




**SO ORDERED.**

**SIGNED this 4th day of November, 2016.**

  
BENJAMIN A. KAHN  
UNITED STATES BANKRUPTCY JUDGE

**UNITED STATES BANKRUPTCY COURT  
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA  
WINSTON-SALEM DIVISION**

**IN RE:**

**TARHEEL OIL II, INC. AND  
GAMBILL OIL, LLC**

**Debtors.**

**CASE NO. 16-50216**

**(Jointly Administered)  
Chapter 11**

**SIXTH INTERIM ORDER GRANTING AUTHORITY TO CONTINUE TO OPERATE  
UNDER SUPPLY AGREEMENT AND NOTICE OF FURTHER HEARING**

THIS MATTER coming on for hearing before the Court on November 3, 2016, pursuant to §§ 105 and 364 of the Bankruptcy Code and Bankruptcy Rules 4001 and 9014, and with respect to the Emergency Motion Seeking Authority to Continue to Operate Under Supply Agreement (the "Supply Agreement Motion") (Doc. 5) filed by Tar Heel Oil II, Inc. ("Tarheel") and Gambill Oil, LLC ("Gambill") (collectively the "Debtors") on March 4, 2016. Charles M. Ivey, III and Justin W. Kay appeared on behalf of the Debtors, Robert E. Price appeared on behalf of the Bankruptcy Administrator, Brian Anderson appeared on behalf of Great State Bank, Nan Hannah appeared on behalf of Cary Oil Co. Inc., Elizabeth Repetti appeared on behalf of BLT Investments, LLC, William Kirk appeared on behalf of Yadkin Bank, and JP Cournoyer appeared as the proposed Chapter 11 Trustee.

Having considered the matter set forth in the Supply Agreement Motion, the evidence presented at prior hearings in this case, and all arguments of counsel, the Court makes the following FINDINGS OF FACT AND CONCLUSIONS OF LAW:

1. Tarheel filed a voluntary petition under Title 11, Chapter 11 of the United States Bankruptcy Code on March 4, 2016. Gambill filed a voluntary petition under Title 11, Chapter 11 of the United States Bankruptcy Code on March 4, 2016. Each case is pending before this Court. The Debtors continue in possession of their properties and continue to operate and manage their businesses as debtors-in-possession pursuant to 11 U.S.C. §§ 1107 and 1108.

2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157.

3. On March 15, 2016 this Court entered an Order Granting Motion for Joint Administration, naming the lead case of Tar Heel Oil II, Inc. (Case No. 16-50216).

### **THE BUSINESSES OF THE DEBTORS**

4. Tarheel is a Corporation organized under the laws of the state of North Carolina, and was formed in August of 2008. Tarheel was formed when it acquired certain assets of Tar Heel Oil, Inc. Tarheel owns certain personal property, including an ownership interest in certain pumps, tanks, canopies, cash registers and other tangible personal property at locations that are not owned or operated by Tarheel. Tarheel also holds the rights to supply several gas stations and other locations with petroleum products. As of the petition date, Tarheel provided petroleum products to approximately 47 locations.

5. Gambill is a limited liability company organized under the laws of the state of North Carolina, and was formed in February of 2012. Gambill was formed when it acquired certain personal property, including an ownership interest in certain pumps, tanks, canopies, cash registers and other tangible personal property at locations that are not owned or operated by Gambill. Gambill also holds rights to provide petroleum products to certain gas station locations and other retailers. As of the petition date, Gambill provided petroleum products to approximately 21 locations.

6. In the normal course of the Debtors businesses, the Debtors acquire petroleum products from a petroleum supplier and resells these products to retailers at higher prices. The Debtors are able to maintain a profit on the resale of petroleum products by purchasing said products from the supplier in larger quantities than the retailers are capable. The Debtors do not produce, refine, or import petroleum products, and are dependent upon a petroleum supplier for their businesses.

### **THE SUPPLY AGREEMENT**

7. Pre-petition, the Debtors used the services of Cary Oil Co. Inc. ("Cary Oil") as their petroleum supplier. On September 15, 2010, Tarheel entered into a Co-Marketer Agreement (the "Tarheel Agreement") with Cary Oil, whereby Cary Oil agreed to supply petroleum products to Tarheel at an agreed upon price based upon certain historical volume numbers, along with other terms and conditions. On February 23, 2012, Gambill entered into a Co-Marketer Agreement (the "Gambill Agreement") with Cary Oil, whereby Cary Oil agreed to supply petroleum products to Gambill, at an agreed upon price based upon certain historical volume numbers, along with other

terms and conditions. The Tarheel Agreement and the Gambill Agreement were modified from time to time, most notably in the form of a:

- a. First Amendment to Co-Marketer Agreement (Branded) dated February 4, 2011 and affecting the Tarheel Agreement;
- b. Second Amendment to Co-Marketer Agreement (Branded) dated September 27, 2011 and affecting the Tarheel Agreement;
- c. Third Amendment to Co-Marketer Agreement (Branded) dated February 23, 2012 and affecting the Tarheel Agreement;
- d. Fourth Amendment to Co-Marketer Agreement (Branded) dated January 15, 2013 and affecting the Tarheel Agreement;
- e. Fifth Amendment to Co-Marketer Agreement (Branded) dated November 1, 2013 and affecting the Tarheel Agreement;
- f. Sixth Amendment to Co-Marketer Agreement (Branded) dated December 24, 2013 and affecting the Tarheel Agreement and the Gambill Agreement; and
- g. Seventh Amendment to Co-Marketer Agreement (Branded) dated January 23, 2015 (collectively, the Tarheel Agreement, the Gambill Agreement, and all amendments made thereto shall be referred to as the “Co-Marketer Agreements”).

8. On February 1, 2015, Cary Oil and the Debtors entered into a Proposed Note Modification and Supply Agreement (the “Agreement”). A copy of the Agreement was attached to the Supply Agreement Motion as Exhibit A. The Agreement incorporates the terms and conditions of the Co-Marketer Agreements, and also incorporates the Promissory Notes previously entered into between the Debtors and Cary Oil. The Agreement restructured the indebtedness owed to Cary Oil, while upholding the Co-Marketer Agreements.

9. The Agreement provided the following relevant terms, in addition to those outlined in the Co-Marketer Agreements and outlined above:

- A) Cary Oil continues to provide petroleum products to the Debtors, under the same terms and conditions as the Co-Marketer Agreements;
- B) Cary Oil reduces the interest rate on the outstanding balance due and owing to Cary Oil from the Debtors from 12% per annum to 1% per annum;
- C) The payment on the outstanding indebtedness due and owing to Cary Oil from the Debtors is reduced to be equal to \$7,258.93 per month;
- D) The payment on the indebtedness is repaid directly from the payment on the supply of petroleum made by the Debtors;
- E) In addition to the payment, Cary Oil charges the Debtor a \$0.009 security adder (the “Security Adder”) on every gallon of petroleum sold to the Debtors; and
- F) The Security Adder is deposited into a security fund (the “Security Fund”), housed, maintained, and managed by Cary Oil.

10. Pursuant to the Agreement, the payment on the indebtedness owed to Cary Oil and the Security Adder were taken from monies that Cary Oil received from the Debtors Credit Card

sales. The monthly payment on the indebtedness owed to Cary Oil from the Debtors is fixed, pursuant to the Agreement, and continues until the principal balance is repaid. The actual payment applied to the Security Fund fluctuates from month to month, based upon the actual gallons of fuel purchased.

11. Pursuant to the Agreement, Cary Oil asserts a first priority security interest in the Security Fund. The Security Fund guaranteed performance on the repayment of the loan, and repayment of the line of credit operated by Cary Oil for the purchase of petroleum, in the event the Debtors failed to make a payment. As of February 29, 2016, the Debtors estimate the Security Fund held a balance of approximately \$81,132.17. The Security Fund is § 541 Property of the Estate. The Debtors are currently uncertain how much of the Security Fund is owned by Tarheel, and how much of the Security Fund is owned by Gambill, although both Debtors acknowledge that either Debtor may have claims to all of the monies.

12. Additionally, the Security Fund acted as a demand deposit account for the Debtors, should they need to purchase fuel but be otherwise unable to pay for said fuel, pending approval of the application of those funds for said purposes by Cary Oil. As the Security Fund is operated by Cary Oil, the Agreement acts as a type of financing agreement, over and above the credit agreement between the parties that was created pursuant to the Co-Marketer Agreements.

13. The Debtors are in need of a petroleum product supplier. Without a petroleum product supplier, the Debtors would not be able to continue operations of their businesses.

14. The Debtors are uncertain if any replacement petroleum product supplier would be willing to provide petroleum to the Debtors on credit. The Debtors lack the finances to directly purchase petroleum products and wait for credit card purchase funds to flow into the Debtors' account.

15. Furthermore, while the Debtors believe that they could procure a replacement petroleum product supplier, potentially purchasing fuel on credit, they believe the terms of the new supply agreement would not be as advantageous as those outlined in the Agreement. The Debtors are informed and believe that an alternative supplier would charge the Debtors a higher price per gallon of fuel purchased than Cary Oil currently provides. The higher price per gallon would significantly impact the viability of the Debtors' businesses, negatively impact the Debtors' ability to effectively reorganize, and would decrease any potential return to other secured creditors and unsecured creditors under a Plan of Reorganization. Failure to authorize the Debtors to operate pursuant to the terms of the Agreement will cause immediate and irreparable harm to the Debtors and their creditors.

16. Were the Debtors required to procure a replacement petroleum product supplier, the Debtors would be in breach of the Agreement. The breach of the Agreement could adversely impact the Debtors assets and the administration of the case.

#### **APPOINTMENT OF TRUSTEE AND MODIFICATION OF THE AGREEMENT**

17. On October 31, 2016, the Debtor defaulted under the Agreement by failing to pay amounts owed to Cary Oil. As a result of this default, Cary Oil stopped selling fuel to the Debtors.

18. In open court on November 3, 2016, this Court granted the motion of the Bankruptcy Administrator to appoint John Paul H. Cournoyer as Chapter 11 Trustee for the Debtors (the "Trustee").

19. As set forth in more specificity in the Agreement attached hereto, (the "Amended Agreement") Cary Oil and the Trustee have negotiated and agreed to amend the Agreement to modify the Debtors' structure from a consignment model to a wholesale model, which generally will function as follows (to the extent the terms of the Agreement conflict with the summarization below, the terms of the Amended Agreement will control):

- a. Upon receipt of a signed Three Party Agreement in substantially the same form as the one attached to the Amended Agreement, EFT Authorization and W9, Cary Oil shall invoice each customer of the debtor (a "Dealer") for final Debtors' inventory in the tanks at Dealer Site. The cost per gallon invoiced will be determined by the Debtors.
- b. Cary Oil shall remit all funds received in payment for inventory invoiced to Dealers under paragraph 1.a to Debtors on November 14, 2016, or within three (3) business days of receipt of such funds if payment is received after November 13, 2016.
- c. Cary Oil shall nightly communicate the delivered cost of product to Dealers via email or fax messaging.
- d. Cary Oil shall facilitate deliveries to Dealer using normal commercial terms, typically within 48 hours of order. Cary Oil shall invoice Dealer, directly, for product deliveries, using the product margin schedule provided by Debtors, which shall establish for each Dealer a fixed margin amount of the delivered cost of the product that is payable to the Debtors (the "Margin Funds"). Cary Oil shall invoice Dealer for all amounts due on net 10 day terms.
- e. Cary Oil shall daily post net credit card receipts to the account of Dealer.
- f. On the 10th day following delivery, Cary shall draft the bank account of dealer for the net amount due for product less credit card settlements received and posted by Cary as of the prior business day. If credit card receipts exceed amount due for product, Cary shall push net funds to Dealer, at Dealer's request.
- g. Cary Oil shall pay the Margin Funds due to the Debtors by Tuesday of each week with respect to invoices paid during the previous week.
- h. Cary Oil shall provide summary reports and supporting detail to the Debtors on or before the tenth (10<sup>th</sup>) day of each month with respect to all settlements occurring during the previous month.
- i. In the event an EFT draft does not clear Dealer's account for any reason. Cary Oil shall immediately suspend deliveries to Dealer and notify the Debtors. Cary Oil shall deduct any ACH draft shortfalls from the Margin Funds owed to Tar Heel Oil.

20. The Trustee believes that approval of the Amended Agreement on an interim basis is in the best interests of the estate, since it will preserve the going concern value of the Debtors'

businesses, and enable the Trustee to evaluate and pursue the best method for maximizing value for the estates' creditors by means of a sale of the Debtors' assets other otherwise.

Based on the foregoing findings of fact and conclusions of law, IT IS HEREBY ORDERED, ADJUDGED AND DECREED:

1. The Amended Agreement is approved on an interim basis, and the Debtors, through their Trustee, and Cary Oil, are authorized to operate under the Amended Agreement attached hereto, subject to the terms and conditions of this Sixth Interim Order, pending further order of the Court.

2. Cary Oil is authorized to continue to collect credit card receipts in the same manner as was done between Cary Oil and the Debtors pre-petition, and is authorized to establish and collect amounts owed by the Debtors' customers by ECF bank draft from such customers.

3. The Debtors are authorized to incur debt with Cary Oil under the Amended Agreement and in the ordinary course of business of the Debtors, and are authorized to pay for the same, pursuant to the Amended Agreement, pending further orders of this Court.

4. Pursuant to prior Interim Orders, Cary Oil was authorized to apply any credit card receipts received by Cary Oil prior to the petition date to indebtedness owed by the Debtors to Cary Oil for the purchase of fuel on credit in the ordinary course of business of the Debtors and pursuant to the Supply Agreement pre-petition. To the extent that the Court later determines that any pre-petition claim of Cary Oil was not secured by such receipts under 11 U.S.C. § 506, or otherwise, Cary Oil shall disgorge any amounts applied to the respective Estate, and Cary Oil consents to the jurisdiction and authority of this Court to enforce the terms of this Order.

5. Cary Oil is authorized to pay for post-petition amounts incurred in the ordinary course of business of the Debtors and pursuant to the Amended Agreement, from credit card receipts received post-petition and/or ACH draft from the bank accounts of the Debtors' customers.

6. Pending further orders of this Court, and with the exceptions of the authority granted under paragraphs 4 above and 8 below, Cary Oil is prohibited from applying any monies collected by Cary Oil to any other indebtedness owed by the Debtors to Cary Oil on pre-petition debts.

7. Cary Oil is to segregate and set aside the balance of the Security Fund that existed as of the petition date, pending further orders of this Court.

8. Cary Oil was authorized to charge the Debtors a security adder, in the amount of \$0.009 per gallon of gasoline sold, with the first \$7,258.93 received by Cary Oil in each calendar month to be applied to the indebtedness owed and secured against assets owned by the Debtors, with the remaining monies to be deposited into a new Security Fund. There is no security adder under the Amended Agreement, and therefore no additional funds shall be deposited into the Security Fund after the date of this Sixth Interim Order, nor shall any funds received pursuant to the Amended Agreement be applied to any pre-petition indebtedness of Cary Oil; provided however, this language shall not be prohibit the Trustee from authorizing Cary Oil to apply funds received to



any adequate protection payment owed to Cary Oil pursuant to the existing or future cash collateral orders of this Court.

9. Cary Oil is to keep track of, to the best of Cary Oil's ability, and account to the Debtors how much each individual Debtor contributed to the Security Fund as of the last day of the calendar month, to be reported to the Debtors on or before the fifteenth day of the preceding month.

10. A further hearing on the Supply Agreement Motion and any objections and responses to the Supply Agreement Motion shall be held and NOTICE OF FURTHER HEARING is hereby given and shall be held at 9:30 a.m. on November 15, 2016, at Courtroom 1 of the United States Bankruptcy Court at 101 S. Edgeworth St., Greensboro, N.C.

11. The findings, conclusions, or orders set forth herein are made on an interim basis, shall not constitute a final decision on any legal or factual issue, and are without prejudice to the right of any party to raise, contest, or seek the same or a different outcome at any subsequent hearing.

[END OF DOCUMENT]

Parties to be Served  
16-50216/16-50217

American Express  
World Financial Center, 200 Vesey  
Street  
New York, NY 10285

Blue Cross & Blue Shield of NC  
Corporate Headquarters  
5901 Chapel Hill Road  
Durham, NC 27707

BLT Investments, LLC  
701 Colonial Drive  
North Wilkesboro, NC 28659

Duke Energy  
526 South Church Street  
Charlotte, NC 28202

Burke County Tax Collector  
110 N. Green Street  
Morganton, NC 28680

Lime Energy North Carolina,  
16810 Kenton Drive, Suite 240  
Huntersville, North Carolina 2807

Sprint  
KSOPHT010-Z4300  
6391 Sprint Parkway  
Overland Park, KS 66251-4300

Gambill Oil Company, Inc.  
Northwest Property, LLC  
JMG Energy Solutions, Inc.  
937 Town N. Country Blvd.  
Wilkesboro, NC 28697

Capital One  
Bankruptcy Dept.  
15000 Capital One Drive  
Richmond, VA 23238-1119

Pump Doctors  
3612 George Beam Road  
Shelby, NC 28150

Republic Services  
Tim M. Benter, Officer  
18500 North Allied Way  
Phoenix AZ 85054

Alleghany County Tax Dept.  
County Administration Building  
348 South Main Street  
Sparta, NC 28675

North Carolina Department of  
Revenue  
501 N Wilmington St  
Raleigh NC 27604

Town of Hildebran  
202 S. Center Street  
Hildebran, NC 28637

Ashe County Tax Collector  
150 Government Circle, Suite 2275  
Jefferson, NC 28640-8963

Caldwell County Tax Collector  
905 West Avenue NW  
Lenoir, NC 28645

**North Carolina Department of  
Revenue  
501 N Wilmington St  
Raleigh NC 27604**

Securities & Exchange Commission  
Atlanta Regional Office  
950 East Paces Ferry, N.E. Suite 900  
Atlanta, GA 30326-1382

Catawba County Tax Collector  
100 A SW Blvd.  
Newton, NC 28658

City of Lenoir  
801 W. Avenue NW  
Lenoir, NC 28645

Employment Security Commission  
700 Wade Avenue  
Raleigh, NC 27605

Surry County Tax Collector  
201 E. Kapp Street  
Dobson, NC 27017

Town Of Elkin Tax Collector  
226 N. Bridge Street  
Elkin, NC 28621

Town of Hudson Tax Dept.  
550 Central Street  
Hudson, NC 28638



Town of N. Wilkesboro  
832 Main Street  
North Wilkesboro, NC 28659

Watauga County Tax Administrator  
842 W. King Street  
Suite 21 Courthouse  
Boone, NC 28607

Wilkes County Tax Office  
110 N. Street  
Wilkesboro, NC 28697

Blue Ridge Electric  
1216 Blowing Rock Blvd. NE  
Lenoir, NC 28645-0112

Wilkes Oil Company  
210 Cherry Grove Street  
North Wilkesboro, NC 28659

Internal Revenue Service  
Centralized Insolvency  
2970 Market Street  
Mail Stop 5-Q30.133  
Philadelphia, PA 19104-5016

Principal Life Insurance Company  
711 High Street  
Des Moines, IA 50392

Zebra  
1400 River Street  
Wilkesboro, NC 28697

Petroleum Specialties  
503 Maverick Road  
Kernersville, NC 27284

BELOW WERE SERVED  
VIA EMAIL

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Jefferson, NC 28640  
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1422 US Highway 421A  
Wilkesboro, NC 28697  
[rpearson@greatstatebank.com](mailto:rpearson@greatstatebank.com)

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William Walt Pettit, Esq.  
Attorney for Yadkin Valley Bank  
[walt.pettit@hskplaw.com](mailto:walt.pettit@hskplaw.com)



AMENDMENT AND MODIFICATION OF SUPPLY AGREEMENT

This Amendment and Modification of Supply Agreement (the "Agreement") is being entered into this the \_\_\_\_ day of November, 2016, by and between CARY OIL CO., INC. ("Cary Oil") and TAR HEEL OIL II, INC. and GAMBILL OIL, LLC (collectively "Tar Heel Oil") (collectively, "Parties"); and

WHEREAS, Tar Heel Oil II, Inc. filed a voluntary petition under Title 11, Chapter 11 of the United States Bankruptcy Code on March 4, 2016. Gambill Oil, LLC filed a voluntary petition under Title 11, Chapter 11 of the United States Bankruptcy Code on March 4, 2016, in the United States Bankruptcy Court for the Middle District of North Carolina ("Bankruptcy Court"). Each case is pending before the Bankruptcy Court;

WHEREAS, on November 3, 2016, a Chapter 11 Trustee was appointed to assume operation of Tar Heel Oil;

WHEREAS, Cary Oil and Tar Heel Oil, by and through the Trustee, desire to amend and modify the existing Supply Agreement so as to continue operation of Tar Heel Oil for a period of 180-days or until such earlier time as the Trustee deems otherwise and during such time as such continued operation is authorized by the Bankruptcy Court;

WHEREAS, Cary Oil and Tar Heel Oil have reached agreement whereby Cary Oil will assume certain responsibilities related to the delivery of certain fuel to Tar Heel;

WHEREAS, the parties in furtherance of their desired relationship and the determination to modify the existing Supply Agreement to assist in the operations of Tar Heel Oil and the preservation of its assets and value, do agree as follows:

NOW, THEREFORE, in consideration of the terms and conditions set forth herein and other good and valuable consideration, the parties to agree as follows:

1. In return for a fee of one cent per gallon (\$.01/ gallon) on all gallons processed, Cary will provide directly to the customers of Tar Heel Oil (hereinafter collectively, "Dealers" and individually, a "Dealer"), attached hereto and incorporated herein, the following services:

- a. Upon receipt of a signed Three Party Agreement in substantially the same form as the one attached hereto as Exhibit A, EFT Authorization and W9, Cary Oil shall invoice each Dealer for final Tar Heel Oil inventory in the tanks at Dealer Site. The cost per gallon invoiced will be determined by Tar Heel Oil.
- b. Cary Oil shall remit all funds received in payment for inventory invoiced to Dealers under paragraph 1.a to Tar Heel Oil on November 14, 2016, or within three (3) business days of receipt of such funds if payment is received after November 13, 2016.
- c. Cary Oil shall nightly communicate the delivered cost of product to Dealers via email or fax messaging.

- d. Cary Oil shall facilitate deliveries to Dealers using normal commercial terms, typically within 48 hours of order. Cary Oil shall invoice Dealer, directly, for product deliveries, using the product margin schedule provided by Tar Heel Oil, which shall establish for each Dealer a fixed margin amount of the delivered cost of the product that is payable to Tar Heel Oil (the "Margin Funds"). Cary Oil shall invoice Dealer for all amounts due on net 10 day terms.
  - e. Cary Oil shall daily post net credit card receipts to the account of Dealer.
  - f. On the 10th day following delivery, Cary shall draft the bank account of Dealer for the net amount due for product less credit card settlements received and posted by Cary as of the prior business day. If credit card receipts exceed amount due for product, Cary shall push net funds to Dealer, at Dealer's request.
  - g. Cary Oil shall pay the Margin Funds due to Tar Heel Oil by Tuesday of each week with respect to invoices paid during the previous week.
  - h. Cary Oil shall provide summary reports and supporting detail to Tar Heel Oil on or before the tenth (10<sup>th</sup>) day of each month with respect to all settlements occurring during the previous month.
  - i. In the event an EFT draft does not clear Dealer's account for any reason. Cary Oil shall immediately suspend deliveries to Dealer and notify Tar Heel Oil. Cary Oil shall deduct any ACH draft shortfalls from the Margin Funds owed to Tar Heel Oil.
  - j. Cary and Tar Heel recognize that invoices from freight company or companies making deliveries to Dealers on behalf of Cary may not be posted in time for the weekly Margin Fund settlement. Cary and Tar Heel agree that as a part of the normal monthly reconciliation of Margin Funds, Cary may reimburse itself for any freight costs exceeding the estimated freight cost used in calculating the weekly settlement.
2. This Agreement shall have a term of 180 days, which may be extended by mutual agreement of the parties. However, the Trustee may terminate this Agreement at any time in his sole discretion upon ten days written notice.
3. The provisions of the existing Supply Agreement related to the payment of a security adder and the Security Fund, as that capitalized term is defined therein, shall not apply during the term of this Agreement. All funds currently existing in the Security Fund shall remain in the possession of Cary Oil and be preserved subject to further order of the Bankruptcy Court.
4. This Agreement is subject to the approval of the U.S. Bankruptcy Court for the Middle District of North Carolina, and the Parties consent to the jurisdiction and authority of the Bankruptcy Court to enforce the terms of this Agreement.

[signature page(s) to follow]

This the 4<sup>th</sup> day of November, 2016.

CARY OIL CO., INC.

By: \_\_\_\_\_

Don Stephenson, President

TAR HEEL OIL II, INC.

By: \_\_\_\_\_

John Paul H. Cournoyer, Trustee

GAMBILL OIL, LLC

By: \_\_\_\_\_

John Paul H. Cournoyer, Trustee

**Trustee for Tar Heel/Gambill Oil – Cary Oil Co., Inc.**  
**67 Hardware (Tar Heel)**  
**Three Party Agreement**

This agreement between the Trustee for Tar Heel/Gambill Oil – Cary Oil Co., Inc. and 67 Hardware (Tar Heel) (also known as Dealer) effective \_\_\_\_\_, is to provide continuation of petroleum deliveries for 67 Hardware (Tar Heel) located at 1824 Hwy 64 Jonesville NC 28642. The parties agree that for a period of 180 days from effective date, subject to termination by Trustee in his sole discretion, Cary will make, or cause to be made, deliveries as requested by Trustee for Tar Heel/Gambill or Dealer. Further, Cary will invoice Dealer directly for fuel delivered with net due 10 days from date of delivery. Additionally, Cary will invoice Dealer for fuel inventory in tank as of the date of this agreement and ownership of said inventory will transfer to Dealer. Payment for initial inventory transfer will be via ACH on the 10<sup>th</sup> day following date of transfer. Cary will provide credit for all credit cards processed by Dealer, less applicable credit card processing fees. Credits will be applied to Dealer's account with Cary Oil every business day. Payment for fuel will be made by Automatic Bank Draft. An accounting of the sales and credit card receipts and bank drafts will be made available as requested by Trustee and/or Customer.

Cary will provide a quote of cost per gallon by email or fax to location each business day.

Agreed:

\_\_\_\_\_  
Cary Oil Co., Inc.

\_\_\_\_\_  
Trustee for Tar Heel/Gambill Oil

\_\_\_\_\_  
67 Hardware (Tar Heel)

+++++

**Location Data                      7530**

**TAR67H**

**67 Hardware (Tar Heel)**

**1824 Hwy 64**

**Jonesville NC 28642**

Brand : Citgo

Telephone : 336-835-1921

Facility Number : 36372421

Email : \_\_\_\_\_

**Inventory Transfer**

Tank 1	Product _____	Size (gallons) _____	Inches _____
Tank 2	Product _____	Size (gallons) _____	Inches _____
Tank 3	Product _____	Size (gallons) _____	Inches _____
Tank 4	Product _____	Size (gallons) _____	Inches _____
Tank 5	Product _____	Size (gallons) _____	Inches _____
Tank 6	Product _____	Size (gallons) _____	Inches _____

Final Credit Card Batch Number \_\_\_\_\_