pledge agreements, financing statements or other agreements.

35. In addition to the Replacement Liens, the Debtors propose to grant and/or pay the Prepetition Lender the following, among other things, as adequate protection:

- a. an allowed superpriority administrative claim (the “Prepetition Senior Superpriority Claim”), which shall have priority (except with respect to the DIP Liens, the DIP Superpriority Claim, the Replacement Liens, the Carve-Out, the Limited Trust Fund Carve-Out, and the Non-Primed Liens) under sections 364(c)(1), 503(b), and 507(b) of the Bankruptcy Code, and otherwise over all administrative expense claims and unsecured claims against the Debtors and their estates, now existing or hereafter arising, of any kind or nature whatsoever including, without limitation, administrative expenses of the kinds specified in or ordered pursuant to sections 105, 326, 328, 330, 331, 503(a), 503(b), 507(a), 507(b), 546(c), 546(d), 726(b), 1113, 1114 and, if approved in the Final DIP Order, section 506(c) of the Bankruptcy Code;
- b. payment of all fees and expenses of the Prepetition Lender and the DIP Issuer accrued from and after the Petition Date;

- c. payment to the Prepetition Lender of (i) prepetition accrued and unpaid professional fees of the Prepetition Lender, (ii) prepetition accrued and unpaid interest on the Prepetition Loan, and (iii) post-petition accrued interest on the Prepetition Loan (items (i) and (ii) shall not commence until after entry of the Final Order, item (iii) will commence immediately, at a rate of approximately \$30,000 per week); and
- d. payment to the Prepetition Lender of any earnout amounts actually received by Gas City from its prepetition sale of its "Tank Wagon" division.

36. The foregoing adequate protection measures are to be granted to the Prepetition Lender because, among other things, the Prepetition Credit Facility and the Prepetition Trust Credit Facility will be primed by the DIP Letter of Credit and Gas City will continue to use the Cash Collateral and other collateral under the Prepetition Credit Agreements in Gas City's ongoing operations until the entry of the Final DIP Order. The Prepetition Lender's Cash Collateral will also be used to fund the Trust's professional fees, as the Trust has no operations and will have no revenues during the administration of its chapter 11 case.

The DIP Facility Should Be Authorized

37. Approval of the DIP Facility will provide Gas City with means of procuring essential replacement surety bonds to sustain certain critical business licenses. Unless the DIP Letter of Credit is issued immediately, Gas City will face imminent loss of these licenses. The loss of these licenses likely would: (a) result in irreparable harm to Gas City's business; (b) deplete going concern value; and (c) jeopardize Gas City's ability to either sell its business and assets or to reorganize and maximize value. Accordingly, the timely approval of the relief requested herein on an interim basis is imperative.

38. Section 364(c) of the Bankruptcy Code provides, among other things, that if a debtor is unable to obtain unsecured credit allowable as an administrative expense under section 503(b)(1) of the Bankruptcy Code, the court may authorize the debtor to obtain credit or incur

debt: (a) with priority over any and all administrative expenses, as specified in section 503(b) or 507(b) of the Bankruptcy Code; (b) secured by a lien on property of the estate that is not otherwise subject to a lien; or (c) secured by a junior lien on property of the estate that is subject to a lien. 11 U.S.C. § 364. The Debtors propose to obtain the DIP Facility by providing, *inter alia*, superpriority claims, security interests and liens pursuant to section 364(c)(1), (2), (3) and section 364(d) of the Bankruptcy Code.

39. Gas City has been unable to procure sufficient surety bonds in the absence of collateralization in the form of a letter of credit from an acceptable financial institution. Gas City has further been unable to procure an acceptable letter of credit other than the DIP Letter of Credit offered by the DIP Issuer, let alone on more favorable terms and conditions than those for which approval is sought herein.

40. Bankruptcy courts grant a debtor considerable deference in acting in accordance with its business judgment. *See, e.g., Bray v. Shenandoah Fed. Sav. & Loan Ass'n (In re Snowshoe Co.)*, 789 F.2d 1085, 1088 (4th Cir. 1986); *In re Ames Dep't Stores, Inc.*, 115 B.R. 34, 40 (Bankr. S.D.N.Y. 1990) (“cases consistently reflect that the court’s discretion under section 364 is to be utilized on grounds that permit reasonable business judgment to be exercised so long as the financing agreement does not contain terms that leverage the bankruptcy process and powers or its purpose is not so much to benefit the estate as it is to benefit parties in interest”); *see also In re Funding Sys. Asset Mgmt. Corp.*, 72 B.R. 87 (Bankr. W.D. Pa. 1987); *In re Curlew Valley Assocs.*, 14 B.R. 506, 513-14 (Bankr. D. Utah 1981); *In re Simasko Prod. Co.*, 47 B.R. 444,449 (D. Colo. 1985).

41. Furthermore, section 364(d) does not require that a debtor seek alternative financing from every possible lender; rather, the debtor simply must demonstrate sufficient

efforts to obtain financing without the need to grant a senior lien. *Snowshoe Co.*, 789 F.2d at 1088 (demonstrating that credit was unavailable absent the senior lien by establishment of unsuccessful contact with other financial institutions in the geographic area); *In re 495 Central Park Ave. Corp.*, 136 B.R. 626, 631 (Bankr. S.D.N.Y. 1992) (debtor testified to numerous failed attempts to procure financing from various sources, explaining that “most lend money only in return for a senior secured position”); *In re Aqua Assocs.*, 123 B.R. 192, 196 (Bankr. E.D. Pa. 1991) (debtor adequately established that some degree of priming of loan was necessary if debtor were to obtain funding).

42. Substantially all of Gas City’s assets are encumbered by the Prepetition Lender’s liens, and Gas City has been unable to procure the required letter of credit absent granting the proposed superpriority claims and liens. Gas City submits that the circumstances of this case require Gas City to obtain the required letter of credit pursuant to section 364(c) and section 364(d) of the Bankruptcy Code and, accordingly, the DIP Facility reflects the exercise of its sound business judgment.

43. The terms and conditions of the DIP Facility and DIP Letter of Credit are fair and reasonable and were negotiated extensively by well-represented, independent parties in good faith and at arms’ length. Accordingly, the DIP Issuer and all obligations incurred under the DIP Credit Agreement should be accorded the benefits of section 364(e) of the Bankruptcy Code.

The Use of Cash Collateral Should Be Approved

44. Under section 363(c)(2) of the Bankruptcy Code, a debtor in possession may not use cash collateral unless “(a) each entity that has an interest in such cash collateral consents; or (b) the court, after notice and a hearing, authorizes such use ... in accordance with the provisions of this section.” 11 U.S.C. § 363(c)(2). Gas City requires the use of Cash Collateral to fund its

day-to-day operations. The use of Cash Collateral will enable Gas City to continue to satisfy its vendors, service its customers, pay its employees and operate its business in the ordinary course and in an orderly and reasonable manner to preserve and enhance the value of its estate for the benefit of all stakeholders. Indeed, absent such relief, Gas City's business will be brought to an immediate halt, with damaging consequences for Gas City and its estates and creditors. Additionally, the gas stations on the real estate owned by the Trust will cease to operate and will go dark, to the material detriment of the properties' value. The interests of the Prepetition Lender in the Cash Collateral will be protected by the adequate protection set forth above. The Prepetition Lender has consented to the use of the Cash Collateral on the terms set forth herein and in the Interim DIP Order. Accordingly, Gas City's request to use Cash Collateral in the operation of its business and administration of these Chapter 11 Cases should be approved.

The Proposed Adequate Protection Should Be Authorized

45. Section 363(e) of the Bankruptcy Code provides that, "on request of an entity that has an interest in property used ... or proposed to be used ... by [a debtor in possession], the court, with or without a hearing, shall prohibit or condition such use ... as is necessary to provide adequate protection of such interest." 11 U.S.C. § 363(e). Section 361 of the Bankruptcy Code delineates the forms of adequate protection, which include periodic cash payments, additional liens, replacement liens and other forms of relief. 11 U.S.C. § 361. What constitutes adequate protection must be decided on a case-by-case basis. *See In re O'Connor*, 808 F.2d 1393, 1396 (10th Cir. 1987); *In re Martin*, 761 F.2d 472 (8th Cir. 1985); *In re Shaw Indus., Inc.*, 300 B.R. 861, 865 (Bankr. W.D. Pa. 2003). The focus of the requirement is to protect a secured creditor from diminution in the value of its interest in the particular collateral during the period of use. *See In re Swedeland Dev. Group, Inc.*, 16 F.3d 552, 564 (3d Cir. 1994) ("The whole purpose of

adequate protection for a creditor is to insure that the creditor receives the value for which he bargained prebankruptcy.”) (internal citation omitted).

46. The Prepetition Lender has agreed to Gas City’s use of Cash Collateral and the Debtors’ entry into the DIP Facility in consideration for the adequate protection provided under the Interim DIP Order. Accordingly, the adequate protection proposed herein to protect the Prepetition Lender’s interests in the Prepetition Collateral is fair and reasonable and sufficient to satisfy the requirements of sections 363(c)(2) and (e) of the Bankruptcy Code.

The Automatic Stay Should Be Modified on a Limited Basis

47. The relief requested herein contemplates a modification of the automatic stay (to the extent applicable) to permit the Debtors to: (i) grant the security interests, liens and superpriority claims described above with respect to the DIP Issuer and the Prepetition Lender, as the case may be, and to perform such acts as may be requested to assure the perfection and priority of such security interests and liens; (ii) permit the DIP Issuer and Prepetition Lender to exercise, upon the occurrence of and during the continuance of an event of default (upon five (5) days notice of such occurrence and subject to the jurisdiction of this Court), all rights and remedies under the DIP Facility, the Prepetition Credit Agreements and the DIP Orders; and (iii) implement the terms of the proposed DIP Orders.

48. Stay modifications of this kind are ordinary and standard features of postpetition debtor financing facilities and, in the Debtors’ business judgment, are reasonable and fair under the present circumstances.

Interim Approval Should Be Granted

49. Bankruptcy Rules 4001(b) and (c) provide that a final hearing on a motion to use cash collateral or obtain credit, respectively, may not be commenced earlier than fourteen (14)

days after the service of such motion. Upon request, however, the Court is empowered to conduct a preliminary expedited hearing on the motion and authorize the use of cash collateral and the obtaining of credit to the extent necessary to avoid immediate and irreparable harm to a debtor's estate pending a final hearing.

50. Pursuant to Bankruptcy Rules 4001(b) and (c), the Debtors request that the Court conduct an expedited preliminary hearing on this Motion and: (a) authorize the Debtors to use Cash Collateral and borrow under the DIP Facility on an interim basis, pending entry of a final order, in order to (i) obtain the DIP Letter of Credit, (ii) maintain and finance the ongoing operations of Gas City pending entry of the Final DIP Order, and (iii) avoid immediate and irreparable harm and prejudice to the Debtors' estates and all parties in interest; and (b) schedule a hearing to consider entry of a final order.

51. Gas City has an urgent and immediate need for cash to continue to operate. Currently, Gas City does not have sufficient unencumbered funds with which to operate its business on an ongoing basis. Absent authorization from the Court to obtain secured credit and use of Cash Collateral, as requested, on an interim basis pending a final hearing on the Motion, both of the Debtors will be immediately and irreparably harmed. The availability of use of Cash Collateral will provide necessary assurance to the Debtor's vendors, employees and customers of its ability to meet its near-term obligations. Failure to meet these obligations and to provide these assurances likely would have a long-term negative impact on the value of Gas City's business and the Trust's real property, to the detriment of all parties in interest. Accordingly, the interim relief requested is critical to preserving and maintaining the going concern value of the Debtors.

52. To successfully implement the foregoing, the Debtors seek a waiver of the notice requirements under Bankruptcy Rule 6004(a) and the ten-day stay under Bankruptcy Rule 6004(h).

Notice

53. The Debtor has provided notice of this Motion to: (a) the Office of the United States Trustee (the "U.S. Trustee"); (b) the creditors on each of the Debtors' lists of twenty (20) largest unsecured creditors; (c) counsel to the Prepetition Secured Lender; (d) all known parties with liens of record on assets of the Debtors as of the Petition Date; (e) all financial institutions at which the Debtors maintain deposit accounts; (f) the Internal Revenue Service; (g) the Illinois Department of Revenue; and (h) all other parties requesting notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Debtor respectfully submits that no further notice is necessary.

[Remainder of page intentionally left blank]

WHEREFORE, for the reasons set forth herein and in the Zappone Declaration filed concurrently herewith, the Debtors respectfully request that the Court enter the Interim DIP Order, substantially in the form attached hereto as **Exhibit A**; and grant such other and further relief as is just and proper.

Dated: October 26, 2010
Chicago, Illinois

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-- and --

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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

In re:)	Chapter 11
)	
GAS CITY, LTD., <i>et al.</i> ¹)	Case No. 10-47879 (ERW)
)	
Debtors.)	Jointly Administered
)	

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO OBTAIN POST-PETITION FINANCING PURSUANT TO 11 U.S.C. § 364, (II) AUTHORIZING THE USE OF CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363, (III) GRANTING ADEQUATE PROTECTION TO THE PREPETITION SECURED LENDER PURSUANT TO 11 U.S.C. §§ 361 AND 363, AND (IV) SCHEDULING A FINAL HEARING PURSUANT TO BANKRUPTCY RULE 4001

Upon the motion of Gas City, Ltd. ("Gas City") and the William J. McEnery Revocable Trust Under Agreement Dated April 22, 1993 (the "WJM Trust"), the debtors and debtors in possession (in such capacity, the "Debtors") in the above-captioned chapter 11 cases (the "Chapter 11 Cases"), dated October 26, 2010 (the "Motion") [Docket No. ___], (a) seeking the entry of an interim order (the "Order") and a final order (the "Final Order"): (i) authorizing Gas City to enter into a senior secured post-petition letter of credit facility (the "DIP Facility"), pursuant to section 364 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"), with Bank of America, N.A. ("Bank of America") as the issuer (in such capacity, the "DIP Issuer") for the purpose of issuing a letter of credit in a maximum stated amount equal to \$2,228,100 (the "DIP Letter of Credit"), which DIP Letter of Credit shall have an expiration date of [October __, 2011], pursuant to that certain Application and Agreement for Standby Letter of Credit and the related Addendum to Letter of Credit Agreement, by and

¹ The Debtors in these chapter 11 cases are: Gas City, Ltd. and the William J. McEnery Revocable Trust Under Agreement Dated April 22, 1993.

between the Debtor and the DIP Issuer, in substantially the form attached hereto as Exhibit A (as the same may be amended, restated, supplemented or otherwise modified from time to time, the “DIP Credit Agreement”), pursuant to the terms of this Order, the DIP Credit Agreement, and any related documents required to be delivered by or in connection with the DIP Credit Agreement, including, without limitation, any security agreements, pledge agreements, UCC financing statements, and other collateral documents (collectively with the DIP Credit Agreement, the “DIP Credit Documents”); (ii) authorizing the WJM Trust to guaranty all obligations of Gas City under the DIP Credit Agreement; (iii) authorizing the Debtors to execute and enter into the DIP Credit Documents and to perform such other and further acts as may be required in connection with the DIP Credit Documents; (iv) granting security interests, liens, and superpriority claims (including a superpriority administrative claim pursuant to section 364(c)(1) of the Bankruptcy Code, liens pursuant to sections 364(c)(2) and 364(c)(3) of the Bankruptcy Code, and priming liens pursuant to section 364(d) of the Bankruptcy Code) to the DIP Issuer to secure all obligations of the Debtors under and with respect to the DIP Facility; (v) authorizing Gas City’s use of the Cash Collateral (as hereinafter defined) solely on the terms and conditions set forth in this Order and in the DIP Credit Agreement; (vi) granting adequate protection to Bank of America in its capacity as the Prepetition Secured Lender (as hereinafter defined); and (vii) modifying the automatic stay imposed under section 362 of the Bankruptcy Code to the extent necessary to permit the Debtors, the DIP Issuer, and the Prepetition Secured Lender to implement the terms of this Order; (b) requesting, pursuant to Rule 4001 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), that an emergency interim hearing (the “Interim Hearing”) on the Motion be held for the Court to consider entry of this Order; and (c) requesting, pursuant to Bankruptcy Rules 4001(b)(2) and 4001(c)(2), that the Court (i) schedule

a final hearing (the “Final Hearing”) on the Motion within thirty (30) days of the Petition Date (as hereinafter defined) to consider entry of the Final Order and (ii) approve certain notice procedures with respect thereto; and the Interim Hearing having been held by this Court on October __, 2010; and the Court having considered the Motion and all pleadings related thereto, including the record made by the Debtors at the Interim Hearing; and after due deliberation and consideration, and good and sufficient cause appearing therefor:

THE COURT HEREBY FINDS AND CONCLUDES AS FOLLOWS:

A. On October 26, 2010 (the “Petition Date”), the Debtors filed with this Court voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors are continuing to operate their businesses and are managing their respective properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request has been made for the appointment of a trustee or examiner and no official committee of unsecured creditors has been appointed in these Chapter 11 Cases.

B. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157(b) and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

C. The Debtors have provided notice of the Motion and the Interim Hearing by facsimile, electronic mail, or overnight mail to: (i) the Office of the United States Trustee (the “U.S. Trustee”); (ii) the twenty (20) largest unsecured creditors of each Debtor; (iii) counsel to the DIP Issuer; (iv) counsel to the Prepetition Secured Lender; (v) all known parties with liens of record on assets of the Debtors as of the Petition Date, including the Illinois Department of Revenue; (vi) all financial institutions at which the Debtors maintain deposit accounts; (vii) the landlords for all non-residential real properties occupied by the Debtors as of the Petition Date;

(viii) the Internal Revenue Service; and (ix) all other parties requesting notice pursuant to Bankruptcy Rule 2002. The Court concludes that the foregoing notice was sufficient and adequate under the circumstances and complies with Bankruptcy Rule 4001 in all respects.

D. Without prejudice to the rights of any other party, but subject to the limitations thereon set forth in paragraph 30 below, the Debtors admit, stipulate and agree that:

(1) Pursuant to (i) that certain Loan Agreement dated as of February 1, 2005 (as amended, supplemented or otherwise modified prior to the date hereof, the “2005 Prepetition Credit Agreement”), by and among Gas City as the borrower and Bank of America as the lender (the “Prepetition Secured Lender”), and (ii) that certain Loan Agreement, dated as of December 7, 2009 (as amended, supplemented or otherwise modified prior to the date hereof, the “2009 Prepetition Credit Agreement” and, together with the 2005 Prepetition Credit Agreement, the “Prepetition Gas City Credit Agreements”), by and among Gas City as the borrower and Bank of America as the Prepetition Secured Lender, the Prepetition Secured Lender made certain loans and other financial accommodations to or for the benefit of Gas City. In connection with the Prepetition Gas City Credit Agreements, Gas City entered into certain collateral and ancillary documentation with the Prepetition Secured Lender (such collateral and ancillary documentation, including without limitation the Prepetition Gas City Guaranty (as hereinafter defined), collectively with the Prepetition Gas City Credit Agreements, the “Prepetition Gas City Credit Documents”). All obligations of Gas City arising under the Prepetition Gas City Credit Documents, including all loans, advances, debts, liabilities, principal, interest, fees, swap exposure, charges, expenses, indemnities, and obligations for the performance of covenants, tasks or duties, or for the payment of monetary amounts owing to the Prepetition Secured Lender

by Gas City, of any kind or nature, whether or not evidenced by any note, agreement or other instrument, shall hereinafter be referred to as the “Prepetition Gas City Obligations.”

(2) As of the Petition Date, Gas City was truly and justly indebted to the Prepetition Secured Lender pursuant to the Prepetition Gas City Credit Documents, without defense, counterclaim or offset of any kind, in the aggregate principal amount of \$29,659,980.75 in respect of loans and other financial accommodations made by the Prepetition Secured Lender pursuant to and in accordance with the terms of the Prepetition Gas City Credit Documents, plus (i) all accrued or hereafter accruing and unpaid interest thereon, (ii) all unpaid fees and expenses (including the fees and expenses of attorneys and financial advisors for the Prepetition Secured Lender) now or hereafter due under the Prepetition Gas City Credit Documents, and (iii) any other obligations of Gas City under the Prepetition Gas City Credit Documents.

(3) Pursuant to the Prepetition Gas City Credit Documents, the Prepetition Gas City Obligations are secured by (i) first priority security interests in and continuing liens on substantially all of the assets and property of Gas City, including, but not limited to, all personal and fixture property of every kind and nature, including without limitation, all goods (including inventory, equipment, and any accessions thereto), instruments (including promissory notes), documents, accounts receivable (including health care insurance receivables), chattel paper (whether tangible or electronic), deposit accounts, letter of credit rights (whether or not the letter of credit is evidenced by a writing), commercial tort claims, securities and all other investment property, supporting obligations, any other contract rights or rights to the payment of money, insurance claims and proceeds, and all general intangibles (including all payment intangibles), and all proceeds, products, accessions, rents and profits of or in respect of any of the foregoing, in each case wherever located, whether then owned or existing or thereafter acquired or arising,

and (ii) a pledge of 100% of the issued and outstanding capital stock of Gas City. All collateral granted or pledged by Gas City to the Prepetition Secured Lender pursuant to the Prepetition Gas City Credit Documents shall collectively be referred to herein as the “Prepetition Gas City Collateral.”

(4) All of Gas City’s cash, including, without limitation, all cash and other amounts on deposit or maintained in any deposit account by Gas City and any amounts generated by collection of Gas City’s accounts receivable, sale of Gas City’s inventory, or any other disposition of the Prepetition Gas City Collateral (including, without limitation, all proceeds generated from the sale of the Tankwagon Assets (as hereinafter defined)) constitute proceeds of the Prepetition Gas City Collateral and therefore constitute cash collateral of the Prepetition Secured Lender within the meaning of section 363(a) of the Bankruptcy Code (the “Cash Collateral”).

(5) Pursuant to that certain Amended and Restated Loan Agreement dated as of July 31, 2006 (as amended, supplemented or otherwise modified prior to the date hereof, the “Prepetition WJM Trust Credit Agreement” and, collectively with the Prepetition Gas City Credit Agreements, the “Prepetition Credit Agreements”), by and among the WJM Trust as the borrower and Bank of America as the Prepetition Secured Lender, the Prepetition Secured Lender made certain loans and other financial accommodations to or for the benefit of the WJM Trust. In connection with the Prepetition WJM Trust Credit Agreement, the WJM Trust entered into certain collateral and ancillary documentation with the Prepetition Secured Lender (such collateral and ancillary documentation, including without limitation the Prepetition WJM Trust Guaranty (as hereinafter defined), collectively with the Prepetition WJM Trust Agreement, the “Prepetition WJM Trust Credit Documents” and, collectively with the Prepetition Gas City

Credit Documents, the “Prepetition Credit Documents”). All obligations of the WJM Trust arising under the Prepetition WJM Trust Credit Documents, including all loans, advances, debts, liabilities, principal, interest, fees, swap exposure, charges, expenses, indemnities, and obligations for the performance of covenants, tasks or duties, or for the payment of monetary amounts owing to the Prepetition Secured Lender by the WJM Trust, of any kind or nature, whether or not evidenced by any note, agreement or other instrument, shall hereinafter be referred to as the “Prepetition WJM Trust Obligations” and, collectively with the Prepetition Gas City Obligations, the “Prepetition Obligations.”

(6) As of the Petition Date, the WJM Trust was truly and justly indebted to the Prepetition Secured Lender pursuant to the Prepetition WJM Trust Credit Documents, without defense, counterclaim or offset of any kind, in the aggregate principal amount of \$47,909,404.00 in respect of loans and other financial accommodations made by the Prepetition Secured Lender pursuant to and in accordance with the terms of the Prepetition WJM Trust Credit Documents, plus (i) all accrued or hereafter accruing and unpaid interest thereon, (ii) all unpaid fees and expenses (including the fees and expenses of attorneys and financial advisors for the Prepetition Secured Lender) now or hereafter due under the Prepetition WJM Trust Credit Documents, and (iii) any other obligations of the WJM Trust under the Prepetition WJM Trust Credit Documents.

(7) Pursuant to the Prepetition WJM Trust Credit Documents, the Prepetition WJM Trust Obligations are secured by (i) first priority mortgages on certain real property and fixtures owned or leased by the WJM Trust and located in Arizona, Florida, Illinois and Indiana, (ii) first priority security interests in and continuing liens on all deposit accounts of the WJM Trust subject to possession or control by the Prepetition Secured Lender, and (iii) a pledge of

100% of the issued and outstanding capital stock of Gas City. All collateral granted or pledged by the WJM Trust to the Prepetition Secured Lender pursuant to the Prepetition WJM Trust Credit Documents shall collectively be referred to herein as the “Prepetition WJM Trust Collateral” (collectively with the Prepetition Gas City Collateral, the “Prepetition Collateral”).

(8) Pursuant to that certain Continuing Guaranty dated as of July 31, 2006 (as amended, supplemented or otherwise modified from time to time, the “Prepetition Gas City Guaranty”) made by Gas City in favor of the Prepetition Secured Lender, Gas City unconditionally guaranteed the payment when due and timely performance of all obligations of the WJM Trust under the Prepetition WJM Trust Credit Documents, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or then or thereafter existing. Gas City’s obligations under the Prepetition Gas City Guaranty are secured by first priority security interests in and liens upon the Prepetition Gas City Collateral.

(9) Pursuant to (i) that certain Continuing Guaranty dated as of February 1, 2005 and (ii) that certain Continuing Guaranty dated as of December 7, 2009 (collectively, as amended, supplemented or otherwise modified from time to time, the “Prepetition WJM Trust Guaranty”) made by WJM Trust in favor of the Prepetition Secured Lender, the WJM Trust unconditionally guaranteed the payment when due and timely performance of all obligations of Gas City under the Prepetition Gas City Credit Documents, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or then or thereafter existing. WJM Trust’s obligations under the Prepetition WJM Trust Guaranty are secured by first priority mortgages, security interests in and liens upon the Prepetition WJM Trust Collateral.

(10) All Prepetition Credit Documents executed and delivered by the Debtors to the Prepetition Secured Lender are valid and enforceable by the Prepetition Secured Lender

against the Debtors. The Prepetition Secured Lender duly perfected its liens upon and security interests in the Prepetition Collateral in accordance with applicable law. The liens and security interests of the Prepetition Secured Lender in the Prepetition Collateral, as security for the Prepetition Obligations, constitute valid, binding, enforceable and perfected first priority liens and security interests and are not subject to avoidance, disallowance, subordination or re-characterization pursuant to the Bankruptcy Code or applicable non-bankruptcy law (except insofar as such liens are subordinated to the DIP Liens, the Carve-Out, and the Limited Trust Fund Carve-Out (each term as hereinafter defined) in accordance with this Order).

(11) The Prepetition Obligations constitute legal, valid and binding obligations of the Debtors, no offsets, defenses or counterclaims to the Prepetition Obligations exist, and no portion of the Prepetition Obligations is subject to avoidance, disallowance, reduction, subordination or re-characterization pursuant to the Bankruptcy Code or applicable non-bankruptcy law. The Debtors have no valid claims (as such term is defined in section 101(5) of the Bankruptcy Code) or causes of action against the Prepetition Secured Lender with respect to the Prepetition Credit Documents or otherwise, whether arising at law or at equity, including, without limitation, any re-characterization, subordination, avoidance or other claims arising under or pursuant to sections 105, 510 or 542 through 553, inclusive, of the Bankruptcy Code. The Debtors irrevocably waive any right to (i) challenge or contest the liens or security interests of the Prepetition Secured Lender in the Prepetition Collateral, (ii) challenge or contest the validity of the Prepetition Obligations, or (iii) assert any claims or causes of action against the Prepetition Secured Lender or any of its affiliates, agents, attorneys, financial advisors, officers, managers, directors or employees under the Bankruptcy Code or applicable non-bankruptcy law.

E. The Debtors have an immediate and critical need to obtain post-petition financing under the DIP Facility in order to replace certain expiring surety bonds, including a surety bond that Gas City previously posted with the Illinois Department of Revenue (collectively, the “Expiring Surety Bonds”). If the Debtors are unable to replace the Expiring Surety Bonds, Gas City could lose its motor fuel licenses in the States of Illinois, Indiana and Florida. Such loss would result in immediate and irreparable harm to both Debtors’ estates, based on the loss of value that would result from the loss of the motor fuel licenses. The Hanover Insurance Group (“Hanover”) has agreed to post replacement surety bonds on behalf of Gas City on the condition that Gas City posts collateral in the amount of 75% of such surety bonds. Without immediate access to the DIP Letter of Credit, Gas City would be unable to post sufficient collateral with Hanover. Consequently, without immediate access to additional financing under the DIP Facility, to the extent authorized pursuant to this Order, the Debtors and their estates would suffer immediate and irreparable harm.

F. Gas City also has an immediate and critical need to use Cash Collateral pursuant to the terms of this Order to, among other things, finance the ordinary costs of its operations, maintain business relationships with vendors, suppliers and customers, make payroll, and satisfy other working capital and operational needs. Gas City’s access to sufficient working capital and liquidity through the use of Cash Collateral pursuant this Order is vital to the preservation and maintenance of the going concern value of the Debtors’ estates. Consequently, without the continued use of Cash Collateral by Gas City, to the extent authorized pursuant to this Order, the Debtors and their estates would suffer immediate and irreparable harm.

G. The Debtors require additional financing in the form of a post-petition letter of credit in order to replace the Expiring Surety Bonds. The Debtors are unable to obtain

(i) adequate unsecured credit allowable either (a) under sections 364(b) and 503(b)(1) of the Bankruptcy Code or (b) under section 364(c)(1) of the Bankruptcy Code, (ii) adequate credit secured either by (x) a senior lien on unencumbered assets of their estates under section 364(c)(2) of the Bankruptcy Code or (y) a junior lien on encumbered assets of their estates under section 364(c)(3) of the Bankruptcy Code, or (iii) secured credit under section 364(d)(1) of the Bankruptcy Code from sources other than the DIP Issuer on terms more favorable than the terms of the DIP Facility. The only letter of credit available to the Debtors is the DIP Letter of Credit.

H. The DIP Issuer has indicated a willingness to provide the Debtors with certain financing commitments, but solely on the terms and conditions set forth in this Order and the DIP Credit Documents. After considering all of their alternatives, the Debtors have concluded, in an exercise of their sound business judgment, that the financing to be provided by the DIP Issuer pursuant to the terms of this Order and the DIP Credit Documents represents the best post-petition financing presently available to the Debtors.

I. The Prepetition Secured Lender is prepared to consent to: (i) the imposition of certain liens under section 364(d)(1) of the Bankruptcy Code in favor of the DIP Issuer, but solely on the terms and conditions set forth in this Order and in the DIP Credit Documents, which liens will prime the Primed Liens (as hereinafter defined), and (ii) Gas City's use of the Prepetition Gas City Collateral (including the Cash Collateral) and the WJM Trust's use of the Prepetition WJM Trust Collateral, provided that the Court authorizes the Debtors, pursuant to sections 361, 363 and 364 of the Bankruptcy Code, to grant to the Prepetition Secured Lender, as adequate protection for the Adequate Protection Obligations (as hereinafter defined), but subject to the Carve-Out and the Limited Trust Fund Carve-Out, (a) replacement security interests in and liens and mortgages upon (collectively, the "Adequate Protection

Liens”) all of the DIP Collateral (as hereinafter defined) (including, upon entry of the Final Order, all Avoidance Actions (as hereinafter defined) and the proceeds thereof), and (b) a superpriority administrative expense claim under section 507(b) of the Bankruptcy Code (the “Adequate Protection Priority Claim”), which Adequate Protection Priority Claim shall be subordinate in priority only to the Carve-Out, the Limited Trust Fund Carve-Out, and the superpriority claim under section 364(c)(1) of the Bankruptcy Code in favor of the DIP Issuer (and which, upon entry of the Final Order, shall be legally payable from the proceeds of Avoidance Actions). The Adequate Protection Liens and the Adequate Protection Priority Claim shall secure the payment of the Prepetition Obligations in an amount equal to any diminution in the value of the Prepetition Secured Lender’s interests in the Prepetition Collateral (including the Cash Collateral) from and after the Petition Date (the aggregate amount of such diminution, the “Adequate Protection Obligations”) including, without limitation, any diminution resulting from: (i) the Debtors’ use of the Prepetition Collateral, including Gas City’s use of the Cash Collateral, (ii) the imposition of the DIP Liens, which will prime the Primed Liens, and (iii) the imposition of the automatic stay pursuant to section 362(a) of the Bankruptcy Code. The Adequate Protection Liens shall be junior to the Carve-Out, the Limited Trust Fund Carve-Out, the DIP Liens, and the Non-Primed Liens (as hereinafter defined) with respect to the collateral encumbered by any Non-Primed Liens to the extent such Non-Primed Liens are senior to the liens securing the Prepetition Obligations. As additional adequate protection, the Prepetition Secured Lender shall be entitled to (a) the payment of all accrued and unpaid interest (at the default rate) and fees (including reasonable professional fees and expenses owing under the Prepetition Gas City Credit Agreements as of the Petition Date), as and when set forth in the Budget, (b) the current payment of post-petition interest (at the non-default rate) and fees as and

when due and payable under the Prepetition Gas City Credit Agreements, (c) the current payment of all post-petition fees and expenses, including the reasonable post-petition fees and expenses of legal counsel and other professionals retained by the Prepetition Secured Lender, as and when due and payable under the Prepetition Gas City Credit Agreements, and (d) the current payment of all proceeds that Gas City receives from Pinkerton Oil Co., Inc. ("Pinkerton") or any other party in connection with the prepetition sale to Pinkerton of certain fuel tanks and other assets and equipment associated with Gas City's tankwagon business operations located in Lowell, Indiana and constituting Prepetition Gas City Collateral (the "Tankwagon Assets").

J. The Budget contemplates (i) the payment by Gas City of certain post-petition professional fees that are incurred by the WJM Trust after the Petition Date and subsequently allowed by the Court and (ii) that Gas City will not pay any rent to the WJM Trust during the course of the Chapter 11 Cases, notwithstanding the provisions of sections 365(d)(3) or 503(b)(1) of the Bankruptcy Code. The Debtors and the Prepetition Secured Lender have agreed, subject to the approval of this Court, that any administrative expense claims that each Debtor may assert against the other resulting from the foregoing shall accrue but shall not be paid pending the completion of the sale or any other disposition by the Debtors of all or any material portion of the assets associated with Gas City's service station business (including equipment and working capital assets) and the related gas station real estate owned or leased by the WJM Trust (collectively, the "Gas Station Assets"), and that all such administrative expense claims shall be fully waived and released by the Debtors against each other upon the consummation of such sale(s) or other disposition(s).

K. The consent of the Prepetition Secured Lender to the priming of its liens by the DIP Liens is limited to the DIP Facility presently before the Court, with Bank of America

as the DIP Issuer, and shall not extend to any other post-petition financing or to any modified version of such DIP Facility. Furthermore, the consent of the Prepetition Secured Lender to the priming of its liens by the DIP Liens does not constitute, and shall not be construed as constituting, an acknowledgment or stipulation by the Prepetition Secured Lender that its interests in the Prepetition Collateral are adequately protected pursuant to this Order or otherwise. The Prepetition Secured Lender does not consent to the Debtors' use of the Prepetition Collateral, including Gas City's use of the Cash Collateral, except on the terms of this Order. The foregoing consents of the Prepetition Secured Lender and the DIP Issuer's willingness to provide the DIP Facility to the Debtors are conditioned upon (i) the Debtors' agreement that Gas City shall not be required to pay any rent to the WJM Trust pending the sale or other disposition of all or any material portion of the Gas Station Assets, in order to preserve the Debtors' liquidity and allow the Debtors to pursue an orderly marketing and sale process for the benefit of all creditors of the Debtors' estates, (ii) the WJM Trust's agreement not to seek the payment of any rent by Gas City or to seek the allowance of an administrative expense claim on account thereof, and (iii) the other agreements set forth in paragraph J above.

L. The security interests and liens granted pursuant to this Order to the DIP Issuer are appropriate under section 364(d) of the Bankruptcy Code because, among other things: (i) such security interests and liens do not impair the interests of any holder of a valid, perfected, and non-avoidable prepetition security interest in or lien upon the property of the Debtors' estates, or (ii) the holders of such valid, perfected, prepetition security interests and liens have consented to the security interests and priming liens granted pursuant to this Order to the DIP Issuer.

M. Good cause has been shown for immediate entry of this Order pursuant to Bankruptcy Rules 4001(b)(2) and (c)(2). In particular, the authorization granted herein for Gas City to continue using Cash Collateral and for the Debtors to execute the DIP Credit Documents and obtain interim financing in the form of the DIP Letter of Credit, including on a priming lien basis, is necessary to avoid immediate and irreparable harm to the Debtors and their estates. Entry of this Order is in the best interest of the Debtors, their estates and creditors. The terms of the DIP Credit Documents and the terms of Gas City's continued use of Cash Collateral pursuant to this Order are fair and reasonable under the circumstances, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration.

N. The Debtors, the DIP Issuer, and the Prepetition Secured Lender have negotiated the terms and conditions of the DIP Credit Documents and this Order (including Gas City's use of Cash Collateral pursuant hereto) in good faith and at arm's-length, and any credit extended and loans made to the Debtors pursuant to this Order and the DIP Credit Documents shall be, and hereby are, deemed to have been extended, issued or made, as the case may be, in "good faith" within the meaning of section 364(e) of the Bankruptcy Code.

O. Based on the foregoing, and upon the record made before this Court at the Interim Hearing, and good and sufficient cause appearing therefore,

IT IS HEREBY ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is approved on the terms and conditions set forth in this Order. Any objections to the Motion that have not previously been withdrawn or resolved are hereby overruled on the merits. This Order shall become effective and binding upon all parties

in interest immediately upon its entry. To the extent the terms of the DIP Credit Documents differ in any material respect from the terms of this Order, this Order shall control.

2. The Debtors are hereby authorized to execute the DIP Credit Documents, including the DIP Credit Agreement and such additional documents, instruments, and agreements as may be reasonably required by the DIP Issuer to implement the terms or effectuate the purposes of this Order.

3. Gas City is hereby authorized to use the Cash Collateral and to incur DIP Obligations (as hereinafter defined) solely in accordance with the Budget (as hereinafter defined) and the other terms and conditions set forth in the DIP Credit Agreement and in this Order. The WJM Trust is hereby authorized to guaranty the payment when due and timely performance of all DIP Obligations.

4. The Debtors are hereby authorized and directed to pay on demand all fees, expenses and other amounts payable under the terms of the DIP Credit Agreement and all out-of-pocket costs and expenses of the DIP Issuer in accordance with the terms of the DIP Credit Agreement (including, without limitation, the reasonable fees and disbursements of legal counsel and financial advisors retained by the DIP Issuer (including the professional fees incurred by the DIP Issuer in connection with the preparation or enforcement of the DIP Credit Agreement and the other DIP Credit Documents)). None of such costs, fees, and expenses shall be subject to Court approval or U.S. Trustee guidelines, and no recipient of any such payment shall be required to file with respect thereto any interim or final fee application with the Court. In addition, the Debtors are hereby authorized and directed to indemnify the DIP Issuer against any liability arising in connection with the DIP Credit Documents to the extent set forth in the DIP Credit Documents. All unpaid fees, expenses and indemnity rights of the DIP Issuer shall

constitute DIP Obligations (as hereinafter defined) and shall be secured by the DIP Collateral and afforded all of the priorities and protections afforded to the DIP Obligations.

5. Upon execution and delivery of the DIP Credit Documents, the DIP Credit Documents shall constitute valid and binding obligations of the Debtors and shall be enforceable against the Debtors in accordance with the terms thereof. No obligation, payment, transfer or grant of security under the DIP Credit Documents or this Order shall be stayed, restrained, voided, voidable, or recoverable under the Bankruptcy Code or under any applicable non-bankruptcy law, or subject to any defense, reduction, setoff, recoupment or counterclaim.

6. All draws made on the DIP Letter of Credit, all interest thereon, all contingent reimbursement obligations of Gas City with respect to the undrawn amounts under the DIP Letter of Credit, and all fees, costs, expenses, indemnification obligations and other liabilities owing by Gas City to the DIP Issuer or any other parties under the DIP Credit Documents and this Order shall hereinafter be referred to as the “DIP Obligations.” The DIP Obligations shall: (a) be evidenced by the books and records of the DIP Issuer; (b) bear interest and be subject to fees payable at the rates and in the amounts set forth in the DIP Credit Agreement; (c) be secured in the manner set forth in paragraph 12 below; (d) be payable in accordance with the terms of the DIP Credit Documents; (e) be unconditionally guaranteed by the WJM Trust; and (f) comply with and otherwise be governed by the terms of this Order and the terms of the DIP Credit Documents. Gas City shall use the DIP Letter of Credit solely for the purpose of posting collateral with Hanover in connection with Hanover’s replacement of the Expiring Surety Bonds.

7. Subject to the terms and conditions set forth in this Order and in the DIP Credit Documents, Gas City may use the Cash Collateral to: (a) pay interest, fees and expenses

associated with the DIP Facility, as provided in the DIP Credit Documents, (b) make the adequate protection payments required under this Order, and (c) fund its general corporate and working capital requirements (including, without limitation, certain administrative expenses in the Chapter 11 Cases), in each case in accordance with the Budget and the terms of this Order.

8. Attached hereto as Exhibit B is a budget (the “Budget”) for the period commencing on the Petition Date and ending on December 31, 2010. The Budget reflects on a line-item basis Gas City’s anticipated cumulative cash receipts and expenditures on a weekly basis and all necessary and required cumulative expenses which Gas City expects to incur during each week of the Budget. On a weekly basis for the period from the Petition Date through the last day of each week of determination, (a) the aggregate actual disbursements by Gas City from the Petition Date to any report date shall be no greater than 110% of the aggregate amount of projected disbursements for such period as set forth in the Budget; and (b) the aggregate actual cash receipts collected by Gas City from the Petition Date to any report date shall be no less than 90% of the aggregate amount of projected cash receipts for such period as set forth in the Budget. Gas City shall provide to the DIP Issuer and the Prepetition Secured Lender, so as to actually be received by 5 p.m. (Chicago time) of each Tuesday of each calendar week, weekly line-by-line variance reports (in form and scope reasonably acceptable to the DIP Issuer and the Prepetition Secured Lender) for the immediately preceding weekly period and on a cumulative basis from the Petition Date to the report date, comparing actual cash receipts and actual cash disbursements to cash receipts and cash disbursements forecasted in the Budget for such period and showing on a line-by-line basis any variance to the corresponding line-item of the Budget together with an explanation for such variance. Gas City shall not make any payments or other disbursements other than the itemized projected disbursements set forth in the Budget without

the prior written consent of the DIP Issuer and the Prepetition Secured Lender. Failure by Gas City to comply with the Budget variance provisions set forth in this paragraph 8 shall constitute an Event of Default under the DIP Credit Agreement and this Order. The Budget shall not be modified without the prior written consent of the DIP Issuer and the Prepetition Secured Lender. The Debtors shall comply with all reporting requirements set forth in the DIP Credit Documents and shall provide the Prepetition Secured Lender with such additional financial reports as the Prepetition Secured Lender may reasonably request from time to time.

9. On the earliest to occur of: (a) November 26, 2010; (b) thirty (30) days after entry of this Order if the Final Order, which shall be in form and substance acceptable to the DIP Issuer, shall not have been entered on or before such date; (c) the occurrence of the effective date under any plan of reorganization or liquidation for the Debtors; (d) the completion of the sale or any other disposition by the Debtors of all or any material portion of the Gas Station Assets; and (e) the occurrence and continuation of an Event of Default under this Order or the DIP Credit Agreement, the Debtors shall be required to repay the DIP Issuer in full and in cash all outstanding DIP Obligations and, to the extent the DIP Letter of Credit has not been drawn, to provide either a replacement letter of credit (and return the DIP Letter of Credit to the DIP Issuer for immediate cancellation) or cash collateral for the DIP Obligations in an amount that equals 105% of the amount of the undrawn DIP Obligations at such time.

10. Gas City's authority to use Cash Collateral in accordance with this Order and the Budget shall terminate on the earliest to occur (the "Cash Collateral Termination Event") of: (a) November 26, 2010, unless prior to such date Gas City's use of Cash Collateral has been extended with the consent of the Prepetition Secured Lender; (b) thirty (30) days after entry of this Order if the Final Order, which shall be in form and substance acceptable to the DIP Issuer

and the Prepetition Secured Lender, shall not have been entered by this Court on or before such date; (c) the occurrence of the effective date under any plan of reorganization or liquidation for the Debtors; (d) the completion of the sale or any other disposition by the Debtors of all or any material portion of the Gas Station Assets; and (e) the occurrence and continuation of an Event of Default under this Order or the DIP Credit Agreement and a determination by the Prepetition Secured Lender, by written notice delivered by hand-delivery, overnight mail, facsimile, or email to counsel for Gas City and the WJM Trust, to terminate Gas City's use of Cash Collateral pursuant to the terms of this Order.

11. The occurrence of any of the events set forth in clauses (a) through (t) below shall constitute an immediate Event of Default under this Order and the DIP Credit Agreement: (a) failure by the Debtors to make any payment to the DIP Issuer or the Prepetition Secured Lender within three (3) days after such payment becomes due; (b) failure by Gas City to comply with any provision of this Order or the DIP Credit Agreement, including, without limitation, the Budget variance provisions set forth in paragraph 8 hereof and any other affirmative or negative covenants set forth in this Order or the DIP Credit Documents, or any other "Event of Default" shall have occurred and be continuing under and as defined in the DIP Credit Documents; (c) the Debtors shall take any material action in the Chapter 11 Cases that is adverse to the Prepetition Secured Lender or its interests in the Prepetition Collateral; (d) failure by the Debtors to file a motion, in form and substance reasonably satisfactory to the DIP Issuer and the Prepetition Secured Lender, for approval of bidding and sale procedures (and the authority to pay certain administrative expenses with the proceeds realized from the sale of WJM Trust's assets) for the sale of all or substantially all of the Gas Station Assets (the "Bid Procedures Motion") with the Court by November 5, 2010; (e) failure by the Debtors to obtain

an order of this Court, in form and substance satisfactory to the DIP Issuer and the Prepetition Secured Lender, approving the Bid Procedures Motion (and authorizing the payment of certain administrative expenses with the proceeds realized from the sale of WJM Trust's assets) by November 26, 2010; (f) failure by the Debtors to enter, on or before January 24, 2010, into one or more definitive agreements, in form and substance acceptable to the DIP Issuer and the Prepetition Secured Lender, for the sale of all or substantially all of the Gas Station Assets; (g) failure by the Debtors to obtain an order of this Court, in form and substance acceptable to the DIP Issuer and the Prepetition Secured Lender, approving the sale of all or substantially all of the Gas Station Assets by January 31, 2011; (h) failure by the Debtors to consummate the sale or other disposition of all or substantially all of the Gas Station Assets on or before February 7, 2011; (i) either of the Chapter 11 Cases shall be dismissed or converted to a chapter 7 case, or a chapter 11 trustee with plenary powers, a responsible officer, or an examiner with enlarged powers relating to the operation of the Debtor's business shall be appointed in the Chapter 11 Case of Gas City; (j) this Court shall enter an order granting relief from the automatic stay to the holder or holders of any security interest to permit foreclosure (or the granting of a deed in lieu of foreclosure or similar enforcement remedies) on any Gas Station Assets which have an aggregate appraised value (on a going concern basis) in excess of \$1,500,000 and such order shall not be subject to a stay pending appeal; (k) an order shall be entered reversing, amending, supplementing, staying, vacating or otherwise modifying this Order without the consent of the Prepetition Secured Lender; (l) the Debtors shall create, incur or suffer to exist any post-petition liens or security interests other than: (i) those granted pursuant to this Order, (ii) carriers', mechanics', warehousemen's, repairmen's or other similar liens arising in the ordinary course of business, (iii) deposits to secure the payment of any post-petition statutory obligations,

performance bonds and other obligations of a like nature incurred in the ordinary course of business, and (iv) any other junior liens or security interests that the Debtors are permitted to incur under the Prepetition Credit Agreements or under the DIP Credit Documents; (m) the filing by the Debtors of any motion, application or adversary proceeding challenging the validity, enforceability, perfection or priority of the liens securing the Prepetition Obligations or asserting any claim or cause of action against and/or with respect to the Prepetition Obligations, the liens securing the Prepetition Obligations, or the Prepetition Secured Lender or any of its affiliates, agents, attorneys, financial advisors, officers, managers, directors or employees (or if the Debtors support any such motion, application or adversary proceeding commenced by any third party); (n) this Court shall enter an order terminating the Debtors' exclusive period to file a plan of reorganization; (o) the Debtors shall file, or support the filing of, any plan of reorganization or liquidation that is not acceptable to the DIP Issuer and the Prepetition Secured Lender; (p) that certain Industrial Building Lease by and among the Debtor and the WJM Trust, dated as of January 1, 2007, shall be terminated, rejected by Gas City or the WJM Trust pursuant to section 365 of the Bankruptcy Code, or be amended or modified on terms that are not acceptable to the Prepetition Secured Lender; (q) Jeff Zappone shall cease to be the Chief Restructuring Officer of Gas City; (r) Fred Caruso shall cease to be a restructuring advisor to the WJM Trust; (s) any misrepresentation of a material fact made after the Petition Date by the Debtors or any of their agents to the Prepetition Secured Lender about (i) the financial condition of the Debtors, (ii) the nature, extent, location or quality of any Prepetition Collateral, or (iii) the disposition or use of any Prepetition Collateral, including the Cash Collateral; or (t) the Debtors shall file, or support the filing of, a motion seeking the authority for the Debtors to abandon any of the Prepetition Collateral pursuant to section 554 of the Bankruptcy Code or otherwise.

12. As security for the full and timely payment of the DIP Obligations, the DIP Issuer is hereby granted, pursuant to sections 364(c)(2), 364(c)(3) and 364(d)(1) of the Bankruptcy Code, valid, enforceable, unavoidable, and fully perfected security interests in and liens and mortgages (collectively, the “DIP Liens”) upon all prepetition and post-petition real and personal property of the Debtors and of William J. McEnery, solely in his capacity as trustee of the WJM Trust (in such capacity, the “Trustee”) (including, without limitation, all right, title and interest in all now owned and hereafter acquired accounts, chattel paper, deposit accounts, cash collateral, cash, money, cash equivalents, rights with respect to letters of credit, documents, equipment, motor vehicles, fixtures, general intangibles, instruments, inventory, investment property, commercial tort claims, intellectual property, intercompany advances, leasehold interests and fee simple interests in real property and licenses and easements with respect to real property, and all products, accessions and proceeds with respect to any of the foregoing), whether now existing or hereafter acquired or arising and of any nature whatsoever, including, without limitation, (a) all Prepetition Collateral, (b) all assets of the Debtors and the Trustee that do not constitute Prepetition Collateral, and (c) upon entry of the Final Order, all avoidance actions of the Debtors’ estates arising under chapter 5 of the Bankruptcy Code (the “Avoidance Actions”) and the proceeds thereof ((a) through (c) collectively, the “DIP Collateral”).

13. The DIP Liens shall be subject and subordinate to the Carve-Out and the Limited Trust Fund Carve-Out and shall: (a) pursuant to section 364(c)(2) of the Bankruptcy Code, constitute first priority security interests in and liens upon all DIP Collateral that is not otherwise subject to any valid, perfected, enforceable and non-avoidable lien in existence as of the Petition Date; (b) pursuant to section 364(d)(1) of the Bankruptcy Code, be senior to and prime (i) those liens on the Prepetition Collateral in favor of the Prepetition Secured Lender with

respect to the Prepetition Obligations, (ii) any and all valid, perfected, enforceable and non-avoidable liens on the Prepetition Collateral that are junior in priority to the liens of the Prepetition Secured Lender, including any statutory liens in favor of the Illinois Department of Revenue, and (iii) the Adequate Protection Liens ((i), (ii) and (iii) above, collectively, the “Primed Liens”); and (c) pursuant to section 364(c)(3) of the Bankruptcy Code, be immediately junior in priority to any and all valid, properly perfected, enforceable and non-avoidable liens other than the Primed Liens on assets of the Debtors in existence as of the Petition Date, but only to the extent such liens are senior in priority to the Primed Liens (collectively, the “Non-Primed Liens”).

14. The DIP Liens and the Adequate Protection Liens shall not be subject to challenge and shall attach and become valid, perfected, enforceable, non-avoidable and effective by operation of law as of the Petition Date without any further action by the Debtors, the DIP Issuer or the Prepetition Secured Lender, and without the necessity of execution by the Debtors, or the filing or recordation, of any financing statements, security agreements, vehicle lien applications, mortgages, fixture filings, filings with the U.S. Patent and Trademark Office, or other documents. All DIP Collateral shall be free and clear of other liens, claims and encumbrances, except the Primed Liens, the Non-Primed Liens, and other permitted liens and encumbrances as provided in the DIP Credit Documents. If the DIP Issuer hereafter requests that the Debtors execute and deliver to the DIP Issuer any financing statements, security agreements, collateral assignments, mortgages, fixture filings, or other instruments and documents considered by the DIP Issuer to be reasonably necessary or desirable to further evidence the perfection of the DIP Liens, the Debtors are hereby authorized and directed to execute and deliver such financing statements, security agreements, mortgages, fixture filings, collateral assignments, instruments,

and documents, and the DIP Issuer is hereby authorized to file or record such documents in its discretion, in which event all such documents shall be deemed to have been filed or recorded at the time and on the date of entry of this Order.

15. In addition to the priming liens and security interests granted to the DIP Issuer pursuant to this Order, pursuant to section 364(c)(1) of the Bankruptcy Code, all DIP Obligations shall constitute allowed superpriority administrative expense claims (the “Superpriority Claims”) with priority, subject and subordinate to the Carve-Out and the Limited Trust Fund Carve-Out, over any and all administrative expenses, diminution claims (including all Adequate Protection Obligations), and all other claims against the Debtors, now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses or other claims arising under sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b) or 726, or any other provisions of the Bankruptcy Code, which Superpriority Claims shall, subject to the Carve-Out and the Limited Trust Fund Carve-Out, be payable from and have recourse to all pre- and post-petition property of the Debtors and all proceeds thereof, including, upon entry of the Final Order, all Avoidance Actions and the proceeds thereof.

16. Upon the occurrence and during the continuation of a Cash Collateral Termination Event, to the extent unencumbered funds are not available to pay administrative expenses in full, the DIP Liens, the Superpriority Claims, and the Primed Liens shall be subject to the payment of the Carve-Out. For purposes of this Order, the “Carve-Out” shall mean, collectively: (a) all statutory fees payable by the Debtors pursuant to 28 U.S.C. 1930(a)(6) and (b) the sum of (i) any unpaid professional fees and expenses specified in the Budget that were incurred but not paid as of the date of such Cash Collateral Termination Event (provided that such professional fees and expenses shall not exceed the aggregate amount of professional fees

and expenses set forth in the Budget for the period prior to such Cash Collateral Termination Event) by the professionals retained by the Debtors, any official committee of unsecured creditors (if one is appointed in the Chapter 11 Cases), and any trustee, examiner or other representative appointed in the Chapter 11 Cases and are subsequently allowed by order of this Court, in each case net of any unused retainers and only to the extent not subsequently paid, and (ii) any fees and expenses incurred after such Cash Collateral Termination Event by the professionals retained by Gas City and any trustee, examiner or other representative appointed in the Chapter 11 Case of Gas City, in an aggregate amount not to exceed \$100,000.

17. Gas City shall deposit funds in accordance with the Budget into a segregated bank account at Bank of America (the “Segregated Bank Account”) for the purpose of paying sales and use taxes deemed to be collected by Gas City on behalf of state and local taxing authorities from and after the Petition Date (collectively, the “Trust Fund Taxes”). Gas City shall use the funds on deposit in the Segregated Bank Account solely for the purpose of remitting Trust Fund Taxes to the applicable taxing authorities. The Segregated Bank Account shall be subject to a deposit account control agreement in favor of Bank of America and each disbursement from the Segregated Bank Account shall be accompanied by a certification from the Debtors that such disbursement constitutes a remittance of Trust Fund Taxes. The funds deposited into the Segregated Bank Account shall constitute DIP Collateral and Prepetition Collateral, provided that Bank of America’s liens on such funds shall be subject to the payment of all Trust Fund Taxes collected by Gas City from the Petition Date through the date on which Gas City ceases to collect Trust Fund Taxes. Until the earliest to occur of (a) the first date on which the Segregated Bank Account holds at least \$1.4 million in deposits and (b) November 19, 2010 (the earliest of (a) and (b), the “Limited Trust Fund Carve-Out Termination Date”), the DIP

Liens and the Primed Liens on, and Superpriority Claims with respect to, that portion of the Cash Collateral consisting of cash and credit card receivables collected by Gas City but not yet deposited into Gas City's deposit accounts shall be subject to the payment of all Trust Fund Taxes, in an amount not to exceed \$1.3 million, that Gas City has collected or shall collect on behalf of any state and local taxing authorities from September 1, 2010 through the date immediately preceding the Limited Trust Fund Carve-Out Termination Date (the "Limited Trust Fund Carve-Out"). For the avoidance of doubt, the Limited Trust Fund Carve-Out shall expire on the Limited Trust Fund Carve-Out Termination Date.

18. No portion of the DIP Facility, the DIP Collateral, the Prepetition Collateral, the Cash Collateral, or the Carve-Out, and no disbursements set forth in the Budget, shall be used for the payment of professional fees, disbursements, costs or expenses incurred in connection with asserting any claims or causes of action against the Prepetition Secured Lender or the DIP Issuer, or any of their respective affiliates, agents, attorneys, financial advisors, officers, managers, directors or employees, including, without limitation, any action challenging or raising any defenses to the Prepetition Obligations or the DIP Obligations, the liens of the Prepetition Secured Lender or the DIP Issuer, or the validity or enforceability of the DIP Credit Documents or the Prepetition Credit Documents (including the Prepetition Guaranty); provided, however, that no more than \$20,000 of the proceeds of the DIP Collateral may be used by the official committee of unsecured creditors (if one is appointed in the Chapter 11 Cases) to investigate the prepetition liens and claims of the Prepetition Secured Lender.

19. As adequate protection for the payment of the Adequate Protection Obligations and subject to the Carve-Out and the Limited Trust Fund Carve-Out, the Prepetition Secured Lender shall be granted the Adequate Protection Liens (as defined in paragraph I above)

and the Adequate Protection Priority Claim (as defined in paragraph I above). The Adequate Protection Liens shall be junior in priority to the Carve-Out, the Limited Trust Fund Carve-Out, the DIP Liens, and the Non-Primed Liens with respect to the collateral encumbered by any such Non-Primed Liens to the extent such Non-Primed Liens were senior to the liens of the Prepetition Secured Lender securing the Prepetition Obligations as of the Petition Date, and senior to any other liens. The Adequate Protection Priority Claim shall be junior in priority to the Carve-Out, the Limited Trust Fund Carve-Out, and the Superpriority Claims. As additional adequate protection, (a) the Prepetition Secured Lenders shall be entitled to (i) the payment of all accrued and unpaid interest (at the default rate) and fees (including reasonable professional fees and expenses owing under the Prepetition Gas City Credit Agreements as of the Petition Date), as and when set forth in the Budget, (ii) the current payment of post-petition interest (at the non-default rate) and fees as and when due and payable under the Prepetition Gas City Credit Agreements, (iii) the current payment of all post-petition fees and expenses, including the reasonable post-petition fees and expenses of legal counsel and other professionals retained by the Prepetition Secured Lender, as and when due and payable under the Prepetition Gas City Credit Agreements, and (iv) the current payment of all proceeds that Gas City receives from Pinkerton or any other party in connection with the prepetition sale of the Tankwagon Assets; and (b) except for the DIP Facility and the DIP Liens granted to the DIP Issuer pursuant to this Order, the Debtors shall be prohibited from incurring additional indebtedness having priority claims or liens equal to or senior in priority to the Prepetition Obligation or the liens securing such obligations. Without the prior written consent of the DIP Issuer and the Prepetition Lender, no portion of the DIP Collateral or the Prepetition Collateral (including any Cash Collateral) shall (x) except as expressly permitted under the terms of the Budget, be used by Gas City to

satisfy chapter 11 administrative expenses or operating expenses of the WJM Trust or any of Gas City's other affiliates or (y) be distributed by Gas City to the WJM Trust or any of Gas City's other affiliates in the form of an upstream dividend, intercompany loan, or any other distribution for less than reasonably equivalent value.

20. All cash payments of interest, fees and sale proceeds to the Prepetition Secured Lender pursuant to this Order shall be provisional in nature and subject to final allowance of the Prepetition Obligations under section 506(b) of the Bankruptcy Code. To the extent any such payments of the Prepetition Obligations are not allowed under section 506(b) of the Bankruptcy Code, and at the time of such disallowance there is outstanding principal on the Prepetition Obligations, such payments shall be re-characterized and applied as payments of principal on the Prepetition Obligations. The proceeds of any sale or assignment of the Prepetition Collateral under sections 363 or 365 of the Bankruptcy Code shall be applied against the Prepetition Obligations on a provisional basis, pending the final allowance of the Prepetition Obligations under section 506(b) of the Bankruptcy Code.

21. Nothing herein shall preclude the Prepetition Secured Lender from (i) seeking additional adequate protection from the Debtors at any time, (ii) seeking to terminate Gas City's use of Cash Collateral, or (iii) seeking the payment of all default rate interest accruing under the Prepetition Credit Agreements from and after the Petition Date. Furthermore, nothing herein shall be construed as an acknowledgment or stipulation by the Prepetition Secured Lender that its interests in the Prepetition Collateral are adequately protected.

22. Upon entry of the Final Order, in consideration for (i) the Prepetition Secured Lender's consent to Gas City's use of Cash Collateral in accordance with the Budget, (ii) the Carve-Out, and (iii) the Limited Trust Fund Carve-Out, the Debtors shall irrevocably

waive and shall not assert any surcharge claim against Bank of America, under section 506(c) of the Bankruptcy Code or otherwise, for any costs and expenses incurred in connection with the preservation, protection or enhancement of, or realization by the DIP Issuer or the Prepetition Secured Lender upon, the DIP Collateral or the Prepetition Collateral. In no event shall the DIP Issuer or the Prepetition Secured Lender be subject to the equitable doctrine of marshaling or any similar doctrine with respect to the DIP Collateral or the Prepetition Collateral.

23. In consideration for the loans and other financial accommodations provided by the DIP Issuer and the Prepetition Secured Lender pursuant to this Order, the Debtors irrevocably waive the right to (a) seek the authority to use the Cash Collateral without the consent of the Prepetition Secured Lender, except in the case of a Cash Collateral Termination Event occurring under clause (a) of paragraph 10 of this Order (in which case all rights of the Debtors and the Prepetition Secured Lender are reserved), (b) propose or support any plan of reorganization or liquidation that is not acceptable to the DIP Issuer and the Prepetition Secured Lender, or (c) pursue the sale of any of the Prepetition Collateral pursuant to sections 363 or 365 of the Bankruptcy Code on terms that are not acceptable to the DIP Issuer and the Prepetition Secured Lender. The Debtors expressly acknowledge the Prepetition Secured Lender's right to credit bid the Prepetition Obligations in any sale of all or part of the Prepetition Collateral, whether pursuant to sections 363 or 365 of the Bankruptcy Code or any plan of reorganization or liquidation that may be proposed in the Chapter 11 Cases.

24. None of the DIP Liens, the Superpriority Claims, the Adequate Protection Liens or the Adequate Protection Priority Claims shall be (a) subject or subordinated to, or made *pari passu* with, any lien that is avoided and preserved for the benefit of the Debtors' estates under section 551 of the Bankruptcy Code or (b) subject or subordinated to, or made *pari passu*

with, any other lien or security interest, whether under sections 363 or 364 of the Bankruptcy Code or otherwise. The Adequate Protection Liens granted pursuant to this Order shall constitute valid, enforceable and duly perfected security interests and liens upon entry of this Order and the Prepetition Secured Lender shall not be required to file or serve financing statements, notices of lien or similar instruments which otherwise may be required under federal or state law in any jurisdiction, or take any action, including taking possession, to validate and perfect such security interests and liens. Failure by the Debtors to execute any documentation relating to the Adequate Protection Liens shall in no way affect the validity, enforceability, perfection or priority of such Adequate Protection Liens.

25. The Prepetition Secured Lender shall be entitled to all of the rights and benefits arising under section 552(b) of the Bankruptcy Code, and the “equities of the case” exception shall have no application to the Prepetition Gas City Collateral.

26. The provisions of this Order shall be binding upon and inure to the benefit of the DIP Issuer, the Prepetition Secured Lender, the Debtors, and their respective successors and assigns (including, without limitation, any trustee or other fiduciary hereafter appointed for or on behalf of any Debtor’s estate or property). The provisions of this Order and any actions taken pursuant thereto (a) shall survive the entry of any order: (i) confirming any plan of reorganization in these Chapter 11 Cases; (ii) converting the Chapter 11 Cases to cases under chapter 7 of the Bankruptcy Code; or (iii) dismissing the Chapter 11 Cases; and (b) shall continue in full force and effect notwithstanding the entry of any such order, and the claims, liens, and security interests granted pursuant to this Order shall maintain their priority as provided by this Order until all of the DIP Obligations and Adequate Protection Obligations are

indefeasibly paid in full and discharged in accordance with the terms of the DIP Credit Agreement and this Order.

27. If any or all of the provisions of this Order are hereafter reversed, modified, vacated or stayed, such reversal, modification, vacatur or stay shall not affect (a) the validity of any DIP Obligations or Adequate Protection Obligations incurred prior to the actual receipt by the DIP Issuer or the Prepetition Secured Lender, as applicable, of written notice of the effective date of such reversal, modification, vacatur or stay, or (b) the validity or enforceability of any claim, lien, security interest or priority authorized or created hereby or pursuant to the DIP Credit Documents with respect to any DIP Obligations or Adequate Protection Obligations. Notwithstanding any such reversal, modification, vacatur or stay, any use of Cash Collateral or the incurrence of DIP Obligations or Adequate Protection Obligations by the Debtor prior to the actual receipt by the DIP Issuer or the Prepetition Agent, as applicable, of written notice of the effective date of such reversal, modification, vacatur or stay, shall be governed in all respects by the provisions of this Order, and the DIP Issuer and the Prepetition Secured Lender shall be entitled to all of the rights, remedies, protections and benefits granted under section 364(e) of the Bankruptcy Code, this Order, and the DIP Credit Documents with respect to all uses of Cash Collateral and the incurrence of DIP Obligations and Adequate Protection Obligations by the Debtors.

28. The automatic stay provisions of section 362 of the Bankruptcy Code are hereby vacated and modified to the extent necessary to permit the DIP Issuer or the Prepetition Secured Lender to exercise, upon the occurrence and during the continuation of any Event of Default (under the DIP Credit Documents or this Order), all rights and remedies provided in the DIP Credit Documents and to take any or all of the following actions without further order of or

application to this Court: (a) immediately terminate Gas City's use of Cash Collateral; (b) demand that the Debtors provide, and upon such demand the Debtors shall provide, cash collateral for the DIP Obligations in an amount that equals 105% of the aggregate DIP Obligations at such time; (c) immediately declare all DIP Obligations to be immediately due and payable; (d) immediately terminate the lending commitments under the DIP Credit Agreement; (e) immediately set off any and all amounts in accounts maintained by the Debtors with Bank of America against the DIP Obligations or the Prepetition Obligations, or otherwise enforce rights against the DIP Collateral in the possession of the DIP Issuer for application towards the DIP Obligations; and (f) take any other actions or exercise any other rights or remedies permitted under this Order, the DIP Credit Documents or applicable law to effect the repayment of the DIP Obligations; provided, however, that the DIP Issuer or the Prepetition Secured Lender, as applicable, shall provide three (3) business days' written notice (by facsimile, telecopy or otherwise) to counsel to the Debtors, counsel to the official committee of unsecured creditors (if one is appointed in the Chapter 11 Cases), and counsel to the U.S. Trustee prior to exercising any lien enforcement rights or remedies with respect to the DIP Collateral or the Prepetition Collateral. The rights and remedies of the DIP Issuer and the Prepetition Secured Lender specified herein are cumulative and not exclusive of any rights or remedies that the DIP Issuer and the Prepetition Secured Lender may have under the DIP Credit Documents, the Prepetition Credit Documents, or otherwise. Upon entry of this Order, neither the Debtors nor any other party shall have the right to contest the enforcement of the remedies set forth in this Order and the DIP Credit Documents on any basis other than an assertion that no Event of Default has occurred, and, except with respect to such an assertion, neither the Debtor nor any other party shall have the right to enjoin any such enforcement under section 105 of the Bankruptcy Code or

otherwise, or to seek any injunctive relief inconsistent with the provisions of this Order or the DIP Credit Documents.

29. The Debtors are hereby authorized, without further order of this Court: (a) to enter into agreements with the DIP Issuer providing for any non-material modifications to any DIP Credit Document or the Budget, or for any other modifications to any DIP Credit Document necessary to conform such DIP Credit Document to this Order; and (b) to enter into any material modifications or amendments to any DIP Credit Document; provided, however, that the Debtors shall promptly provide notice of any material modification or amendment to such DIP Credit Document to counsel to the official committee of unsecured creditors (if one is appointed in the Chapter 11 Cases) and counsel to the U.S. Trustee, each of which shall have three (3) business days from the date of such notice within which to object in writing to such modification or amendment. If the official committee of unsecured creditors or the U.S. Trustee timely objects to any material modification or amendment to the applicable DIP Credit Document, such modification or amendment shall only be permitted pursuant to an order of this Court.

30. The stipulations and admissions contained in this Order, including, without limitation, in recital paragraphs D(1) through D(11) of this Order, shall (a) be binding on the Debtors under all circumstances and (b) be binding upon all other parties in interest unless, and solely to the extent that, (i) no later than the earlier of (A) sixty (60) days from the Petition Date and (B) forty-five (45) days after the date of appointment of an official committee of unsecured creditors (if one is appointed in the Chapter 11 Cases), a party in interest with requisite standing has timely filed an adversary proceeding or contested matter (subject to the limitations set forth in paragraph 18 hereof) challenging the amount, validity, or enforceability of the Prepetition Obligations, or the perfection or priority of the Prepetition Secured Lender's liens

on and security interests in the Prepetition Collateral, or otherwise asserting any Avoidance Actions or any other claims or causes of action on behalf of the Debtors' estates against the Prepetition Secured Lender or any of its affiliates, agents, attorneys, financial advisors, officers, managers, directors or employees under the Bankruptcy Code or non-bankruptcy law, and (ii) the Court enters a final order in favor of the plaintiff in any such timely filed adversary proceeding or contested matter. If no such adversary proceeding or contested matter is timely filed in respect of the Prepetition Obligations, (x) the Prepetition Obligations shall constitute allowed claims, not subject to counterclaim, setoff, subordination, re-characterization, defense or avoidance, for all purposes in the Chapter 11 Cases and any subsequent chapter 7 case, (y) the liens on the Prepetition Collateral securing the Prepetition Obligations shall be deemed to have been, as of the Petition Date, and to be, legal, valid, binding, and perfected first priority liens not subject to defense, counterclaim, re-characterization, subordination or avoidance, and (z) the Prepetition Obligations and the liens on the Prepetition Collateral granted to secure the Prepetition Obligations shall not be subject to any other or further challenge by any party-in-interest, and all such parties-in-interest shall be enjoined from seeking to exercise the rights of the Debtors' estates, including without limitation, any successor thereto (including, without limitation, any estate representative or trustee appointed or elected for either Debtor's estate). If any such adversary proceeding or contested matter is timely filed, the stipulations and admissions contained herein shall nonetheless remain binding and preclusive (as provided in the second sentence of this paragraph) on all parties-in-interest, except as to any such findings and admissions that were successfully challenged in such adversary proceeding or contested matter.

31. In providing the DIP Facility and permitting the use of Cash Collateral, or in exercising any rights or remedies as and when permitted pursuant to this Order, the DIP Credit

Documents or the Prepetition Credit Documents, as applicable, neither the DIP Issuer nor the Prepetition Secured Lender shall be deemed to be in control of the operations of the Debtor or to be acting as a “responsible person” or “owner or operator” with respect to the operation or management of the Debtor (as such terms, or any similar terms, are used in the United States Comprehensive Environmental Response, Compensation and Liability Act, 29 U.S.C. §§ 9601 et seq. as amended, or any similar federal or state statute). Furthermore, nothing in this Order shall in any way be construed or interpreted to impose or allow the imposition upon the DIP Issuer or the Prepetition Secured Lender any liability for any claims arising from the prepetition or post-petition activities of the Debtors or any of their affiliates.

32. The Prepetition Secured Lender shall not be required to file proofs of claim evidencing the Prepetition Obligations or the Adequate Protection Obligations in these Chapter 11 Cases or any successor cases.

33. The WJM Trust shall defer all payments of rent that become due and owing to it during the administration of these Chapter 11 Cases from Gas City, and Gas City shall not be required to make any such payments unless subsequently ordered by the Court. All such rent obligations shall accrue as administrative expense claims of the WJM Trust under sections 365(d)(3) and 503(b)(1) of the Bankruptcy Code in the Chapter 11 Case of Gas City. Additionally, all payments or transfers that Gas City makes to or on behalf of the WJM Trust from and after the Petition Date in accordance with the Budget shall be treated as post-petition intercompany advances by Gas City to the WJM Trust and shall be entitled to administrative expense priority under section 503(b)(1) of the Bankruptcy Code in the Chapter 11 Case of the WJM Trust. Subject to Court approval (as sought by the Debtors in the Bid Procedures Motion filed on the Petition Date), upon the completion of the sale or any other disposition by the

Debtors of all or any material portion of the Gas Station Assets, all administrative expense claims that either Debtor may assert against the other based on the foregoing shall be deemed to have been fully waived and released without any further action by either Debtor or this Court.

34. The Final Hearing is scheduled for November __, 2010 at ____ (prevailing Central Time) before this Court. The Debtors shall promptly serve a notice of entry of this Order and the Final Hearing, together with a copy of this Order, by first class mail, postage prepaid, upon: (i) counsel to the U.S. Trustee; (ii) the twenty (20) largest unsecured creditors of each Debtor; (iii) counsel to the DIP Issuer; (iv) counsel to the Prepetition Secured Lender; (v) all known parties with liens of record on assets of the Debtors as of the Petition Date, including the Illinois Department of Revenue; (vi) all financial institutions at which the Debtors maintain deposit accounts; (vii) the landlords for all non-residential real properties occupied by the Debtors as of the Petition Date; (viii) the Internal Revenue Service; and (ix) all other parties requesting notice pursuant to Bankruptcy Rule 2002. The notice of the entry of this Order and the Final Hearing shall state that objections to the entry of the Final Order shall be filed with the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division, by no later than 4:00 p.m. (prevailing Eastern Time) on November __, 2010 (the "Objection Deadline"), which objections shall be served so that the same are actually received before the Objection Deadline by (a) counsel to the Debtors, (b) counsel to the DIP Issuer and the Prepetition Secured Lender, and (c) counsel to the U.S. Trustee. Any objections by creditors or other parties-in-interest to any provisions of this Order shall be deemed waived unless timely filed and served in accordance with the foregoing terms.

Dated: _____, 2010.
Chicago, Illinois

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

ADDENDUM TO LETTER OF CREDIT AGREEMENT

This Addendum (the "Addendum"), dated as of October [___], 2010, between Gas City Ltd., an Illinois corporation ("Gas City") and Bank of America, N.A. ("Bank of America" and in such capacity, the "DIP Issuer") is hereby made part of that certain Application and Agreement for Standby Letter of Credit, dated as of the date hereof (as amended, restated, supplemented or otherwise modified from time to time, the "Letter of Credit Agreement"), between Gas City and the DIP Issuer, pursuant to which the DIP Issuer has agreed to issue a letter of credit for the account of Gas City in a maximum stated amount equal to \$2,228,100 in favor of The Hanover Insurance Group or one of its affiliates ("Hanover") for the sole purpose of securing certain surety bonds to be posted by Hanover on behalf of Gas City (as amended, restated supplemented or otherwise modified from time to time, the "Specified Letter of Credit").

PRELIMINARY STATEMENTS

WHEREAS, on October 26, 2010 (the "Petition Date"), Gas City and the William J. McEnery Revocable Trust Under Agreement dated April 22, 1993, as debtors-in-possession under Chapter 11 of the Bankruptcy Code (the "Debtors") commenced Chapter 11 Cases No. [____] and [____] (the "Chapter 11 Cases") by filing voluntary petitions for reorganization under chapter 11 of title 11 of the United States Code, 11 U.S.C. 101 et. seq. (the "Bankruptcy Code"), with the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division (the "Bankruptcy Court"). Gas City and the Trust each continues to operate its business and manage its properties as a debtor-in-possession pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code;

WHEREAS, prior to the Petition Date, Bank of America provided financing to Gas City pursuant to (i) that certain Loan Agreement, dated as of February 1, 2005 (as amended, restated, supplemented or otherwise modified from time to time, the "2005 Prepetition Credit Agreement"), between Gas City and Bank of America (in such capacity, the "Prepetition Lender") and (ii) that certain Loan Agreement, dated as of December 7, 2009 (as amended, restated, supplemented or otherwise modified from time to time, the "2009 Prepetition Credit Agreement" and together with the 2005 Prepetition Credit Agreement, the "Prepetition Gas City Credit Agreements"), between Gas City and the Prepetition Lender;

WHEREAS, Gas City has requested that the DIP Issuer provide the Specified Letter of Credit for the purpose set forth above, and the DIP Issuer is willing to so provide the Specified Letter of Credit on the terms and conditions set forth herein and in the other Letter of Credit Documents (as defined below);

WHEREAS, William J. McEnery, as sole trustee (the "Trustee") of the William J. McEnery Revocable Trust Under Agreement dated April 22, 1993 (together with the Trustee, the "Trust") and William J. McEnery, individually ("WJM") and together with the Trust, the "Guarantors") have agreed to unconditionally guarantee all of the obligations of Gas City under the Letter of Credit Documents pursuant to that certain DIP Guaranty and Security Agreement

ADDENDUM

dated as of the date hereof (the “Guaranty and Security Agreement”; and together with the Letter of Credit Agreement, this Addendum, the Specified Letter of Credit and the “Financing Orders” defined below, collectively, the “Letter of Credit Documents”);

WHEREAS, Gas City and the Trust have agreed to secure their respective obligations under the Letter of Credit Documents by granting to the DIP Issuer a security interest in and lien upon the “Collateral” referred to and defined in the Guaranty and Security Agreement (the “DIP Collateral”) having the priority specified in the Guaranty and Security Agreement and in the order of the Bankruptcy Court entered in the Chapter 11 Cases after an interim hearing with respect to the Specified Letter of Credit (together with all extension, modifications and amendments thereto, collectively, the “Interim Order”) and, when applicable, in an order of the Bankruptcy Court in form and substance acceptable to the DIP Issuer and the Prepetition Lender entered in the Chapter 11 Cases after a final hearing under Bankruptcy Rule 4001(c)(2) or such other procedures as approved by the Bankruptcy Court (together with all extensions, modifications and amendments thereto, collectively, the “Final Order”; the Final Order and Interim Order, as applicable, sometimes being referred to herein as the “Financing Orders”); and

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. Cash Collateral; Acceleration.

(a) On the earliest to occur (the “Cash Collateralization Date”) of: (i) November 26, 2010, (ii) thirty (30) days after entry of the Interim Order, if the Final Order, which shall be in form and substance acceptable to the DIP Issuer, shall not have been entered on or before such date, (iii) the occurrence of the effective date under any plan of reorganization or liquidation for the Debtors in form and substance satisfactory to the DIP Issuer and the Prepetition Lender (the “Plan of Reorganization”) filed with the Bankruptcy Court, (iv) the completion of the sale or any other disposition by the Debtors of all or any material portion of the assets associated with Gas City’s service station business (including equipment and working capital assets) and the related gas station real estate owned or leased by the Trust and (v) the occurrence and continuation of an Event of Default under and as defined in the Letter of Credit Documents, Gas City shall (x) immediately deposit with the DIP Issuer as cash collateral (“Cash Collateral”) for Gas City’s obligations to the DIP Issuer under the Letter of Credit Agreement and this Addendum, an amount that equals or exceeds 105% of the aggregate amount available to be drawn under the Specified Letter of Credit, or immediately provide a replacement letter of credit to the beneficiary of the Specified Letter of Credit and immediately return the Specified Letter of Credit to DIP Issuer for immediate cancellation and (y) immediately pay in full in cash or other immediately available funds the aggregate amount of all unreimbursed drawings under the Specified Letter of Credit together with any accrued and unpaid interest, fees, costs, expenses, indemnification obligations and other liabilities owing by Gas City to the DIP Issuer under the Letter of Credit Documents (the foregoing obligations, together with all other “DIP Obligations” under and as defined in the Financing Orders and all other obligations and liabilities of Gas City, the Trust and WJM arising under or in connection with any Letter of Credit Document, whether contingent or liquidated, matured or unmatured, whether constituting principal, interest fees, charges or reimbursement or indemnification obligations, or otherwise, being collectively

referred to herein as the “Letter of Credit Obligations”). This Section 1(a) shall replace and supersede Section 2 of the Letter of Credit Agreement in its entirety.

(b) All Cash Collateral shall be maintained in blocked, non-interest bearing deposit accounts at Bank of America. Gas City hereby grants to (and subjects to the control of) the DIP Issuer, and agrees to maintain, a first priority security interest in all such cash, deposit accounts and all balances therein, and all other property so provided as collateral pursuant hereto, and in all proceeds of the foregoing, all as security for Letter of Credit Obligations. If at any time the DIP Issuer determines that the Cash Collateral is subject to any right or claim of any person other than the DIP Issuer as herein provided, or that the total amount of such Cash Collateral is less than 105% of the undrawn amount of the Specified Letter of Credit, Gas City will, promptly upon demand by the DIP Issuer, pay or provide to the DIP Issuer additional Cash Collateral in an amount sufficient to eliminate such deficiency.

SECTION 2. Covenants. From the date hereof until the payment in full in cash of all Letter of Credit Obligations (other than contingent indemnification and reimbursement obligations in respect of which no claim for payment has been asserted by the person or entity entitled thereto) and termination, expiration or cash collateralization of the Specified Letter of Credit in a manner acceptable to the DIP Issuer:

(a) Gas City shall deliver to the DIP Issuer:

(i) as soon as available, but in any event within 30 days after the end of each calendar month of each fiscal year of Gas City, a balance sheet of Gas City as at the end of such calendar month, the related statements of income or operations for such calendar month and for the portion of Gas City’s fiscal year then ended, and the related statements of changes in shareholders’ equity, and cash flows for the portion of Gas City’s fiscal year then ended, in each case setting forth in comparative form, as applicable, the figures for the corresponding calendar month of the previous fiscal year and the corresponding portion of the previous fiscal year, all in reasonable detail, such statements to be certified by the chief executive officer, chief financial officer, treasurer or controller of Gas City as fairly presenting in all material respects the financial condition, results of operations, shareholders’ equity and cash flows of Gas City in accordance with generally accepted accounting principles in the United States set forth in the opinions and pronouncements of the Accounting Principles Board and the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board, that are applicable to the circumstances as of the date of determination, consistently applied, subject only to normal year-end audit adjustments and the absence of footnotes, in form and detail reasonably satisfactory to the DIP Issuer;

(ii) copies of all pleadings, motions, applications, judicial information, financial information and other documents filed with the Bankruptcy Court by or on behalf of either Debtor in the Chapter 11 Cases, or distributed by or on behalf of either Debtor to any official committee or the United States Trustee in the Chapter 11 Cases; and

(iii) promptly following request by the DIP Issuer, (x) all reports required to be delivered to the Prepetition Lender under the Prepetition Credit Agreements and (y) all other information reasonably requested by the DIP Issuer from time to time;

(b) At all times after the date hereof, Gas City agrees to maintain the engagement of A. Jeffrey Zappone of Conway MacKenzie, Inc. as chief restructuring officer of Gas City;

(c) Gas City shall not, directly or indirectly, enter into any transaction of any kind with any affiliate (including, without limitation, WJM and Margaret M. McEnery) of Gas City, whether or not in the ordinary course of business, other than on fair and reasonable terms substantially as favorable to Gas City as would be obtainable by Gas City at the time in a comparable arm's length transaction with a person other than an affiliate other than (i) reasonable and customary director, officer and employee compensation and other benefits and indemnification arrangements, in each case entered into in the ordinary course of business and approved by the board of directors of Gas City and permitted under the Budget or (ii) as permitted by the Financing Orders; and

(d) Not later than twenty (20) calendar days after the date hereof, all existing bank accounts of Gas City at institutions other than Bank of America shall have been closed and the funds on deposit moved to Gas City's accounts with Bank of America and Gas City shall have provided Bank of America with evidence satisfactory to it that such actions shall have been completed.

SECTION 3. Representations and Warranties. Gas City hereby represents and warrants as of the date hereof that:

(a) Gas City has duly executed and delivered each Letter of Credit Document to which it is a party. Subject to entry of the Interim Order (or the Final Order, when applicable) by the Bankruptcy Court, each such Letter of Credit Document constitutes a legal, valid and binding obligation of Gas City, enforceable against Gas City in accordance with its terms (except, in any case, as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, examinership or similar laws affecting creditors' rights generally and by principles of equity);

(b) Gas City (i) is duly organized or formed, validly existing and in good standing under the laws of the State of Illinois and (ii) subject to entry of the Interim Order (or the Final Order, when applicable) by the Bankruptcy Court, has all requisite power and authority and all requisite governmental licenses, authorizations, consents and approvals to execute, deliver and perform its obligations under each Letter of Credit Document to which it is a party; provided, that authorizations, consents and approvals may be required under federal law or applicable blue sky laws with respect to any disposition of, or exercise of remedies against, Pledged Collateral (as defined in the Guaranty and Security Agreement) consisting of securities (within the meaning of applicable federal and state securities laws);

(c) Except as expressly permitted under the Financing Orders, the execution, delivery and performance by Gas City of each Letter of Credit Document to which it is party have been duly authorized by all necessary corporate action, and do not and will not (i) contravene the terms of any of Gas City's charter, bylaws or other organizational documents; (ii) conflict with or result in any breach or contravention of, or the creation of any lien under, or require any payment to be made under (x) any contractual obligation (other than any Letter of Credit Document) entered into on or after the Petition Date to which Gas City is a party or affecting such Gas City or the properties of Gas City or (y) any order, injunction, writ or decree entered

into on or after the Petition Date by any governmental authority or any arbitral award to which Gas City or its property is subject; or (iii) violate any law (this Section 3(c) shall replace and supersede Section 7 of the Letter of Credit Agreement in its entirety);

(d) Subject to the entry of the Interim Order (or the Final Order, when applicable) by the Bankruptcy Court, no approval, consent, exemption, authorization, or other action by, or notice to, or filing with, any governmental authority or any other person is necessary or required to be obtained by Gas City in connection with the execution, delivery or performance by Gas City, or enforcement against Gas City, of any Letter of Credit Document to which it is a party provided, that authorizations, consents, approvals, notices and filings may be required under federal law or applicable blue sky laws with respect to any disposition of, or exercise of remedies against, Pledged Collateral (as defined in the Guaranty and Security Agreement) consisting of securities (within the meaning of applicable federal and state securities laws);

(e) No Event of Default under the Letter of Credit Documents has occurred and is continuing or would result from the consummation of the transactions contemplated by the Letter of Credit Documents;

(f) The budget attached as Exhibit B to the Interim Order or Final Order, as applicable (the "Budget"), reasonably presents, in all material respects, on a pro forma basis, the projected cash receipts and cash disbursements of Gas City for the period specified therein and such projections in the view of the management of Gas City are reasonably achievable based upon assumptions believed to be reasonable when made and other information available to Gas City as of the first day of such period, it being agreed that actual results may vary materially from projected results;

(g) The Chapter 11 Cases were commenced on the Petition Date in accordance with applicable law and proper notice thereof and the proper notice for the hearing for the approval of the Interim Order has been given and proper notice for the hearing for the approval of the Final Order will be given;

(h) After the entry of the Interim Order, the Letter of Credit Obligations will constitute allowed super priority administrative expense claims in the Chapter 11 Cases having priority over all other administrative expense claims, priority claims and unsecured claims against Gas City and the Trust now existing or hereafter arising, of any kind whatsoever, to the extent provided and as more fully set forth in and qualified by the Interim Order;

(i) After the entry of the Interim Order, the Letter of Credit Obligations will be secured by a valid and perfected, enforceable and unavoidable first priority, priming lien with priority over the liens of Prepetition Lender on all of the DIP Collateral, in each case to the extent provided and as more fully set forth in and qualified by the Interim Order and the Final Order, as applicable;

(j) The Interim Order (with respect to the period prior to entry of the Final Order) or the Final Order (with respect to the period on or after entry of the Final Order), as the case may be, is in full force and effect has not been reversed, stayed, modified or amended; and

(k) Notwithstanding the provisions of Section 362 of the Bankruptcy Code, upon the maturity (whether by acceleration or otherwise) of any of the Letter of Credit Obligations, the DIP Issuer shall be entitled to immediate payment of such Letter of Credit Obligations and to enforce the remedies provided for hereunder, without further application to or order by the Bankruptcy Court, as and to the extent more fully set forth in the Interim Order and the Final Order and subject to the terms thereof.

SECTION 4. Conditions Precedent to Issuance. The obligation of the DIP Issuer to issue the Specified Letter of Credit is subject to the satisfaction of the following conditions precedent:

(a) The DIP Issuer's receipt of the following, each of which shall be originals or electronic copies (followed promptly by originals) unless otherwise specified, each properly executed by an authorized officer of the signing party, each dated the date hereof and in form and substance satisfactory to the DIP Issuer:

(i) executed counterparts of each Letter of Credit Document to which Gas City or any Guarantor is a party;

(ii) such certificates of resolutions or other action, incumbency certificates and/or other certificates of authorized officers of Gas City and each Guarantor as the DIP Issuer may require evidencing the identity, authority and capacity of each authorized officer thereof in connection with each Letter of Credit Document to which Gas City or such Guarantor is a party;

(iii) such documents and certifications as the DIP Issuer may reasonably require to evidence that each of Gas City and the Trust is duly organized or formed, and that such party is validly existing and in good standing; and

(iv) a certificate signed by an authorized officer of Gas City certifying that (x) the representations and warranties of Gas City and each Guarantor in the Letter of Credit Documents shall be true and correct on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they shall be true and correct as of such earlier date and (y) no Event of Default and no condition or event that, after notice or lapse of time or both, would constitute an Event of Default, shall exist, or would result from the transactions contemplated by the Letter of Credit Documents.

(b) Gas City and the Trust shall have commenced the Chapter 11 Cases;

(c) The terms of the Budget shall be in form and substance satisfactory to the DIP Issuer and the Prepetition Lender;

(d) Receipt by the DIP Issuer of evidence satisfactory to it that A. Jeffrey Zappone of Conway MacKenzie, Inc. shall have been effectively appointed as chief restructuring officer of Gas City and Fred C. Caruso of Development Specialists, Inc. shall have been effectively retained as a financial advisor of the Trust (subject to subsequent Bankruptcy Court order);

(e) All “first day orders,” including, without limitation, all employee-related orders and vendor-related orders entered at or about the time of the commencement of the Chapter 11 Cases, shall be in form and substance satisfactory to the DIP Issuer;

(f) All motions and other documents to be filed with and submitted to the Bankruptcy Court in connection with the Letter of Credit Documents and the approval thereof shall be in form and substance satisfactory to the DIP Issuer and the Prepetition Lender;

(g) The DIP Issuer shall be satisfied in its sole discretion, that there are adequate limitations on payments in respect of prepetition obligations of, and customary limitations on, Gas City’s and the Trust’s ability to grant adequate protection in favor of parties other than the Prepetition Lender;

(h) Except for the commencement of the Chapter 11 Cases (and any material adverse change resulting therefrom) and as may otherwise be disclosed in writing to the DIP Issuer prior to the date hereof pursuant to the Letter of Credit Documents, since September 30, 2010 no material adverse change shall have occurred, individually or in the aggregate, in the business, financial or other condition of Gas City or any Guarantor, in the DIP Collateral, or in the prospects of Gas City or any Guarantor;

(i) No litigation (x) which could reasonably be expected to be successful shall have been commenced and shall not have been stayed by the automatic stay or by the Bankruptcy Court and which, if successful, would have a material adverse impact on Gas City, any Guarantor, their businesses or ability to repay their obligations or (y) shall have been commenced and shall not have been stayed by the automatic stay or by the Bankruptcy Court and which, if successful, would challenge the transactions contemplated by the Letter of Credit Documents;

(j) Receipt of all necessary or appropriate (as determined by the DIP Issuer) third party governmental waivers, approvals and consents relating to the consummation of the transactions contemplated by the Letter of Credit Documents;

(k) Completion and receipt by the DIP Issuer of all other documentation, including, without limitation, collateral documentation, in form and substance satisfactory to the DIP Issuer;

(l) Completion, receipt and review by the DIP Issuer of all lien search reports and lien perfection documentation as may be satisfactory to the DIP Issuer with respect to the DIP Collateral;

(m) Gas City and the Trust shall have negotiated and executed new ground leases (or lease amendments) for Station Nos. 9 and 101, the terms of which shall be reasonably acceptable to the DIP Issuer;

(n) All fees required to be paid by Gas City pursuant to Section 5 of this Addendum on or before the date hereof shall have been paid; and

(o) Gas City shall have paid all reasonable fees, charges and disbursements of counsel to the DIP Issuer and the Prepetition Lender (directly to such counsel if requested by the DIP Issuer or the Prepetition Lender, as applicable) in accordance with the Budget to the extent invoiced in reasonable detail prior to or on the date hereof, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it in connection with the consummation of the transactions contemplated by the Letter of Credit Documents (provided that such estimate shall not thereafter preclude a final settling of accounts between Gas City and the DIP Issuer or the Prepetition Lender).

SECTION 5. Fees and Interest.

(a) Gas City shall pay to the DIP Issuer on the date hereof a closing fee in cash in an amount equal to \$25,000, which fee shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(b) Gas City shall pay to the DIP Issuer on the date hereof an issuance fee in cash in an amount equal to the greater of (i) 5% of the maximum stated amount of the Specified Letter of Credit and (ii) \$50,000, which fee shall be fully earned when paid and shall not be refundable for any reason whatsoever.

(c) If any amounts are drawn under the Specified Letter of Credit, Gas City shall reimburse the DIP Issuer in full on the same business day; provided, however, that, if such amounts are drawn after 2:00 p.m. (Chicago time) such reimbursement may be payable on the next succeeding business day. If Gas City fails to so reimburse the DIP Issuer on the same business day amounts are drawn under the Specified Letter of Credit, such unreimbursed amounts shall bear interest at a rate per annum equal to the sum of the Base Rate (as defined below) plus 8.00%. Such interest will be calculated on the basis of actual days elapsed and a 360-day year in all cases and will be payable monthly in arrears in cash. This Section 5(c) shall replace and supersede Section 1(g) of the Letter of Credit Agreement in its entirety.

“Base Rate” means for any day a fluctuating rate per annum equal to the highest of (a) the Federal Funds Rate plus 1/2 of 1%, (b) the rate of interest in effect for such day as publicly announced from time to time by Bank of America as its “prime rate,” and (c) the Eurodollar Rate plus 1.00%. The “prime rate” is a rate set by Bank of America based upon various factors including Bank of America’s costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans, which may be priced at, above, or below such announced rate. Any change in such prime rate announced by Bank of America shall take effect at the opening of business on the day specified in the public announcement of such change.

“Business Day” means any day other than a Saturday, Sunday or other day on which commercial banks are authorized to close under the laws of, or are in fact closed in, Chicago, Illinois.

“Eurodollar Rate” means the rate per annum equal to (i) British Bankers Association LIBOR Rate (“BBA LIBOR”), as published by Reuters (or such other commercially

available source providing quotations of BBA LIBOR as may be designated by the DIP Issuer from time to time), at approximately 11:00 a.m., London time determined two days on which Dollar deposits are conducted by and between banks in the London interbank Eurodollar market prior to such date for U.S. Dollar deposits being delivered in the London interbank market for a term of one month commencing that day or (ii) if such published rate is not available at such time for any reason, the rate per annum determined by the DIP Issuer to be the rate at which deposits in U.S. Dollars for delivery on the date of determination in same day funds and with a term equal to one month would be offered by Bank of America's London Branch to major banks in the London interbank Eurodollar market at their request at the date and time of determination.

“Federal Funds Rate” means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; provided that (a) if such day is not a Business Day, the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day, and (b) if no such rate is so published on such next succeeding Business Day, the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of 1/100 of 1%) charged to Bank of America on such day on such transactions as determined by the DIP Issuer.

SECTION 6. **Events of Default.** Notwithstanding the provisions of Section 362 of the Bankruptcy Code and without application or motion to the Bankruptcy Court or any notice to Gas City or any Guarantor, the occurrence of each of the following (regardless of the reason therefor) shall constitute an “Event of Default” under the Letter of Credit Documents:

(a) Gas City or any Guarantor fails to pay when required to be paid under the Letter of Credit Documents, any amount of any Letter of Credit Obligation (including interest thereon) or any fee due under the Letter of Credit Documents;

(b) Gas City or any Guarantor fails to perform or observe any other covenant or agreement contained in any Letter of Credit Document on its part to be performed or observed;

(c) Any representation, warranty, certification or statement of fact made or deemed made by or on behalf of Gas City or any Guarantor herein, in any other Letter of Credit Document, or in any document delivered by or on behalf of Gas City or any Guarantor herein in connection herewith or therewith shall be incorrect or misleading when made;

(d) Any Event of Default occurs under, and as defined in, the Interim Order or the Final Order;

(e) There is entered against Gas City or any Guarantor (i) one or more final judgments or orders for the payment of money in an aggregate amount (as to all such judgments or orders) exceeding \$50,000 (to the extent not covered by independent third-party insurance as to which the insurer does not dispute coverage), or (ii) any one or more non-monetary final judgments that have, or could reasonably be expected to have, individually or in the aggregate, a

material adverse impact on Gas City, any Guarantor, their businesses or ability to repay their obligations, or which would challenge the transactions contemplated by the Letter of Credit Documents; and, in either case, (x) enforcement proceedings are commenced by any creditor upon such judgment or order, or (y) there is a period of 10 consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect; or

(f) Any provision of any Letter of Credit Document, at any time after its execution and delivery and for any reason other than as expressly permitted hereunder or thereunder or satisfaction in full of all the Letter of Credit Obligations, ceases to be in full force and effect; or Gas City, any Guarantor or any other person contests in any manner the validity or enforceability of the liens of the DIP Issuer in the DIP Collateral or any provision of any Letter of Credit Document; or prior to the satisfaction in full of all Letter of Credit Obligations, Gas City or any Guarantor denies that it has any or further liability or obligation under any Letter of Credit Document (except as expressly provided therein), or purports to revoke, terminate or rescind any provision of any Letter of Credit Document.

SECTION 7. Miscellaneous.

(a) Execution in Counterparts; Governing Law. This Addendum may be executed by facsimile or other electronic imaging system, in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which when taken together shall constitute but one and the same instrument. THIS ADDENDUM SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE INTERNAL LAWS AND DECISIONS (AS OPPOSED TO CONFLICTS OF LAW PROVISIONS) OF THE STATE OF ILLINOIS.

(b) Section Titles. The section titles contained in this Addendum are and shall be without substance, meaning or content of any kind whatsoever and are not a part of the agreement between the parties hereto.

(c) Costs and Expenses. All out-of-pocket costs and expenses of the DIP Issuer (including, without limitation, reasonable fees and disbursements of legal counsel, financial advisors and third-party appraisers and consultants advising the DIP Issuer in each case to the extent invoiced in reasonable detail) shall be payable by Gas City on demand whether or not the transactions contemplated hereby are consummated.

(d) Severability. Wherever possible, each provision of this Addendum shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Addendum shall be prohibited by or invalid under such law, such prohibited or invalid provision shall be deemed reformed and construed so that it will be valid, legal, and enforceable and not prohibited to the maximum extent permitted by applicable law, and any such provision shall be ineffective to the extent of any such continuing prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this Addendum.

(e) Conflict. In the event of any conflict between the terms of this Addendum and the terms of the Letter of Credit Agreement, the terms of this Addendum shall control and supersede the conflicting terms of the Letter of Credit Agreement to the extent of such conflict. In the

event of any conflict between the terms of the Interim Order and the Final Order, the terms of the applicable order shall control and supersede the conflicting terms of the other order to the extent of such conflict.

(f) Parties Including Trustees; Bankruptcy Court Proceedings. This Addendum, the other Letter of Credit Documents and all liens created pursuant to any other Letter of Credit Document shall be binding upon Gas City and the Trust, the estate of Gas City and the Trust, and any trustee or successor in interest to Gas City or the Trust in any Chapter 11 Case or any subsequent case commenced under Chapter 7 of the Bankruptcy Code. This Addendum and the other Letter of Credit Documents shall be binding upon, and inure to the benefit of, the successors of the DIP Issuer and their respective assigns, transferees and endorsees. The liens created by the Letter of Credit Documents shall be and remain valid and perfected in the event of the substantive consolidation or conversion of any Chapter 11 Case or any other bankruptcy case of Gas City or the Trust to a case under Chapter 7 of the Bankruptcy Code or in the event of dismissal of any Chapter 11 Case or the release of any DIP Collateral from the jurisdiction of the Bankruptcy Court for any reason, without the necessity that the DIP Issuer file financing statements or otherwise perfect its security interests or liens under applicable law.

(g) Prepetition Credit Agreements. Gas City hereby agrees that (i) the Letter of Credit Documents are separate and distinct from the Prepetition Credit Agreements and (ii) the Prepetition Credit Agreements and the documents executed in connection therewith are in full force and effect. Gas City further acknowledges and agrees that by entering into the Letter of Credit Documents, the DIP Issuer does not waive any default or event of default under the Prepetition Credit Agreements or any of its Prepetition Lender's liens, claims, priorities, rights and remedies thereunder.

* * *

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed and delivered by their duly authorized officers or signatories as of the date first above written.

GAS CITY LTD.

Name:

Title:

BANK OF AMERICA, N.A.

Name:

Title:

[SIGNATURE PAGE TO LETTER OF CREDIT AGREEMENT ADDENDUM]

EXHIBIT B

**Gas City, Cash Flow and DIP Budget
 Preliminary - DIP Budget Summary**

DIP Budget Period

\$000s	PERIOD ENDING==>	29-Oct	5-Nov	12-Nov	19-Nov	26-Nov	3-Dec	10-Dec	17-Dec	24-Dec	31-Dec	TOTAL
Beginning Cash Balance		56	26	300	300	300	300	313	115	254	202	56
CASH INFLOW:												
Total retail cash receipts		8,489	8,694	8,776	8,776	8,776	8,656	8,496	8,496	8,496	8,496	86,152
CASH OUTFLOW:												
Operating Expenses												
TOTAL OPERATING CASH OUTFLOW		8,209	7,534	8,278	7,598	9,924	8,106	8,782	8,130	8,775	8,114	83,451
Net Cash from Operations		280	1,160	498	1,178	(1,148)	550	(285)	366	(279)	382	2,701
Total Working Capital Needs		(73)	178	365	(1)	(48)	236	(456)	5	(479)	(3)	(276)
<i>Non-operating cash expenditures:</i>												
Adequate Protection/ Pre-petition Interest		29	31	32	32	124	123	122	31	31	31	586
Restructuring Expenses		240	215	215	215	240	215	215	215	240	215	2,225
Deferred Professional Fee's		(70)	(165)	(165)	(165)	(190)	(165)	(95)	(33)	(58)	(33)	(1,139)
Tax Escrow Account		0	303	41	1,087	(1,431)	0	0	0	0	0	0
Other Non-operating Expenses		9	324	10	10	40	10	9	9	39	9	470
DIP Interest		0	0	0	0	0	0	0	0	0	0	0
Bank Fees/ (Bank Professional Funding)		175	0	0	0	117	117	117	0	0	0	526
Non-operating expenses subtotal		383	708	133	1,179	(1,100)	300	369	222	252	222	2,668
Change in period cash		(30)	274	(0)	0	(0)	14	(198)	139	(52)	163	308
Cash Balance		26	300	300	300	300	313	115	254	202	364	364

Footnotes: File date October 26, 2010

\$2.3MM LC Assumed, Illinois state license retained

Other Non-operating Expenses: Includes maintenance CapEx of \$9k/ wk. and \$314k of estimated deposits week of Nov. 5

Bank Fees: \$175k LC Fee paid subsequent to filing on October 27, remaining reimbursement paid in (3) weekly installments beginning W/E Nov. 26

Interest: Pre-petition interest of \$275k paid in (3) weekly installments beginning on W/E Nov. 26

Adequate Protection: Post-petition interest paid on working capital line of credit of approx. \$30k/ wk beginning W/E October 29

Tax Escrow Concept: Tax escrow account accumulates available cash above \$300k through Nov. 19.