

DOCKET NO: CV-08-4036150 S : SUPERIOR COURT  
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 STATE OF CONNECTICUT : J. D. OF HARTFORD  
 :  
 vs. : AT HARTFORD  
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 THE F&S OIL COMPANY, INC. :  
 CARLSON FUEL OF MERIDEN, INC. :  
 CARLSON FUEL OIL, LLC, VILLAGE :  
 OIL, INC., U.S. FUELS, LLC, AND :  
 BOSSE GRAZIANO OIL COMPANY : October 3, 2008

**ORDER GRANTING MOTION OF THE RECEIVER FOR AUTHORIZATION  
 TO PROCEED WITH PHASE III SALE OF THE BIO-DIESEL FACILITY**

Upon consideration of the Motion of the Receiver For Authorization to Proceed With Phase III Sale of the Bio-Diesel Facility (the "Motion"), filed by Carlton E. Helming, CPA and the firm of Helming & Company, P.C. (collectively, the "Receiver"), court-appointed receiver of The F&S Oil Company, Inc. (the "Company") and its subsidiaries, affiliates and related entities including Carlson Fuel of Meriden, Inc., Carlson Fuel Oil, LLC, Village Oil, Inc., U.S. Fuels, LLC, and Bosse Graziano Oil Company (collectively the "Subsidiaries"), pursuant to which the Receiver seeks an order (a) authorizing the Receiver to proceed with the proposed sale (the "Phase III Sale") of the assets (the "Phase III Assets") used or to be used in connection with the physical plant and/or operations of that certain bio-diesel facility located at 264 Sandbank Road, Cheshire, Connecticut (the "Bio-Diesel Facility"); (b) approving the form and manner of notice of the Phase

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III Sale; and (c) granting related relief and, after due notice and a hearing, it appearing to the Court that just cause exists to grant the Motion, it is hereby

ORDERED, that the Motion is GRANTED as set forth herein; and it is further

ORDERED, that the Receiver is authorized to proceed with the Phase III Sale utilizing a procedure to be determined by the Receiver; and it is further

ORDERED, that the Receiver shall complete the Phase III Sale, subject to Court approval, on or before October 23, 2008; and it is further

ORDERED, that the form of notice of the Phase III Sale, attached as Exhibit A to the Motion (the "Sale Notice"), is hereby approved; and it is further

ORDERED, that the form of notice (the "Lease Notice") regarding the lease of the Cheshire, Connecticut property on which the Bio-Diesel Facility is located (the "Leased Premises"), as presented in Court and attached hereto, is hereby approved; and it is further

ORDERED, that the manner of notice with respect to the Sale Notice, as outlined in the Motion, is hereby approved; and it is further

ORDERED, that the Receiver shall serve a copy of the Lease Notice along with the Sale Notice, as outlined in the Motion; and it is further

ORDERED, that the Receiver shall consult with representatives of the Office of the Attorney General of the State of Connecticut, RBS Citizens, N.A. and the Connecticut Department

of Economic and Community Development regarding the selection of the highest and best offer for the Phase III Assets; and it is further

ORDERED, that, after conferring with the Office of the Attorney General of the State of Connecticut, RBS Citizens, N.A. and the Connecticut Department of Economic and Community Development regarding the selection of the highest and best offer for the Phase III Assets, as set forth above, the Receiver shall confer with Cheshire Investment Corporation, to the extent necessary in connection with the sale, regarding a lease of the Leased Premises to the proposed buyer of the Bio-Diesel Facility; and it is further

ORDERED, that, in the event the Receiver and/or the proposed buyer of the Bio-Diesel Facility is unsuccessful in negotiating with Cheshire Investment Corporation regarding a lease of the Leased Premises, and a lease is required by the terms of the sale, the Receiver is hereby authorized to file a motion seeking to compel Cheshire Investment Corporation to consent to an assignment of the existing lease of the Leased Premises and for a determination of any defaults and appropriate cures under that lease, subject to all rights of all parties (including Cheshire Investment Corporation) to object to any such motion; and it is further

ORDERED, that, following the conclusion of the Phase III Sale, subject to and without prejudice to the rights of objectors, the Receiver shall file a motion to approve the Phase III Sale and to seek authority to sell the Bio-Diesel Facility and/or the Phase III Assets free and clear of perfected liens and encumbrances, with liens and encumbrances to attach to the proceeds of sale

with the same extent, order and priority with respect to the Phase III Assets as they have immediately prior the Phase III Sale; and it is further

ORDERED, that nothing herein shall operate as an Order approving a sale free and clear of liens, and encumbrances; and it is further

ORDERED, that the proceeds from any sale of the Phase III Assets (net of sale-related expenses, but not counsel fees or fees of the Receiver) shall be placed in escrow pending further order of the Court regarding any and all distributions of the sale proceeds, with all rights of all parties expressly reserved with respect to the amount and priority of any claims; and it is further

ORDERED, that the Court shall facilitate an Alternate Dispute Resolution program (through Court-annexed mediation) to expeditiously resolve any claims to, and any disputes over, the proceeds from the sale of the Phase III Assets; and it is further

ORDERED, that the Court shall conduct expedited hearings on any disputes over any and all claims to and disputes over the proceeds from the sale of the Phase III Assets, to the extent such claim or dispute is not otherwise resolved through the Alternate Dispute Resolution program referenced above; and it is further

ORDERED, that this Court shall retain jurisdiction to adjudicate the validity, priority and extent of any and all liens and encumbrances asserted against the Phase III Assets, and to enter any orders necessary to effectuate a sale of the Phase III Assets and the ultimate distribution of the proceeds from the sale of the Phase III Assets; and it is further

ORDERED, that this Court shall retain jurisdiction and authority regarding the construction, interpretation, enforcement or modification of this Order and any sale documents including, without limitation, the adjudication of the claims and/or rights of any and all parties, whether legal or equitable, asserting a continuing interest in the Phase III Assets (whether by contract, statute or otherwise); and it is further

ORDERED, that the Court enters this Order without prejudice to affected parties objecting to approval of any sale, subsequent motion or related order; and it is further

ORDERED, that any and all rights including, without limitation, lien rights, claims, priorities, defenses and counterclaims, with respect to the Phase III Assets are hereby reserved.

Signed at Hartford, Connecticut this 3rd day of October, 2008.



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Hon. Grant H. Miller  
Judge, Superior Court of the State of Connecticut