

THE COMPETITION TRIBUNAL

IN THE MATTER OF the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

AND IN THE MATTER OF the proposed acquisition by Parkland Industries Ltd., a wholly-owned subsidiary of Parkland Fuel Corporation, of substantially all of the assets of Pioneer Petroleums Holding Limited Partnership, Pioneer Energy LP, Pioneer Petroleums Transport Inc., Pioneer Energy Inc., Pioneer Fuels Inc., Pioneer Petroleums Holding Inc., Pioneer Energy Management Inc., 668086 N.B. Limited, 3269344 Nova Scotia Limited and 1796745 Ontario Ltd.;

AND IN THE MATTER OF an Application by the Commissioner of Competition for one or more orders pursuant to section 92 of the *Competition Act*;

AND IN THE MATTER OF an Application for an Interim Order pursuant to section 104 of the *Competition Act*.

BETWEEN:

COMPETITION TRIBUNAL TRIBUNAL DE LA CONCURRENCE FILED / PRODUIT CT-2015-003 May 11, 2015 Jos LaRose for / pour REGISTRAR / REGISTRAIRE	
OTTAWA, ONT	# 22

COMMISSIONER OF COMPETITION**Applicant****- and -**

PARKLAND INDUSTRIES LTD., PARKLAND FUEL CORPORATION, PIONEER PETROLEUMS HOLDING LIMITED PARTNERSHIP, PIONEER ENERGY LP, PIONEER PETROLEUMS TRANSPORT INC., PIONEER ENERGY INC., PIONEER FUELS INC., PIONEER PETROLEUMS HOLDING INC., PIONEER ENERGY MANAGEMENT INC., 668086 N.B. LIMITED, 3269344 NOVA SCOTIA LIMITED AND 1796745 ONTARIO LTD.

Respondents**APPLICATION RECORD**

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THE COMPETITION TRIBUNAL

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AND IN THE MATTER OF an Application by the Commissioner of Competition for one or more orders pursuant to 92 of the *Competition Act*;

AND IN THE MATTER OF an application for an Interim Order pursuant to section 104 of the *Competition Act*.

BETWEEN:

COMMISSIONER OF COMPETITION

Applicant

- and -

PARKLAND INDUSTRIES LTD., PARKLAND FUEL CORPORATION, PIONEER PETROLEUMS HOLDING LIMITED PARTNERSHIP, PIONEER ENERGY LP, PIONEER PETROLEUMS TRANSPORT INC., PIONEER ENERGY INC., PIONEER FUELS INC., PIONEER PETROLEUMS HOLDINGS INC., PIONEER ENERGY MANAGEMENT INC., 668086 N.B. LIMITED, 3269344 NOVA SCOTIA LIMITED AND 1796745 ONTARIO LTD.

Respondents

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TAB 1

CT-2015-003

THE COMPETITION TRIBUNAL

IN THE MATTER OF the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

AND IN THE MATTER OF the proposed acquisition by Parkland Industries Ltd., a wholly-owned subsidiary of Parkland Fuel Corporation, of substantially all of the assets of Pioneer Petroleums Holding Limited Partnership, Pioneer Energy LP, Pioneer Petroleums Transport Inc., Pioneer Energy Inc., Pioneer Fuels Inc., Pioneer Petroleums Holding Inc., Pioneer Energy Management Inc., 668086 N.B. Limited, 3269344 Nova Scotia Limited and 1796745 Ontario Ltd.;

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Applicant

- and -

PARKLAND INDUSTRIES LTD., PARKLAND FUEL CORPORATION, PIONEER PETROLEUMS HOLDING LIMITED PARTNERSHIP, PIONEER ENERGY LP, PIONEER PETROLEUMS TRANSPORT INC., PIONEER ENERGY INC., PIONEER FUELS INC., PIONEER PETROLEUMS HOLDING INC., PIONEER ENERGY MANAGEMENT INC., 668086 N.B. LIMITED, 3269344 NOVA SCOTIA LIMITED AND 1796745 ONTARIO LTD.

Respondents

NOTICE OF APPLICATION FOR AN INTERIM ORDER

TAKE NOTICE that the Commissioner of Competition (the “**Commissioner**”) will make an Application to the Competition Tribunal (the “**Tribunal**”), on a day and place to be determined by the Tribunal, pursuant to section 104 of the *Competition Act*, R.S.C. 1985 c. C-34, as amended (the “**Act**”).

This Application is for:

- a. an order directing Parkland (defined below) to hold separate the assets it acquires from Pioneer (defined below) pursuant to the Proposed Merger (defined below) in the Relevant Markets (defined below) on such terms as are necessary to preserve the assets and business as a going concern and to maintain competition in the Relevant Markets until such time as the Tribunal’s decision is finally disposed of in respect of the Commissioner’s Application pursuant to section 92 of the Act;
- b. costs; and
- c. such further and other relief as the Commissioner may request and this Tribunal may consider appropriate.

The grounds of this Application are:

1. The Commissioner has commenced an application pursuant to section 92 of the Act (the “**92 Application**”). Absent the orders sought by the Commissioner:
 - a. consumers in 14 local markets in Ontario and Manitoba are likely to face less choice and materially higher retail prices for gasoline. Absent the orders sought in this Application for an Interim Order, consumers and the broader economy in these local markets will suffer irreparable harm before the 92 Application is finally disposed of; and
 - b. the assets Parkland acquires from Pioneer in the Relevant Markets pursuant to the Proposed Merger will likely not be preserved or maintained at same or a

comparable level to like Parkland assets which are not the subject of the 92 Application.

2. Parkland and Pioneer compete in the supply of gasoline to consumers in local markets in Ontario and Manitoba through retail gas stations that they own as well as gas stations that they exclusively supply gasoline to, but that are owned and controlled by third parties. Through the Proposed Merger, Parkland seeks to acquire from Pioneer ownership of or control of supply to 393 gas stations. The acquisition of 17 gas stations or supply agreements in 14 Relevant Markets is likely to lead to a substantial lessening of competition in the Relevant Markets.
3. The Applicant, the Commissioner, is appointed under section 7 of the Act and is responsible for the administration and enforcement of the Act.
4. Parkland Industries Ltd., a private company, is a wholly-owned subsidiary of Parkland Fuel Corporation, which is listed on the Toronto Stock Exchange. Parkland Industries Ltd. and Parkland Fuel Corporation are collectively hereinafter referred to as “**Parkland**”.
5. The remaining Respondents collectively hereinafter referred to as “**Pioneer**” (encompassing Pioneer Petroleums Holding Limited Partnership, Pioneer Energy LP, Pioneer Petroleums Transport Inc., Pioneer Energy Inc., Pioneer Fuels Inc., Pioneer Petroleums Holding Inc., Pioneer Energy Management Inc., 668086 N.B. Limited, 3269344 Nova Scotia Limited and 1796745 Ontario Ltd.), are privately-held companies.
6. Parkland and Pioneer compete in the retail supply of motor vehicle fuels (“**gasoline**”) to consumers at motor vehicle filling stations (“**gas stations**”) that they own (“**Corporate Stations**”).

7. Parkland and Pioneer also supply gasoline to gas stations owned and controlled by third parties (“**Non-Corporate Stations**”) pursuant to exclusive long-term contracts, having terms of up to 10 years. Pursuant to these contracts, Parkland and Pioneer can increase the wholesale price of gasoline charged to Non-Corporate Stations at any time without notice to and without recourse by the Non-Corporate Stations. Accordingly, Parkland and Pioneer have the ability to materially influence retail gasoline prices at their respective Non-Corporate Stations.
8. Pursuant to an asset purchase agreement dated September 17, 2014, as amended on January 22, 2015, Parkland proposes to acquire from Pioneer 181 Pioneer Corporate Stations and 212 supply agreements between Pioneer and Non-Corporate Stations in Ontario and Manitoba (the “**Proposed Merger**”). The Proposed Merger is a merger within the meaning of section 91 of the Act.
9. The anti-competitive effects of the Proposed Merger would affect consumers and businesses that purchase gasoline within 14 local markets in Ontario and Manitoba, identified in paragraph 10 herein (the “**Relevant Markets**”).
10. The Proposed Merger is likely to substantially lessen competition in the Relevant Markets (identified below together with the post-merger market share and Four Firm Concentration Ratio for each of them), by:
 - (a) significantly increasing the extent, likelihood, frequency and duration of coordination among some or all of the suppliers in those markets; or
 - (b) eliminating rivalry between Parkland and Pioneer, where the merged entity is acting unilaterally.

	Relevant Markets	Parties' Combined Market Shares (%)	Four Firm Concentration Ratio (post-Proposed Merger) (%)
1	Warren, MB	100	100
2	Allanburg, ON	100	100
3	Lundar, MB	88	100
4	Tillsonburg, ON	74	100
5	Innisfil, ON	63	100
6	Kapuskasing, ON	56	100
7	Hanover, ON	50	100
8	Bancroft, ON	47	100
9	Gananoque, ON	47	100
10	Chelmsford/Azilda, ON	44	89
11	Aberfoyle, ON	43	100
12	Port Perry, ON	43	100
13	Neepawa, MB	42	100
14	Welland, ON	39	80

11. There are serious issues to be determined by the Tribunal in the 92 Application, including whether the Proposed Merger is likely to substantially lessen competition in the Relevant Markets on the basis set out in paragraph 10 herein.
12. Irreparable harm to consumers and the broader economy in the Relevant Markets is likely to result if an Interim Order is not made. Consumers will likely pay higher prices for, and purchase less, retail gasoline before the Commissioner's 92 Application is finally disposed of. The financial harm and other harm to these consumers and to the economy is irreparable owing in part to the Tribunal's lack of authority in law to remedy the harm suffered by consumers in the event the Commissioner is successful in the 92 Application.
13. The balance of convenience favours the granting of the Interim Order. The public interest in maintaining and encouraging competition outweighs the private interests of the Respondents with respect to 17 of a total of 393 gas stations at issue in the Proposed Merger.
14. Further material facts are contained in the Commissioner's Notice of Application pursuant to section 92 of the Act, which has been filed with the Tribunal.

AND TAKE NOTICE that the following materials will be relied upon in support of this Application.

- (a) The 92 Application;
- (b) The Affidavit of Dr. Marcel Boyer sworn April 30, 2015; and
- (c) The Affidavit of Alexander N. Mc Nabb sworn April 30, 2015.

TO: For Parkland Industries Ltd. and Parkland Fuel Corporation:

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AND TO: For Pioneer Petroleums Holding Limited Partnership, Pioneer Energy LP, Pioneer Petroleums Transport Inc., Pioneer Energy Inc., Pioneer Fuels Inc., Pioneer Petroleums Holding Inc., Pioneer Energy Management Inc., 668086 N.B. Limited, 3269344 Nova Scotia Limited and 1796745 Ontario Ltd.:

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THE COMPETITION TRIBUNAL

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Respondents

NOTICE OF APPLICATION FOR AN INTERIM ORDER

**DEPARTMENT OF JUSTICE CANADA
COMPETITION BUREAU LEGAL SERVICES
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Counsel to the Commissioner of Competition

TAB 2

CT-2015-003

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AND IN THE MATTER OF the proposed acquisition by Parkland Industries Ltd., a wholly-owned subsidiary of Parkland Fuel Corporation, of substantially all of the assets of Pioneer Petroleums Holding Limited Partnership, Pioneer Energy LP, Pioneer Petroleums Transport Inc., Pioneer Energy Inc., Pioneer Fuels Inc., Pioneer Petroleums Holding Inc., Pioneer Energy Management Inc., 668086 N.B. Limited, 3269344 Nova Scotia Limited and 1796745 Ontario Ltd.;

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Respondents

AFFIDAVIT OF ALEXANDER N. MC NABB
(Affirmed 30 April 2015)

I, Alexander N. Mc Nabb, an acting Senior Competition Law Officer with the Competition Bureau (the “**Bureau**”), of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

1. I make this affidavit in support of the Commissioner of Competition’s (the “**Commissioner**”) application for an Interim Order pursuant to section 104 of the *Competition Act*, R.S.C., 1985, c. C-34, as amended (the “**Act**”).
2. I have been employed as a Competition Law Officer with the Bureau since 2011. During this time I have been involved in the review of mergers and proposed mergers and the examination of whether such transactions prevent or lessen or are likely to prevent or lessen competition substantially.
3. I am the lead officer on a case team working on a review of the proposed acquisition by Parkland (defined below) from Pioneer (defined below) of 181 Pioneer Corporate Stations (defined below) and 212 supply agreements between Pioneer and Non-Corporate Stations (defined below) in Ontario and Manitoba (the “**Review**”). I therefore, in my capacity as lead officer, have personal knowledge of the matters to which I hereinafter depose.
4. The Commissioner’s Notice of Application pursuant to section 92 of the Act (the “**92 Application**”) has been filed with the Competition Tribunal (the “**Tribunal**”). The Statement of Grounds and Material Facts in the 92 Application sets out the material facts for the Commissioner’s Application for an Interim Order.

A. The Parties

5. The Applicant, the Commissioner, is appointed under section 7 of the Act and is responsible for the administration and enforcement of the Act.

6. Parkland Industries Ltd., a private company, is a wholly-owned subsidiary of Parkland Fuel Corporation, which is listed on the Toronto Stock Exchange. Parkland Industries Ltd. and Parkland Fuel Corporation are collectively hereinafter referred to as “**Parkland**”. Attached and marked as Exhibit “**A**” to my affidavit is a copy of the corporate profile reports for each of the corporations collectively defined herein as Parkland.
7. The remaining Respondents, collectively hereinafter referred to as “**Pioneer**” (encompassing Pioneer Petroleums Holding Limited Partnership, Pioneer Energy LP, Pioneer Petroleums Transport Inc., Pioneer Energy Inc., Pioneer Fuels Inc., Pioneer Petroleums Holding Inc., Pioneer Energy Management Inc., 668086 N.B. Limited, 3269344 Nova Scotia Limited and 1796745 Ontario Ltd.), are privately-held companies. Attached and marked as Exhibit “**B**” to my affidavit is a copy of the corporate profile reports for each of the corporations collectively defined herein as Pioneer.
8. Parkland and Pioneer compete in the retail supply of motor vehicle fuels (“**gasoline**”) to consumers at motor vehicle filling stations (“**gas stations**”) that they own (“**Corporate Stations**”).
9. Parkland and Pioneer also supply gasoline to gas stations owned and controlled by third parties (“**Non-Corporate Stations**”) pursuant to exclusive long-term contracts, having terms of up to 10 years. Pursuant to these exclusive contracts, Parkland or Pioneer can increase the wholesale price of gasoline charged to Non-Corporate Stations at any time without notice to and without recourse by the Non-Corporate Stations. Accordingly, Parkland and Pioneer have the ability to materially influence retail gasoline prices at their respective Non-Corporate Stations. Attached and marked as Exhibit “**C**” to my affidavit are copies of Parkland and Pioneer’s supply agreements with Non-Corporate Stations in the Relevant Markets (defined below).

B. The Proposed Merger

10. Pursuant to an asset purchase agreement dated September 17, 2014, as amended on January 22, 2015, Parkland proposes to acquire from Pioneer 181 Pioneer Corporate Stations and 212 supply agreements between Pioneer and Non-Corporate Stations in Ontario and Manitoba (the “**Proposed Merger**”). In other words, through the Proposed Merger, Parkland seeks to acquire from Pioneer ownership of or control of supply to 393 gas stations. As described below, 14 Relevant Markets are at issue in the 92 Application, which encompass 17 of the 393 gas stations.
11. Attached and marked as Exhibit “**D**” to my affidavit is a copy of the asset purchase agreement dated September 17, 2014. The Proposed Merger is a merger within the meaning of section 91 of the Act.
12. Salient dates for the Bureau’s Review of the Proposed Merger include:
 - a. *October 3, 2014*: the Respondents submit a request for an advance ruling certificate to the Commissioner in respect of the Proposed Merger.
 - b. *October 6, 2014*: the Respondents submit pre-merger notification filing pursuant to Part IX of the Act in respect of the Proposed Merger.
 - c. *November 5, 2014*: the Commissioner issues a Supplementary Information Request (“**SIR**”).
 - d. *January 22, 2015*: the Respondents amend the Proposed Merger, removing the commercial fuel business of the Proposed Merger.
 - e. *January 23, 2015*: the Respondents certify responses to the SIR after providing the Bureau with approximately 70,000 documents.
 - f. *February 18, 2015*: the Respondents agree to provide the Commissioner with 15 days’ written notice of the closing of the Proposed Merger.
 - g. *April 27, 2015*: the Respondents provide the Bureau with 15 days’ written notice of closing and advise that the Proposed Merger is scheduled to close on May 13th, 2015.
 - h. *April 28, 2015*: the Commissioner commences an inquiry pursuant to section 10

of the Act.

- i. *April 30, 2015*: the Commissioner files the 92 Application.

13. The Bureau's Review of the Proposed Merger has included:

- a. the notification filings and information;
- b. the documents and information provided by the Respondents pursuant to the SIR;
- c. market contacts, including the relevant provincial regulatory authorities;
- d. an analysis of documents and information voluntarily provided to the Bureau by various third parties, including market participants;
- e. the expert opinion provided by Dr. Marcel Boyer, Emeritus Professor of Economics at the Université de Montréal, which is filed in support of the Commissioner's application for an interim order pursuant to section 104 of the Act;
- f. further submissions provided by the Respondents, their counsel and their expert; and
- g. meetings and discussions with the Respondents and their counsel, in person and by telephone.

14. Based on the Bureau's Review, the Commissioner has identified competition concerns with respect to consumers and businesses that purchase gasoline within 14 local markets in Ontario and Manitoba, identified in paragraph 19 herein (the "**Relevant Markets**"). The 92 Application alleges that the Proposed Merger is likely to substantially lessen competition in the Relevant Markets by:

- a. significantly increasing the extent, likelihood, frequency and duration of coordination among some or all of the suppliers in those markets (except in Warren, Manitoba and Allanburg, Ontario, where there would be a merger to monopoly); or
- b. eliminating rivalry between Parkland and Pioneer, where the merged entity is acting unilaterally.

15. The Commissioner has not yet sought the issuance of section 11 orders against the Respondents or any other third parties in connection with the Proposed Merger.

C. The Relevant Markets

16. The Bureau's Review indicates that the relevant product market for assessing the effects of the Proposed Merger is the retail sale of gasoline at gas stations. The Bureau's review also indicates that the relevant geographic markets for assessing the effects of the Proposed Merger are local in scope.
17. As noted, the Bureau's Review has identified 14 local markets in Ontario and Manitoba where the Proposed Merger is likely to substantially lessen competition. Among the factors the Bureau considered in defining these markets are:
 - a. the geographic proximity of competing gas stations;
 - b. the geographic characteristics of the Relevant Markets;
 - c. the views, strategies and behaviour of market participants;
 - d. pricing levels and dynamics; and
 - e. census data.
18. The following is illustrative of the Bureau's approach to defining relevant geographic markets for purposes of its analysis of the Proposed Merger:
 - a. *Warren, Manitoba:* Warren is a rural community located in South-central Manitoba. The closest towns to Warren are Stonewall and Marquette, Manitoba, 19 kilometres and 22 kilometres away respectively. There are two gas stations in Warren: an Esso gas station (located at the intersection of Highway 6 and MacDonald Avenue) and a Race Trac gas station (located at 212 MacDonald Avenue). The Esso gas station is supplied by Pioneer. The Race Trac gas station is owned by Parkland. The closest gas station to the Respondents' gas stations is approximately 12 kilometres away.

- b. *Kapuskasing, Ontario*: Kapuskasing is a rural community in Northern Ontario. The next closest town to Kapuskasing is Moonbeam, Ontario, 22 kilometres away. There are four gas stations in Kapuskasing: a Sunys gas station (located at 25 Brunetville Road), a Shell gas station (located at 1 Riverside Drive), an Esso gas station (located at 48 Government Road) and a Flying J gas station (located at 410 Government Road). The Sunys gas station is owned by Parkland. The Esso gas station is owned by Pioneer. The retail portion of the Flying J gas station that sells gasoline is controlled by Shell pursuant to a joint venture agreement between Shell and Flying J (the Flying J also sells various grades of diesel fuel, bulk diesel exhaust fluid, and provides services to drivers of trucks and recreational vehicles). Moonbeam, which, as noted, is the next closest town to Kapuskasing, has only one gas station.
- c. *Bancroft, Ontario*: Bancroft is a rural community in Eastern Ontario. The closest town with a gas station is Cardiff, which is located 17 kilometres away. There are four gas stations in Bancroft: two Esso gas stations (located at 27523 Highway 62 South and 134 Hastings Street North), a Canadian Tire gas bar and a Shell gas station. The Esso gas station located at 27523 Highway 62 South is supplied by Parkland. The Esso gas station located at 134 Hastings Street North is owned by Pioneer. According to [REDACTED] Fuel Pricing Philosophy document, a copy of which was voluntarily provided to the Bureau, [REDACTED] follows the pricing actions of the [REDACTED] in Bancroft. Attached and marked as Exhibit “E” to my affidavit is a copy of [REDACTED] Fuel Pricing Philosophy Sheet.
- d. *Hanover, Ontario*: Hanover is a rural community in Southwestern, Ontario. The closest town with a gas station is Walkerton, which is located 12 kilometres away. There are five gas stations in Hanover: a Shell gas station (located at 13553 Bruce Road No. 10), an Esso gas station (located at 594 10th Street), an FS gas station (located at 691 10th Street East), a Canadian Tire gas bar (located at 896 10th Street) and a Pioneer gas station (located at 857 10th Street). The Esso is

supplied by Parkland. The Pioneer gas station is owned by Pioneer. According to [REDACTED] Fuel Pricing Philosophy, a copy of which was voluntarily provided to the Bureau, the [REDACTED] follows the pricing actions of the Pioneer, the Esso and the FS gas stations in Hanover. Further, in its own document provided in response to the SIR, Parkland identifies [REDACTED] gas station, the [REDACTED] and the [REDACTED] in Hanover as competitors. Attached and marked as Exhibit “F” to my affidavit is a copy of the [REDACTED] Fuel Pricing Philosophy sheet. Attached and marked as Exhibit “G” to my affidavit are copies of the aforesaid Parkland document.

- e. *Chelmsford/Azilda, Ontario*: Chelmsford and Azilda are semi-urban communities in Northern Ontario. Sudbury is 12 kilometres away. There are eight gas stations in Chelmsford and Azilda: two Esso gas stations (located at 51 Notre Dame Street West and 3466 Highway 144), a Pioneer gas station (3775 Highway 144), a Byrne’s Gulf gas station (234 Notre Dame Street), a UPI gas station (282 Main Street), a Petro-Canada gas station (3390 Highway 144), a Mac’s gas station (3525 Highway 144) and a Canadian Tire gas bar (3595 Highway 144).

The Esso gas station located at 3466 Highway 144 is supplied by Pioneer. The Esso gas station located at 51 Notre Dame Street West is supplied by Parkland. The Pioneer gas station is owned by Pioneer.

According to its own document provided in response to the SIR, Parkland identifies the [REDACTED] gas station, the [REDACTED] gas station, the [REDACTED] gas station, the [REDACTED] gas station supplied by [REDACTED] and the [REDACTED] as competitors in Chelmsford and Azilda. Attached and marked as Exhibit “H” to my affidavit is a copy of the aforesaid Parkland document.

D. Competition Concerns

19. The Commissioner has identified competition concerns described more fully in paragraph 14 herein and in the 92 Application with respect to consumers and businesses that

purchase gasoline in the 14 Relevant Markets. These Relevant Markets, including the post-merger market share and Four Firm Concentration Ratio for each, are identified below:

	Relevant Markets	Parties' Combined Market Shares (%)	Four Firm Concentration Ratio (post-Proposed Merger) (%)
1	Warren, MB	100	100
2	Allanburg, ON	100	100
3	Lundar, MB	█	100
4	Tillsonburg, ON	74	100
5	Innisfil, ON	63	100
6	Kapuskasing, ON	█	100
7	Hanover, ON	50	100
8	Bancroft, ON	47	100
9	Gananoque, ON	47	100
10	Chelmsford/Azilda, ON	44	89
11	Aberfoyle, ON	43	100
12	Port Perry, ON	43	100
13	Neepawa, MB	█	100
14	Welland, ON	39	80

20. The Respondents own or supply gas stations in the Relevant Markets. The Relevant Markets are already concentrated and the Proposed Merger will increase the levels of concentration because Parkland, a pre-existing competitor in the Relevant Markets, will acquire Pioneer owned or supplied gas stations.

21. Parkland's post-merger market share in the Relevant Markets would range from 39% to 100%. With the exception of two markets, the Four Firm Concentration Ratio (post-merger) would be 100% in each Relevant Market and would correspondingly result in:

- a. a decrease from two competitors to a monopoly in two Relevant Markets (Warren, Manitoba and Allanburg, Ontario) ("**Merger to Monopoly**");

- b. a decrease from three to two competitors in three Relevant Markets (Kapuskasung, Ontario; Lunder, Manitoba and Neepawa, Manitoba) (“**3 to 2**”);
 - c. a decrease from four to three competitors in five Relevant Markets (Aberfoyle, Ontario; Bancroft, Ontario; Innisfil, Ontario; Gananoque, Ontario and Tillsonburg, Ontario) (“**4 to 3**”); and
 - d. a decrease from five to four competitors in two Relevant Markets (Hanover, Ontario and Port Perry, Ontario) (“**5 to 4**”).
22. As noted, the 92 Application alleges that the Proposed Merger is likely to substantially lessen competition in the Relevant Markets by, among other things, significantly increasing the extent, likelihood, frequency and duration of coordination among some or all of the suppliers in those markets.
23. There is a history of collusion among retail gas providers in Canada. Since March 2009, 45 companies or individuals in Canada have been convicted of retail gas price-fixing.
24. Further, on or about March 20, 2012, Pioneer Energy LP (one of the merging parties) pled guilty to fixing the price of retail gas in Kingston and Brockville, Ontario. Attached and marked as Exhibit “**I**” to my affidavit is a copy of the Indictment filed with the Superior Court of Justice (Ontario) in connection with Pioneer Energy LP’s guilty plea, together with the agreed statement of admissions, the joint written sentencing submissions and the fine order.
25. As noted, the Commissioner issued a SIR on November 5, 2014, certified responses to which were received from the Respondents on January 23, 2015. Among the materials produced by the Respondents are email correspondence and documents that raise concerns about coordination by the Respondents and others, including the documents attached and marked to my affidavit as Exhibits “**J**” to “**W**”:
- a. An email from Troy Richter (Pioneer Director of Retail Operations - West) to Haydn Northey (Pioneer Vice President Retail Operations) with the subject

heading “Timmins – Mac’s Shell Pricing”, dated July 16, 2014, noting in part:

“I am not sure what message they are trying to send other than they are trying to position a Shell branded site 1cpl below other majors in the market.

[...]

It should be noted our Esso site in North Bay missed a message to initiate a restoration in North Bay on Tuesday morning and although we went up at 9:00 a.m. no one reacted so we moved back down at noon.” (Exhibit “J”)

- b. An email from Andy Landry (Pioneer Regional Business Manager) to Johni-Mae Haskell (I believe that Johni-Mae Haskell is a Regional Business Manager at Pioneer) and copied to Troy Richter (Pioneer Director of Retail Operations - West), dated July 22, 2014, describing pricing dynamics, including the typical timing of certain Pioneer and competitor sites’ price changes, in certain parts of Hamilton, Ontario. (Exhibit “K”)
- c. An email chain between Kelly Nelson (Pioneer Director of Sales Operations), Brian Kitchen (Pioneer Vice President Dealer and Reseller Sales), Haydn Northey (Pioneer Vice President Retail Operations) and John Evans (Pioneer Director of Retail Operations – East) dated August 12, 2014 discussing the retail pump pricing of Esso-branded fuel at certain gas stations in Winnipeg, Manitoba.
 - i. In response to an email from Brian Kitchen at 4:11PM stating “Suggest we move on Shell now. We will miss the opportunity”, Haydn Northey wrote: “Only concern is our volumes are down at most of our sites YTD. As a team player though, we will move now.”
 - ii. Brian Kitchen replied to Haydn Northey’s email at 4:35PM and stated, among other things:

“Time for some robust price marketing games. ie back to cheating [REDACTED] in selected market areas??” (Exhibit “L”)

- d. An email from Eric Bondy (I believe that Eric Bondy is a Category Manager at Pioneer) to ppDispatch and copied to Troy Richter (Pioneer Director of Retail Operations - West) and Haydn Northey (Pioneer Vice President Retail Operations), dated September 3, 2014, noting in part:

“In order to counter act the antics of ██████████ not restoring we are going to drop the price from ██████████ current price of 120.8 to 110.8. We plan to keep this until 4:00 am at which point we flash a new restoration price of 130.6. This will be held until 10am to see where the rest of the town is at.” (Exhibit “M”)

- e. A Pioneer presentation entitled “Retail Operations Review Fiscal 2014” and an email from Troy Richter (Pioneer Director of Retail Operations - West) to Andy L. (I believe that Andy is Andy Landry, a Pioneer Regional Business Manager) dated June 24, 2014 and with the subject line “Pricing Tactics”, which both contain the following points:

“In non-daily ██████████ markets we will support ██████████ on ██████████ and will move/react downward if all independents fail to support

In daily restoration markets, we will be the last to restore (5:00am)

[...]

We have to show responsible pricing tactics/considerations in markets with high concentration of dealer sites” (Exhibit “N”)

- f. An email from Todd Hickman (Pioneer District Manager) to Kelly Nelson (Pioneer Director of Sales Operations) dated January 30, 2014, noting in part:

“██████████ – Darren has sent Pioneer offer. Best alternative as opposed to competing with Global and their BS offer and pissing off Parkland by trying to match a low ball offer.”

“██████████ – Using ██████████ as leverage. Sign the Pioneer deal for ██████████ and we will improve your ██████████ deal – buy price and \$ and we get some time too.”

I believe that Darren refers to Darren McLachlan of Pioneer Energy LP (Exhibit “O”);

- g. An email from Rob Wilston (Parkland Regional Operations Manager (retail Ontario East)) to Richard Lavoie (Parkland Territory Manager), dated April 15, 2013, titled “Re: Esso OtR supplied by Pioneer”. This email states in part:

“I am comfortable doing new projects with the dealer as aggressively as we need to be in any geography but I do not wish to take an existing Esso OTR off Pioneer as that becomes a problem that I think could get out of control.

These Finch dealers need to realize that they cannot keep switching Esso distributors all the time as they were attempting to do in Niagara Falls.” (Exhibit “P”)

- h. An email from Kevin Berkes (Parkland Territory Manager, Ontario) to Rob Wilston (Parkland Regional Operations Manager (retail Ontario East)) and copied to others, dated June 5, 2014, discussing his visit to a dealer site and stating in part that:

“I was at [REDACTED] yesterday discussing new contract. This visit, the Dealer had a copy of the Global LOI with him. I did not get a copy but the Dealer allowed me all the time I needed to copy the relevant information. This Dealer has been visited by Anthony twice and once from Dave Armstrong.”

I believe that Anthony is Anthony Simanavicius, Manager – Business Development Ontario at Global Fuels Inc. and that Dave Armstrong is the President of Global Fuels Inc. (Exhibit “Q”)

- i. An Excel spreadsheet that states that it was last updated June 20, 2014, from Parkland containing data regarding the length and price structure of competing wholesalers’ supply contracts, among other detailed information (Exhibit “R”).
- j. An email from Rob Wilston (Parkland Regional Operations Manager (retail Ontario East)) to Scott McKelvie (Parkland Director, Retail Operations) and Ian White (Parkland Director, Pioneer Retail) and copied to Peter Kilty (Parkland Vice President Retail Markets), dated August 29, 2014, regarding amongst other things, Parkland’s efforts to re-sign dealers. This email states in part that:

- i. “We have renewal offers from Global, Pioneer and McDougal in our sites. Our TM's would like the opportunity to return the favour. I was opposed to the "Wild West" approach and the long term ramifications but would really like to hit [REDACTED] before the convention. One of the troubles with the business is the largest pool of dealers left is that of the Esso distributors and they are canibalizing each other.”
- ii. Peter Kilty (Parkland Vice President Retail Markets) responded to Rob Wilston (Parkland Regional Operations Manager (retail Ontario East)), Scott McKelvie (Parkland Director, Retail Operations) and Ian White (Parkland Director, Pioneer Retail) on August 29, 2014. This response stated in part:

“Can you give me a list of sites that pioneer and McDougal have approached. I am quite surprised by the pioneer action and will speak with them directly on it - and for McDougal - I spoke with Darren on Monday and he assured me that he has been clear to his team and would veto any deals that came to him - so details and examples would be very helpful for my follow-up call.”

I believe that Darren is Darren McDougall, the owner of McDougall Energy (Exhibit “S”).

- k. An email from Ian White (Parkland Director, Pioneer Retail) to Peter Kilty (Parkland Vice President Retail Markets), dated September 27, 2014, regarding materials from Imperial Oil about an ESSO-branded wholesaler code of conduct. This email states in part that:

“From my perspective, given our current market share and what it will become after the Pioneer deal, this could work in our favour. I asked Scott how many legitimate NTI's we compete for every year and he thought [REDACTED]. With that in mind, I would sign up for a process that keeps competitors out of our existing sites and has us compete freely for NTI's.” (Exhibit “T”)

- l. An email from Troy Richter (Pioneer Director of Retail Operations) to Maria Litvak (Pioneer Regional Business Manager), dated January 30, 2014, regarding fuel pricing. This email states that:

“I noticed on the fuel pricing App, site #25 is showing competitors at 127.1 not the 127.8 expected restoration value. The survey was submitted at 5:15 a.m. Can you please confirm pricing is correct or was there an error and [REDACTED].” (Exhibit “U”)

- m. An email from Mike Schmidt (Pioneer Manitoba District Manager, ESSO RBD) to Brian Kitchen (Pioneer Vice President Sales Operations) and copied to two other Pioneer employees, dated March 1, 2012. This email shows Pioneer’s knowledge of PetroCanada supply terms. Specifically, this email states that:

“Brian, I had a meeting with our [REDACTED] dealer yesterday. He also operates the [REDACTED]. He raised the issue of rack pricing [REDACTED] vs Esso, and how [REDACTED] is on average [REDACTED] cents per litre less than Esso on average, and at times even greater. He provided me with a copy of an invoice from Feb 15th [...]” (Exhibit “V”)

- n. An email from Perry Sawka (an employee of what I believe to be a transportation company, Trimac) to Mike Schmidt (Pioneer Manitoba District Manager, ESSO RBD), dated February 29, 2012. This email specifies supply terms for a competing PetroCanada site. The email states that:

“The petro can we deliver to it...hauled out of regina.....side note..you never heard this from me...all petro can deliveries do not include fuel surcharge in the rates....it is all billed at month end and separate. The site would also be cheaper as a full load location...compared to the smaller deliveries to Virden Virden rate is .0225 with Pioneer. You have always been good to me...the petro can rate is....01957...plus fuel on this one. Please don’t share it.” (Exhibit “W”)

E. Harm to Consumers

26. For the reasons outlined in paragraph 14 herein and in the 92 Application, the Proposed Merger is likely to result in a material price increase. The total estimated annual volume of commerce arising from the sale of retail gasoline in the Relevant Markets in 2013 is 357,929,264 litres, as described below:

	Relevant Markets	2013 Volume of Commerce
1	Warren, MB	[REDACTED]

2	Allanburg, ON	12,421,983
3	Lundar, MB	██████████
4	Tillsonburg, ON	26,780,735
5	Innisfil, ON	37,351,242
6	Kapuskasing, ON	██████████
7	Hanover, ON	26,510,574
8	Bancroft, ON	19,836,819
9	Gananoque, ON	27,960,573
10	Chelmsford/Azilda, ON	28,513,449
11	Aberfoyle, ON	47,736,503
12	Port Perry, ON	40,318,182
13	Neepawa, MB	██████████
14	Welland, ON	62,522,905
	Total	357,929,264

27. In order to illustrate the potential harm to consumers, if the prices increase by one cent per litre post-merger, this will result in additional costs to consumers in the Relevant Markets of approximately \$3.5 million. This assumes that it takes 12 months to finally dispose of the 92 Application and that consumers purchase the same volume of gasoline.

28. To the extent that consumers purchase less gasoline as a result of the aforesaid price increase, this also harms consumers. For example, if the price elasticity of demand for retail gasoline is -0.3 then a 1% price increase would result in a 0.3% quantity reduction. If the pre-merger price of gasoline in the Relevant Markets is \$1.00 per litre and if, post-merger, this price increases by 1%, then the quantity demanded falls by approximately 1 million litres.

29. Accordingly, the likely substantial lessening of competition will have significant effects on consumers in the Relevant Markets before the 92 Application is finally disposed of.

Affirmed before me at the City of
Gatineau in the Province of Quebec on
30th day of April 2015.



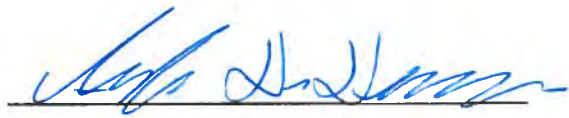
Commissioner for Taking Affidavits

Antonio D. Domenico



ALEXANDER N MC NABB

TAB A

A handwritten signature in blue ink, appearing to read "Alex N. Mc Nabb", is written over a horizontal line.

**This is Exhibit A to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2015/04/27
Time of Search: 02:04 PM
Search provided by: CNN CORPORATE SERVICES LTD.

Service Request Number: 23218132
Customer Reference Number: Industry Canada

Corporate Access Number: 209965201

Legal Entity Name: PARKLAND INDUSTRIES LTD.

Legal Entity Status: Active

Alberta Corporation Type: Named Alberta Corporation

Method of Registration: Amalgamation

Registration Date: 2002/06/28 YYYY/MM/DD

Registered Office:

Street: 4500 BANKERS HALL EAST, 855 - 2ND STREET SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P 4K7

Records Address:

Street: 5101, 333 - 96TH AVENUE N.E.
City: CALGARY
Province: ALBERTA
Postal Code: T3K 0S3

Directors:

Last Name: ESPEY
First Name: ROBERT
Middle Name: B.
Street/Box Number: 5101, 333 - 96TH AVENUE N.E.
City: CALGARY

Province: ALBERTA
Postal Code: T3K 0S3

Last Name: MCMILLAN
First Name: MIKE
Street/Box Number: 5101, 333 - 96TH AVENUE NE
City: CALGARY
Province: ALBERTA
Postal Code: T3K 0S3

Last Name: WAITING
First Name: KENDALL
Street/Box Number: 5101, 333 - 96TH AVENUE NE
City: CALGARY
Province: ALBERTA
Postal Code: T3K 0S3

Voting Shareholders:

Legal Entity Name: PARKLAND FUEL CORPORATION
Corporate Access Number: 2015222033
Street: 236, 4919 - 59TH STREET
City: RED DEER
Province: ALBERTA
Postal Code: T4N 6C9
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE OF SHARE PROVISIONS.
Share Transfers Restrictions: NONE.
Min Number Of Directors: 1
Max Number Of Directors: 15
Business Restricted To: NONE.
Business Restricted From: NONE.
Other Provisions: SEE ATTACHED SCHEDULE OF OTHER PROVISIONS.

Holding Shares In:

--

Legal Entity Name
PARKLAND REFINING LTD.
396325 ALBERTA INC.
1472490 ALBERTA LTD.
BLUEWAVE ENERGY LTD.
ISLAND PETROLEUM INC.
NEUFELD PETROLEUM & PROPANE LTD.
1714141 ALBERTA LTD.
ELBOW RIVER MARKETING LTD.

Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
AN MART FUELS	TN14917801
COLUMBIA FUELS	TN14796668
COLUMBIA FUELS	TN15006828
FAS GAS OIL	TN13240999
GREAT NORTHERN OIL	TN13300835
JOY PROPANE	TN13181714
NEUFELD PETROLEUM & PROPANE	TN13181680
OLIVER'S PROPANE	TN14917827
RACE TRAC FUELS	TN13241021
ROBLYN BULK SALES	TN14917884
SHORT STOP FOOD STORES	TN13241047
UNITED PETROLEUM PRODUCTS	TN13300959

Other Information:

Amalgamation Predecessors:

Corporate Access Number	Legal Entity Name
209877802	987780 ALBERTA LTD.
209883867	988386 ALBERTA LTD.
209937093	993709 ALBERTA LTD.
209937838	993783 ALBERTA LTD.
209938596	993859 ALBERTA LTD.
209943638	994363 ALBERTA LTD.

209876176	FAS GAS OIL LTD.
200287894	PARKLAND INDUSTRIES LTD.

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2014	2014/06/30

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2002/06/28	Amalgamate Alberta Corporation
2011/05/05	Name/Structure Change Alberta Corporation
2011/06/28	Change Address
2011/07/27	Capture Microfilm/Electronic Attachments
2014/06/30	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2015/02/25	Change Director / Shareholder

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Statutory Declaration	10000600000420682	2002/06/28
Amalgamation Agreement	10000900000420685	2002/06/28
Articles/Plan of Arrangement/Court Order	10000300000420688	2002/06/28
Share Structure	ELECTRONIC	2002/06/28
Other Rules or Provisions	ELECTRONIC	2002/06/28
Amended Annual Return	10000907110286861	2011/07/27
Statutory Declaration Notice Error	10000107106594589	2013/08/20

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2015/04/28
Time of Search: 08:56 AM
Search provided by: CNN CORPORATE SERVICES LTD.

Service Request Number: 23221814
Customer Reference Number: Ind Canada

Corporate Access Number: 2015222033

Legal Entity Name: PARKLAND FUEL CORPORATION

Legal Entity Status: Active

Alberta Corporation Type: Named Alberta Corporation

Registration Date: 2010/03/09 YYYY/MM/DD

Registered Office:

Street: 4500, 855 - 2ND STREET S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 4K7

Records Address:

Street: 5101, 333 - 96TH AVENUE N.E.
City: CALGARY
Province: ALBERTA
Postal Code: T3K 0S3

Directors:

Last Name: BECHTOLD
First Name: JOHN
Middle Name: F.
Street/Box Number: 5101, 333 - 96TH AVENUE N.E.
City: CALGARY
Province: ALBERTA

Postal Code: T3K 0S3
Last Name: COLNETT
First Name: LISA
Street/Box Number: 5101, 333 - 96TH AVENUE N.E.
City: CALGARY
Province: ALBERTA
Postal Code: T3K 0S3

Last Name: ESPEY
First Name: ROBERT
Middle Name: B.
Street/Box Number: 5101, 333 - 96TH AVENUE N.E.
City: CALGARY
Province: ALBERTA
Postal Code: T3K 0S3

Last Name: PANTELIDIS
First Name: JAMES
Street/Box Number: 5101, 333 - 96TH AVENUE N.E.
City: CALGARY
Province: ALBERTA
Postal Code: T3K 0S3

Last Name: PILLA
First Name: DOMENIC
Street/Box Number: 5101, 333 - 96TH AVENUE N.E.
City: CALGARY
Province: ALBERTA
Postal Code: T3K 0S3

Last Name: ROGERS
First Name: RONALD
Street/Box Number: 5101, 333 - 96TH AVENUE N.E.
City: CALGARY
Province: ALBERTA
Postal Code: T3K 0S3

Last Name: SPENCER
First Name: DAVID
Middle Name: A.
Street/Box Number: 4500, 855 - 2ND STREET S.W.

City: CALGARY
Province: ALBERTA
Postal Code: T2P 4K7

Transfer Agents:

Legal Entity Name: COMPUTERSHARE TRUST COMPANY OF CANADA
Corporate Access Number: 309229359
Street: SUITE 600, 530 - 8TH AVENUE S.W.
City: CALGARY
Province: ALBERTA
Postal Code: T2P 3S8

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: THE ATTACHED SCHEDULE OF SHARE CAPITAL IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

Share Transfers Restrictions: NONE

Min Number Of Directors: 1

Max Number Of Directors: 15

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: THE ATTACHED SCHEDULE OF OTHER PROVISIONS IS INCORPORATED INTO AND FORMS PART OF THIS FORM.

Holding Shares In:

Legal Entity Name
PARKLAND INDUSTRIES LTD.

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2015	2015/03/24

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2010/03/09	Incorporate Alberta Corporation
2010/12/07	Name/Structure Change Alberta Corporation
2010/12/31	Update Plan of Arrangement - No Amendment
2015/01/07	Change Director / Shareholder
2015/03/24	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2010/03/09
Other Rules or Provisions	ELECTRONIC	2010/03/09
Shares in Series	ELECTRONIC	2010/12/07
Articles/Plan of Arrangement/Court Order	10000902000447269	2010/12/31

This is to certify that, as of this date, the above information is an accurate reproduction of data contained within the official records of the Corporate Registry.



TAB B



A handwritten signature in blue ink, appearing to read "Alex N. Mc Nabb", is written over a horizontal line.

**This is Exhibit B to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

LIMITED PARTNERSHIPS REPORT

Firm name registered under the *Limited Partnerships Act*

PIONEER PETROLEUMS HOLDING LIMITED
PARTNERSHIP

Business Identification Number

980959886

Business Type

LIMITED PARTNERSHIP

Mailing Address

1122 INTERNATIONAL BLVD
No. 700
BURLINGTON
ONTARIO
CANADA, L7L 6Z8

Address of Principal Place of Business in Ontario

1122 INTERNATIONAL BLVD
No. 700
BURLINGTON
ONTARIO
CANADA, L7L 6Z8

General Nature of Business

HOLDING MANAGEMENT RETAIL PETROLEUM

Jurisdiction of Formation

ONTARIO

Declaration Date

NOT APPLICABLE

Expiry Date

2018/08/22

Renewal Date

2013/08/15

Change Date(s)

NOT APPLICABLE

Last Document Filed

RENEWAL

Dissolution/Withdrawal Date

NOT APPLICABLE

Last Document Filed Date

2013/08/15

Current Partnership Business Names Exist:

NO

Expired Partnership Business Names Exist:

NO

Former Names

NOT APPLICABLE

Date of Name Change

LIMITED PARTNERSHIPS REPORT

Firm name registered under the *Limited Partnerships Act*

PIONEER PETROLEUMS HOLDING LIMITED
PARTNERSHIP

Business Identification Number

980959886

Business Type

LIMITED PARTNERSHIP

Information Regarding General Partner(s)

Name (Individual/Corporation/Other)

PIONEER PETROLEUMS HOLDING INC.

Corporate Number: 1042438

Address

1122 INTERNATIONAL BLVD

No. 700
BURLINGTON
ONTARIO
CANADA, L7L 6Z8

Name of Signatory

HOGARTH, TIMOTHY WATSON

Power of Attorney

NO

Former Limited Partnership Names will only be displayed for Declarations registered on or after April 1, 1994.

This Report sets out the most recent information registered on or after April 1, 1994 and recorded in the Ontario Business Information System as of the last business day.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

LIMITED PARTNERSHIPS REPORT

Firm name registered under the *Limited Partnerships Act*

PIONEER ENERGY LP

Business Identification Number

980931992

Business Type

LIMITED PARTNERSHIP

Mailing Address

1122 INTERNATIONAL BLVD
BURLINGTON
ONTARIO
CANADA, L7L 6Z8

Address of Principal Place of Business in Ontario

1122 INTERNATIONAL BLVD
BURLINGTON
ONTARIO
CANADA, L7L 6Z8

General Nature of Business

RETAIL PETROLEUM MARKETING

Jurisdiction of Formation

ONTARIO

Declaration Date

NOT APPLICABLE

Expiry Date

2018/08/21

Renewal Date

2011/01/31

Change Date(s)

NOT APPLICABLE

Last Document Filed

NEW DECLARATION

Dissolution/Withdrawal Date

NOT APPLICABLE

Last Document Filed Date

2011/01/31

Current Partnership Business Names Exist:

NO

Expired Partnership Business Names Exist:

NO

LIMITED PARTNERSHIPS REPORT

Firm name registered under the *Limited Partnerships Act*

PIONEER ENERGY LP

Business Identification Number

980931992

Business Type

LIMITED PARTNERSHIP

Former Names

PIONEER PETROLEUMS LIMITED PARTNERSHIP

Date of Name Change

2011/01/31

LIMITED PARTNERSHIPS REPORT

Firm name registered under the *Limited Partnerships Act*

PIONEER ENERGY LP

Business Identification Number

980931992

Business Type

LIMITED PARTNERSHIP

Information Regarding General Partner(s)

Name (Individual/Corporation/Other)

PIONEER ENERGY MANAGEMENT INC.

Corporate Number: 1042439

Address

1122 INTERNATIONAL BLVD

BURLINGTON
ONTARIO
CANADA, L7L 6Z8

Name of Signatory

HOGARTH, TIMOTHY W.

Power of Attorney

NO

Former Limited Partnership Names will only be displayed for Declarations registered on or after April 1, 1994.

This Report sets out the most recent information registered on or after April 1, 1994 and recorded in the Ontario Business Information System as of the last business day.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1033389	PIONEER PETROLEUMS TRANSPORT INC.	1993/08/30
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
1122 INTERNATIONAL BLVD	NOT APPLICABLE	NOT APPLICABLE
Suite # 700 BURLINGTON ONTARIO CANADA L7L 6Z8	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address	Letter Date	NOT APPLICABLE
1122 INTERNATIONAL BLVD	Revival Date	Continuation Date
Suite # 700 BURLINGTON ONTARIO CANADA L7L 6Z8	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	
	Minimum	Maximum
	00001	00001
Activity Classification	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	NOT APPLICABLE	NOT APPLICABLE

CORPORATION PROFILE REPORT

Ontario Corp Number

1033389

Corporation Name

PIONEER PETROLEUMS TRANSPORT INC.

Corporate Name History

PIONEER PETROLEUMS TRANSPORT INC.

Effective Date

1993/08/30

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

**Administrator:
Name (Individual / Corporation)**

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2014/08/11

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

CORPORATION PROFILE REPORT

Ontario Corp Number

1033389

Corporation Name

PIONEER PETROLEUMS TRANSPORT INC.

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2014/08/11

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2014/08/11

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

CORPORATION PROFILE REPORT

Ontario Corp Number

1033389

Corporation Name

PIONEER PETROLEUMS TRANSPORT INC.

**Administrator:
Name (Individual / Corporation)**

VICTOR
E.
HOLDSWORTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

1999/04/26

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

**Administrator:
Name (Individual / Corporation)**

VICTOR
E.
HOLDSWORTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

1999/04/26

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

GENERAL MANAGER

Resident Canadian

CORPORATION PROFILE REPORT

Ontario Corp Number

1033389

Corporation Name

PIONEER PETROLEUMS TRANSPORT INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2014	1C	2015/03/14 (ELECTRONIC FILING)

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ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Amalgamation Date
1880786	PIONEER ENERGY INC.	2012/10/01
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	AMALGAMATED	NOT AVAILABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
1122 INTERNATIONAL BLVD	2014/10/01	A
Suite # 700 BURLINGTON ONTARIO CANADA L7L 6Z8	New Amal. Number	Notice Date
	001923810	NOT APPLICABLE
Mailing Address		Letter Date
1122 INTERNATIONAL BLVD		NOT APPLICABLE
Suite # 700 BURLINGTON ONTARIO CANADA L7L 6Z8	Revival Date	Continuation Date
	NOT APPLICABLE	NOT AVAILABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	
	Minimum	Maximum
	00001	00010
Activity Classification	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	NOT APPLICABLE	NOT APPLICABLE

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1880786	PIONEER ENERGY INC.

Corporate Name History	Effective Date
PIONEER ENERGY INC.	2012/10/01

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Amalgamating Corporations

Corporation Name	Corporate Number
2109909 ONTARIO INC.	2109909
PIONEER ENERGY INC.	1856832
FIRST PIONEER PETROLEUMS (SOUTHERN) INC.	892848

CORPORATION PROFILE REPORT

Ontario Corp Number

1880786

Corporation Name

PIONEER ENERGY INC.

Administrator:

Name (Individual / Corporation)

HARVEY
D.
DYCK

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2012/10/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2012/10/01

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number

1880786

Corporation Name

PIONEER ENERGY INC.

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2012/10/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

MURRAY
EDGAR
HOGARTH

Address

2320 LAKESHORE ROAD

BURLINGTON
ONTARIO
CANADA L7R 1B2

Date Began

2012/10/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

CORPORATION PROFILE REPORT

Ontario Corp Number

1880786

Corporation Name

PIONEER ENERGY INC.

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2013/09/30

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHAIRMAN

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

VICTOR
HOLDSWORTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2012/10/01

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

CORPORATION PROFILE REPORT

Ontario Corp Number

1880786

Corporation Name

PIONEER ENERGY INC.

Last Document Recorded

Act/Code	Description	Form	Date
BCA	AMALGAMATION MEMO TO FILE	4	2014/10/01

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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Amalgamation Date
1923810	PIONEER FUELS INC.	2014/10/01
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
1122 INTERNATIONAL BLVD	NOT APPLICABLE	A
Suite # 700 BURLINGTON ONTARIO CANADA L7L 6Z8	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address	Letter Date	
NOT AVAILABLE	NOT APPLICABLE	
	Revival Date	Continuation Date
	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Date Commenced in Ontario	Date Ceased in Ontario
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors Minimum Maximum	
	00001 00010	
Activity Classification		
NOT AVAILABLE		

CORPORATION PROFILE REPORT

Ontario Corp Number

1923810

Corporation Name

PIONEER FUELS INC.

Corporate Name History

PIONEER FUELS INC.

Effective Date

2014/10/01

Current Business Name(s) Exist:

NO

Expired Business Name(s) Exist:

NO

Amalgamating Corporations

Corporation Name

PIONEER FUELS INC.

PIONEER ENERGY INC.

1796745 ONTARIO LTD.

Corporate Number

1304833

1880786

1796745

CORPORATION PROFILE REPORT

Ontario Corp Number

1923810

Corporation Name

PIONEER FUELS INC.

Administrator:

Name (Individual / Corporation)

HARVEY
D.
DYCK

Address

1122 INTERNATIONAL BLVD

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2014/10/01

First Director

YES

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2014/10/01

First Director

YES

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number

1923810

Corporation Name

PIONEER FUELS INC.

**Administrator:
Name (Individual / Corporation)**

VICTOR
E.
HOLDSWORTH

Address

1122 INTERNATIONAL BLVD

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2014/10/01

First Director

YES

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1923810	PIONEER FUELS INC.

Last Document Recorded		
Act/Code	Description	Date
BCA	ARTICLES OF AMALGAMATION	2014/10/01

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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1042438	PIONEER PETROLEUMS HOLDING INC.	1993/08/30
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
1122 INTERNATIONAL BLVD	NOT APPLICABLE	NOT APPLICABLE
Suite # SUITE 700 BURLINGTON ONTARIO CANADA L7L 6Z8	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address	Letter Date	NOT APPLICABLE
1122 INTERNATIONAL BLVD	Revival Date	Continuation Date
Suite # 700 BURLINGTON ONTARIO CANADA L7L 6Z8	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	
	Minimum	Maximum
	00001	00006
Activity Classification	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	NOT APPLICABLE	NOT APPLICABLE

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1042438	PIONEER PETROLEUMS HOLDING INC.

Corporate Name History	Effective Date
PIONEER PETROLEUMS HOLDING INC.	1993/08/30

Current Business Name(s) Exist:	NO
Expired Business Name(s) Exist:	NO

Administrator: Name (Individual / Corporation)	Address
GEOFFREY HUNTER HOGARTH	1122 INTERNATIONAL BLVD. Suite # 700 BURLINGTON ONTARIO CANADA L7L 6Z8

Date Began	First Director	
1998/07/22	NOT APPLICABLE	
Designation	Officer Type	Resident Canadian
DIRECTOR		Y

CORPORATION PROFILE REPORT

Ontario Corp Number

1042438

Corporation Name

PIONEER PETROLEUMS HOLDING INC.

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

1998/09/28

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHIEF EXECUTIVE OFFICER

Resident Canadian

Name (Individual / Corporation)

TIMOTHY WATSON
HOGARTH

**Administrator:
Address**

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2013/04/16

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHAIRMAN

Resident Canadian

CORPORATION PROFILE REPORT

Ontario Corp Number

1042438

Corporation Name

PIONEER PETROLEUMS HOLDING INC.

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2013/04/16

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2013/04/17

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number

1042438

Corporation Name

PIONEER PETROLEUMS HOLDING INC.

Administrator:

Name (Individual / Corporation)

GREGORY
M.R.
HOGARTH

Address

1122 INTERNATIONAL BLVD

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2014/08/11

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2014/08/11

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

CORPORATION PROFILE REPORT

Ontario Corp Number

1042438

Corporation Name

PIONEER PETROLEUMS HOLDING INC.

**Administrator:
Name (Individual / Corporation)**

WILLIAM
A.
MACKINNON

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2009/10/23

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

**Administrator:
Name (Individual / Corporation)**

THOMAS
C.
MACMILLAN

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2009/10/23

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number

1042438

Corporation Name

PIONEER PETROLEUMS HOLDING INC.

**Administrator:
Name (Individual / Corporation)**

F.
JAMES
RYAN

Address

1122 INTERNATIONAL BLVD

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2009/10/23

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number

1042438

Corporation Name

PIONEER PETROLEUMS HOLDING INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2014	1C	2015/03/07 (ELECTRONIC FILING)

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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date
1042439	PIONEER ENERGY MANAGEMENT INC.	1993/08/30
		Jurisdiction
		ONTARIO
Corporation Type	Corporation Status	Former Jurisdiction
ONTARIO BUSINESS CORP.	ACTIVE	NOT APPLICABLE
Registered Office Address	Date Amalgamated	Amalgamation Ind.
1122 INTERNATIONAL BLVD	NOT APPLICABLE	NOT APPLICABLE
Suite # SUITE 700 BURLINGTON ONTARIO CANADA L7L 6Z8	New Amal. Number	Notice Date
	NOT APPLICABLE	NOT APPLICABLE
Mailing Address	Letter Date	NOT APPLICABLE
1122 INTERNATIONAL BLVD	Revival Date	Continuation Date
Suite # 700 BURLINGTON ONTARIO CANADA L7L 6Z8	NOT APPLICABLE	NOT APPLICABLE
	Transferred Out Date	Cancel/Inactive Date
	NOT APPLICABLE	NOT APPLICABLE
	EP Licence Eff.Date	EP Licence Term.Date
	NOT APPLICABLE	NOT APPLICABLE
	Number of Directors	
	Minimum	Maximum
	00001	00006
Activity Classification	Date Commenced in Ontario	Date Ceased in Ontario
NOT AVAILABLE	NOT APPLICABLE	NOT APPLICABLE

CORPORATION PROFILE REPORT

Ontario Corp Number

1042439

Corporation Name

PIONEER ENERGY MANAGEMENT INC.

Corporate Name History

Effective Date

PIONEER ENERGY MANAGEMENT INC.

2011/01/31

PIONEER PETROLEUMS MANAGEMENT INC.

1993/08/30

Current Business Name(s) Exist:

YES

Expired Business Name(s) Exist:

YES - SEARCH REQUIRED FOR DETAILS

Administrator:

Name (Individual / Corporation)

JAMES
R.
FLINDALL

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

1993/09/27

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number

1042439

Corporation Name

PIONEER ENERGY MANAGEMENT INC.

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

1993/09/27

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

1993/09/27

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHIEF EXECUTIVE OFFICER

Resident Canadian

CORPORATION PROFILE REPORT

Ontario Corp Number

1042439

Corporation Name

PIONEER ENERGY MANAGEMENT INC.

**Administrator:
Name (Individual / Corporation)**

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2009/03/26

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

**Administrator:
Name (Individual / Corporation)**

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2013/04/16

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHAIRMAN

Resident Canadian

CORPORATION PROFILE REPORT

Ontario Corp Number

1042439

Corporation Name

PIONEER ENERGY MANAGEMENT INC.

Administrator:

Name (Individual / Corporation)

GREGORY
M.R.
HOGARTH

Address

1122 INTERNATIONAL BLVD

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2014/08/11

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2014/08/11

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

SECRETARY

Resident Canadian

CORPORATION PROFILE REPORT

Ontario Corp Number

1042439

Corporation Name

PIONEER ENERGY MANAGEMENT INC.

**Administrator:
Name (Individual / Corporation)**

WILLIAM
A.
MACKINNON

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2009/10/23

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

**Administrator:
Name (Individual / Corporation)**

THOMAS
C.
MACMILLAN

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2009/10/23

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number

1042439

Corporation Name

PIONEER ENERGY MANAGEMENT INC.

**Administrator:
Name (Individual / Corporation)**

JAMES
F.
RYAN

Address

1122 INTERNATIONAL BLVD

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2009/10/23

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number

1042439

Corporation Name

PIONEER ENERGY MANAGEMENT INC.

Last Document Recorded

Act/Code	Description	Form	Date
CIA	ANNUAL RETURN 2014	1C	2015/03/07 (ELECTRONIC FILING)

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ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.**

The issuance of this report in electronic form is authorized by the Ministry of Government Services.



Corporate Affairs Registry Database

Help

The credit card transaction was successful

- Transaction Amount: **\$3.39**
- Transaction #: **1519834**
- Authorization #: **143046**
- Date of Transaction: **2015-04-27 03:26:00**
- HST #: **10786 3888 RT0006**

We recommend that you print this screen and retain it with your records

New Search

Previous

General Information

Reference Number:	668086
Name:	668086 N.B. Limited
Registration Date:	2013-01-24
Category Code:	60
Category:	corporation – Business Corporations Act
Status Code:	A
Status:	Active
Last Status Change Date:	2014-03-05

Available Documents

Click [here](#) to view electronic documents for this record.

Click [here](#) to order paper copies of documents.

Click [here](#) to order certified copies of documents.

Annual Return Information

Last Annual Return Filed: 2015

Registered Office

Address: 644 Main Street Suite 400 Moncton NB E1C 1E2

Directors

Name: Dyck, Harvey D.
Address: 1122 International Boulevard Suite 700 Burlington ON L7L 6Z8

Name: Hogarth, Timothy Watson
Address: 1122 International Boulevard Suite 700 Burlington ON L7L 6Z8

Name: Holdsworth, Victor E.
Address: 1122 International Boulevard Suite 700 Burlington ON L7L 6Z8

Profile

[Printer Version](#)[New Search](#)[Back to Inquiry Results](#)

[Profile Info](#) [People Info](#) [Activites Info](#) [Related Reg's Info](#)

PROFILE - 3269344 NOVA SCOTIA LIMITED - as of: 2015-04-24 11:48 AM

Business/Organization Name:	3269344 NOVA SCOTIA LIMITED
Registry ID:	3269344
Type:	N.S. Limited Company
Nature of Business:	
Status:	Active
Jurisdiction:	Nova Scotia
Registered Office:	Suite 1300, 1969 Upper Water Street, Purdy's Wharf Tower II Halifax NS Canada B3J 3R7
Mailing Address:	P.O. Box 730 Halifax NS Canada B3J 2V1

PEOPLE

Name	Position	Civic Address	Mailing Address
Victor E. Holdsworth	Director	1122 International Boulevard, Suite 700 Burlington ON L7L 6Z8	
Timothy Watson Hogarth	Director	1122 International Boulevard, Suite 700 Burlington ON L7L 6Z8	
Harvey D. Dyck	Director	1122 International Boulevard, Suite 700 Burlington ON L7L 6Z8	
Brian Kitchen	Vice-President of Operations	1122 International Boulevard, Suite 700 Burlington ON L7L 6Z8	
Timothy Watson Hogarth	Pres/Sec/CEO	1122 International Boulevard, Suite 700 Burlington ON L7L 6Z8	
Victor E. Holdsworth	Sr. Vice-President of Supply	1122 International Boulevard, Suite 700 Burlington ON L7L 6Z8	
Harvey D. Dyck	Sr. Vice-President of Finance	1122 International Boulevard, Suite 700 Burlington ON L7L 6Z8	
George Monroe	Recognized Agent	Suite 1300 - 1969 Upper Water Street, Purdy's Wharf Tower II Halifax NS B3J 3R7	P.O. Box 730 Halifax NS B3J 2V1

ACTIVITIES

Activity	Date
Annual Renewal	2015-01-19
Annual Statement Filed	2015-01-19
Annual Renewal	2014-01-20
Annual Statement Filed	2014-01-20
Filed Document	2013-04-02
Change of Directors	2013-03-01
Appoint an Agent	2013-03-01
Address Change	2013-03-01
Special Resolution	2013-03-01
Special Resolution	2013-03-01
Incorporated and Registered	2013-01-24

Show All [Collapse](#)

RELATED REGISTRATIONS

There are no related registrations on file for this company.

New Search

Back to Inquiry Results

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CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name	Incorporation Date	
1796745	1796745 ONTARIO LTD.	2010/04/22	
		Jurisdiction	
		ONTARIO	
Corporation Type	Corporation Status	Former Jurisdiction	
ONTARIO BUSINESS CORP.	AMALGAMATED	NOT AVAILABLE	
Registered Office Address		Date Amalgamated	Amalgamation Ind.
1250 ROSSLYN ROAD		2014/10/01	NOT APPLICABLE
THUNDER BAY ONTARIO CANADA P7E 6V9		New Amal. Number	Notice Date
		001923810	NOT APPLICABLE
Mailing Address			Letter Date
1122 INTERNATIONAL BLVD			NOT APPLICABLE
Suite # SUITE 700 BURLINGTON ONTARIO CANADA L7L 6Z8		Revival Date	Continuation Date
		NOT APPLICABLE	NOT AVAILABLE
		Transferred Out Date	Cancel/Inactive Date
		NOT APPLICABLE	NOT APPLICABLE
		EP Licence Eff.Date	EP Licence Term.Date
		NOT APPLICABLE	NOT APPLICABLE
		Date Commenced in Ontario	Date Ceased in Ontario
		NOT APPLICABLE	NOT APPLICABLE
Activity Classification		Number of Directors	
NOT AVAILABLE		Minimum 00001 Maximum 00010	

CORPORATION PROFILE REPORT

Ontario Corp Number

1796745

Corporation Name

1796745 ONTARIO LTD.

Corporate Name History

1796745 ONTARIO LTD.

Effective Date

2010/04/22

Current Business Name(s) Exist:

YES

Expired Business Name(s) Exist:

NO

**Administrator:
Name (Individual / Corporation)**

HARVEY
D.
DYCK

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2011/11/24

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number

1796745

Corporation Name

1796745 ONTARIO LTD.

Administrator:

Name (Individual / Corporation)

HARVEY
D.
DYCK

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2011/11/25

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2011/11/24

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

CHIEF EXECUTIVE OFFICER

Resident Canadian

CORPORATION PROFILE REPORT

Ontario Corp Number

1796745

Corporation Name

1796745 ONTARIO LTD.

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2011/11/24

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

Administrator:

Name (Individual / Corporation)

TIMOTHY
WATSON
HOGARTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2011/11/24

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

PRESIDENT

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number

1796745

Corporation Name

1796745 ONTARIO LTD.

**Administrator:
Name (Individual / Corporation)**

VICTOR
E.
HOLDSWORTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2011/11/24

First Director

NOT APPLICABLE

Designation

OFFICER

Officer Type

VICE-PRESIDENT

Resident Canadian

**Administrator:
Name (Individual / Corporation)**

VICTOR
E.
HOLDSWORTH

Address

1122 INTERNATIONAL BLVD.

Suite # 700
BURLINGTON
ONTARIO
CANADA L7L 6Z8

Date Began

2011/11/24

First Director

NOT APPLICABLE

Designation

DIRECTOR

Officer Type

Resident Canadian

Y

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1796745	1796745 ONTARIO LTD.

Administrator: Name (Individual / Corporation)	Address
BRIAN R. KITCHEN	1122 INTERNATIONAL BLVD. Suite # 700 BURLINGTON ONTARIO CANADA L7L 6Z8

Date Began	First Director	Resident Canadian
2011/11/24	NOT APPLICABLE	
Designation	Officer Type	
OFFICER	VICE-PRESIDENT	

CORPORATION PROFILE REPORT

Ontario Corp Number	Corporation Name
1796745	1796745 ONTARIO LTD.

Last Document Recorded		
Act/Code	Description	Date
BCA	AMALGAMATION MEMO TO FILE	2014/10/01

THIS REPORT SETS OUT THE MOST RECENT INFORMATION FILED BY THE CORPORATION ON OR AFTER JUNE 27, 1992, AND RECORDED IN THE ONTARIO BUSINESS INFORMATION SYSTEM AS AT THE DATE AND TIME OF PRINTING. ALL PERSONS WHO ARE RECORDED AS CURRENT DIRECTORS OR OFFICERS ARE INCLUDED IN THE LIST OF ADMINISTRATORS.

ADDITIONAL HISTORICAL INFORMATION MAY EXIST ON MICROFICHE.

The issuance of this report in electronic form is authorized by the Ministry of Government Services.

TAB C

A handwritten signature in blue ink, appearing to read "A. N. Mc Nabb", is written over a horizontal line.

**This is Exhibit C to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**







PETROLEUM PRODUCTS SUPPLY AND PURCHASE AGREEMENT

THIS AGREEMENT made effective this 1 day of April, A.D. 2006.

BETWEEN:

PARKLAND INDUSTRIES LIMITED PARTNERSHIP
by its General Partner **PARKLAND INDUSTRIES LTD.**
236, 4919 - 59 Street
RED DEER, Alberta, T4N 6C9
(hereinafter called the "Seller")

- AND -

 and 
 and  operating as
WARREN HARDWARE 2001; and WARREN HARDWARE 2001
212 MacDonald Avenue (BOX 550)
WARREN, Manitoba R0C 3E0
(hereinafter called the "Buyer")

THE SELLER AND BUYER (if more than one, jointly and severally) agree together as follows:

EXECUTION

1.01 Neither this Agreement nor any amendment or supplement thereto will be binding on the Seller unless and until it is signed on the Seller's behalf by the representatives duly authorized and a copy thereof so signed is delivered to the Buyer.

REPRESENTATION

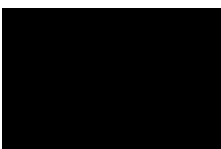
2.01 The Buyer represents and warrants to the Seller, which representations and warranties the Seller is relying upon in entering into this Agreement, that the Buyer will not be in breach of any contractual obligation with any third party with respect to petroleum fuels purchased by the Buyer as a result of the Buyer entering into this Agreement.

PRODUCTS

3.01 The Seller will supply and the Buyer will purchase from the Seller all of the Buyer's requirements of light petroleum fuels for resale in the conduct of the Buyer's business (hereinafter called the "Business") on or from the lands and premises (hereinafter called the "Premises") legally described as follows:

**LOT 6 BLOCK 2 PLAN 2500 WLTO
EXC THEREOUT ALL MINES AND MINERALS VESTED IN
THE CROWN (MANITOBA) BY THE REAL PROPERTY ACT
IN SECTION 28-13-1 WPM**

And municipally located at: **212 MacDonald Avenue (BOX 550), WARREN, Manitoba R0C 3E0**



FUEL HANDLING EQUIPMENT

4.01 The Buyer will properly maintain in a safe condition all tanks, piping, dispensers, hoses, nozzles and connections in or through which light petroleum fuels is handled while under the Buyer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment"). The Seller may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a) The Buyer warrants and represents to the Seller that as of the commencement of this Agreement, the storage tanks, tight fill connections and dispensing equipment on the Premises are in good working condition and repair and meet regulatory requirements.
- b) The Buyer will keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Premises in good condition and repair, and to meet regulatory requirements. The Buyer will make all needed repairs and replacements promptly.
- c) The Buyer will comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.
- d) The Buyer will have in place on all underground motor fuels storage tanks the following equipment:
 - i) spill containment boxes; and
 - ii) overfill prevention valves.
- e) Notwithstanding any other provisions in this Agreement, if the Seller is required by law, or if in the Seller's reasonable opinion, the delivery to the Buyer of light petroleum fuels may constitute a hazard to life, property or the environment (a "hazard"), then the Seller may at any time and without liability therefore suspend or delay delivery of light petroleum fuels. The Seller will not be obligated to re-commence delivery of the light petroleum fuels until the Seller is satisfied, in its sole discretion, that the hazard does not exist or has ceased to exist.
- f) The Buyer agrees:
 - i) that if the Seller does or causes the doing of any act to remedy a hazard, whether or not the acts are required by law, the Buyer will pay the Seller for all costs and expenses incurred by the Seller for the doing of such act; and

- 3 -

- ii) upon completion of the delivery of any light petroleum fuels, the Buyer will inspect the Premises for any spillage of any light petroleum fuels or other substance and so notify the Seller immediately if any such spillage is determined to have occurred and the Buyer will immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.

- g) The Seller will have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Premises in response to actual or potential environmental hazards.

ENVIRONMENTAL CONTAMINATION & INDEMNIFICATION

4.02 The Buyer hereby assumes any and all environmental liabilities relating to the Premises, and the Buyer shall indemnify and save harmless the Seller its directors, officers, affiliated entities, employees, servants, agents, predecessors, successors or assigns against all actions, proceedings, claims, demands, losses, costs, damages and expenses of any nature which may be brought against or suffered by the Seller or which it may sustain, pay or incur as a result of or in any way connected with the environmental state or condition of the Premises or any decontamination or clean-up of any environmental contamination on or originating from the Premises whether such state or condition existed before, or arises on or after the commencement of this Agreement. Provided that, nothing contained in this clause shall obligate the Buyer to indemnify and save harmless the Seller for environmental contamination on the Premises and adjacent lands caused by or contributed to by the negligence, error or omission of the Seller, its agents or employees upon the Premises while the Seller is transferring petroleum products from its delivery trucks to the fuel storage tanks located at the Premises. This indemnification shall survive the expiration or earlier termination of this Agreement.

TERM

5.01 Subject to any rights of termination hereunder, this Agreement will be in effect for an initial term of **Five (5) Years**, commencing on the **1 day of April, A.D. 2006**, and ending on the **31 day of March, A.D. 2011**.

5.02 This Agreement shall have **one automatic Five (5) Year** renewal term unless the Seller gives not less than ninety (90) days written notice to the Buyer prior to the expiration of the initial term of this Agreement of their intention to terminate. All conditions and provisions of this Agreement for the renewal term will remain the same; **EXCEPTING ONLY** that in the event that the parties agree upon any changes to this Agreement for the renewal term, then all changes must be expressed in writing and executed by all parties hereto in the same manner and with the same formality as this Agreement is executed.

DELIVERY

6.01 In this Agreement "light petroleum fuels" means the types of light petroleum fuels described as follows:

Regular Unleaded

The term "light petroleum fuels" shall also include such other fuels similar to the foregoing fuels as may be carried by the Seller after the commencement of this Agreement.

6.02 The Buyer will order light petroleum fuels in orders of a minimum of [REDACTED] litres per delivery with each product ordered in amounts not less than [REDACTED] litres. Unless prior approval is received from the Seller to allow for fuel purchases in orders less than the said minimum of litres per delivery and less than [REDACTED] litres per product, then the Buyer agrees to pay such additional charges as may be levied on all deficient litres.

6.03 The Buyer will give not less than **48 hours** notice plus sufficient travel time for Seller's delivery trucks when placing orders, and the Seller will furnish transportation from the point of supply to the Premises. Any orders placed after 2:00 p.m. Mountain Standard Time (MST) will be deemed to have been received at 8:00 a.m. MST on the following business day and delivery time will be calculated from that time. If the Buyer gives less than the required minimum notice and delivery can be met then the Buyer agrees to pay such additional charges as may be levied by the Seller.

VOLUME

7.01 For the purposes of this Agreement, "Agreement Year" means the period commencing on **April 1** in any calendar year and ending the following **March 31**.

7.02 The volume of light petroleum fuels to be sold and delivered by the Seller to the Buyer during each Agreement Year will not be less than [REDACTED] litres and not more than [REDACTED] litres.

7.03 For determining the quantities of light petroleum fuels purchased during any Agreement Year, the Seller's records of deliveries to the Buyer will be accepted as final.

7.04 It is agreed that the volumes of light petroleum fuels as outlined in clause 7.02 are only for retail sale to the automotive motor fuel trade at the Premises.

EXCESS REQUIREMENTS

8.01 If during any Agreement Year the Buyer's requirements for light petroleum fuels exceed the maximum annual volume in effect for such Agreement Year, the Seller will have the first option of supplying such excess volume, but if the Seller is unable to supply such excess volume, the Buyer may purchase its additional requirements from another supplier.

TERMINATION ON DEFICIENCY

9.01 If during any Agreement Year the Buyer fails to purchase the minimum volume of light petroleum fuels in effect for such year, the Seller may, in addition to other remedies, terminate this Agreement on thirty (30) days notice to the Buyer.

PRICE

10.01 The Buyer will pay to the Seller for light petroleum fuels sold hereunder the price in effect at the Seller's designated loading rack at the time that the light petroleum fuels are loaded for delivery to the Buyer, plus the cost of delivery, plus all applicable taxes. The light petroleum fuels prices will be established daily by the Seller and are subject to change at any time and without notice. In the event of a shortage or unavailability of the light petroleum fuels at the Seller's designated loading rack for any particular delivery to the Buyer, the Seller will use its best efforts to deliver light petroleum fuels from an alternate loading rack in order to complete the delivery and the Buyer agrees to pay for any increased costs required to complete such delivery.

10.02 Measurement of the volume of each delivery of the light petroleum fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15°C in accordance with normal industry practice.

PAYMENT TERMS

11.01 The terms of payment shall be **automatic bank withdrawals on the date of delivery** or on such other terms as the Seller may grant from time to time.

11.02 If at any time the Buyer fails to make any payment due to the Seller or an affiliate of the Seller, then, in addition to other remedies, the Seller may suspend deliveries until payment has been made or by notice to the Buyer, forthwith terminate this Agreement.

11.03 Title to, and property and ownership in, the light petroleum fuels shall remain in the Seller until the Buyer has paid the purchase price therefore in full.

11.04 Whether or not title in the light petroleum fuels has passed to the Buyer, risk in all light petroleum fuels delivered hereunder shall pass to the Buyer upon delivery of such fuels into the Buyer's fuel storage tanks, and the Buyer assumes all responsibility and liability for loss or damage to the Buyer or others resulting from the handling and use of the light petroleum fuels after such fuel is delivered into the Buyer's fuel storage tanks.

11.05 The Seller will have the right from time to time to deduct or set off against any monies payable to the Buyer and to withhold from the Buyer any amounts owing by the Buyer to the Seller and to apply the said sums so withheld as payment for any amounts owing by the Buyer to the Seller under this or any other agreement between the Seller and the Buyer.

SECURITY INTEREST

12.01 For the purposes of paragraphs 12.02 through 12.05 "collateral" shall mean "all light petroleum fuels delivered by the Seller to the Buyer pursuant to this Agreement".

12.02 According to the *Personal Property Security Act*, R.S.M. 1987, c. P35 (Manitoba) (the "PPSA"), a "purchase-money security interest" means, a security interest that is:

- (a) taken or reserved by the seller of the collateral to secure payment of all or part of its price; or
- (b) taken by a person who gives value that enables the debtor to acquire rights in or the use of the collateral, if that value is applied to acquire those rights; ("corporate security").

12.03 By virtue of the PPSA and this Agreement, the Buyer confirms that the Seller has and shall continue to have a purchase-money security interest in the collateral and in any and all proceeds of whatever type or kind derived from any dealing with the collateral, which security interest is to secure payment of all sums owing by the Buyer to the Seller for the collateral and the performance of any and all present and future obligations of the Buyer to the Seller pursuant to this Agreement.

12.04 So long as the Buyer is not in default under any of its obligations under this Agreement, the Buyer shall have the right to sell the collateral in the ordinary course of business, but the proceeds of such sales shall be subject to any security interest created by the PPSA or this Agreement.

12.05 In the event of default by the Buyer to the Seller of any of its obligations pursuant to this Agreement, all amounts owing by the Buyer to the Seller will, at the option of the Seller, immediately become due and payable without demand or notice of any kind and the Seller may take immediate possession of any or all of the collateral, and the Buyer hereby consents to the entry by the Seller on any of his property and/or the Premises for this purpose and covenants to indemnify and save harmless the Seller from any liability arising out of any person entering the property and/or Premises for this purpose. The Seller may retain the collateral repossessed and commence proceedings or take such other steps as the law may provide against the Buyer for any amounts owing to the Seller by the Buyer for any collateral sold by the Buyer.

TAXES

13.01 Any tax, duty, charge or fee now or hereafter levied on the light petroleum fuels sold hereunder or required to be paid or collected by the Seller by reason of the delivery, sale or use thereof, will be paid by the Buyer in addition to the prices specified.

PRODUCTS LIABILITY

14.01 The Seller will have no liability to the Buyer for any defect in quality or shortage in quantity of the light petroleum fuels delivered by the Seller to the Buyer unless the Buyer within forty-eight (48) hours after delivery of the fuels in question gives the Seller notice setting forth full particulars of the Buyer's claim, and the Seller is given reasonable opportunity to inspect such fuels. However, the maximum liability to the Seller shall not exceed the value of its fuels delivered.

PREVENTION OF PERFORMANCE

15.01 If the Seller is prevented from or delayed in making deliveries, or the Buyer is prevented from or delayed in accepting deliveries hereunder due to any act of God, fire, riot, labour disturbance, weather or road conditions, earthquake, war, act of any government authority (whether foreign, domestic, dominion, provincial, county or municipal) or voluntary or involuntary compliance with

any law, order, regulation, request or recommendation thereof, accident, total or partial failure of transportation, delivery vehicles or supplies or any other cause, except financial, beyond the control of the Seller or the Buyer (as the case may be) whether similar to the foregoing causes or not, the obligations of the Seller and Buyer to make and accept deliveries will be suspended during the period of such prevention or delay.

15.02 Subject to the rights of the parties set out in clauses 8.01 and 15.01, if the Seller's supply of any light petroleum fuels at the place from which deliveries are usually made is or will be insufficient at any time for the Seller to fill all orders which would normally be filled from such place, then, irrespective of the cause of such insufficiency, the Seller may at its option discontinue deliveries of such fuels or apportion deliveries among orders, received or anticipated, from the Buyer and from other purchasers in such manner as the Seller, in its sole discretion, determines, and the Buyer may in such event, temporarily make other supply arrangements for so long as insufficient delivery on the part of the Seller shall prevail.

REMEDIES

16.01 If the Buyer breaches any provisions of this Agreement or defaults in the payment of any indebtedness to the Seller, whether under this Agreement or otherwise, or if the Buyer becomes bankrupt, insolvent or is dissolved pursuant to the Corporations Act of Manitoba, or if the Seller, acting reasonably and in good faith, believes that the performance of the Buyer to keep the retail petroleum fuels outlet at the Premises open for business is impaired, the Seller may by written notice forthwith suspend deliveries of light petroleum fuels and suspend all loyalty programs granted herein or terminate this Agreement without prejudice to any other rights or remedies the Seller may have by law. If the Seller breaches any provisions of this Agreement or defaults in the payment of any indebtedness to the Buyer, whether under this Agreement or otherwise, or if the Seller becomes bankrupt, insolvent or is dissolved pursuant to the Business Corporations Act of Alberta, the Buyer may terminate this Agreement without prejudice to any other rights or remedies the Buyer may have hereunder or by law. Furthermore, if the Seller becomes unable to supply light petroleum fuels in accordance with this Agreement, the Buyer may temporarily make other supply arrangements for a period of thirty (30) days from the date of the Seller's inability to supply, after which period, if the Seller cannot then make alternate supply arrangements, the Buyer may, by written notice, forthwith terminate this Agreement.

CONTINUATION OBLIGATIONS

17.01 No suspension or termination of this Agreement pursuant to clauses 5.02, 9.01, 11.02, 15.01 or 16.01 will affect or be construed to release the Buyer from any obligations already accrued or obligations which arise upon termination of this Agreement.

USE OF SELLER'S TRADEMARKS

18.01 Under the direction of the Seller, and subject to the provisions of this Agreement, the Buyer will use the Seller's trademarks, trade names and colour scheme to identify and advertise any fuels purchased hereunder. The Buyer acknowledges that the Seller may during the course of this Agreement change its trademarks, trade names and colour scheme, and the Buyer will use such changed trademarks, trade names and colour scheme to identify and advertise any fuels purchased hereunder.

18.02 The Buyer will not sell or offer for sale under the Seller's trademarks, trade names or colour scheme any fuels other than those purchased hereunder or any mixture or adulteration of any fuels purchased hereunder with any other fuels or material.

18.03 If the Buyer ceases to purchase its entire supply of light petroleum fuels hereunder or if the Seller believes, on commercially reasonable grounds, that the Buyer through any act or omission is placing the Seller's trademarks, trade names and colour scheme in jeopardy and that any conduct of the Buyer in operating the Business reflects unfavourably on the goodwill of the Seller, or if the Seller decides, in its absolute discretion, that the Buyer's Business ceases to meet the Seller's criteria for a Race Trac Gas service station or if this Agreement terminates for any reason, the Buyer will immediately and completely discontinue the use of the Seller's trademarks, trade names and colour scheme and, if the Buyer fails to do so, the Seller may at the Buyer's expense enter the Premises and remove, obliterate, paint over or otherwise destroy the Seller's trademarks, trade names or colour scheme or any similarity of same.

18.04 All signs and other advertising devices furnished by the Seller to the Buyer will remain the Seller's property and, subject to the provisions of this Agreement, will be used solely in connection with the Buyer's sale of fuels purchased from the Seller and will be returned to the Seller immediately upon demand, failing which, the Seller may enter the Premises and remove the same.

RIGHT OF FIRST REFUSAL

19.01 INTENTIONALLY DELETED

INDEMNITY

20.01 Any person performing any duties or engaged in any work on the Premises or in connection with the Business at the request of the Buyer will be deemed to be an employee or agent of the Buyer, and the Seller will not be responsible for their acts, remuneration or omissions.

20.02 The Buyer shall have no authority to assume or create any obligation whatsoever, expressed or implied, in the name of the Seller, nor to bind the Seller in any manner whatsoever. The Buyer is not an employee of the Seller.

20.03 The Buyer will indemnify the Seller against any and all claims, loss and liability on account of injury to or death of any person or damage to property caused by or happening in connection with such acts or omissions or the condition, maintenance, possession, use or operation of the Premises or the conduct of the Business.

20.04 Such indemnification will survive the expiration or sooner termination of the term of this Agreement, notwithstanding anything in this Agreement.

WAIVER

21.01 The Seller's right to require strict performance of the Buyer's obligations hereunder will not be affected in any way by any previous waiver, forbearance or course of dealing.

ASSIGNABILITY

22.01 Neither this Agreement nor any claim against the Seller arising directly or indirectly out of or in connection with this Agreement is assignable by the Buyer or by operation of law without the prior written consent of the Seller, which will not be unreasonably withheld.

ENUREMENT INTERPRETATION

23.01 This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

23.02 Wherever the singular or masculine is used in this Agreement, the same will be construed as meaning the plural or the feminine or the body corporate or politic wherever the context or the parties may so require.

23.03 The marginal notes and headings herein are for the convenience of reference only and will not affect the scope, intent, or interpretation of any provision of this Agreement.

TIME

24.01 Time shall be of the essence of this Agreement and each and every part hereof.

NOTICES

25.01 Notices will be in writing and will be deemed given if delivered, upon delivery or will be deemed given if mailed, on the third business day following the mailing in any Government Post Office in Canada under prepaid registered cover addressed to the party to whom it is intended at such party's address mentioned on the first page of this Agreement or at the address of such party last known to the party giving such notice.

AGREEMENT ENTIRETY

26.01 This Agreement constitutes the entire Agreement between the parties and there are no Agreements, representations, conditions or warranties concerning the subject matter of this Agreement that are not merged herein or superseded hereby.

EQUIPMENT LOAN PROVISIONS**LOAN**

27.01 The Seller hereby loans to the Buyer the equipment described in the attached Schedule "A". The same may be amended from time to time by written amendment signed by the Seller and Buyer, but all equipment furnished by the Seller to the Buyer for use at the Premises during the currency of this Agreement will be subject to the provisions hereof, whether or not described in such Schedule or any amendments. All equipment from time to time subject to the provision of this Agreement is herein called the "Equipment".

INSTALLATION COSTS

27.02 The Buyer will, at the Buyer's sole cost and expense, provide all necessary electrical, piping, sign bases, concrete pads, permits and any further preliminary work necessary for the installation of the Equipment (collectively called "Buyer's Improvements"). The Buyer's Improvements (as applicable) will be performed by certified contractors and must be performed and completed in

accordance with the Seller's construction standards, acting reasonable, and in accordance with any governmental regulatory agencies. If for any reason whatsoever, the Seller performs and completes, in whole or in part, any of the Buyer's Improvements then any costs will be charged to the Buyer and payable upon receipt of invoice. *This has already been completed and paid for by the Buyer.*

The Seller will, at the Seller's sole cost and expense, deliver and install the Equipment (which includes and is limited to mounting and tie in to existing electrical and piping). *This has already been completed and paid for by the Seller.*

PUMP CALIBRATION

27.03 The Seller will, at the Seller's cost, calibrate the on loan fuel pumps upon the completion of the initial installation. The Seller recommends that the Buyer calibrate the on loan fuel pumps at least once per year, and the Buyer will be responsible for the cost of same. The Seller will not be liable for any losses incurred by the Buyer if the Buyer fails to calibrate as recommended by the Seller.

SELLER'S WARRANTY

27.04 Notwithstanding anything contained herein, the on loan pump is covered by a six (6) month warranty from the date of installation for major repairs, such warranty does not include repairs or replacement of broken glass, ballasts, hoses and nozzles, retractor cables or belts nor does it include any repairs or replacement necessitated as a result of any act, neglect, default or failure to act or report on the part of the Buyer, its employees, customers, agents, contractors or as a result of any act on the part of members of the general public including but not limited to vandalism and mischief.

USE

28.01 The Buyer will not transfer, assign, encumber or sell the Equipment; the Buyer will not remove or permit removal of the Equipment or any part from the Premises; he will be responsible for all repairs to the Equipment including but not limited to broken glass, ballasts, hoses and nozzles, retractor cables, belts and vandalism; he will maintain the Equipment in good repair and efficient operating condition and will return the same to the Seller immediately upon the termination of this Agreement in as good condition as when received by the Buyer excepting only reasonable wear and tear not resulting from acts or omissions of the Buyer or the Buyer's employees, customers, agents or contractors.

28.02 The Seller or its agent will have the right to inspect, repair and paint the Equipment and to enter the Premises at any reasonable time for such purposes. Expenses for repair shall be at the expense of the Buyer.

28.03 The Buyer will place and maintain at the Buyer's sole expense insurance against fire and all other risks as are included in a standard fire and extended coverage contract in an amount equal to the full replacement value of the Equipment and public liability insurance in the amount of Two Million (\$2,000,000.00) Dollars. Each policy shall name the Seller as an additional insured. The Buyer shall obtain from each insurer a written undertaking to notify the Seller in writing at least 30 days prior to any cancellation of its policy. The Buyer shall, at the request of the Seller, provide the Seller with written evidence satisfactory to the Seller of the existence of the insurance policies described above.

CHARGES

29.01 The Buyer will pay all taxes, assessments, license, permits and inspection fees and other governmental charges on all Equipment and on the Buyer with respect to the possession or use in the business conducted on the Premises.

INDEMNITY

30.01 The Buyer will indemnify the Seller against any and all claims and liability for injury or death to persons or damage to property caused by or happening in connection with the Equipment or the condition, maintenance, possession or use thereof.

OWNERSHIP AND REMOVAL BY SELLER

31.01 The Equipment will remain the property of the Seller notwithstanding any attachment thereof to the Premises, and the Seller may enter the Premises and remove all or any part of the Equipment at any time during the term of this Agreement or within sixty (60) days after any termination or expiration thereof.

31.02 If after any termination or the expiration of this Agreement or any renewal periods, the Equipment or any part thereof remains on the Premises because the Buyer has purchased the same, the Buyer will immediately remove or cause to be removed the Seller's trademarks, trade names and colour scheme from the Equipment and, if the Buyer fails to do so, the Seller may enter the Premises and at the Buyer's expense remove the Seller's trademarks, trade names and colour scheme from the Equipment.

CREDIT CARD PROGRAM

32.01 The Seller agrees to provide and the Buyer agrees to use the Seller's standard Credit Card Program. The Buyer will be responsible for the following charges: [REDACTED]% credit card service charge for all Visa transactions; [REDACTED]% credit card service charge for all MasterCard transactions; [REDACTED]% credit card service charge for all American Express transactions; [REDACTED]% credit card service charge for all Seller's proprietary Fleetkard transactions; [REDACTED]% credit card service charge for all other credit card transactions and [REDACTED]¢ per debit card transaction. Such charges may be adjusted from time to time without notice. The Seller shall supply a Point of Sale Terminal at a rental rate of [REDACTED] Dollars per month. This rental rate is subject to change from time to time without notice. The Buyer will provide a dedicated phone line for the Point of Sale Terminal.

LOYALTY PROGRAM(S)

33.01 The Buyer acknowledges that the Seller offers loyalty programs from time to time to help build traffic and customer acceptance of the operation of retail petroleum fuels outlets of which the Seller is the supplier of petroleum fuels. The Buyer has conveyed its desire, upon mutually acceptable terms, to participate in the Seller's loyalty programs as and when the same are offered.

ADDITIONAL TERMS

34.01 During the term of this Agreement and for each day of the operation of the retail petroleum fuels outlet, the Buyer will:

- a) Ensure that all employees on duty dress in such manner as may be prescribed by the Seller from time to time and agreed upon by the Buyer, acting reasonably;
- b) Keep the retail petroleum fuels outlet located on the Premises open for business from **6:00 a.m. to 7:00 p.m., Monday to Friday, 8:00 a.m. to 6:00 p.m., Saturday and Closed Sundays**, or between the hours or on such days as are agreed upon from time to time between the parties;
- c) Ensure that the level in each storage tank shall be measured and recorded. A water test of all storage tanks shall be completed and recorded daily. Any record of water in the tanks shall be communicated to the Seller;
- d) Ensure that an inventory reconciliation record for each storage tank showing the measurements in the above noted clause 34.01(c), a comparison of these measurements with meter readings and a computation of any gain or loss of liquid shall be retained for a period of at least two (2) years; and
- e) Keep the Premises clean and remove snow and garbage from the Premises.

34.02 The Seller shall have the right at anytime and from time to time to enter the Premises, without notice, to view the digital or mechanical readings from the Buyer's fuel pumps.

34.03 Attached hereto as Schedule "B" are further terms and conditions which are incorporated in and made a part of this Agreement, if any.

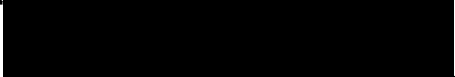
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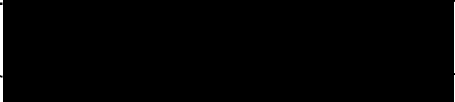


34.04 The Buyer acknowledges receipt of a copy of this Agreement and waives all rights to receive a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Agreement.

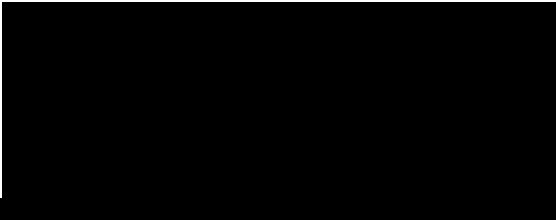
IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first above written.

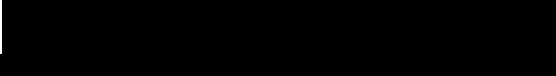
PARKLAND INDUSTRIES LIMITED PARTNERSHIP, by its General Partner,
PARKLAND INDUSTRIES LTD.

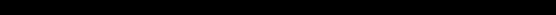
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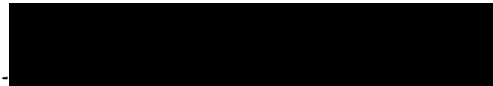
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WARREN HARDWARE 2001

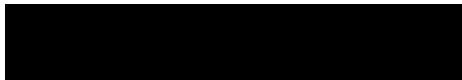
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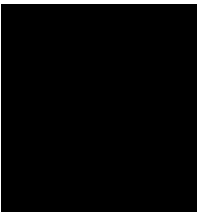
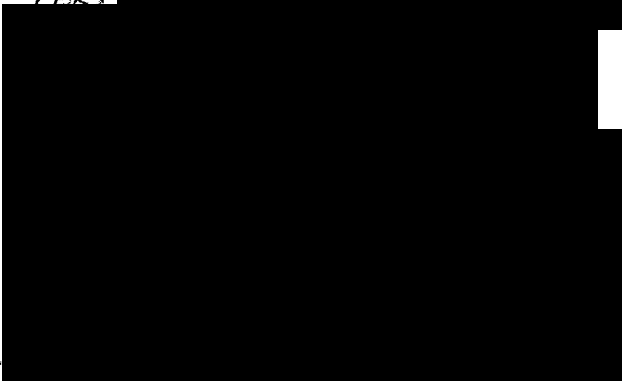
PER: 



Witness



Witness





SCHEDULE "A"

LIST OF LOANED EQUIPMENT

Attached to and forming part of the Petroleum Products Supply and Purchase Agreement made between **Parkland Industries Limited Partnership**, by its General Partner, **Parkland Industries Ltd.** and **Maureen Malcolm and James Malcolm; Maureen Malcolm and James Malcolm operating as Warren Hardware 2001; and Warren Hardware 2001**

QUANTITY

DESCRIPTION



Single Post Race Trac Sign & Pole

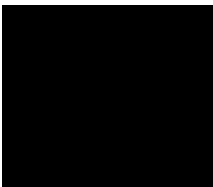
POS Machine & Printer

Manual Credit Card Imprinter

New Single Product Dural Retail Gasoline Pump c/w Presets

New Console to Match Up With the New Retail Pump

end of Schedule "A"



SCHEDULE "B"**ADDITIONAL TERMS**

Attached to and forming part of the Petroleum Products Supply and Purchase Agreement made between **Parkland Industries Limited Partnership**, by its General Partner, **Parkland Industries Ltd.** and [REDACTED] and [REDACTED]; [REDACTED] and [REDACTED] operating as **Warren Hardware 2001; and Warren Hardware 2001**

OPTION TO PURCHASE

The on loan fuel pump and console will be transferred to the Buyer for a purchase price of \$ [REDACTED] in the event that the Buyer purchases from the Seller a minimum of [REDACTED] litres of light petroleum fuels during the initial five (5) years of this Agreement. In the event that the said [REDACTED] litres is not reached then the Buyer may pay to the Seller the depreciated amount of the on loan fuel pump and console based on the original cost of same and reduced by \$ [REDACTED] per litre for each litre of light petroleum fuels that the Buyer purchased from the Seller. If this Agreement is renewed for the five (5) year renewal term then the Seller will continue to depreciate the original cost until the [REDACTED] is reached.

IMAGE ALLOWANCE

The Seller will provide to the Buyer as a credit towards the Buyer's fuel account an amount not to exceed [REDACTED] Dollars to be used towards costs associated with the front exterior upgrade of the retail petroleum fuels outlet at the Premises. The Buyer will obtain Seller's prior approval for the front exterior upgrade as a condition for the credit, and the Buyer will provide the Seller with paid invoices as proof of costs prior to award of credit.

UNIFORM ALLOWANCE

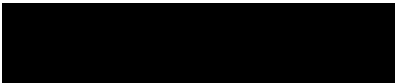
The Seller will provide to the Buyer as a credit towards the Buyer's fuel account an amount equal to fifty (50%) percent (but Seller's portion not to exceed [REDACTED] Dollars per Agreement Year) of the Buyer's uniform costs.

ADVERTISING ALLOWANCE


The Seller will provide to the Buyer as a credit towards the Buyer's fuel account an amount equal to fifty (50%) percent (but Seller's portion not to exceed [REDACTED] Dollars per Agreement Year) of the costs associated with the Buyer's advertising and promotional events for the retail petroleum fuels outlet at the Premises. The Buyer will obtain Seller's prior approval for advertising and promotional events as a condition for the credit, and the Buyer will provide the Seller with paid invoices as proof of costs prior to award of credit.

PUMP MAINTENANCE ALLOWANCE

The Seller will provide to the Buyer as a credit towards the Buyer's fuel account an amount not to exceed [REDACTED] Dollars per Agreement Year for costs associated with the maintenance to the fuel pumps. Upon request, the Buyer will provide the Seller with paid invoices as proof of maintenance costs prior to award of credit.

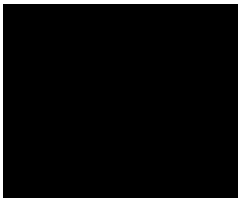


SIGNAGE ALLOWANCE

The Seller will provide to the Buyer as a credit towards the Buyer's fuel account an amount equal to fifty (50%) percent (but Seller's portion not to exceed  Dollars per Agreement Year) of the costs associated with the Buyer's signage for the retail petroleum fuels outlet at the Premises. The Buyer will obtain Seller's prior approval for signage as a condition for the credit, and the Buyer will provide the Seller with paid invoices as proof of costs prior to award of credit.

If the Buyer is in default of any of its obligations under this Agreement or defaults in the payment of any indebtedness to the Seller, then the Seller will have the option of suspending all allowances set forth in this Schedule until such time as the Buyer cures such default.

end of Schedule "B"

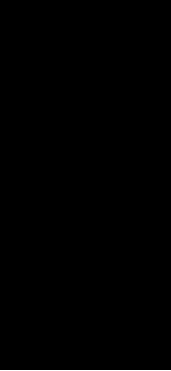


ACKNOWLEDGMENT

Loaned Equipment

QUANTITY

DESCRIPTION



Single Post Race Trac Sign & Pole

POS Machine & Printer

Manual Credit Card Imprinter

New Single Product Dural Retail Gasoline Pump c/w Presets

New Console to Match Up With the New Retail Pump

[Redacted] and [Redacted]; [Redacted] and [Redacted] operating as Warren Hardware 2001; and Warren Hardware 2001, acknowledges that it has received the above marked items in good working condition for purposes of on loan only and accepts full responsibility for upkeep, maintenance and security of all above marked items as per the terms and conditions contained in the Petroleum Products Supply and Purchase Agreement made between Parkland Industries Limited Partnership, by its General Partner, Parkland Industries Ltd. and [Redacted] and [Redacted]; [Redacted] and [Redacted] operating as Warren Hardware 2001; and Warren Hardware 2001

DATED July 15, 2009.

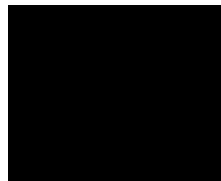
WARREN HARDWARE 2001



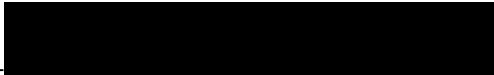
~~Witness~~




~~Witness~~



AFFIDAVIT OF EXECUTION

CANADA) I, 
)
PROVINCE OF MANITOBA) of WINNIPEG, in the
) Province of Manitoba,
TO WIT) **MAKE OATH AND SAY:**

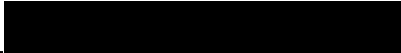
1. **THAT** I was personally present and did see  named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes therein.

2. **THAT** the same was executed at **Warren**, in the Province of Manitoba, and that I am the subscribing witness thereto.

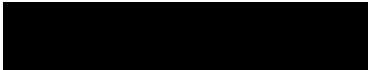
3. **THAT** I know the said  and she is in my belief of the full age of 18 years.

SWORN BEFORE ME at the CITY)
 of WINNIPEG in the Province)
 of Manitoba, this 24 day)
 of JULY, A.D. 2009.)

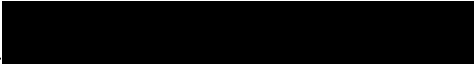
COMMISSIONER FOR OATHS in
 and for the Province of Manitoba

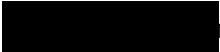
Name: 

My Commission expires NO EXPIRY



AFFIDAVIT OF EXECUTION

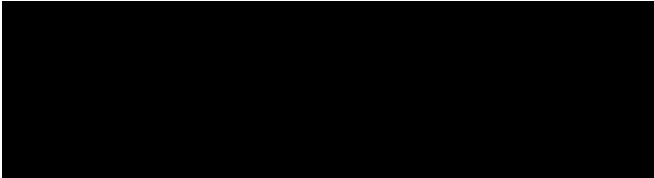
CANADA) I, 
))
PROVINCE OF MANITOBA) of WINNIPEG., in the
)) Province of Manitoba,
TO WIT) **MAKE OATH AND SAY:**

1. **THAT** I was personally present and did see  named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes therein.

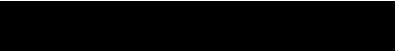
2. **THAT** the same was executed at **Warren**, in the Province of Manitoba, and that I am the subscribing witness thereto.

3. **THAT** I know the said  and he is in my belief of the full age of 18 years.

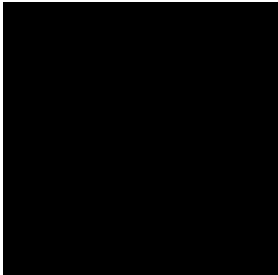
SWORN BEFORE ME at the 02nd
of WINNIPEG, in the Province
of Manitoba, this 24th day
of JULY A.D. 2009.



A **COMMISSIONER FOR OATHS** in
and for the Province of Manitoba

Name: 

My Commission expires No Expiry



Site # - 88004123


**MOTOR FUEL SUPPLY AGREEMENT
ESSO-BRANDED MOTOR FUELS**

This Agreement is made in duplicate effective as at the 15 day of November, 2008 (the "Effective Date")


BETWEEN:

PIONEER PETROLEUMS LIMITED PARTNERSHIP
by its General Partner,
PIONEER PETROLEUMS MANAGEMENT INC.
having a head office at
5360 South Service Rd., Burlington, Ontario L7L 5L1.
(hereinafter called the "**Distributor**")

- and -


a corporation incorporated under the laws of Manitoba
(hereinafter called the "**Dealer**")

- and -


(hereinafter jointly and severally called the "**Guarantor**")

WHEREAS, based on its marketing strategies, Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("**Imperial Oil**") has established the following core values (the "**Core Values**"), namely

- to deliver quality products that customers can trust.
- to employ friendly, helpful people.
- to provide speedy, reliable and friendly service.
- to provide clean, attractive and well maintained retail facilities.
- to be a responsible, environmentally conscious neighbour

AND WHEREAS the Distributor is engaged in the sale and distribution of Imperial Oil's high quality petroleum products marketed under the nationally and internationally known ESSO trade mark;

AND WHEREAS the Dealer operates a retail motor fuels outlet in Warren, Manitoba, on the lands legally described as SW29-13-1W, Warren, Manitoba R0C 3E0 (such lands and retail motor fuels outlet being hereinafter called the "**Marketing Premises**");

AND WHEREAS the Dealer desires to carry on, in accordance with this Agreement, the business of the buying of Imperial Oil's high quality petroleum products marketed under the nationally and internationally known ESSO trade mark and selling such petroleum products to retail customers on and from the Marketing Premises (the "**Dealer Business**");

AND WHEREAS the Guarantors have agreed to guarantee the obligations of the Dealer under this Agreement as consideration, in part, for the Distributor entering into this Agreement;

AND WHEREAS it is agreed that all existing agreements between the Dealer and Imperial Oil or between the Dealer and the Distributor will be terminated upon the execution of this Agreement.

NOW THEREFORE the Distributor and the Dealer agree as follows:



1. Grant

The Distributor, under an Esso Branded Distributor Agreement with Imperial Oil (the "**Esso Branded Distributor Agreement**"), has the right to grant to the Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the provisions of this Agreement, the Distributor grants to the Dealer the right to use the "Esso" mark and such other proprietary marks specified by Imperial Oil from time to time (the "**Proprietary Marks**") in connection with the sale of Esso Branded Motor Fuels (as hereinafer defined) from the Marketing Premises and, subject to the provisions of this Agreement, the Dealer accepts the grant of such right to use of the Proprietary Marks in connection with the sale of Esso Branded Motor Fuels from the Marketing Premises. The Dealer shall at all times conduct the Dealer Business in a manner consistent with the Core Values and shall comply with Imperial Oil's business standards and policies, including, without limitation Imperial Oil's Imperial Dealer and Distributor Site Operations Manual as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by the Distributor from time to time. **NOTHING IN THIS AGREEMENT HOWEVER SHALL BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN THE DEALER AND IMPERIAL OIL AND THAT THE DEALER'S RELATIONSHIP IS EXCLUSIVELY WITH THE DISTRIBUTOR.**

2. Related Businesses

During the term of this Agreement the Dealer may wish to operate, in addition to the Dealer Business, additional businesses (the "**Related Businesses**") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, Distributor's trademarks, Dealer's own trademarks or third party trademarks. The operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the Esso Branded Motor Fuels and Proprietary Marks. Accordingly, the Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by the Distributor to the Dealer from time to time. If the Dealer fails to comply with this Agreement or any such requirements, without limiting the Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, the Distributor may require the Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Effective Date, the Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.

3. Term

- b. The term of this Agreement is for a period of ten years (10) beginning on **November 1, 2008** and ending on **October 31, 2018** (the "Term") unless terminated earlier in accordance with this Agreement.
- c. This Agreement will provide for an opt-out by either party Pioneer or the Dealer at the end of the fifth year of the Agreement, upon Ninety (90) days prior written notice..
- d. Notwithstanding the foregoing, if the Term exceeds the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, then the term of this Agreement shall expire upon the expiry of the said Esso Branded Distributor Agreement.

4. Product Quantities

- a. Subject to the provisions of this Agreement, the Dealer shall purchase from the Distributor and the Distributor shall sell to the Dealer the Dealer's entire requirements of motor fuels for sale at the Marketing Premises in the quantities, at the prices and on the terms set out herein (the "**Esso Branded Motor Fuels**"). The Esso Branded Motor Fuels purchased by the Dealer from the Distributor shall be for resale at the Marketing Premises only. The Dealer shall use good faith and diligent efforts to maximize the sale of Esso Branded Motor Fuels at the Marketing Premises. The Dealer shall at all times have available for sale at the

Marketing Premises such quantities of the Esso Branded Motor Fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.

- e. The minimum annual volume of Esso Branded Motor Fuels the Dealer is expected to purchase during any contract year ("**contract year**" meaning the consecutive twelve (12) months beginning on the Commencement Date and during each subsequent consecutive twelve (12) month period) is Six hundred thousand (600,000) litres (the "**Minimum Annual Volume**"). The Minimum Annual Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil or the Distributor.
- f. In each contract year, the Dealer must purchase from the Distributor a minimum of eighty percent (80%) of the Minimum Annual Volume of Esso Branded Motor Fuels. Should the Dealer fail, in any contract year, to purchase eighty percent (80%) of the Minimum Annual Volume of Esso Branded Motor Fuels, the Distributor may, among other things, terminate this Agreement upon giving sixty (60) days prior written notice to the Dealer and the Guarantors.

5. Monetary Consideration

- a. Subject to Section 5b., as consideration, in part, for the Dealer accepting the use of the Proprietary Marks as provided in this Agreement, the Distributor shall pay to the Dealer a payment in the amount of [REDACTED] cents per litre (plus applicable taxes) multiplied by the number of litres of the Esso Branded Motor Fuels purchased by the Dealer from the Distributor pursuant to this Agreement (the "**Dealer Payment**"). The Dealer Payment shall be calculated by the Distributor, based on the Distributors' records and paid by the Distributor to the Dealer, monthly, in arrears, within twenty (20) days following the end of each month during the term of this Agreement.
- b. The Distributor shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days' prior written notice to the Dealer and the Guarantors if the Dealer fails to purchase eighty percent (80%) of the Minimum Annual Volume of Esso Branded Motor Fuels in any contract year.
- c. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the provisions contained in this Agreement; and (ii) this Agreement shall not have been terminated.

6. Prepaid Dealer Payment

Subject to:

- a. the execution and delivery by the Dealer, in favour of the Distributor, of a Demand Promissory Note, in form and content satisfactory to the Distributor, in its discretion, in the principal amount of [REDACTED] Dollars;
- b. the execution, delivery and registration of a demand collateral real property mortgage granted by the Dealer in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion, including therein, among other things, the personal guarantees of the Guarantors; and
- c. the execution and delivery by the Guarantors of a unconditional and irrevocable continuing guarantee, in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion, whereby the Guarantors, jointly and severally guarantee all debts, liabilities or monies owed by the Dealer to the Distributor, including interest, regardless of when or how such liability may arise;

the Distributor shall prepay to the Dealer [REDACTED] Dollars of the Dealer Payment (the "**Prepaid Dealer Payment**") in order to assist the Dealer in paying for the initial costs of renovations to the retail motor fuels outlet on the Marketing Premises. The Dealer shall pay the Distributor's reasonable legal costs related to the preparation and registration of the said promissory note, real property mortgage, guarantee and any other security

documentation the Distributor shall reasonably require. The Prepaid Dealer Payment will be paid to the Dealer as follows:

- d. [REDACTED] Dollars will be paid as soon as possible following the Dealer completing to the satisfaction of the Distributor, acting reasonably, the improvements/upgrades set forth in Section 8 of this Agreement and providing the Distributor with proof, by way of paid contractor receipts, that such improvements and upgrades have been paid.

The Prepaid Dealer Payment will be repaid by the Dealer to the Distributor by the Distributor applying [REDACTED] cents per litre of the monthly Dealer Payment against the Prepaid Dealer Payment amount until such time as the Prepaid Dealer Payment amount has fully repaid. The Dealer and the Guarantors hereby irrevocably authorize the Distributor to make such application as aforesaid. Upon the Prepaid Dealer Payment amount being fully repaid in the manner aforesaid the Distributor shall cease to so apply the Sixty One Hundredths (\$0.0060) cents per litre of the monthly Dealer Payment and the full amount of the monthly Dealer Payment shall be dealt with as elsewhere provided in this Agreement. If for any reason the term of the Agreement expires or terminates prior to the Prepaid Dealer Payment amount being fully repaid, any balance owing upon such expiration or termination shall become immediately due and payable by the Dealer to the Distributor.

7. Additional Monetary Consideration

Pioneer agrees to advance up to [REDACTED] as an ADDITIONAL Monetary Consideration (AMC) to the Dealer. The AMC will be paid to the Dealer when the PROPOSED UPGRADES detailed in section 8 below are completed to the satisfaction of Pioneer and upon the Dealer providing the Distributor with proof of paid contractor receipts for the completed Proposed Upgrades to a maximum of \$ [REDACTED]. It is agreed that the AMC will be amortized monthly over the term of this Motor Fuel Supply Agreement on a straight line basis. If this Agreement terminates or expires before the AMC is fully amortized, the Dealer shall forthwith pay to the Distributor the unamortized portion of the AMC.

8. Proposed Upgrades

The improvements/upgrades the Dealer proposes to make to the Marketing Premises with respect to its building of a retail motor fuels outlet will include:

- Upgrades to 2010 standards.
 - Repair pumps island/pump pad area.
- The planning, design and construction of the proposed improvements/upgrades and all costs associated therewith or incidental thereto will be the sole responsibility of the Dealer. If requested by the Dealer, the Distributor will assist the Dealer by providing support in the following areas:

- Standard layout (maximum two);
- Standard engineering drawings (except underground product systems - tanks, piping);
- Information on design, supply, and installation and service contractors; and
- Information on Imperial Oil equipment suppliers.

9. Esso Brand Signage

The Distributor will loan to the Dealer for the term of this Agreement signage to identify the Esso brand. The loaned signage includes:

- Twin Pole Major Identification Sign with a 4 digit LED price section
- Building Sign (inserts only)

Pioneer will paint all Esso identified signage to Esso specifications. The Dealer shall be responsible for and shall provide all electrical feeds to signs & canopy, all electrical hook ups, concrete bases and permits (if required).

10. Site Image and Merchandising

11. Right of First Refusal

- a. The Dealer hereby grants to the Distributor the right of first refusal to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of any bona fide written offer received by the Dealer during the term of this Agreement which the Dealer is willing to accept. The Dealer shall send such written offer to the Distributor in the manner provided herein for the giving of notices and the Distributor shall have thirty (30) days from the receipt of such written offer in which to notify the Dealer that it elects to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of such offer. If the offer does not consist wholly of cash the Distributor shall have the right to meet the terms of such offer with a reasonable equivalent in cash. In the event the Distributor does not exercise its rights hereunder the Dealer shall be free, after the end of said period of thirty (30) days, to sell, lease or sublease (as the case may be) the Marketing Premises on the terms contained in the bona fide written offer but subject to the terms of this Agreement including this option.
- b. In the event the Distributor exercises its rights to purchase, lease or sublease (as the case may be) the Marketing Premises, this Agreement, together with any other related agreements, shall terminate on the date of closing or completion of the transaction.
- c. As a condition precedent to the Distributor allowing the Dealer to sell, lease or sublease (as the case may be) the Marketing Premises and the Dealer Business thereon to a third party, the Dealer shall execute and deliver to the solicitor acting on the Dealer's behalf in such transaction an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, such amounts of money as are then due and owing to the Distributor by the Dealer. In the event the proceeds of the transaction paid to the Distributor are insufficient to extinguish the Dealer's indebtedness to the Distributor, the Dealer shall, notwithstanding such sale, lease or sublease (as the case may be) continue to be liable to the Distributor for any remaining indebtedness.

12. Price and Terms of Sale

- a. The Dealer shall pay the Distributor for the Esso Branded Motor Fuels purchased pursuant to this Agreement, the price thereof in effect at the Distributors' designated loading rack at the time that the motor fuels are loaded for delivery to the Dealer, plus the cost of delivery, plus all applicable taxes. The motor fuel prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. The designated loading rack, delivery rate and applicable taxes in effect at the time this Agreement was prepared are set out in Schedule "A" hereto. In the event of a shortage or unavailability of the motor fuels at the Distributors' designated loading rack for any particular delivery to the Dealer, the Distributor shall use reasonable commercial efforts to deliver Esso Branded Motor Fuels from an alternate loading rack in order to complete the delivery and the Dealer shall pay for any increased costs required to complete such delivery.
- b. Measurement of the volume of each delivery of the Esso Branded Motor Fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15 degrees Celsius in accordance with normal industry practice.
- c. All purchases of the Esso Branded Motor Fuels shall be paid by the Dealer, upon or before delivery, in cash, unless the Distributor, in its discretion, grants credit terms to the Dealer. If the Distributor grants credit terms to the Dealer, such credit terms may be amended by the Distributor, in its discretion, upon written notice from time to time. If the Distributor grants credit terms to the Dealer and the Dealer accepts delivery of any Esso Branded Motor Fuels in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation, paying interest on overdue accounts at rates to be determined by the Distributor from time to time. The Distributor reserves the right to withhold any amounts due by the Distributor to the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its discretion and without notice decline to make deliveries of motor fuels to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.

- d. Subject to the Distributors right to from time to time grant and amend credit terms, including rates of interest, as provided in (c) above, the Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to the Distributor by the Dealer pursuant to this Agreement: (i) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by the Distributor, in its discretion, from time to time; and (ii) may be collected by the Distributor by pre-authorized debit in the manner set out on Schedule "B" or by wire transfer.
- f. The Dealer shall, from time to time, execute and deliver to the Distributor an authorization for pre-authorized debit substantially in the form of Schedule "B" in order to facilitate the collection of payments pursuant to this Section. The Distributor may amend Schedule "B", in its discretion, from time to time, upon thirty (30) days' prior written notice to the Dealer.
- g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer Business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services, provided that the Dealer pays for all costs associated therewith, complies with all requirements of such retail credit and debit system, including regular maintenance and replacement in the event of loss or damage, and complies with all guidelines therefor. The Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
- h. The Distributor, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

13. Security Interest

To secure payment or performance of all obligations of the Dealer under this Agreement or any other agreement between the Dealer and the Distributor, the Dealer:

- a. hereby grants to the Distributor a Purchase Money Security Interest, as defined in the Personal Property Security Act, as amended, of the province of or territory of Canada in which the Marketing Premises is located, in all goods and inventory supplied by the Distributor to the Dealer as well as all proceeds derived therefrom. Any proceeds received by the Dealer with respect to any disposition of, or dealing with, such goods and inventory, shall be received by the Dealer in trust for the Distributor;
- b. agrees to execute and deliver, as and when requested by the Distributor to do so, a general security agreement, in form and content satisfactory to the Distributor, granting the Distributor a security interest in all of the Dealer's present and after-acquired real and personal property of whatever description or kind, as general and continuing collateral security for the due payment and performance of all present and future indebtedness and liability of every kind, nature and description, whether direct or indirect, joint or several, absolute or contingent, matured or unmatured, of the Dealer to the Distributor, wherever and however incurred, under this Agreement or any other agreement between the Dealer and the Distributor.

14. Delivery

- a. Delivery of the Esso Branded Motor Fuels will be by tank truck into the Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the Esso Branded Motor Fuels shall pass to the Dealer as it is discharged from the Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.

- b. The Dealer shall ensure that the Distributors tank truck will at all times have unimpeded access to the fill pipes and storage tanks while making any delivery to the Marketing Premises.
- c. The Dealer will notify the Distributor of any required delivery of Esso Branded Motor Fuels in accordance with the Distributors written ordering and delivery procedures. The Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. The Dealer will only order deliveries in full truck load" quantities as set out in Schedule "A". The Dealer shall accept delivery of the Esso Branded Motor Fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributors ordering and delivery procedures.
- d. Upon the dispatch of a delivery vehicle by the Distributor to deliver the Esso Branded Motor Fuels to the Marketing Premises, the Dealer shall either accept the delivery of a "full truck load" of the Esso Branded Motor Fuels (or less than a "full truck load" of the Esso Branded Motor Fuels only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to the Distributor all the reasonable costs incurred by the Distributor in connection with any delay or aborted delivery.
- e. The Distributor shall not be required to deliver to the Dealer the Esso Branded Motor Fuels in any quantity less than a "full truck load" or "deemed full truck load", which shall be determined in each case by the Distributor in its discretion from time to time. If the Dealer requests the delivery of and the Distributor delivers the Esso Branded Motor Fuels in a quantity less than a "full truck load" or "deemed full truck load", then the Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however, the delivery by the Distributor of the Esso Branded Motor Fuels in a quantity less than a "full truckload" or "deemed full truckload" on any one or more occasions shall not require the Distributor to deliver Esso Branded Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the discretion of the Distributor from time to time.

15. Product Control

- a. The Dealer shall exercise the highest degree of care in handling, storing, selling and using the Esso Branded Motor Fuels delivered to the Marketing Premises. The Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any Esso Branded Motor Fuels (including without limitation, the blending of such motor fuels with ethanol). The Dealer shall not sell from the Marketing Premises Esso Branded Motor Fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. The Distributor may refuse to make deliveries into the Dealer's storage tanks at the Marketing Premises until, in the Distributor's judgment, any deficiencies in the quality of motor fuels at the Marketing Premises are corrected.
- b. The Distributor and Imperial Oil (including their employees, agents and contractors) shall have the right to enter the Marketing Premises during normal business hours to examine the contents of the Dealer's storage tanks in which the Esso Branded Motor Fuels purchased hereunder are handled or stored. The Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to the Dealer's obligations under this Agreement.

16. Contingencies

No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any covenant, agreement, or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to the Distributor or to Imperial Oil or any person affiliated with the Distributor under this Agreement) if such default or non performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any

delays in or failure of performance by the Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request, or control of any governmental authority; or
- b. When the supply of motor fuel at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by the Distributor is interrupted, unavailable or inadequate for any reason or cause which the Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of motor fuels to be sold under this Agreement by allocating its available supply of motor fuels among its customers, itself, and its related and subsidiary companies in such manner as it may in its discretion determine and the Distributor shall not be obliged to obtain or purchase other supplies of the motor fuels to make up any such shortage.

17. Proprietary Marks

- a. The Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for the Dealer's use and shall only use such marks to designate the origin of the Esso Branded Motor Fuels and otherwise in the manner authorized and instructed by the Distributor from time to time. NO MOTOR FUELS AND/OR PETROLEUM PRODUCTS OF OTHERS SHALL BE SOLD BY THE DEALER UNDER SUCH PROPRIETARY MARKS. If, in the opinion of the Distributor, any samples taken by the Distributor or by Imperial Oil under this Agreement are not Esso Branded Motor Fuels, or are not in the condition in which delivered by the Distributor, or any documents and records reviewed by the Distributor or by Imperial Oil show the Dealer has failed to comply with its obligations hereunder, the Distributor may, at its option, debrand (as hereinafter defined) the Marketing Premises and/or cancel and terminate this Agreement.
- b. By written notice to the Dealer, the Distributor may withdraw its approval to: (i) brand the Marketing Premises ("debrand") or (ii) use or operate the Dealer Business or Related Businesses at the Marketing Premises, if, in the Distributor's judgment: (I) the Marketing Premises (or the Dealer Business and/or Related Businesses) fails to portray the image and standards expected from "Esso" branded retail outlets; or (ii) the Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If the Distributor debrands the Marketing Premises, withdraws its approval to use or operate the Dealer Business or Related Businesses at the Marketing Premises, or upon expiration or termination of this Agreement, or upon demand being made by the Distributor, the Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from the Distributor, consisting in whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.
- d. The Dealer shall take no action that will diminish or dilute the value of the Proprietary Marks. The Dealer shall not sell non-Esso Branded Motor Fuels under any of the Proprietary Marks, including without limitation, any Esso-identified canopy or at any fueling island where the Dealer is selling Esso Branded Motor Fuels.
- e. The Dealer shall not use the Proprietary Marks as part of the Dealer's corporate or other name.
- f. The Distributor or Imperial Oil may remove or paint over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the Esso trade name, trade-marks, signs and advertising items, prior to the expiration or termination of this Agreement.

18. Customer Service & Operating Standards

- a. The Dealer shall ensure that the Marketing Premises meet the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal

laws, statutes, ordinances, codes, regulations, rules, orders or permits), failing which the Dealer shall lose the right to use or display Proprietary Marks at the Marketing Premises:

- (i) Paved driveways with safe and good ingress and egress;
 - (ii) Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances;
 - (iii) Clean premises free of debris, trash, and fire hazards;
 - (iv) Modern restrooms for men and women available to the general public; and
 - (v) Offer two (2) grades of Esso Branded Motor Fuels;
 - (vi) Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and
 - (vii) Compliance with applicable operating standards as described in Schedule "C", and facility standards as described in Schedule "G" ("**Facility Requirements**"), which are incorporated into and made a part of this Agreement.
- b. While using any Proprietary Marks, Dealer shall:
- (i) render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct the Dealer Business and any Related Businesses in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the Esso Branded Motor Fuels sold hereunder;
 - (ii) provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers;
 - (iii) keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies;
 - (iv) assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the Esso Branded Motor Fuels during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to the Dealer;
 - (v) purchase, maintain, and display an adequate quantity of Esso branded motor oils, lubricants, greases, anti freeze, and other petroleum products and related products (the "**Petroleum Products**") for resale from the Marketing Premises to meet the needs of the Dealer's retail customers from time to time. As the Distributor is not a distributor of Petroleum Products the Dealer shall purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area;
 - (vi) keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers; and
 - (vii) shall ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. The Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by the Distributor to cure, continues to be in violation of this Section.
- d. The Dealer shall not permit at the Marketing Premises:

- (i) any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits;
 - (ii) the sale or use of illegal drugs or drug paraphernalia; or
 - (iii) the sale of any pornographic material or other material that the Distributor determines may be offensive to the general public.
 - (iv) the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits relating to youth access to tobacco products. The Dealer shall promptly advise the Distributor of any charges or notifications of violations received at the Marketing Premises from any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.
- e. The Dealer shall at all times comply with any operations manual and/or books, pamphlets, tapes, videos, memoranda, menus, recipes, directives, instructions and other materials prepared by or on behalf of Imperial Oil and provided to the Dealer by either the Distributor or Imperial Oil, whether in written, machine readable or any other form (collectively, the "**Manual**") setting out the standards, including without limitation, operating standards, methods, procedures, techniques and specifications, established by Imperial Oil from time to time for the retail sale of Esso Branded Motor Fuels and Petroleum Products, as same may be amended or supplemented from time to time. The provisions of the Manual applicable to the Dealer Business are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to the Distributor promptly upon request and, in any event, upon the expiration or termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's prior written consent. It is understood that the entire content of the Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. Both during the term of this Agreement and after the expiration or termination of this Agreement, the Dealer shall maintain the absolute confidentiality of the entire content of the Manual and shall not disclose any such content for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer Business in accordance with this Agreement. Further, the Dealer shall not to use any such content, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

19. No Exclusive Marketing Rights

This Agreement does not give the Dealer an exclusive right in any market or geographic area to sell Esso Branded Motor Fuel or conduct the Dealer Business or any Related Businesses. It is understood that the Distributor and Imperial Oil may, directly or indirectly, compete with the Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks (the "**Trademarks**"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, the Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the Dealer Business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling Esso Branded Motor Fuels, other branded motor fuels or operating businesses the same or similar in kind as the Dealer Business or Related Businesses, other retail outlets, enterprises or other businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

20. Fuel Handling Equipment

- a. The Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under the Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "**Fuel Handling Equipment**"). The Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.
- b. On the Commencement Date the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises shall be in good condition and repair and meet regulatory requirements.
- c. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and meet regulatory requirements. All needed repairs and replacements shall be made promptly by the Dealer.
- d. The Dealer shall have in place on all underground motor fuels storage tanks spill containment boxes and overflow prevention valves. The Dealer shall, at all times, keep such equipment in good operating condition and repair.
- e. Notwithstanding any other provision in this Agreement, if the Distributor is required by law, or if in the Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "**Hazard**"), then the Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. The Distributor shall not be obliged to re-commence delivery of the motor fuels until The Distributor is satisfied, in its discretion, that the Hazard does not exist or has ceased to exist. If the Distributor does or causes the doing of any act to remedy a Hazard, whether or not the act is required by law, the Dealer shall pay the Distributor for all costs and expenses incurred by the Distributor for the doing of such act and, upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuels or other substances and notify the Distributor immediately if any such spillage is determined to have occurred. If spillage is determined to have occurred the Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spillage.
- f. The Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential Hazards.

21. Loaned Equipment

- a. The Distributor will loan to the Dealer the equipment listed in Schedule "D" hereto (the "**Equipment**") as and when it may be available for use on the Marketing Premises in the Dealer Business; and the Dealer hereby accepts such loan of Equipment.
- b. The Distributor shall have the right, in its discretion, to, from time to time, replace, add to or substitute any one or combination of items of the Equipment.
- c. The Dealer shall:
 - (i) pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
 - (ii) obtain all necessary permits, licences and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;
 - (iii) not alter, part with possession of, or encumber, lease or sell the Equipment;

- (iv) complete day to day maintenance and repair, including replacement of parts, of the Equipment unless the Distributor advises the Dealer, in writing, that the Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;
 - (v) keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;
 - (vi) comply with all laws applicable to the Equipment;
 - (vii) be responsible for all damage caused to the Equipment by the gross negligence or willful act of any person or persons other than the Distributor, its employees, contractors and agents;
 - (viii) use the Equipment intended for storage, handling, advertising or displaying the Esso Branded Motor Fuels and the Petroleum Products, solely for such intended purpose.
 - (ix) return to the Distributor in good repair and operating condition, reasonable wear and tear excepted (I) all Equipment immediately upon the expiration or termination of this Agreement and (II) any Equipment replaced by the Distributor for any reason immediately upon such replacement;
 - (x) for greater certainty, permit the Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (I) effect maintenance and repair of the Equipment and (II) replace, add to or substitute any one or combination of items of the Equipment; and
 - (xi) upon the expiration or termination of this Agreement, permit the Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor and the Dealer shall not affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a fixture of the Marketing Premises without each person now or hereafter having an interest in the Marketing Premises first executing an acknowledgement and consent in the form of Schedule "E".
- e. Prior to the Commencement Date the Dealer shall examine the Equipment provided to the Dealer and, unless, prior to the Commencement Date, the Dealer notifies the Distributor, in writing, of any complaint regarding the Equipment, the Dealer shall be deemed to have satisfied itself with regard to the Equipment. The Dealer shall indemnify the Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of the Distributor's gross negligence or a defect in the Equipment, provided the Dealer shall have given the Distributor prompt written notice of such gross negligence or defect.

22. Compliance with Laws

The Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits, including those concerning the environment, hazardous substances or wastes, toxic substances and occupational safety and health.

23. Indemnity

The Dealer shall and does hereby indemnify and save harmless the Distributor, its partners, directors, officers, employees, agents and affiliates and their respective directors, officers, employees, agents and affiliates (each an "indemnified party") from and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer Business on the Marketing Premises;

- b. the storage, handling and sale of motor fuels on and from the Marketing Premises; and
- c. the Equipment.

This indemnity shall not include a claim arising out of, in respect of or in connection with the gross negligence or willful misconduct of an indemnified party.

24. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:
 - (i) a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and the Distributor arising out of all the operations of the Dealer pertaining to the Dealer Business, whether or not conducted on or from the Marketing Premises with all inclusive limits of at least three million (\$3,000,000) dollars for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and
 - (ii) a third party liability policy on all vehicles used in the Dealer Business, with all inclusive limits of at least one million dollars (\$1,000,000) for any one incident.
- b. The insurance policy referred to in subsection 22a.(ii) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
- c. Upon written request by the Distributor, the Dealer shall provide the Distributor with a certificate of insurance and such other information as may reasonably be required by the Distributor in a form satisfactory to the Distributor as evidence of the insurance required under this Section. The insurance policies shall be endorsed to provide that in the event of any change in them which could affect the Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to the Distributor thirty (30) days prior to the effective date of any such change or cancellation.
- d. The Distributor may amend this Section, in its discretion and from time to time, on the anniversary of the Effective Date upon sixty (60) days' prior written notice to the Dealer.

25. Technology and Communications

Upon receipt of a written request from the Distributor the Dealer shall:

- a. Install and maintain in good operating condition, at Dealer's expense, at the Marketing Premises: (i) a facsimile machine for sending and receiving written communications; and (ii) equipment that allows access to the internet or other electronic-transmission or data communications systems designated by the Distributor from time to time;
- b. Subscribe, at the Dealer's expense, at the Marketing Premises, to a voicemail system for transmitting and receiving telephone communications; and
- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition, replacement or updating of point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software.

26. Retail Credit and Debit System

The Dealer has or shall receive an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer Business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial Oil. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith and complies with all guidelines therefor, including complying with all requirements of such retail credit and debit system for regular maintenance and replacement in the event of loss or damage.

The Dealer shall pay to the Distributor the following fee(s), which the Distributor may amend, in its discretion from time to time, upon sixty (60) days' prior written notice to the Dealer:

G-Site data transmission fee: \$ [REDACTED] month.
 eN-Touch fee: units at \$ [REDACTED] month.

The Dealer shall implement and utilize the retail credit and debit system(s) designated by the Distributor, in its discretion from time to time, to be used by its dealers and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s). All cards accepted currently by Imperial Oil attract a rate of [REDACTED] % to [REDACTED] % credit card charge. Debit card transactions currently attract a [REDACTED] cent charge.

27. Termination

- a. Where the end of the term of this Agreement as set out in Section 3 is later than the end of the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, or where the said Esso Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said Esso Branded Distributor Agreement, unless (i) the term of said Esso Branded Distributor Agreement is extended, renewed or replaced and (ii) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an Esso location.
- b. The Distributor may, in its discretion, upon the occurrence of any one of the following events terminate this Agreement immediately and without notice to the Dealer and the Guarantors and without providing any prior opportunity to cure same:
 - (i) if the Dealer is in default of any Third Party Credit Card Agreement entered into between the parties in connection with this Agreement, or if the Third Party terminates the Dealer's use of the Third Party's Credit Card processing facilities for any reason whatsoever;
 - (ii) if any indemnity, guarantee, or suretyship obtained in connection with this Agreement is revoked or curtailed;
 - (iii) if any motor fuel, other than the Esso Branded Motor Fuels are kept, sold or otherwise dealt with on or from the Marketing Premises;
 - (iv) if the Dealer fails to sell the Esso Branded Motor Fuels strictly in accordance with the grades and kinds designated in the Manual;
 - (v) if the Dealer sells any Esso Branded Motor Fuel: (I) in bulk, (II) to any person for resale, or (III) to any person not using a government approved container; or
 - (vi) if the Dealer ceases to carry on the Dealer Business on or from the Marketing Premises;
 - (vii) if the Dealer or any one or more of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or one or more of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is

made in respect of the Dealer or any one or more of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed for the Dealer or any one or more of the Guarantors, or if the Dealer or any one or more of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any one or more of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an "insolvent person" as that term is defined in the Act;

- (viii) if the Dealer shall at any time have any of the goods and chattels of the Dealer Business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of the Distributor sell any of such goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer Business;
 - (ix) if the Dealer fails to operate the Dealer Business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control;
 - (x) if the Dealer or any one or more of the Guarantors is convicted of or pleads guilty to any criminal offense, whether or not related to the Dealer Business;
 - (xi) if the Dealer fails to pay any amount payable to the Distributor under the provisions of this Agreement;
 - (xii) the Dealer fails to maintain adequate inventory of the Esso Branded Motor Fuels at the Marketing Premises to meet the needs of its retail customers;
 - (xiii) if the Esso Branded Distributor Agreement is terminated for any reason;
 - (xiv) the Dealer or any one or more of the Guarantors attempts to abandon the Marketing Premises or to sell or dispose of its goods or chattels otherwise than in the ordinary course of its business;
 - (xv) if the Dealer fails to comply with the provisions of the Manual or Section * {sale} of this Agreement;
 - (xv) if the Dealer (I) is a corporation and a principal shareholder of the Dealer dies or becomes unable, by reason of physical or mental illness or disability, to operate the Dealer Business in the ordinary course for thirty (30) days or more ("Incapacitated") or (II) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes Incapacitated;
 - (xvi) if the Dealer is in default on any provision of any other agreement with the distributor pertaining to the Marketing Premises; or
 - (xvii) if any applicable law now or hereafter in effect renders any provision of this Agreement unenforceable or unlawful.
- c. Upon the expiration or termination of this Agreement for any reason, the Dealer shall immediately:
- (i) cease to use in any manner the Proprietary Marks;
 - (ii) pay to the Distributor or any person, firm or corporation affiliated or associated with the Distributor, all amounts and charges as are or may thereafter become due and payable hereunder or under any other agreement between the Dealer and Distributor or any person, firm or corporation affiliated or associated with the Distributor ;

- (iii) return to the Distributor all copies of the Manual then in the possession of the Dealer;
- (iv) notify the telephone company and all listing agencies of the expiration or termination of the Dealer's right to use the Proprietary Marks and terminate all such listings using the Proprietary Marks;
- (v) cease to operate the Dealer Business in any manner which would, directly or indirectly, represents to the public that the Dealer Business was thereafter operated in association with the Proprietary Marks and cease to hold itself out as a present or former dealer of Esso Branded Motor Fuels;
- (vi) surrender the Equipment to the Distributor; and
- (vi) at the request of Distributor, take all such action as may be necessary to cancel any trade or business name registration which contains any part of the Proprietary Marks under any applicable law and furnish the Distributor with evidence satisfactory to it of compliance with the Dealer's obligation hereunder within thirty (30) days after the expiration or termination of this Agreement.

Any termination of this Agreement pursuant to this Section shall be without prejudice to any other right (including any right of indemnity), remedy or relief vested in or to which the Distributor may otherwise be entitled against the Dealer. All monies paid by the Dealer to the Distributor under this Agreement or otherwise shall be retained by the Distributor as consideration for the rights and benefits previously conferred on the Dealer hereunder and as liquidated damages. The foregoing remedy shall not exclude any of the remedies which the Distributor may have at law or in equity by reason of the default, breach or non-observance by the Dealer of any provision of this Agreement.

28. Claims

- a. Neither the Distributor nor Imperial Oil is liable to the Dealer for shortages in quantity or quality of Esso Branded Motor Fuels unless the Dealer notifies the Distributor, in writing, within forty-eight (48) hours after delivery (or discovery in the case of latent defect for quality deficiencies) setting forth fully the facts upon which any such claim for shortage in quantity or defect in quality is made and unless the Distributor and/or Imperial Oil are given a reasonable opportunity to inspect the motor fuels concerning which any such claim is being made. the Distributor's and/or Imperial Oil's liability with respect to any shortage in quantity shall be limited to an amount equal to the volume of any shortage multiplied by the Dealer's cost of motor fuel including delivery and taxes in effect for the delivery in question. The Distributor and/or Imperial Oil's liability with respect to any defect in quality shall be limited to the cost of removing the defective motor fuels from the Marketing Premises at its own expense and replacing them without charge to the Dealer. The Distributor and/or Imperial Oil shall not be liable for any special, indirect, or consequential damages to the Dealer for any shortage in quantity or defect in quality. All other claims by the Dealer against the Distributor or Imperial Oil including their affiliates and subsidiaries of any kind, whether or not arising out of this Agreement, are barred unless the Dealer gives the Distributor and/or Imperial Oil, as the case may be, notice within ninety (90) days after the event, act or omission to which the claim relates. Whether or not the Dealer provides timely notice of a claim, any claim by the Dealer is barred unless asserted by the commencement of a lawsuit naming the Distributor and/or Imperial Oil as defendant in a court of competent jurisdiction within twelve (12) months after the event, act or omission to which the claim relates.
- b. The Dealer recognizes that, at any time during the term of this Agreement, any of the grades or brands of motor fuels sold hereunder or any of the Proprietary Marks may be changed, altered, amended or eliminated. The Dealer also recognizes that, at any time during the term of this Agreement, the quality or specification of any of the motor fuels sold hereunder may be changed or altered. If any such change or alteration materially affects the performance of such motor fuels or the needs of the Dealer therefor for the purposes intended by the Dealer, the Dealer may terminate this Agreement as to any such motor fuels so affected on thirty (30) days' prior written notice to the Distributor. However, the Dealer may not terminate this Agreement for any change in quality or specification of any said motor fuels resulting from compliance with federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits. In the event that the manufacture of certain of the Esso Branded Motor Fuels sold hereunder is discontinued, the Distributor shall notify the Dealer of such an event and this Agreement shall terminate as to such motor fuels when such notice is effective.

29. Entire Agreement; Modifications

This Agreement, any documents referred to in this Agreement and any attachments to this Agreement, constitute the entire agreement between the Distributor and the Dealer concerning the subject matter hereof, and supersede all prior agreements, understandings, negotiations and discussions relating to that subject matter. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by the Distributor to the Dealer. Except as explicitly provided in this Agreement this Agreement may not be supplemented, modified or amended unless done so in writing and executed by the Dealer, the Guarantors and the Distributor.

30. Guarantee

As consideration in part for the Distributor entering into this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Guarantors and the Distributor, the Guarantors hereby covenant and agree as follows:

- a. to unconditionally and irrevocably guarantee to the Distributor, as a primary obligor, the due payment by the Dealer of all monies payable under this Agreement and any other obligations whatsoever by the Dealer to the Distributor at the time or times appointed therefor, and the due observance and performance by the Dealer of all the provisions in this Agreement and any other obligations whatsoever to be observed and performed by the Dealer;
- b. to indemnify and save the Distributor harmless from and against all costs, losses, expenses and damages it may suffer as a result of the Dealer's non-compliance with any provision of this Agreement;
- c. that this shall be a continuing guarantee and shall be binding upon the Guarantors after as well as before the Dealer's non-compliance with any provisions of this Agreement, until all monies due under the Agreement have been fully paid and satisfied and all provisions have been observed, performed and carried out;
- d. The Distributor shall not be bound to exhaust its recourse against the Dealer before requiring payment of any monies or the observance or performance of any obligations by the Guarantors and the Guarantors waive notice of demand for payment or performance, notice of default, protest and notice of protest and any and all other notices and legal and equitable defenses to which the Guarantors may be entitled;
- e. no release or releases and no indulgence or extensions of time or waiver granted by the Distributor to the Dealer with respect to the observance or performance or any defaults or breaches of this Agreement by the Dealer nor any dealings between the Distributor and the Dealer shall in any way modify, alter or prejudice the Distributor or diminish or affect the liability of the Guarantors under this Agreement;
- f. the covenants and agreements herein entered into by the Guarantors are to be construed as both joint and several;
- g. the guarantee and the liability of each of the Guarantors hereunder is not and shall not be affected by the death or loss or diminution of capacity of any of the Guarantors;
- h. this guarantee extends to and is binding upon each of the Guarantors and their heirs, executors, administrators, legal representatives and assigns, and
- i. this guarantee shall continue to bind the Guarantors even if one or more of them, cease to be involved, directly or indirectly in the Dealer Business or in the Dealer.

31. Notices

Any notice to be given hereunder:

- a. by Distributor to the Dealer and the Guarantors shall be conclusively deemed to have been given when addressed to the Dealer and: (i) delivered personally or by courier to the Marketing Premises; or (ii) mailed by prepaid mail addressed to the Dealer at the Marketing Premises; or (iii) sent by electronic facsimile to the Dealer provided evidence of transmission is retained, and
- b. by the Dealer or the Guarantors to Distributor shall be conclusively deemed to have been given when addressed to the following address and: (i) delivered or mailed by prepaid registered mail to Distributor at the following address, or (ii) sent by electronic facsimile to Distributor, provided evidence of transmission is retained, at the following number: **Pioneer Petroleums Management Inc.**, 5360 South Service Rd., Burlington, Ontario, L7L 5L1, Att: Vice President, Retail Sales Facsimile No.: (905) 639-2490

Any notice, if delivered personally or by courier shall be conclusively deemed to have been given when actually received, if mailed by prepaid mail, on the fifth Business Day following the deposit thereof in the mail or, if transmitted by electronic facsimile before 4:00 p.m. on a Business Day, on that Business Day and, if transmitted by electronic facsimile after 4:00 p.m. on a Business Day on the Business Day following the date of the transmission.

32. Quality Assurance

Subject to the provisions of the Manual, the Dealer shall store, handle, sell and dispense the Esso Branded Motor Fuels purchased and sold hereunder in compliance with the procedures provided by Distributor from time to time.

33. Right of Entry

In addition to any other rights of Distributor under this Agreement, Dealer hereby permits Distributor, Imperial Oil and their respective affiliates, employees, agents, vendors, contractors and representatives to enter, during normal operating hours, the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement, to enforce any and all rights and remedies under this Agreement including taking action to preserve the integrity of the Proprietary Marks and determine Dealer's compliance with this Agreement. Neither Distributor nor Imperial Oil is liable to Dealer for any interference with Dealer's business as a result of Distributor or Imperial Oil entering the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement.

34. Assignment, Sale of Business

- a. The Dealer shall not sell, assign, transfer or otherwise dispose of or deal with , whether absolutely, by way of security or otherwise, any or all of its rights or obligations under this Agreement without the prior written consent of the Distributor. Any assignment or transfer made without the prior written consent of the Distributor shall be void. For the purposes of this Section, if the Dealer is not an individual, a change of control of the Dealer shall be deemed to be a transfer of the Dealer's interests in this Agreement.
- b. The Dealer shall not to sell, lease, sublease or part with possession of the Marketing Premises or the Dealer Business or the shares in the Dealer, in any manner, unless and until the Distributor has received at least thirty (30) days' prior written notice of the Dealer's intention to do so and, in addition, if the Distributor so requests, the Dealer shall obtain from the prospective purchaser, lessee or licensee a covenant in favour of and in a form satisfactory to the Distributor to observe and perform the terms and conditions of this Agreement.
- c. The Distributor shall have the right to sell, assign, transfer or otherwise dispose of or deal with any or all of its rights or obligations under this Agreement. If any such sale, assignment, transfer or disposition occurs, the Distributor shall be released from any liability under this Agreement for the rights or obligations sold, assigned, transferred or disposed of, except to the extent that such rights or obligations relate to periods prior to such sale, assignment, transfer or disposition

35. Withholding Payments

The Dealer will not on the grounds of the alleged non-performance by the Distributor of any of its obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to Distributor or any person affiliated with Distributor.

36. Further Assurances

The parties shall diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

37. Number and Gender; Headings

This Agreement shall be read with such changes in number and gender as the context of the reference may require. The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

38. Time of the Essence and Governing Law

Time shall be of the essence in this Agreement, which shall be governed by and construed in accordance with the laws of the province of or territory of Canada in which the Marketing Premises is located and the federal laws of Canada applicable therein.

39. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity of such provision in any other jurisdiction.

40. No Waiver

No waiver of a breach of any provision in this Agreement shall be binding upon the Distributor unless made in writing and signed by the Distributor and no waiver of or past performance or course of dealing with a breach of any provision in this Agreement shall be construed as a waiver of any succeeding breach thereof or of any other provision in this Agreement and no delay or omission on the part of the Distributor to exercise any right acquired through the default of the Dealer shall be construed as a waiver of or shall impair such right.

41. Compliance with Law; Workers Compensation; Environmental

- a. The Dealer shall fulfill all the duties imposed upon it by law and shall obey all laws, regulations, rules, by-laws and ordinances applicable to the Dealer Business and to the Marketing Premises, including without limitation the competition laws of Canada and all other applicable laws relating to competition.
- b. The Dealer shall: (i) comply fully, at the Dealer's expense, with provisions of the relevant Workers' Compensation legislation; and (ii) obtain for all the persons employed in the Dealer Business, including the Dealer and the principal shareholder(s) and interest holder(s) of the Dealer, as the case may be, the complete package of benefits available under the relevant Workers' Compensation legislation.
- c. The Dealer shall comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.

42. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors and permitted assigns.

43. No Special or Consequential Damages

The Distributor shall not be liable for any special or consequential damages or loss of profit arising from any breach of its obligations under this Agreement.

44. Survival

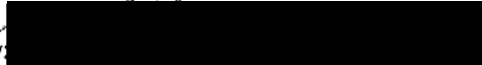
All obligations of the parties hereto which expressly or by their nature survive the expiration, termination, permitted transfer and permitted assignment of this Agreement shall continue in full force and effect, until they are satisfied or by their nature expire.



45. Independent Legal Advice

The Dealer and each of the Guarantors acknowledges that: (i) it or they, as the case may be, has had ample time to read and has read this Agreement and has been afforded the opportunity to retain independent legal advice to assist in the review, execution and delivery of this Agreement; and (ii) it or they, as the case may be, has of its own free will either obtained independent legal advice or declined to do so or.

IN WITNESS WHEREOF THE parties have executed this Agreement as of the date first above written.

PIONEER PETROLEUMS LIMITED PARTNERSHIP
by its General Partner
PIONEER PETROLEUMS MANAGEMENT INC.

By: 
Name: BRIAN KITCHEN
Title: VP RETAIL

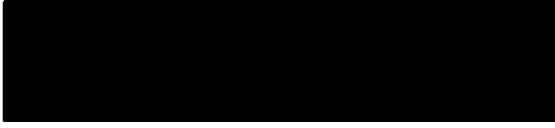
By: 
Name: 
Title: VP Services

I/We have the authority to bind the corporation


By: 
Name: 
Title: 

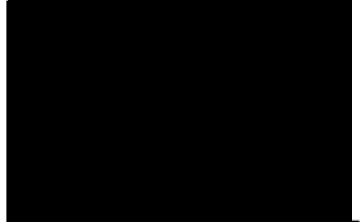
I have the authority to bind the corporation

GUARANTORS





Witness:



Witness:

SCHEDULE "A"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Pioneer Petroleums Limited Partnership, by its General Partner, Pioneer Petroleums Management Inc., 3184545 Manitoba Ltd. (the "Dealer") and [REDACTED] and [REDACTED] (the "Guarantors) dated the ___ day of _____, 2008.

1. PRODUCT GRADES AND QUANTITIES

The annual quantities of Esso-branded motor fuels by grade to be sold and purchased hereunder will be as follows :

<u>PRODUCT GRADE</u>	<u>ESTIMATED ANNUAL QUANTITY IN LITRES</u>
Regular Gasoline	[REDACTED]
TOTAL ALL GRADES	[REDACTED]

2. PRODUCT PRICES

The Dealer's prices of the Esso-branded motor fuels per litre F.O.B. the Distributor's Designated Loading Rack (as designated in clause 3 below) effective on are as follows:

<u>MOTOR FUEL GRADE</u>	<u>PRICE</u>	<u>DELIVERY COST</u>	<u>TAXES</u>	<u>INVOICE PRICE</u>
Premium Gasoline	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Mid Grade gasoline	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Regular Gasoline	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Low Sulphur Diesel	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

The amounts indicated above for TAXES and INVOICE PRICE are for illustrative purposes only and are exclusive of the Federal Goods and Services Tax (G.S.T.)

3. DELIVERY LOCATIONS

The Esso-branded motor fuels sold and purchased hereunder will be delivered by the Distributor. The Distributor shall deliver and the Dealer shall take delivery of the motor fuels at the Marketing Premises subject to the minimum "full truck load" or "deemed full truck load" quantity and delivery costs set out below :

<u>MARKETING PREMISES</u>	<u>FULL or DEEMED FULL TRUCK LOAD</u>	<u>DELIVERY RATE/LITRE</u>	<u>DESIGNATED ESSO LOADING RACK</u>
Highway #6 Warren, MB	[REDACTED] Litres		Winnipeg

The Distributor shall have the right to change the Delivery Rate per Litre upon giving the Dealer written notice of any change.

[REDACTED]

(initials)

IN WITNESS WHEREOF the Parties have acknowledged and agreed to the contents of this SCHEDULE "A" to the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS dated the _____ day of Nov, 2008.

**Pioneer Petroleum Limited Partnership,
by its General Partner,
Pioneer Petroleum Management Inc**

Witness
[Redacted]

[Redacted]
Title: VP OPERATIONS

Date Jan 29/09

Witness
[Redacted]

DEALER

[Redacted]
Name: _____ Date _____

Title: _____

Witness
[Redacted]

GUARANTOR

[Redacted]
Date _____

SCHEDULE "B"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Pioneer Petroleum Limited Partnership, by its General Partner, Pioneer Petroleum Management Inc., 3184545 Manitoba Ltd. (the "Dealer") and [REDACTED] and [REDACTED] (the "Guarantors") dated the ___ day of _____, 2008.

PAYOR'S AUTHORIZATION FOR PRE-AUTHORIZED DEBITS
(Business Purposes)

1. The Payor hereby certifies the accuracy of the following information:

Name: [REDACTED] (the "Payor")
 Address: [REDACTED]
 Town: [REDACTED]
 Province: [REDACTED]
 Postal Code: [REDACTED]
 Telephone Number: [REDACTED]
 Account: [REDACTED] (the "Account")
 Name of Payor's Financial Institution: [REDACTED] (the "Processing Institution")

2. Attached to this Authorization is a specimen cheque of the Payor marked 'VOID'.
3. The Payor will notify Pioneer (the "Payee"), in writing, of any change in the information provided in Sections 1 and 2 of this Authorization thirty (30) days prior to the effective date of any such change.
4. The Payor hereby authorizes the Payee to draw on the Account with the Processing Institution (each a pre-authorized debit or ("PAD")) to facilitate the payment of any and all such monies owing by the Payor to the Payee, including without limitation any monies owing pursuant to the Motor Fuel Supply Agreement - Esso-Branded Motor Fuels dated ___ among the Payee, the Payor and others.
5. The Payor represents and warrants that all persons whose signatures are required to authorize withdrawals from the Account have signed this Authorization and that all persons signing this Authorization are the authorized signatories and are duly authorized to execute this Authorization.
6. This Authorization may be cancelled by the Payor at any time upon written notice to the Payee.
7. The Payor acknowledges that executing and delivering this Authorization to the Payee constitutes delivery by the Payor to the Processing Institution.
8. The Payor and the Payee each hereby waive any and all PAD pre-notification requirements otherwise required by Rule H1 of the Canadian Payments Association ACSS Rules Manual.
9. The Payee may issue PADs in an unlimited dollar amount.
10. The Payor acknowledges that the Processing Institution is not required as a condition to honouring a PAD issued to verify that a PAD has been issued in accordance with the particulars of the Authorization, including without limitation the amount of the PAD and that the consideration for the payment for which the PAD was issued has been received by the Payee.

[REDACTED]
 [REDACTED]
 (initials)

11. The revocation of this Authorization by the Payee does not terminate any contract for goods or services that exists between the Payee and the Payor. This Authorization applies only to the method of payment and does not otherwise have any bearing on the contract for goods or services exchanged.

12. The Payor may dispute a PAD only under the following conditions:

- (1) the PAD was not drawn in accordance with this Authorization; or
- (2) this Authorization was revoked.

The Payor acknowledges that in order to be reimbursed, a declaration to the effect that one of foregoing circumstances occurred, must be completed and presented to the branch of the Processing Institution holding the Account up to and including 10 business days after the date on which the PAD in dispute was posted to the Account.

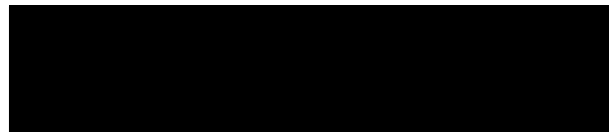

13. The Payee shall provide to the Payor notice and particulars of each PAD within 10 days following the date the Payee issues the PAD.

14. The Payor acknowledges that when disputing any PAD beyond the time allowed in this section it is a matter to be resolved solely between the Payor and the Payee, outside the payments system.

15. The Payor acknowledges that the information contained in the Authorization may be disclosed to the Payee's financial institution(s) as may be required or desirable to complete any PAD transaction.

16. The Payor understands and accepts the terms of participating in a PAD plan.

DATED effective .


Name _____


SCHEDULE "C"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Pioneer Petroleum Limited Partnership, by its General Partner, Pioneer Petroleum Management Inc., [REDACTED] (the "Dealer") and [REDACTED] (the "Guarantors) dated the 1 day of Nov, 2008.

OPERATING STANDARDS

The following operating standards for the Marketing Premises set out the Dealer's responsibilities with respect to safety and other operating procedures for the Marketing Premises and must be complied with strictly.

Operating Procedures

- Be aware of, and comply with, any applicable law relating to the operations on the Marketing Premises and any accounting and inventory management system requirements.
- Understand all duties in running the Marketing Premises.
- Ensure that the Dealer's employees understand the duties delegated to them.

Safety

The Dealer's employees must:

- Use safe work procedures when carrying out their duties.
- Be aware of and follow safe work practices when carrying out their duties.
- Be trained in the recognition and correction of hazardous conditions to avoid emergencies.
- Be aware and comply with applicable safety regulations.

Security/Robbery Prevention

- Take proper preventative measures to reduce the risk of robbery.
- Train the Dealer's employees in security and robbery prevention.
- The Dealer must train the Dealer's employees in the procedures to follow before, during and after a robbery.

Critical Equipment

- Know the critical equipment on the Marketing Premises.
- Ensure that the Dealer's employees are aware of the critical equipment on the Marketing Premises.
- Ensure that when critical controls are disarmed, appropriate communication takes place prior to such disarming and that such critical controls are re-activated.
- Follow appropriate procedures for disarming the critical equipment, including completing the form for the disarming or removal of critical controls and shutdown systems.

[REDACTED]

(initials)

Emergency Response

- Post the emergency response plan wall chart on the Premises in a conspicuous place.
- Train Dealer's employees in emergency response. This should include a review of potential hazards and how to deal with them, and the operation and use of fire extinguishers.
- Have the required equipment and supplies to respond to emergency situations.
- Hold at least two practice drills each year using different emergency situations.
- Document the Dealer's employee training and practice drills.

Workplace Hazardous Materials Information System ("WHMIS")

- Educate and train all the Dealer's employees on the WHMIS program prior to their starting work on the Marketing Premises and provide documented evidence thereof.
- Ensure that all Material Safety Data Sheets for controlled products are current, available and accessible to the Dealer's employees.
- Conduct at least once per year a review of WHMIS with the Dealer's employees and provide a forum for the Dealer's employees to discuss any related concerns and issues.
- Ensure that all containers of controlled products are properly labeled.
- Ensure that all fill pipes, gauge pipes and valves are properly tagged.
- Keep an inventory list of controlled products on the Marketing Premises in those provinces where it is required.

Waste Management

- Be familiar with and comply with the applicable waste regulations.
- Dispose of waste generated at the Marketing Premises according to the applicable waste regulations.
- If required by applicable laws, have a signed contract with a licensed hauler for the removal of hazardous wastes from the Marketing Premises.
- Use only a licensed hauler to remove and transport hazardous waste from the Marketing Premises.
- Keep copies of all waste manifests on file for a minimum of 2 years, or longer if required by applicable laws.

Licenses and Permits


- Have the necessary operating licences and permits to meet regulatory requirements.
- Have on the Marketing Premises all manuals required or advisable to operate the service station.

Incident Definition and Reporting

- Report specified incidents to the territory manager.
- Be aware of and understand the Dealer's responsibilities for reporting specific incidents directly to government agencies.
- Share the benefit of past incidents with the Dealer's employees.
- Document the incidents and keep them on file.

Training

- Provide initial and continuous training to all the Dealer's employees.
- If required by applicable laws, maintain training records for each of the Dealer's employees on the Marketing Premises.



(initials)

Credit Card


- Follow the standards for credit card authorization and processing documented in the Credit Card Guide.
- Retain the credit card slips for:
 - 6 months for manual transactions; and
 - 12 months for electronic transactions.
- Provide copies of credit card slips to Imperial within the time requested.
- Submit manual slips on a timely basis.

Esso Extra Card

- Collect, use and disclose information gathered for use by Imperial in connection with the Esso extra card only in accordance with applicable laws.
- Display all point-of-purchase materials prescribed by Imperial Oil in connection with the Esso Extra card.
- Ask each purchaser of applicable merchandise or services whether he or she has an Esso extra card. If so, whether he or she would like to use it and, if not, whether he or she would like to obtain an Esso extra card.
- Record and process the sales transactions of retail customers with an Esso extra card, using the Esso extra card.
- Maintain an adequate supply of merchandise redeemable by holder of Esso extra cards.
- Redeem valid Esso extra card reward certificates presented by retail customers for prescribed merchandise or services.

Record Retention

- Keep all relevant records on the Marketing Premises to be able to prove that you have taken the necessary steps to comply with applicable law.



(initials)

SCHEDULE "D"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Pioneer Petroleum Limited Partnership, by its General Partner, Pioneer Petroleum Management Inc., [REDACTED] (the "Dealer") and [REDACTED] (the "Guarantors) dated the 1 day of April, 2008.

EQUIPMENT

The following is a list of the Equipment:

Sign Type	Quantity
MID Sign	[REDACTED]
Building Sign (insert only)	[REDACTED]
Canopy Fascia (inserts only)	[REDACTED]
VSAT	[REDACTED]
Imprinter	[REDACTED]
POS Device	[REDACTED]
Speedpass	[REDACTED]

[REDACTED]
[REDACTED] (initials)

SCHEDULE "E"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Pioneer Petroleum Limited Partnership, by its General Partner, Pioneer Petroleum Management Inc., [redacted] (the "Dealer") and [redacted] (the "Guarantors) dated the 1st day of Nov, 2008.

ACKNOWLEDGEMENT AND CONSENT OF DEALER, LANDLORD AND/OR MORTGAGEE

TO: PIONEER

RE: MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Pioneer Petroleum Limited Partnership, by its General Partner, Pioneer Petroleum Management Inc. (the "Distributor"), [redacted] (the "Dealer") and [redacted] (the "Guarantors) dated the 1st day of Nov, 2008. (the "Agreement").

Each of the undersigned, being the Dealer, the landlord, the mortgagee or any one or more of the foregoing, of the Marketing Premises (as such term is defined in the Agreement) hereby acknowledges that:

1. Distributor will be entitled, in its sole discretion and from time to time, to remove from the Marketing Premises the equipment listed on the attached Exhibit I, together with all substitutions and additions (the "Equipment"), which (i) the Distributor owns, (ii) will be or has been loaned by the Distributor to the Dealer and (iii) will be or is located on the Premises; and
2. there does not now exist, shall not come into existence and shall never exist a security interest in the Equipment in favor of the undersigned, notwithstanding that the Equipment or any part or parts thereof may be attached to or may constitute part of the real property to which the undersigned has an interest.

IN WITNESS WHEREOF the Dealer has executed this Acknowledgment and Consent on the 1st day of November, 2008.

[redacted]
Witness

By: [redacted]
Name: [redacted]
Title: General
I have authority to bind the Corporation.

IN WITNESS WHEREOF the undersigned landlord of the Premises has executed this Acknowledgment and Consent on the 1st day of November, 2008.

[redacted]
Witness

By: [redacted]
Name: [redacted]
Title: [redacted]
I have authority to bind the Corporation.

IN WITNESS WHEREOF the undersigned mortgagee of the Premises has executed this Acknowledgment and Consent on the 1st day of November, 2008.

[redacted]
Witness

By: [redacted]
Name: [redacted]
Title: General
I have authority to bind the Corporation

TH
(initials)

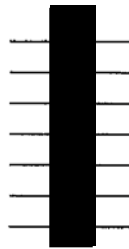
EXHIBIT I
to a Form of Acknowledgement and Consent of
Dealer, Landlord and/or Mortgagee

EQUIPMENT

Sign Type

Quantity

MID Sign
Building Sign (insert only)
Canopy Fascia (inserts only)
VSAT
Imprinter
POS Device
Speedpass





(initials)

SCHEDULE "F"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Pioneer Petroleum Limited Partnership, by its General Partner, Pioneer Petroleum Management Inc., [REDACTED] (the "Dealer") and [REDACTED] (the "Guarantors") dated the ____ day of _____, 2008.

CUSTOMER LOYALTY OBLIGATIONS

1. Participation

Dealer shall participate in the Esso Extra Win & Earn promotional program (the "Program") offered by Imperial to its Retail Branded Distributors, retailers and retail customers. Dealer shall comply with all requirements of the Program, including without limitation, the procedures, instructions and guidelines relating to the Program (the "Guidelines"), as provided or amended by Imperial to Dealer from time to time in its sole discretion. Without limiting the generality of the foregoing, Dealer shall:

- collect and communicate customer information to Imperial for Imperial's use only and in accordance with applicable laws and regulations (for greater certainty, Dealer shall not provide any customer information to any person other than Imperial nor shall Dealer use any customer information other than in accordance with the Guidelines or as otherwise directed by Imperial from time to time),
- ensure the Esso Extra card or the Royal Bank Esso VISA card is offered to each retail customer in accordance with the Guidelines,
- record and process sales transactions and the applicable Program points in accordance with the Guidelines for retail customers participating in the Program,
- redeem Program points as requested by customers at the Site for merchandise or services in accordance with the Guidelines,
- maintain an adequate supply of merchandise required to redeem Program points, or, if such merchandise is unavailable, maintain a supply of equivalent merchandise, and display all Program point-of-purchase promotional materials or signage at the times and in the manner prescribed by Imperial during the Program.

2. Electronic Reward Redemption Remuneration

The Retail Branded Distributor shall pay Dealer an amount (the "Reward Payment"), plus applicable taxes (other than income taxes), for each valid Program reward redeemed electronically at the Site in accordance with the Guidelines. The Reward Payment payable by the Retail Branded Distributor to Dealer shall be credited to Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Retail Branded Distributor may change the manner and the time the Reward Payment is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Reward Payment shall be calculated by Imperial as the actual number of reward redemptions for each type of reward redeemed electronically by customers at the Site multiplied by the reward cost rate as determined solely by Imperial and documented in the Guidelines.

3. Promotional Program Fee

If applicable law permits, the Dealer shall pay Retail Branded Distributor a promotional program fee (the "Program Fee"), plus applicable taxes (other than income taxes). The Program Fee payable by Dealer to Retail Branded Distributor shall be debited directly from Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Imperial may change the manner and the time the Program Fee is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Program Fee shall be calculated as the number of points (the "Fee Points") awarded to customers for transactions made at the Site multiplied by the program rate (the "Fee Rate").

The Fee Points are the total of:

- the base points issued at a rate of one point per dollar spent,
- all bonus points issued for sales of different grades of gasoline or car washes, and
- points issued for offers unique to the Site as instituted or extended by Dealer.

For greater certainty, the Fee Points excludes:

- (i) promotional points issued via direct mail offers extended by Imperial to customers
- (ii) points issued to holders of the Royal Bank Esso VISA card at a rate of one point per dollar charged to the card regardless of the vendor where the card is used, and
- (iii) bonus points issued for the purchase of specific merchandise on the Site through a program instituted or extended by Imperial.

The Fee Rate is defined as:

Fuel products & services	\$	[REDACTED]	for each point issued
Convenience store products & services	\$	[REDACTED]	for each base point issued
Car wash products & services	\$	[REDACTED]	for each base point issued
Other products & services	\$	[REDACTED]	for each point issued
Vehicle repair bay products & services	\$	[REDACTED]	for each point issued

 [REDACTED] (initials)

SCHEDULE "G"

FACILITY REQUIREMENTS

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Pioneer Petroleum Limited Partnership, by its General Partner, Pioneer Petroleum Management Inc., 3184545 Manitoba Ltd. (the "Dealer") and [REDACTED] and [REDACTED] (the "Guarantors) dated the ___ day of _____, 2008.

Item	Description	"New" & >100K D1 Sites	Min Stds New	Min Stds Renewal Or Upgrade
Weather Canopy (Canopy required at all D1 & D2 sites only) (Standards for all other sites with existing canopies)	Fascia	3D	[REDACTED]	[REDACTED]
		2D		
	Column Cladding	New Style (wide perpendicular to pump) Colour - Cambridge White by Color Steel Inc.		
Current (wide facing pump) Colour to match Cambridge White by Color Steel Inc				
None (steel column only) Colour to match Cambridge White by Color Steel Inc.				
Pump/ Dispenser		Image 2000 (Blue Graphics for new gasoline dispensers -- Red for existing)		
		Previous Esso		
		Pay at the pumps & Speedpass		
MID		New Image (Flag Type)		
		Previous Esso		
Painting	MID Structural Posts, Sign Frames	P - 5 White		
	Lighting poles, Posts, island fascia, Message Sign Frames	P - 13 Grey		
POS	G-Site			
	Operating retail automation system compatible with			

Imperial's card processing network

***Subject to MID sign permit availability

Definitions

3D	600mm illuminated Red Frameless Flexface Fascia with 300 non-illuminated white metal Fascia. C/W individually "ESSO" Red illuminated letters.
2D	900mm illuminated Frameless Flexface Fascia, 600mm high red and 300 mm White, with ESSO letters.
MID	Major Identification Sign
D-1	<p>Dealer Forecourt & Backcourt meeting the following requirements:</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards that can be upgraded to 3D, 3 Products with proper pump ID. Current Major Identification sign, Good Gas Location. • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
D-2	<p>standard</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards Minimum 2 (preferred 3) products with proper pump I.D. M.I.D. S/B goal post (minimum) but other to acceptable • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
100k	Market Area Population in 1000's

Changes To Brand Standards - Imperial [draft note ~ should this be Pioneer?] may change its "Facility Requirements for Distributor Esso-Branded Outlets" from time to time. Imperial will notify the Retail Branded Distributor of all changes and the Retail Branded Distributor must comply with these changes for all future applications.

**LETTER OF ACKNOWLEDGMENT OF RECEIPT
OF PETROLEUM HANDLING & EMERGENCY RESPONSE INFORMATION**

PIONEER PETROLEUMS MANAGEMENT INC.
AS GENERAL PARTNER OF PIONEER PETROLEUMS LIMITED PARTNERSHIP
("PIONEER")
5360 South Service Rd.
Burlington, Ontario
L7L 5L1
Att: Vice President, Retail Sales

[REDACTED] hereby acknowledges receipt of the following information from PIONEER

- (i) Provincial/Territorial Petroleum Handling Regulations, or
- (ii) Example of a Contingency Plan/Emergency Response chart, which includes Internal Reporting Procedures and Government contacts.
- (iii) List of maintenance and emergency contractors currently approved by PIONEER.
- (iv) List of environmental consultants currently used by PIONEER.
- (v) Material Safety Data Sheets (MSDS) for petroleum products.
- (vi) Example of Inventory Control Procedures.

[REDACTED] hereby agrees to:

- (i) Obtain, familiarize and keep updates to the Provincial/Territorial Petroleum Handling Regulations. These updates can be obtained from the Publications Centres/Queens Printers per the list provided in this package.
- (ii) Keep a list of maintenance and emergency contractors currently approved by the Province or Territory. These lists can be obtained from the Ministry of the Environment (MOE) or in Ontario from the Technical Standards and Safety Authority (TSSA).

[REDACTED] understands that it is not obligated to use any of the contractors that are listed as currently used by Pioneer. [REDACTED] also understands that all the information provided will change from time to time and that it is the responsibility of [REDACTED] to keep current on all items.

Dated: 1st Nov, 2008

Witness


[REDACTED]

Per

[REDACTED]

**LETTER OF CONFIRMATION
OF ENVIRONMENTAL COMPLIANCE**

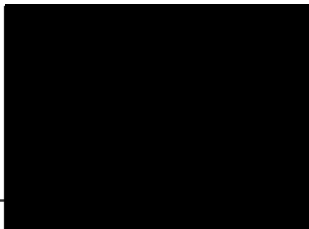
PIONEER PETROLEUMS MANAGEMENT INC.
AS GENERAL PARTNER OF PIONEER PETROLEUMS LIMITED PARTNERSHIP
5360 South Service Rd.
Burlington, Ontario
L7L 5L1
Att: Vice President Retail Sales

 hereby confirms that the service station facility, and operation, located at Hwy #6, Warren, Mb, is in compliance with the following environmental requirements:

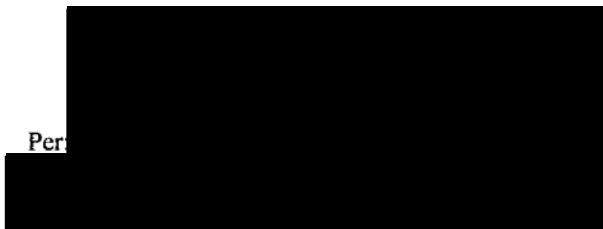
- (i) has a current provincial petroleum retailing license/permit (copy of license/permit attached);
- (ii) the tankage system is registered, where applicable (copy of registration attached);
- (iii) the tankage system meets provincial installation and specification standards;
- (iv) the tankage system was installed by a provincially licensed/approved contractor, where required by law;
- (v) an approved emergency contingency plan is in place;
- (vi) is operating in compliance with regulatory operating requirements; and

Dated: 1st Nov, 2008.

Witness _____



Per _____



**MOTOR FUEL SUPPLY AGREEMENT
ESSO-BRANDED MOTOR FUELS**

This Agreement is made on MARCH 1, 2010 (the "Effective Date")

BETWEEN:

CANGO INC.
1001 Champlain Avenue Suite 100
Burlington, Ontario
L7L 5Z4
(hereinafter called "Distributor")

- and -

1362814 ONTARIO INC.
(hereinafter called "Dealer") having a
motor fuels "Marketing Premises" located at
13210 LUNDY'S LANE
NIAGARA FALLS, ONT., L2E 6S4

- and -
[REDACTED] & [REDACTED]
(hereinafter called the "Guarantors")

WHEREAS Distributor is engaged in the sale and distribution of high quality petroleum products under the nationally and internationally known ESSO trade mark;

AND WHEREAS the Dealer desires to carry on the business of the sale of petroleum products in accordance with this Agreement;

AND WHEREAS the Guarantors have agreed to guarantee the obligations of the Dealer under this Agreement as consideration in part for the Distributor entering into this Agreement;

AND WHEREAS, based on its marketing strategies Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("Imperial Oil") has established the following core values ("Core Values"), namely

- To deliver quality products that customers can trust.
- To employ friendly, helpful people.
- To provide speedy, reliable and friendly service.
- To provide clean, attractive and well maintained retail facilities.
- To be a responsible, environmentally conscious neighbour.

NOW THEREFORE the Distributor and the Dealer agree as follows:

2. Grant

Distributor, under an Esso Branded Distributor Agreement with Imperial Oil, has the right to grant to Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the terms and conditions of this Agreement, Distributor grants Dealer the right to use the "Esso" mark and such other proprietary marks specified by Imperial Oil, from time to time, for use in connection with the sale of Esso-branded motor fuels ("Proprietary Marks") at the Marketing Premises. Dealer hereby accepts the use of the Proprietary Marks subject to the terms and conditions of this Agreement and agrees to conduct its business in a manner consistent with the commitments in the Core Values and

agrees to comply with Imperial Oil business standards and policies, including, without limitation Imperial Oil's National Standards Handbook as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by Distributor from time to time. DEALER ACKNOWLEDGES THAT ITS RELATIONSHIP IS EXCLUSIVELY WITH DISTRIBUTOR. NOTHING IN THIS AGREEMENT MAY BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN DEALER AND IMPERIAL OIL.

3. Related Businesses

Distributor acknowledges that Dealer may wish to operate, during the term of this Agreement, additional businesses ("Related Businesses") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, Distributor's trademarks, Dealer's own trademarks or third party trademarks. Dealer acknowledges that the operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the Esso-branded motor fuels and Proprietary Marks. Accordingly, Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by Distributor to Dealer from time to time. If Dealer fails to comply with this Agreement or any such requirements, and without limiting Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, Distributor may require Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks, or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Effective Date, Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.

4. Product Quantities

- a. Distributor shall sell and deliver and Dealer shall purchase, receive and pay for the Dealer's entire requirements of Esso-branded motor fuel for sale at the Marketing Premises in the quantities and at the prices and terms and conditions set out herein. The motor fuels purchased by Dealer from Distributor under this Agreement shall be for resale at the Marketing Premises only. The Dealer shall use good faith and diligent efforts to maximize the sale of Esso-branded motor fuels at the Marketing Premises. Dealer shall at all times have available for sale at the Marketing Premises such quantities of the Esso-branded motor fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.
- b. The minimum annual volume of Esso-branded motor fuel Dealer is obligated to purchase during any contract year ("contract year" meaning the consecutive twelve (12) months beginning on the Effective Date and each subsequent consecutive twelve (12) month period) is [REDACTED] litres (the "Minimum Annual Volume"). The Minimum Annual Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil.
- c. The minimum contract volume of Esso-branded motor fuel Dealer is obligated to purchase during the term of this Agreement is [REDACTED] litres (the "Minimum Contract Volume"). The Minimum Contract Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil.
- d. In each contract year, Dealer must purchase from Distributor a minimum of eighty percent (80%) of the Minimum Annual Volume for Esso-branded motor fuel. Should Dealer fail, in any contract year, to purchase the aforementioned 80% of the Minimum Annual Volume of Esso-branded motor fuel, Distributor may terminate or not renew this Agreement upon giving 60 days prior written notice to the Dealer and the Guarantor(s).

5. Term

- e. The term of this Agreement is for the period beginning on **MARCH 1, 2010** and ending on **FEBRUARY 28TH, 2015**, unless terminated earlier or extended in accordance with this Agreement. If the said term

exceeds the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, then the term of this Agreement shall expire upon the expiry of the said Esso Branded Distributor Agreement. The Distributor, in its sole discretion, may extend the term of this Agreement upon giving 60 days prior written notice to the Dealer and the Guarantor(s) until the Minimum Contract Volume of Esso-branded motor fuel has been purchased by the Dealer.

6. Dealer Payment

- a. As consideration in part for the Dealer accepting the use of the Proprietary marks as set out herein, Distributor shall pay to the Dealer a payment in the accordance with the following Dealer Payment Scale per litre (plus applicable taxes) multiplied by the number of litres of the Esso-Branded motor fuels purchased by the Dealer from Distributor pursuant to this Agreement during each contract year and/or prorated for any partial contract year (the "Dealer Payment").

Dealer Payment Scale :

From [redacted] to [redacted] litres - \$ [redacted] per litre on all litres purchased during any contract year,
Over [redacted] litres - \$ [redacted] per litre on all litres purchased during contract year.

The Dealer Payment rate per litre will apply to the entire volume of motor fuels purchased during any contract year of the Term herein, for example if [redacted] litres of motor fuels are purchased in a contract year the Dealer Payment rate of \$ [redacted] per litre will be paid on the entire [redacted] litres of motor fuels purchased during that contract year.

The Dealer Payment during the first contract year will be paid monthly in arrears at the rate of \$ [redacted] per Litre. Any additional payment owing to the Dealer will be paid by the Distributor within 30 days of the end of each contract year. The Dealer Payment in the second and subsequent contract years will be determined based on the number of litres purchased by the Dealer during the previous contract year referenced against the Dealer Payment Scale. In the event the volume of motor fuels purchased in any month by the Dealer is reduced to a level that, in the sole discretion of the Distributor, would result in a higher Dealer Payment amount than set out in the Dealer Payment Scale, the Distributor shall have the right to reduce the Dealer Payment accordingly upon giving written notice of any such reduction to the Dealer. The Dealer Payment shall be calculated by Distributor based on the Distributors' records and paid by Distributor to the Dealer monthly in arrears within twenty (20) days immediately following the end of each month during the term of this Agreement.

- b. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the covenants or agreements contained in this Agreement; and (ii) this Agreement shall not have terminated.

7. Right of First Refusal

- a. The Dealer hereby grants to the Distributor the right of first refusal to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of any bona fide written offer received by the Dealer during the Term of this Agreement which the Dealer is willing to accept. The Dealer shall send such written offer to the Distributor in the manner provided herein for the giving of notices, and the Distributor shall have thirty (30) days from the receipt of such written offer in which to notify the Dealer that it elects to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of such offer. If the offer does not consist wholly of cash the Distributor shall have the right to meet the Terms of such offer with a reasonable equivalent in cash. In the event the Distributor does not exercise its rights hereunder, the Dealer shall be free after the end of said period of thirty (30) days to sell, lease or sublease the Marketing Premises on the terms and conditions contained in the bona fide written offer but subject to the terms of this Agreement including this option.
- b. In the event the Distributor exercises its rights to purchase, lease or sublease (as the case may be) the Marketing Premises, this Agreement, together with any other related agreements, shall terminate on the date of closing or completion of the transaction subject to the Dealer's financial obligations.
- c. The Dealer covenants and agrees that as a condition precedent to the Distributor allowing the Dealer to sell or lease or sublease the Marketing Premises and the business thereon to a third party, the Dealer will execute and deliver to the solicitor acting on the Dealer's behalf in such transaction as part of the bulk sale documentation, an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, all amounts of money that are still due and owing to the Distributor by the Dealer. In the event the proceeds of the sale are insufficient to extinguish the Dealer's indebtedness to the Distributor, the sale, lease or sub-lease transaction cannot be completed.

8. Transfer by the Dealer and Sale of Premises, Business or Shares

- a. The Dealer may not assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement without the prior written consent of the Distributor. For the purposes of this Section, if the Dealer is not an individual a change of control of the Dealer shall be deemed to be a transfer of the Dealer's interests in this Agreement. Distributor shall not be required to consent to any requested transfer or assignment unless the proposed assignee or transferee meets Distributor's credit granting criteria, the Dealer provides assurances all indebtedness to the date of assignment or transfer will be paid and the Dealer pays Distributor's standard administration fee for considering the request for a transfer or assignment, preparation of necessary documents, etc. Unless specifically agreed to by Distributor, the Dealer and Guarantor hereunder is or are not released by any such transfer or assignment.
- b. The Dealer agrees not to sell, lease or part with possession of the Premises or the business operated on the Premises or shares in such business, in any manner, unless and until the Distributor has received at least thirty (30) days' prior written notice of the Dealer's intention to do so, the criteria in subparagraph (a) are met and, in addition, if the Distributor so requests, the Dealer has obtained from the prospective purchaser, lessee or licensee and any guarantor(s) a covenant in favour of and in a form satisfactory to the Distributor to observe and perform the terms and conditions of this Agreement by an Assignment of this Agreement.

9. Price and Terms of Sale

- a. The Dealer shall pay Distributor for the Esso-branded motor fuels purchased pursuant to this Agreement the price thereof in effect at the Distributors' designated loading rack at the time that the motor fuels are loaded for delivery to the Dealer, plus the cost of delivery, plus all applicable taxes. The motor fuel prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. The designated loading rack, delivery rate and applicable taxes in effect at the commencement of this Agreement are set out in Schedule "A" hereto. In the event of a shortage or unavailability of the motor fuels at the Distributors' designated loading rack for any particular delivery to the Dealer the Distributor shall use its best efforts to deliver motor fuels from an alternate loading rack in order to complete the delivery and the Dealer hereby agrees to pay for any increased costs required to complete such delivery.

- b. Measurement of the volume of each delivery of the motor fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15 degrees Celsius in accordance with normal industry practice.
- c. All purchases of the Esso-branded motor fuels, shall be paid by the Dealer upon or before delivery in immediately available funds as set out herein, unless Distributor, in its sole discretion and from time to time, grants credit terms to the Dealer. If Distributor grants credit terms to the Dealer, such credit terms may be amended by Distributor in its sole discretion upon written notice from time to time. If Distributor grants credit terms to the Dealer and the Dealer accepts delivery of any Esso-branded motor fuel in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation paying interest on overdue accounts at rates to be determined by Distributor from time to time. Distributor reserves the right to withhold any amounts due by the Distributor to the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its sole discretion and without notice decline to make deliveries of motor fuels to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.
- d. The Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to Distributor by the Dealer pursuant to this Agreement:
 - (1) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by Distributor, in its sole discretion and from time to time;
 - (2) may be collected by Distributor by pre-authorized debit in the manner set out on Schedule "B" or by wire transfer.
- f. The Dealer shall, from time to time, execute and deliver to Distributor an authorization for pre-authorized debit substantially in the form of Schedule "B" in order to facilitate the collection of payments pursuant to this Section. Distributor may amend Schedule "B", in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer.
- g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer's business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
- h. Distributor agrees that, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, the Distributor will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

10. Delivery

- a. Delivery will be by tank truck into Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the motor fuel shall pass to the Dealer as the motor fuel is discharged from Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.

- b. Dealer shall ensure that the Distributors tank truck will have unimpeded access to the fill pipes and storage tanks while making any delivery to the Marketing Premises.
- c. Dealer will notify Distributor of any required delivery of motor fuels in accordance with Distributors written ordering and delivery procedures. Dealer will only order deliveries in "full truck load" quantities as set out in Schedule "A". Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. Dealer will accept delivery of the Esso-branded motor fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributors ordering and delivery procedures.
- d. Upon the dispatch of a delivery vehicle by Distributor to deliver the Esso-branded motor fuels to the Marketing Premises, the Dealer agrees to either accept the delivery of a "full truck load" of the Esso-branded motor fuels (or less than a "full truck load" of the Esso-Branded motor fuels only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to Distributor all the reasonable costs incurred by Distributor in connection with any delay or aborted delivery.
- e. Distributor shall not be required to deliver to the Dealer the Esso-Branded motor fuels in any quantity less than a "full truck load" or "deemed full truck load", which shall be determined in each case by Distributor in its sole discretion and from time to time. If the Dealer requests the delivery of and Distributor agrees to deliver the Esso-branded motor fuels in a quantity less than a "full truck load" or "deemed full truck load", then Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however, the delivery by Distributor of Esso-branded motor fuels in a quantity less than a "full truckload" or "deemed full truckload" on any one or more occasions shall not require Distributor to deliver Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the sole discretion of Distributor from time to time.

11. Product Control

- a. Dealer shall exercise the highest degree of care in handling, storing, selling and using the Esso-branded motor fuel delivered to the Marketing Premises. Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any Esso-branded motor fuel (including without limitation, the blending of such motor fuels with ethanol). Dealer shall not sell from the Marketing Premises Esso-branded motor fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. Distributor may refuse to make deliveries into Dealer's storage tanks at the Marketing Premises until in Distributor's judgment, any deficiencies in the quality of motor fuels at the Marketing Premises are corrected.
- b. Access to Premises. Dealer grants Distributor and Imperial Oil (including their employees, agents and contractors) the right to enter the Marketing Premises during normal business hours to examine the contents of Dealer's storage tanks in which said motor fuels purchased hereunder are handled or stored. Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to Dealer's obligations under this Agreement.

12. Contingencies

No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any covenant, agreement, or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to Distributor or to Imperial Oil or any person affiliated with distributor under this Agreement) if such default or non performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any delays in or failure of performance by Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request, or control of any governmental authority; or
- b. When the supply of motor fuel at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by Distributor is interrupted, unavailable or inadequate for any reason or cause which Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of motor fuels to be sold under this Agreement by allocating its available supply of motor fuels among its customers, itself, and its related and subsidiary companies in such manner as it may in its sole and absolute discretion determine and Distributor shall not be obliged to obtain or purchase other supplies of the motor fuels to make up any such shortage.

13. Proprietary Marks

- a. Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for Dealer's use and shall only use such marks to designate the origin of the Esso-branded motor fuels and otherwise in the manner authorized and instructed by Distributor from time to time. DEALER AGREES THAT MOTOR FUELS AND PETROLEUM PRODUCTS OF OTHERS WILL NOT BE SOLD BY DEALER UNDER SUCH PROPRIETARY MARKS. If, in the sole opinion of Distributor, any samples taken by Distributor or Imperial Oil under this Agreement are not Esso-branded motor fuels, or are not in the condition in which delivered by Distributor, or any documents and records reviewed by Distributor or Imperial Oil show Dealer has failed to comply with its obligations hereunder, Distributor may, at its sole option, debrand the Marketing Premises in question or cancel and terminate this Agreement.
- b. By written notice to Dealer, Distributor may withdraw its approval to: (i) brand the Marketing Premises ("debrand") or (ii) use or operate any motor fuels business or Related Businesses at the Marketing Premises, if, in Distributor's sole judgment: (i) the Marketing Premises (or the motor fuels business and/or Related Businesses) fails to portray the image and standards expected from Esso-branded retail outlets; or (ii) Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If Distributor debrands the Marketing Premises, withdraws its approval to use or operate the motor fuels business or Related Businesses at the Marketing Premises, upon termination of this Agreement, or prior thereto upon demand by Distributor, Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from Distributor, consisting in whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.
- d. Dealer agrees to take no action that will diminish or dilute the value of the Proprietary Marks. Dealer shall not sell non-Esso branded motor fuels under any of the Proprietary Marks, including without limitation, any Esso-identified canopy or at any fueling island where Dealer is selling Esso-branded motor fuels.
- e. Dealer shall not use the Proprietary Marks as part of Dealer's corporate or other name.
- f. Dealer hereby consents to Distributor or Imperial Oil removing or painting over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the Esso trade name, trade-marks, signs and advertising items, prior to the expiration or earlier termination of this Agreement.

14. Customer Service & Operating Standards

- a. Dealer shall ensure that its Marketing Premises meet the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits), failing which Dealer shall lose the right to use or display Proprietary Marks at any such Marketing Premises:

- (1) Paved driveways with safe and good ingress and egress; and
 - (2) Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances; and
 - (3) Clean premises free of debris, trash, and fire hazards; and
 - (4) Modern restrooms for men and women available to the general public; and
 - (5) Offer two(2) grades of Esso-branded motor fuels; and
 - (6) Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and
 - (7) Compliance with applicable operating standards as described in Schedule "C", and facility standards as described in Schedule "I" ("Facility Requirements"), which are incorporated herein and made a part of this Agreement.
- b. While using any Proprietary Marks, Dealer agrees:
- (1) To render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct Dealer's business in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the Esso-branded motor fuels sold hereunder; and
 - (2) To provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers; and
 - (3) To keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies; and
 - (4) To assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the Esso-branded motor fuels during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to Dealer.
 - (5) To purchase, maintain, and display an adequate quantity of Esso-branded motor oils, lubricants, greases, anti freeze, and other petroleum products and related products (the "Petroleum Products") for resale from the Marketing Premises to meet the needs of Dealer's retail customers from time to time. Dealer acknowledges that the Distributor is not a distributor of Petroleum Products and agrees to purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area.
 - (6) The Dealer shall keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers.
 - (7) The Dealer shall ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. Dealer agrees that Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by Distributor to cure, continues to be in violation of this Section.

- d. Dealer shall not permit at the Marketing Premises:
- (1) Any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits; or
 - (2) The sale or use of illegal drugs or drug paraphernalia; or
 - (3) The sale of any pornographic material or other material that Distributor determines may be offensive to the general public.
- e. Dealer shall not permit at the Marketing Premises the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits relating to youth access to tobacco products. Dealer shall promptly advise Distributor of any charges or notifications of violations received at the Marketing Premises from any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.
- f. The Dealer acknowledges receipt of and shall comply with the Imperial Oil Operating Standards Manual (the "Manual"), including without limitation the Operating Standards and the other standards, methods, procedures and specifications established by Imperial Oil from time to time applicable to the operation the Dealer's business. The provisions of the Manual, including without limitation the Operating Standards and the other standards, methods, procedures and specifications applicable to carrying on the Dealer's business, are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to Distributor promptly upon request and, in any event, upon the expiration or earlier termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's prior written consent. The Dealer acknowledges that the entire contents of the Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. The Dealer shall maintain the absolute confidentiality of all such information during the term of this Agreement and after the expiration or earlier termination of this Agreement and shall not disclose any such information for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer's business in accordance with this Agreement. The Dealer further agrees not to use any such information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

15. No Exclusive Marketing Rights

This Agreement does not give Dealer an exclusive right in any market or geographic area to sell Esso-branded motor fuel or conduct any of the Related Businesses. Dealer acknowledges that Distributor and Imperial Oil may directly or indirectly compete with Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks ("Trademarks"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling Esso-branded motor fuels, other branded motor fuels or operating businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, enterprises or other

businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

16. Fuel Handling Equipment

Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment"). Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a. The Dealer warrants and represents to Distributor that as of the effective date of this Agreement, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises are in good condition and repair and meet regulatory requirements.
- b. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and to meet regulatory requirements. The Dealer shall make all needed repairs and replacements promptly.
- c. The Dealer shall have in place on all underground motor fuels storage tanks the following equipment:
 - (1) Spill containment boxes; and
 - (2) Overfill prevention valves,

and such equipment shall, at all times, be in good operating condition and repair.

- d. Notwithstanding any other provision in this Agreement, if Distributor is required by law, or if in Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "hazard"), then Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. Distributor shall not be obliged to re-commence delivery of the Motor Fuels until Imperial is satisfied, in its sole discretion, that the hazard does not exist or has ceased to exist.
- e. The Dealer agrees :
 - (1) that if Distributor does or causes the doing of any act to remedy a hazard, whether or not the acts are required by law, the Dealer will pay Distributor for all costs and expenses incurred by Distributor for the doing of such act; and
 - (2) upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuel or other substance and so notify Distributor immediately if any such spillage is determined to have occurred and Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.
- f. Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential environmental hazards.

17. Loaned Equipment

- a. Distributor will loan to the Dealer the equipment listed in Schedule "D" hereto (the "Equipment") as and when it may be available for use on the Marketing Premises in the Dealer's business; and the Dealer hereby accepts such loan.

Distributor shall have the right, in its sole discretion and from time to time, to replace, add to or substitute any one or combination of items of the Equipment.

- b. The Dealer shall:
- (1) pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
 - (2) obtain all necessary permits, licences and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;
 - (3) not alter, part with possession of, or encumber, lease, or sell the Equipment;
 - (4) complete day to day maintenance and repair, including replacement of parts, of the Equipment unless Distributor advises the Dealer in writing that Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;
 - (5) keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;
 - (6) comply with all laws applicable to the Equipment;
 - (7) be responsible for all damage caused to the Equipment by the gross negligence or willful act of any person or persons other than Distributor, its employees, contractors and agents;
 - (8) use the Equipment intended for storage, handling, advertising or displaying the Esso-branded motor fuels and the Petroleum Products, solely for such intended purpose.
 - (9) return to Distributor in good repair and operating condition, reasonable wear and tear excepted (i) all Equipment immediately upon the expiration or earlier termination of this Agreement and (ii) any Equipment replaced by Distributor for any reason immediately upon such replacement;
 - (10) for greater certainty, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (i) effect maintenance and repair of the Equipment and (ii) replace, add to or substitute any one or combination of items of the Equipment; and
 - (11) upon the expiration or earlier termination of this Agreement, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment.
 - (12) upon the early cancellation or termination of this Agreement because of default the Dealer, to reimburse the Distributor for the unamortized costs of the original acquisition and installation of the Equipment and any other improvements and the cost of removal in accordance with Schedule "E" and to reimburse the Distributor for liquidated damages in accordance with the provisions of paragraph 23(d) hereof.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor, and the Dealer agrees not to affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a fixture of the Marketing Premises without each person now or hereafter having an interest in the Marketing Premises first executing an acknowledgement and consent in the form of Schedule "E".
- e. The Dealer acknowledges that it has examined the Equipment provided to the Dealer as of the effective date of this Agreement and is satisfied therewith and shall indemnify Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of Distributor's negligence or a defect in the Equipment, provided the Dealer shall have given Distributor prompt written notice of such negligence or defect.

18. Compliance with Laws

Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits including those concerning the environment, hazardous substances or wastes, toxic substances, and occupational safety and health.

19. Indemnity

The Dealer agrees to indemnify and save harmless Distributor, its partners, directors, officers, employees, agents and affiliates and their respective directors, officers, employees, agents and affiliates (each an "indemnified party") from and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer's business on the Marketing Premises;
- b. the storage, handling and sale of the motor fuels on and from the Marketing Premises; and
- c. the Equipment.

The foregoing indemnity shall not include a claim arising out of, in respect of or in connection with the negligence or willful misconduct of an indemnified party.

20. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:
 - (1) a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and Distributor arising out of all the operations of the Dealer pertaining to the Dealer's business, whether or not conducted on or from the Marketing Premises with all inclusive limits of at least three million dollars (\$3,000,000) for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and
 - (2) a third party liability policy on all vehicles used in the Dealer's business, with all inclusive limits of at least one million dollars (\$1,000,000) for any one incident.
- b. The insurance policy referred to in subsection 20a.(2) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
- c. Upon written request by Distributor, the Dealer shall provide Distributor with a certificate of insurance and such other information as may reasonably be required by Distributor in a form satisfactory to Distributor as evidence of the insurance required under this Section. The insurance policies shall be endorsed to provide that in the event of any change in them which could affect Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to Distributor thirty (30) days prior to the effective date of any such change or cancellation.
- d. Distributor may amend this Section, in its sole discretion and from time to time, on the anniversary of the commencement date of this Agreement upon sixty (60) days' prior written notice to the Dealer.

21. Technology and Communications

If required by Distributor in writing from time to time, Dealer shall comply with the following:

- a. Install and maintain in good operating condition and at Dealer's expense at the Marketing Premises:
 - (1) A facsimile machine for sending and receiving written communications; and

- (2) Equipment that allows access to the internet or other electronic-transmission or data communications systems designated by Distributor from time to time.
- b. Subscribe, at Dealer's expense, at the Marketing Premises to a voicemail system for transmitting and receiving telephone communications.
- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition, replacement or updating of point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software.

22. Retail Credit and Debit System

The Dealer acknowledges receipt of an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer Business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor.

The Dealer shall pay to Distributor the following fee(s), which Distributor may amend, in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer:

G-Site data transmission fee: \$ [REDACTED] month.

eN-Touch fee; units at \$ [REDACTED] month.

The Dealer shall implement and utilize the retail credit and debit system(s) designated by Distributor, in its sole discretion and from time to time, to be used by its dealers and the Dealer further shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).

23. Termination

- a. Where the end of the term of this Agreement set out in Section 5 is later than the end of the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, or where the said Esso Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said Esso Branded Distributor Agreement, unless
 - (1) the said Esso Branded Distributor Agreement is extended, renewed or replaced and
 - (2) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an Esso location.
- b. Distributor, in its sole discretion, shall have the right terminate this Agreement between Dealer and Distributor immediately and without notice and demand immediate payment of all monies due it as follows:
 - (1) In accordance with the applicable provisions of this Agreement; or
 - (2) Bankruptcy proceedings are instituted by or against Dealer; control of Dealer's business or assets pass by law or otherwise to any person or representative other than Dealer; or
 - (3) Dealer is in breach of a provision under this Agreement; or
 - (4) Dealer fails to timely pay obligations due Distributor under this Agreement; or

- (5) Dealer is in default of any Third Party Credit Card Agreement entered into between the parties in connection with this Agreement, or in the event the Third Party terminates the Dealers use of the Third Party's credit card processing facilities for any reason whatsoever; or
- (6) Any intended indemnity, guarantee, or suretyship in connection with this Agreement is revoked or curtailed; or
- (7) If any motor fuel, other than the Esso-Branded motor fuels are kept, sold or otherwise dealt with on or from the Marketing Premises; or
- (8) If the Dealer fails to sell the Esso-branded motor fuels strictly in accordance with the grades and kinds designated in the Manual; or
- (9) The Dealer sells any Esso-branded motor fuel: (i) in bulk, (ii) to any person for resale, or (iii) to any person not using a government approved container; or
- (10) If the Dealer ceases to carry on the Dealer's business on or from the Marketing Premises; or
- (11) If the Dealer or any of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or any of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is made in respect of the Dealer or any of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed for the Dealer or any of the Guarantors, or if the Dealer or any of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an "insolvent person" as that term is defined in the Act; or
- (12) If the Dealer or any of the Guarantors shall at any time have any of the goods and chattels of the Dealer's business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of Distributor sell any of such goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer's business; or
- (13) If the Dealer fails to operate the Dealer's business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control; or
- (14) If the Dealer or any of the Guarantors is convicted of or pleads guilty to any criminal offense, whether or not related to the Dealer Business; or
- (15) If the Dealer fails to maintain adequate inventory of the Motor Fuels at the Marketing Premises to meet the needs of its retail customers; or
- (16) The Dealer or any of the Guarantors attempts to abandon the Marketing Premises or to sell or dispose of its goods or chattels otherwise than in the ordinary course of its business; or
- (17) If the Dealer (i) is a corporation and a principal shareholder of the Dealer dies or becomes Incapacitated or (ii) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes Incapacitated; or
- (18) If any applicable law now or hereafter in effect renders any provision of this Agreement unenforceable or unlawful.

- c. Upon the expiration or earlier termination of this Agreement for any reason, the Dealer shall immediately:
- (1) cease all use of the Proprietary Marks;
 - (2) pay to Distributor or any person, firm or corporation affiliated or associated with Distributor, all amounts and charges as have or will thereafter become due hereunder or under any other agreement between the Dealer and Distributor or any person, firm or corporation affiliated or associated with Distributor, and are then unpaid;
 - (3) return to Distributor all copies of the Manual then in the possession of the Dealer;
 - (4) notify the telephone company and all listing agencies of the expiration or earlier termination of the Dealer's right to use the Proprietary Marks and terminate all such listings using the Proprietary Marks;
 - (5) surrender the Equipment to Distributor; and
 - (6) at the request of Distributor, take all such action as may be necessary to cancel any trade or business name registration which contains any part of the Proprietary Marks under any applicable law and furnish Imperial with evidence satisfactory to it of compliance with the Dealer's obligation hereunder within thirty (30) days after the expiration or earlier termination of this Agreement.
- d. Upon the termination or cancellation of this Agreement by Distributor because of default of the Dealer prior to the expiration of the term provided for in paragraph 5 hereof, the Dealer shall pay to the Distributor as liquidated damages and not as a penalty and as a genuine pre-estimate of the Distributor's expected loss, a sum calculated by multiplying one and one half cents (1 1/2 cents) per litre times the average monthly volume for the previous twelve month period times the number of months remaining on the term of this Agreement if not cancelled. In the event such sum is not paid to the Distributor within five (5) business days of invoice or demand, Dealer irrevocably authorizes the Distributor to deduct such sum as calculated in addition to all other amounts owing to the Distributor including applicable interest from the proceeds of an Letter of Credit or cash security held by the Distributor under the terms of this Agreement. The deduction of such sum is without prejudice to the Distributor's right to claim and prove a greater sum as damages or to avail itself of any other contractual or equitable remedies for breach of this Agreement by the Dealer.

Any termination of this Agreement pursuant to this Article shall be without prejudice to any other right (including any right of indemnity), remedy or relief vested in or to which Distributor may otherwise be entitled against the Dealer. All monies paid by the Dealer to Distributor under this Agreement or otherwise shall be retained by Distributor as consideration for the rights and benefits previously conferred on the Dealer hereunder and as liquidated damages. The foregoing remedy shall not exclude any of the remedies which Distributor may have at law or in equity by reason of the default, breach or non-observance by the Dealer of any provision of this Agreement.

24. Claims

- a. Neither Distributor nor Imperial Oil is liable to Dealer for shortages in quantity or quality unless Dealer notifies Distributor within 48 hours after delivery (or discovery in the case of latent defect for quality deficiencies) in writing setting forth fully the facts upon which any such claim for shortage in quantity or defect in quality is made and unless Distributor and/or Imperial Oil are given a reasonable opportunity to inspect the Motor fuels concerning which any such claim is being made. Distributor's and/or Imperial Oil's liability with respect to any shortage in quantity shall be limited to an amount equal to the volume of any shortage multiplied by the Dealer's cost of motor fuel including delivery and taxes in effect for the delivery in question. Distributor and/or Imperial Oil's liability with respect to any defect in quality shall be limited to the cost of removing the defective motor fuels from the Marketing Premises at its own expense and replacing them without charge to the Dealer. Distributor and/or Imperial Oil shall not be liable for any special, indirect, or consequential damages to the Dealer for any shortage in quantity or defect in quality. All other claims by Dealer against Distributor or Imperial Oil including their affiliates and subsidiaries of any kind, whether or not arising out of this Agreement, are barred unless Dealer gives Distributor and/or Imperial Oil,

as the case may be, notice within ninety (90) days after the event, act or omission to which the claim relates. Whether or not Dealer provides timely notice of a claim, any claim by Dealer is barred unless asserted by the commencement of a lawsuit naming Distributor and/or Imperial Oil as defendant in a court of competent jurisdiction within twelve (12) months after the event, act or omission to which the claim relates.

- b. Dealer recognizes that, at any time during the term of this Agreement, any of the grades or brands of motor fuels sold hereunder or any of the Proprietary Marks may be changed, altered, amended or eliminated. Dealer also recognizes that, at any time during the term of this Agreement, the quality or specification of any of the motor fuels sold hereunder may be changed or altered. If any such change or alteration materially affects the performance of such motor fuels or the needs of Dealer therefor for the purposes intended by Dealer, Dealer may terminate this Agreement as to any such motor fuels so affected on thirty (30) days' prior written notice to Distributor. However, Dealer may not terminate this Agreement for any change in quality or specification of any said motor fuels resulting from compliance with federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits. In the event that the manufacture of certain of the Esso-branded motor fuels sold hereunder is discontinued, Distributor shall notify Dealer of such an event and this Agreement shall terminate as to such motor fuels when such notice is effective.

25. Entire Agreement; Modifications

This Agreement, any documents referred to in this Agreement and any attachments to this Agreement constitute the entire, full and complete agreement between Distributor and Dealer concerning the subject matter hereof, and supersede all prior agreements relating to that subject matter. Except for any permitted to be made unilaterally by Distributor under this Agreement, no amendment, change or variance from this Agreement is binding on either party unless agreed in writing by Distributor's and Dealer's authorized representative. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by Distributor to the Dealer.

26. Miscellaneous

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective assigns. Any assignment or purported assignment of this Agreement by Dealer without Distributor's written consent shall be void. Distributor's right to require strict performance shall not be affected by any previous waiver or course of dealing. Neither this Agreement nor any modification or waiver shall be binding on Distributor unless in writing signed by an authorized representative. Past performance shall not be deemed a waiver of this requirement.

27. Guarantee

As consideration in part for Distributor entering into this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Guarantors and Distributor, the Guarantors hereby agree as follows:

- a. to unconditionally and irrevocably guarantee to Distributor, as a primary obligor, the due payment by the Dealer of all monies payable under this Agreement and any other obligations whatsoever by the Dealer to Distributor at the time or times appointed therefor, and the due observance and performance by the Dealer of all the covenants, terms, provisions, stipulations and conditions in this Agreement and any other obligations whatsoever to be observed and performed by the Dealer;
- b. to indemnify and save Distributor harmless from and against all costs, losses, expenses and damages it may suffer as a result of the Dealer's non-compliance with any term or condition of this Agreement;
- c. that this shall be a continuing guarantee and shall be binding upon the Guarantors after as well as before the Dealer's non-compliance with any term or condition of this Agreement, until all monies due under the Agreement have been fully paid and satisfied and all covenants, terms, provisions, stipulations, agreements and conditions observed, performed and carried out;

- d. Distributor shall not be bound to exhaust its recourse against the Dealer before requiring payment of any monies or the observance or performance of any obligations by the Guarantors and the Guarantors waive notice of demand for payment or performance, notice of default, protest and notice of protest and any and all other notices and legal and equitable defenses to which the Guarantors may be entitled;
- e. no release or releases and no indulgence or extensions of time or waiver granted by Distributor to the Dealer with respect to the observance or performance or any defaults or breaches of this Agreement by the Dealer nor any dealings between Distributor and the Dealer shall in any way modify, alter or prejudice Distributor or diminish or affect the liability of the Guarantors under this Agreement;
- f. the covenants and agreements herein entered into by the Guarantors are to be construed as both joint and several;
- g. the guarantee and the liability of each of the Guarantors hereunder is not affected by the death or loss or diminution of capacity of any of the Guarantors; and
- h. for clarification, this guarantee extends to and is binding upon each of the Guarantors and their heirs, executors, administrators, legal representatives and assigns, it being understood that this guarantee will continue to bind the Guarantors even if one or each of the Guarantors, as the case may be, cease to be involved, directly or indirectly in the Dealer Business or in the Dealer.

28. Notices

Any notice to be given hereunder:

- a. by Distributor to the Dealer and the Guarantors shall be conclusively deemed to have been given when addressed to the Dealer and: (i) delivered personally or by courier to the Marketing Premises; (ii) mailed by prepaid registered mail addressed to the Dealer at the Marketing Premises; or (iii) sent by electronic facsimile to the Dealer provided evidence of transmission is retained, and
- b. by the Dealer or the Guarantors to Distributor shall be conclusively deemed to have been given when addressed to the following address and: (i) delivered or mailed by prepaid registered mail to Distributor at the following address, or (ii) sent by electronic facsimile to Distributor, provided evidence of transmission is retained, at the following number:

Cango Inc.
 1001 Champlain Avenue, Suite 100
 Burlington, Ontario
 L7L 5Z4

Attention: General Manager, Operations
 Facsimile No.: (905) 333 - 9696

Any notice, if delivered personally or by courier shall be conclusively deemed to have been given when actually received, if mailed by prepaid registered mail, on the fifth Business Day following the deposit thereof in the mail or, if transmitted by electronic facsimile before 3:00 p.m. on a Business Day, on that Business Day and, if transmitted by electronic facsimile after 3:00 p.m. on a Business Day on the Business Day following the date of the transmission.

29. Quality Assurance

Dealer agrees to store, handle, sell and dispense the Esso-branded motor fuels purchased and sold hereunder in compliance with the procedures provided by Distributor from time to time.

30. Right of Entry

In addition to any other rights of Distributor under this Agreement, Dealer hereby permits Distributor, Imperial Oil and their respective affiliates, employees, agents, vendors, contractors and representatives to enter, during normal operating hours, the Marketing Premises and other places where Dealer conducts any business covered by the terms

of this Agreement, to enforce any and all rights and remedies under this Agreement including taking action to preserve the integrity of the Proprietary Marks and determine Dealer's compliance with this Agreement. Neither Distributor nor Imperial Oil is liable to Dealer for any interference with Dealer's business as a result of Distributor or Imperial Oil entering the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement.

31. Survival

All obligations of the parties hereto which expressly or by their nature survive the expiration, earlier termination, permitted transfer and permitted assignment of this Agreement shall continue in full force and effect, until they are satisfied or by their nature expire.

32. Withholding Payments

The Dealer will not on the grounds of the alleged non-performance by Distributor of any of its obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to Distributor or any person affiliated with Distributor.

33. Further Assurances

The parties agree to diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

34. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the province of or territory of Canada in which the Marketing Premises is located and the federal laws of Canada applicable therein.

35. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity of such provision in any other jurisdiction.

36. No Waiver

No waiver of any covenant, agreement or obligation in this Agreement shall be construed as a waiver of any succeeding breach thereof or of any other covenant, agreement or obligation in this Agreement, and no delay or omission on the part of any party to exercise any right acquired through the default of any other shall be construed as a waiver of or shall impair such right.

37. Compliance with Law; Workers Compensation; Environmental

- a. The Dealer shall fulfill all the duties imposed upon it by law and shall obey all laws, regulations, rules, by-laws and ordinances applicable to the Dealer's business and to the Marketing Premises, including without limitation the competition laws of Canada and all other applicable laws relating to competition.
- b. The Dealer shall: (i) comply fully, at the Dealer's sole expense, with provisions of the relevant Workers' Compensation legislation; and (ii) obtain for all the persons employed in the Dealer's business, including the Dealer and the principal shareholder(s) and interest holder(s) of the Dealer, as the case may be, the complete package of benefits available under the relevant Workers' Compensation legislation.
- c. The Dealer shall comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.

38. No Special or Consequential Damages

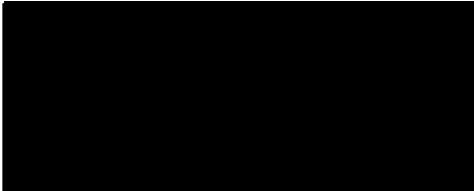
Distributor shall not be liable for any special or consequential damages or loss of profit arising from any breach of its obligations under this Agreement.

39. Independent Legal Advice

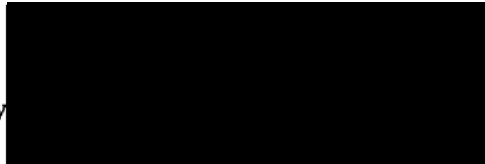
Each of the Dealer and the Guarantors acknowledges that it: (i) has had ample time to read and has read this Agreement and has been afforded the opportunity to retain independent legal advice to assist it in its review, execution and delivery of this Agreement; and (ii) has of its own free will either declined to do so or obtained independent legal advice.

EXECUTED as of the dates set out below.

WITNESS:



CANGO INC.



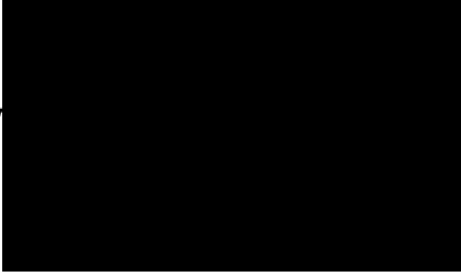
By

03/10/10
Date

WITNESS:



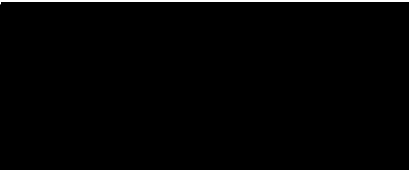
1362814 ONTARIO INC.



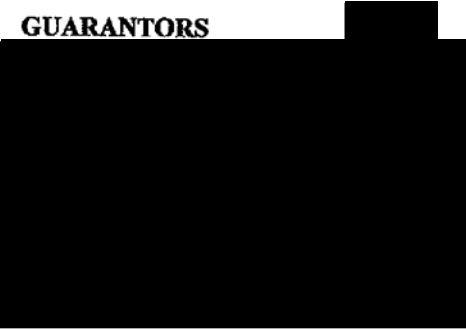
By

MAR 4/10
Date

WITNESS:



GUARANTORS



MAR 4/10
Date

WITNESS:



MARCH 4/10
Date

SCHEDULE "A"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 1362814 ONTARIO INC. (The "Dealer"), and DAL SOON SHIN, KYUNG OK SHIN (The "Guarantors") dated the 1ST day of MARCH, 2010.

1. PRODUCT GRADES AND QUANTITIES

The annual quantities of Esso-branded motor fuels by grade to be sold and purchased hereunder will be as follows :

<u>PRODUCT GRADE</u>	<u>ESTIMATED ANNUAL QUANTITY IN LITRES</u>
Premium Gasoline	
Regular Gasoline	
Low Sulphur Diesel Fuel	
TOTAL ALL GRADES	

2. PRODUCT PRICES

The Dealer's prices of the Esso-branded motor fuels per litre F.O.B. the Distributor's Designated Loading Rack (as designated in clause 3 below) effective on the 8th day of December, 2009 are as follows:

<u>MOTOR FUEL GRADE</u>	<u>PRICE</u>	<u>DELIVERY COST</u>	<u>TAXES</u>	<u>INVOICE PRICE</u>
Premium Gasoline	\$	\$	\$	\$
Regular Gasoline	\$	\$	\$	\$
Low Sulphur Diesel	\$	\$	\$	\$

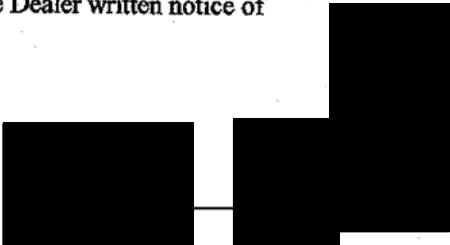
The amounts indicated above for TAXES and INVOICE PRICE are for illustrative purposes only and are exclusive of the Federal Goods and Services Tax (G.S.T.)

3. DELIVERY LOCATIONS

The Esso-branded motor fuels sold and purchased hereunder will be delivered by the Distributor. The Distributor shall deliver and the Dealer shall take delivery of the motor fuels at the Marketing Premises subject to the minimum "full truck load" or "deemed full truck load" quantity and delivery costs set out below :

<u>MARKETING PREMISES</u>	<u>FULL or DEEMED FULL TRUCK LOAD</u>	<u>DELIVERY RATE/LITRE</u>	<u>DESIGNATED ESSO LOADING RACK</u>
13210 LUNDY'S LANE NIAGARA FALLS, ONT.	█ Litres	\$ █	NANTICOKE

The Distributor shall have the right to change the Delivery Rate per Litre upon giving the Dealer written notice of any change.


 (initials)

IN WITNESS WHEREOF the Parties have acknowledged and agreed to the contents of this SCHEDULE "A" to the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS dated the 1ST day of MARCH, 2010.

CANGO INC.

[Redacted]
Witness

[Redacted] 3/10/10
President Date

1362814 ONTARIO INC.

[Redacted]
Witness

[Redacted] MAR 4/10
Date

GUARANTORS

[Redacted]
Witness

[Redacted] MAR 4/10
Date

[Redacted]
Witness

[Redacted] MARCH 4/10
Guarantor Date

SCHEDULE "B"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 1362814 ONTARIO INC. (The "Dealer"), and [REDACTED] (The "Guarantors") dated the 1ST day of MARCH, 2010.

LETTER OF DIRECTION FOR PRE AUTHORIZED DEBITS EXECUTED SEPARATELY

SCHEDULE "C"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 1362814 ONTARIO INC. (The "Dealer"), and [REDACTED] (The "Guarantors") dated the 1ST day of MARCH, 2010.

OPERATING STANDARDS

The following operating standards for the Premises set out the Dealer's responsibilities with respect to safety and other operating procedures for the Premises and must be complied with strictly.

Operating Procedures

- Be aware of, and comply with, any applicable law relating to the operations on the Premises and any accounting and inventory management system requirements.
- Understand all duties in running the Premises.
- Ensure that the Dealer's employees understand the duties delegated to them.

Safety

The Dealer's employees must:

- Use safe work procedures when carrying out their duties.
- Be aware of and follow safe work practices when carrying out their duties.
- Be trained in the recognition and correction of hazardous conditions to avoid emergencies.
- Be aware and comply with applicable safety regulations.

Security/Robbery Prevention

- Take proper preventative measures to reduce the risk of robbery.
- Train the Dealer's employees in security and robbery prevention.
- The Dealer must train the Dealer's employees in the procedures to follow before, during and after a robbery.

Critical Equipment

- Know the critical equipment on the Premises.
- Ensure that the Dealer's employees are aware of the critical equipment on the Premises.
- Ensure that when critical controls are disarmed, appropriate communication takes place prior to such disarming and that such critical controls are re-activated.
- Follow appropriate procedures for disarming the critical equipment, including completing the form for the disarming or removal of critical controls and shutdown systems.

[REDACTED]
[REDACTED]
[REDACTED]
(initials)

Emergency Response

- Post the emergency response plan wall chart on the Premises in a conspicuous place.
- Train Dealer's employees in emergency response. This should include a review of potential hazards and how to deal with them, and the operation and use of fire extinguishers.
- Have the required equipment and supplies to respond to emergency situations.
- Hold at least two practice drills each year using different emergency situations.
- Document the Dealer's employee training and practice drills.

Workplace Hazardous Materials Information System ("WHMIS")

- Educate and train all the Dealer's employees on the WHMIS program prior to their starting work on the Premises and provide documented evidence thereof.
- Ensure that all Material Safety Data Sheets for controlled products are current, available and accessible to the Dealer's employees.
- Conduct at least once per year a review of WHMIS with the Dealer's employees and provide a forum for the Dealer's employees to discuss any related concerns and issues.
- Ensure that all containers of controlled products are properly labeled.
- Ensure that all fill pipes, gauge pipes and valves are properly tagged.
- Keep an inventory list of controlled products on the Premises in those provinces where it is required.

Waste Management

- Be familiar with and comply with the applicable waste regulations.
- Dispose of waste generated at the Premises according to the applicable waste regulations.
- If required by applicable laws, have a signed contract with a licensed hauler for the removal of hazardous wastes from the Premises.
- Use only a licensed hauler to remove and transport hazardous waste from the Premises.
- Keep copies of all waste manifests on file for a minimum of 2 years, or longer if required by applicable laws.

Licences and Permits

- Have the necessary operating licences and permits to meet regulatory requirements.
- Have on the Premises all manuals required or advisable to operate the service station.

Incident Definition and Reporting

- Report specified incidents to the territory manager.
- Be aware of and understand the Dealer's responsibilities for reporting specific incidents directly to government agencies.
- Share the benefit of past incidents with the Dealer's employees.
- Document the incidents and keep them on file.

Training

- Provide initial and continuous training to all the Dealer's employees.
- If required by applicable laws, maintain training records for each of the Dealer's employees on the Premises.

DS
OK
(initials)

Credit Card

- Follow the standards for credit card authorization and processing documented in the Credit Card Guide.
- Retain the credit card slips for:
 - 6 months for manual transactions; and
 - 12 months for electronic transactions.
- Provide copies of credit card slips to Imperial within the time requested.
- Submit manual slips on a timely basis.

Esso Extra Card

- Collect, use and disclose information gathered for use by Imperial in connection with the Esso extra card only in accordance with applicable laws.
- Display all point-of-purchase materials prescribed by Imperial in connection with the Esso Extra card.
- Ask each purchaser of applicable merchandise or services whether he or she has an Esso extra card. If so, whether he or she would like to use it and, if not, whether he or she would like to obtain an Esso extra card.
- Record and process the sales transactions of retail customers with an Esso extra card, using the Esso extra card.
- Maintain an adequate supply of merchandise redeemable by holder of Esso extra cards.
- Redeem valid Esso extra card reward certificates presented by retail customers for prescribed merchandise or services.

Record Retention

- Keep all relevant records on the Premises to be able to prove that you have taken the necessary steps to comply with applicable law.

DS
O/S
(initials) KB

SCHEDULE "D"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 1362814 ONTARIO INC. (The "Dealer"), and DAL SOON SHIN, KYUNG OK SHIN (The "Guarantors") dated the 1ST day of MARCH, 2010.

EQUIPMENT

The following is a list of the Equipment:

Sign Type	Quantity
Major Id Pylon sign	[REDACTED]
Backlit Canopy Signboxes	[REDACTED]
VSAT	[REDACTED]
Speedpass Pad	[REDACTED]
Imprinter	[REDACTED]
POS Device	[REDACTED]

Together with all additional, substitutional and replacement Equipment and/or leasehold improvements supplied by the Distributor

[REDACTED] (initials) [REDACTED]

SCHEDULE "E"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 1362814 ONTARIO INC. (The "Dealer"), and [REDACTED], [REDACTED] (The "Guarantors") dated the 1ST day of MARCH, 2010.

ACKNOWLEDGEMENT AND CONSENT OF DEALER, LANDLORD AND/OR MORTGAGEE

TO: CANGO INC.

RE: Dealer Sales Agreement made effective as of March 1, 2010 (the "Agreement") among, CANGO INC.(the "Distributor"), 1362814 ONTARIO INC. (the "Dealer"), 1362814 ONTARIO INC. (the "Landlord"), and [REDACTED] (the "Mortgagee")

Each of the undersigned, being the Dealer, the Landlord, the Mortgagee or any one or more of the foregoing, of the Marketing Premises (as such term is defined in the Agreement) hereby acknowledges that:

1. Distributor will be entitled, in its sole discretion and from time to time, to remove from the Marketing Premises the equipment listed on the attached Exhibit I, together with all substitutions and additions (the "Equipment"), which (i) Imperial owns, (ii) will be or has been loaned by Distributor to the Dealer and (iii) will be or is located on the Premises; and
2. there does not now exist, shall not come into existence and shall never exist a security interest in the Equipment in favor of the undersigned, notwithstanding that the Equipment or any part or parts thereof may be attached to or may constitute part of the real property to which the undersigned has an interest.
3. The Dealer acknowledges that the Distributor has incurred the cost of the acquisition and installation of the Equipment and leasehold improvements listed on the attached Exhibit I based on the fixed contractual term detailed in Paragraph 5 of the Dealer Sales Agreement and the commitment of the Dealer to purchase a minimum volume of motor fuels each contract year as detailed in paragraph 4(b) of said Dealer Sales Agreement. Accordingly the Dealer acknowledges and agrees that in the event of early cancellation or termination of the Dealer Sales Agreement because of default or breach by the Dealer, the Distributor shall be reimbursed by the Dealer for (i) the unamortized cost of the original acquisition and installation of the Equipment and leasehold improvements, (ii) the total cost of removal and (iii) all other expenses incurred by the Distributor in removing the Equipment and leasehold improvements, including but not limited to contractor's invoices, legal fees, bailiff fees, etc. In the event the Distributor is not paid such sums within five (5) business days of delivery of an invoice(s) for the same, the Distributor is irrevocably authorized and directed to deduct such amounts and applicable interest from the proceeds of any Letter of Credit or cash security held by the Distributor and the Dealer acknowledges its responsibility for any shortfall until the Distributor is paid in full.

IN WITNESS WHEREOF the Dealer has executed this Acknowledgment and Consent on the 4 day of MARCH, 2010.

[REDACTED]

Witness

1362814 ONTARIO INC.

[REDACTED]

By:

President

I have authority to bind the Corporation.

IN WITNESS WHEREOF the undersigned Landlord of the Premises has executed this Acknowledgment and Consent on the 4 day of March, 2010.

Witness

1362814 ONTARIO INC

By: _____
President
I have authority to bind the Corporation.

EXHIBIT I
to a Form of Acknowledgement and Consent of
Dealer, Landlord and/or Mortgagee

EQUIPMENT

Sign Type

Quantity

- Major Id Pylon sign
- Backlit Canopy Signboxes
- VSAT
- Speedpass Pad
- Inprinter
- POS Device

Together with all additional, substitutional and replacement Equipment and/or leasehold improvements supplied by the Distributor

(initials)

SCHEDULE "F"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 1362814 ONTARIO INC. (The "Dealer"), and [REDACTED] (The "Guarantors") dated the 1ST day of MARCH, 2010.

PREMISES

The municipal address of the Premises is:

**13210 LUNDY'S LANE
NIAGARA FALLS, ONTARIO
L2E 6S4**

[REDACTED] [REDACTED]
initials

SCHEDULE "G"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 1362814 ONTARIO INC. (The "Dealer"), and [REDACTED] (The "Guarantors") dated the 1ST day of MARCH, 2010.

CUSTOMER LOYALTY OBLIGATIONS

1. Participation

Dealer shall participate in the Esso Extra Win & Earn promotional program (the "Program") offered by Imperial to its Retail Branded Distributors, retailers and retail customers. Dealer shall comply with all requirements of the Program, including without limitation, the procedures, instructions and guidelines relating to the Program (the "Guidelines"), as provided or amended by Imperial to Dealer from time to time in its sole discretion. Without limiting the generality of the foregoing, Dealer shall:

- collect and communicate customer information to Imperial for Imperial's use only and in accordance with applicable laws and regulations (for greater certainty, Dealer shall not provide any customer information to any person other than Imperial nor shall Dealer use any customer information other than in accordance with the Guidelines or as otherwise directed by Imperial from time to time),
- ensure the Esso Extra card or the Royal Bank Esso VISA card is offered to each retail customer in accordance with the Guidelines,
- record and process sales transactions and the applicable Program points in accordance with the Guidelines for retail customers participating in the Program,
- redeem Program points as requested by customers at the Site for merchandise or services in accordance with the Guidelines,
- maintain an adequate supply of merchandise required to redeem Program points, or, if such merchandise is unavailable, maintain a supply of equivalent merchandise, and display all Program point-of-purchase promotional materials or signage at the times and in the manner prescribed by Imperial during the Program.

2. Electronic Reward Redemption Remuneration

The Retail Branded Distributor shall pay Dealer an amount (the "Reward Payment"), plus applicable taxes (other than income taxes), for each valid Program reward redeemed electronically at the Site in accordance with the Guidelines. The Reward Payment payable by the Retail Branded Distributor to Dealer shall be credited to Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Retail Branded Distributor may change the manner and the time the Reward Payment is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Reward Payment shall be calculated by Imperial as the actual number of reward redemptions for each type of reward redeemed electronically by customers at the Site multiplied by the reward cost rate as determined solely by Imperial and documented in the Guidelines.

3. Promotional Program Fee

If applicable law permits, the Dealer shall pay Retail Branded Distributor a promotional program fee (the "Program Fee"), plus applicable taxes (other than income taxes). The Program Fee payable by Dealer to Retail Branded Distributor shall be debited directly from Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Imperial may change the manner and the time the Program Fee is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Program Fee shall be calculated as the number of points (the "Fee Points") awarded to customers for transactions made at the Site multiplied by the program rate (the "Fee Rate").

The Fee Points are the total of:

- the base points issued at a rate of one point per dollar spent,
- all bonus points issued for sales of different grades of gasoline or car washes, and
- points issued for offers unique to the Site as instituted or extended by Dealer.

For greater certainty, the Fee Points excludes:

- (i) promotional points issued via direct mail offers extended by Imperial to customers
- (ii) points issued to holders of the Royal Bank Esso VISA card at a rate of one point per dollar charged to the card regardless of the vendor where the card is used, and
- (iii) bonus points issued for the purchase of specific merchandise on the Site through a program instituted or extended by Imperial.

The Fee Rate is defined as:

Fuel products & services	\$ [redacted] for each point issued
Convenience store products & services	\$ [redacted] for each base point issued
Car wash products & services	\$ [redacted] for each base point issued
Other products & services	\$ [redacted] for each point issued
Vehicle repair bay products & services	\$ [redacted] for each point issued

[redacted signature block]

(initial [redacted])

SCHEDULE "H"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 1362814 ONTARIO INC. (The "Dealer"), and [REDACTED] (The "Guarantors") dated the 1ST day of MARCH, 2010.

IMPROVEMENTS

Description of Improvements:

Cango will provide an interest free, 3 year loan, up to a total of \$100,000 , to be used for EMV Crind upgrades. The upgrades are to be completed by the Dealer during the first twenty four (24) months of this Agreement. The aforementioned upgrades must be mutually agreed upon by both Cango Inc. and the Dealer.

[REDACTED] (initial [REDACTED])

SCHEDULE "I"

FACILITY REQUIREMENTS

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 1362814 ONTARIO INC. (The "Dealer"), and [REDACTED] (The "Guarantors") dated the 1ST day of MARCH, 2010.

Item	Description		"New" & >100K D1Sites	Min Stds New	Min Stds Renewal Or Upgrade
Weather Canopy (Canopy required at all D1 & D2 sites only) (Standards for all other sites with existing canopies)	Fascia	3D			
		2D			
	Column Cladding	New Style (wide perpendicular to pump) Colour - Cambridge White by Color Steel Inc.			
		Current (wide facing pump) Colour to match Cambridge White by Color Steel Inc			
Pump/Dispenser		Image 2000 (Blue Graphics for new gasoline dispensers – Red for existing)			
		Previous Esso			
		Pay at the pumps & Speedpass			
MID		New Image (Flag Type)			
		Previous Esso			
Painting	MID Structural Posts, Sign Frames	P - 5 White			
	Lighting poles, Posts, island fascia, Message Sign Frames	P - 13 Grey			
POS	G-Site				
	Operating retail automation system compatible with Imperial's card processing network				

***Subject to MID sign permit availability

Definitions

3D	600mm illuminated Red Frameless Flexface Fascia with 300 non-illuminated white metal Fascia. C/W individually "ESSO" Red illuminated letters.
2D	900mm illuminated Frameless Flexface Fascia, 600mm high red and 300 mm White, with ESSO letters.
MID	Major Identification Sign
D-1 D-2	<p>Dealer Forecourt & Backcourt meeting the following requirements:</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards that can be upgraded to 3D, 3 Products with proper pump ID. Current Major Identification sign, Good Gas Location. • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics. <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards Minimum 2 (preferred 3) products with proper pump I.D. M.I.D. S/B goal post (minimum) but other to standard acceptable • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
100k	Market Area Population in 1000's

Changes To Brand Standards - Imperial may change its "Facility Requirements for Distributor Esso-Branded Outlets" from time to time. Imperial will notify the Retail Branded Distributor of all changes and the Retail Branded Distributor must comply with these changes for all future applications.

Site: 8800 3868

RESOLUTIONS OF THE DIRECTORS OF

1362814 ONTARIO INC.

We, the undersigned, being all the directors of **1362814 ONTARIO INC.** (the "Corporation"), a corporate body incorporated under the **Business Corporations Act (Ontario)** adopt the following agreements by resolution, pursuant to the provisions of said act, by our unanimous written consent without a meeting, with full force and effect as if passed at a duly constituted meeting:

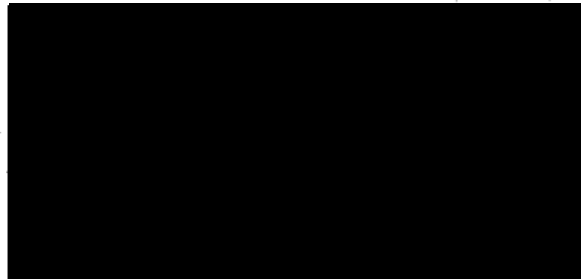
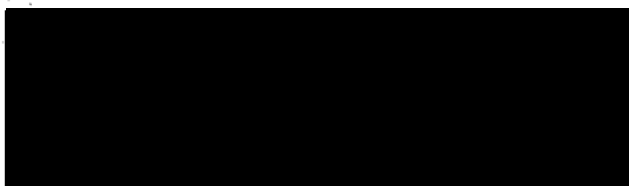
Motor Fuel Supply Agreement - Esso-Branded Motor Fuels between 1362814 ONTARIO INC. and Cango Inc. (collectively, the "Agreements").

WHEREAS the directors of the Corporation have reviewed the Agreements to be made and entered into by and between the Corporation and Cango Inc. , and they recommend approval of same;

BE IT RESOLVED THAT:

- I. The aforementioned Agreements, namely the Cango Inc. Motor Fuels Supply Agreement - Esso-Branded Motor Fuels, in the forms and scope submitted to the directors of the Corporation be and they are hereby approved and the Corporation is hereby authorized to enter into, execute and deliver the Agreements, with such additional terms, conditions, additions, deletions, amendments and variations as any one officer or director of the Corporation may approve, the execution and delivery of any such Agreement by any one officer or director of the Corporation being conclusive evidence of such determination; and
- II. DAL SOON SHIN, the President of the Corporation, or any other officer or director of the Corporation, acting alone, being he or she is hereby authorized and instructed, for and on behalf of the Corporation, to sign, execute and deliver the Agreements, to agree to any change, addition or modification to the Agreements as he or she may deem necessary or appropriate, at his or her sole discretion, and to sign, execute and deliver all such other deeds, documents or writings and to perform and do or cause to be performed and has done all such other acts and things as he or she may, in his or her sole discretion, deem necessary, advantageous, useful or expedient for the purpose of giving full effect to the terms of these resolutions and to said Agreements, his or her signature to said Agreements and to all such other deeds, documents, writings or instruments to be sufficient to bind the Corporation.

The foregoing resolutions are hereby consented to, enacted and passed by all the directors of the Corporation pursuant to the provisions of the **Business Corporations Act (Ontario)** , this 4 day of MARCH, 2010.



CERTIFICATE

1362814 ONTARIO INC. (the "Corporation")

I, [REDACTED] being the President of the Corporation hereby certify that:

1. The Corporation does not offer its securities to the public.
2. The names and address of all of the directors of the Corporation are set out below and the signatures appearing opposite their names are true and genuine signatures of such persons:

NAME	ADDRESS	SIGNATURE
[REDACTED]	13210 LUNDY'S LANE NIAGARA FALLS, ONT. L2E 6S4	[REDACTED]
[REDACTED]	13210 LUNDY'S LANE NIAGARA FALLS, ONT. L2E 6S4	

3. The names and addresses of all of the officers of the Corporation are:

President:

[REDACTED]
13210 LUNDY'S LANE
NIAGARA FALLS

Shareholder:

[REDACTED]
13210 LUNDY'S LANE
NIAGARA FALLS

Shareholder:

(Name)

(Address)

4. (a) The total number of issued and outstanding securities of the Corporation is:

common shares npv/wpv _____

preferred shares _____

Additional Security _____

(b) The names, addresses and holdings of securities of all of the shareholders of the Corporation are:

NAME	ADDRESS	SECURITIES
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

5. There have been no changes to the Articles of the Corporation since incorporation; except the following:

6. Since incorporation the powers of the directors of the Corporation have not been altered, reduced or impaired in any manner; except the following:

7. The Corporation is not insolvent and, in particular, and without limiting the generality of the foregoing, has the ability to pay its debts as they become due in the usual and ordinary course of its business.


8. All the records of the Corporation required to be kept pursuant to the provisions of the **Business Corporations Act (Ontario)** are situate at:

13210 LUNDY'S LANE, NIAGARA FALLS, ONTARIO

The aforementioned records of the Corporation have been thoroughly reviewed and there is nothing whatsoever in said records which could in any way adversely affect the validity, priority or authorization of any agreements, documents or instruments entered into by the Corporation with Cango Inc. or its affiliates.

DATED at NIAGARA FALLS, in the Province of Ontario, this 4 day of MARCH, 2010.

President

A large black rectangular redaction box covers the signature and name of the President.

SCHEDULE "A"
TO THE RESOLUTIONS AND THE CERTIFICATE OF THE DIRECTORS

LIST OF APPLICABLE COMPANIES ACTS

Alberta	<i>Business Corporations Act (Alberta)</i>
British Columbia	<i>Company Act (B.C.)</i>
Manitoba	<i>Corporations Act (Manitoba)</i>
New Brunswick	<i>Business Corporations Act (N.B.)</i>
Newfoundland	<i>Corporations Act (Newfoundland)</i>
Nova Scotia	<i>Companies Act (N.S.)</i>
Northwest Territories	<i>Company Ordinance (NWT)</i>
Nunavut	<i>Business Corporations Act (Nunavut)</i>
Ontario	<i>Business Corporations Act (Ontario)</i>
Prince Edward Island	<i>Companies Act (PEI)</i>
Quebec	<i>Companies Act (Quebec)</i>
Saskatchewan	<i>Business Corporations Act (Saskatchewan)</i>
Yukon Territories	<i>Business Corporations Act (Yukon)</i>
Federal	<i>Canada Business Corporations</i>

**LETTER OF ACKNOWLEDGMENT OF RECEIPT
OF PETROLEUM HANDLING & EMERGENCY RESPONSE INFORMATION**

CANGO INC.
1001 Champlain Ave. Suite 100
Burlington, ON
L7L 5Z4

Attention: Operations Director

1362814 ONTARIO INC. , hereby acknowledges receipt of the following information from Cango Inc.:

- (i) Provincial/Territorial Petroleum Handling Regulations, or
- (ii) Example of a Contingency Plan/Emergency Response chart, which includes Internal Reporting Procedures and Government contacts.
- (iii) List of maintenance and emergency contractors currently approved by Cango Inc.
- (iv) List of environmental consultants currently used by Cango Inc.
- (v) Material Safety Data Sheets (MSDS) for petroleum products.
- (vi) Example of Inventory Control Procedures.

1362814 ONTARIO INC. hereby acknowledges to:

- (i) Obtain, familiarize and keep updates to the Provincial/Territorial Petroleum Handling Regulations. These updates can be obtained from the Publications Centres/Queens Printers per the list provided in this package.
- (ii) Keep a list of maintenance and emergency contractors currently approved by the Province or Territory. These lists can be obtained from the Ministry of the Environment (MOE) or in Ontario from the Technical Standards and Safety Authority (TSSA).

1362814 ONTARIO INC. understands that it is not obligated to use any of the contractors that are listed as currently used by Cango Inc. **1362814 ONTARIO INC.** also understands that all the information provided will change from time to time and that it is the responsibility of **1362814 ONTARIO INC.** to keep current on all items.

Dated: MAR 4 / 10

1362814 ONTARIO INC.

Witness



Per



LETTER OF CONFIRMATION
OF ENVIRONMENTAL COMPLIANCE

CANGO INC.
1001 Champlain Ave. Suite 100
Burlington, ON
L7L 5Z4

Attention: Operations Director

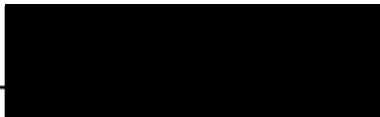
1362814 ONTARIO INC. hereby confirms that the service station facility, and operation, located at **13210 Lundy's Lane, Niagara Falls, Ontario**, is in compliance with the following environmental requirements:

- (i) has a current provincial petroleum retailing license/permit (copy of license/permit attached);
- (ii) the tankage system is registered, where applicable (copy of registration attached);
- (iii) the tankage system meets provincial installation and specification standards;
- (iv) the tankage system was installed by a provincially licensed/approved contractor, where required by law;
- (v) an approved emergency contingency plan is in place;
- (vi) is operating in compliance with regulatory operating requirements; and

Dated: MAR 4 / 10

1362814 ONTARIO INC.

Witness



Per:



**REGULATORY REQUIREMENTS FOR
TANKAGE AND CONTRACTOR REGISTRATION**

	<u>TANK REGISTRATION</u>	<u>CONTRACTOR LICENSING/REGISTRATION</u>
BRITISH COLUMBIA	<ul style="list-style-type: none"> ◆ Not required at present ◆ Regulation expected by Q2, 1992 	<ul style="list-style-type: none"> ◆ Not required at present
ALBERTA	<ul style="list-style-type: none"> ◆ Mandatory ◆ To be completed by August 31, 1993 	<ul style="list-style-type: none"> ◆ Mandatory
SASKATCHEWAN	<ul style="list-style-type: none"> ◆ Mandatory 	<ul style="list-style-type: none"> ◆ Not required at present
MANITOBA	<ul style="list-style-type: none"> ◆ Not required at present ◆ Regulation expected by Q1, 1992 	<ul style="list-style-type: none"> ◆ Not required at present ◆ Expected by Q1, 1992
ONTARIO	<ul style="list-style-type: none"> ◆ Only for underground tanks at "Private Outlets." ◆ (These are locations where product is for own use only.) 	<ul style="list-style-type: none"> ◆ Mandatory
QUEBEC	<ul style="list-style-type: none"> ◆ Not required at present ◆ Draft regulations will require registration of tanks for "own use" only" 	<ul style="list-style-type: none"> ◆ Not required at present'
NEW BRUNSWICK	<ul style="list-style-type: none"> ◆ Only for underground tanks > 2,000 litres and aboveground tanks > 2,000 litres 	<ul style="list-style-type: none"> ◆ Certification required
PRINCE EDWARD ISLAND	<ul style="list-style-type: none"> ◆ Required for both underground and aboveground tanks 	<ul style="list-style-type: none"> ◆ Licensing required
NOVA SCOTIA	<ul style="list-style-type: none"> ◆ Only for underground tanks > 2,000 litres and aboveground tanks > 4,000 litres 	<ul style="list-style-type: none"> ◆ Contractors to be approved
NEWFOUNDLAND	<ul style="list-style-type: none"> ◆ Mandatory 	<ul style="list-style-type: none"> ◆ Not required at present
NORTHWEST TERRITORIES	<ul style="list-style-type: none"> ◆ Mandatory for both underground and aboveground tanks 	<ul style="list-style-type: none"> ◆ Not required at present
YUKON	<ul style="list-style-type: none"> ◆ Safety Certificate required 	<ul style="list-style-type: none"> ◆ Not required at present

NOTE: The regulatory requirements indicated above will change from time to time.
It is Dealer's responsibility to keep current on any changes.

PETROLEUM PRODUCTS SUPPLY AND PURCHASE AGREEMENT**"Fas Gas Plus"**

THIS AGREEMENT made this _____ day of _____, A.D. 2012.

BETWEEN:

PARKLAND INDUSTRIES LTD.
236, 4919 - 59 Street
RED DEER, Alberta, T4N 6C9
(hereinafter called the "Seller")

- AND -

GUDMUNDSON FARM EQUIPMENT LTD.
Highway #6, Box 24
LUNDAR, Manitoba, R0C 1Y0
(hereinafter called the "Buyer")

THE SELLER AND BUYER (if more than one, jointly and severally) agree together as follows:

EXECUTION

1.01 Neither this Agreement nor any amendment or supplement thereto will be binding on the Seller unless and until it is signed on the Seller's behalf by the representatives duly authorized and a copy thereof so signed is delivered to the Buyer.

REPRESENTATION

2.01 The Buyer represents and warrants to the Seller, which representations and warranties the Seller is relying upon in entering into this Agreement that the Buyer will not be in breach of any contractual obligation with any third party with respect to petroleum fuels purchased by the Buyer as a result of the Buyer entering into this Agreement.

PRODUCTS

3.01 The Seller will supply and the Buyer will purchase from the Seller all of the Buyer's requirements of light petroleum fuels for resale in the conduct of the Buyer's business (hereinafter called the "Business") on or from the lands and premises (hereinafter called the "Premises") legally described as follows:

**ALL THAT PORTION OF NE ¼ 2-20-5 WPM
DESCRIBED AS FOLLOWS: COMMENCING AT A POINT IN THE WESTERN LIMIT OF
PUBLIC ROAD, PLAN 5551 WLTO, DISTANT SLY THEREON 984 FEET FROM THE
NORTHERN LIMIT OF SAID NE ¼,
THENCE WLY, AT RIGHT ANGLES TO SAID WESTERN LIMIT, 209 FEET,
THENCE SLY, PARALLEL WITH SAID WESTERN LIMIT, 209 FEET,**

- 2 -

THENCE ELY, AT RIGHT ANGLES TO SAID WESTERN LIMIT,
TO SAID WESTERN LIMIT,
THENCE NLY, ALONG SAID WESTERN LIMIT, TO THE POINT OF
COMMENCEMENT;

And municipally located at Highway #5, Lundar, Manitoba, R0C 1Y0.

FUEL HANDLING EQUIPMENT

4.01 The Buyer will properly maintain in a safe condition all tanks, piping, dispensers, hoses, nozzles and connections in or through which light petroleum fuels is handled while under the Buyer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment"). The Seller may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a) The Buyer warrants and represents to the Seller that as of the commencement of this Agreement, the storage tanks, tight fill connections and dispensing equipment on the Premises are in good working condition and repair and meet regulatory requirements.
- b) The Buyer will keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Premises in good condition and repair, and to meet regulatory requirements. The Buyer will make all needed repairs and replacements promptly.
- c) The Buyer will comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.
- d) The Buyer will have in place on all underground motor fuels storage tanks the following equipment:
 - i) spill containment boxes; and
 - ii) overfill prevention valves.
- e) Notwithstanding any other provisions in this Agreement, if the Seller is required by law, or if in the Seller's reasonable opinion, the delivery to the Buyer of light petroleum fuels may constitute a hazard to life, property or the environment (a "hazard"), then the Seller may at any time and without liability therefore suspend or delay delivery of light petroleum fuels. The Seller will not be obligated to re-commence delivery of the light petroleum fuels until the Seller is satisfied, in its sole discretion that the hazard does not exist or has ceased to exist.
- f) The Buyer agrees:
 - i) that if the Seller does or causes the doing of any act to remedy a hazard,

- 3 -

whether or not the acts are required by law, the Buyer will pay the Seller for all costs and expenses incurred by the Seller for the doing of such act; and

- ii) upon completion of the delivery of any light petroleum fuels, the Buyer will inspect the Premises for any spillage of any light petroleum fuels or other substance and so notify the Seller immediately if any such spillage is determined to have occurred and the Buyer will immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.
- g) The Seller will have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Premises in response to actual or potential environmental hazards.

ENVIRONMENTAL CONTAMINATION & INDEMNIFICATION

4.02 The Buyer hereby assumes any and all environmental liabilities relating to the Premises, and the Buyer shall indemnify and save harmless the Seller its directors, officers, affiliated entities, employees, servants, agents, predecessors, successors or assigns against all actions, proceedings, claims, demands, losses, costs, damages and expenses of any nature which may be brought against or suffered by the Seller or which it may sustain, pay or incur as a result of or in any way connected with the environmental state or condition of the Premises or any decontamination or clean-up of any environmental contamination on or originating from the Premises whether such state or condition existed before, or arises on or after the commencement of this Agreement. Provided that, nothing contained in this clause shall obligate the Buyer to indemnify and save harmless the Seller for environmental contamination on the Premises and adjacent lands caused by or contributed to by the negligence, error or omission of the Seller, its agents or employees upon the Premises while the Seller is transferring petroleum products from its delivery trucks to the fuel storage tanks located at the Premises. This indemnification shall survive the expiration or earlier termination of this Agreement.

TERM

5.01 Subject to any rights of termination hereunder, this Agreement will be in effect for an initial term of **Seven (7) Years**, commencing on the **15th day of August, A.D. 2012**, and ending on the **14th day of August, A.D. 2019**.

DELIVERY

6.01 In this Agreement "light petroleum fuels" means the types of light petroleum fuels described as follows:

Regular Unleaded
Mid-Grade Unleaded
Premium Unleaded
Low Sulphur Diesel
Colorok fuel

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The term "light petroleum fuels" shall also include such other fuels similar to the foregoing fuels as may be carried by the Seller after the commencement of this Agreement. The Dealer will also be selling Purple Diesel to his local farm customers.

6.02 The Buyer will order light petroleum fuels in orders of a minimum of [REDACTED] litres per delivery with each product ordered in amounts not less than [REDACTED] litres. Unless prior approval is received from the Seller to allow for fuel purchases in orders less than the said minimum of litres per delivery and less than [REDACTED] litres per product then the Buyer agrees to pay such additional charges as may be levied on all deficient litres.

6.03 The Buyer will give not less than **48 hours'** notice plus sufficient travel time for Seller's delivery trucks when placing orders, and the Seller will furnish transportation from the point of supply to the Premises. Any orders placed after 2:00 p.m. Mountain Standard Time (MST) will be deemed to have been received at 8:00 a.m. MST on the following business day and delivery time will be calculated from that time. If the Buyer gives less than the required minimum notice and delivery can be met then the Buyer agrees to pay such additional charges as may be levied by the Seller.

VOLUME

7.01 For the purposes of this Agreement, "Agreement Year" means the period commencing on **August 15th** in any calendar year and ending the following **August 14th**.

7.02 The volume of light petroleum fuels to be sold and delivered by the Seller to the Buyer during each Agreement Year will not be less than [REDACTED] litres.

7.03 For determining the quantities of light petroleum fuels purchased during any Agreement Year, the Seller's records of deliveries to the Buyer will be accepted as final.

7.04 It is agreed that the volumes of light petroleum fuels as outlined in clause 7.02 are only for retail sale to the automotive motor fuel trade at the Premises.

EXCESS REQUIREMENTS

8.01 If during any Agreement Year the Buyer's requirements for light petroleum fuels exceed the maximum annual volume in effect for such Agreement Year, the Seller will have the first option of supplying such excess volume, but if the Seller is unable to supply such excess volume, the Buyer may purchase its additional requirements from another supplier.

TERMINATION ON DEFICIENCY

9.01 If during any Agreement Year the Buyer fails to purchase the minimum volume of light petroleum fuels in effect for such year, the Seller may, in addition to other remedies, terminate this Agreement on thirty (30) days notice to the Buyer.

PRICE

10.01 The Buyer will pay to the Seller for light petroleum fuels sold hereunder the price in effect at the Seller's designated loading rack at the time that the light petroleum fuels are loaded for delivery to the Buyer, plus the cost of delivery, plus all applicable taxes. The light petroleum fuels prices will

be established daily by the Seller and are subject to change at any time and without notice. In the event of a shortage or unavailability of the light petroleum fuels at the Seller's designated loading rack for any particular delivery to the Buyer, the Seller will use its best efforts to deliver light petroleum fuels from an alternate loading rack in order to complete the delivery and the Buyer agrees to pay for any increased costs required to complete such delivery.

10.02 Measurement of the volume of each delivery of the light petroleum fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15°C in accordance with normal industry practice.

PAYMENT TERMS

11.01 The terms of payment shall be **automatic bank withdrawals on the date of delivery** or on such other terms as the Seller may grant from time to time.

11.02 If at any time the Buyer fails to make any payment due to the Seller or an affiliate of the Seller, then, in addition to other remedies, the Seller may suspend deliveries until payment has been made or by notice to the Buyer, forthwith terminate this Agreement.

11.03 Title to, and property and ownership in, the light petroleum fuels shall be transferred to the Buyer upon delivery.

11.04 Whether or not title in the light petroleum fuels has passed to the Buyer, risk in all light petroleum fuels delivered hereunder shall pass to the Buyer upon delivery of such fuels into the Buyer's fuel storage tanks, and the Buyer assumes all responsibility and liability for loss or damage to the Buyer or others resulting from the handling and use of the light petroleum fuels after such fuel is delivered into the Buyer's fuel storage tanks.

11.05 The Seller will have the right from time to time to deduct or set off against any monies payable to the Buyer and to withhold from the Buyer any amounts owing by the Seller to the Buyer and to apply the said sums so withheld as payment for any amounts owing by the Buyer to the Seller under this or any other agreement between the Seller and the Buyer.

SECURITY INTEREST

12.01 For the purposes of paragraphs 12.02 through 12.05 "collateral" shall mean "all light petroleum fuels delivered by the Seller to the Buyer pursuant to this Agreement".

12.02 According to the *Personal Property Security Act* (Manitoba) (the "PPSA"), a "purchase-money security interest" means, *inter alia*, "a security interest taken or reserved in collateral to secure payment of all or part of its purchase price"

12.03 By virtue of the PPSA and this Agreement, the Buyer confirms that the Seller has and shall continue to have a purchase-money security interest in the collateral and in any and all proceeds of whatever type or kind derived from any dealing with the collateral, which security interest is to secure payment of all sums owing by the Buyer to the Seller for the collateral and the performance of any and all present and future obligations of the Buyer to the Seller pursuant to this Agreement.

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12.04 So long as the Buyer is not in default under any of its obligations under this Agreement, the Buyer shall have the right to sell the collateral in the ordinary course of business, but the proceeds of such sales shall be subject to any security interest created by the PPSA or this Agreement.

12.05 In the event of default by the Buyer to the Seller of any of its obligations pursuant to this Agreement, all amounts owing by the Buyer to the Seller will, at the option of the Seller, immediately become due and payable without demand or notice of any kind and the Seller may take immediate possession of any or all of the collateral, and the Buyer hereby consents to the entry by the Seller on any of his property and/or the Premises for this purpose and covenants to indemnify and save harmless the Seller from any liability arising out of any person entering the property and/or Premises for this purpose. The Seller may retain the collateral repossessed and commence proceedings or take such other steps as the law may provide against the Buyer for any amounts owing to the Seller by the Buyer for any collateral sold by the Buyer.

TAXES

13.01 Any tax, duty, charge or fee now or hereafter levied on the light petroleum fuels sold hereunder or required to be paid or collected by the Seller by reason of the delivery, sale or use thereof, will be paid by the Buyer in addition to the prices specified.

PRODUCTS LIABILITY

14.01 The Seller will have no liability to the Buyer for any defect in quality or shortage in quantity of the light petroleum fuels delivered by the Seller to the Buyer unless the Buyer within forty-eight (48) hours after delivery of the fuels in question gives the Seller notice setting forth full particulars of the Buyer's claim, and the Seller is given reasonable opportunity to inspect such fuels. However, the maximum liability to the Seller shall not exceed the value of its fuels delivered.

PREVENTION OF PERFORMANCE

15.01 If the Seller is prevented from or delayed in making deliveries, or the Buyer is prevented from or delayed in accepting deliveries hereunder due to any act of God, fire, riot, labour disturbance, weather or road conditions, earthquake, war, act of any government authority (whether foreign, domestic, dominion, provincial, county or municipal) or voluntary or involuntary compliance with any law, order, regulation, request or recommendation thereof, accident, total or partial failure of transportation, delivery vehicles or supplies or any other cause, except financial, beyond the control of the Seller or the Buyer (as the case may be) whether similar to the foregoing causes or not, the obligations of the Seller and Buyer to make and accept deliveries will be suspended during the period of such prevention or delay.

15.02 Subject to the rights of the parties set out in clauses 8.01 and 15.01, if the Seller's supply of any light petroleum fuels at the place from which deliveries are usually made is or will be insufficient at any time for the Seller to fill all orders which would normally be filled from such place, then, irrespective of the cause of such insufficiency, the Seller may at its option discontinue deliveries of such fuels or apportion deliveries among orders, received or anticipated, from the Buyer and from other purchasers in such manner as the Seller, in its sole discretion, determines, and the Buyer may in such event, temporarily make other supply arrangements for so long as insufficient

delivery on the part of the Seller shall prevail.

REMEDIES

16.01 If the Buyer breaches any provisions of this Agreement or defaults in the payment of any indebtedness to the Seller, whether under this Agreement or otherwise, or if the Buyer becomes bankrupt, insolvent or is dissolved pursuant to the Business Corporations Act of Manitoba, or if the Seller, acting reasonably and in good faith, believes that the performance of the Buyer to keep the retail petroleum fuels outlet at the Premises open for business is impaired, the Seller may by written notice forthwith suspend deliveries of light petroleum fuels and suspend all loyalty programs granted herein or terminate this Agreement without prejudice to any other rights or remedies the Seller may have by law. If the Seller breaches any provisions of this Agreement or defaults in the payment of any indebtedness to the Buyer, whether under this Agreement or otherwise, or if the Seller becomes bankrupt, insolvent or is dissolved pursuant to the Business Corporations Act of Manitoba, the Buyer may terminate this Agreement without prejudice to any other rights or remedies the Buyer may have hereunder or by law. Furthermore, if the Seller becomes unable to supply light petroleum fuels in accordance with this Agreement, the Buyer may temporarily make other supply arrangements for a period of thirty (30) days from the date of the Seller's inability to supply, after which period, if the Seller cannot then make alternate supply arrangements, the Buyer may, by written notice, forthwith terminate this Agreement.

CONTINUATION OBLIGATIONS

17.01 No suspension or termination of this Agreement pursuant to clauses 9.01, 11.02, 15.01 or 16.01 will affect or be construed to release the Buyer from any obligations already accrued or obligations which arise upon termination of this Agreement.

USE OF SELLER'S BRAND NAME

18.01 The Seller has maintained high and uniform operating standards throughout its "Fas Gas Plus" branded service station network. The Buyer acknowledges that the Seller's success in its Fas Gas Plus branded service station network is based, in part, on its marketing strategies with the view of establishing quality operating standards throughout its network, such operating standards include, but are not limited to, the following:

- a) To provide competitive fuel pricing at the pump;
- b) To provide speedy, reliable and friendly service;
- c) To provide clean, attractive and well maintained service stations and convenience stores; and
- d) To employ friendly, helpful people.

18.02 The Buyer will have the right during the continuance of this Agreement, and subject to due compliance with the provisions hereof, to use the Seller's brand name "Fas Gas Plus" (the "brand name") in promoting the sale of light petroleum fuels purchased hereunder.

18.03 The Buyer acknowledges that the Seller expects certain image requirements to be maintained by all of the Seller's Fas Gas Plus branded retail outlets and in this regard the Buyer will meet the following minimum image requirements, or the Buyer may lose the right to use or display the brand

- 8 -

name:

- a) Maintain a uniform Fas Gas Plus appearance to the forecourt at the Premises; and
- b) Maintain at the Premises an Automated Teller Machine with adequate funds; and
- c) Participate in any fuel related customer service programs and promotional activities, as directed by the Seller from time to time; and
- d) Compliance with Seller's minimum operating standards as outlined in Schedule "C" attached hereto (the Seller has the right to modify these standards at any time and from time to time); and
- e) Such other reasonable image requirements, as requested by the Seller from time to time, in order to preserve the integrity of the brand name.

18.04 The Buyer will not sell or offer for sale under the brand name any fuels other than those purchased hereunder or any mixture or adulteration of any fuels purchased hereunder with any other fuels or material.

18.05 The Buyer agrees that the Seller may revoke its permission to display the brand name at the Premises which, after reasonable notice by the Seller to cure, continues to be in violation of this Section 18.

18.06 The Buyer will comply with all instructions issued by the Seller relating to the form and manner in which the brand name will be used and to discontinue immediately upon notice from the Seller any practice relating to the use of the brand name which in the opinion of the Seller would or might adversely affect the Seller's reputation and goodwill and any other right or interest of the Seller in the brand name.

18.07 The Buyer will not use the brand name in the Buyer's corporate or other name.

18.08 The Buyer's compliance under this Section 18 may be measured by, or on behalf of, the Seller from time to time, and the Seller may enter the Premises during normal business hours and conduct an appraisal for such purpose.

RIGHT OF FIRST REFUSAL

19.01 In the event that the Buyer receives a bona fide offer to supply light petroleum fuels for resale from another supplier for a fixed term and is in a position to terminate this Agreement pursuant to clause 5.01 herein, then if the Seller matches the terms of the offer, the Seller shall have the right to continue to supply the Buyer's need of light petroleum fuels for the period of time and the price outlined in the bona fide offer.

19.02 If at any time during the term of this Agreement or any renewal or extension thereof the Buyer determines to sell, lease or otherwise dispose of the Business and/or the Premises, in whole or in part, or any property which includes all or any part of the Business and/or the Premises and receives a bona fide offer in writing, which he is willing to accept, he shall immediately notify the Seller and forward to him a copy of the offer, and within sixty (60) days thereafter, the Seller shall have the right to acquire the Business and/or the Premises from the Buyer at the price and under the

terms and conditions set forth in the said offer. If the offer does not consist wholly of cash the Seller shall have the right to meet the terms of such offer with a reasonable equivalent in cash. In the event that the Seller declines to purchase or lease the Business and/or the Premises under the terms and conditions set forth in the said offer, and the same is not completed, then this right of first refusal shall remain in effect for any future offers. In the event that the Seller declines to purchase or lease the Business and/or the Premises under the terms and conditions set forth in the said offer, and the same is completed, then this right of first refusal shall remain in effect for any offers received by any successor of the Buyer.

INDEMNITY

20.01 Any person performing any duties or engaged in any work on the Premises or in connection with the Business at the request of the Buyer will be deemed to be an employee or agent of the Buyer and the Seller will not be responsible for their acts, remuneration or omissions.

20.02 The Buyer shall have no authority to assume or create any obligation whatsoever, expressed or implied, in the name of the Seller, nor to bind the Seller in any manner whatsoever. The Buyer is not an employee of the Seller.

20.03 The Buyer will indemnify the Seller against any and all claims, loss and liability on account of injury to or death of any person or damage to property caused by or happening in connection with such acts or omissions or the condition, maintenance, possession, use or operation of the Premises or the conduct of the Business.

20.04 Such indemnification will survive the expiration or sooner termination of the term of this Agreement, notwithstanding anything in this Agreement.

WAIVER

21.01 The Seller's right to require strict performance of the Buyer's obligations hereunder will not be affected in any way by any previous waiver, forbearance or course of dealing.

ASSIGNABILITY

22.01 Neither this Agreement nor any claim against the Seller arising directly or indirectly out of or in connection with this Agreement is assignable by the Buyer or by operation of law without the prior written consent of the Seller, which will not be unreasonably withheld.

ENUREMENT INTERPRETATION

23.01 This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

23.02 Wherever the singular or masculine is used in this Agreement, the same will be construed as meaning the plural or the feminine or the body corporate or politic wherever the context or the parties may so require.

23.03 The marginal notes and headings herein are for the convenience of reference only and will not affect the scope, intent, or interpretation of any provision of this Agreement.

TIME

24.01 Time shall be of the essence of this Agreement and each and every part hereof.

NOTICES

25.01 Notices will be in writing and will be deemed given if delivered, upon delivery or will be deemed given if mailed, on the third business day following the mailing in any Government Post Office in Canada under prepaid registered cover addressed to the party to whom it is intended at such party's address mentioned on the first page of this Agreement or at the address of such party last known to the party giving such notice.

AGREEMENT ENTIRETY

26.01 This Agreement constitutes the entire Agreement between the parties and there are no Agreements, representations, conditions or warranties concerning the subject matter of this Agreement that are not merged herein or superseded hereby.

EQUIPMENT LOAN PROVISIONS**LOAN**

27.01 The Seller hereby loans to the Buyer the equipment described in the attached Schedule "A". and the Seller shall have the right, in its sole discretion and from time to time, to replace, add to or substitute any one or combination of items of the equipment, but all equipment furnished by the Seller to the Buyer for use at the Premises during the currency of this Agreement will be subject to the provisions hereof, whether or not described in such Schedule or any amendments. All equipment from time to time subject to the provision of this Agreement is herein called the "Equipment".

USE

28.01 The Buyer will not transfer, assign, encumber or sell the Equipment; the Buyer will not remove or permit removal of the Equipment or any part from the Premises; he will be responsible for all repairs to the Equipment including but not limited to broken glass, ballasts, hoses and nozzles, retractor cables, belts and vandalism; he will maintain the Equipment in good repair and efficient operating condition and will return the same to the Seller immediately upon the termination of this Agreement in as good condition as when received by the Buyer excepting only reasonable wear and tear not resulting from acts or omissions of the Buyer or the Buyer's employees, customers, agents or contractors.

28.02 The Seller or its agent will have the right to inspect, repair and paint the Equipment and to enter the Premises at any reasonable time for such purposes. Expenses for repair shall be at the expense of the Buyer.

28.03 The Buyer will place and maintain at the Buyer's sole expense insurance against fire and all other risks as are included in a standard fire and extended coverage contract in an amount equal to the full replacement value of the Equipment and public liability insurance in the amount of Two Million (\$2,000,000.00) Dollars. Each policy shall name the Seller as an additional insured. The

- 11 -

Buyer shall obtain from each insurer a written undertaking to notify the Seller in writing at least 30 days prior to any cancellation of its policy. The Buyer shall, at the request of the Seller, provide the Seller with written evidence satisfactory to the Seller of the existence of the insurance policies described above.

CHARGES

29.01 The Buyer will pay all taxes, assessments, license, permits and inspection fees and other governmental charges on all Equipment and on the Buyer with respect to the possession or use in the business conducted on the Premises.

INDEMNITY

30.01 The Buyer will indemnify the Seller against any and all claims and liability for injury or death to persons or damage to property caused by or happening in connection with the Equipment or the condition, maintenance, possession or use thereof.

OWNERSHIP AND REMOVAL BY SELLER

31.01 The Equipment will remain the property of the Seller notwithstanding any attachment thereof to the Premises, and the Seller may enter the Premises and remove all or any part of the Equipment at any time during the term of this Agreement or within sixty (60) days after any termination or expiration thereof.

31.02 If after any termination or the expiration of this Agreement or any renewal periods, the Equipment or any part thereof remains on the Premises because the Buyer has purchased the same, the Buyer will immediately remove or cause to be removed the Seller's brand names, trademarks, trade names and colour scheme from the Equipment and, if the Buyer fails to do so, the Seller may enter the Premises and at the Buyer's expense remove the Seller's trademarks, trade names and colour scheme from the Equipment.

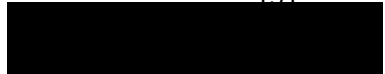
CREDIT CARD PROGRAM

32.01 The Seller agrees to provide and the Buyer agrees to use the Seller's standard Credit Card Program. The Buyer will be responsible for the following charges: [REDACTED] % credit card service charge for all Visa transactions; [REDACTED] % credit card service charge for all MasterCard transactions; [REDACTED] % credit card service charge for all American Express transactions; [REDACTED] % credit card service charge for all Seller's proprietary Fleetkard transactions; [REDACTED] % credit card service charge for all other credit card transactions and [REDACTED] per debit card transaction. Such charges may be adjusted from time to time without notice. The Seller shall supply a Point of Sale Terminal at a rental rate of [REDACTED] Dollars per month. This rental rate is subject to change from time to time without notice. The Buyer will provide a dedicated phone line for the Point of Sale Terminal.

ADDITIONAL TERMS

33.01 During the term of this Agreement and for each day of the operation of the retail petroleum fuels outlet, the Buyer will:

- a) Ensure that all employees on duty dress in such manner as may be prescribed by the Seller from time to time, acting reasonably;



- b) Keep the retail petroleum fuels outlet located on the Premises open for business from 8:00 a.m. to 10:00 p.m., 7 days per week, or between the hours or on such days as are agreed upon from time to time between the parties; *6 AM TO 6 PM*
- c) Ensure that the level in each storage tank shall be measured and recorded. A water test of all storage tanks shall be completed and recorded daily. Any record of water in the tanks shall be communicated to the Seller;
- d) Ensure that an inventory reconciliation record for each storage tank showing the measurements in the above noted clause 33.01(c), a comparison of these measurements with meter readings and a computation of any gain or loss of liquid shall be retained for a period of at least two (2) years; and
- e) Keep the Premises clean and remove snow and garbage from the Premises.

33.02 The Seller shall have the right at anytime and from time to time to enter the Premises, without notice, to view the digital or mechanical readings from the Buyer's fuel pumps.

33.03 Attached hereto as Schedule "B" are further terms and conditions which are incorporated in and made a part of this Agreement, if any.

33.04 The Buyer acknowledges receipt of a copy of this Agreement and waives all rights to receive a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first above written.

PARKLAND INDUSTRIES LTD

PER:

~~PER:~~

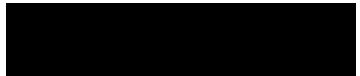
GUDMUNDSON FARM EQUIPMENT LTD.

PER:

print name

PER: _____

PUBLIC



23

- 13 -

print name

- 14 -

SCHEDULE "A"

LIST OF LOANED EQUIPMENT

Attached to and forming part of the Petroleum Products Supply and Purchase Agreement made between **Parkland Industries Ltd.** and **Gudmundson Farm Equipment Ltd.**

QUANTITY DESCRIPTION

end of Schedule "A"

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SCHEDULE "B"
ADDITIONAL TERMS

Attached to and forming part of the Petroleum Products Supply and Purchase Agreement made between **Parkland Industries Ltd.** and **Gudmundson Farm Equipment Ltd.**

FORGIVABLE LOAN

1. At the request of the Buyer, the Seller will provide a forgivable loan up to a maximum of [REDACTED] Dollars to be used towards the purchase and construction of upgrades and improvements at the Premises, such upgrades and improvements must be approved by the Seller.

2. The said sum of \$ [REDACTED] will be earned by the Buyer in the following manner: every time a delivery of light petroleum fuels is made by the Seller to the Buyer at the time of payment by the Buyer for such delivery, the Seller will forgive an amount equal to \$ [REDACTED] per litre for every litre of light petroleum fuels delivered by the Seller to the Buyer, subject to the following: if the Buyer discontinues the business of a retail petroleum fuels outlet at the Premises, or if said Petroleum Products Supply and Purchase Agreement is terminated or cancelled or expires at any time prior to its having been in full force and effect for a time sufficient for the Buyer to earn the said sum then the Buyer hereby promises to repay, on demand, to the Seller that portion of the said sum of \$ [REDACTED] that has not been earned by the Buyer.

3. Prior to any advancement of funds:
 - (a) The Buyer will execute and deliver the Petroleum Products Supply and Purchase Agreement to the Seller;
 - (b) The Buyer will provide the Seller with paid invoice(s) as proof of purchase prior to advancement of funds;
 - (c) The Buyer will cause to be delivered to the Seller sufficient security in the form of:
 - (i) a Firm Irrevocable Letter of Credit (in form and content acceptable to the Seller) issued by a recognized financial institution in the sum of \$ [REDACTED]; or
 - (ii) a Collateral Mortgage in the principal amount of \$ [REDACTED] granted by the Borrower in favour of the Lender, on the Marketing Premises;
 - (d) There is no event of default under this Agreement; and
 - (e) There is, in the opinion of the Seller, acting reasonably, no material adverse change in risk.

DEALER PAYMENT

- a. As consideration in part for the Dealer accepting the use of the Proprietary marks as set out herein, the Seller shall pay to the Dealer a payment in the amount of [REDACTED] cents per litre (plus applicable taxes) multiplied by the volume of Motor Fuels purchased by the Buyer from Seller pursuant to this Agreement (the "Dealer Payment"). The Dealer Payment will be paid monthly in arrears by way of cheque or electronically deposited to your bank account, as determined from time to time by the Seller.

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- b. Seller shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days' prior written notice to the Buyer and the Guarantors if the Buyer fails to purchase eighty (80) percent of the Minimum Annual Volume in any contract year.
- c. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Buyer shall not be in default in the observance or performance of any of the covenants or agreements contained in this Agreement; and (ii) this Agreement shall not have terminated.

UNIFORM ALLOWANCE

The Seller will provide to the Buyer a onetime [REDACTED] Dollar allowance for uniforms.

If the Buyer is in default of any of its obligations under this Agreement or defaults in the payment of any indebtedness to the Seller, then the Seller will have the option of suspending all allowances set forth in this Schedule "B" until such time as the Buyer cures such default.

end of Schedule "B"

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SCHEDULE "C"
MINIMUM OPERATING STANDARDS

Attached to and forming part of the Petroleum Products Supply and Purchase Agreement made between **Parkland Industries Ltd.** and **Gudmundson Farm Equipment Ltd.**

EXTERIOR**APPROACHING THE SITE**

Main ID is visible, clean and competitively priced
Point of Sale current, clean and in place
Site looks bright, uncluttered, safe

ISLAND

Pumps/islands are clean and free of snow/dirt
Pumps and hoses in good working order
Paper towel dispenser stocked
Absorbent at island ready for use
Oil funnels and holders are available
Fire extinguisher hanging on pole
Washer fluid clean/squeegees in good condition
Island and street lights working

SIDEWALKS, LOT & LANDSCAPING

Sidewalks are free of snow/ice and dirt
Lot is free of excessive snow and dirt
Air hose is wrapped on holder
Lot is litter free
Grass and shrubs trimmed and watered
Outside display units: stocked, faced and clean
All building lights working/clean

INTERIOR**PERSONAL APPEARANCE OF STAFF**

Wearing proper uniforms
Uniforms clean and pressed/name tags
Personal hygiene – neat, clean, shaved

CASHIER AREA

Front counter clean – clear of clutter and papers
Floor clean
Cigarette cabinets stocked/faced
Till skimmed regularly – safe drops
Console being used correctly – no preauthorizing

COFFEE AREA

Coffee counters clean/includes glass
Thermoses full of fresh coffee/all varieties
Coffee supplies stocked – creamers, sugar, cups

SCHEDULE "C"**page 2**

Dispensing machines stocked and clean

Microwave clean, inside and out

Sink clean

COOLERS

Stocked and faced

Glass doors on coolers clean

Lights all working

SALES AREA

Well lit and all lights working

Gondolas stocked and faced

Product is clean & displayed as per schematics

Compliance with promotional programs/signage

Top of gondolas and shelves clean

Floor and mats clean

Fire extinguishers by door

WINDOWS

Doors & windows clean inside and out

Windows free of unauthorized signage

BATHROOMS

Sink, counter and mirror clean

Toilet clean (all components)

Napkin disposal garbage empty

Baby change table clean

Stocked with soap, paper products

Floor clean

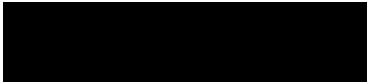
Garbage can clean and empty

OFFICE

Neat and organized

Utility panels clean of obstructions

End of Schedule "C"



ACKNOWLEDGMENT

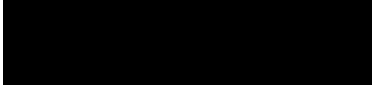
Loaned Equipment

QUANTITY DESCRIPTION

Gudmundson Farm Equipment Ltd., acknowledges that it has received the above marked items in good working condition for purposes of on loan only and accepts full responsibility for upkeep, maintenance and security of all above marked items as per the terms and conditions contained in the Petroleum Products Supply and Purchase Agreement made between **Parkland Industries Ltd.** and Gudmundson Farm Equipment Ltd.

DATED *August 2*, 2012.

GUDMUNDSON FARM EQUIPMENT LTD.

PER:  _____

PER: _____

GUARANTEE

TO: PARKLAND INDUSTRIES LTD.
236, 4919 – 59 Street
RED DEER, Alberta, T4N 6C9
(hereinafter called "Parkland")

RE: Guarantee of Corporate Indebtedness

The undersigned (hereinafter called the "Guarantor") being a principal of **Gudmundson Farm Equipment Ltd.** (hereinafter called the "Corporation") in consideration of Parkland granting or extending credit (the "Indebtedness") to the Corporation arising from any dealings between Parkland and the Corporation, present or future, direct or indirect, including but not limited to the purchase of petroleum products, including all accessories related thereto, do hereby for myself, my heirs, executors, administrators (and where there are more than one undersigned Guarantor, jointly and severally) unconditionally guarantee the payment when due of all Indebtedness, interest and penalties thereon, if applicable, owing to Parkland by the Corporation from time to time and unconditionally guarantee the performance of all obligations of the Corporation to Parkland. Parkland shall have the right at any time to take and release any collateral or other securities, to extend the time for payment by the Corporation or any person liable upon any collateral or other securities, to compromise or compound with the Corporation or to release the Corporation without notice to the Guarantor and without the Guarantor's consent and without discharging or effecting the liability of the Guarantor to Parkland.

Parkland shall not be bound to exhaust its recourses against the Corporation or other persons, or the securities Parkland may hold before being entitled to payment from the Guarantor.

This Guarantee shall be a continuing Guarantee and shall extend to and be security for all the sums of money, indebtedness and other obligations which shall or at any time be due from the Corporation to Parkland.

GIVEN under hand and seal at Lundar, in the Province of Manitoba this 2 day
of Aug., 2012.

[Redacted Signature]

Signature of Witness

[Redacted Signature]

[Redacted Signature] _____
Guarantor

AFFIDAVIT OF EXECUTION

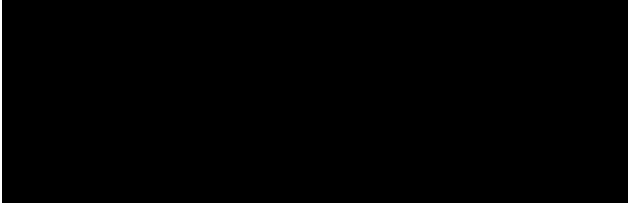
CANADA) I, [REDACTED]
)
 PROVINCE OF MANITOBA) of WENZEL, in the
) Province of Manitoba,
 TO WIT) MAKE OATH AND SAY:

1. THAT I was personally present and did see [REDACTED] named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes therein.

2. THAT the same was executed at LUNDAR, in the Province of Manitoba, and that I am the subscribing witness thereto.

3. THAT I know the said [REDACTED] and he is in my belief of the full age of 18 years.

SWORN BEFORE ME at the CEM)
 of WENZEL in the Province)
 of Manitoba, this 6th day)
 of SEPTEMBER, A.D. 2012.)
 [REDACTED])



~~AL~~ COMMISSIONER FOR OATHS in
 and for the Province of Manitoba
 My Commission expires = NO EXPIRE

Esso Ref #88004152

Pioneer Site # 776

**MOTOR FUEL SUPPLY AGREEMENT
ESSO BRANDED MOTOR FUELS**

This Agreement is made in triplicate signed this 16 day of June, 2010 but effective as at May 1, 2010.

BETWEEN

PIONEER PETROLEUMS LIMITED PARTNERSHIP

By its General Partner,

PIONEER PETROLEUMS MANAGEMENT INC.

having a Head Office at

1122 International Blvd., Suite 700, Burlington, Ontario L7L 6Z8
(hereinafter called "Distributor")

- and-

S.S.T. FOODS LTD.

(hereinafter called "Dealer") having a retail motor fuels outlet
located at: HWY #6, LUNDAR, MB R0C 1Y0
(herein after called the "Marketing Premises")

- and-

[REDACTED] & [REDACTED]
(hereinafter called the "Guarantors")

WHEREAS, based on its marketing strategies, Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("**Imperial Oil**") has established the following core values (the "**Core Values**"), namely:

- to deliver quality products that customers can trust;
- to employ friendly, helpful people;
- to provide speedy, reliable and friendly service;
- to provide clean, attractive and well maintained retail facilities; and
- to be a responsible, environmentally conscious neighbour.

AND WHEREAS the Distributor is engaged in the sale and distribution of Imperial Oil's high quality petroleum products marketed under the nationally and internationally known ESSO trade mark;

AND WHEREAS the Dealer is building a retail motor fuels outlet at **Hwy #6 & Main Street, Lundar, Manitoba, R0C 1Y0, legally described in Schedule G** (such lands and retail motor fuels outlet being hereinafter called the "**Marketing Premises**");

AND WHEREAS the Dealer desires to carry on, in accordance with this Agreement, the business of the buying of Imperial Oil's high quality petroleum products marketed under the nationally and internationally known ESSO trade mark and selling such petroleum products to retail customers on and from the Marketing Premises (the "**Dealer Business**");

AND WHEREAS the Guarantors have agreed to guarantee the obligations of the Dealer under this Agreement as consideration, in part, for the Distributor entering into this Agreement;

AND WHEREAS it is agreed that all existing agreements between the Dealer and Imperial Oil or between the Dealer and the Distributor will be terminated upon the execution of this Agreement.

NOW THEREFORE the Distributor and the Dealer agree as follows:

1. Grant

The Distributor, under an Esso Branded Distributor Agreement with Imperial Oil (the "**Esso Branded Distributor Agreement**"), has the right to grant to the Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the provisions of this Agreement, the Distributor grants to the Dealer the right to use the "Esso" mark and such other proprietary marks specified by Imperial Oil from time to time (the "**Proprietary Marks**") in connection with the sale of Esso Branded Motor Fuels (as hereinafter defined) from the Marketing Premises and, subject to the provisions of this Agreement, the Dealer accepts the grant of such right to use of the Proprietary Marks in connection with the sale of Esso Branded Motor Fuels from the Marketing Premises. The Dealer shall at all times conduct the Dealer Business in a manner consistent with the Core Values and shall comply with Imperial Oil's business standards and policies, including, without limitation Imperial Oil's Imperial Dealer and Distributor Site Operations Manual as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by the Distributor from time to time. **NOTHING IN THIS AGREEMENT HOWEVER SHALL BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN THE DEALER AND IMPERIAL OIL AND THAT THE DEALER'S RELATIONSHIP IS EXCLUSIVELY WITH THE DISTRIBUTOR.**

2. Related Businesses

During the term of this Agreement the Dealer may wish to operate, in addition to the Dealer Business, additional businesses (the "**Related Businesses**") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, the Distributor's trademarks, the Dealer's own trademarks or third party trademarks. The operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the Esso Branded Motor Fuels and Proprietary Marks. Accordingly, the Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by the Distributor to the Dealer from time to time. If the Dealer fails to comply with this Agreement or any such requirements, without limiting the Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, the Distributor may require the Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Commencement Date (as hereafter defined), the Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.

3. Term

- a. The term of this Agreement is for a period of **ten (10)** years, beginning on May 1, 2010 and ending on April 30, 2020 (the "Term") unless terminated earlier in accordance with this Agreement.
- b. The Agreement will provide for an opt-out by both parties at the end of the fifth (5th) year of the term, by giving sixty (60) days prior written notice.

4. Product Quantities

- a. Subject to the provisions of this Agreement, the Dealer shall purchase from the Distributor and the Distributor shall sell to the Dealer the Dealer's entire requirements of motor fuels for sale at the Marketing Premises in the quantities, at the prices and terms set out herein (the "Esso Branded Motor Fuels"). The Esso Branded Motor Fuels purchased by the Dealer from the Distributor shall be for resale at the Marketing Premises only. The Dealer shall at all times have available for sale at the Marketing Premises such quantities of the Esso Branded Motor Fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.
- b. The minimum annual volume of Esso Branded Motor Fuel the Dealer is expected to purchase during any contract year ("**contract year**" meaning the consecutive twelve (12) months beginning on the Commencement Date and during each subsequent consecutive twelve (12) month period) is [REDACTED] **litres** litres (the "Minimum Annual Volume"). The Minimum Annual Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil or the Distributor.
- c. In each contract year, the Dealer must purchase from the Distributor a minimum of **eighty percent (80%)** of the Minimum Annual Volume for Esso Branded Motor Fuel. Should the Dealer fail, in any contract year, to purchase **eighty percent (80%)** of the Minimum Annual Volume of Esso Branded Motor Fuels, the Distributor may terminate or not renew this Agreement upon giving sixty (60) days prior written notice to the Dealer and the Guarantors.

5. Monetary Consideration

- a. Subject to Section 5b., as consideration, in part, for the Dealer accepting the use of the Proprietary Marks as provided in this Agreement, the Distributor shall pay to the Dealer consideration in the amount of [REDACTED] (plus applicable taxes) multiplied by the number of litres of the Esso Branded Motor Fuels purchased by the Dealer from the Distributor pursuant to this Agreement (the "**Dealer Payment**"). The Dealer Payment shall be calculated by the Distributor, based on the Distributors' records and paid by the Distributor to the Dealer, monthly, in arrears, within twenty (20) days following the end of each month during the term of this Agreement.
- b. The Distributor shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days prior written notice to the Dealer and the Guarantors if the Dealer fails to purchase **eighty percent (80%)** of the Minimum Annual Volume of Esso Branded Motor Fuels in any contract year.
- c. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the provisions contained in this Agreement; and (ii) this Agreement shall not have been terminated.

6. Prepaid Dealer Payment

Subject to:

- a. the execution and delivery by the Dealer, in favour of the Distributor, of a Demand Promissory Note, in form and content satisfactory to the Distributor, in its discretion, in the principal amount of [REDACTED] Dollars;
- b. the execution, delivery and registration of a demand collateral real property mortgage granted by the Dealer in favour of the Distributor, in form and content satisfactory to the Distributor, including therein, among other things, the personal guarantees of the Guarantors; and
- c. the execution and delivery by the Guarantors of a unconditional and irrevocable continuing guarantee, in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion, whereby the

Guarantors, jointly and severally guarantee all debts, liabilities or monies owed by the Dealer to the Distributor, including interest, regardless of when or how such liability may arise.

The Distributor shall prepay to the Dealer [REDACTED] Dollars of the Dealer Payment (the "Prepaid Dealer Payment") in order to assist the Dealer in paying for the initial costs of building the retail motor fuels outlet on the Marketing Premises. The Dealer shall pay the Distributor's reasonable legal costs related to the preparation and registration of the said promissory note, real property mortgage, guarantee and any other security documentation the Distributor shall reasonably require. The Prepaid Dealer Payment will be paid to the Dealer as soon as possible following the registration of the security documentation and the Dealer completing to the satisfaction of the Distributor, acting reasonably, the improvements/upgrades set forth in Section 8 of this Agreement and providing the Distributor with proof, by way of paid contractor receipts, that such improvements and upgrades have been paid and that the payment therefore totalled, exclusive of taxes, at least [REDACTED] dollars.

The Prepaid Dealer Payment will be repaid by the Dealer to the Distributor, by the Distributor applying [REDACTED] per litre of the monthly Dealer Payment against the Prepaid Dealer Payment amount until such time as the Prepaid Dealer Payment amount has fully repaid. The Dealer and the Guarantors hereby irrevocably authorize the Distributor to make such application as aforesaid. Upon the Prepaid Dealer Payment amount being fully repaid in the manner aforesaid the Distributor shall cease to so apply the [REDACTED] per litre of the monthly Dealer Payment and the full amount of the monthly Dealer Payment shall be dealt with as elsewhere provided in this Agreement. If for any reason the term of the Agreement expires or terminates prior to the Prepaid Dealer Payment amount being fully repaid, any balance owing upon such expiration or termination shall become immediately due and payable by the Dealer to the Distributor.

7. Additional Monetary Consideration

Subject to:

- a. the execution and delivery by the Dealer, in favour of the Distributor, of a Demand Promissory Note, in form and content satisfactory to the Distributor, in its discretion, in the principal amount of [REDACTED];
- b. the execution, delivery and registration of a demand collateral real property mortgage granted by the Dealer in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion, including therein, among other things, the personal guarantees of the Guarantors; and

The Distributor will advance to the Dealer up to a maximum of [REDACTED] as an Additional Monetary Consideration (the "AMC") will be paid to the Dealer once all security documentation has been registered. The AMC shall be amortized monthly over the term of this Agreement on a straight line basis. If this Agreement terminates or expires before the AMC is fully amortized, the Dealer shall forthwith pay to the Distributor the unamortized portion of the AMC.

8. Proposed Upgrades

The improvements/upgrades the Dealer proposes to make to the Marketing Premises with respect to its building of a retail motor fuels outlet will include:

- 2010 Manitoba Conservation Upgrades;
- Store Improvements; and
- Lot paving.

The planning, design and construction of the proposed improvements/upgrades and all costs associated therewith or incidental thereto will be the responsibility of the Dealer. If requested by the Dealer, the Distributor will assist the Dealer by providing support in the following areas:

- Standard layout (maximum two)
- Standard engineering drawings (except underground product systems - tanks, piping)

- Information on design, supply, and installation and service contractors
- Information on Imperial Oil equipment suppliers

9. Esso Brand Signage

The Distributor will loan to the Dealer for the term of this Agreement signage to identify the Esso brand. The loaned signage includes:

- New LED price changer;
- Change Canopy Lights to Metal Halide;
- Pioneer will paint any signage, poles to Esso specifications; and
- Pioneer will re-decal pumps.

The Dealer shall be responsible for and shall provide all electrical feeds to signs, all electrical hook ups, concrete bases and permits (if required).

10. Site Image and Merchandising

Provided the Dealer purchases items, including but not limited to, pump island merchandising equipment, pump topper hardware and uniforms for staff, through the Distributor's recommended suppliers, the Distributor will, following the Commencement Date, contribute up to [REDACTED] for general site image upgrades and merchandising.

11. Right of First Refusal

- a. The Dealer hereby grants to the Distributor the right of first refusal to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of any bona fide written offer received by the Dealer during the term of this Agreement which the Dealer is willing to accept. The Dealer shall send such written offer to the Distributor in the manner provided herein for the giving of notices and the Distributor shall have thirty (60) days from the receipt of such written offer in which to notify the Dealer that it elects to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of such offer. If the offer does not consist wholly of cash, the Distributor shall have the right to meet the terms of such offer with a reasonable equivalent in cash. In the event the Distributor does not exercise its rights hereunder, the Dealer shall be free, after the end of said period of thirty (60) days, to sell, lease or sublease (as the case may be) the Marketing Premises on the terms contained in the bona fide written offer but subject to the terms of this Agreement including this option.
- b. In the event the Distributor exercises its rights to purchase, lease or sublease (as the case may be) the Marketing Premises, this Agreement, together with any other related agreements, shall terminate on the date of closing or completion of the transaction.
- c. As a condition precedent to the Distributor allowing the Dealer to sell, lease or sublease (as the case may be) the Marketing Premises and the Dealer Business thereon to a third party, the Dealer shall execute and deliver to the solicitor acting on the Dealer's behalf, in such transaction, an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, such amounts of money as are then due and owing to the Distributor by the Dealer. In the event the proceeds of the transaction paid to the Distributor are insufficient to extinguish the Dealer's indebtedness to the Distributor, the Dealer shall, notwithstanding such sale, lease or sublease (as the case may be) continue to be liable to the Distributor for any remaining indebtedness.

12. Price and Terms of Sale

- a. The Dealer shall pay the Distributor for the Esso Branded Motor Fuels purchased pursuant to this Agreement, the price thereof in effect at the Distributor's designated loading rack at the time that the Esso Branded Motor Fuels are loaded for delivery to the Dealer plus all applicable taxes. The Esso Branded Motor Fuels prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. The designated loading rack, delivery rate and applicable taxes in effect at the

commencement of this Agreement are set out in Schedule "A" hereto. In the event of a shortage or unavailability of the motor fuels at the Distributor's designated loading rack for any particular pick-up to the Dealer, the Distributor shall use reasonable commercial efforts to deliver Esso Branded Motor Fuels from an alternate loading rack and the Dealer shall pay for any increased costs required to complete such delivery.

- b. Measurement of the volume of each delivery of the Esso Branded Motor Fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15 degrees Celsius in accordance with normal industry practice.
- c. All purchases of the Esso Branded Motor Fuels, shall be paid by the Dealer upon or before delivery, in immediately available funds as set out herein, unless the Distributor, in its discretion and from time to time, grants credit terms to the Dealer. If the Distributor grants credit terms to the Dealer, such credit terms may be amended by the Distributor in its discretion upon written notice from time to time. If the Distributor grants credit terms to the Dealer and the Dealer accepts delivery of any Esso Branded Motor Fuels in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation paying interest on overdue accounts at rates to be determined by the Distributor from time to time. The Distributor reserves the right to withhold any amounts due by the Distributor to the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its discretion and without notice decline to make delivery to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.
- d. Subject to the Distributors right to, from time to time, grant and amend credit terms, including rates of interest, as provided in (c) above, the Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to the Distributor by the Dealer pursuant to this Agreement: (i) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by the Distributor, in its discretion, from time to time; and (ii) may be collected by the Distributor by pre-authorized debit in the manner set out on Schedule "B", in its discretion, from time to time, upon thirty (30) days prior written notice to the Dealer.
- f. The Dealer shall, from time to time, execute and deliver to the Distributor an authorization for pre-authorized debit substantially in the form of Schedule "B" in order to facilitate the collection of payments pursuant to this Section. The Distributor may amend Schedule "B", in its discretion and from time to time, upon thirty (30) days' prior written notice to the Dealer.
- g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer's business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. The Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
- h. The Distributor agrees that, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, the Distributor will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

13. Security Interest

To secure payment or performance of all obligations of the Dealer under this Agreement or any other agreement between the Dealer and the Distributor, the Dealer:

- a. hereby grants to the Distributor a Purchase Money Security Interest, as defined in the Personal Property Security Act, as amended, of the province of or territory of Canada in which the Marketing Premises is located, in all goods and inventory supplied by the Distributor to the Dealer as well as all proceeds derived therefrom. Any proceeds received by the Dealer with respect to any disposition of, or dealing with, such goods and inventory, shall be received by the Dealer in trust for the Distributor;
- b. agrees to execute and deliver, as and when requested by the Distributor to do so, a general security agreement, in form and content satisfactory to the Distributor, granting the Distributor a security interest in all of the Dealer's present and after-acquired real and personal property of whatever description or kind, as general and continuing collateral security for the due payment and performance of all present and future indebtedness and liability of every kind, nature and description, whether direct or indirect, joint or several, absolute or contingent, matured or unmatured, of the Dealer to the Distributor, wherever and however incurred, under this Agreement or any other agreement between the Dealer and the Distributor.
- c. shall provide to the Distributor a stand-by irrevocable letter of credit (the "Letter of Credit") in the amount of **five thousand (\$5,000.00) dollars**. The Dealer shall maintain in full force and effect the Letter of Credit in an amount to be agreed upon between the Distributor and the Dealer, in a form and from a bank acceptable to the Distributor during the term of this Agreement and for a period of sixty (60) days following the expiration or earlier termination thereof. The Dealer shall deliver a replacement Letter of Credit to the Distributor at least thirty (30) days prior to the expiration of the existing Letter of Credit.

14. Delivery

- a. Delivery of the Esso Branded Motor Fuels will be by tank truck into the Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the Esso Branded Motor Fuels shall pass to the Dealer as it is discharged from the Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.
- b. The Dealer shall ensure that the Distributor's tank truck will at all times have unimpeded access to the fill pipes and storage tanks while making any delivery to the Marketing Premises.
- c. The Dealer will notify the Distributor of any required delivery of Esso Branded Motor Fuels in accordance with the Distributors written ordering and delivery procedures. The Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. The Dealer will only order deliveries in "full truck load" quantities as set out in Schedule "A". The Dealer shall accept delivery of the Esso Branded Motor Fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributors ordering and delivery procedures.
- d. Upon the dispatch of a delivery vehicle by the Distributor to deliver the Esso Branded Motor Fuels to the Marketing Premises, the Dealer shall either accept the delivery of a "full truck load" of the Esso Branded Motor Fuels (or less than a "full truck load" of the Esso Branded Motor Fuels only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to the Distributor all the reasonable costs incurred by the Distributor in connection with any delay or aborted delivery.
- e. The Distributor shall not be required to deliver to the Dealer the Esso Branded Motor Fuels in any quantity less than a "full truck load" or "deemed full truck load", which shall be determined in each case by the Distributor in its discretion from time to time. If the Dealer requests the delivery of and the Distributor delivers the Esso Branded Motor Fuels in a quantity less than a "full truck load" or "deemed full truck load", then the Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however, the delivery by the Distributor of the Esso Branded Motor Fuels in a quantity less than a "full truckload" or "deemed full truckload" on any one or more occasions shall not require the Distributor to deliver Esso Branded Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the discretion of the Distributor from time to time.

15. Product Control

- a. The Dealer shall exercise the highest degree of care in handling, storing, selling and using the Esso Branded Motor Fuels delivered to the Marketing Premises. The Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any Esso Branded Motor Fuels (including without limitation, the blending of such motor fuels with ethanol). The Dealer shall not sell from the Marketing Premises Esso Branded Motor Fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. The Distributor may refuse access by the Dealer to the Distributor's loading racks, the Dealer's until, in Distributor's judgment, any deficiencies in the quality of Esso Branded Motor Fuels at the Marketing Premises are corrected.
- b. Access to Premises. The Dealer grants Distributor and Imperial Oil (including their employees, agents and contractors) the right to enter the Marketing Premises during normal business hours to examine the contents of the Dealer's storage tanks in which said Esso Branded Motor Fuels purchased hereunder are handled or stored. The Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to the Dealer's obligations under this Agreement.

16. Contingencies

No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any covenant, agreement or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to the Distributor or to Imperial Oil or any person affiliated with the Distributor under this Agreement) if such default or non performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any delays in or failure of performance by the Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request or control of any governmental authority; or
- b. When the supply of Esso Branded Motor Fuels at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by the Distributor is interrupted, unavailable or inadequate for any reason or cause which the Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of Esso Branded Motor Fuels to be sold under this Agreement by allocating its available supply of Esso Branded Motor Fuels among its customers, itself, and its related and subsidiary companies in such manner as it may in its discretion determine and the Distributor shall not be obliged to obtain or purchase other supplies of the Esso Branded Motor Fuels to make up any such shortage.

17. Proprietary Marks

- a. The Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for the Dealer's use and shall only use such marks to designate the origin of the Esso Branded Motor Fuels and otherwise in the manner authorized and instructed by the Distributor from time to time. THE DEALER AGREES THAT MOTOR FUELS AND PETROLEUM PRODUCTS OF OTHERS WILL NOT BE SOLD BY THE DEALER UNDER SUCH PROPRIETARY MARKS. If, in the opinion of the Distributor, any samples taken by the Distributor or Imperial Oil under this Agreement are not Esso Branded Motor Fuels, or are not in the condition in which sold by the Distributor, or any documents and records reviewed by the Distributor or Imperial Oil show the Dealer has failed to comply with its obligations hereunder, the Distributor may, at its option, debrand (as described in Section 17b.) the Marketing Premises and/r cancel and terminate this Agreement.
- b. By written notice to the Dealer, the Distributor may withdraw its approval to: (i) brand the Marketing Premises ("debrand") or (ii) use or operate any motor fuels business or Related Businesses at the Marketing Premises, if, in the Distributor's judgment: (i) the Marketing Premises (or the motor fuels business and/or Related Businesses) fails to portray the image and standards expected from Esso Branded Retail Outlets; or

- (ii) The Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If the Distributor debrands the Marketing Premises, withdraws its approval to use or operate the motor fuels business or Related Businesses at the Marketing Premises, upon expiration or termination of this Agreement, or upon demand being made by the Distributor, the Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from the Distributor, consisting in whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.
- d. The Dealer agrees to take no action that will diminish or dilute the value of the Proprietary Marks. The Dealer shall not sell non-Esso Branded Motor Fuels under any of the Proprietary Marks, including without limitation, any Esso-identified canopy or at any fuelling island where the Dealer is selling Esso Branded Motor Fuels.
- e. The Dealer shall not use the Proprietary Marks as part of the Dealer's corporate or other name.
- f. The Dealer hereby consents that the Distributor or Imperial Oil may remove or paint over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the Esso trade name, trade-marks, signs and advertising items, prior to the expiration or earlier termination of this Agreement.

18. Customer Service & Operating Standards

- a. The Dealer shall ensure that the Marketing Premises meets the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits), failing which the Dealer shall lose the right to use or display Proprietary Marks at the Marketing Premises:
 - i. Paved driveways with safe and good ingress and egress;
 - ii. Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances;
 - iii. Clean premises free of debris, trash and fire hazards;
 - iv. Modern restrooms for men and women available to the general public; and
 - v. Offer two (2) grades of Esso Branded Motor Fuels;
 - vi. Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and
 - vii. Compliance with applicable operating standards as described in Schedule "C", and facility standards as described in Schedule "G" ("**Facility Requirements**"), which are incorporated into and made a part of this Agreement.
- b. While using any Proprietary Marks, the Dealer shall:
 - i. render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct the Dealer Business and any Related Businesses in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the Esso Branded Motor Fuels sold hereunder;

- ii. provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers;
 - iii. keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies;
 - iv. assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the Esso Branded Motor Fuels during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to the Dealer;
 - v. purchase, maintain, and display an adequate quantity of Esso Branded motor oils, lubricants, greases, anti freeze, and other petroleum products and related products (the "Petroleum Products") for resale from the Marketing Premises to meet the needs of the Dealer's retail customers from time to time. As the Distributor is not a distributor of Petroleum Products the Dealer shall purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area;
 - vi. keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers; and
 - vii. shall ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. The Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by the Distributor to cure, continues to be in violation of this Section.
- d. The Dealer shall not permit at the Marketing Premises:
- i. any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits;
 - ii. the sale or use of illegal drugs or drug paraphernalia; or
 - iii. the sale of any pornographic material or other material that the Distributor determines may be offensive to the general public.
 - iv. the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits relating to youth access to tobacco products. The Dealer shall promptly advise the Distributor of any charges or notifications of violations received at the Marketing Premises from any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.
- e. The Dealer shall at all times comply with any operations manual and/or books, pamphlets, tapes, videos, memoranda, menus, recipes, directives, instructions and other materials prepared by or on behalf of Imperial Oil and provided to the Dealer by either the Distributor or Imperial Oil, whether in written, machine readable or any other form (collectively, the "**Manual**") setting out the standards, including without limitation, operating standards, methods, procedures, techniques and specifications, established by Imperial Oil from time to time for the retail sale of Esso Branded Motor Fuels and Petroleum Products, as same may be amended or supplemented from time to time. The provisions of the Manual applicable to the Dealer Business are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to the Distributor promptly upon request and, in any event, upon the expiration or termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's prior written consent. It is understood that the entire content of the Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. Both during the term of this Agreement and after

the expiration or termination of this Agreement, the Dealer shall maintain the absolute confidentiality of the entire content of the Manual and shall not disclose any such content for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer Business in accordance with this Agreement. Further, the Dealer shall not use any such content, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

19. No Exclusive Marketing Rights

This Agreement does not give the Dealer an exclusive right in any market or geographic area to sell Esso Branded Motor Fuel or conduct the Dealer Business or any Related Businesses. It is understood that the Distributor and Imperial Oil may, directly or indirectly, compete with the Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks (the "**Trademarks**"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, the Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the Dealer Business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling Esso Branded Motor Fuels, other branded motor fuels or operating businesses the same or similar in kind as the Dealer Business or Related Businesses, other retail outlets, enterprises or other businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

20. Fuel Handling Equipment

- a. The Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under the Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "**Fuel Handling Equipment**"). The Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.
- b. On the Commencement Date the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises shall be in good condition and repair and meet regulatory requirements.
- c. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and meet regulatory requirements. All needed repairs and replacements shall be made promptly by the Dealer.
- d. The Dealer shall have in place on all underground motor fuels storage tanks spill containment boxes and overfill prevention valves. The Dealer shall, at all times, keep such equipment in good operating condition and repair.
- e. Notwithstanding any other provision in this Agreement, if the Distributor is required by law, or if in the Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "**Hazard**"), then the Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. The Distributor shall not be obliged to re-commence delivery of the motor fuels until the Distributor is satisfied, in its discretion, that the Hazard does not exist or has ceased to exist. If the Distributor does or causes the doing of any act to remedy a Hazard, whether or not the act is required by law, the Dealer shall pay the Distributor for all costs and expenses incurred by the Distributor for the doing of such act and, upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuels or other substances and notify the Distributor immediately if any such spillage is determined to have occurred. If spillage is determined to

have occurred, the Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spillage.

- f. The Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential Hazards.

21. Loaned Equipment

- a. The Distributor will loan to the Dealer the equipment listed in Schedule "D" hereto (the "**Equipment**") as and when it may be available for use on the Marketing Premises in the Dealer Business; and the Dealer hereby accepts such loan of Equipment.
- b. The Distributor shall have the right, in its discretion, to, from time to time, replace, add to or substitute any one or combination of items of the Equipment.
- c. The Dealer shall:
 - i. pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
 - ii. obtain all necessary permits, licences and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;
 - iii. not alter, part with possession of, or encumber, lease or sell the Equipment;
 - iv. complete day to day maintenance and repair, including replacement of parts, of the Equipment unless the Distributor advises the Dealer, in writing, that the Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;
 - v. keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;
 - vi. comply with all laws applicable to the Equipment;
 - vii. be responsible for all damage caused to the Equipment by the gross negligence or willful act of any person or persons other than the Distributor, its employees, contractors and agents;
 - viii. use the Equipment intended for storage, handling, advertising or displaying the Esso Branded Motor Fuels and the Petroleum Products, solely for such intended purpose.
 - ix. return to the Distributor in good repair and operating condition, reasonable wear and tear excepted (I) all Equipment immediately upon the expiration or termination of this Agreement and (II) any Equipment replaced by the Distributor for any reason immediately upon such replacement;
 - x. for greater certainty, permit the Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (I) effect maintenance and repair of the Equipment and (II) replace, add to or substitute any one or combination of items of the Equipment; and
 - xi. upon the expiration or termination of this Agreement, permit the Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor and the Dealer shall not affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a

fixture of the Marketing Premises without each person now or hereafter having an interest in the Marketing Premises first executing an acknowledgement and consent in the form of Schedule "E".

- e. Prior to the Commencement Date the Dealer shall examined the Equipment provided to the Dealer and, unless, prior to the Commencement Date, the Dealer notifies the Distributor, in writing, of any complaint regarding the Equipment, the Dealer shall be deemed to have satisfied itself with regard to the Equipment, The Dealer shall indemnify the Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of the Distributor's gross negligence or a defect in the Equipment, provided the Dealer shall have given the Distributor prompt written notice of such gross negligence or defect.

22. Compliance with Laws

The Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits, including those concerning the environment, hazardous substances or wastes, toxic substances and occupational safety and health.

23. Indemnity

The Dealer shall and does hereby indemnify and save harmless the Distributor, its partners, directors, officers, employees, agents and affiliates and their respective directors, officers, employees, agents and affiliates (each an "indemnified party") from and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer Business on the Marketing Premises;
- b. the storage, handling and sale of motor fuels on and from the Marketing Premises; and
- c. the Equipment.

This indemnity shall not include a claim arising out of, in respect of or in connection with the gross negligence or willful misconduct of an indemnified party.

24. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:
 - i. a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and the Distributor arising out of all the operations of the Dealer pertaining to the Dealer Business, whether or not conducted on or from the Marketing Premises with all inclusive limits of at least five million (\$5,000,000) dollars for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and
 - ii. a third party liability policy on all vehicles used in the Dealer Business, with all inclusive limits of at least one million dollars (\$1,000,000) for any one incident.
- b. The insurance policy referred to in subsection 24a.(ii) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
- c. Upon written request by the Distributor, the Dealer shall provide the Distributor with a certificate of insurance and such other information as may reasonably be required by the Distributor in a form satisfactory to the Distributor as evidence of the insurance required under this Section. The insurance

policies shall be endorsed to provide that in the event of any change in them which could affect the Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to the Distributor thirty (30) days prior to the effective date of any such change or cancellation.

- d. The Distributor may amend this Section, in its discretion and from time to time, on the anniversary of the Effective Date upon sixty (60) days prior written notice to the Dealer.

25. Technology and Communications

Upon receipt of a written request from the Distributor, the Dealer shall:

- a. Install and maintain in good operating condition, at the Dealer's expense, at the Marketing Premises: (i) a facsimile machine for sending and receiving written communications; and (ii) equipment that allows access to the internet or other electronic-transmission or data communications systems designated by the Distributor from time to time;
- b. Subscribe, at the Dealer's expense, at the Marketing Premises, to a voice mail system for transmitting and receiving telephone communications; and
- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition, replacement or updating of point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software.

26. Retail Credit and Debit System

The Dealer has or shall receive an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer Business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial Oil. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith and complies with all guidelines therefor, including complying with all requirements of such retail credit and debit system for regular maintenance and replacement in the event of loss or damage.

The Dealer shall pay to the Distributor the following fee(s), which the Distributor may amend, in its discretion from time to time, upon sixty (60) days prior written notice to the Dealer:

G-Site data transmission fee: \$/month.
eN-Touch fee: units at \$/month.

The Dealer shall implement and utilize the retail credit and debit system(s) designated by the Distributor, in its discretion from time to time, to be used by its dealers and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s). All cards accepted currently by Imperial Oil attract a rate of 1.9 % to 2.2% credit card charge. Debit card transactions currently attract a ten (\$0.10) cent charge.

27. Termination

- a. Where the end of the term of this Agreement as set out in Section 3 is later than the end of the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, or where the said Esso Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said Esso Branded Distributor Agreement, unless (i) the term of said Esso Branded Distributor Agreement is extended, renewed or replaced and (ii) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an Esso location.

- b. The Distributor may, in its discretion, upon the occurrence of any one of the following events terminate this Agreement immediately and without notice to the Dealer and the Guarantors and without providing any prior opportunity to cure same:
- i. if the Dealer is in default of any Third Party Credit Card Agreement, entered into between the parties in connection with this Agreement, or if the Third Party terminates the Dealer's use of the Third Party's Credit Card processing facilities for any reason whatsoever;
 - ii. if any indemnity, guarantee, or suretyship obtained in connection with this Agreement is revoked or curtailed;
 - iii. if any motor fuel, other than the Esso Branded Motor Fuels are kept, sold or otherwise dealt with on or from the Marketing Premises;
 - iv. if the Dealer fails to sell the Esso Branded Motor Fuels strictly in accordance with the grades and kinds designated in the Manual;
 - v. if the Dealer sells any Esso Branded Motor Fuel: (I) in bulk, (II) to any person for resale, or (III) to any person not using a government approved container; or
 - vi. if the Dealer ceases to carry on the Dealer Business on or from the Marketing Premises;
 - vii. if the Dealer or any one or more of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or one or more of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is made in respect of the Dealer or any one or more of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed for the Dealer or any one or more of the Guarantors, or if the Dealer or any one or more of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any one or more of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an "insolvent person" as that term is defined in the Act;
 - viii. if the Dealer shall at any time have any of the goods and chattels of the Dealer Business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of the Distributor sell any of such goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer Business;
 - ix. if the Dealer fails to operate the Dealer Business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control;
 - x. if the Dealer or any one or more of the Guarantors is convicted of or pleads guilty to any criminal offence, whether or not related to the Dealer Business;
 - xi. if the Dealer fails to pay any amount payable to the Distributor under the provisions of this Agreement;
 - xii. the Dealer fails to maintain adequate inventory of the Esso Branded Motor Fuels at the Marketing Premises to meet the needs of its retail customers;
 - xiii. if the Esso Branded Distributor Agreement is terminated for any reason;

- xiv. the Dealer or any one or more of the Guarantors attempts to abandon the Marketing Premises or to sell or dispose of its goods or chattels otherwise than in the ordinary course of its business;
 - xv. if the Dealer fails to comply with the provisions of the Manual or Section 18 of this Agreement;
 - xvi. if the Dealer (I) is a corporation and a principal shareholder of the Dealer dies or becomes unable, by reason of physical or mental illness or disability, to operate the Dealer Business in the ordinary course for thirty (30) days or more (“**Incapacitated**”) or (II) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes Incapacitated;
 - xvii. if the Dealer is in default on any provision of any other agreement with the Distributor pertaining to the Marketing Premises; or
 - xviii. if any applicable law now or hereafter in effect renders any provision of this Agreement unenforceable or unlawful.
- c. Upon the expiration or termination of this Agreement for any reason, the Dealer shall immediately:
- i. cease to use in any manner the Proprietary Marks;
 - ii. pay to the Distributor or any person, firm or corporation affiliated or associated with the Distributor, all amounts and charges as are or may thereafter become due and payable hereunder or under any other agreement between the Dealer and Distributor or any person, firm or corporation affiliated or associated with the Distributor ;
 - iii. return to the Distributor all copies of the Manual then in the possession of the Dealer;
 - iv. notify the telephone company and all listing agencies of the expiration or termination of the Dealer's right to use the Proprietary Marks and terminate all such listings using the Proprietary Marks;
 - v. cease to operate the Dealer Business in any manner which would, directly or indirectly, represents to the public that the Dealer Business was thereafter operated in association with the Proprietary Marks and cease to hold itself out as a present or former dealer of Esso Branded Motor Fuels;
 - vi. surrender the Equipment to the Distributor; and
 - vii. at the request of the Distributor, take all such action as may be necessary to cancel any trade or business name registration which contains any part of the Proprietary Marks under any applicable law and furnish the Distributor with evidence satisfactory to it of compliance with the Dealer's obligation hereunder within thirty (30) days after the expiration or termination of this Agreement.

Any termination of this Agreement pursuant to this Section shall be without prejudice to any other right (including any right of indemnity), remedy or relief vested in or to which the Distributor may otherwise be entitled against the Dealer. All monies paid by the Dealer to the Distributor under this Agreement or otherwise shall be retained by the Distributor as consideration for the rights and benefits previously conferred on the Dealer hereunder and as liquidated damages. The foregoing remedy shall not exclude any of the remedies which the Distributor may have at law or in equity by reason of the default, breach or non-observance by the Dealer of any provision of this Agreement.

28. Claims

- a. Neither the Distributor nor Imperial Oil is liable to the Dealer for shortages in quantity or quality of Esso Branded Motor Fuels unless the Dealer notifies the Distributor, in writing, within forty-eight (48) hours after delivery (or discovery in the case of latent defect for quality deficiencies) setting forth fully the facts upon which any such claim for shortage in quantity or defect in quality is made and unless the Distributor and/or Imperial Oil are given a reasonable opportunity to inspect the motor fuels concerning which any such claim

is being made, the Distributor's and/or Imperial Oil's liability with respect to any shortage in quantity shall be limited to an amount equal to the volume of any shortage multiplied by the Dealer's cost of motor fuel including delivery and taxes in effect for the delivery in question. The Distributor and/or Imperial Oil's liability with respect to any defect in quality shall be limited to the cost of removing the defective motor fuels from the Marketing Premises at its own expense and replacing them without charge to the Dealer. The Distributor and/or Imperial Oil shall not be liable for any special, indirect, or consequential damages to the Dealer for any shortage in quantity or defect in quality. All other claims by the Dealer against the Distributor or Imperial Oil including their affiliates and subsidiaries of any kind, whether or not arising out of this Agreement, are barred unless the Dealer gives the Distributor and/or Imperial Oil, as the case may be, notice within ninety (90) days after the event, act or omission to which the claim relates. Whether or not the Dealer provides timely notice of a claim, any claim by the Dealer is barred unless asserted by the commencement of a lawsuit naming the Distributor and/or Imperial Oil as defendant in a court of competent jurisdiction within twelve (12) months after the event, act or omission to which the claim relates.

- b. The Dealer recognizes that, at any time during the term of this Agreement, any of the grades or brands of motor fuels sold hereunder or any of the Proprietary Marks may be changed, altered, amended or eliminated. The Dealer also recognizes that, at any time during the term of this Agreement, the quality or specification of any of the motor fuels sold hereunder may be changed or altered. If any such change or alteration materially affects the performance of such motor fuels or the needs of the Dealer therefor for the purposes intended by the Dealer, the Dealer may terminate this Agreement as to any such motor fuels so affected on thirty (30) days' prior written notice to the Distributor. However, the Dealer may not terminate this Agreement for any change in quality or specification of any said motor fuels resulting from compliance with federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits. In the event that the manufacture of certain of the Esso Branded Motor Fuels sold hereunder is discontinued, the Distributor shall notify the Dealer of such an event and this Agreement shall terminate as to such motor fuels when such notice is effective.

29. Entire Agreement; Modifications

This Agreement, any documents referred to in this Agreement and any attachments to this Agreement, constitute the entire agreement between the Distributor and the Dealer concerning the subject matter hereof, and supersede all prior agreements, understandings, negotiations and discussions relating to that subject matter. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by the Distributor to the Dealer. Except as explicitly provided in this Agreement this Agreement may not be supplemented, modified or amended unless done so in writing and executed by the Dealer, the Guarantors and the Distributor.

30. Guarantee

As consideration in part for the Distributor entering into this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Guarantors and the Distributor, the Guarantors hereby covenant and agree as follows:

- a. to unconditionally and irrevocably guarantee to the Distributor, as a primary obligor, the due payment by the Dealer of all monies payable under this Agreement and any other obligations whatsoever by the Dealer to the Distributor at the time or times appointed therefor, and the due observance and performance by the Dealer of all the provisions in this Agreement and any other obligations whatsoever to be observed and performed by the Dealer;
- b. to indemnify and save the Distributor harmless from and against all costs, losses, expenses and damages it may suffer as a result of the Dealer's non-compliance with any provision of this Agreement;
- c. that this shall be a continuing guarantee and shall be binding upon the Guarantors after as well as before the Dealer's non-compliance with any provisions of this Agreement, until all monies due under the Agreement have been fully paid and satisfied and all provisions have been observed, performed and carried out;

- d. the Distributor shall not be bound to exhaust its recourse against the Dealer before requiring payment of any monies or the observance or performance of any obligations by the Guarantors and the Guarantors waive notice of demand for payment or performance, notice of default, protest and notice of protest and any and all other notices and legal and equitable defences to which the Guarantors may be entitled;
- e. no release or releases and no indulgence or extensions of time or waiver granted by the Distributor to the Dealer with respect to the observance or performance or any defaults or breaches of this Agreement by the Dealer nor any dealings between the Distributor and the Dealer shall in any way modify, alter or prejudice the Distributor or diminish or affect the liability of the Guarantors under this Agreement;
- f. the covenants and agreements herein entered into by the Guarantors are to be construed as both joint and several;
- g. the guarantee and the liability of each of the Guarantors hereunder is not and shall not be affected by the death or loss or diminution of capacity of any of the Guarantors;
- h. this guarantee extends to and is binding upon each of the Guarantors and their heirs, executors, administrators, legal representatives and assigns, and
- i. this guarantee shall continue to bind the Guarantors even if one or more of them, cease to be involved, directly or indirectly in the Dealer Business or in the Dealer.

31. Notices

Any notice to be given hereunder:

- a. by the Distributor to the Dealer and the Guarantors shall be conclusively deemed to have been given when addressed to the Dealer and: (i) delivered personally or by courier to the Marketing Premises; or (ii) mailed by prepaid mail addressed to the Dealer at the Marketing Premises; or (iii) sent by electronic facsimile to the Dealer provided evidence of transmission is retained, and
- b. by the Dealer or the Guarantors to the Distributor shall be conclusively deemed to have been given when addressed to the following address and: (i) delivered or mailed by prepaid registered mail to the Distributor at the following address, or (ii) sent by electronic facsimile to the Distributor, provided evidence of transmission is retained, at the following number: **Pioneer Petroleums Management Inc.**, 1122 International Blvd., Suite 700, Burlington, Ontario L7L 6Z8 Attention: Vice President, Retail Sales Facsimile No.: (905) 639-2490

Any notice, if delivered personally or by courier shall be conclusively deemed to have been given when actually received, if mailed by prepaid mail, on the fifth Business Day following the deposit thereof in the mail or, if transmitted by electronic facsimile before 4:00 p.m. on a Business Day, on that Business Day and, if transmitted by electronic facsimile after 4:00 p.m. on a Business Day on the Business Day following the date of the transmission.

32. Quality Assurance

Subject to the provisions of the Manual, the Dealer shall store, handle, sell and dispense the Esso Branded Motor Fuels purchased and sold hereunder in compliance with the procedures provided by the Distributor from time to time.

33. Right of Entry

In addition to any other rights of the Distributor under this Agreement, the Dealer hereby permits the Distributor, Imperial Oil and their respective affiliates, employees, agents, vendors, contractors and representatives to enter, during normal operating hours, the Marketing Premises and other places where the Dealer conducts any business covered by the terms of this Agreement, to enforce any and all rights and remedies under this Agreement including taking action to preserve the integrity of the Proprietary Marks and determine the Dealer's compliance with this Agreement. Neither the Distributor nor Imperial Oil is liable to the Dealer for any interference with the Dealer's

business as a result of the Distributor or Imperial Oil entering the Marketing Premises and other places where the Dealer conducts any business covered by the terms of this Agreement.

34. Assignment, Sale of Business

- a. The Dealer shall not sell, assign, transfer or otherwise dispose of or deal with, whether absolutely, by way of security or otherwise, any or all of its rights or obligations under this Agreement without the prior written consent of the Distributor. Any assignment or transfer made without the prior written consent of the Distributor shall be void. For the purposes of this Section, if the Dealer is not an individual, a change of control of the Dealer shall be deemed to be a transfer of the Dealer's interests in this Agreement.
- b. The Dealer shall not to sell, lease, sublease or part with possession of the Marketing Premises or the Dealer Business or the shares in the Dealer, in any manner, unless and until the Distributor has received at least thirty (30) days' prior written notice of the Dealer's intention to do so and, in addition, if the Distributor so requests, the Dealer shall obtain from the prospective purchaser, lessee or licensee a covenant in favour of and in a form satisfactory to the Distributor to observe and perform the terms and conditions of this Agreement.
- c. The Distributor shall have the right to sell, assign, transfer or otherwise dispose of or deal with any or all of its rights or obligations under this Agreement. If any such sale, assignment, transfer or disposition occurs, the Distributor shall be released from any liability under this Agreement for the rights or obligations sold, assigned, transferred or disposed of, except to the extent that such rights or obligations relate to periods prior to such sale, assignment, transfer or disposition

35. Withholding Payments

The Dealer will not on the grounds of the alleged non-performance by the Distributor of any of its obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to the Distributor or any person affiliated with the Distributor.

36. Further Assurances

The parties shall diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

37. Number and Gender Headings

This Agreement shall be read with such changes in number and gender as the context of the reference may require. The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

38. Time of the Essence and Governing Law

Time shall be of the essence in this Agreement, which shall be governed by and construed in accordance with the laws of the province or territory of Canada in which the Marketing Premises is located and the federal laws of Canada applicable therein.

39. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity of such provision in any other jurisdiction.

40. No Waiver

No waiver of a breach of any provision in this Agreement shall be binding upon the Distributor unless made in writing and signed by the Distributor and no waiver of or past performance or course of dealing with a breach of any provision in this Agreement shall be construed as a waiver of any succeeding breach thereof or of any other provision in this Agreement and no delay or omission on the part of the Distributor to exercise any right acquired through the default of the Dealer shall be construed as a waiver of or shall impair such right.

41. Compliance with Law, Workers Compensation, Environmental

- a. The Dealer shall fulfil all the duties imposed upon it by law and shall obey all laws, regulations, rules, by-laws and ordinances applicable to the Dealer Business and to the Marketing Premises, including without limitation the competition laws of Canada and all other applicable laws relating to competition.
- b. The Dealer shall: (i) comply fully, at the Dealer's expense, with provisions of the relevant Workers' Compensation legislation; and (ii) obtain for all the persons employed in the Dealer Business, including the Dealer and the principal shareholder(s) and interest holder(s) of the Dealer, as the case may be, the complete package of benefits available under the relevant Workers' Compensation legislation.
- c. The Dealer shall comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.

42. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors and permitted assigns.

43. No Special or Consequential Damages

The Distributor shall not be liable for any special or consequential damages or loss of profit arising from any breach of its obligations under this Agreement.

44. Survival

All obligations of the parties hereto which expressly or by their nature survive the expiration, termination, permitted transfer and permitted assignment of this Agreement shall continue in full force and effect, until they are satisfied or by their nature expire.

45. Independent Legal Advice

The Dealer and each of the Guarantors acknowledges that: (i) it or they, as the case may be, has had ample time to read and has read this Agreement and has been afforded the opportunity to retain independent legal advice to assist in the review, execution and delivery of this Agreement; and (ii) it or they, as the case may be, has of its own free will either obtained independent legal advice or declined to do so or.

In Witness Whereof Pioneer Petroleum Limited Partnership, by its general partner, Pioneer Petroleum Management Inc., has executed this Agreement this 16 day of June, 2010 but effective as at May 1, 2010.

PIONEER PETROLEUMS LIMITED PARTNERSHIP
By its General Partner
PIONEER PETROLEUMS MANAGEMENT INC.

[Redacted Signature]

Title: Partner

By: [Redacted Signature]
Title: General Partner

We have the authority to bind the corporation.

In Witness Whereof S.S.T. FOODS LTD., the Dealer, has executed this Agreement this 16 day of June, 2010 but effective as at May 1, 2010.

S.S.T. FOODS LTD.

[Redacted Signature]

Witness:

[Redacted Signature]

Witness

By: [Redacted Signature]
Name: [Redacted]

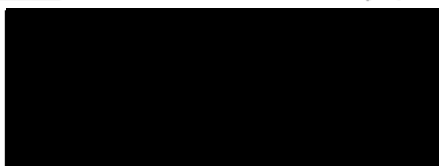
Title: PRESIDENT

[Redacted Signature]

By: [Redacted Signature]
Name: [Redacted]

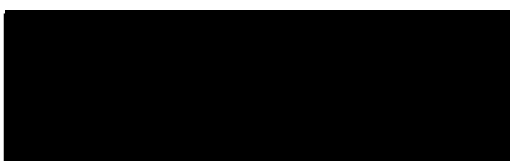
Title: SECRETARY/TREASURER
We have the authority to bind the corporation.

In Witness Whereof PETER ERNEST LYNCH, as a Guarantor, has executed this Agreement this
16 day of JUNE, 2010 but effective as at May 1, 2010.



Witness:

In Witness Whereof DIANE LYNN LYNCH, as a Guarantor, has executed this Agreement this
16 day of JUNE, 2010 but effective as at May 1, 2010.



Witness:

SCHEDULE "A"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and S.S.T. FOODS LTD., and [REDACTED] and [REDACTED] dated effective as at May 1, 2010.

1. PRODUCT GRADES AND QUANTITIES

The annual quantities of Esso Branded Motor Fuels by grade to be sold and purchased hereunder will be as follows :

<u>PRODUCT GRADE</u>	<u>ESTIMATED ANNUAL QUANTITY IN LITRES</u>
Regular Gasoline	[REDACTED]
Low Sulphur Diesel Fuel	[REDACTED]
TOTAL ALL GRADES	[REDACTED]

2. PRODUCT PRICES

The Dealer's prices of the Esso Branded Motor Fuels per litre F.O.B. the Distributor's Designated Loading Rack (as designated in clause 3 below) effective on May 1, 2010 are as follows:

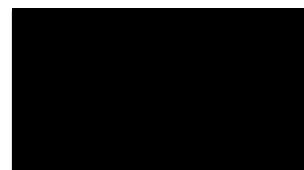
<u>MOTOR FUEL GRADE</u>	<u>PRICE</u>	<u>DELIVERY COST</u>	<u>TAXES</u>	<u>INVOICE PRICE</u>
Premium Gasoline	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Mid Grade gasoline	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Regular Gasoline	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Low Sulphur Diesel	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

The amounts indicated above for TAXES and INVOICE PRICE are for illustrative purposes only and are exclusive of the Federal Goods and Services Tax (G.S.T.)

3. DELIVERY LOCATIONS

The Esso Branded Motor Fuels sold and purchased hereunder will be picked up by the Dealer from the Designated Esso Loading Rack.

<u>MARKETING PREMISES</u>	<u>FULL or DEEMED FULL TRUCK LOAD</u>	<u>DELIVERY RATE/LITRE</u>	<u>DESIGNATED ESSO LOADING RACK</u>
Highway #6 Lundar, Manitoba R0C 1Y0	[REDACTED]	x.xxx	Winnipeg Depot



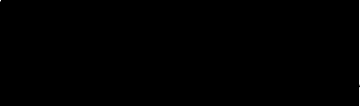
(initials)

IN WITNESS WHEREOF the Parties have acknowledged and agreed to the contents of this SCHEDULE "A" to the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS dated effective as at May 1, 2010.

PIONEER PETROLEUMS LIMITED PARTNERSHIP
By its General Partner
PIONEER PETROLEUMS MANAGEMENT INC.

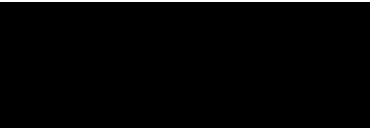



Witness

By: 

Title: VP OPERATIONS

Date: July 7/10



Witness


By: 

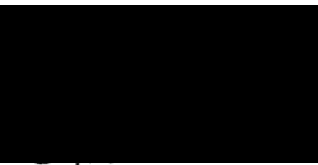
Title: VP Sales / Mktg

Date: July 12/10

We have the authority to bind the corporation.

DEALER

S.S.T. FOODS LTD.



Witness:

By: 

Name: 

Title: PRESIDENT 
By: 



Witness

Name: 

Title: SECRETARY/TREASURER
We have the authority to bind the corporation.

[Redacted]

Witness:

[Redacted]

Witness:

GUARANTORS

[Redacted]

[Redacted]

[Redacted]

SCHEDULE "B"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and S.S.T. FOODS LTD., and [REDACTED] and [REDACTED] dated effective as at May 1, 2010.

OPERATING STANDARDS

The following operating standards for the Premises set out the Dealer's responsibilities with respect to safety and other operating procedures for the Premises and must be complied with strictly.

Operating Procedures

- Be aware of, and comply with, any applicable law relating to the operations on the Premises and any accounting and inventory management system requirements.
- Understand all duties in running the Premises.
- Ensure that the Dealer's employees understand the duties delegated to them.

Safety

The Dealer's employees must:

- Use safe work procedures when carrying out their duties.
- Be aware of and follow safe work practices when carrying out their duties.
- Be trained in the recognition and correction of hazardous conditions to avoid emergencies.
- Be aware and comply with applicable safety regulations.

Security/Robbery Prevention

- Take proper preventative measures to reduce the risk of robbery.
- Train the Dealer's employees in security and robbery prevention.
- The Dealer must train the Dealer's employees in the procedures to follow before, during and after a robbery.

Critical Equipment

- Know the critical equipment on the Premises.
- Ensure that the Dealer's employees are aware of the critical equipment on the Premises.
- Ensure that when critical controls are disarmed, appropriate communication takes place prior to such disarming and that such critical controls are re-activated.
- Follow appropriate procedures for disarming the critical equipment, including completing the form for the disarming or removal of critical controls and shutdown systems.

[REDACTED]
(initials)

Emergency Response

- Post the emergency response plan wall chart on the Premises in a conspicuous place.
- Train Dealer's employees in emergency response. This should include a review of potential hazards and how to deal with them, and the operation and use of fire extinguishers.
- Have the required equipment and supplies to respond to emergency situations.
- Hold at least two practice drills each year using different emergency situations.
- Document the Dealer's employee training and practice drills.

Workplace Hazardous Materials Information System ("WHMIS")

- Educate and train all the Dealer's employees on the WHMIS program prior to their starting work on the Premises and provide documented evidence thereof.
- Ensure that all Material Safety Data Sheets for controlled products are current, available and accessible to the Dealer's employees.
- Conduct at least once per year a review of WHMIS with the Dealer's employees and provide a forum for the Dealer's employees to discuss any related concerns and issues.
- Ensure that all containers of controlled products are properly labelled.
- Ensure that all fill pipes, gauge pipes and valves are properly tagged.
- Keep an inventory list of controlled products on the Premises in those provinces where it is required.

Waste Management

- Be familiar with and comply with the applicable waste regulations.
- Dispose of waste generated at the Premises according to the applicable waste regulations.
- If required by applicable laws, have a signed contract with a licensed hauler for the removal of hazardous wastes from the Premises.
- Use only a licensed hauler to remove and transport hazardous waste from the Premises.
- Keep copies of all waste manifests on file for a minimum of 2 years, or longer if required by applicable laws.

Licenses and Permits

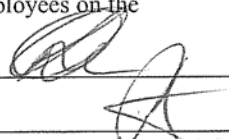
- Have the necessary operating licences and permits to meet regulatory requirements.
- Have on the Premises all manuals required or advisable to operate the service station.

Incident Definition and Reporting

- Report specified incidents to the territory manager.
- Be aware of and understand the Dealer's responsibilities for reporting specific incidents directly to government agencies.
- Share the benefit of past incidents with the Dealer's employees.
- Document the incidents and keep them on file.

Training

- Provide initial and continuous training to all the Dealer's employees.
- If required by applicable laws, maintain training records for each of the Dealer's employees on the Premises.



(initials)

Credit Card


- Follow the standards for credit card authorization and processing documented in the Credit Card Guide.
- Retain the credit card slips for:
 - 6 months for manual transactions; and
 - 12 months for electronic transactions.
- Provide copies of credit card slips to Imperial within the time requested.
- Submit manual slips on a timely basis.

Esso Extra Card

- Collect, use and disclose information gathered for use by Imperial in connection with the Esso extra card only in accordance with applicable laws.
- Display all point-of-purchase materials prescribed by Imperial in connection with the Esso Extra card.
- Ask each purchaser of applicable merchandise or services whether he or she has an Esso extra card. If so, whether he or she would like to use it and, if not, whether he or she would like to obtain an Esso extra card.
- Record and process the sales transactions of retail customers with an Esso extra card, using the Esso extra card.
- Maintain an adequate supply of merchandise redeemable by holder of Esso extra cards.
- Redeem valid Esso extra card reward certificates presented by retail customers for prescribed merchandise or services.

Record Retention

- Keep all relevant records on the Premises to be able to prove that you have taken the necessary steps to comply with applicable law.



(initials)

SCHEDULE "C"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and **S.S.T. FOODS LTD., PETER ERNEST LYNCH** and **DIANE LYNN LYNCH**, dated effective as at May 1, 2010.

EQUIPMENT

The following is a list of the Equipment:

Sign Type

Quantity

- MID Sign
- Insert
- Canopy Insert
- Canopy Facia
- eN Touch
- VSAT Satellite
- Speedpass pad



(initials)

SCHEDULE "D"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and S.S.T. FOODS LTD., [REDACTED] and [REDACTED] dated effective as at May 1, 2010.

ACKNOWLEDGEMENT AND CONSENT OF DEALER, LANDLORD AND/OR MORTGAGEE

TO: PIONEER

RE: Motor Fuel Supply Agreement – Esso Branded Motor Fuels (the “Agreement”) between, PIONEER (the “Distributor”), S.S.T. FOODS LTD. (the “Dealer”) and [REDACTED] and [REDACTED] (the Guarantors) dated effective as at May 1, 2010.

Each of the undersigned, being the Dealer, the Landlord, the Mortgagee or any one or more of the foregoing, of the Premises (as such term is defined in the Agreement) hereby acknowledges that:

1. The Distributor will be entitled, in its discretion and from time to time, to remove from the Premises the equipment listed on the attached Exhibit I, together with all substitutions and additions (the “Equipment”), which (i) Imperial owns, (ii) will be or has been loaned by the Distributor to the Dealer and (iii) will be or is located on the Premises; and
2. There does not now exist, shall not come into existence and shall never exist a security interest in the Equipment in favour of the undersigned, notwithstanding that the Equipment or any part or parts thereof may be attached to or may constitute part of the real property to which the undersigned has an interest.

IN WITNESS WHEREOF the Dealer has executed this Acknowledgment and Consent on the 16 day of June 2010.

[REDACTED]

Witness:

[REDACTED]

Witness

S.S.T. FOODS LTD.

[REDACTED]

By

Name: [REDACTED]

Title: PRESIDENT

[REDACTED]

By:

Name: [REDACTED]

Title: SECRETARY/TREASURER

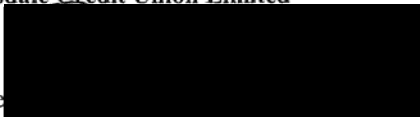
We have the authority to bind the corporation.

IN WITNESS WHEREOF the undersigned Mortgagee of the Premises has executed this Acknowledgment and Consent on the 16th day of July, 2010.



Witness

Eriksdale Credit Union Limited



By:

Name

Title: Loan Manager

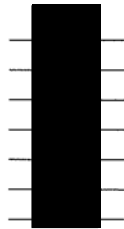
I have authority to bind the Corporation.

EXHIBIT I
to a Form of Acknowledgement and Consent of
Dealer, Landlord and/or Mortgagee
EQUIPMENT

Sign Type

Quantity

MID Sign
Insert
Canopy Insert
Canopy Facia
eN Touch
VSAT Satellite
Speedpass pad



(initials)

SCHEDULE "E"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and S.S.T. FOODS LTD., and [REDACTED] and [REDACTED] dated effective as at May 1, 2010.

CUSTOMER LOYALTY OBLIGATIONS

1. Participation

The Dealer shall participate in the Esso Extra Win & Earn promotional program (the "Program") offered by Imperial to its Retail Branded Distributors, retailers and retail customers. The Dealer shall comply with all requirements of the Program, including without limitation, the procedures, instructions and guidelines relating to the Program (the "Guidelines"), as provided or amended by Imperial to the Dealer from time to time in its discretion. Without limiting the generality of the foregoing, the Dealer shall:

- collect and communicate customer information to Imperial for Imperial's use only and in accordance with applicable laws and regulations (for greater certainty, the Dealer shall not provide any customer information to any person other than Imperial nor shall the Dealer use any customer information other than in accordance with the Guidelines or as otherwise directed by Imperial from time to time),
- ensure the Esso Extra card or the Royal Bank Esso VISA card is offered to each retail customer in accordance with the Guidelines,
- record and process sales transactions and the applicable Program points in accordance with the Guidelines for retail customers participating in the Program,
- redeem Program points as requested by customers at the Site for merchandise or services in accordance with the Guidelines,
- maintain an adequate supply of merchandise required to redeem Program points, or, if such merchandise is unavailable, maintain a supply of equivalent merchandise, and display all Program point-of-purchase promotional materials or signage at the times and in the manner prescribed by Imperial during the Program.

2. Electronic Reward Redemption Remuneration

The Retail Branded Distributor shall pay the Dealer an amount (the "Reward Payment"), plus applicable taxes (other than income taxes), for each valid Program reward redeemed electronically at the Site in accordance with the Guidelines. The Reward Payment payable by the Retail Branded Distributor to the Dealer shall be credited to the Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Retail Branded Distributor may change the manner and the time the Reward Payment is due and payable in its discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Reward Payment shall be calculated by Imperial as the actual number of reward redemptions for each type of reward redeemed electronically by customers at the Site multiplied by the reward cost rate as determined solely by Imperial and documented in the Guidelines.

3. Promotional Program Fee

If applicable law permits, the Dealer shall pay Retail Branded Distributor a promotional program fee (the "Program Fee"), plus applicable taxes (other than income taxes). The Program Fee payable by Dealer to Retail Branded Distributor shall be debited directly from the Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Imperial may change the manner and the time the Program Fee is due and payable in its discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Program Fee shall be calculated as the number of points (the "Fee Points") awarded to customers for transactions made at the Site multiplied by the program rate (the "Fee Rate").

The Fee Points are the total of:

- the base points issued at a rate of one point per dollar spent,
- all bonus points issued for sales of different grades of gasoline or car washes, and
- points issued for offers unique to the Site as instituted or extended by the Dealer.

For greater certainty, the Fee Points excludes:

- (i) promotional points issued via direct mail offers extended by Imperial to customers
- (ii) points issued to holders of the Royal Bank Esso VISA card at a rate of one point per dollar charged to the card regardless of the vendor where the card is used, and
- (iii) bonus points issued for the purchase of specific merchandise on the Site through a program instituted or extended by Imperial.

The Fee Rate is defined as:

Fuel products & services	\$ [REDACTED] for each point issued
Convenience store products & services	\$ [REDACTED] for each base point issued
Car wash products & services	\$ [REDACTED] for each base point issued
Other products & services	\$ [REDACTED] for each point issued
Vehicle repair bay products & services	\$ [REDACTED] for each point issued

[REDACTED]

 (initials)

SCHEDULE "F"
FACILITY REQUIREMENTS

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and S.S.T. FOODS LTD., and [REDACTED] and [REDACTED] dated effective as at May 1, 2010

Item	Description	"New" & >100K D1Sites	Min Stds New	Min Stds Renewal Or Upgrade
Weather Canopy (Canopy required at all D1 & D2 sites only) (Standards for all other sites with existing canopies)	Fascia	3D	[REDACTED]	[REDACTED]
		2D		
	Column Cladding	New Style (wide perpendicular to pump) Colour - Cambridge White by Color Steel Inc.		
		Current (wide facing pump) Colour to match Cambridge White by Color Steel Inc		
None (steel column only) Colour to match Cambridge White by Color Steel Inc.				
Pump/Dispenser	Image 2000 (Blue Graphics for new gasoline dispensers – Red for existing)			
	Previous Esso			
	Pay at the pumps & Speedpass			
MID	New Image (Flag Type)			
	Previous Esso			
Painting	MID Structural Posts, Sign Frames	P - 5 White		
	Lighting poles, Posts, island fascia, Message Sign Frames	P - 13 Grey		
POS	G-Site			
	Operating retail automation system compatible with Imperial's card processing network			

***Subject to MID sign permit availability

Definitions

3D	600mm illuminated Red Frameless Flexface Fascia with 300 non-illuminated white metal Fascia. C/W individually "ESSO" Red illuminated letters.
2D	900mm illuminated Frameless Flexface Fascia, 600mm high red and 300 mm White, with ESSO letters.
MID	Major Identification Sign
D-1	<p>Dealer Forecourt & Backcourt meeting the following requirements:</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards that can be upgraded to 3D, 3 Products with proper pump ID. Current Major Identification sign, Good Gas Location. • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
D-2	<p>standard</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards Minimum 2 (preferred 3) products with proper pump I.D. M.I.D. S/B goal post (minimum) but other to acceptable • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
100k	Market Area Population in 1000's

Changes To Brand Standards - Imperial may change its "Facility Requirements for Distributor Esso Branded Outlets" from time to time. Imperial will notify the Retail Branded Distributors of all changes and the Retail Branded Distributors must comply with these changes for all future applications.

SCHEDULE 'G'**Legal Description of Property****Status of Title Certificate #1327298**

Lot 8 Plan 60 WLTO (P Div)

Exc Firstly: All that portion of the Nly 180 Feet Perp of Said Lot which lies to the East of a Line drawn Sly at Right Angles to the Northern Limit of Said Lot from a point in the said Northern Limit Distant Wly thereon 200 Feet from the Eastern Limit of said Lot.

Secondly: Sly 300 Feet

Thirdly: Public Road Plans 551 and 9285 WLTO

Fourthly: All Mines and Minerals

In NW $\frac{1}{4}$ 1-20-5 WPM.

**LETTER OF ACKNOWLEDGMENT OF RECEIPT
OF PETROLEUM HANDLING & EMERGENCY RESPONSE INFORMATION**

PIONEER PETROLEUMS MANAGEMENT INC.
1122 International Blvd., Suite 700
Burlington, Ontario L7L 6Z8
Att: Vice President, Retail Sales

S.S.T. FOODS LTD. , hereby acknowledges receipt of the following information from PIONEER

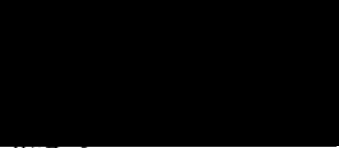
- (i) Provincial/Territorial Petroleum Handling Regulations, or
- (ii) Example of a Contingency Plan/Emergency Response chart, which includes Internal Reporting Procedures and Government contacts.
- (iii) List of maintenance and emergency contractors currently approved by PIONEER.
- (iv) List of environmental consultants currently used by PIONEER.
- (v) Material Safety Data Sheets (MSDS) for petroleum products.
- (vi) Example of Inventory Control Procedures.

S.S.T. FOODS LTD. hereby acknowledges to:

- (i) Obtain, familiarize and keep updates to the Provincial/Territorial Petroleum Handling Regulations. These updates can be obtained from the Publications Centres/Queens Printers per the list provided in this package.
- (ii) Keep a list of maintenance and emergency contractors currently approved by the Province or Territory. These lists can be obtained from the Ministry of the Environment (MOE) or in Ontario from the Technical Standards and Safety Authority (TSSA).

S.S.T. FOODS LTD. understands that it is not obligated to use any of the contractors that are listed as currently used by Pioneer. **S.S.T. FOODS LTD.** also understands that all the information provided will change from time to time and that it is the responsibility of **S.S.T. FOODS LTD.** to keep current on all items.

Dated: June 16/10



Witness:



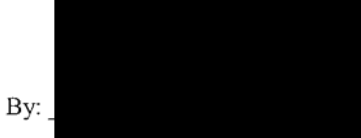
Witness

S.S.T. FOODS LTD.



By: 

Title: PRESIDENT 

By: 

Name: 

Title: SECRETARY/TREASURER
We have the authority to bind the corporation.

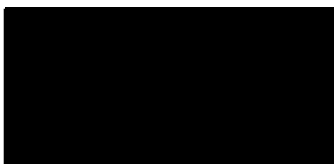
LETTER OF CONFIRMATION
OF ENVIRONMENTAL COMPLIANCE

PIONEER PETROLEUMS MANAGEMENT INC.
1122 International Blvd., Suite 700
Burlington, Ontario L7L 6Z8
Att: Vice President Retail Sales

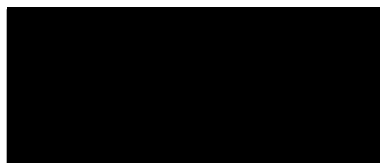
S.S.T. FOODS LTD. hereby confirms that the service station facility, and operation, located at **Hwy #6 Lundar, Manitoba R0C 1Y0**, is in compliance with the following environmental requirements:

- (i) { } has a current provincial petroleum retailing license/permit (copy of license/permit attached);
- (ii) { } the tankage system is registered, where applicable (copy of registration attached);
- (iii) { } the tankage system meets provincial installation and specification standards;
- (iv) { } the tankage system was installed by a provincially licensed/approved contractor, where required by law;
- (v) { } an approved emergency contingency plan is in place;
- (vi) { } is operating in compliance with regulatory operating requirements; and

Dated: June 16/10



Witness:



Witness

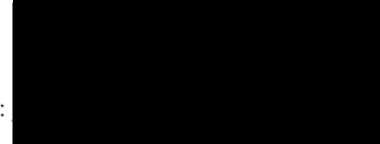
S.S.T. FOODS LTD.



By:

Name:

Title: PRESIDENT



By:

Name:

Title: SECRETARY/TREASURER

We have the authority to bind the corporation.

**MOTOR FUEL SUPPLY AGREEMENT
ESSO-BRANDED MOTOR FUELS**

This Agreement is made on February 28, 2010 (the "Effective Date")

BETWEEN:

CANGO INC.
1001 Champlain Avenue Suite 100
Burlington, Ontario
L7L 5Z4
(hereinafter called "Distributor")

- and -

2167950 ONTARIO INC.
(hereinafter called "Dealer") having a
motor fuels "Marketing Premises" located at
**90 SIMCOE STREET
TILLSONBURG, ONT., N4G 2H8**

- and -

**191 LISGAR AVE., APT 301,
TILLSONBURG, ONTARIO, N4G 3L5**
(hereinafter called the "Guarantor")

WHEREAS Distributor is engaged in the sale and distribution of high quality petroleum products under the nationally and internationally known ESSO trade mark;

AND WHEREAS the Dealer desires to carry on the business of the sale of petroleum products in accordance with this Agreement;

AND WHEREAS the Guarantors have agreed to guarantee the obligations of the Dealer under this Agreement as consideration in part for the Distributor entering into this Agreement;

AND WHEREAS, based on its marketing strategies Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("Imperial Oil") has established the following core values ("Core Values"), namely

- To deliver quality products that customers can trust.
- To employ friendly, helpful people.
- To provide speedy, reliable and friendly service.
- To provide clean, attractive and well maintained retail facilities.
- To be a responsible, environmentally conscious neighbour.

NOW THEREFORE the Distributor and the Dealer agree as follows:

2. Grant

Distributor, under an Esso Branded Distributor Agreement with Imperial Oil, has the right to grant to Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the terms and conditions of this Agreement, Distributor grants Dealer the right to use the "Esso" mark and such other proprietary marks specified by Imperial Oil, from time to time, for use in connection with the sale of Esso-branded motor fuels ("Proprietary Marks") at the Marketing Premises. Dealer hereby accepts the use of the Proprietary Marks subject to the terms and conditions of this

Agreement and agrees to conduct its business in a manner consistent with the commitments in the Core Values and agrees to comply with Imperial Oil business standards and policies, including, without limitation Imperial Oil's National Standards Handbook as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by Distributor from time to time. DEALER ACKNOWLEDGES THAT ITS RELATIONSHIP IS EXCLUSIVELY WITH DISTRIBUTOR. NOTHING IN THIS AGREEMENT MAY BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN DEALER AND IMPERIAL OIL.

3. Related Businesses

Distributor acknowledges that Dealer may wish to operate, during the term of this Agreement, additional businesses ("Related Businesses") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, Distributor's trademarks, Dealer's own trademarks or third party trademarks. Dealer acknowledges that the operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the Esso-branded motor fuels and Proprietary Marks. Accordingly, Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by Distributor to Dealer from time to time. If Dealer fails to comply with this Agreement or any such requirements, and without limiting Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, Distributor may require Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks, or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Effective Date, Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.

4. Product Quantities

- a. Distributor shall sell and deliver and Dealer shall purchase, receive and pay for the Dealer's entire requirements of Esso-branded motor fuel for sale at the Marketing Premises in the quantities and at the prices and terms and conditions set out herein. The motor fuels purchased by Dealer from Distributor under this Agreement shall be for resale at the Marketing Premises only. The Dealer shall use good faith and diligent efforts to maximize the sale of Esso-branded motor fuels at the Marketing Premises. Dealer shall at all times have available for sale at the Marketing Premises such quantities of the Esso-branded motor fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.
- b. The minimum annual volume of Esso-branded motor fuel Dealer is obligated to purchase during any contract year ("contract year" meaning the consecutive twelve (12) months beginning on the Effective Date and each subsequent consecutive twelve (12) month period) is [REDACTED] litres (the "Minimum Annual Volume"). The Minimum Annual Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil.
- c. The minimum contract volume of Esso-branded motor fuel Dealer is obligated to purchase during the term of this Agreement is [REDACTED] litres (the "Minimum Contract Volume"). The Minimum Contract Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil.
- d. In each contract year, Dealer must purchase from Distributor a minimum of eighty percent (80%) of the Minimum Annual Volume for Esso-branded motor fuel. Should Dealer fail, in any contract year, to purchase the aforementioned 80% of the Minimum Annual Volume of Esso-branded motor fuel, Distributor may terminate or not renew this Agreement upon giving 60 days prior written notice to the Dealer and the Guarantor(s).

5. Term

- e. The term of this Agreement is for the period beginning on **FEBRUARY 28, 2010** and ending on **June 28TH 2014**, unless terminated earlier or extended in accordance with this Agreement. If the said term exceeds the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, then the term of this Agreement shall expire upon the expiry of the said Esso Branded Distributor Agreement. The Distributor, in its sole discretion, may extend the term of this Agreement upon giving 60 days prior written notice to the Dealer and the Guarantor(s) until the Minimum Contract Volume of Esso-branded motor fuel has been purchased by the Dealer.

6. Dealer Payment

- a. As consideration in part for the Dealer accepting the use of the Proprietary marks as set out herein, Distributor shall pay to the Dealer a payment in the accordance with the following Dealer Payment Scale per litre (plus applicable taxes) multiplied by the number of litres of the Esso-Branded motor fuels purchased by the Dealer from Distributor pursuant to this Agreement during each contract year and/or prorated for any partial contract year (the "Dealer Payment").

Dealer Payment Scale :

From [REDACTED] to [REDACTED] litres - \$ [REDACTED] per litre on all litres purchased during any contract year,
 From [REDACTED] to [REDACTED] litres - \$ [REDACTED] per litre on all litres purchased during any contract year,
 From [REDACTED] to [REDACTED] litres - \$ [REDACTED] per litre on all litres purchased during any contract year,
 From [REDACTED] to [REDACTED] litres - \$ [REDACTED] per litre on all litres purchased during any contract year.
 Over [REDACTED] litres - \$ [REDACTED] per litre on all litres purchased during contract year.

The Dealer Payment rate per litre will apply to the entire volume of motor fuels purchased during any contract year of the Term herein, for example if [REDACTED] litres of motor fuels are purchased in a contract year the Dealer Payment rate of \$ [REDACTED] per litre will be paid on the entire [REDACTED] litres of motor fuels purchased during that contract year.

The Dealer Payment during the first contract year will be paid monthly in arrears at the rate of \$ [REDACTED] per Litre. Any additional payment owing to the Dealer will be paid by the Distributor within 30 days of the end of each contract year. The Dealer Payment in the second and subsequent contract years will be determined based on the number of litres purchased by the Dealer during the previous contract year referenced against the Dealer Payment Scale. In the event the volume of motor fuels purchased in any month by the Dealer is reduced to a level that, in the sole discretion of the Distributor, would result in a higher Dealer Payment amount than set out in the Dealer Payment Scale, the Distributor shall have the right to reduce the Dealer Payment accordingly upon giving written notice of any such reduction to the Dealer. The Dealer Payment shall be calculated by Distributor based on the Distributors' records and paid by Distributor to the Dealer monthly in arrears within twenty (20) days immediately following the end of each month during the term of this Agreement.

- b. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the covenants or agreements contained in this Agreement; and (ii) this Agreement shall not have terminated.

7. Right of First Refusal

- a. The Dealer hereby grants to the Distributor the right of first refusal to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of any bona fide written offer received by the Dealer during the Term of this Agreement which the Dealer is willing to accept. The Dealer shall send such written offer to the Distributor in the manner provided herein for the giving of notices, and the Distributor shall have thirty (30) days from the receipt of such written offer in which to notify the Dealer that it elects to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of such offer. If the offer does not consist wholly of cash the Distributor shall have the right to meet the Terms of such offer with a

not consist wholly of cash the Distributor shall have the right to meet the Terms of such offer with a reasonable equivalent in cash. In the event the Distributor does not exercise its rights hereunder, the Dealer shall be free after the end of said period of thirty (30) days to sell, lease or sublease the Marketing Premises on the terms and conditions contained in the bona fide written offer but subject to the terms of this Agreement including this option.

- b. In the event the Distributor exercises its rights to purchase, lease or sublease (as the case may be) the Marketing Premises, this Agreement, together with any other related agreements, shall terminate on the date of closing or completion of the transaction subject to the Dealer's financial obligations.
- c. The Dealer covenants and agrees that as a condition precedent to the Distributor allowing the Dealer to sell or lease or sublease the Marketing Premises and the business thereon to a third party, the Dealer will execute and deliver to the solicitor acting on the Dealer's behalf in such transaction as part of the bulk sale documentation, an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, all amounts of money that are still due and owing to the Distributor by the Dealer. In the event the proceeds of the sale are insufficient to extinguish the Dealer's indebtedness to the Distributor, the sale, lease or sub-lease transaction cannot be completed.

8. Transfer by the Dealer and Sale of Premises, Business or Shares

- a. The Dealer may not assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement without the prior written consent of the Distributor. For the purposes of this Section, if the Dealer is not an individual a change of control of the Dealer shall be deemed to be a transfer of the Dealer's interests in this Agreement. Distributor shall not be required to consent to any requested transfer or assignment unless the proposed assignee or transferee meets Distributor's credit granting criteria, the Dealer provides assurances all indebtedness to the date of assignment or transfer will be paid and the Dealer pays Distributor's standard administration fee for considering the request for a transfer or assignment, preparation of necessary documents, etc. Unless specifically agreed to by Distributor, the Dealer and Guarantor hereunder is or are not released by any such transfer or assignment.
- b. The Dealer agrees not to sell, lease or part with possession of the Premises or the business operated on the Premises or shares in such business, in any manner, unless and until the Distributor has received at least thirty (30) days' prior written notice of the Dealer's intention to do so, the criteria in subparagraph (a) are met and, in addition, if the Distributor so requests, the Dealer has obtained from the prospective purchaser, lessee or licensee and any guarantor(s) a covenant in favour of and in a form satisfactory to the Distributor to observe and perform the terms and conditions of this Agreement by an Assignment of this Agreement.

9. Price and Terms of Sale

- a. The Dealer shall pay Distributor for the Esso-branded motor fuels purchased pursuant to this Agreement the price thereof in effect at the Distributors' designated loading rack at the time that the motor fuels are loaded for delivery to the Dealer, plus the cost of delivery, plus all applicable taxes. The motor fuel prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. The designated loading rack, delivery rate and applicable taxes in effect at the commencement of this Agreement are set out in Schedule "A" hereto. In the event of a shortage or unavailability of the motor fuels at the Distributors' designated loading rack for any particular delivery to the Dealer the Distributor shall use its best efforts to deliver motor fuels from an alternate loading rack in order to complete the delivery and the Dealer hereby agrees to pay for any increased costs required to complete such delivery.
- b. Measurement of the volume of each delivery of the motor fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15 degrees Celsius in accordance with normal industry practice.
- c. All purchases of the Esso-branded motor fuels, shall be paid by the Dealer upon or before delivery in immediately available funds as set out herein, unless Distributor, in its sole discretion and from time to time, grants credit terms to the Dealer. If Distributor grants credit terms to the Dealer, such credit terms may be

amended by Distributor in its sole discretion upon written notice from time to time. If Distributor grants credit terms to the Dealer and the Dealer accepts delivery of any Esso-branded motor fuel in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation paying interest on overdue accounts at rates to be determined by Distributor from time to time. Distributor reserves the right to withhold any amounts due by the Distributor to the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its sole discretion and without notice decline to make deliveries of motor fuels to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.

- d. The Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to Distributor by the Dealer pursuant to this Agreement:
 - (1) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by Distributor, in its sole discretion and from time to time;
 - (2) may be collected by Distributor by pre-authorized debit in the manner set out on Schedule "B" or by wire transfer.
- f. The Dealer shall, from time to time, execute and deliver to Distributor an authorization for pre-authorized debit substantially in the form of Schedule "B" in order to facilitate the collection of payments pursuant to this Section. Distributor may amend Schedule "B", in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer.
- g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer's business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
- h. Distributor agrees that, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, the Distributor will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

10. Delivery

- a. Delivery will be by tank truck into Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the motor fuel shall pass to the Dealer as the motor fuel is discharged from Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.
- b. Dealer shall ensure that the Distributors tank truck will have unimpeded access to the fill pipes and storage tanks while making any delivery to the Marketing Premises.
- c. Dealer will notify Distributor of any required delivery of motor fuels in accordance with Distributors written ordering and delivery procedures. Dealer will only order deliveries in "full truck load" quantities as set out in Schedule "A". Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. Dealer will accept delivery of

the Esso-branded motor fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributors ordering and delivery procedures.

- d. Upon the dispatch of a delivery vehicle by Distributor to deliver the Esso-branded motor fuels to the Marketing Premises, the Dealer agrees to either accept the delivery of a "full truck load" of the Esso-branded motor fuels (or less than a "full truck load" of the Esso-Branded motor fuels only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to Distributor all the reasonable costs incurred by Distributor in connection with any delay or aborted delivery.
- e. Distributor shall not be required to deliver to the Dealer the Esso-Branded motor fuels in any quantity less than a "full truck load" or "deemed full truck load", which shall be determined in each case by Distributor in its sole discretion and from time to time. If the Dealer requests the delivery of and Distributor agrees to deliver the Esso-branded motor fuels in a quantity less than a "full truck load" or "deemed full truck load", then Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however, the delivery by Distributor of Esso-branded motor fuels in a quantity less than a "full truckload" or "deemed full truckload" on any one or more occasions shall not require Distributor to deliver Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the sole discretion of Distributor from time to time.

11. Product Control

- a. Dealer shall exercise the highest degree of care in handling, storing, selling and using the Esso-branded motor fuel delivered to the Marketing Premises. Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any Esso-branded motor fuel (including without limitation, the blending of such motor fuels with ethanol). Dealer shall not sell from the Marketing Premises Esso-branded motor fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. Distributor may refuse to make deliveries into Dealer's storage tanks at the Marketing Premises until in Distributor's judgment, any deficiencies in the quality of motor fuels at the Marketing Premises are corrected.
- b. Access to Premises. Dealer grants Distributor and Imperial Oil (including their employees, agents and contractors) the right to enter the Marketing Premises during normal business hours to examine the contents of Dealer's storage tanks in which said motor fuels purchased hereunder are handled or stored. Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to Dealer's obligations under this Agreement.

12. Contingencies

No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any covenant, agreement, or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to Distributor or to Imperial Oil or any person affiliated with distributor under this Agreement) if such default or non performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any delays in or failure of performance by Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request, or control of any governmental authority; or
- b. When the supply of motor fuel at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by Distributor is interrupted, unavailable or inadequate for any reason or cause which Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of motor fuels to be

sold under this Agreement by allocating its available supply of motor fuels among its customers, itself, and its related and subsidiary companies in such manner as it may in its sole and absolute discretion determine and Distributor shall not be obliged to obtain or purchase other supplies of the motor fuels to make up any such shortage.

13. Proprietary Marks

- a. Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for Dealer's use and shall only use such marks to designate the origin of the Esso-branded motor fuels and otherwise in the manner authorized and instructed by Distributor from time to time. DEALER AGREES THAT MOTOR FUELS AND PETROLEUM PRODUCTS OF OTHERS WILL NOT BE SOLD BY DEALER UNDER SUCH PROPRIETARY MARKS. If, in the sole opinion of Distributor, any samples taken by Distributor or Imperial Oil under this Agreement are not Esso-branded motor fuels, or are not in the condition in which delivered by Distributor, or any documents and records reviewed by Distributor or Imperial Oil show Dealer has failed to comply with its obligations hereunder, Distributor may, at its sole option, debrand the Marketing Premises in question or cancel and terminate this Agreement.
- b. By written notice to Dealer, Distributor may withdraw its approval to: (i) brand the Marketing Premises ("debrand") or (ii) use or operate any motor fuels business or Related Businesses at the Marketing Premises, if, in Distributor's sole judgment: (i) the Marketing Premises (or the motor fuels business and/or Related Businesses) fails to portray the image and standards expected from Esso-branded retail outlets; or (ii) Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If Distributor debrands the Marketing Premises, withdraws its approval to use or operate the motor fuels business or Related Businesses at the Marketing Premises, upon termination of this Agreement, or prior thereto upon demand by Distributor, Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from Distributor, consisting in whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.
- d. Dealer agrees to take no action that will diminish or dilute the value of the Proprietary Marks. Dealer shall not sell non-Esso branded motor fuels under any of the Proprietary Marks, including without limitation, any Esso-identified canopy or at any fueling island where Dealer is selling Esso-branded motor fuels.
- e. Dealer shall not use the Proprietary Marks as part of Dealer's corporate or other name.
- f. Dealer hereby consents to Distributor or Imperial Oil removing or painting over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the Esso trade name, trade-marks, signs and advertising items, prior to the expiration or earlier termination of this Agreement.

14. Customer Service & Operating Standards

- a. Dealer shall ensure that its Marketing Premises meet the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits), failing which Dealer shall lose the right to use or display Proprietary Marks at any such Marketing Premises:
 - (1) Paved driveways with safe and good ingress and egress; and
 - (2) Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances; and

- (3) Clean premises free of debris, trash, and fire hazards; and
 - (4) Modern restrooms for men and women available to the general public; and
 - (5) Offer two(2) grades of Esso-branded motor fuels; and
 - (6) Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and
 - (7) Compliance with applicable operating standards as described in Schedule "C", and facility standards as described in Schedule "I" ("Facility Requirements"), which are incorporated herein and made a part of this Agreement.
- b. While using any Proprietary Marks, Dealer agrees:
- (1) To render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct Dealer's business in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the Esso-branded motor fuels sold hereunder; and
 - (2) To provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers; and
 - (3) To keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies; and
 - (4) To assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the Esso-branded motor fuels during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to Dealer.
 - (5) To purchase, maintain, and display an adequate quantity of Esso-branded motor oils, lubricants, greases, anti freeze, and other petroleum products and related products (the "Petroleum Products") for resale from the Marketing Premises to meet the needs of Dealer's retail customers from time to time. Dealer acknowledges that the Distributor is not a distributor of Petroleum Products and agrees to purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area.
 - (6) The Dealer shall keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers.
 - (7) The Dealer shall ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. Dealer agrees that Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by Distributor to cure, continues to be in violation of this Section.
- d. Dealer shall not permit at the Marketing Premises:
- (1) Any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits; or
 - (2) The sale or use of illegal drugs or drug paraphernalia; or

- (3) The sale of any pornographic material or other material that Distributor determines may be offensive to the general public.
- e. Dealer shall not permit at the Marketing Premises the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits relating to youth access to tobacco products. Dealer shall promptly advise Distributor of any charges or notifications of violations received at the Marketing Premises from any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.
- f. The Dealer acknowledges receipt of and shall comply with the Imperial Oil Operating Standards Manual (the "Manual"), including without limitation the Operating Standards and the other standards, methods, procedures and specifications established by Imperial Oil from time to time applicable to the operation the Dealer's business. The provisions of the Manual, including without limitation the Operating Standards and the other standards, methods, procedures and specifications applicable to carrying on the Dealer's business, are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to Distributor promptly upon request and, in any event, upon the expiration or earlier termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's prior written consent. The Dealer acknowledges that the entire contents of the Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. The Dealer shall maintain the absolute confidentiality of all such information during the term of this Agreement and after the expiration or earlier termination of this Agreement and shall not disclose any such information for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer's business in accordance with this Agreement. The Dealer further agrees not to use any such information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

15. No Exclusive Marketing Rights

This Agreement does not give Dealer an exclusive right in any market or geographic area to sell Esso-branded motor fuel or conduct any of the Related Businesses. Dealer acknowledges that Distributor and Imperial Oil may directly or indirectly compete with Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks ("Trademarks"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling Esso-branded motor fuels, other branded motor fuels or operating businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, enterprises or other businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

16. Fuel Handling Equipment

Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment").

Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a. The Dealer warrants and represents to Distributor that as of the effective date of this Agreement, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises are in good condition and repair and meet regulatory requirements.
- b. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and to meet regulatory requirements. The Dealer shall make all needed repairs and replacements promptly.
- c. The Dealer shall have in place on all underground motor fuels storage tanks the following equipment:
 - (1) Spill containment boxes; and
 - (2) Overfill prevention valves,and such equipment shall, at all times, be in good operating condition and repair.
- d. Notwithstanding any other provision in this Agreement, if Distributor is required by law, or if in Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "hazard"), then Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. Distributor shall not be obliged to re-commence delivery of the Motor Fuels until Imperial is satisfied, in its sole discretion, that the hazard does not exist or has ceased to exist.
- e. The Dealer agrees :
 - (1) that if Distributor does or causes the doing of any act to remedy a hazard, whether or not the acts are required by law, the Dealer will pay Distributor for all costs and expenses incurred by Distributor for the doing of such act; and
 - (2) upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuel or other substance and so notify Distributor immediately if any such spillage is determined to have occurred and Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.
- f. Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential environmental hazards.

17. Loaned Equipment

- a. Distributor will loan to the Dealer the equipment listed in Schedule "D" hereto (the "Equipment") as and when it may be available for use on the Marketing Premises in the Dealer's business; and the Dealer hereby accepts such loan.

Distributor shall have the right, in its sole discretion and from time to time, to replace, add to or substitute any one or combination of items of the Equipment.

- b. The Dealer shall:
 - (1) pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
 - (2) obtain all necessary permits, licences and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;

- (3) not alter, part with possession of, or encumber, lease, or sell the Equipment;
 - (4) complete day to day maintenance and repair, including replacement of parts, of the Equipment unless Distributor advises the Dealer in writing that Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;
 - (5) keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;
 - (6) comply with all laws applicable to the Equipment;
 - (7) be responsible for all damage caused to the Equipment by the gross negligence or willful act of any person or persons other than Distributor, its employees, contractors and agents;
 - (8) use the Equipment intended for storage, handling, advertising or displaying the Esso-branded motor fuels and the Petroleum Products, solely for such intended purpose.
 - (9) return to Distributor in good repair and operating condition, reasonable wear and tear excepted (i) all Equipment immediately upon the expiration or earlier termination of this Agreement and (ii) any Equipment replaced by Distributor for any reason immediately upon such replacement;
 - (10) for greater certainty, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (i) effect maintenance and repair of the Equipment and (ii) replace, add to or substitute any one or combination of items of the Equipment; and
 - (11) upon the expiration or earlier termination of this Agreement, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment.
 - (12) upon the early cancellation or termination of this Agreement because of default the Dealer, to reimburse the Distributor for the unamortized costs of the original acquisition and installation of the Equipment and any other improvements and the cost of removal in accordance with Schedule "E" and to reimburse the Distributor for liquidated damages in accordance with the provisions of paragraph 23(d) hereof.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor, and the Dealer agrees not to affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a fixture of the Marketing Premises without each person now or hereafter having an interest in the Marketing Premises first executing an acknowledgement and consent in the form of Schedule "E".
- e. The Dealer acknowledges that it has examined the Equipment provided to the Dealer as of the effective date of this Agreement and is satisfied therewith and shall indemnify Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of Distributor's negligence or a defect in the Equipment, provided the Dealer shall have given Distributor prompt written notice of such negligence or defect.

18. Compliance with Laws

Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits including those concerning the environment, hazardous substances or wastes, toxic substances, and occupational safety and health.

19. Indemnity

The Dealer agrees to indemnify and save harmless Distributor, its partners, directors, officers, employees, agents and affiliates and their respective directors, officers, employees, agents and affiliates (each an "indemnified party") from

and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer's business on the Marketing Premises;
- b. the storage, handling and sale of the motor fuels on and from the Marketing Premises; and
- c. the Equipment.

The foregoing indemnity shall not include a claim arising out of, in respect of or in connection with the negligence or willful misconduct of an indemnified party.

20. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:
 - (1) a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and Distributor arising out of all the operations of the Dealer pertaining to the Dealer's business, whether or not conducted on or from the Marketing Premises with all inclusive limits of at least three million dollars (\$3,000,000) for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and
 - (2) a third party liability policy on all vehicles used in the Dealer's business, with all inclusive limits of at least one million dollars (\$1,000,000) for any one incident.
- b. The insurance policy referred to in subsection 20a.(2) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
- c. Upon written request by Distributor, the Dealer shall provide Distributor with a certificate of insurance and such other information as may reasonably be required by Distributor in a form satisfactory to Distributor as evidence of the insurance required under this Section. The insurance policies shall be endorsed to provide that in the event of any change in them which could affect Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to Distributor thirty (30) days prior to the effective date of any such change or cancellation.
- d. Distributor may amend this Section, in its sole discretion and from time to time, on the anniversary of the commencement date of this Agreement upon sixty (60) days' prior written notice to the Dealer.

21. Technology and Communications

If required by Distributor in writing from time to time, Dealer shall comply with the following:

- a. Install and maintain in good operating condition and at Dealer's expense at the Marketing Premises:
 - (1) A facsimile machine for sending and receiving written communications; and
 - (2) Equipment that allows access to the internet or other electronic-transmission or data communications systems designated by Distributor from time to time.
- b. Subscribe, at Dealer's expense, at the Marketing Premises to a voicemail system for transmitting and receiving telephone communications.
- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition, replacement or updating of

point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software.

22. Retail Credit and Debit System

The Dealer acknowledges receipt of an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer Business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor.

The Dealer shall pay to Distributor the following fee(s), which Distributor may amend, in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer:

G-Site data transmission fee: \$ [REDACTED] month.

eN-Touch fee; units at \$ [REDACTED] month.

The Dealer shall implement and utilize the retail credit and debit system(s) designated by Distributor, in its sole discretion and from time to time, to be used by its dealers and the Dealer further shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).

23. Termination

- a. Where the end of the term of this Agreement set out in Section 5 is later than the end of the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, or where the said Esso Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said Esso Branded Distributor Agreement, unless
 - (1) the said Esso Branded Distributor Agreement is extended, renewed or replaced and
 - (2) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an Esso location.
- b. Distributor, in its sole discretion, shall have the right terminate this Agreement between Dealer and Distributor immediately and without notice and demand immediate payment of all monies due it as follows:
 - (1) In accordance with the applicable provisions of this Agreement; or
 - (2) Bankruptcy proceedings are instituted by or against Dealer; control of Dealer's business or assets pass by law or otherwise to any person or representative other than Dealer; or
 - (3) Dealer is in breach of a provision under this Agreement; or
 - (4) Dealer fails to timely pay obligations due Distributor under this Agreement; or
 - (5) Dealer is in default of any Third Party Credit Card Agreement entered into between the parties in connection with this Agreement, or in the event the Third Party terminates the Dealers use of the Third Party's credit card processing facilities for any reason whatsoever; or
 - (6) Any intended indemnity, guarantee, or suretyship in connection with this Agreement is revoked or curtailed; or
 - (7) If any motor fuel, other than the Esso-Branded motor fuels are kept, sold or otherwise dealt with on or from the Marketing Premises; or

- (8) If the Dealer fails to sell the Esso-branded motor fuels strictly in accordance with the grades and kinds designated in the Manual; or
 - (9) The Dealer sells any Esso-branded motor fuel: (i) in bulk, (ii) to any person for resale, or (iii) to any person not using a government approved container; or
 - (10) If the Dealer ceases to carry on the Dealer's business on or from the Marketing Premises; or
 - (11) If the Dealer or any of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or any of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is made in respect of the Dealer or any of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed for the Dealer or any of the Guarantors, or if the Dealer or any of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an "insolvent person" as that term is defined in the Act; or
 - (12) If the Dealer or any of the Guarantors shall at any time have any of the goods and chattels of the Dealer's business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of Distributor sell any of such goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer's business; or
 - (13) If the Dealer fails to operate the Dealer's business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control; or
 - (14) If the Dealer or any of the Guarantors is convicted of or pleads guilty to any criminal offense, whether or not related to the Dealer Business; or
 - (15) If the Dealer fails to maintain adequate inventory of the Motor Fuels at the Marketing Premises to meet the needs of its retail customers; or
 - (16) The Dealer or any of the Guarantors attempts to abandon the Marketing Premises or to sell or dispose of its goods or chattels otherwise than in the ordinary course of its business; or
 - (17) If the Dealer (i) is a corporation and a principal shareholder of the Dealer dies or becomes Incapacitated or (ii) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes Incapacitated; or
 - (18) If any applicable law now or hereafter in effect renders any provision of this Agreement unenforceable or unlawful.
- c. Upon the expiration or earlier termination of this Agreement for any reason, the Dealer shall immediately:
- (1) cease all use of the Proprietary Marks;
 - (2) pay to Distributor or any person, firm or corporation affiliated or associated with Distributor, all amounts and charges as have or will thereafter become due hereunder or under any other agreement between the Dealer and Distributor or any person, firm or corporation affiliated or associated with Distributor, and are then unpaid;

- (3) return to Distributor all copies of the Manual then in the possession of the Dealer;
 - (4) notify the telephone company and all listing agencies of the expiration or earlier termination of the Dealer's right to use the Proprietary Marks and terminate all such listings using the Proprietary Marks;
 - (5) surrender the Equipment to Distributor; and
 - (6) at the request of Distributor, take all such action as may be necessary to cancel any trade or business name registration which contains any part of the Proprietary Marks under any applicable law and furnish Imperial with evidence satisfactory to it of compliance with the Dealer's obligation hereunder within thirty (30) days after the expiration or earlier termination of this Agreement.
- d. Upon the termination or cancellation of this Agreement by Distributor because of default of the Dealer prior to the expiration of the term provided for in paragraph 5 hereof, the Dealer shall pay to the Distributor as liquidated damages and not as a penalty and as a genuine pre-estimate of the Distributor's expected loss, a sum calculated by multiplying one and one half cents (1 1/2cents) per litre times the average monthly volume for the previous twelve month period times the number of months remaining on the term of this Agreement if not cancelled. In the event such sum is not paid to the Distributor within five (5) business days of invoice or demand, Dealer irrevocably authorizes the Distributor to deduct such sum as calculated in addition to all other amounts owing to the Distributor including applicable interest from the proceeds of an Letter of Credit or cash security held by the Distributor under the terms of this Agreement. The deduction of such sum is without prejudice to the Distributor's right to claim and prove a greater sum as damages or to avail itself of any other contractual or equitable remedies for breach of this Agreement by the Dealer.

Any termination of this Agreement pursuant to this Article shall be without prejudice to any other right (including any right of indemnity), remedy or relief vested in or to which Distributor may otherwise be entitled against the Dealer. All monies paid by the Dealer to Distributor under this Agreement or otherwise shall be retained by Distributor as consideration for the rights and benefits previously conferred on the Dealer hereunder and as liquidated damages. The foregoing remedy shall not exclude any of the remedies which Distributor may have at law or in equity by reason of the default, breach or non-observance by the Dealer of any provision of this Agreement.

24. Claims

- a. Neither Distributor nor Imperial Oil is liable to Dealer for shortages in quantity or quality unless Dealer notifies Distributor within 48 hours after delivery (or discovery in the case of latent defect for quality deficiencies) in writing setting forth fully the facts upon which any such claim for shortage in quantity or defect in quality is made and unless Distributor and/or Imperial Oil are given a reasonable opportunity to inspect the Motor fuels concerning which any such claim is being made. Distributor's and/or Imperial Oil's liability with respect to any shortage in quantity shall be limited to an amount equal to the volume of any shortage multiplied by the Dealer's cost of motor fuel including delivery and taxes in effect for the delivery in question. Distributor and/or Imperial Oil's liability with respect to any defect in quality shall be limited to the cost of removing the defective motor fuels from the Marketing Premises at its own expense and replacing them without charge to the Dealer. Distributor and/or Imperial Oil shall not be liable for any special, indirect, or consequential damages to the Dealer for any shortage in quantity or defect in quality. All other claims by Dealer against Distributor or Imperial Oil including their affiliates and subsidiaries of any kind, whether or not arising out of this Agreement, are barred unless Dealer gives Distributor and/or Imperial Oil, as the case may be, notice within ninety (90) days after the event, act or omission to which the claim relates. Whether or not Dealer provides timely notice of a claim, any claim by Dealer is barred unless asserted by the commencement of a lawsuit naming Distributor and/or Imperial Oil as defendant in a court of competent jurisdiction within twelve (12) months after the event, act or omission to which the claim relates.
- b. Dealer recognizes that, at any time during the term of this Agreement, any of the grades or brands of motor fuels sold hereunder or any of the Proprietary Marks may be changed, altered, amended or eliminated. Dealer also recognizes that, at any time during the term of this Agreement, the quality or specification of any of the motor fuels sold hereunder may be changed or altered. If any such change or alteration materially

affects the performance of such motor fuels or the needs of Dealer therefor for the purposes intended by Dealer, Dealer may terminate this Agreement as to any such motor fuels so affected on thirty (30) days' prior written notice to Distributor. However, Dealer may not terminate this Agreement for any change in quality or specification of any said motor fuels resulting from compliance with federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits. In the event that the manufacture of certain of the Esso-branded motor fuels sold hereunder is discontinued, Distributor shall notify Dealer of such an event and this Agreement shall terminate as to such motor fuels when such notice is effective.

25. Entire Agreement; Modifications

This Agreement, any documents referred to in this Agreement and any attachments to this Agreement constitute the entire, full and complete agreement between Distributor and Dealer concerning the subject matter hereof, and supersede all prior agreements relating to that subject matter. Except for any permitted to be made unilaterally by Distributor under this Agreement, no amendment, change or variance from this Agreement is binding on either party unless agreed in writing by Distributor's and Dealer's authorized representative. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by Distributor to the Dealer.

26. Miscellaneous

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective assigns. Any assignment or purported assignment of this Agreement by Dealer without Distributor's written consent shall be void. Distributor's right to require strict performance shall not be affected by any previous waiver or course of dealing. Neither this Agreement nor any modification or waiver shall be binding on Distributor unless in writing signed by an authorized representative. Past performance shall not be deemed a waiver of this requirement.

27. Guarantee

As consideration in part for Distributor entering into this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Guarantors and Distributor, the Guarantors hereby agree as follows:

- a. to unconditionally and irrevocably guarantee to Distributor, as a primary obligor, the due payment by the Dealer of all monies payable under this Agreement and any other obligations whatsoever by the Dealer to Distributor at the time or times appointed therefor, and the due observance and performance by the Dealer of all the covenants, terms, provisions, stipulations and conditions in this Agreement and any other obligations whatsoever to be observed and performed by the Dealer;
- b. to indemnify and save Distributor harmless from and against all costs, losses, expenses and damages it may suffer as a result of the Dealer's non-compliance with any term or condition of this Agreement;
- c. that this shall be a continuing guarantee and shall be binding upon the Guarantors after as well as before the Dealer's non-compliance with any term or condition of this Agreement, until all monies due under the Agreement have been fully paid and satisfied and all covenants, terms, provisions, stipulations, agreements and conditions observed, performed and carried out;
- d. Distributor shall not be bound to exhaust its recourse against the Dealer before requiring payment of any monies or the observance or performance of any obligations by the Guarantors and the Guarantors waive notice of demand for payment or performance, notice of default, protest and notice of protest and any and all other notices and legal and equitable defenses to which the Guarantors may be entitled;
- e. no release or releases and no indulgence or extensions of time or waiver granted by Distributor to the Dealer with respect to the observance or performance or any defaults or breaches of this Agreement by the Dealer nor any dealings between Distributor and the Dealer shall in any way modify, alter or prejudice Distributor or diminish or affect the liability of the Guarantors under this Agreement;

- f. the covenants and agreements herein entered into by the Guarantors are to be construed as both joint and several;
- g. the guarantee and the liability of each of the Guarantors hereunder is not affected by the death or loss or diminution of capacity of any of the Guarantors; and
- h. for clarification, this guarantee extends to and is binding upon each of the Guarantors and their heirs, executors, administrators, legal representatives and assigns, it being understood that this guarantee will continue to bind the Guarantors even if one or each of the Guarantors, as the case may be, cease to be involved, directly or indirectly in the Dealer Business or in the Dealer.

28. Notices

Any notice to be given hereunder:

- a. by Distributor to the Dealer and the Guarantors shall be conclusively deemed to have been given when addressed to the Dealer and: (i) delivered personally or by courier to the Marketing Premises; (ii) mailed by prepaid registered mail addressed to the Dealer at the Marketing Premises; or (iii) sent by electronic facsimile to the Dealer provided evidence of transmission is retained, and
- b. by the Dealer or the Guarantors to Distributor shall be conclusively deemed to have been given when addressed to the following address and: (i) delivered or mailed by prepaid registered mail to Distributor at the following address, or (ii) sent by electronic facsimile to Distributor, provided evidence of transmission is retained, at the following number:

Cango Inc.
 1001 Champlain Avenue, Suite 100
 Burlington, Ontario
 L7L 5Z4

Attention: General Manager, Operations
 Facsimile No.: (905) 333 - 9696

Any notice, if delivered personally or by courier shall be conclusively deemed to have been given when actually received, if mailed by prepaid registered mail, on the fifth Business Day following the deposit thereof in the mail or, if transmitted by electronic facsimile before 3:00 p.m. on a Business Day, on that Business Day and, if transmitted by electronic facsimile after 3:00 p.m. on a Business Day on the Business Day following the date of the transmission.

29. Quality Assurance

Dealer agrees to store, handle, sell and dispense the Esso-branded motor fuels purchased and sold hereunder in compliance with the procedures provided by Distributor from time to time.

30. Right of Entry

In addition to any other rights of Distributor under this Agreement, Dealer hereby permits Distributor, Imperial Oil and their respective affiliates, employees, agents, vendors, contractors and representatives to enter, during normal operating hours, the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement, to enforce any and all rights and remedies under this Agreement including taking action to preserve the integrity of the Proprietary Marks and determine Dealer's compliance with this Agreement. Neither Distributor nor Imperial Oil is liable to Dealer for any interference with Dealer's business as a result of Distributor or Imperial Oil entering the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement.

31. Survival

All obligations of the parties hereto which expressly or by their nature survive the expiration, earlier termination, permitted transfer and permitted assignment of this Agreement shall continue in full force and effect, until they are satisfied or by their nature expire.

32. Withholding Payments

The Dealer will not on the grounds of the alleged non-performance by Distributor of any of its obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to Distributor or any person affiliated with Distributor.

33. Further Assurances

The parties agree to diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

34. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the province of or territory of Canada in which the Marketing Premises is located and the federal laws of Canada applicable therein.

35. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity of such provision in any other jurisdiction.

36. No Waiver

No waiver of any covenant, agreement or obligation in this Agreement shall be construed as a waiver of any succeeding breach thereof or of any other covenant, agreement or obligation in this Agreement, and no delay or omission on the part of any party to exercise any right acquired through the default of any other shall be construed as a waiver of or shall impair such right.

37. Compliance with Law; Workers Compensation; Environmental

- a. The Dealer shall fulfill all the duties imposed upon it by law and shall obey all laws, regulations, rules, by-laws and ordinances applicable to the Dealer's business and to the Marketing Premises, including without limitation the competition laws of Canada and all other applicable laws relating to competition.
- b. The Dealer shall: (i) comply fully, at the Dealer's sole expense, with provisions of the relevant Workers' Compensation legislation; and (ii) obtain for all the persons employed in the Dealer's business, including the Dealer and the principal shareholder(s) and interest holder(s) of the Dealer, as the case may be, the complete package of benefits available under the relevant Workers' Compensation legislation.
- c. The Dealer shall comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.

38. No Special or Consequential Damages

Distributor shall not be liable for any special or consequential damages or loss of profit arising from any breach of its obligations under this Agreement.

39. Independent Legal Advice

Each of the Dealer and the Guarantors acknowledges that it: (i) has had ample time to read and has read this Agreement and has been afforded the opportunity to retain independent legal advice to assist it in its review, execution and delivery of this Agreement; and (ii) has of its own free will either declined to do so or obtained independent legal advice.

EXECUTED as of the dates set out below.

WITNESS:

CANGO INC.



(By 
President

01/29/10
Date

WITNESS:

2167950 ONTARIO INC.

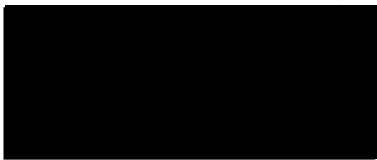


By 
President

Jan/18/2010
Date

WITNESS:

GUARANTOR



By 
Guarantor

Jan/18/2010
Date

SCHEDULE "A"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 2167950 ONTARIO INC. (The "Dealer"), and [REDACTED] (The "Guarantor") dated the 28TH day of FEBRUARY, 2010.

1. PRODUCT GRADES AND QUANTITIES

The annual quantities of Esso-branded motor fuels by grade to be sold and purchased hereunder will be as follows :

<u>PRODUCT GRADE</u>	<u>ESTIMATED ANNUAL QUANTITY IN LITRES</u>
Premium Gasoline	[REDACTED]
Regular Gasoline	[REDACTED]
Low Sulphur Diesel Fuel	[REDACTED]
TOTAL ALL GRADES	[REDACTED]

2. PRODUCT PRICES

The Dealer's prices of the Esso-branded motor fuels per litre F.O.B. the Distributor's Designated Loading Rack (as designated in clause 3 below) effective on the 12th day of January, 2010 are as follows:

<u>MOTOR FUEL GRADE</u>	<u>PRICE</u>	<u>DELIVERY COST</u>	<u>TAXES</u>	<u>INVOICE PRICE</u>
Premium Gasoline	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Regular Gasoline	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Low Sulphur Diesel	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

The amounts indicated above for TAXES and INVOICE PRICE are for illustrative purposes only and are exclusive of the Federal Goods and Services Tax (G.S.T.)

3. DELIVERY LOCATIONS

The Esso-branded motor fuels sold and purchased hereunder will be delivered by the Distributor. The Distributor shall deliver and the Dealer shall take delivery of the motor fuels at the Marketing Premises subject to the minimum "full truck load" or "deemed full truck load" quantity and delivery costs set out below :

<u>MARKETING PREMISES</u>	<u>FULL or DEEMED FULL TRUCK LOAD</u>	<u>DELIVERY RATE/LITRE</u>	<u>DESIGNATED ESSO LOADING RACK</u>
90 Simcoe Street Tillsonburg, Ontario	[REDACTED] Litres	\$ [REDACTED]	Nanticoke

The Distributor shall have the right to change the Delivery Rate per Litre upon giving the Dealer written notice of any change.

[REDACTED]

(initials)

IN WITNESS WHEREOF the Parties have acknowledged and agreed to the contents of this SCHEDULE "A" to the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS dated the 28TH day of FEBRUARY, 2010.

CANGO INC.

[Redacted]

[Redacted]
President

01/29/10
Date

2167950 ONTARIO INC.

[Redacted]
Witness

[Redacted]
President

Jan/18/2010
Date

GUARANTOR

[Redacted]
Witness

[Redacted]
Guarantor

Jan/18/2010
Date

SCHEDULE "B"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 2167950 ONTARIO INC. (The "Dealer"), and [REDACTED] (The "Guarantor") dated the 28TH day of FEBRUARY, 2010.

LETTER OF DIRECTION FOR PRE AUTHORIZED DEBITS EXECUTED SEPARATELY

SCHEDULE "C"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 2167950 ONTARIO INC. (The "Dealer"), and [REDACTED] (The "Guarantor") dated the 28TH day of FEBRUARY, 2010.

OPERATING STANDARDS

The following operating standards for the Premises set out the Dealer's responsibilities with respect to safety and other operating procedures for the Premises and must be complied with strictly.

Operating Procedures

- Be aware of, and comply with, any applicable law relating to the operations on the Premises and any accounting and inventory management system requirements.
- Understand all duties in running the Premises.
- Ensure that the Dealer's employees understand the duties delegated to them.

Safety

The Dealer's employees must:

- Use safe work procedures when carrying out their duties.
- Be aware of and follow safe work practices when carrying out their duties.
- Be trained in the recognition and correction of hazardous conditions to avoid emergencies.
- Be aware and comply with applicable safety regulations.

Security/Robbery Prevention

- Take proper preventative measures to reduce the risk of robbery.
- Train the Dealer's employees in security and robbery prevention.
- The Dealer must train the Dealer's employees in the procedures to follow before, during and after a robbery.

Critical Equipment

- Know the critical equipment on the Premises.
- Ensure that the Dealer's employees are aware of the critical equipment on the Premises.
- Ensure that when critical controls are disarmed, appropriate communication takes place prior to such disarming and that such critical controls are re-activated.
- Follow appropriate procedures for disarming the critical equipment, including completing the form for the disarming or removal of critical controls and shutdown systems.

[REDACTED]
[REDACTED] (initials)

Emergency Response

- Post the emergency response plan wall chart on the Premises in a conspicuous place.
- Train Dealer's employees in emergency response. This should include a review of potential hazards and how to deal with them, and the operation and use of fire extinguishers.
- Have the required equipment and supplies to respond to emergency situations.
- Hold at least two practice drills each year using different emergency situations.
- Document the Dealer's employee training and practice drills.

Workplace Hazardous Materials Information System ("WHMIS")

- Educate and train all the Dealer's employees on the WHMIS program prior to their starting work on the Premises and provide documented evidence thereof.
- Ensure that all Material Safety Data Sheets for controlled products are current, available and accessible to the Dealer's employees.
- Conduct at least once per year a review of WHMIS with the Dealer's employees and provide a forum for the Dealer's employees to discuss any related concerns and issues.
- Ensure that all containers of controlled products are properly labeled.
- Ensure that all fill pipes, gauge pipes and valves are properly tagged.
- Keep an inventory list of controlled products on the Premises in those provinces where it is required.

Waste Management

- Be familiar with and comply with the applicable waste regulations.
- Dispose of waste generated at the Premises according to the applicable waste regulations.
- If required by applicable laws, have a signed contract with a licensed hauler for the removal of hazardous wastes from the Premises.
- Use only a licensed hauler to remove and transport hazardous waste from the Premises.
- Keep copies of all waste manifests on file for a minimum of 2 years, or longer if required by applicable laws.

Licences and Permits


- Have the necessary operating licences and permits to meet regulatory requirements.
- Have on the Premises all manuals required or advisable to operate the service station.

Incident Definition and Reporting

- Report specified incidents to the territory manager.
- Be aware of and understand the Dealer's responsibilities for reporting specific incidents directly to government agencies.
- Share the benefit of past incidents with the Dealer's employees.
- Document the incidents and keep them on file.

Training

- Provide initial and continuous training to all the Dealer's employees.
- If required by applicable laws, maintain training records for each of the Dealer's employees on the Premises.



(initials)

Credit Card

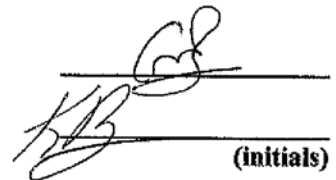
- Follow the standards for credit card authorization and processing documented in the Credit Card Guide.
- Retain the credit card slips for:
 - 6 months for manual transactions; and
 - 12 months for electronic transactions.
- Provide copies of credit card slips to Imperial within the time requested.
- Submit manual slips on a timely basis.

Esso Extra Card

- Collect, use and disclose information gathered for use by Imperial in connection with the Esso extra card only in accordance with applicable laws.
- Display all point-of-purchase materials prescribed by Imperial in connection with the Esso Extra card.
- Ask each purchaser of applicable merchandise or services whether he or she has an Esso extra card. If so, whether he or she would like to use it and, if not, whether he or she would like to obtain an Esso extra card.
- Record and process the sales transactions of retail customers with an Esso extra card, using the Esso extra card.
- Maintain an adequate supply of merchandise redeemable by holder of Esso extra cards.
- Redeem valid Esso extra card reward certificates presented by retail customers for prescribed merchandise or services.

Record Retention

- Keep all relevant records on the Premises to be able to prove that you have taken the necessary steps to comply with applicable law.


(initials)

SCHEDULE "D"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 2167950 ONTARIO INC. (The "Dealer"), and [REDACTED] (The "Guarantor") dated the 28TH day of FEBRUARY, 2010.

EQUIPMENT

The following is a list of the Equipment:

Sign Type	Quantity
PYLON - Inserts Only	[REDACTED]
Canopy Inserts	
VSAT	
Speedpass Pad	
Imprinter	
POS Device	

Together with all additional, substitutional and replacement Equipment and/or leasehold improvements supplied by the Distributor

[REDACTED]
[REDACTED] (initials)

SCHEDULE "E"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 2167950 ONTARIO INC. (The "Dealer"), and [REDACTED] (The "Guarantor") dated the 28TH day of FEBRUARY, 2010.

ACKNOWLEDGEMENT AND CONSENT OF DEALER, LANDLORD AND/OR MORTGAGEE

TO: CANGO INC.

RE: Dealer Sales Agreement made effective as of February 28, 2010 (the "Agreement") among, CANGO INC.(the "Distributor"), 2167950 ONTARIO INC. (the "Dealer"), & 1069632 Ontario Inc. (the "Landlord").

Each of the undersigned, being the Dealer, the Landlord, the Mortgagee or any one or more of the foregoing, of the Marketing Premises (as such term is defined in the Agreement) hereby acknowledges that:

1. Distributor will be entitled, in its sole discretion and from time to time, to remove from the Marketing Premises the equipment listed on the attached Exhibit I, together with all substitutions and additions (the "Equipment"), which (i) Imperial owns, (ii) will be or has been loaned by Distributor to the Dealer and (iii) will be or is located on the Premises; and
2. there does not now exist, shall not come into existence and shall never exist a security interest in the Equipment in favor of the undersigned, notwithstanding that the Equipment or any part or parts thereof may be attached to or may constitute part of the real property to which the undersigned has an interest.
3. The Dealer acknowledges that the Distributor has incurred the cost of the acquisition and installation of the Equipment and leasehold improvements listed on the attached Exhibit I based on the fixed contractual term detailed in Paragraph 5 of the Dealer Sales Agreement and the commitment of the Dealer to purchase a minimum volume of motor fuels each contract year as detailed in paragraph 4(b) of said Dealer Sales Agreement. Accordingly the Dealer acknowledges and agrees that in the event of early cancellation or termination of the Dealer Sales Agreement because of default or breach by the Dealer, the Distributor shall be reimbursed by the Dealer for (i) the unamortized cost of the original acquisition and installation of the Equipment and leasehold improvements, (ii) the total cost of removal and (iii) all other expenses incurred by the Distributor in removing the Equipment and leasehold improvements, including but not limited to contractor's invoices, legal fees, bailiff fees, etc. In the event the Distributor is not paid such sums within five (5) business days of delivery of an invoice(s) for the same, the Distributor is irrevocably authorized and directed to deduct such amounts and applicable interest from the proceeds of any Letter of Credit or cash security held by the Distributor and the Dealer acknowledges its responsibility for any shortfall until the Distributor is paid in full.

IN WITNESS WHEREOF the Dealer has executed this Acknowledgment and Consent on the 18 day of JANUARY, 2010.

[REDACTED]
Witness

2167950 ONTARIO INC.
By: _____
[REDACTED]
President
I have authority to bind the Corporation.

IN WITNESS WHEREOF the undersigned Landlord of the Premises has executed this Acknowledgment and Consent on the _____ day of JANUARY, 2010.

1069632 ONTARIO INC.

Witness

By: _____

Name: _____

Title: _____

I have authority to bind the Corporation.

EXHIBIT I
to a Form of Acknowledgment and Consent of
Dealer, Landlord and/or Mortgagee
EQUIPMENT

Sign Type

Quantity

PYLON - Inserts Only
Canopy Inserts
VSAT
Speedpass Pad
Inprinter
POS Device



Together with all additional, substitutional and replacement Equipment and/or leasehold improvements supplied by the Distributor

(initials)

SCHEDULE "F"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 2167950 ONTARIO INC. (The "Dealer"), and [REDACTED] (The "Guarantor") dated the 28TH day of FEBRUARY, 2010.

PREMISES

The municipal address of the Premises is:

**90 SIMCOE STREET
TILLSONBURG, ONTARIO
N4G 2H8**

[REDACTED]
[REDACTED] _____
(initials)

SCHEDULE "G"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 2167950 ONTARIO INC. (The "Dealer"), and [REDACTED] (The "Guarantor") dated the 28TH day of FEBRUARY, 2010.

CUSTOMER LOYALTY OBLIGATIONS

1. Participation

Dealer shall participate in the Esso Extra Win & Earn promotional program (the "Program") offered by Imperial to its Retail Branded Distributors, retailers and retail customers. Dealer shall comply with all requirements of the Program, including without limitation, the procedures, instructions and guidelines relating to the Program (the "Guidelines"), as provided or amended by Imperial to Dealer from time to time in its sole discretion. Without limiting the generality of the foregoing, Dealer shall:

- collect and communicate customer information to Imperial for Imperial's use only and in accordance with applicable laws and regulations (for greater certainty, Dealer shall not provide any customer information to any person other than Imperial nor shall Dealer use any customer information other than in accordance with the Guidelines or as otherwise directed by Imperial from time to time),
- ensure the Esso Extra card or the Royal Bank Esso VISA card is offered to each retail customer in accordance with the Guidelines,
- record and process sales transactions and the applicable Program points in accordance with the Guidelines for retail customers participating in the Program,
- redeem Program points as requested by customers at the Site for merchandise or services in accordance with the Guidelines,
- maintain an adequate supply of merchandise required to redeem Program points, or, if such merchandise is unavailable, maintain a supply of equivalent merchandise, and display all Program point-of-purchase promotional materials or signage at the times and in the manner prescribed by Imperial during the Program.

2. Electronic Reward Redemption Remuneration

The Retail Branded Distributor shall pay Dealer an amount (the "Reward Payment"), plus applicable taxes (other than income taxes), for each valid Program reward redeemed electronically at the Site in accordance with the Guidelines. The Reward Payment payable by the Retail Branded Distributor to Dealer shall be credited to Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Retail Branded Distributor may change the manner and the time the Reward Payment is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Reward Payment shall be calculated by Imperial as the actual number of reward redemptions for each type of reward redeemed electronically by customers at the Site multiplied by the reward cost rate as determined solely by Imperial and documented in the Guidelines.

3. Promotional Program Fee

If applicable law permits, the Dealer shall pay Retail Branded Distributor a promotional program fee (the "Program Fee"), plus applicable taxes (other than income taxes). The Program Fee payable by Dealer to Retail Branded Distributor shall be debited directly from Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Imperial may change the manner and the time the Program Fee is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Program Fee shall be calculated as the number of points (the "Fee Points") awarded to customers for transactions made at the Site multiplied by the program rate (the "Fee Rate").

The Fee Points are the total of:

- the base points issued at a rate of one point per dollar spent,
- all bonus points issued for sales of different grades of gasoline or car washes, and
- points issued for offers unique to the Site as instituted or extended by Dealer.

For greater certainty, the Fee Points excludes:

- (i) promotional points issued via direct mail offers extended by Imperial to customers
- (ii) points issued to holders of the Royal Bank Esso VISA card at a rate of one point per dollar charged to the card regardless of the vendor where the card is used, and
- (iii) bonus points issued for the purchase of specific merchandise on the Site through a program instituted or extended by Imperial.

The Fee Rate is defined as:

Fuel products & services	\$	[REDACTED]	for each point issued
Convenience store products & services	\$	[REDACTED]	for each base point issued
Car wash products & services	\$	[REDACTED]	for each base point issued
Other products & services	\$	[REDACTED]	for each point issued
Vehicle repair bay products & services	\$	[REDACTED]	for each point issued

[REDACTED]

[REDACTED]

(initials)

SCHEDULE "H"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 2167950 ONTARIO INC. (The "Dealer"), and [REDACTED] (The "Guarantor") dated the 28TH day of FEBRUARY, 2010.

IMPROVEMENTSDescription of Improvements:

It is agreed and understood that the Dealer is responsible for (50%) fifty percent of the Esso branding costs. This branding project which is described below is expected to cost approximately \$28,000 (twenty eight thousand dollars).

Cango shall supply and install the following improvements to the Dealers marketing premises upon receiving from the Dealer a payment of \$14,000 (fourteen thousand dollars) towards the cost of these improvements.

Supply new faces for MID 72 pylon sign to Esso and Hasty Market graphic standards.

- Supply new Self Service price faces.
- Supply new 16" 4 digit Red LED Daktronic price unit.
- Supply new ATM/Diesel faces.
- Supply 3 new Flex faces and frames to 2D standard.
- Supply 1 Econolite non illuminated face for canopy.
- Supply new Tiger decals for pump panels, octane and diesel decals for pump dispenser panels.
- Supply new Self, autos, vans, trucks and matching arrows for pump end panels.
- Supply P-5 white enamel and Red Oxide primer.
- Remove and scrap island end signs.
- Remove pump graphics.
- Scrape, sand and spot prime pylon and finish coat in P-5 white.
- Relamp all signs with new Daylight lamps.
- Install faces and frames on canopy, faces in MID pylon and price unit.
- Apply pump decals.
- Supply 2 McCowan Mu-707 combination waste & windsheild service units.

[REDACTED]
[REDACTED]
[REDACTED] (initials)

SCHEDULE "I"

FACILITY REQUIREMENTS

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., 2167950 ONTARIO INC. (The "Dealer"), and [REDACTED] (The "Guarantor") dated the 28TH day of FEBRUARY, 2010.

Item	Description		"New" & >100K D1 Sites	Min Stds New	Min Stds Renewal Or Upgrade
Weather Canopy (Canopy required at all D1 & D2 sites only) (Standards for all other sites with existing canopies)	Fascia	3D			
		2D			
	Column Cladding	New Style (wide perpendicular to pump) Colour - Cambridge White by Color Steel Inc.			
		Current (wide facing pump) Colour to match Cambridge White by Color Steel Inc None (steel column only) Colour to match Cambridge White by Color Steel Inc.			
Pump/Dispenser		Image 2000 (Blue Graphics for new gasoline dispensers - Red for existing)			
		Previous Esso			
		Pay at the pumps & Speedpass			
MID		New Image (Flag Type)			
		Previous Esso			
Painting	MID Structural Posts, Sign Frames	P - 5 White			
	Lighting poles, Posts, island fascia, Message Sign Frames	P - 13 Grey			
POS	G-Site				
	Operating retail automation system compatible with Imperial's card processing network				

***Subject to MID sign permit availability

Definitions

3D	600mm illuminated Red Frameless Flexface Fascia with 300 non-illuminated white metal Fascia. C/W individually "ESSO" Red illuminated letters.
2D	900mm illuminated Frameless Flexface Fascia, 600mm high red and 300 mm White, with ESSO letters.
MID	Major Identification Sign
D-1	<p>Dealer Forecourt & Backcourt meeting the following requirements:</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards that can be upgraded to 3D, 3 Products with proper pump ID. Current Major Identification sign, Good Gas Location. • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
D-2	<p>standard</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards Minimum 2 (preferred 3) products with proper pump I.D. M.I.D. S/B goal post (minimum) but other to acceptable • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
100k	Market Area Population in 1000's

Changes To Brand Standards - Imperial may change its "Facility Requirements for Distributor Esso-Branded Outlets" from time to time. Imperial will notify the Retail Branded Distributor of all changes and the Retail Branded Distributor must comply with these changes for all future applications.

Site: 8801 0289

RESOLUTIONS OF THE DIRECTORS OF

2167950 ONTARIO INC.

We, the undersigned, being all the directors of 2167950 ONTARIO INC. (the "Corporation"), a corporate body incorporated under the **Business Corporations Act (Ontario)** adopt the following agreements by resolution, pursuant to the provisions of said act, by our unanimous written consent without a meeting, with full force and effect as if passed at a duly constituted meeting:

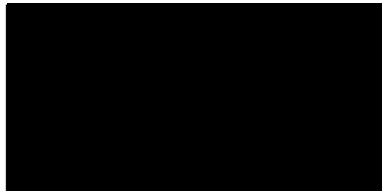
Motor Fuel Supply Agreement - Esso-Branded Motor Fuels between 2167950 ONTARIO INC. and CANGO INC. (collectively, the "Agreements").

WHEREAS the directors of the Corporation have reviewed the Agreements to be made and entered into by and between the Corporation and Cango Inc. , and they recommend approval of same;

BE IT RESOLVED THAT:

- I. The aforementioned Agreements, namely the Cango Inc. Motor Fuels Supply Agreement - Esso-Branded Motor Fuels, in the forms and scope submitted to the directors of the Corporation be and they are hereby approved and the Corporation is hereby authorized to enter into, execute and deliver the Agreements, with such additional terms, conditions, additions, deletions, amendments and variations as any one officer or director of the Corporation may approve, the execution and delivery of any such Agreement by any one officer or director of the Corporation being conclusive evidence of such determination; and
- II. I, Urmil Patel, the President of the Corporation, or any other officer or director of the Corporation, acting alone, being he or she is hereby authorized and instructed, for and on behalf of the Corporation, to sign, execute and deliver the Agreements, to agree to any change, addition or modification to the Agreements as he or she may deem necessary or appropriate, at his or her sole discretion, and to sign, execute and deliver all such other deeds, documents or writings and to perform and do or cause to be performed and has done all such other acts and things as he or she may, in his or her sole discretion, deem necessary, advantageous, useful or expedient for the purpose of giving full effect to the terms of these resolutions and to said Agreements, his or her signature to said Agreements and to all such other deeds, documents, writings or instruments to be sufficient to bind the Corporation.

The foregoing resolutions are hereby consented to, enacted and passed by all the directors of the Corporation pursuant to the provisions of the **Business Corporations Act (Ontario)** , this 18 day of JANUARY, 2010.



CERTIFICATE

2167950 ONTARIO INC. (the "Corporation")

I, [REDACTED] being the President of the Corporation hereby certify that:

1. The Corporation does not offer its securities to the public.
2. The names and address of all of the directors of the Corporation are set out below and the signatures appearing opposite their names are true and genuine signatures of such persons:

NAME	ADDRESS	SIGNATURE
[REDACTED]	[REDACTED]	[REDACTED]
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. The names and addresses of all of the officers of the Corporation are:

President:

[REDACTED]

Secretary:

(Name)

(Address)

Shareholder:

(Name)

(Address)

Shareholder:

(Name)

(Address)

4. (a) The total number of issued and outstanding securities of the Corporation is:

common shares npv/wpv _____

preferred shares _____

Additional Security _____

(b) The names, addresses and holdings of securities of all of the shareholders of the Corporation are:

NAME	ADDRESS	SECURITIES
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

5. There have been no changes to the Articles of the Corporation since incorporation; except the following:

6. Since incorporation the powers of the directors of the Corporation have not been altered, reduced or impaired in any manner; except the following:

7. The Corporation is not insolvent and, in particular, and without limiting the generality of the foregoing, has the ability to pay its debts as they become due in the usual and ordinary course of its business.

8. All the records of the Corporation required to be kept pursuant to the provisions of the **Business Corporations Act (Ontario)** are situate at:

90 SIMCOE STREET, TILLSONBURG, ONTARIO

The aforementioned records of the Corporation have been thoroughly reviewed and there is nothing whatsoever in said records which could in any way adversely affect the validity, priority or authorization of any agreements, documents or instruments entered into by the Corporation with Cango Inc. or its affiliates.

DATED at TILLSONBURG, in the Province of Ontario, this 18 day of JANUARY, 2010.

President

[Redacted Signature]

SCHEDULE "A"
TO THE RESOLUTIONS AND THE CERTIFICATE OF THE DIRECTORS

LIST OF APPLICABLE COMPANIES ACTS

Alberta	<i>Business Corporations Act (Alberta)</i>
British Columbia	<i>Company Act (B.C.)</i>
Manitoba	<i>Corporations Act (Manitoba)</i>
New Brunswick	<i>Business Corporations Act (N.B.)</i>
Newfoundland	<i>Corporations Act (Newfoundland)</i>
Nova Scotia	<i>Companies Act (N.S.)</i>
Northwest Territories	<i>Company Ordinance (NWT)</i>
Nunavut	<i>Business Corporations Act (Nunavut)</i>
Ontario	<i>Business Corporations Act (Ontario)</i>
Prince Edward Island	<i>Companies Act (PEI)</i>
Quebec	<i>Companies Act (Quebec)</i>
Saskatchewan	<i>Business Corporations Act (Saskatchewan)</i>
Yukon Territories	<i>Business Corporations Act (Yukon)</i>
Federal	<i>Canada Business Corporations</i>

**LETTER OF ACKNOWLEDGMENT OF RECEIPT
OF PETROLEUM HANDLING & EMERGENCY RESPONSE INFORMATION**

CANGO INC.
1001 Champlain Ave. Suite 100
Burlington, ON
L7L 5Z4

Attention: Operations Director

2167950 ONTARIO INC., hereby acknowledges receipt of the following information from Cango Inc.:

- (i) Provincial/Territorial Petroleum Handling Regulations, or
- (ii) Example of a Contingency Plan/Emergency Response chart, which includes Internal Reporting Procedures and Government contacts.
- (iii) List of maintenance and emergency contractors currently approved by Cango Inc.
- (iv) List of environmental consultants currently used by Cango Inc.
- (v) Material Safety Data Sheets (MSDS) for petroleum products.
- (vi) Example of Inventory Control Procedures.

2167950 ONTARIO INC. hereby acknowledges to:

- (i) Obtain, familiarize and keep updates to the Provincial/Territorial Petroleum Handling Regulations. These updates can be obtained from the Publications Centres/Queens Printers per the list provided in this package.
- (ii) Keep a list of maintenance and emergency contractors currently approved by the Province or Territory. These lists can be obtained from the Ministry of the Environment (MOE) or in Ontario from the Technical Standards and Safety Authority (TSSA).

2167950 ONTARIO INC. understands that it is not obligated to use any of the contractors that are listed as currently used by Cango Inc. **2167950 ONTARIO INC.** also understands that all the information provided will change from time to time and that it is the responsibility of **2167950 ONTARIO INC.** to keep current on all items.

Dated: Jan 18/2010

2167950 ONTARIO INC.

Witness _____

Per: _____

PRESIDENT

**LETTER OF CONFIRMATION
OF ENVIRONMENTAL COMPLIANCE**

CANGO INC.
1001 Champlain Ave. Suite 100
Burlington, ON
L7L 5Z4

Attention: Operations Director

2167950 ONTARIO INC. hereby confirms that the service station facility, and operation, located at **90 Simcoe Street, Tillsonburg, Ontario**, is in compliance with the following environmental requirements:

- (i) { } has a current provincial petroleum retailing license/permit (copy of license/permit attached);
- (ii) { } the tankage system is registered, where applicable (copy of registration attached);
- (iii) { } the tankage system meets provincial installation and specification standards;
- (iv) { } the tankage system was installed by a provincially licensed/approved contractor, where required by law;
- (v) { } an approved emergency contingency plan is in place;
- (vi) { } is operating in compliance with regulatory operating requirements; and

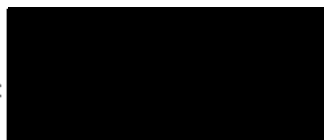
Dated: Jan 18/2010

2167950 ONTARIO INC.

Witness _____



Per: _____



President

**REGULATORY REQUIREMENTS FOR
TANKAGE AND CONTRACTOR REGISTRATION**

	<u>TANK REGISTRATION</u>	<u>CONTRACTOR LICENSING/REGISTRATION</u>
BRITISH COLUMBIA	<ul style="list-style-type: none"> ♦ Not required at present ♦ Regulation expected by Q2, 1992 	<ul style="list-style-type: none"> ♦ Not required at present
ALBERTA	<ul style="list-style-type: none"> ♦ Mandatory ♦ To be completed by August 31, 1993 	<ul style="list-style-type: none"> ♦ Mandatory
SASKATCHEWAN	<ul style="list-style-type: none"> ♦ Mandatory 	<ul style="list-style-type: none"> ♦ Not required at present
MANITOBA	<ul style="list-style-type: none"> ♦ Not required at present ♦ Regulation expected by Q1, 1992 	<ul style="list-style-type: none"> ♦ Not required at present ♦ Expected by Q1, 1992
ONTARIO	<ul style="list-style-type: none"> ♦ Only for underground tanks at "Private Outlets." ♦ (These are locations where product is for own use only.) 	<ul style="list-style-type: none"> ♦ Mandatory
QUEBEC	<ul style="list-style-type: none"> ♦ Not required at present ♦ Draft regulations will require registration of tanks for "own use" only" 	<ul style="list-style-type: none"> ♦ Not required at present'
NEW BRUNSWICK	<ul style="list-style-type: none"> ♦ Only for underground tanks > 2,000 litres and aboveground tanks > 2,000 litres 	<ul style="list-style-type: none"> ♦ Certification required
PRINCE EDWARD ISLAND	<ul style="list-style-type: none"> ♦ Required for both underground and aboveground tanks 	<ul style="list-style-type: none"> ♦ Licensing required
NOVA SCOTIA	<ul style="list-style-type: none"> ♦ Only for underground tanks > 2,000 litres and aboveground tanks > 4,000 litres 	<ul style="list-style-type: none"> ♦ Contractors to be approved
NEWFOUNDLAND	<ul style="list-style-type: none"> ♦ Mandatory 	<ul style="list-style-type: none"> ♦ Not required at present
NORTHWEST TERRITORIES	<ul style="list-style-type: none"> ♦ Mandatory for both underground and aboveground tanks 	<ul style="list-style-type: none"> ♦ Not required at present
YUKON	<ul style="list-style-type: none"> ♦ Safety Certificate required 	<ul style="list-style-type: none"> ♦ Not required at present

NOTE: The regulatory requirements indicated above will change from time to time.
It is Dealer's responsibility to keep current on any changes.

Site # 1713

TERMINATION AGREEMENT

THIS AGREEMENT, made FEBRUARY 02nd ^{AD KB}, 2010

BETWEEN:

CANGO INC. (hereinafter called "Cango")

-and -

2167950 ONTARIO INC.,
of the City of Tillsonburg
in the Province of Ontario.
(hereinafter called the "Dealer")

- and -



(hereinafter called the "Guarantor")

IN CONSIDERATION OF THE MUTUALITY HEREOF, and the payment of Two Dollars (\$2.00), the receipt and sufficiency of which are hereby acknowledged by the parties, Cango and the Dealer hereby agree that the Agreements between Cango and the Dealer That are set out in Schedule 1 ("Agreements") are terminated and ended as of 11.59 p.m. on **FEBRUARY 28th, 2010**. Despite this termination, each party shall be liable to perform all its obligations under each Agreement that accrued due before the effective time of termination.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.


Witness

CANGO INC.


Per:  President

02/17/10
Date


Witness

2167950 ONTARIO INC., (Dealer)


Per:  A.S.O.

Feb/02/2010
Date

[Redacted] *(Guarantor)*

Witness [Redacted] _____ [Redacted] _____ Feb/02/2010
Date

SCHEDULE 1 - AGREEMENTS

to Termination Agreement and Consent among
 2167950 ONTARIO INC. [Redacted] *(Dealer)*,
 URMIL PATEL [Redacted] *(Guarantor)*,
 and CANGO INC. [Redacted] *(Cango)*.

CANGO INC. DEALER AGREEMENT DATED; JUNE 10TH, 2008.
 SCHEDULE "A" EQUIPMENT AGREEMENT DATED; JUNE 10TH, 2008.
 APPENDIX I DATED; JUNE 10TH, 2008.
 APPENDIX II DATED; JUNE 10TH, 2008.

SCHEDULE "B" PETROLEUM PRODUCTS AGREEMENT DATED; JUNE 10TH, 2008.
 APPENDIX I DATED; JUNE 10TH, 2008.
 APPENDIX II, THIRD PARTY CREDIT CARD AGREEMENT DATED JUNE 10TH, 2008.
 REPAIRS AND MAINTENANCE STANDARDS
 ENVIROMMENTAL PROTECTION STANDARDS

Regarding the "Marketing Premises" located at
 90 SIMCOE STREET, TILLSONBURG, ONTARIO, N4G 2H8.

Site # 1713

TERMINATION AGREEMENT

THIS AGREEMENT, made FEBRUARY 02-28^{KB.}, 2010


BETWEEN:

CANGO INC. (hereinafter called "*Cango*")

-and -

2167950 ONTARIO INC.,
of the City of Tillsonburg
in the Province of Ontario.
(hereinafter called the "*Dealer*")

- and -


(hereinafter called the "*Guarantor*")

IN CONSIDERATION OF THE MUTUALITY HEREOF, and the payment of Two Dollars (\$2.00), the receipt and sufficiency of which are hereby acknowledged by the parties, Cango and the Dealer hereby agree that the Agreements between Cango and the Dealer That are set out in Schedule 1 ("*Agreements*") are terminated and ended as of 11.59 p.m. on **FEBRUARY 28th, 2010**. Despite this termination, each party shall be liable to perform all its obligations under each Agreement that accrued due before the effective time of termination.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date first written above.



CANGO INC.


Witness 


Per  President 02/28/10.
Date

2167950 ONTARIO INC., (Dealer)

Witness 


Per  A.S.O. Feb/02/2010
Date

#3936

**MOTOR FUEL SUPPLY AGREEMENT
ESSO-BRANDED MOTOR FUELS**

This Agreement is made on September 8, 2009 (the "Effective Date")

BETWEEN:

CANGO INC.
1001 Champlain Avenue Suite 100
Burlington, Ontario
L7L 5Z4
(hereinafter called "Distributor")

- and -

1339034 ONTARIO LIMITED
(hereinafter called "Dealer") having a
motor fuels "Marketing Premises" located at
1080 Innisfil Beach Rd.
Innisfil Ontario. L9S 4T9

- and -

1064319 ONTARIO LTD.
(hereinafter called "Landlord")
32 SAMBA DRIVE
TORONTO ONTARIO
M9M 2N1

- and -

920 CLIFTON BLVD.
INNISFIL ONTARIO.

(hereinafter called the "Guarantors")

WHEREAS Distributor is engaged in the sale and distribution of high quality petroleum products under the nationally and internationally known ESSO trade mark;

AND WHEREAS the Dealer desires to carry on the business of the sale of petroleum products in accordance with this Agreement;

AND WHEREAS the Guarantors have agreed to guarantee the obligations of the Dealer under this Agreement as consideration in part for the Distributor entering into this Agreement;

AND WHEREAS, based on its marketing strategies Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("Imperial Oil") has established the following core values ("Core Values"), namely

- To deliver quality products that customers can trust.
- To employ friendly, helpful people.
- To provide speedy, reliable and friendly service.
- To provide clean, attractive and well maintained retail facilities.
- To be a responsible, environmentally conscious neighbour.

NOW THEREFORE the Distributor and the Dealer agree as follows:

2. Grant

Distributor, under an Esso Branded Distributor Agreement with Imperial Oil, has the right to grant to Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the terms and conditions of this Agreement, Distributor grants Dealer the right to use the "Esso" mark and such other proprietary marks specified by Imperial Oil, from time to time, for use in connection with the sale of Esso-branded motor fuels ("Proprietary Marks") at the Marketing Premises. Dealer hereby accepts the use of the Proprietary Marks subject to the terms and conditions of this Agreement and agrees to conduct its business in a manner consistent with the commitments in the Core Values and agrees to comply with Imperial Oil business standards and policies, including, without limitation Imperial Oil's National Standards Handbook as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by Distributor from time to time. DEALER ACKNOWLEDGES THAT ITS RELATIONSHIP IS EXCLUSIVELY WITH DISTRIBUTOR. NOTHING IN THIS AGREEMENT MAY BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN DEALER AND IMPERIAL OIL.

3. Related Businesses

Distributor acknowledges that Dealer may wish to operate, during the term of this Agreement, additional businesses ("Related Businesses") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, Distributor's trademarks, Dealer's own trademarks or third party trademarks. Dealer acknowledges that the operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the Esso-branded motor fuels and Proprietary Marks. Accordingly, Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by Distributor to Dealer from time to time. If Dealer fails to comply with this Agreement or any such requirements, and without limiting Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, Distributor may require Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks, or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Effective Date, Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.

4. Product Quantities

- a. Distributor shall sell and deliver and Dealer shall purchase, receive and pay for the Dealer's entire requirements of Esso-branded motor fuel for sale at the Marketing Premises in the quantities and at the prices and terms and conditions set out herein. The motor fuels purchased by Dealer from Distributor under this Agreement shall be for resale at the Marketing Premises only. The Dealer shall use good faith and diligent efforts to maximize the sale of Esso-branded motor fuels at the Marketing Premises. Dealer shall at all times have available for sale at the Marketing Premises such quantities of the Esso-branded motor fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.
- b. The minimum annual volume of Esso-branded motor fuel Dealer is obligated to purchase during any contract year ("contract year" meaning the consecutive twelve (12) months beginning on the Effective Date and each subsequent consecutive twelve (12) month period) is [REDACTED] litres (the "Minimum Annual Volume"). The Minimum Annual Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil.
- c. The minimum contract volume of Esso-branded motor fuel Dealer is obligated to purchase during the term of this Agreement is [REDACTED] litres (the "Minimum Contract Volume"). The Minimum Contract Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil.
- d. In each contract year, Dealer must purchase from Distributor a minimum of eighty percent (80%) of the Minimum Annual Volume for Esso-branded motor fuel. Should Dealer fail, in any contract year, to purchase the aforementioned 80% of the Minimum Annual Volume of Esso-branded motor fuel, Distributor may terminate or not renew this Agreement upon giving 60 days prior written notice to the Dealer and the Guarantor(s).

5. Term

- a. The term of the agreements will be for 10 years commencing November 1 2009, with one 5 year option unless

terminated earlier or extended.
Either the Distributor and or the Dealer may terminate this agreement on the tenth anniversary of the commencement date by giving sixty (60) days advance written notice.

b If the said term exceeds the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, then the term of this Agreement shall expire upon the expiry of the said Esso Branded Distributor Agreement. The Distributor, in its sole discretion, may extend the term of this Agreement upon giving 60 days prior written notice to the Dealer and the Guarantor(s) until the Minimum Contract Volume of Esso-branded motor fuel has been purchased by the Dealer.

6) Dealer Payment

As consideration in part for the landlord consenting to the Dealer accepting the use of the Proprietary Marks as set out Congo shall pay to the landlord a payment amount of ([REDACTED] [REDACTED] per litre (plus applicable taxes) based on Motor fuels purchased from Congo pursuant to the terms & conditions of the Agreement

The Landlord Payment will be paid monthly in arrears by way of electronically deposited to your bank account, or as determined from time to time by Congo.

The Dealer Payment shall be calculated by Distributor based on the Distributors' records and paid by Distributor to the Landlord monthly in arrears by way of electronic deposit to your bank account, within twenty (20) days immediately following the end of each month during the term of this Agreement.

6. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the covenants or agreements contained in this Agreement; and (ii) this Agreement shall not have terminated.

7. Right of First Refusal

- a. Under the present lease agreement between The Dealer and the landlord the dealer has been granted a five (5) day right of first refusal to purchase, the Marketing Premises on the terms of any bona fide written offer received by the Landlord during the Term of this Agreement which the Landlord is willing to accept. If the Dealer declines the right to exercise this option the Landlord shall send such written offer to the Distributor in the manner provided herein for the giving of notices, and the Distributor shall have five (5) days from the receipt of such written offer in which to notify the Landlord that it elects to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of such offer. If the offer does not consist wholly of cash the Distributor shall have the right to meet the Terms of such offer with a reasonable equivalent in cash. In the event the Distributor does not exercise its rights hereunder, the Landlord shall be free after the end of said period of five (5) days to sell, lease or sublease the Marketing Premises on the terms and conditions contained in the bona fide written offer but subject to the terms of this Agreement including this option.
- b. In the event the Distributor exercises its rights to purchase, lease or sublease (as the case may be) the Marketing Premises, this Agreement, together with any other related agreements, shall terminate on the date of closing or completion of the transaction subject to the Dealer's financial obligations.
- c. The Dealer covenants and agrees that as a condition precedent to the Distributor allowing the Dealer to sell or lease or sublease the Marketing Premises and the business thereon to a third party, the Dealer will execute and deliver to the solicitor acting on the Dealer's behalf in such transaction as part of the bulk sale documentation, an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, all amounts of money that are still due and owing to the Distributor by the Dealer. In the event the proceeds of the sale are insufficient to extinguish the Dealer's indebtedness to the Distributor, the sale, lease or sub-lease transaction cannot be completed.

8. Transfer by the Dealer and Sale of Premises, Business or Shares

- a. The Dealer may not assign or transfer, whether absolutely, by way of security or otherwise, all or any part of its rights or obligations under this Agreement without the prior written consent of the Distributor. For the purposes of this Section, if the Dealer is not an individual a change of control of the Dealer shall be deemed to be a transfer of the Dealer's interests in this Agreement. Distributor shall not be required to consent to any requested transfer or assignment unless the proposed assignee or transferee meets Distributor's credit granting criteria, the Dealer provides assurances all indebtedness to the date of assignment or transfer will be paid and the Dealer pays Distributor's standard administration fee for considering the request for a transfer or assignment, preparation of necessary documents, etc. Unless specifically agreed to by Distributor, the Dealer and Guarantor hereunder is or are not released by any such transfer or assignment.
- b. The Dealer agrees not to sell, lease or part with possession of the Premises or the business operated on the Premises or shares in such business, in any manner, unless and until the Distributor has received at least thirty (30) days' prior written notice of the Dealer's intention to do so, the criteria in subparagraph (a) are met and, in addition, if the Distributor so requests, the Dealer has obtained from the prospective purchaser, lessee or licensee and any guarantor(s) a covenant in favour of and in a form satisfactory to the Distributor to observe and perform the terms and conditions of this Agreement by an Assignment of this Agreement.

9. Price and Terms of Sale

- a. The Dealer shall pay Distributor for the Esso-branded motor fuels purchased pursuant to this Agreement the price thereof in effect at the Distributors' designated loading rack at the time that the motor fuels are loaded for delivery to the Dealer, plus the cost of delivery, plus all applicable taxes. The motor fuel prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. The designated loading rack, delivery rate and applicable taxes in effect at the commencement of this Agreement are set out in Schedule "A" hereto. In the event of a shortage or unavailability of the motor fuels at the Distributors' designated loading rack for any particular delivery to the Dealer the Distributor shall use its best efforts to deliver motor fuels from an alternate loading rack in order to complete the delivery and the Dealer hereby agrees to pay for any increased costs required to complete such delivery.

- b. Measurement of the volume of each delivery of the motor fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15 degrees Celsius in accordance with normal industry practice.
- c. All purchases of the Esso-branded motor fuels, shall be paid by the Dealer upon or before delivery in immediately available funds as set out herein, unless Distributor, in its sole discretion and from time to time, grants credit terms to the Dealer. If Distributor grants credit terms to the Dealer, such credit terms may be amended by Distributor in its sole discretion upon written notice from time to time. If Distributor grants credit terms to the Dealer and the Dealer accepts delivery of any Esso-branded motor fuel in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation paying interest on overdue accounts at rates to be determined by Distributor from time to time. Distributor reserves the right to withhold any amounts due by the Distributor to the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its sole discretion and without notice decline to make deliveries of motor fuels to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.
- d. The Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to Distributor by the Dealer pursuant to this Agreement:
- (1) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by Distributor, in its sole discretion and from time to time;
 - (2) may be collected by Distributor by pre-authorized debit in the manner set out on Schedule "B" or by wire transfer.
- f. The Dealer shall, from time to time, execute and deliver to Distributor an authorization for pre-authorized debit substantially in the form of Schedule "B" in order to facilitate the collection of payments pursuant to this Section. Distributor may amend Schedule "B", in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer.
- g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer's business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
- h. Distributor agrees that, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, the Distributor will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

10. Delivery

- a. Delivery will be by tank truck into Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the motor fuel shall pass to the Dealer as the motor fuel is discharged from Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.
- b. Dealer shall ensure that the Distributor's tank truck will have unimpeded access to the fill pipes and storage tanks while making any delivery to the Marketing Premises.
- c. Dealer will notify Distributor of any required delivery of motor fuels in accordance with Distributor's written ordering and delivery procedures. Dealer will only order deliveries in "full truck load" quantities as set out in Schedule "A". Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. Dealer will accept delivery of the Esso-

branded motor fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributors ordering and delivery procedures.

- d. Upon the dispatch of a delivery vehicle by Distributor to deliver the Esso-branded motor fuels to the Marketing Premises, the Dealer agrees to either accept the delivery of a "full truck load" of the Esso-branded motor fuels (or less than a "full truck load" of the Esso-Branded motor fuels only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to Distributor all the reasonable costs incurred by Distributor in connection with any delay or aborted delivery.
- e. Distributor shall not be required to deliver to the Dealer the Esso-Branded motor fuels in any quantity less than a "full truck load" or "deemed full truck load", which shall be determined in each case by Distributor in its sole discretion and from time to time. If the Dealer requests the delivery of and Distributor agrees to deliver the Esso-branded motor fuels in a quantity less than a "full truck load" or "deemed full truck load", then Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however, the delivery by Distributor of Esso-branded motor fuels in a quantity less than a "full truckload" or "deemed full truckload" on any one or more occasions shall not require Distributor to deliver Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the sole discretion of Distributor from time to time.

11. Product Control

- a. Dealer shall exercise the highest degree of care in handling, storing, selling and using the Esso-branded motor fuel delivered to the Marketing Premises. Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any Esso-branded motor fuel (including without limitation, the blending of such motor fuels with ethanol). Dealer shall not sell from the Marketing Premises Esso-branded motor fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. Distributor may refuse to make deliveries into Dealer's storage tanks at the Marketing Premises until in Distributor's judgment, any deficiencies in the quality of motor fuels at the Marketing Premises are corrected.
- b. Access to Premises. Dealer grants Distributor and Imperial Oil (including their employees, agents and contractors) the right to enter the Marketing Premises during normal business hours to examine the contents of Dealer's storage tanks in which said motor fuels purchased hereunder are handled or stored. Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to Dealer's obligations under this Agreement.

12. Contingencies

No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any covenant, agreement, or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to Distributor or to Imperial Oil or any person affiliated with distributor under this Agreement) if such default or non performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any delays in or failure of performance by Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request, or control of any governmental authority; or
- b. When the supply of motor fuel at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by Distributor is interrupted, unavailable or inadequate for any reason or cause which Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of motor fuels to be sold under this Agreement by allocating its available supply of motor fuels among its customers, itself, and its related and subsidiary companies in such manner as it may in its sole and absolute discretion determine and Distributor shall not be obliged to obtain or purchase other supplies of the motor fuels to make up any such shortage.

13. Proprietary Marks

- a. Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for Dealer's use and shall only use such marks to designate the origin of the Esso-branded motor fuels and otherwise in the manner authorized and instructed by Distributor from time to time. DEALER AGREES THAT MOTOR FUELS AND PETROLEUM PRODUCTS OF OTHERS WILL NOT BE SOLD BY DEALER UNDER SUCH PROPRIETARY MARKS. If, in the sole opinion of Distributor, any samples taken by Distributor or Imperial Oil under this Agreement are not Esso-branded motor fuels, or are not in the condition in which delivered by Distributor, or any documents and records reviewed by Distributor or Imperial Oil show Dealer has failed to comply with its obligations hereunder, Distributor may, at its sole option, debrand the Marketing Premises in question or cancel and terminate this Agreement.
- b. By written notice to Dealer, Distributor may withdraw its approval to: (i) brand the Marketing Premises ("debrand") or (ii) use or operate any motor fuels business or Related Businesses at the Marketing Premises, if, in Distributor's sole judgment: (i) the Marketing Premises (or the motor fuels business and/or Related Businesses) fails to portray the image and standards expected from Esso-branded retail outlets; or (ii) Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If Distributor debrands the Marketing Premises, withdraws its approval to use or operate the motor fuels business or Related Businesses at the Marketing Premises, upon termination of this Agreement, or prior thereto upon demand by Distributor, Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from Distributor, consisting in whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.
- d. Dealer agrees to take no action that will diminish or dilute the value of the Proprietary Marks. Dealer shall not sell non-Esso branded motor fuels under any of the Proprietary Marks, including without limitation, any Esso-identified canopy or at any fueling island where Dealer is selling Esso-branded motor fuels.
- e. Dealer shall not use the Proprietary Marks as part of Dealer's corporate or other name.
- f. Dealer hereby consents to Distributor or Imperial Oil removing or painting over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the Esso trade name, trade-marks, signs and advertising items, prior to the expiration or earlier termination of this Agreement.

14. Customer Service & Operating Standards

- a. Dealer shall ensure that its Marketing Premises meet the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits), failing which Dealer shall lose the right to use or display Proprietary Marks at any such Marketing Premises:
- (1) Paved driveways with safe and good ingress and egress; and
 - (2) Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances; and
 - (3) Clean premises free of debris, trash, and fire hazards; and
 - (4) Modern restrooms for men and women available to the general public; and
 - (5) Offer two(2) grades of Esso-branded motor fuels; and
 - (6) Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and

- (7) Compliance with applicable operating standards as described in Schedule "C", and facility standards as described in Schedule "I" ("Facility Requirements"), which are incorporated herein and made a part of this Agreement.
- b. While using any Proprietary Marks, Dealer agrees:
- (1) To render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct Dealer's business in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the Esso-branded motor fuels sold hereunder; and
 - (2) To provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers; and
 - (3) To keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies; and
 - (4) To assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the Esso-branded motor fuels during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to Dealer.
 - (5) To purchase, maintain, and display an adequate quantity of Esso-branded motor oils, lubricants, greases, anti freeze, and other petroleum products and related products (the "Petroleum Products") for resale from the Marketing Premises to meet the needs of Dealer's retail customers from time to time. Dealer acknowledges that the Distributor is not a distributor of Petroleum Products and agrees to purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area.
 - (6) The Dealer shall keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers.
 - (7) The Dealer shall ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. Dealer agrees that Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by Distributor to cure, continues to be in violation of this Section.
- d. Dealer shall not permit at the Marketing Premises:
- (1) Any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits; or
 - (2) The sale or use of illegal drugs or drug paraphernalia; or
 - (3) The sale of any pornographic material or other material that Distributor determines may be offensive to the general public.

- e. Dealer shall not permit at the Marketing Premises the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits relating to youth access to tobacco products. Dealer shall promptly advise Distributor of any charges or notifications of violations received at the Marketing Premises from any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.
- f. The Dealer acknowledges receipt of and shall comply with the Imperial Oil Operating Standards Manual (the "Manual"), including without limitation the Operating Standards and the other standards, methods, procedures and specifications established by Imperial Oil from time to time applicable to the operation of the Dealer's business. The provisions of the Manual, including without limitation the Operating Standards and the other standards, methods, procedures and specifications applicable to carrying on the Dealer's business, are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to Distributor promptly upon request and, in any event, upon the expiration or earlier termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's prior written consent. The Dealer acknowledges that the entire contents of the Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. The Dealer shall maintain the absolute confidentiality of all such information during the term of this Agreement and after the expiration or earlier termination of this Agreement and shall not disclose any such information for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer's business in accordance with this Agreement. The Dealer further agrees not to use any such information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

15. No Exclusive Marketing Rights

This Agreement does not give Dealer an exclusive right in any market or geographic area to sell Esso-branded motor fuel or conduct any of the Related Businesses. Dealer acknowledges that Distributor and Imperial Oil may directly or indirectly compete with Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks ("Trademarks"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling Esso-branded motor fuels, other branded motor fuels or operating businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, enterprises or other businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

16. Fuel Handling Equipment

Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment"). Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a. The Dealer warrants and represents to Distributor that as of the effective date of this Agreement, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises are in good condition and repair and meet regulatory requirements.

- b. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and to meet regulatory requirements. The Dealer shall make all needed repairs and replacements promptly.
- c. The Dealer shall have in place on all underground motor fuels storage tanks the following equipment:
- (1) Spill containment boxes; and
 - (2) Overfill prevention valves,
- and such equipment shall, at all times, be in good operating condition and repair.
- d. Notwithstanding any other provision in this Agreement, if Distributor is required by law, or if in Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "hazard"), then Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. Distributor shall not be obliged to re-commence delivery of the Motor Fuels until Imperial is satisfied, in its sole discretion, that the hazard does not exist or has ceased to exist.
- e. The Dealer agrees :
- (1) that if Distributor does or causes the doing of any act to remedy a hazard, whether or not the acts are required by law, the Dealer will pay Distributor for all costs and expenses incurred by Distributor for the doing of such act; and
 - (2) upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuel or other substance and so notify Distributor immediately if any such spillage is determined to have occurred and Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.
- f. Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential environmental hazards.

17. Loaned Equipment

- a. Distributor will loan to the Dealer the equipment listed in Schedule "D" hereto (the "Equipment") as and when it may be available for use on the Marketing Premises in the Dealer's business; and the Dealer hereby accepts such loan.

Distributor shall have the right, in its sole discretion and from time to time, to replace, add to or substitute any one or combination of items of the Equipment.

- b. The Dealer shall:
- (1) pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
 - (2) obtain all necessary permits, licences and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;
 - (3) not alter, part with possession of, or encumber, lease, or sell the Equipment;
 - (4) complete day to day maintenance and repair, including replacement of parts, of the Equipment unless Distributor advises the Dealer in writing that Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;
 - (5) keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;

- (6) comply with all laws applicable to the Equipment;
 - (7) be responsible for all damage caused to the Equipment by the gross negligence or willful act of any person or persons other than Distributor, its employees, contractors and agents;
 - (8) use the Equipment intended for storage, handling, advertising or displaying the Esso-branded motor fuels and the Petroleum Products, solely for such intended purpose.
 - (9) return to Distributor in good repair and operating condition, reasonable wear and tear excepted (i) all Equipment immediately upon the expiration or earlier termination of this Agreement and (ii) any Equipment replaced by Distributor for any reason immediately upon such replacement;
 - (10) for greater certainty, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (i) effect maintenance and repair of the Equipment and (ii) replace, add to or substitute any one or combination of items of the Equipment; and
 - (11) upon the expiration or earlier termination of this Agreement, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment.
 - (12) upon the early cancellation or termination of this Agreement because of default the Dealer, to reimburse the Distributor for the unamortized costs of the original acquisition and installation of the Equipment and any other improvements and the cost of removal in accordance with Schedule "E" and to reimburse the Distributor for liquidated damages in accordance with the provisions of paragraph 23(d) hereof.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor, and the Dealer agrees not to affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a fixture of the Marketing Premises without each person now or hereafter having an interest in the Marketing Premises first executing an acknowledgement and consent in the form of Schedule "E".
- e. The Dealer acknowledges that it has examined the Equipment provided to the Dealer as of the effective date of this Agreement and is satisfied therewith and shall indemnify Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of Distributor's negligence or a defect in the Equipment, provided the Dealer shall have given Distributor prompt written notice of such negligence or defect.

18. Compliance with Laws

Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits including those concerning the environment, hazardous substances or wastes, toxic substances, and occupational safety and health.

19. Indemnity

The Dealer agrees to indemnify and save harmless Distributor, its partners, directors, officers, employees, agents and affiliates and their respective directors, officers, employees, agents and affiliates (each an "indemnified party") from and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer's business on the Marketing Premises;
- b. the storage, handling and sale of the motor fuels on and from the Marketing Premises; and
- c. the Equipment.

The foregoing indemnity shall not include a claim arising out of, in respect of or in connection with the negligence or willful misconduct of an indemnified party.

20. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:
- (1) a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and Distributor arising out of all the operations of the Dealer pertaining to the Dealer's business, whether or not conducted on or from the Marketing Premises with all inclusive limits of at least three million dollars (\$3,000,000) for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and
 - (2) a third party liability policy on all vehicles used in the Dealer's business, with all inclusive limits of at least two million dollars (\$2,000,000) for any one incident.
- b. The insurance policy referred to in subsection 20a.(2) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
- c. Upon written request by Distributor, the Dealer shall provide Distributor with a certificate of insurance and such other information as may reasonably be required by Distributor in a form satisfactory to Distributor as evidence of the insurance required under this Section. The insurance policies shall be endorsed to provide that in the event of any change in them which could affect Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to Distributor thirty (30) days prior to the effective date of any such change or cancellation.
- d. Distributor may amend this Section, in its sole discretion and from time to time, on the anniversary of the commencement date of this Agreement upon sixty (60) days' prior written notice to the Dealer.

21. Technology and Communications

If required by Distributor in writing from time to time, Dealer shall comply with the following:

- a. Install and maintain in good operating condition and at Dealer's expense at the Marketing Premises:
- (1) A facsimile machine for sending and receiving written communications; and
 - (2) Equipment that allows access to the internet or other electronic-transmission or data communications systems designated by Distributor from time to time.
- b. Subscribe, at Dealer's expense, at the Marketing Premises to a voicemail system for transmitting and receiving telephone communications.
- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition, replacement or updating of point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software.

22. Retail Credit and Debit System

The Dealer acknowledges receipt of an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer Business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor.

The Dealer shall pay to Distributor the following fee(s), which Distributor may amend, in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer:

G-Site data transmission fee: \$ [redacted] month.



eN-Touch fee; units at \$ [redacted] month.

The Dealer shall implement and utilize the retail credit and debit system(s) designated by Distributor, in its sole discretion and from time to time, to be used by its dealers and the Dealer further shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).

23. Termination

- a. Where the end of the term of this Agreement set out in Section 5 is later than the end of the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, or where the said Esso Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said Esso Branded Distributor Agreement, unless
 - (1) the said Esso Branded Distributor Agreement is extended, renewed or replaced and
 - (2) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an Esso location.
- b. Distributor, in its sole discretion, shall have the right terminate this Agreement between Dealer and Distributor immediately and without notice and demand immediate payment of all monies due it as follows:
 - (1) In accordance with the applicable provisions of this Agreement; or
 - (2) Bankruptcy proceedings are instituted by or against Dealer; control of Dealer's business or assets pass by law or otherwise to any person or representative other than Dealer; or
 - (3) Dealer is in breach of a provision under this Agreement; or
 - (4) Dealer fails to timely pay obligations due Distributor under this Agreement; or
 - (5) Dealer is in default of any Third Party Credit Card Agreement entered into between the ^{parties} in connection with this Agreement, or in the event the Third Party terminates the ^{Dealers use of} the Third Party's credit card processing facilities for any reason ^{whatsoever; or}
 - (6) Any intended indemnity, guarantee, or suretyship in connection with this Agreement is revoked or curtailed; or
 - (7) If any motor fuel, other than the Esso-Branded motor fuels are kept, sold or otherwise dealt with on or from the Marketing Premises; or
 - (8) If the Dealer fails to sell the Esso-branded motor fuels strictly in accordance with the grades and kinds designated in the Manual; or
 - (9) The Dealer sells any Esso-branded motor fuel: (i) in bulk, (ii) to any person for resale, or (iii) to any person not using a government approved container; or
 - (10) If the Dealer ceases to carry on the Dealer's business on or from the Marketing Premises; ^{or}
 - (11) If the Dealer or any of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or any of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is made in respect of the Dealer or any of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed for the Dealer or any of the Guarantors, or if the Dealer or any of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an "insolvent person" as that term is defined in the Act; or

- (12) If the Dealer or any of the Guarantors shall at any time have any of the goods and chattels of the Dealer's business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of Distributor sell any of such goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer's business; or
 - (13) If the Dealer fails to operate the Dealer's business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control; or
 - (14) If the Dealer or any of the Guarantors is convicted of or pleads guilty to any criminal offense, whether or not related to the Dealer Business; or
 - (15) If the Dealer fails to maintain adequate inventory of the Motor Fuels at the Marketing Premises to meet the needs of its retail customers; or
 - (16) The Dealer or any of the Guarantors attempts to abandon the Marketing Premises or to sell or dispose of its goods or chattels otherwise than in the ordinary course of its business; or
 - (17) If the Dealer (i) is a corporation and a principal shareholder of the Dealer dies or becomes Incapacitated or (ii) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes Incapacitated; or
 - (18) If any applicable law now or hereafter in effect renders any provision of this Agreement unenforceable or unlawful.
- c. Upon the expiration or earlier termination of this Agreement for any reason, the Dealer shall immediately:
- (1) cease all use of the Proprietary Marks;
 - (2) pay to Distributor or any person, firm or corporation affiliated or associated with Distributor, all amounts and charges as have or will thereafter become due hereunder or under any other agreement between the Dealer and Distributor or any person, firm or corporation affiliated or associated with Distributor, and are then unpaid;
 - (3) return to Distributor all copies of the Manual then in the possession of the Dealer;
 - (4) notify the telephone company and all listing agencies of the expiration or earlier termination of the Dealer's right to use the Proprietary Marks and terminate all such listings using the Proprietary Marks;
 - (5) surrender the Equipment to Distributor; and
 - (6) at the request of Distributor, take all such action as may be necessary to cancel any trade or business name registration which contains any part of the Proprietary Marks under any applicable law and furnish Imperial with evidence satisfactory to it of compliance with the Dealer's obligation hereunder within thirty (30) days after the expiration or earlier termination of this Agreement.
- d. Upon the termination or cancellation of this Agreement by Distributor because of default of the Dealer prior to the expiration of the term provided for in paragraph 5 hereof, the Dealer shall pay to the Distributor as liquidated damages and not as a penalty and as a genuine pre-estimate of the Distributor's expected loss, a sum calculated by multiplying [REDACTED] per litre times the average monthly volume for the previous twelve month period times the number of months remaining on the term of this Agreement if not cancelled. In the event such sum is not paid to the Distributor within five (5) business days of invoice or demand, Dealer irrevocably authorizes the Distributor to deduct such sum as calculated in addition to all other amounts owing to the Distributor including applicable interest from the proceeds of an Letter of Credit or cash security held by the Distributor under the terms of this Agreement. The deduction of such sum is without prejudice to the Distributor's right to claim and prove a greater sum as damages or to avail itself of any other contractual or equitable remedies for breach of this Agreement by the Dealer.

Any termination of this Agreement pursuant to this Article shall be without prejudice to any other right (including any right of indemnity), remedy or relief vested in or to which Distributor may otherwise be entitled against the Dealer. All monies paid by the Dealer to Distributor under this Agreement or otherwise shall be retained by Distributor as consideration for the rights and benefits previously conferred on the Dealer hereunder and as liquidated damages. The foregoing remedy shall not exclude any of the remedies which Distributor may have at law or in equity by reason of the default, breach or non-observance by the Dealer of any provision of this Agreement.

24. Claims

- a. Neither Distributor nor Imperial Oil is liable to Dealer for shortages in quantity or quality unless Dealer notifies Distributor within 48 hours after delivery (or discovery in the case of latent defect for quality deficiencies) in writing setting forth fully the facts upon which any such claim for shortage in quantity or defect in quality is made and unless Distributor and/or Imperial Oil are given a reasonable opportunity to inspect the Motor fuels concerning which any such claim is being made. Distributor's and/or Imperial Oil's liability with respect to any shortage in quantity shall be limited to an amount equal to the volume of any shortage multiplied by the Dealer's cost of motor fuel including delivery and taxes in effect for the delivery in question. Distributor and/or Imperial Oil's liability with respect to any defect in quality shall be limited to the cost of removing the defective motor fuels from the Marketing Premises at its own expense and replacing them without charge to the Dealer. Distributor and/or Imperial Oil shall not be liable for any special, indirect, or consequential damages to the Dealer for any shortage in quantity or defect in quality. All other claims by Dealer against Distributor or Imperial Oil including their affiliates and subsidiaries of any kind, whether or not arising out of this Agreement, are barred unless Dealer gives Distributor and/or Imperial Oil, as the case may be, notice within ninety (90) days after the event, act or omission to which the claim relates. Whether or not Dealer provides timely notice of a claim, any claim by Dealer is barred unless asserted by the commencement of a lawsuit naming Distributor and/or Imperial Oil as defendant in a court of competent jurisdiction within twelve (12) months after the event, act or omission to which the claim relates.
- b. Dealer recognizes that, at any time during the term of this Agreement, any of the grades or brands of motor fuels sold hereunder or any of the Proprietary Marks may be changed, altered, amended or eliminated. Dealer also recognizes that, at any time during the term of this Agreement, the quality or specification of any of the motor fuels sold hereunder may be changed or altered. If any such change or alteration materially affects the performance of such motor fuels or the needs of Dealer therefor for the purposes intended by Dealer, Dealer may terminate this Agreement as to any such motor fuels so affected on thirty (30) days' prior written notice to Distributor. However, Dealer may not terminate this Agreement for any change in quality or specification of any said motor fuels resulting from compliance with federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits. In the event that the manufacture of certain of the Esso-branded motor fuels sold hereunder is discontinued, Distributor shall notify Dealer of such an event and this Agreement shall terminate as to such motor fuels when such notice is effective.

25. Entire Agreement; Modifications

This Agreement, any documents referred to in this Agreement and any attachments to this Agreement constitute the entire, full and complete agreement between Distributor and Dealer concerning the subject matter hereof, and supersede all prior agreements relating to that subject matter. Except for any permitted to be made unilaterally by Distributor under this Agreement, no amendment, change or variance from this Agreement is binding on either party unless agreed in writing by Distributor's and Dealer's authorized representative. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by Distributor to the Dealer.

26. Miscellaneous

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective assigns. Any assignment or purported assignment of this Agreement by Dealer without Distributor's written consent shall be void. Distributor's right to require strict performance shall not be affected by any previous waiver or course of dealing. Neither this Agreement nor any modification or waiver shall be binding on Distributor unless in writing signed by an authorized representative. Past performance shall not be deemed a waiver of this requirement.

27. Guarantee

As consideration in part for Distributor entering into this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Guarantors and Distributor, the Guarantors hereby agree as follows:

- a. to unconditionally and irrevocably guarantee to Distributor, as a primary obligor, the due payment by the Dealer of all monies payable under this Agreement and any other obligations whatsoever by the Dealer to Distributor at the time or times appointed therefor, and the due observance and performance by the Dealer of all the covenants, terms, provisions, stipulations and conditions in this Agreement and any other obligations whatsoever to be observed and performed by the Dealer;
- b. to indemnify and save Distributor harmless from and against all costs, losses, expenses and damages it may suffer as a result of the Dealer's non-compliance with any term or condition of this Agreement;
- c. that this shall be a continuing guarantee and shall be binding upon the Guarantors after as well as before the Dealer's non-compliance with any term or condition of this Agreement, until all monies due under the Agreement have been fully paid and satisfied and all covenants, terms, provisions, stipulations, agreements and conditions observed, performed and carried out;
- d. Distributor shall not be bound to exhaust its recourse against the Dealer before requiring payment of any monies or the observance or performance of any obligations by the Guarantors and the Guarantors waive notice of demand for payment or performance, notice of default, protest and notice of protest and any and all other notices and legal and equitable defenses to which the Guarantors may be entitled;
- e. no release or releases and no indulgence or extensions of time or waiver granted by Distributor to the Dealer with respect to the observance or performance or any defaults or breaches of this Agreement by the Dealer nor any dealings between Distributor and the Dealer shall in any way modify, alter or prejudice Distributor or diminish or affect the liability of the Guarantors under this Agreement;
- f. the covenants and agreements herein entered into by the Guarantors are to be construed as both joint and several;
- g. the guarantee and the liability of each of the Guarantors hereunder is not affected by the death or loss or diminution of capacity of any of the Guarantors; and
- h. for clarification, this guarantee extends to and is binding upon each of the Guarantors and their heirs, executors, administrators, legal representatives and assigns, it being understood that this guarantee will continue to bind the Guarantors even if one or each of the Guarantors, as the case may be, cease to be involved, directly or indirectly in the Dealer Business or in the Dealer.

28. Notices

Any notice to be given hereunder:

- a. by Distributor to the Dealer and the Guarantors shall be conclusively deemed to have been given when addressed to the Dealer and: (i) delivered personally or by courier to the Marketing Premises; (ii) mailed by prepaid registered mail addressed to the Dealer at the Marketing Premises; or (iii) sent by electronic facsimile to the Dealer provided evidence of transmission is retained, and
- b. by the Dealer or the Guarantors to Distributor shall be conclusively deemed to have been given when addressed to the following address and: (i) delivered or mailed by prepaid registered mail to Distributor at the following address, or (ii) sent by electronic facsimile to Distributor, provided evidence of transmission is retained, at the following number:

Cango Inc.
1001 Champlain Avenue, Suite 100
Burlington, Ontario
L7L 5Z4

Attention: General Manager, Operations
Facsimile No.: (905) 333 - 9696

Any notice, if delivered personally or by courier shall be conclusively deemed to have been given when actually received, if mailed by prepaid registered mail, on the fifth Business Day following the deposit thereof in the mail or, if transmitted by electronic facsimile before 3:00 p.m. on a Business Day, on that Business Day and, if transmitted by electronic facsimile after 3:00 p.m. on a Business Day on the Business Day following the date of the transmission.

29. Quality Assurance

Dealer agrees to store, handle, sell and dispense the Esso-branded motor fuels purchased and sold hereunder in compliance with the procedures provided by Distributor from time to time.

30. Right of Entry

In addition to any other rights of Distributor under this Agreement, Dealer hereby permits Distributor, Imperial Oil and their respective affiliates, employees, agents, vendors, contractors and representatives to enter, during normal operating hours, the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement, to enforce any and all rights and remedies under this Agreement including taking action to preserve the integrity of the Proprietary Marks and determine Dealer's compliance with this Agreement. Neither Distributor nor Imperial Oil is liable to Dealer for any interference with Dealer's business as a result of Distributor or Imperial Oil entering the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement.

31. Survival

All obligations of the parties hereto which expressly or by their nature survive the expiration, earlier termination, permitted transfer and permitted assignment of this Agreement shall continue in full force and effect, until they are satisfied or by their nature expire.

32. Withholding Payments

The Dealer will not on the grounds of the alleged non-performance by Distributor of any of its obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to Distributor or any person affiliated with Distributor.

33. Further Assurances

The parties agree to diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

34. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the province of or territory of Canada in which the Marketing Premises is located and the federal laws of Canada applicable therein.

35. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity of such provision in any other jurisdiction.

36. No Waiver

No waiver of any covenant, agreement or obligation in this Agreement shall be construed as a waiver of any succeeding breach thereof or of any other covenant, agreement or obligation in this Agreement, and no delay or omission on the part of any party to exercise any right acquired through the default of any other shall be construed as a waiver of or shall impair such right.

37. Compliance with Law; Workers Compensation; Environmental

- a. The Dealer shall fulfill all the duties imposed upon it by law and shall obey all laws, regulations, rules, by-laws and ordinances applicable to the Dealer's business and to the Marketing Premises, including without limitation the competition laws of Canada and all other applicable laws relating to competition.



- b. The Dealer shall: (i) comply fully, at the Dealer's sole expense, with provisions of the relevant Workers' Compensation legislation; and (ii) obtain for all the persons employed in the Dealer's business, including the Dealer and the principal shareholder(s) and interest holder(s) of the Dealer, as the case may be, the complete package of benefits available under the relevant Workers' Compensation legislation.
- c. The Dealer shall comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.

38. No Special or Consequential Damages

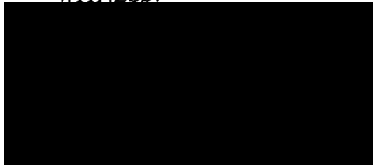
Distributor shall not be liable for any special or consequential damages or loss of profit arising from any breach of its obligations under this Agreement.

39. Independent Legal Advice

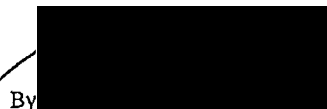
Each of the Dealer and the Guarantors acknowledges that it: (i) has had ample time to read and has read this Agreement and has been afforded the opportunity to retain independent legal advice to assist it in its review, execution and delivery of this Agreement; and (ii) has of its own free will either declined to do so or obtained independent legal advice.

EXECUTED as of the dates set out below.

WITNESS:



CANGO INC.



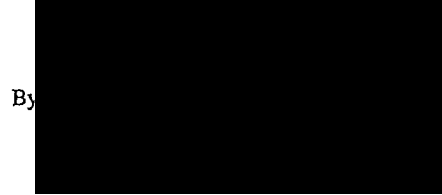
By _____
Title: _____

10/29/09
Date

WITNESS:



1064319 Ontario Ltd..

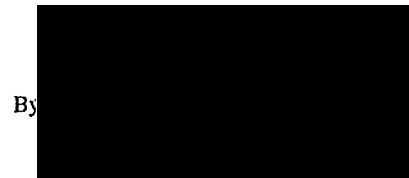
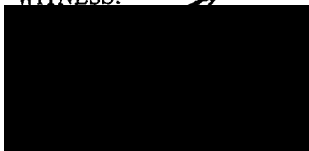


By _____
Date

05/25/09
Date

1339034 Ontario Limited

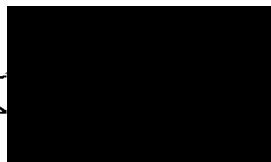
WITNESS:



By _____

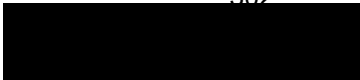
05/25/09
Date

WITNESS:



By _____
Guarantor)

05/25/09
Date



SCHEDULE "A"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC (The Distributor), and 1339034 ONTARIO LIMITED. (The "Dealer"), and [REDACTED] (The Guarantors) dated the 8th day of September, 2009.

1. PRODUCT GRADES AND QUANTITIES

The annual quantities of Esso-branded motor fuels by grade to be sold and purchased hereunder will be as follows :

<u>PRODUCT GRADE</u>	<u>ESTIMATED ANNUAL QUANTITY IN LITRES</u>
Premium Gasoline	[REDACTED]
Regular Gasoline	[REDACTED]
TOTAL ALL GRADES	[REDACTED]

2. PRODUCT PRICES

The Dealer's prices of the Esso-branded motor fuels per litre F.O.B. the Distributor's Designated Loading Rack (as designated in clause 3 below) effective on the 8th day of September , 2009 are as follows:

<u>MOTOR FUEL GRADE</u>	<u>PRICE</u>	<u>DELIVERY COST</u>	<u>TAXES</u>	<u>INVOICE PRICE</u>
Premium Gasoline	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Regular Ethanol	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Diesel Fuel	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

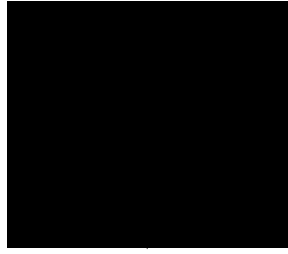
The amounts indicated above for TAXES and INVOICE PRICE are for illustrative purposes only and are exclusive of the Federal Goods and Services Tax (G.S.T.)

3. DELIVERY LOCATIONS

The Esso-branded motor fuels sold and purchased hereunder will be delivered by the Distributor. The Distributor shall deliver and the Dealer shall take delivery of the motor fuels at the Marketing Premises subject to the minimum "full truck load" or "deemed full truck load" quantity and delivery costs set out below :

<u>MARKETING PREMISES</u>	<u>FULL or DEEMED FULL TRUCK LOAD</u>	<u>DELIVERY RATE/LITRE</u>	<u>DESIGNATED ESSO LOADING RACK</u>
1080 Innisfil Beach Rd. Innisfil Ont.	[REDACTED]	[REDACTED]	[REDACTED]

The Distributor shall have the right to change the Delivery Rate per Litre upon giving the Dealer written notice of any change.



IN WITNESS WHEREOF the Parties have acknowledged and agreed to the contents of this SCHEDULE "A" to the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS dated the 8th day of September, 2009

[Redacted]

WITNESS:

[Redacted]

CANGO INC.

[Redacted]

10/27/09
Date

1339034 ONTARIO LIMITED.

[Redacted]

By:

S.O.

09/25/09
Date

WITNESS:

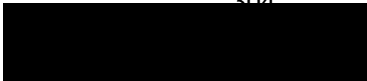
[Redacted]

[Redacted]

By:

(Guarantor)

09/29/09
Date



SCHEDULE "B"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC (The Distributor), and 1339034 ONTARIO LIMITED. (The "Dealer"), and [REDACTED] (The Guarantors) dated the 8th day of September, 2009.

LETTER OF DIRECTION FOR PRE AUTHORIZED DEBITS EXECUTED SEPARATELY.

SCHEDULE "C"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - BSSO-BRANDED MOTOR FUELS between CANGO INC (The Distributor), and 1339034 ONTARIO LIMITED: (The "Dealer"), and [REDACTED] (The Guarantors) dated the 8th day of September, 2009.

The following operating standards for the Premises set out the Dealer's responsibilities with respect to safety and other operating procedures for the Premises and must be complied with strictly.

Operating Procedures

- Be aware of, and comply with, any applicable law relating to the operations on the Premises and any accounting and inventory management system requirements.
- Understand all duties in running the Premises.
- Ensure that the Dealer's employees understand the duties delegated to them.

Safety

The Dealer's employees must:

- Use safe work procedures when carrying out their duties.
- Be aware of and follow safe work practices when carrying out their duties.
- Be trained in the recognition and correction of hazardous conditions to avoid emergencies.
- Be aware and comply with applicable safety regulations.

Security/Robbery Prevention

- Take proper preventative measures to reduce the risk of robbery.
- Train the Dealer's employees in security and robbery prevention.
- The Dealer must train the Dealer's employees in the procedures to follow before, during and after a robbery.

Critical Equipment

- Know the critical equipment on the Premises.
 - Ensure that the Dealer's employees are aware of the critical equipment on the Premises.
 - Ensure that when critical controls are disarmed, appropriate communication takes place prior to such disarming and that such critical controls are re-activated.
 - Follow appropriate procedures for disarming the critical equipment, including completing the form for the disarming or removal of critical controls and shutdown systems.
- [REDACTED]

Emergency Response

- Post the emergency response plan wall chart on the Premises in a conspicuous place.
- Train Dealer's employees in emergency response. This should include a review of potential hazards and how to deal with them, and the operation and use of fire extinguishers.
- Have the required equipment and supplies to respond to emergency situations.
- Hold at least two practice drills each year using different emergency situations.
- Document the Dealer's employee training and practice drills.

Workplace Hazardous Materials Information System ("WHMIS")

- Educate and train all the Dealer's employees on the WHMIS program prior to their starting work on the Premises and provide documented evidence thereof.
- Ensure that all Material Safety Data Sheets for controlled products are current, available and accessible to the Dealer's employees.
- Conduct at least once per year a review of WHMIS with the Dealer's employees and provide a forum for the Dealer's employees to discuss any related concerns and issues.
- Ensure that all containers of controlled products are properly labeled.
- Ensure that all fill pipes, gauge pipes and valves are properly tagged.
- Keep an inventory list of controlled products on the Premises in those provinces where it is required.

Waste Management

- Be familiar with and comply with the applicable waste regulations.
- Dispose of waste generated at the Premises according to the applicable waste regulations.
- If required by applicable laws, have a signed contract with a licensed hauler for the removal of hazardous wastes from the Premises.
- Use only a licensed hauler to remove and transport hazardous waste from the Premises.
- Keep copies of all waste manifests on file for a minimum of 2 years, or longer if required by applicable laws.

Licenses and Permits

- Have the necessary operating licences and permits to meet regulatory requirements.
- Have on the Premises all manuals required or advisable to operate the service station.

Incident Definition and Reporting

- Report specified incidents to the territory manager.
- Be aware of and understand the Dealer's responsibilities for reporting specific incidents directly to government agencies.
- Share the benefit of past incidents with the Dealer's employees.
- Document the incidents and keep them on file.

Training

- Provide initial and continuous training to all the Dealer's employees.
- If required by applicable laws, maintain training records for each of the Dealer's employees on the Premises.

Credit Card

- Follow the standards for credit card authorization and processing documented in the Credit Card Guide.
- Retain the credit card slips for:
 - 6 months for manual transactions; and
 - 12 months for electronic transactions.
- Provide copies of credit card slips to Imperial within the time requested.
- Submit manual slips on a timely basis.

Esso Extra Card

- Collect, use and disclose information gathered for use by Imperial in connection with the Esso extra card only in accordance with applicable laws.
- Display all point-of-purchase materials prescribed by Imperial in connection with the Esso Extra card.
- Ask each purchaser of applicable merchandise or services whether he or she has an Esso extra card. If so, whether he or she would like to use it and, if not, whether he or she would like to obtain an Esso extra card.
- Record and process the sales transactions of retail customers with an Esso extra card, using the Esso extra card.
- Maintain an adequate supply of merchandise redeemable by holder of Esso extra cards.
- Redeem valid Esso extra card reward certificates presented by retail customers for prescribed merchandise or services.

Record Retention

- Keep all relevant records on the Premises to be able to prove that you have taken the necessary steps to comply with applicable law.



SCHEDULE "D"

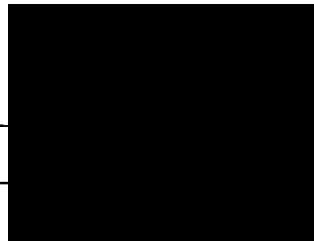
Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC (The Distributor), and 1339034 ONTARIO LIMITED. (The "Dealer"), and [REDACTED] (The Guarantors) dated the 8th day of September, 2009.

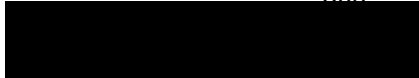
EQUIPMENT

The following is a list of the Equipment:

Sign Type	Quantity
Main ID. Pylon sign	[REDACTED]
Pylon sign inserts	[REDACTED]
Island band sign Inserts	[REDACTED]
Building fascia inserts	1
Speedpass Pad	[REDACTED]
Imprinter	[REDACTED]
POS Device	[REDACTED]

Together with all additional, substitutional and replacement Equipment and/or leasehold improvements supplied by the Distributor





SCHEDULE "E"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC (The Distributor), and 1339034 ONTARIO LIMITED. (The "Dealer"), and [REDACTED] (The Guarantors) dated the 8th day of September, 2009.

ACKNOWLEDGEMENT AND CONSENT OF DEALER, LANDLORD AND/OR MORTGAGEE

TO: CANGO INC.

RE: Dealer Sales Agreement made effective as of 8th day of Septmeber 2009. (the "Agreement") among, CANGO INC.(the "Distributor"), and 1339034 Ontario Limited .(the "Dealer"),

Each of the undersigned, being the Dealer, the Landlord, the Mortgagee or any one or more of the foregoing, of the Marketing Premises (as such term is defined in the Agreement) hereby acknowledges that:

1. Distributor will be entitled, in its sole discretion and from time to time, to remove from the Marketing Premises the equipment listed on the attached Exhibit I, together with all substitutions and additions (the "Equipment"), which (i) Imperial owns, (ii) will be or has been loaned by Distributor to the Dealer and (iii) will be or is located on the Premises; and
2. there does not now exist, shall not come into existence and shall never exist a security interest in the Equipment in favor of the undersigned, notwithstanding that the Equipment or any part or parts thereof may be attached to or may constitute part of the real property to which the undersigned has an interest.
3. The Dealer acknowledges that the Distributor has incurred the cost of the acquisition and installation of the Equipment and leasehold improvements listed on the attached Exhibit I based on the fixed contractual term detailed in Paragraph 5 of the Dealer Sales Agreement and the commitment of the Dealer to purchase a minimum volume of motor fuels each contract year as detailed in paragraph 4(b) of said Dealer Sales Agreement. Accordingly the Dealer acknowledges and agrees that in the event of early cancellation or termination of the Dealer Sales Agreement because of default or breach by the Dealer, the Distributor shall be reimbursed by the Dealer for (i) the unamortized cost of the original acquisition and installation of the Equipment and leasehold improvements, (ii) the total cost of removal and (iii) all other expenses incurred by the Distributor in removing the Equipment and leasehold improvements, including but not limited to contractor's invoices, legal fees, bailiff fees, etc. In the event the Distributor is not paid such sums within five (5) business days of delivery of an invoice(s) for the same, the Distributor is irrevocably authorized and directed to deduct such amounts and applicable interest from the proceeds of any Letter of Credit or cash security held by the Distributor and the Dealer acknowledges its responsibility for any shortfall until the Distributor is paid in full.

IN WITNESS WHEREOF the Dealer has executed this Acknowledgment and Consent on the 25th day of oct, 2009.

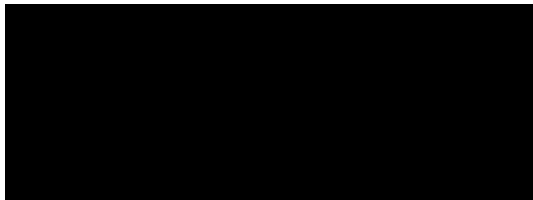
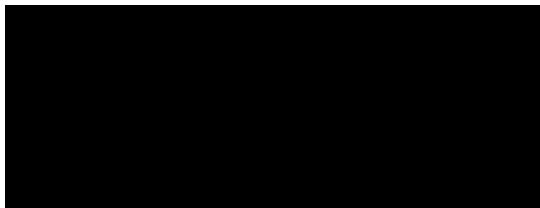
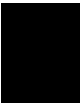



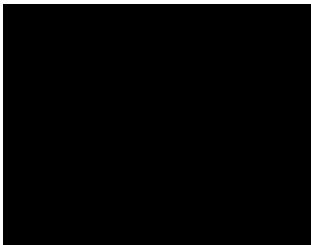


EXHIBIT I
to a Form of Acknowledgement and Consent of
Dealer, Landlord and/or Mortgagee

EQUIPMENT

Sign Type	Quantity
Main ID. Pylon sign	
Digital electronic Pribe sign	
Pylon sign inserts	
Island band sign Inserts	
Building fascia inserts	
VSAT	
Speedpass Pad	
Imprinter	
POS Device	

Together with all additional, substitutional and replacement Equipment and/or leasehold improvements supplied by the Distributor



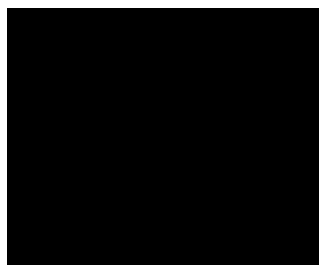


SCHEDULE "F"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC (The Distributor), and 1339034 ONTARIO LIMITED. (The "Dealer"), and [REDACTED] (The Guarantors) dated the 8th day of September, 2009.

PREMISES

The municipal address of the Premises is: 1080 Innisfil Beach Rd
Innisfil Ontario L9S 4T9



[Attach Site Plan]

SCHEDULE "G"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC (The Distributor), and 1339034 ONTARIO LIMITED. (The "Dealer"), and [REDACTED] The Guarantors) dated the 8th day of September, 2009.

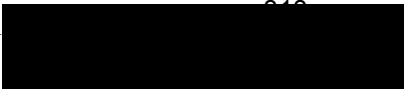
CUSTOMER LOYALTY OBLIGATIONS**1. Participation**

Dealer shall participate in the Esso Extra Win & Earn promotional program (the "Program") offered by Imperial to its Retail Branded Distributors, retailers and retail customers. Dealer shall comply with all requirements of the Program, including without limitation, the procedures, instructions and guidelines relating to the Program (the "Guidelines"), as provided or amended by Imperial to Dealer from time to time in its sole discretion. Without limiting the generality of the foregoing, Dealer shall:

- collect and communicate customer information to Imperial for Imperial's use only and in accordance with applicable laws and regulations (for greater certainty, Dealer shall not provide any customer information to any person other than Imperial nor shall Dealer use any customer information other than in accordance with the Guidelines or as otherwise directed by Imperial from time to time),
- ensure the Esso Extra card or the Royal Bank Esso VISA card is offered to each retail customer in accordance with the Guidelines,
- record and process sales transactions and the applicable Program points in accordance with the Guidelines for retail customers participating in the Program,
- redeem Program points as requested by customers at the Site for merchandise or services in accordance with the Guidelines,
- maintain an adequate supply of merchandise required to redeem Program points, or, if such merchandise is unavailable, maintain a supply of equivalent merchandise, and display all Program point-of-purchase promotional materials or signage at the times and in the manner prescribed by Imperial during the Program.

2. Electronic Reward Redemption Remuneration

The Retail Branded Distributor shall pay Dealer an amount (the "Reward Payment"), plus applicable taxes (other than income taxes), for each valid Program reward redeemed electronically at the Site in accordance with the Guidelines. The Reward Payment payable by the Retail Branded Distributor to Dealer shall be credited to Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Retail Branded Distributor may change the manner and the time the Reward Payment is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Reward Payment shall be calculated by Imperial as the actual number of reward redemptions for each type of reward redeemed electronically by customers at the Site multiplied by the reward cost rate as determined solely by Imperial and documented in the Guidelines.



3. Promotional Program Fee

If applicable law permits, the Dealer shall pay Retail Branded Distributor a promotional program fee (the "Program Fee"), plus applicable taxes (other than income taxes). The Program Fee payable by Dealer to Retail Branded Distributor shall be debited directly from Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Imperial may change the manner and the time the Program Fee is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Program Fee shall be calculated as the number of points (the "Fee Points") awarded to customers for transactions made at the Site multiplied by the program rate (the "Fee Rate").

The Fee Points are the total of:

- the base points issued at a rate of one point per dollar spent,
- all bonus points issued for sales of different grades of gasoline or car washes, and
- points issued for offers unique to the Site as instituted or extended by Dealer.

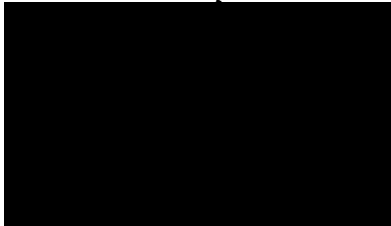
For greater certainty, the Fee Points excludes:

- promotional points issued via direct mail offers extended by Imperial to customers
- points issued to holders of the Royal Bank Esso VISA card at a rate of one point per dollar charged to the card regardless of the vendor where the card is used, and
- bonus points issued for the purchase of specific merchandise on the Site through a program instituted or extended by Imperial.

The Fee Rate is defined as:

- Fuel products & services
- Convenience store products & services
- Car wash products & services
- Other products & services
- Vehicle repair bay products & services

- \$ [redacted] for each point issued
- \$ [redacted] for each base point issued
- \$ [redacted] for each base point issued
- \$ [redacted] for each point issued
- \$ [redacted] for each point issued



SCHEDULE "H"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC (The Distributor), and 1339034 ONTARIO LIMITED. (The "Dealer"), and [REDACTED] (The Guarantors) dated the 8th day of September, 2009.

IMPROVEMENTSDescription of Improvements:**DEALER: SITE IMPROVEMENTS**

Dealer will at its sole expense construct and install the following improvements and upgrades at the site prior to Cango's installation of New Esso brand signage and other loaned equipment. Cango shall have the right to approve the Dealer's construction plans prior to the commencement of construction of the improvements and upgrades.

N/A

Planning, design and construction of upgrades and improvements will be the sole responsibility of the Dealer.

Cango can provide support in following areas:

- Information on design, supply, and installation and service contractors.
- Information on equipment suppliers which supply equipment meeting Imperial Oil requirements.

Cango will loan to Dealer for the term of the Agreement signage to upgrade site

Remove and scrap existing canopy signs.
Supply and install new 3D Esso canopy Fascia,
With 2 Esso logos, back side non illuminated.
Supply and install 4 new white Column Cladding with decal
Repair graphic on 2 pumps/

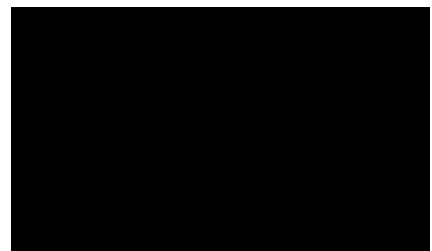
Cango to contribute \$ [REDACTED] towards general site upgrades, i.e Windshield Centre, merchandiser Uniforms etc. to be determined by Cango.

The Improvements not to exceed \$ [REDACTED]

Cango will supply and install all such signs. Dealer to provide all framing, electrical feed to signs, electrical hook up, concrete bases and permits.

The dealer agrees that the cost to complete the above is to be amortized by Cango over Ten (10) Years, at a rate of \$ [REDACTED] P/A

If this agreement is terminated prior to 10 years the unamortized amount will become due and payable.



SCHEDULE "I"

FACILITY REQUIREMENTS

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC (The Distributor), and 1339034 ONTARIO LIMITED. (The "Dealer"), and [REDACTED] (The Guarantors) dated the 8th day of September, 2009.

Item	Description	"New" & >100K D1 Sites	Min Stds New	Min Stds Renewal Or Upgrade
Weather Canopy (Canopy required at all D1 & D2 sites only) (Standards for all other sites with existing canopies)	Fascia	3D	[REDACTED]	[REDACTED]
		2D		
	Column Cladding	New Style (wide perpendicular to pump) Colour - Cambridge White by Color Steel Inc.		
		Current (wide facing pump) Colour to match Cambridge White by Color Steel Inc		
None (steel column only) Colour to match Cambridge White by Color Steel Inc.				
Pump/ Dispenser	[REDACTED]	Image 2000 (Blue Graphics for new gasoline dispensers – Red for existing)		
		Previous Esso		
		Pay at the pumps & Speedpass		
MID	[REDACTED]	New Image (Flag Type)		
		Previous Esso		
Painting	MID Structural Posts, Sign Frames	P - 5 White		
	Lighting poles, Posts, island fascia, Message Sign Frames	P - 13 Grey		
POS	G-Site			

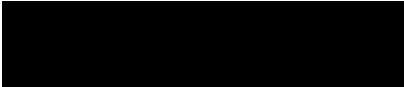
Operating retail automation system compatible with Imperial's card processing network

***Subject to MID sign permit availability

Definitions

3D	600mm illuminated Red Frameless Flexface Fascia with 300 non-illuminated white metal Fascia. C/W individually "ESSO" Red illuminated letters.
2D	900mm illuminated Frameless Flexface Fascia, 600mm high red and 300 mm White, with ESSO letters.
MID	Major Identification Sign
D-1	<p>Dealer Forecourt & Backcourt meeting the following requirements:</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards that can be upgraded to 3D, 3 Products with proper pump ID. Current Major Identification sign, Good Gas Location. • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
D-2	
100k	Market Area Population in 1000's

Changes To Brand Standards - Imperial may change its "Facility Requirements for Distributor Esso-Branded Outlets" from time to time. Imperial will notify the Retail Branded Distributor of all changes and the Retail Branded Distributor must comply with these changes for all future applications.



Site: 88003936

**RESOLUTIONS OF THE DIRECTORS OF
1339034 ONTARIO LIMITED.**

We, the undersigned, being all the directors of 1339034 Ontario Limited. (the "Corporation"), a corporate body incorporated under the Business Corporations Act (Ontario) adopt the following agreements by resolution, pursuant to the provisions of said act, by our unanimous written consent without a meeting, with full force and effect as if passed at a duly constituted meeting:

Motor Fuel Supply Agreement - Esso-Branded Motor Fuels between 1339034 Ontario Limited And Cango Inc. (collectively, the "Agreements").

WHEREAS the directors of the Corporation have reviewed the Agreements to be made and entered into by and between the Corporation and Cango Inc., and they recommend approval of same;

BE IT RESOLVED THAT:

- I. The aforementioned Agreements, namely the Cango Inc. Motor Fuels Supply Agreement - Esso-Branded Motor Fuels, in the forms and scope submitted to the directors of the Corporation be and they are hereby approved and the Corporation is hereby authorized to enter into, execute and deliver the Agreements, with such additional terms, conditions, additions, deletions, amendments and variations as any one officer or director of the Corporation may approve, the execution and delivery of any such Agreement by any one officer or director of the Corporation being conclusive evidence of such determination; and
- II. Rodrick Neale Boynton the President of the Corporation, or any other officer or director of the Corporation, acting alone, being he or she is hereby authorized and instructed, for and on behalf of the Corporation, to sign, execute and deliver the Agreements, to agree to any change, addition or modification to the Agreements as he or she may deem necessary or appropriate, at his or her sole discretion, and to sign, execute and deliver all such other deeds, documents or writings and to perform and do or cause to be performed and has done all such other acts and things as he or she may, in his or her sole discretion, deem necessary, advantageous, useful or expedient for the purpose of giving full effect to the terms of these resolutions and to said Agreements, his or her signature to said Agreements and to all such other deeds, documents, writings or instruments to be sufficient to bind the Corporation.

The foregoing resolutions are hereby consented to, enacted and passed by all the directors of the Corporation pursuant to the provisions of the Business Corporations Act (Ontario) , this 25th day of OCTOBER, 2009.



CERTIFICATE

1339034 ONTARIO LIMITED
(the "Corporation")

I [REDACTED], being the President, respectively, of the Corporation hereby certify that:

1. The Corporation does not offer its securities to the public.
2. The names and address of all of the directors of the Corporation are set out below and the signatures appearing opposite their names are true and genuine signatures of such persons:

NAME	ADDRESS	
[REDACTED]	920 Clifton Blvd., Innisfil Ontario	[REDACTED]
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. The names and addresses of all of the officers of the Corporation are:

President: 902 Clifton Blvd.
Innisfil Ontario

4. (a) The total number of issued and outstanding securities of the Corporation is:

common shares npv/vpv [REDACTED]
 preferred shares _____
 Additional Security _____

- (b) The names, addresses and holdings of securities of all of the shareholders of the Corporation are:

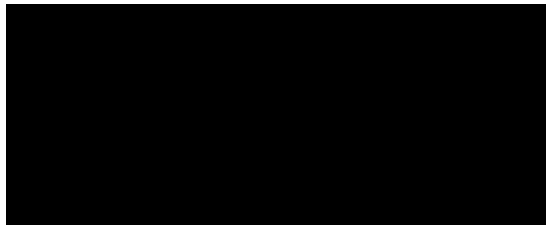
NAME	ADDRESS	SECURITIES
[REDACTED]	920 Clifton Blvd. Innisfil Ontario	[REDACTED]
[REDACTED]	same	[REDACTED]
[REDACTED]	Holidayway Innisfil Ont.	[REDACTED]

-
5. There have been no changes to the Articles of the Corporation since incorporation; except the following:
 6. Since incorporation the powers of the directors of the Corporation have not been altered, reduced or impaired in any manner; except the following:
 7. The Corporation is not insolvent and, in particular, and without limiting the generality of the foregoing, has the ability to pay its debts as they become due in the usual and ordinary course of its business.
 8. All the records of the Corporation required to be kept pursuant to the provisions of the **Business Corporations Act (Ontario)** are situated at:

920 Clifton Blvd.
Innisfil Ontario

The aforementioned records of the Corporation have been thoroughly reviewed and there is nothing whatsoever in said records which could in any way adversely affect the validity, priority or authorization of any agreements, documents or instruments entered into by the Corporation with Cango Inc. or its affiliates.

DATED at INNISFIL, in the Province of Ontario, this 25TH day of OCTOBER, 2009.



**LETTER OF ACKNOWLEDGMENT OF RECEIPT
OF PETROLEUM HANDLING & EMERGENCY RESPONSE INFORMATION**

CANGO INC.
1001 Champlain Ave. Suite 100
Burlington, ON
L7L 5Z4

Attention: Operations Director

1339034 Ontario Limited, hereby acknowledges receipt of the following information from Cango Inc.:

- (i) Provincial/Territorial Petroleum Handling Regulations, or
- (ii) Example of a Contingency Plan/Emergency Response chart, which includes Internal Reporting Procedures and Government contacts.
- (iii) List of maintenance and emergency contractors currently approved by Cango Inc.
- (iv) List of environmental consultants currently used by Cango Inc.
- (v) Material Safety Data Sheets (MSDS) for petroleum products.
- (vi) Example of Inventory Control Procedures.

hereby acknowledges to:

1339034 Ontario Limited

- (i) Obtain, familiarize and keep updates to the Provincial/Territorial Petroleum Handling Regulations. These updates can be obtained from the Publications Centres/Queens Printers per the list provided in this package.
- (ii) Keep a list of maintenance and emergency contractors currently approved by the Province or Territory. These lists can be obtained from the Ministry of the Environment (MOE) or in Ontario from the Technical Standards and Safety Authority (TSSA). Pratham Corporation understands that it is not obligated to use any of the contractors that are listed as currently used by Cango Inc. Pratham Corporation also understands that all the information provided will change from time to time and that it is the responsibility of Pratham Corporation to keep current on all items.

Dated: October 25/03

Witness

[Redacted Signature]

Per:

1339034 Ontario Limited
[Redacted Signature]

S.O.



LETTER OF CONFIRMATION
OF ENVIRONMENTAL COMPLIANCE

CANGO INC.
1001 Champlain Ave. Suite 100
Burlington, ON
L7L 5Z4

Attention: Operations Director

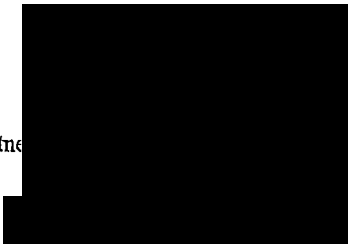
1339034 Ontario Limited. hereby confirms that the service station facility, and operation, located at is in compliance with the following environmental requirements:

- (i) has a current provincial petroleum retailing license/permit (copy of license/permit attached);
- (ii) the tankage system is registered, where applicable (copy of registration attached);
- (iii) the tankage system meets provincial installation and specification standards;
- (iv) the tankage system was installed by a provincially licensed/approved contractor, where required by law;
- (v) an approved emergency contingency plan is in place;
- (vi) is operating in compliance with regulatory operating requirements; and

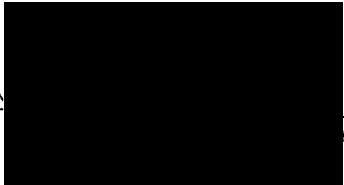
Dated: October 25/03

1339034 Ontario Limited

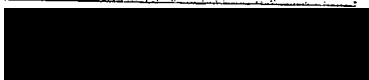
Witness



Per:



A.S.O.



REGULATORY REQUIREMENTS FOR
TANKAGE AND CONTRACTOR REGISTRATION

	<u>TANK REGISTRATION</u>	<u>CONTRACTOR LICENSING/REGISTRATION</u>
BRITISH COLUMBIA	<ul style="list-style-type: none"> Not required at present Regulation expected by Q2, 1992 	<ul style="list-style-type: none"> Not required at present
ALBERTA	<ul style="list-style-type: none"> Mandatory To be completed by August 31, 1993 	<ul style="list-style-type: none"> Mandatory
SASKATCHEWAN	<ul style="list-style-type: none"> Mandatory 	<ul style="list-style-type: none"> Not required at present
MANITOBA	<ul style="list-style-type: none"> Not required at present Regulation expected by Q1, 1992 	<ul style="list-style-type: none"> Not required at present Expected by Q1, 1992
ONTARIO	<ul style="list-style-type: none"> Only for underground tanks at "Private Outlets." (These are locations where product is for own use only.) 	<ul style="list-style-type: none"> Mandatory
QUEBEC	<ul style="list-style-type: none"> Not required at present Draft regulations will require registration of tanks for "own use" only" 	<ul style="list-style-type: none"> Not required at present'
NEW BRUNSWICK	<ul style="list-style-type: none"> Only for underground tanks > 2,000 litres and aboveground tanks > 2,000 litres 	<ul style="list-style-type: none"> Certification required
PRINCE EDWARD ISLAND	<ul style="list-style-type: none"> Required for both underground and aboveground tanks 	<ul style="list-style-type: none"> Licensing required
NOVA SCOTIA	<ul style="list-style-type: none"> Only for underground tanks > 2,000 litres and aboveground tanks > 4,000 litres 	<ul style="list-style-type: none"> Contractors to be approved
NEWFOUNDLAND	<ul style="list-style-type: none"> Mandatory 	<ul style="list-style-type: none"> Not required at present
NORTHWEST *~*~*~*~*~*~*~*~*~*	<ul style="list-style-type: none"> Mandatory for both underground and *~*~*~*~*~*~*~*~*~* 	<ul style="list-style-type: none">
~~*~*~*~*~*~*~*~*	<ul style="list-style-type: none"> Safety Certificate required 	<ul style="list-style-type: none"> Not required at present

NOTE: The regulatory requirements indicated above will change from time to time. It is Dealer's responsibility to keep current on any changes.



SCHEDULE "J"

AMENDMENT(S)

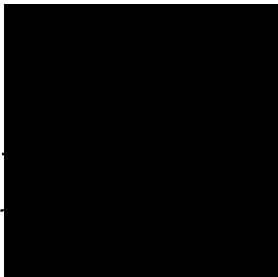
Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between CANGO INC., and 1339034 Ontario Limited "Dealer", dated the 8th day of September , 2009 ,

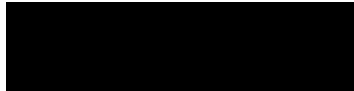
Clause 22b(17) which states:

If the Dealer (i) is a corporation and a principal shareholder of the Dealer dies or becomes Incapacitated or (ii) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes Incapacitated; or

shall be removed and replaced with:

If the Dealer (i) is a corporation and a principal shareholder of the Dealer dies or becomes Incapacitated or (ii) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes Incapacitated; and if the location is closed and remains closed for a minimum of (60) sixty days and the Motor Fuels Supply Agreement – Esso Branded Motor Fuels has not been assigned for the remaining term to a new Cango credit approved Dealer; or





**MOTOR FUEL SUPPLY AGREEMENT
ESSO-BRANDED MOTOR FUELS**

This Agreement is made on November 6, 2012 (the "Effective Date")



BETWEEN:

PARKLAND INDUSTRIES LTD.
(hereinafter called "Distributor")

- and -

C.E MACTAVISH LIMITED
(hereinafter called "Dealer") having a
motor fuels "Marketing Premises" located at
594 10th Street
Hanover, Ontario N4N 1R7

- and -

 and 
(hereinafter called the "Guarantors")

WHEREAS Distributor is engaged in the sale and distribution of high quality petroleum products under the nationally and internationally known ESSO trade mark;

AND WHEREAS the Dealer desires to carry on the business of the sale of petroleum products in accordance with this Agreement;

AND WHEREAS the Guarantors have agreed to guarantee the obligations of the Dealer under this Agreement as consideration in part for the Distributor entering into this Agreement;

AND WHEREAS, based on its marketing strategies Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("Imperial Oil") has established the following core values ("Core Values"), namely

- To deliver quality products that customers can trust.
- To employ friendly, helpful people.
- To provide speedy, reliable and friendly service.
- To provide clean, attractive and well maintained retail facilities.
- To be a responsible, environmentally conscious neighbour.

NOW THEREFORE the Distributor and the Dealer agree as follows:

1. Grant

Distributor, under an Esso Branded Distributor Agreement with Imperial Oil, has the right to grant to Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the terms and conditions of this Agreement, Distributor grants Dealer the right to use the "Esso" mark and such other proprietary marks specified by Imperial Oil, from time to time, for use in connection with the sale of Esso-branded motor fuels ("Proprietary Marks") at the Marketing Premises. Dealer hereby accepts the use of the Proprietary Marks subject to the terms and conditions of this Agreement and agrees to conduct its



motor fuels ("Proprietary Marks") at the Marketing Premises. Dealer hereby accepts the use of the Proprietary Marks subject to the terms and conditions of this Agreement and agrees to conduct its business in a manner consistent with the commitments in the Core Values and agrees to comply with Imperial Oil business standards and policies, including, without limitation Imperial Oil's National Standards Handbook as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by Distributor from time to time. DEALER ACKNOWLEDGES THAT ITS RELATIONSHIP IS EXCLUSIVELY WITH DISTRIBUTOR. NOTHING IN THIS AGREEMENT MAY BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN DEALER AND IMPERIAL OIL.

2. Related Businesses

Distributor acknowledges that Dealer may wish to operate, during the term of this Agreement, additional businesses ("Related Businesses") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, Distributor's trademarks, Dealer's own trademarks or third party trademarks. Dealer acknowledges that the operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the Esso-branded motor fuels and Proprietary Marks. Accordingly, Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by Distributor to Dealer from time to time. If Dealer fails to comply with this Agreement or any such requirements, and without limiting Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, Distributor may require Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks, or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Effective Date, Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.

3. Term

- a. The term of this Agreement is for the period beginning on **November 6, 2012** and ending on **December 31, 2018**, unless terminated earlier in accordance with this Agreement. If the said term exceeds the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, then the term of this Agreement shall expire upon the expiry of the said Esso Branded Distributor Agreement.

4. Product Quantities

- a. Distributor shall sell and deliver and Dealer shall purchase, receive and pay for the Dealer's entire requirements of Esso-branded motor fuel for sale at the Marketing Premises in the quantities and at the prices and terms and conditions set out herein. The motor fuels purchased by Dealer from Distributor under this Agreement shall be for resale at the Marketing Premises only. The Dealer shall use good faith and diligent efforts to maximize the sale of Esso-branded motor fuels at the Marketing Premises. Dealer shall at all times have available for sale at the Marketing Premises such quantities of the Esso-branded motor fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.
- b. The minimum annual volume of Esso-branded motor fuel Dealer is obligated to purchase during any contract year ("contract year" meaning the consecutive twelve (12) months beginning on the Effective Date and each subsequent consecutive twelve (12) month period) is [REDACTED] litres

(the "Minimum Annual Volume"). The Minimum Annual Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil.

- c. In each contract year, Dealer must purchase from Distributor a minimum of eighty percent (80%) of the Minimum Annual Volume for Esso-branded motor fuel. Should Dealer fail, in any contract year, to purchase the aforementioned 80% of the Minimum Annual Volume of Esso-branded motor fuel, Distributor may terminate or not renew this Agreement upon giving 60 days prior written notice to the Dealer and the Guarantor(s).

5. Dealer Payment

- a. As consideration in part for the Dealer accepting the use of the Proprietary marks as set out herein, Distributor shall pay to the Dealer a payment in the amount of [REDACTED] per litre (plus applicable taxes) multiplied by the number of litres of the Esso-Branded motor fuels purchased by the Dealer from Distributor pursuant to this Agreement (the "Dealer Payment"). The Dealer Payment shall be calculated by Distributor based on the Distributors' records and paid by Distributor to the Dealer monthly in arrears within twenty (20) days immediately following the end of each month during the term of this Agreement.
- b. Distributor shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days' prior written notice to the Dealer and the Guarantors if the Dealer fails to purchase eighty (80) percent of the Minimum Annual Volume in any contract year.
- c. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the covenants or agreements contained in this Agreement; and (ii) this Agreement shall not have terminated.

6. Right of First Refusal

- a. The Marketing Premises are located on those lands legally described as:

**LT 4 N/S DURHAM STREET, 5 N/S DURHAM STREET, 6 N/S DURHAM STREET
7 N/S DURHAM STREET, 8 N/S DURHAM STREET
PL 753 HANOVER; HANOVER**

(hereinafter referred to as the "Lands"). The Dealer operates its Esso branded motor fuels business and other ancillary business from the Lands (hereinafter referred to as the "Business"). If at any time during the term of this Agreement the Dealer shall receive a bona fide offer (hereinafter in this Article referred to as the "Offer") from a third party with whom the Dealer is dealing at arm's length (the "Third Party") for the purchase of the Business and/or the Lands in whole or in part and the Dealer is prepared to accept the Offer, the Dealer shall, before accepting the Offer, give written notice to the Distributor within three (3) Business Days of the date the Dealer received the Offer by sending to the Distributor an executed copy of the Offer and notifying the Distributor therewith of the Dealer's desire to accept the Offer. The Distributor shall have the right to purchase on the terms and conditions of the Offer, the Business and/or the Lands referred to in the Offer. The right to purchase shall be exercised by the Distributor delivering notice in writing thereof to the Dealer within sixty (60) Business Days after receipt of a copy of the executed Offer (hereinafter in this Article referred to as the "Exercise Period").

- b. In the event the Distributor does not exercise the right to purchase the Business and/or the Lands referred to in the Offer within the Exercise Period, the Dealer shall be at liberty to complete the

sale of the Business and/or the Lands referred to in the Offer to the Third Party; provided that such sale shall be completed within ninety (90) days from the expiry of the Exercise Period, failing which the Dealer's right to complete such sale shall terminate.

- c. In the event that the Distributor shall notify the Dealer in writing within the Exercise Period of its desire to purchase the Business and/or the Lands referred to in the Offer, a binding agreement of purchase and sale shall exist between the Dealer and the Distributor with respect to the Business and/or the Lands at and for a price equal to that described in the Offer and on the terms and conditions therein contained. In the event the Offer provides for financing from the Dealer to allow the Third Party to close the purchase of the Business and/or the Lands referred to in the Offer, the Distributor shall pay the principal amount of the Dealer financing in cash on closing.
- d. The Dealer covenants and agrees that the Dealer shall not:
 - (i) accept any offer for the purchase of all or any portion of the Land which will require some form of consideration, other than cash or cash equivalent in Canadian currency, to be paid, it being intended that the consideration not be of a unique nature such that the Distributor would be unable to provide the same consideration;
 - (ii) accept any offer to purchase the Business and/or the Lands from a party or parties with whom the Dealer is not dealing at arm's length;
 - (iii) accept any offer to purchase the Business and/or the Lands which is not a bona fide offer.
- e. Any purchase and sale of the Business and/or the Lands pursuant to the terms of this Agreement shall close on the thirtieth (30th) day after the expiry of the Exercise Period or on such other date as the Parties may agree upon.
- f. The Dealer covenants and agrees that as a condition precedent to the Distributor allowing the Dealer to sell the Business and/or the Lands to a third party, the Dealer will execute and deliver to the solicitor acting on the Dealer's behalf in such transaction an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, such amounts of money that are still due and owing to the Distributor by the Dealer. In the event the proceeds of the sale paid to the Distributor are insufficient to extinguish the Dealer's indebtedness to the Distributor, the Dealer shall continue to be liable to the Distributor for any remaining indebtedness to the Distributor.

7. Price and Terms of Sale

- a. The Dealer shall pay Distributor for the Esso-branded motor fuels purchased pursuant to this Agreement the price thereof in effect at the Distributors' designated loading rack at the time that the motor fuels are loaded for delivery to the Dealer, plus the cost of delivery, plus all applicable taxes. The motor fuel prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. In the event of a shortage or unavailability of the motor fuels at the Distributors' designated loading rack for any particular delivery to the Dealer the Distributor shall use its best efforts to deliver motor fuels from an alternate loading rack in order to complete the delivery and the Dealer hereby agrees to pay for any increased costs required to complete such delivery.
- b. Measurement of the volume of each delivery of the motor fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of

15 degrees Celsius in accordance with normal industry practice.

- c. All purchases of the Esso-branded motor fuels shall be paid by the Dealer upon or before delivery in immediately available funds as set out herein, unless Distributor, in its sole discretion and from time to time, grants credit terms to the Dealer. If Distributor grants credit terms to the Dealer, such credit terms may be amended by Distributor in its sole discretion upon written notice from time to time. If Distributor grants credit terms to the Dealer and the Dealer accepts delivery of any Esso-branded motor fuel in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation paying interest on overdue accounts at rates to be determined by Distributor from time to time. Distributor reserves the right to withhold any amounts due by the Distributor to the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its sole discretion and without notice decline to make deliveries of motor fuels to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.
- d. The Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to Distributor by the Dealer pursuant to this Agreement:
 - (1) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by Distributor, in its sole discretion and from time to time;
 - (2) may be collected by Distributor by pre-authorized debit in the manner set out on Schedule "A" or by wire transfer.
- f. The Dealer shall, from time to time, execute and deliver to Distributor an authorization for pre-authorized debit substantially in the form of Schedule "A" in order to facilitate the collection of payments pursuant to this Section. Distributor may amend Schedule "A", in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer.
- g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer's business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
- h. Distributor agrees that, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, the Distributor will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

8. Delivery

- a. Delivery will be by tank truck into Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the motor fuel shall pass to the Dealer as the motor fuel is discharged from Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.
- b. Dealer shall ensure that the Distributors tank truck will have unimpeded access to the fill pipes and storage tanks while making any delivery to the Marketing Premises.
- c. Dealer will notify Distributor of any required delivery of motor fuels in accordance with Distributors written ordering and delivery procedures. Dealer will only order deliveries in orders of a minimum of **28,000 litres** per delivery (hereinafter referred to as "full truck load"). Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. Dealer will accept delivery of the Esso-branded motor fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributors ordering and delivery procedures.
- d. Upon the dispatch of a delivery vehicle by Distributor to deliver the Esso-branded motor fuels to the Marketing Premises, the Dealer agrees to either accept the delivery of a "full truck load" of the Esso-branded motor fuels (or less than a "full truck load" of the Esso-Branded motor fuels only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to Distributor all the reasonable costs incurred by Distributor in connection with any delay or aborted delivery.
- e. Distributor shall not be required to deliver to the Dealer the Esso-Branded motor fuels in any quantity less than a "full truck load" or "deemed full truck load", which shall be determined in each case by Distributor in its sole discretion and from time to time. If the Dealer requests the delivery of and Distributor agrees to deliver the Esso-branded motor fuels in a quantity less than a "full truck load" or "deemed full truck load", then Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however, the delivery by Distributor of Esso-branded motor fuels in a quantity less than a "full truckload" or "deemed full truckload" on any one or more occasions shall not require Distributor to deliver Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the sole discretion of Distributor from time to time.

9. Product Control

- a. Dealer shall exercise the highest degree of care in handling, storing, selling and using the Esso-branded motor fuel delivered to the Marketing Premises. Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any Esso-branded motor fuel (including without limitation, the blending of such motor fuels with ethanol). Dealer shall not sell from the Marketing Premises Esso-branded motor fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. Distributor may refuse to make deliveries into Dealer's storage tanks at the Marketing Premises until in Distributor's judgment, any deficiencies in the quality of motor fuels at the Marketing Premises are corrected.
- b. Access to Premises. Dealer grants Distributor and Imperial Oil (including their employees, agents and contractors) the right to enter the Marketing Premises during normal business hours to examine the contents of Dealer's storage tanks in which said motor fuels purchased hereunder are

handled or stored. Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to Dealer's obligations under this Agreement.

10. Contingencies

No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any covenant, agreement, or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to Distributor or to Imperial Oil or any person affiliated with distributor under this Agreement) if such default or non performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any delays in or failure of performance by Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request, or control of any governmental authority; or
- b. When the supply of motor fuel at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by Distributor is interrupted, unavailable or inadequate for any reason or cause which Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of motor fuels to be sold under this Agreement by allocating its available supply of motor fuels among its customers, itself, and its related and subsidiary companies in such manner as it may in its sole and absolute discretion determine and Distributor shall not be obliged to obtain or purchase other supplies of the motor fuels to make up any such shortage.

11. Proprietary Marks

- a. Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for Dealer's use and shall only use such marks to designate the origin of the Esso-branded motor fuels and otherwise in the manner authorized and instructed by Distributor from time to time. DEALER AGREES THAT MOTOR FUELS AND PETROLEUM PRODUCTS OF OTHERS WILL NOT BE SOLD BY DEALER UNDER SUCH PROPRIETARY MARKS. If, in the sole opinion of Distributor, any samples taken by Distributor or Imperial Oil under this Agreement are not Esso-branded motor fuels, or are not in the condition in which delivered by Distributor, or any documents and records reviewed by Distributor or Imperial Oil show Dealer has failed to comply with its obligations hereunder, Distributor may, at its sole option, debrand the Marketing Premises in question or cancel and terminate this Agreement.
- b. By written notice to Dealer, Distributor may withdraw its approval to: (i) brand the Marketing Premises ("debrand") or (ii) use or operate any motor fuels business or Related Businesses at the Marketing Premises, if, in Distributor's sole judgment: (i) the Marketing Premises (or the motor fuels business and/or Related Businesses) fails to portray the image and standards expected from Esso-branded retail outlets; or (ii) Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If Distributor debrands the Marketing Premises, withdraws its approval to use or operate the motor fuels business or Related Businesses at the Marketing Premises, upon termination of this Agreement, or prior thereto upon demand by Distributor, Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from Distributor, consisting in

whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.

- d. Dealer agrees to take no action that will diminish or dilute the value of the Proprietary Marks. Dealer shall not sell non-Esso branded motor fuels under any of the Proprietary Marks, including without limitation, any Esso-identified canopy or at any fueling island where Dealer is selling Esso-branded motor fuels.
- e. Dealer shall not use the Proprietary Marks as part of Dealer's corporate or other name.
- f. Dealer hereby consents to Distributor or Imperial Oil removing or painting over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the Esso trade name, trade-marks, signs and advertising items, prior to the expiration or earlier termination of this Agreement.

12. Customer Service & Operating Standards

- a. Dealer shall ensure that its Marketing Premises meet the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits), failing which Dealer shall lose the right to use or display Proprietary Marks at any such Marketing Premises:
 - (1) Paved driveways with safe and good ingress and egress; and
 - (2) Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances; and
 - (3) Clean premises free of debris, trash, and fire hazards; and
 - (4) Modern restrooms for men and women available to the general public; and
 - (5) Offer two(2) grades of Esso-branded motor fuels; and
 - (6) Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and
 - (7) Compliance with applicable operating standards as described in Schedule "B", and facility standards as described in Schedule "C" ("Facility Requirements"), which are incorporated herein and made a part of this Agreement.
- b. While using any Proprietary Marks, Dealer agrees:
 - (1) To render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct Dealer's business in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the Esso-branded motor fuels sold hereunder; and
 - (2) To provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers; and

- (3) To keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies; and
 - (4) To assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the Esso-branded motor fuels during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to Dealer; and
 - (5) To purchase, maintain, and display an adequate quantity of Esso-branded motor oils, lubricants, greases, anti freeze, and other petroleum products and related products (the "Petroleum Products") for resale from the Marketing Premises to meet the needs of Dealer's retail customers from time to time. Dealer acknowledges that the Distributor is not a distributor of Petroleum Products and agrees to purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area; and
 - (6) The Dealer shall keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers; and
 - (7) The Dealer shall ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. Dealer agrees that Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by Distributor to cure, continues to be in violation of this Section.
- d. Dealer shall not permit at the Marketing Premises:
- (1) Any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits; or
 - (2) The sale or use of illegal drugs or drug paraphernalia; or
 - (3) The sale of any pornographic material or other material that Distributor determines may be offensive to the general public.
- e. Dealer shall not permit at the Marketing Premises the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits relating to youth access to tobacco products. Dealer shall promptly advise Distributor of any charges or notifications of violations received at the Marketing Premises from any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.
- f. The Dealer acknowledges receipt of and shall comply with the Imperial Oil Operating Standards Manual (the "Manual"), including without limitation the Operating Standards and the other standards, methods, procedures and specifications established by Imperial Oil from time to time applicable to the operation the Dealer's business. The provisions of the Manual, including without limitation the Operating Standards and the other standards, methods, procedures and

specifications applicable to carrying on the Dealer's business, are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to Distributor promptly upon request and, in any event, upon the expiration or earlier termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's prior written consent. The Dealer acknowledges that the entire contents of the Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. The Dealer shall maintain the absolute confidentiality of all such information during the term of this Agreement and after the expiration or earlier termination of this Agreement and shall not disclose any such information for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer's business in accordance with this Agreement. The Dealer further agrees not to use any such information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

13. No Exclusive Marketing Rights

This Agreement does not give Dealer an exclusive right in any market or geographic area to sell Esso-branded motor fuel or conduct any of the Related Businesses. Dealer acknowledges that Distributor and Imperial Oil may directly or indirectly compete with Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks ("Trademarks"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling Esso-branded motor fuels, other branded motor fuels or operating businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, enterprises or other businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

14. Fuel Handling Equipment

Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment"). Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a. The Dealer warrants and represents to Distributor that as of the effective date of this Agreement, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises are in good condition and repair and meet regulatory requirements.
- b. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and to meet regulatory

requirements. The Dealer shall make all needed repairs and replacements promptly.

c. The Dealer shall have in place on all underground motor fuels storage tanks the following equipment:

- (1) spill containment boxes; and
- (2) overfill prevention valves,

and such equipment shall, at all times, be in good operating condition and repair.

d. Notwithstanding any other provision in this Agreement, if Distributor is required by law, or if in Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "hazard"), then Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. Distributor shall not be obliged to re-commence delivery of the Motor Fuels until Distributor is satisfied, in its sole discretion, that the hazard does not exist or has ceased to exist.

e. The Dealer agrees :

- (1) that if Distributor does or causes the doing of any act to remedy a hazard, whether or not the acts are required by law, the Dealer will pay Distributor for all costs and expenses incurred by Distributor for the doing of such act; and
- (2) upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuel or other substance and so notify Distributor immediately if any such spillage is determined to have occurred and Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.

f. Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential environmental hazards.

15. Loaned Equipment

a. Distributor will loan to the Dealer the equipment listed in Schedule "D" hereto (the "Equipment") as and when it may be available for use on the Marketing Premises in the Dealer's business; and the Dealer hereby accepts such loan.

b. Distributor shall have the right, in its sole discretion and from time to time, to replace, add to or substitute any one or combination of items of the Equipment.

c. The Dealer shall:

- (1) pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
- (2) obtain all necessary permits, licences and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;
- (3) not alter, part with possession of, or encumber, lease, or sell the Equipment;
- (4) complete day to day maintenance and repair, including replacement of parts, of the

Equipment unless Distributor advises the Dealer in writing that Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;

- (5) keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;
 - (6) comply with all laws applicable to the Equipment;
 - (7) be responsible for all damage caused to the Equipment by the gross negligence or willful act of any person or persons other than Distributor, its employees, contractors and agents;
 - (8) use the Equipment intended for storage, handling, advertising or displaying the Esso-branded motor fuels and the Petroleum Products, solely for such intended purpose;
 - (9) return to Distributor in good repair and operating condition, reasonable wear and tear excepted (i) all Equipment immediately upon the expiration or earlier termination of this Agreement and (ii) any Equipment replaced by Distributor for any reason immediately upon such replacement;
 - (10) for greater certainty, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (i) effect maintenance and repair of the Equipment and (ii) replace, add to or substitute any one or combination of items of the Equipment; and
 - (11) upon the expiration or earlier termination of this Agreement, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor, and the Dealer agrees not to affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a fixture of the Marketing Premises.
- e. The Dealer acknowledges that it has examined the Equipment provided to the Dealer as of the effective date of this Agreement and is satisfied therewith and shall indemnify Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of Distributor's negligence or a defect in the Equipment, provided the Dealer shall have given Distributor prompt written notice of such negligence or defect.

16. Compliance with Laws

Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits including those concerning the environment, hazardous substances or wastes, toxic substances, and occupational safety and health.

17. Indemnity

The Dealer agrees to indemnify and save harmless Distributor, its partners, directors, officers, employees, agents and affiliates and their respective directors, officers, employees, agents and affiliates (each an "indemnified party") from and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that

they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer's business on the Marketing Premises;
- b. the storage, handling and sale of the motor fuels on and from the Marketing Premises; and
- c. the Equipment.

The foregoing indemnity shall not include a claim arising out of, in respect of or in connection with the negligence or willful misconduct of an indemnified party.

18. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:
 - (1) a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and Distributor arising out of all the operations of the Dealer pertaining to the Dealer's business, whether or not conducted on or from the Marketing Premises with all inclusive limits of at least three million dollars (\$3,000,000) for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and
 - (2) a third party liability policy on all vehicles used in the Dealer's business, with all inclusive limits of at least one million dollars (\$1,000,000) for any one incident.
- b. The insurance policy referred to in subsection 18a.(2) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
- c. Upon written request by Distributor, the Dealer shall provide Distributor with a certificate of insurance and such other information as may reasonably be required by Distributor in a form satisfactory to Distributor as evidence of the insurance required under this Section. The insurance policies shall be endorsed to provide that in the event of any change in them which could affect Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to Distributor thirty (30) days prior to the effective date of any such change or cancellation.
- d. Distributor may amend this Section, in its sole discretion and from time to time, on the anniversary of the commencement date of this Agreement upon sixty (60) days' prior written notice to the Dealer.

19. Technology and Communications

If required by Distributor in writing from time to time, Dealer shall comply with the following:

- a. Install and maintain in good operating condition and at Dealer's expense at the Marketing Premises:
 - (1) a facsimile machine for sending and receiving written communications; and
 - (2) equipment that allows access to the internet or other electronic-transmission or data

communications systems designated by Distributor from time to time.

- b. Subscribe, at Dealer's expense, at the Marketing Premises to a voicemail system for transmitting and receiving telephone communications.
- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition, replacement or updating of point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software.

20. Retail Credit and Debit System

The Dealer acknowledges receipt of an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer Business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor.

The Dealer shall pay to Distributor the following fee(s), which Distributor may amend, in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer:

G-Site data transmission fee: \$ [redacted] /month.

eN-Touch fee: 1 unit(s) at \$ [redacted] /month.

Manual Imprinter: Yes at \$ [redacted] /month.

VSAT Satellite: 1 unit(s) at \$ [redacted] /month

Speedpass "inside pay" pad: [redacted] unit(s) at \$ [redacted] /month

The Dealer shall implement and utilize the retail credit and debit system(s) designated by Distributor, in its sole discretion and from time to time, to be used by its dealers and the Dealer further shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).

21. Termination

- a. Where the end of the term of this Agreement set out in Section 3 is later than the end of the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, or where the said Esso Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said Esso Branded Distributor Agreement, unless:
 - (1) the said Esso Branded Distributor Agreement is extended, renewed or replaced; and
 - (2) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an Esso location.
- b. Distributor, in its sole discretion, shall have the right to terminate this Agreement between Dealer

and Distributor immediately and without notice and demand immediate payment of all monies due it as follows:

- (1) In accordance with the applicable provisions of this Agreement; or
- (2) Bankruptcy proceedings are instituted by or against Dealer; control of Dealer's business or assets pass by law or otherwise to any person or representative other than Dealer; or
- (3) Dealer is in breach of a provision under this Agreement; or
- (4) Dealer fails to timely pay obligations due Distributor under this Agreement; or
- (5) Dealer is in default of any Third Party Credit Card Agreement entered into between the parties in connection with this Agreement, or in the event the Third Party terminates the Dealers use of the Third Party's credit card processing facilities for any reason whatsoever; or
- (6) Any intended indemnity, guarantee, or suretyship in connection with this Agreement is revoked or curtailed; or
- (7) If any motor fuel, other than the Esso-Branded motor fuels are kept, sold or otherwise dealt with on or from the Marketing Premises; or
- (8) If the Dealer fails to sell the Esso-branded motor fuels strictly in accordance with the grades and kinds designated in the Manual; or
- (9) The Dealer sells any Esso-branded motor fuel: (i) in bulk, (ii) to any person for resale, or (iii) to any person not using a government approved container; or
- (10) If the Dealer ceases to carry on the Dealer's business on or from the Marketing Premises; or
- (11) If the Dealer or any of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or any of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is made in respect of the Dealer or any of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed for the Dealer or any of the Guarantors, or if the Dealer or any of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an "insolvent person" as that term is defined in the Act; or
- (12) If the Dealer or any of the Guarantors shall at any time have any of the goods and chattels of the Dealer's business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of Distributor sell any of such goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer's business; or

- (13) If the Dealer fails to operate the Dealer's business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control; or
 - (14) If the Dealer or any of the Guarantors is convicted of or pleads guilty to any criminal offense, whether or not related to the Dealer Business; or
 - (15) If the Dealer fails to maintain adequate inventory of the Motor Fuels at the Marketing Premises to meet the needs of its retail customers; or
 - (16) The Dealer or any of the Guarantors attempts to abandon the Marketing Premises or to sell or dispose of its goods or chattels otherwise than in the ordinary course of its business; or
 - (17) If the Dealer (i) is a corporation and a principal shareholder of the Dealer dies or becomes incapacitated or (ii) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes incapacitated; or
 - (18) If any applicable law now or hereafter in effect renders any provision of this Agreement unenforceable or unlawful.
- c. Upon the expiration or earlier termination of this Agreement for any reason, the Dealer shall immediately:
- (1) cease all use of the Proprietary Marks;
 - (2) pay to Distributor or any person, firm or corporation affiliated or associated with Distributor, all amounts and charges as have or will thereafter become due hereunder or under any other agreement between the Dealer and Distributor or any person, firm or corporation affiliated or associated with Distributor, and are then unpaid;
 - (3) return to Distributor all copies of the Manual then in the possession of the Dealer;
 - (4) notify the telephone company and all listing agencies of the expiration or earlier termination of the Dealer's right to use the Proprietary Marks and terminate all such listings using the Proprietary Marks;
 - (5) surrender the Equipment to Distributor; and
 - (6) at the request of Distributor, take all such action as may be necessary to cancel any trade or business name registration which contains any part of the Proprietary Marks under any applicable law and furnish Imperial with evidence satisfactory to it of compliance with the Dealer's obligation hereunder within thirty (30) days after the expiration or earlier termination of this Agreement.

Any termination of this Agreement pursuant to this Article shall be without prejudice to any other right (including any right of indemnity), remedy or relief vested in or to which Distributor may otherwise be entitled against the Dealer. All monies paid by the Dealer to Distributor under this Agreement or otherwise shall be retained by Distributor as consideration for the rights and benefits previously conferred on the Dealer hereunder and as liquidated damages. The foregoing remedy shall not exclude any of the remedies which Distributor may have at law or in equity by reason of the default, breach or non-observance by the Dealer of any provision of this Agreement.

22. Claims

- a. Neither Distributor nor Imperial Oil is liable to Dealer for shortages in quantity or quality unless Dealer notifies Distributor within 48 hours after delivery (or discovery in the case of latent defect for quality deficiencies) in writing setting forth fully the facts upon which any such claim for shortage in quantity or defect in quality is made and unless Distributor and/or Imperial Oil are given a reasonable opportunity to inspect the Motor fuels concerning which any such claim is being made. Distributor's and/or Imperial Oil's liability with respect to any shortage in quantity shall be limited to an amount equal to the volume of any shortage multiplied by the Dealer's cost of motor fuel including delivery and taxes in effect for the delivery in question. Distributor and/or Imperial Oil's liability with respect to any defect in quality shall be limited to the cost of removing the defective motor fuels from the Marketing Premises at its own expense and replacing them without charge to the Dealer. Distributor and/or Imperial Oil shall not be liable for any special, indirect, or consequential damages to the Dealer for any shortage in quantity or defect in quality. All other claims by Dealer against Distributor or Imperial Oil including their affiliates and subsidiaries of any kind, whether or not arising out of this Agreement, are barred unless Dealer gives Distributor and/or Imperial Oil, as the case may be, notice within ninety (90) days after the event, act or omission to which the claim relates. Whether or not Dealer provides timely notice of a claim, any claim by Dealer is barred unless asserted by the commencement of a lawsuit naming Distributor and/or Imperial Oil as defendant in a court of competent jurisdiction within twelve (12) months after the event, act or omission to which the claim relates.
- b. Dealer recognizes that, at any time during the term of this Agreement, any of the grades or brands of motor fuels sold hereunder or any of the Proprietary Marks may be changed, altered, amended or eliminated. Dealer also recognizes that, at any time during the term of this Agreement, the quality or specification of any of the motor fuels sold hereunder may be changed or altered. If any such change or alteration materially affects the performance of such motor fuels or the needs of Dealer therefor for the purposes intended by Dealer, Dealer may terminate this Agreement as to any such motor fuels so affected on thirty (30) days' prior written notice to Distributor. However, Dealer may not terminate this Agreement for any change in quality or specification of any said motor fuels resulting from compliance with federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits. In the event that the manufacture of certain of the Esso-branded motor fuels sold hereunder is discontinued, Distributor shall notify Dealer of such an event and this Agreement shall terminate as to such motor fuels when such notice is effective.

23. Entire Agreement; Modifications

This Agreement, any documents referred to in this Agreement and any attachments to this Agreement constitute the entire, full and complete agreement between Distributor and Dealer concerning the subject matter hereof, and supersede all prior agreements relating to that subject matter. Except for any permitted to be made unilaterally by Distributor under this Agreement, no amendment, change or variance from this Agreement is binding on either party unless agreed in writing by Distributor's and Dealer's authorized representative. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by Distributor to the Dealer.

24. Miscellaneous

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective assigns. Any assignment of this Agreement by Dealer without Distributor's written consent shall be void.

Distributor's right to require strict performance shall not be affected by any previous waiver or course of dealing. Neither this Agreement nor any modification or waiver shall be binding on Distributor unless in writing signed by an authorized representative. Past performance shall not be deemed a waiver of this requirement.

25. Guarantee

As consideration in part for Distributor entering into this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Guarantors and Distributor, the Guarantors hereby agree as follows:

- a. To unconditionally and irrevocably guarantee to Distributor, as a primary obligor, the due payment by the Dealer of all monies payable under this Agreement and any other obligations whatsoever by the Dealer to Distributor at the time or times appointed therefor, and the due observance and performance by the Dealer of all the covenants, terms, provisions, stipulations and conditions in this Agreement and any other obligations whatsoever to be observed and performed by the Dealer;
- b. To indemnify and save Distributor harmless from and against all costs, losses, expenses and damages it may suffer as a result of the Dealer's non-compliance with any term or condition of this Agreement;
- c. That this shall be a continuing guarantee and shall be binding upon the Guarantors after as well as before the Dealer's non-compliance with any term or condition of this Agreement, until all monies due under the Agreement have been fully paid and satisfied and all covenants, terms, provisions, stipulations, agreements and conditions observed, performed and carried out;
- d. Distributor shall not be bound to exhaust its recourse against the Dealer before requiring payment of any monies or the observance or performance of any obligations by the Guarantors and the Guarantors waive notice of demand for payment or performance, notice of default, protest and notice of protest and any and all other notices and legal and equitable defenses to which the Guarantors may be entitled;
- e. No release or releases and no indulgence or extensions of time or waiver granted by Distributor to the Dealer with respect to the observance or performance or any defaults or breaches of this Agreement by the Dealer nor any dealings between Distributor and the Dealer shall in any way modify, alter or prejudice Distributor or diminish or affect the liability of the Guarantors under this Agreement;
- f. The covenants and agreements herein entered into by the Guarantors are to be construed as both joint and several;
- g. The guarantee and the liability of each of the Guarantors hereunder is not affected by the death or loss or diminution of capacity of any of the Guarantors; and
- h. For clarification, this guarantee extends to and is binding upon each of the Guarantors and their heirs, executors, administrators, legal representatives and assigns, it being understood that this guarantee will continue to bind the Guarantors even if one or each of the Guarantors, as the case may be, cease to be involved, directly or indirectly in the Dealer Business or in the Dealer.

26. Notices

Any notice to be given hereunder:

- a. By Distributor to the Dealer and the Guarantors shall be conclusively deemed to have been given when addressed to the Dealer and: (i) delivered personally or by courier to the Marketing Premises; (ii) mailed by prepaid registered mail addressed to the Dealer at the Marketing Premises; or (iii) sent by electronic facsimile to the Dealer provided evidence of transmission is retained, and
- b. By the Dealer or the Guarantors to Distributor shall be conclusively deemed to have been given when addressed to the following address and: (i) delivered or mailed by prepaid registered mail to Distributor at the following address, or (ii) sent by electronic facsimile to Distributor, provided evidence of transmission is retained, at the following number:

5101 333-96th Avenue NE
Calgary, Alberta T3K 0S3
Attention: Legal Services Department
Facsimile No.: (403) 567-2599

Any notice, if delivered personally or by courier shall be conclusively deemed to have been given when actually received, if mailed by prepaid registered mail, on the fifth business day following the deposit thereof in the mail or, if transmitted by electronic facsimile before 3:00 p.m. on a business day, on that business day and, if transmitted by electronic facsimile after 3:00 p.m. on a business day on the business day following the date of the transmission.

27. Quality Assurance

Dealer agrees to store, handle, sell and dispense the Esso-branded motor fuels purchased and sold hereunder in compliance with the procedures provided by Distributor from time to time.

28. Right of Entry

In addition to any other rights of Distributor under this Agreement, Dealer hereby permits Distributor, Imperial Oil and their respective affiliates, employees, agents, vendors, contractors and representatives to enter, during normal operating hours, the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement, to enforce any and all rights and remedies under this Agreement including taking action to preserve the integrity of the Proprietary Marks and determine Dealer's compliance with this Agreement. Neither Distributor nor Imperial Oil is liable to Dealer for any interference with Dealer's business as a result of Distributor or Imperial Oil entering the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement.

29. Survival

All obligations of the parties hereto which expressly or by their nature survive the expiration, earlier termination, permitted transfer and permitted assignment of this Agreement shall continue in full force and effect, until they are satisfied or by their nature expire.

30. Withholding Payments

The Dealer will not on the grounds of the alleged non-performance by Distributor of any of its obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to Distributor or any person affiliated with Distributor.

31. Further Assurances

The parties agree to diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

32. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the province of or territory of Canada in which the Marketing Premises is located and the federal laws of Canada applicable therein.

33. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity of such provision in any other jurisdiction.

34. No Waiver

No waiver of any covenant, agreement or obligation in this Agreement shall be construed as a waiver of any succeeding breach thereof or of any other covenant, agreement or obligation in this Agreement, and no delay or omission on the part of any party to exercise any right acquired through the default of any other shall be construed as a waiver of or shall impair such right.

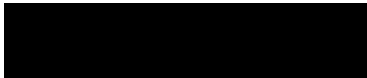
35. Compliance with Law; Workers Compensation; Environmental

- a. The Dealer shall fulfill all the duties imposed upon it by law and shall obey all laws, regulations, rules, by-laws and ordinances applicable to the Dealer's business and to the Marketing Premises, including without limitation the competition laws of Canada and all other applicable laws relating to competition.
- b. The Dealer shall: (i) comply fully, at the Dealer's sole expense, with provisions of the relevant Workers' Compensation legislation; and (ii) obtain for all the persons employed in the Dealer's business, including the Dealer and the principal shareholder(s) and interest holder(s) of the Dealer, as the case may be, the complete package of benefits available under the relevant Workers' Compensation legislation.
- c. The Dealer shall comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.

36. No Special or Consequential Damages

Distributor shall not be liable for any special or consequential damages or loss of profit arising from any breach of its obligations under this Agreement.

INTENTIONALLY LEFT BLANK



37. Independent Legal Advice

Each of the Dealer and the Guarantors acknowledges that it: (i) has had ample time to read and has read this Agreement and has been afforded the opportunity to retain independent legal advice to assist it in its review, execution and delivery of this Agreement; and (ii) has of its own free will either declined to do so or obtained independent legal advice.

EXECUTED as of the date first herein specified.

PA  **INDUSTRIES LTD.**

PE 

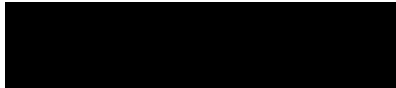
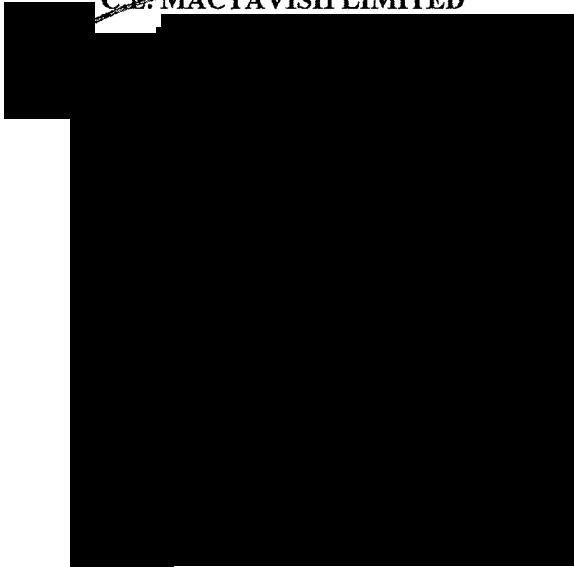
Scott McKelvie
Director of Retail Operations

PER: 

Peter Kilty

Vice President, Retail

C.E. MACTAVISH LIMITED



Witness



Witness



SCHEDULE "A"

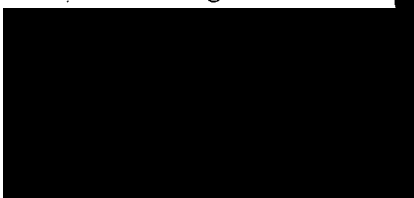
Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and C.E. Mactavish Limited

PAYOR'S AUTHORIZATION FOR PRE-AUTHORIZED DEBITS
(Business Purposes)

1. The Payor hereby certifies the accuracy of the following information:

Name: _____ (the "Payor")
 Address: _____
 Town: _____
 Province: _____
 Postal Code: _____
 Telephone Number: _____
 Account: _____ (the "Account")
 Name of Payor's _____
 Financial Institution: _____ (the "Processing Institution")

2. Attached to this Authorization is a specimen cheque of the Payor marked 'VOID'.
3. The Payor will notify Parkland (the "Payee"), in writing, of any change in the information provided in Sections 1 and 2 of this Authorization thirty (30) days prior to the effective date of any such change.
4. The Payor hereby authorizes the Payee to draw on the Account with the Processing Institution (each a pre-authorized debit or ("PAD")) to facilitate the payment of any and all such monies owing by the Payor to the Payee, including without limitation any monies owing pursuant to the Motor Fuel Supply Agreement - Esso-Branded Motor Fuels among the Payee, the Payor and others.
5. The Payor represents and warrants that all persons whose signatures are required to authorize withdrawals from the Account have signed this Authorization and that all persons signing this Authorization are the authorized signatories and are duly authorized to execute this Authorization.
6. This Authorization may be cancelled by the Payor at any time upon written notice to the Payee.
7. The Payor acknowledges that executing and delivering this Authorization to the Payee constitutes delivery by the Payor to the Processing Institution.
8. The Payor and the Payee each hereby waive any and all PAD pre-notification requirements otherwise required by Rule H1 of the Canadian Payments Association ACSS Rules Manual.
9. The Payee may issue PADs in a dollar amount up to a maximum of \$ _____ per day.
10. The Payor acknowledges that the Processing Institution is not required as a condition to honouring a PAD issued to verify that a PAD has been issued in accordance with the particulars of the Authorization, including without limitation the amount of the PAD and that the consideration for the payment for which the PAD was issued has been received by the Payee.
11. The revocation of this Authorization by the Payee does not terminate any contract for goods or services that exists between the Payee and the Payor. This Authorization applies only to the method of payment and does not otherwise have any bearing on the contract for goods or services exchanged.
12. The Payor may dispute a PAD only under the following conditions:



- (1) the PAD was not drawn in accordance with this Authorization; or
- (2) this Authorization was revoked.

The Payor acknowledges that in order to be reimbursed, a declaration to the effect that one of foregoing circumstances occurred, must be completed and presented to the branch of the Processing Institution holding the Account up to and including 10 business days after the date on which the PAD in dispute was posted to the Account.

13. The Payee shall provide to the Payor notice and particulars of each PAD within 10 days following the date the Payee issues the PAD.
14. The Payor acknowledges that when disputing any PAD beyond the time allowed in this section it is a matter to be resolved solely between the Payor and the Payee, outside the payments system.
15. The Payor acknowledges that the information contained in the Authorization may be disclosed to the Payee's financial institution(s) as may be required or desirable to complete any PAD transaction.
16. The Payor understands and accepts the terms of participating in a PAD plan.

SCHEDULE "B"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and C.E. Mactavish Limited

OPERATING STANDARDS

The following operating standards for the Premises set out the Dealer's responsibilities with respect to safety and other operating procedures for the Premises and must be complied with strictly.

Operating Procedures

- Be aware of, and comply with, any applicable law relating to the operations on the Premises and any accounting and inventory management system requirements.
- Understand all duties in running the Premises.
- Ensure that the Dealer's employees understand the duties delegated to them.

Safety

The Dealer's employees must:

- Use safe work procedures when carrying out their duties.
- Be aware of and follow safe work practices when carrying out their duties.
- Be trained in the recognition and correction of hazardous conditions to avoid emergencies.
- Be aware and comply with applicable safety regulations.

Security/Robbery Prevention

- Take proper preventative measures to reduce the risk of robbery.
- Train the Dealer's employees in security and robbery prevention.
- The Dealer must train the Dealer's employees in the procedures to follow before, during and after a robbery.

Critical Equipment

- Know the critical equipment on the Premises.
- Ensure that the Dealer's employees are aware of the critical equipment on the Premises.
- Ensure that when critical controls are disarmed, appropriate communication takes place prior to such disarming and that such critical controls are re-activated.
- Follow appropriate procedures for disarming the critical equipment, including completing the form for the disarming or removal of critical controls and shutdown systems.

Emergency Response

- Post the emergency response plan wall chart on the Premises in a conspicuous place.
- Train Dealer's employees in emergency response. This should include a review of potential hazards and how to deal with them, and the operation and use of fire extinguishers.
- Have the required equipment and supplies to respond to emergency situations.
- Hold at least two practice drills each year using different emergency situations.
- Document the Dealer's employee training and practice drills.

Workplace Hazardous Materials Information System ("WHMIS")

- Educate and train all the Dealer's employees on the WHMIS program prior to their starting work on the Premises and provide documented evidence thereof.
- Ensure that all Material Safety Data Sheets for controlled products are current, available and accessible to the Dealer's employees.
- Conduct at least once per year a review of WHMIS with the Dealer's employees and provide a forum for the Dealer's employees to discuss any related concerns and issues.
- Ensure that all containers of controlled products are properly labeled.
- Ensure that all fill pipes, gauge pipes and valves are properly tagged.
- Keep an inventory list of controlled products on the Premises in those provinces where it is required.

Waste Management

- Be familiar with and comply with the applicable waste regulations.
- Dispose of waste generated at the Premises according to the applicable waste regulations.
- If required by applicable laws, have a signed contract with a licensed hauler for the removal of hazardous wastes from the Premises.
- Use only a licensed hauler to remove and transport hazardous waste from the Premises.
- Keep copies of all waste manifests on file for a minimum of 2 years, or longer if required by applicable laws.

Licences and Permits

- Have the necessary operating licences and permits to meet regulatory requirements.
- Have on the Premises all manuals required or advisable to operate the service station.

Incident Definition and Reporting

- Report specified incidents to the territory manager.
- Be aware of and understand the Dealer's responsibilities for reporting specific incidents directly to government agencies.
- Share the benefit of past incidents with the Dealer's employees.
- Document the incidents and keep them on file.

Training

- Provide initial and continuous training to all the Dealer's employees.
- If required by applicable laws, maintain training records for each of the Dealer's employees on the Premises.

Credit Card

- Follow the standards for credit card authorization and processing documented in the Credit Card Guide.
- Retain the credit card slips for:
 - 6 months for manual transactions; and
 - 12 months for electronic transactions.
- Provide copies of credit card slips to Imperial within the time requested.
- Submit manual slips on a timely basis.

Esso Extra Card

- Collect, use and disclose information gathered for use by Imperial in connection with the Esso extra card only in accordance with applicable laws.
- Display all point-of-purchase materials prescribed by Imperial in connection with the Esso Extra card.
- Ask each purchaser of applicable merchandise or services whether he or she has an Esso extra card. If so, whether he or she would like to use it and, if not, whether he or she would like to obtain an Esso extra card.
- Record and process the sales transactions of retail customers with an Esso extra card, using the Esso extra card.
- Maintain an adequate supply of merchandise redeemable by holder of Esso extra cards.
- Redeem valid Esso extra card reward certificates presented by retail customers for prescribed merchandise or services.

Record Retention

- Keep all relevant records on the Premises to be able to prove that you have taken the necessary steps to comply with applicable law.

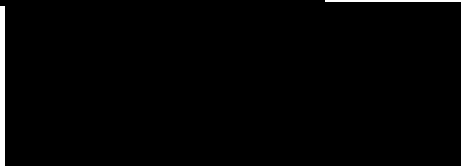


SCHEDULE "C"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and C.E. Mactavish Limited

FACILITY REQUIREMENTS

Item	Description		"New" & >100K D1Sites	Min Stds New	Min Stds Renewal Or Upgrade
Weather Canopy	Fascia	3D			
(Canopy required at all D1 & D2 sites only)		2D			
(Standards for all other sites with existing canopies)	Column Cladding	New Style (wide perpendicular to pump) Colour - Cambridge White by Color Steel Inc.			
		Current (wide facing pump) Colour to match Cambridge White by Color Steel Inc			
		None (steel column only) Colour to match Cambridge White by Color Steel Inc.			
Pump/Dispenser		Image 2000 (Blue Graphics for new gasoline dispensers - Red for existing)			
		Previous Esso			
		Pay at the pumps & Speedpass			
MID		New Image (Flag Type)			
		Previous Esso			
Painting	MID Structural Posts, Sign Frames	P - 5 White.			
	Lighting poles, Posts, island fascia, Message Sign Frames	P - 13 Grey			
POS	G-Site				



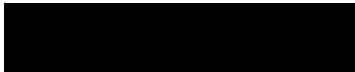
	Operating retail automation system compatible with Imperial's card processing network
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***Subject to MID sign permit availability

Definitions

3D	600mm illuminated Red Frameless Flexface Fascia with 300 non-illuminated white metal Fascia. C/W individually "ESSO" Red illuminated letters.
2D	900mm illuminated Frameless Flexface Fascia, 600mm high red and 300 mm White, with ESSO letters.
MID	Major Identification Sign
D-1	<p>Dealer Forecourt & Backcourt meeting the following requirements:</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards that can be upgraded to 3D, 3 Products with proper pump ID. Current Major Identification sign, Good Gas Location. • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
D-2	<ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards Minimum 2 (preferred 3) products with proper pump I.D. M.I.D. S/B goal post (minimum) but other to standard acceptable • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
100k	Market Area Population in 1000's

Changes To Brand Standards - Imperial may change its "Facility Requirements for Distributor Esso-Branded Outlets" from time to time. Imperial will notify the Distributor of all changes and the Distributor must comply with these changes for all future applications.



SCHEDULE "D"

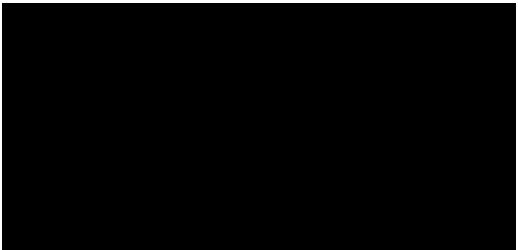
Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and C.E. Mactavish Limited

EQUIPMENT

The following is a list of the Equipment:

Sign Type	Quantity
MID – Single post 3d image	[Redacted]
Canopy Inserts	
VSAT	
Speedpass Pad	
Manual Imprinter	set – 3 sides – Illuminated

Dealer is responsible for maintenance of above equipment



SCHEDULE "E"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and C.E. Mactavish Limited

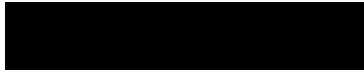
CUSTOMER LOYALTY OBLIGATIONS**1. Participation**

Dealer shall participate in the Esso Extra Win & Earn promotional program (the "Program") offered by Imperial to its Distributors, retailers and retail customers. Dealer shall comply with all requirements of the Program, including without limitation, the procedures, instructions and guidelines relating to the Program (the "Guidelines"), as provided or amended by Imperial to Dealer from time to time in its sole discretion. Without limiting the generality of the foregoing, Dealer shall:

- collect and communicate customer information to Imperial for Imperial's use only and in accordance with applicable laws and regulations (for greater certainty, Dealer shall not provide any customer information to any person other than Imperial nor shall Dealer use any customer information other than in accordance with the Guidelines or as otherwise directed by Imperial from time to time),
- ensure the Esso Extra card or the Royal Bank Esso VISA card is offered to each retail customer in accordance with the Guidelines,
- record and process sales transactions and the applicable Program points in accordance with the Guidelines for retail customers participating in the Program,
- redeem Program points as requested by customers at the Site for merchandise or services in accordance with the Guidelines,
- maintain an adequate supply of merchandise required to redeem Program points, or, if such merchandise is unavailable, maintain a supply of equivalent merchandise, and display all Program point-of-purchase promotional materials or signage at the times and in the manner prescribed by Imperial during the Program.

2. Electronic Reward Redemption Remuneration

The Distributor shall pay Dealer an amount (the "Reward Payment"), plus applicable taxes (other than income taxes), for each valid Program reward redeemed electronically at the Site in accordance with the Guidelines. The Reward Payment payable by the Distributor to Dealer shall be credited to Dealer's account with the Distributor on or about the 15th day and on or about the last day of each month. Distributor may change the manner and the time the Reward Payment is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Reward Payment shall be calculated by Imperial as the actual number of reward redemptions for each type of reward redeemed electronically by customers at the Site multiplied by the reward cost rate as determined solely by Imperial and documented in the Guidelines.



3. Promotional Program Fee

If applicable law permits, the Dealer shall pay Distributor a promotional program fee (the "Program Fee"), plus applicable taxes (other than income taxes). The Program Fee payable by Dealer to Distributor shall be debited directly from Dealer's account with the Distributor on or about the 15th day and on or about the last day of each month. Imperial may change the amount, manner and the time the Program Fee is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Program Fee shall be calculated as the number of points (the "Fee Points") awarded to customers for transactions made at the Site multiplied by the program rate (the "Fee Rate").

The Fee Points are the total of:

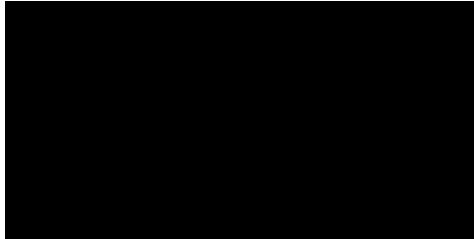
- the base points issued at a rate of one point per dollar spent,
- all bonus points issued for sales of different grades of gasoline or car washes, and
- points issued for offers unique to the Site as instituted or extended by Dealer.

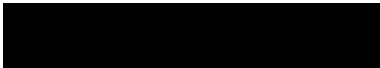
For greater certainty, the Fee Points excludes:

- (i) promotional points issued via direct mail offers extended by Imperial to customers
- (ii) points issued to holders of the Royal Bank Esso VISA card at a rate of one point per dollar charged to the card regardless of the vendor where the card is used, and
- (iii) bonus points issued for the purchase of specific merchandise on the Site through a program instituted or extended by Imperial.

The Fee Rate is defined as:

Fuel products & services	\$		for each point issued
Convenience store products & services	\$		for each base point issued
Car wash products & services	\$		for each base point issued
Other products & services	\$		for each point issued
Vehicle repair bay products & services	\$		for each point issued





GUARANTEE

TO: PARKLAND INDUSTRIES LTD.
236, 4919 – 59 Street
RED DEER, Alberta, T4N 6C9
(hereinafter called "Parkland")

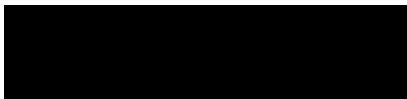
RE: Guarantee of Corporate Indebtedness

The undersigned (hereinafter called the "Guarantor") being a principal of **C.E. MACTAVISH LIMITED** (hereinafter called the "Corporation") in consideration of Parkland granting or extending credit (the "Indebtedness") to the Corporation arising from any dealings between Parkland and the Corporation, present or future, direct or indirect, including but not limited to the purchase of petroleum products, including all accessories related thereto, do hereby for myself, my heirs, executors, administrators (and where there are more than one undersigned Guarantor, jointly and severally) unconditionally guarantee the payment when due of all Indebtedness, interest and penalties thereon, if applicable, owing to Parkland by the Corporation from time to time and unconditionally guarantee the performance of all obligations of the Corporation to Parkland. Parkland shall have the right at any time to take and release any collateral or other securities, to extend the time for payment by the Corporation or any person liable upon any collateral or other securities, to compromise or compound with the Corporation or to release the Corporation without notice to the Guarantor and without the Guarantor's consent and without discharging or effecting the liability of the Guarantor to Parkland.

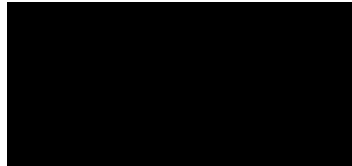
Parkland shall not be bound to exhaust its recourses against the Corporation or other persons, or the securities Parkland may hold before being entitled to payment from the Guarantor.

This Guarantee shall be a continuing Guarantee and shall extend to and be security for all the sums of money, indebtedness and other obligations which shall or at any time be due from the Corporation to Parkland.

GIVEN under hand and seal at *[Signature]*, in the Province of Ontario this 6 day of Dec, 2012.




Signature of Witness





AFFIDAVIT OF EXECUTION

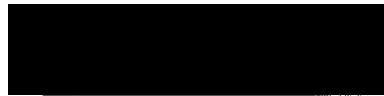
CANADA) I, 
)
PROVINCE OF ONTARIO) of London, in the Province of Ontario,
)
TO WIT) **MAKE OATH AND SAY:**

1. **THAT** I was personally present and did see **Steve Mactavish** named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes therein.


2. **THAT** the same was executed at Exeter, in the Province of Ontario and that I am the subscribing witness thereto.

3. **THAT** I know the said **Steve Mactavish** and he/she is in my belief of the full age of 18 years.

SWORN BEFORE ME at the City)
 of London, in the Province)
 of Ontario, this 17th day)
 of November, A.D. 2012)
)
)
A COMMISSIONER FOR OATHS in)
 and for the Province of Ontario)
 My Commission expires _____)



Signature of Witness
 Name: _____
 Address: _____

 a Commissioner, etc.)
 County of Middlesex, for)
 Registrars & Solicitors.)
 Expires 10 July 7, 2014.)





GUARANTEE

TO: PARKLAND INDUSTRIES LTD.
236, 4919 – 59 Street
RED DEER, Alberta, T4N 6C9
(hereinafter called "Parkland")

RE: Guarantee of Corporate Indebtedness

The undersigned (hereinafter called the "Guarantor") being a principal of **C.E. MACTAVISH LIMITED** (hereinafter called the "Corporation") in consideration of Parkland granting or extending credit (the "Indebtedness") to the Corporation arising from any dealings between Parkland and the Corporation, present or future, direct or indirect, including but not limited to the purchase of petroleum products, including all accessories related thereto, do hereby for myself, my heirs, executors, administrators (and where there are more than one undersigned Guarantor, jointly and severally) unconditionally guarantee the payment when due of all Indebtedness, interest and penalties thereon, if applicable, owing to Parkland by the Corporation from time to time and unconditionally guarantee the performance of all obligations of the Corporation to Parkland. Parkland shall have the right at any time to take and release any collateral or other securities, to extend the time for payment by the Corporation or any person liable upon any collateral or other securities, to compromise or compound with the Corporation or to release the Corporation without notice to the Guarantor and without the Guarantor's consent and without discharging or effecting the liability of the Guarantor to Parkland.

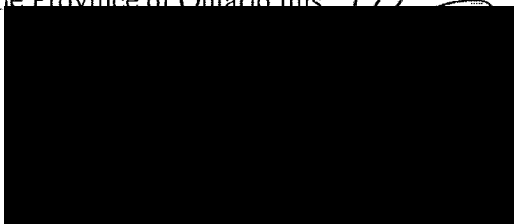
Parkland shall not be bound to exhaust its recourses against the Corporation or other persons, or the securities Parkland may hold before being entitled to payment from the Guarantor.

This Guarantee shall be a continuing Guarantee and shall extend to and be security for all the sums of money, indebtedness and other obligations which shall or at any time be due from the Corporation to Parkland.

GIVEN under hand and seal at Hanover, in the Province of Ontario this 10 day of Dec, 2012.

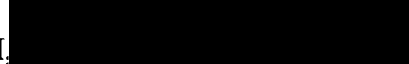


Signature of Witness






AFFIDAVIT OF EXECUTION

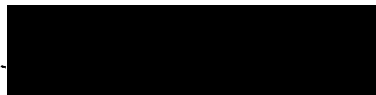
CANADA) I ,


PROVINCE OF ONTARIO) of Hanover in the Province of Ontario,

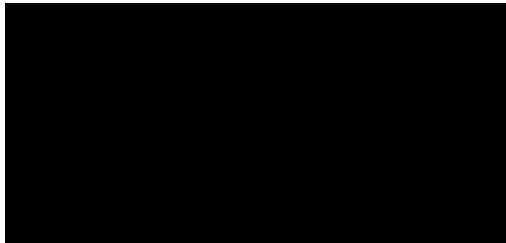
TO WIT) **MAKE OATH AND SAY:**

1. **THAT** I was personally present and did see **Brian Mactavish** named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes therein.
2. **THAT** the same was executed at Hanover, in the Province of Ontario and that I am the subscribing witness thereto.
3. **THAT** I know the said **Brian Mactavish** and he/she is in my belief of the full age of 18 years.

SWORN BEFORE ME at the City)
of London, in the Province)
of Ontario, this 17th day)
of January, A.D. 2012)
)
A COMMISSIONER FOR OATHS in)
and for the Province of Ontario)
My Commission expires _____)


Signature of Witness
Name: _____
Address: _____

 a Commissioner, etc.,
County of Middlesex, for
Barristers & Solicitors.
Expires February 7, 2014.



ADDENDUM

THIS ADDENDUM IS ATTACHED TO AND FORMS PART OF THE ESSO-BRANDED MOTOR FUEL SUPPLY AGREEMENT DATED EFFECTIVE Nov. 16, 2012 AND MADE BETWEEN PARKLAND INDUSTRIES LTD., AS DISTRIBUTOR, AND C.E. MACTAVISH LIMITED AS DEALER AND, [REDACTED] AND [REDACTED] AS GUARANTORS.

FORGIVABLE LOAN

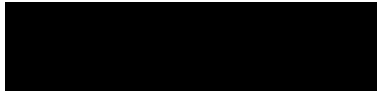
1. At the request of the Dealer, the Distributor will provide a forgivable loan up to a maximum of [REDACTED] DOLLARS to be used towards site improvements at the Marketing Premises. Such site improvements may include, but are not limited to, pump island merchandising equipment and uniforms for the Dealer's staff.

2. The said sum of [REDACTED] will be earned by the Dealer in the following manner: every time a delivery of Esso Branded motor fuels is made by the Distributor to the Dealer at the time of payment by the Dealer for such delivery, the Distributor will forgive an amount equal to [REDACTED] per litre for every litre of Esso Branded motor fuels delivered by the Distributor to the Dealer, subject to the following: if the Dealer discontinues the business of a retail petroleum fuels outlet at the Marketing Premises, or if said Esso-Branded Motor Fuels Supply Agreement is terminated or cancelled or expires at any time prior to its having been in full force and effect for a time sufficient for the Dealer to earn the said sum then the Dealer hereby promises to repay, on demand, to the Distributor that portion of the said sum of [REDACTED] that has not been earned by the Dealer.

3. Prior to any advancement of funds:

- (a) The Dealer will execute and deliver the Esso-Branded Motor Fuel Supply Agreement and this Addendum to the Distributor;
- (b) The Dealer will cause to be delivered to the Distributor sufficient security in the form of:
 - (i) a Firm Irrevocable Letter of Credit (in form and content acceptable to the Distributor) issued by a recognized financial institution in the sum of [REDACTED] or
 - (ii) a Collateral Mortgage in the principal amount of [REDACTED] granted by the Borrower in favour of the Lender, on the Marketing Premises;
- (c) The Dealer will provide the Distributor with the paid invoices of approved site improvements;

INTENTIONALLY LEFT BLANK



- (d) There is no event of default under this Agreement; and
- (e) There is, in the opinion of the Distributor, acting reasonably, no material adverse change in risk.

PARK [REDACTED] STRIES LTD.

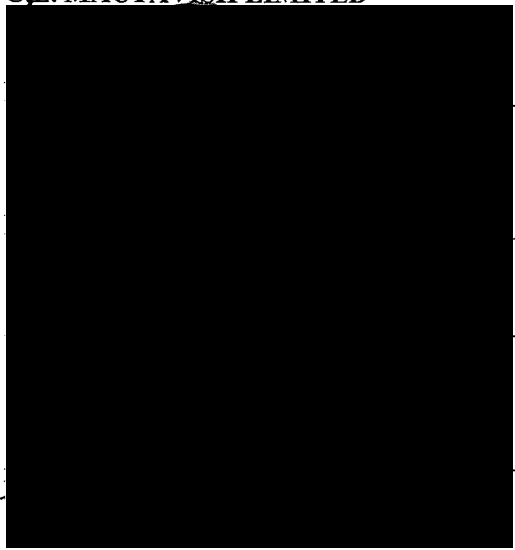
PER: [REDACTED]

Scott McKelvie
Director of Retail Operations

PER: [REDACTED]

Peter Kilty
Vice President, Retail

C.E. MACTAVISH LIMITED



Witness



Witness

**MOTOR FUEL SUPPLY AGREEMENT
ESSO-BRANDED MOTOR FUELS**

This Agreement is made on February 1st, 2005 (the "Effective Date")

BETWEEN:


NOCO Canada Inc.
5468 Dundas Street West, Suite 401
Etobicoke, Ontario
M9B 6E3
(hereinafter called "Distributor")

- and -

1143294 Ontario Inc.
(hereinafter called "Dealer") having a
motor fuels "Marketing Premises" located at

27523 Highway 62S, R.R.#1
Bancroft, Ontario K0L 1C0

- and -


(hereinafter called the "Guarantors")

WHEREAS Distributor is engaged in the sale and distribution of high quality petroleum products under the nationally and internationally known ESSO trade mark;

AND WHEREAS the Dealer desires to carry on the business of the sale of petroleum products in accordance with this Agreement;

AND WHEREAS the Guarantors have agreed to guarantee the obligations of the Dealer under this Agreement as consideration in part for the Distributor entering into this Agreement;

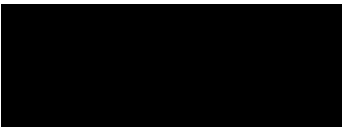
AND WHEREAS, based on its marketing strategies Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("Imperial Oil") has established the following core values ("Core Values"), namely

- To deliver quality products that customers can trust.
- To employ friendly, helpful people.
- To provide speedy, reliable and friendly service.
- To provide clean, attractive and well maintained retail facilities.
- To be a responsible, environmentally conscious neighbour.

NOW THEREFORE the Distributor and the Dealer agree as follows:

2. Grant

Distributor, under an Esso Branded Distributor Agreement with Imperial Oil, has the right to grant to Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the terms and conditions of this Agreement, Distributor grants Dealer the right to use the "Esso" mark and such other proprietary marks specified by Imperial Oil, from time to time, for use in connection with the sale of Esso-branded motor fuels ("Proprietary Marks") at the Marketing



Premises. Dealer hereby accepts the use of the Proprietary Marks subject to the terms and conditions of this Agreement and agrees to conduct its business in a manner consistent with the commitments in the Core Values and agrees to comply with Imperial Oil business standards and policies, including, without limitation Imperial Oil's National Standards Handbook as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by Distributor from time to time. DEALER ACKNOWLEDGES THAT ITS RELATIONSHIP IS EXCLUSIVELY WITH DISTRIBUTOR. NOTHING IN THIS AGREEMENT MAY BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN DEALER AND IMPERIAL OIL.

3. Related Businesses

Distributor acknowledges that Dealer may wish to operate, during the term of this Agreement, additional businesses ("Related Businesses") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, Distributor's trademarks, Dealer's own trademarks or third party trademarks. Dealer acknowledges that the operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the Esso-branded motor fuels and Proprietary Marks. Accordingly, Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by Distributor to Dealer from time to time. If Dealer fails to comply with this Agreement or any such requirements, and without limiting Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, Distributor may require Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks, or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Effective Date, Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.

4. Term

The term of this Agreement is for the period beginning on February 1st, 2005 and ending on January 31st, 2015, unless terminated earlier in accordance with this Agreement. If the said term exceeds the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, then the term of this Agreement shall expire upon the expiry of the said Esso Branded Distributor Agreement.

5. Product Quantities

- a. Distributor shall sell and deliver and Dealer shall purchase, receive and pay for the Dealer's entire requirements of Esso-branded motor fuel for sale at the Marketing Premises in the quantities and at the prices and terms and conditions set out herein. The motor fuels purchased by Dealer from Distributor under this Agreement shall be for resale at the Marketing Premises only. The Dealer shall use good faith and diligent efforts to maximize the sale of Esso-branded motor fuels at the Marketing Premises. Dealer shall at all times have available for sale at the Marketing Premises such quantities of the Esso-branded motor fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.
- b. The minimum annual volume of Esso-branded motor fuel Dealer is obligated to purchase during any contract year ("contract year" meaning the consecutive twelve (12) months beginning on the Effective Date and each subsequent consecutive twelve (12) month period) is [REDACTED] litres (the "Minimum Annual Volume"). The Minimum Annual Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil.
- c. In each contract year, Dealer must purchase from Distributor a minimum of eighty percent (80%) of the Minimum Annual Volume for Esso-branded motor fuel. Should Dealer fail, in any contract year, to purchase the aforementioned 80% of the Minimum Annual Volume of Esso-branded motor fuel, Distributor may terminate or not renew this Agreement upon giving 60 days prior written notice to the Dealer and the Guarantor(s).

6. Dealer Payment

- a. As consideration in part for the Dealer accepting the use of the Proprietary marks as set out herein, Distributor shall pay to the Dealer a payment in the amount of [REDACTED] cents per litre (plus applicable taxes) multiplied by the number of litres of the Esso-Branded motor fuels purchased by the Dealer from Distributor pursuant to this Agreement (the "Dealer Payment"). The Dealer Payment shall be calculated by Distributor based on the Distributors' records and paid by Distributor to the Dealer monthly in arrears within twenty (20) days immediately following the end of each month during the term of this Agreement.
- b. Distributor shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days' prior written notice to the Dealer and the Guarantors if the Dealer fails to purchase eighty (80) percent of the Minimum Annual Volume in any contract year.
- c. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the covenants or agreements contained in this Agreement; and (ii) this Agreement shall not have terminated.

7. Right of First Refusal

- a. The Dealer hereby grants to the Distributor the right of first refusal to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of any bona fide written offer received by the Dealer during the Term of this Agreement which the Dealer is willing to accept. The Dealer shall send such written offer to the Distributor in the manner provided herein for the giving of notices, and the Distributor shall have ten (10) days from the receipt of such written offer in which to notify the Dealer that it elects to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of such offer. If the offer does not consist wholly of cash the Distributor shall have the right to meet the Terms of such offer with a reasonable equivalent in cash. In the event the Distributor does not exercise its rights hereunder, the Dealer shall be free after the end of said period of ten (10) days to sell, lease or sublease the Marketing Premises on the terms and conditions contained in the bona fide written offer but subject to the terms of this Agreement including this option.
- b. In the event the Distributor exercises its rights to purchase, lease or sublease (as the case may be) the Marketing Premises, this Agreement, together with any other related agreements, shall terminate on the date of closing or completion of the transaction.
- c. The Dealer covenants and agrees that as a condition precedent to the Distributor allowing the Dealer to sell or lease or sublease the Marketing Premises and the business thereon to a third party, the Dealer will execute and deliver to the solicitor acting on the Dealer's behalf in such transaction an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, such amounts of money that are still due and owing to the Distributor by the Dealer. In the event the proceeds of the sale paid to the Distributor are insufficient to extinguish the Dealer's indebtedness to the Distributor, the Dealer shall continue to be liable to the Distributor for any remaining indebtedness to the Distributor.

8. Price and Terms of Sale

- a. The Dealer shall pay Distributor for the Esso-branded motor fuels purchased pursuant to this Agreement the price thereof in effect at the Distributors' designated loading rack at the time that the motor fuels are loaded for delivery to the Dealer, plus the cost of delivery, plus all applicable taxes. The motor fuel prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. The designated loading rack, delivery rate and applicable taxes in effect at the commencement of this Agreement are set out in Schedule "A" hereto. In the event of a shortage or unavailability of the motor fuels at the Distributors' designated loading rack for any particular delivery to the Dealer the Distributor shall use its best efforts to deliver motor fuels from an alternate loading rack in order to complete the delivery and the Dealer hereby agrees to pay for any increased costs required to complete such delivery.

- b. Measurement of the volume of each delivery of the motor fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15 degrees Celsius in accordance with normal industry practice.
- c. All purchases of the Esso-branded motor fuels, shall be paid by the Dealer upon or before delivery in immediately available funds as set out herein, unless Distributor, in its sole discretion and from time to time, grants credit terms to the Dealer. If Distributor grants credit terms to the Dealer, such credit terms may be amended by Distributor in its sole discretion upon written notice from time to time. If Distributor grants credit terms to the Dealer and the Dealer accepts delivery of any Esso-branded motor fuel in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation paying interest on overdue accounts at rates to be determined by Distributor from time to time. Distributor reserves the right to withhold any amounts due by the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its sole discretion and without notice decline to make deliveries of motor fuels to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.
- d. The Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to Distributor by the Dealer pursuant to this Agreement:
- (1) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by Distributor, in its sole discretion and from time to time;
 - (2) may be collected by Distributor by pre-authorized debit in the manner set out on Schedule "B" or by wire transfer.
- f. The Dealer shall, from time to time, execute and deliver to Distributor an authorization for pre-authorized debit substantially in the form of Schedule "B" in order to facilitate the collection of payments pursuant to this Section. Distributor may amend Schedule "B", in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer.
- g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer's business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
- h. Distributor agrees that, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, the Distributor will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

9. Delivery

- a. Delivery will be by tank truck into Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the motor fuel shall pass to the Dealer as the motor fuel is discharged from Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.

- b. Dealer shall ensure that the Distributors tank truck will have unimpeded access to the fill pipes and storage tanks while making any delivery to the Marketing Premises.
- c. Dealer will notify Distributor of any required delivery of motor fuels in accordance with Distributors written ordering and delivery procedures. Dealer will only order deliveries in "full truck load" quantities as set out in Schedule "A". Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. Dealer will accept delivery of the Esso-branded motor fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributors ordering and delivery procedures.
- d. Upon the dispatch of a delivery vehicle by Distributor to deliver the Esso-branded motor fuels to the Marketing Premises, the Dealer agrees to either accept the delivery of a "full truck load" of the Esso-branded motor fuels (or less than a "full truck load" of the Esso-Branded motor fuels only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to Distributor all the reasonable costs incurred by Distributor in connection with any delay or aborted delivery.
- e. Distributor shall not be required to deliver to the Dealer the Esso-Branded motor fuels in any quantity less than a "full truck load" or "deemed full truck load", which shall be determined in each case by Distributor in its sole discretion and from time to time. If the Dealer requests the delivery of and Distributor agrees to deliver the Esso-branded motor fuels in a quantity less than a "full truck load" or "deemed full truck load", then Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however, the delivery by Distributor of Esso-branded motor fuels in a quantity less than a "full truckload" or "deemed full truckload" on any one or more occasions shall not require Distributor to deliver Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the sole discretion of Distributor from time to time.

10. Product Control

- a. Dealer shall exercise the highest degree of care in handling, storing, selling and using the Esso-branded motor fuel delivered to the Marketing Premises. Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any Esso-branded motor fuel (including without limitation, the blending of such motor fuels with ethanol). Dealer shall not sell from the Marketing Premises Esso-branded motor fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. Distributor may refuse to make deliveries into Dealer's storage tanks at the Marketing Premises until in Distributor's judgment, any deficiencies in the quality of motor fuels at the Marketing Premises are corrected.
- b. Access to Premises. Dealer grants Distributor and Imperial Oil (including their employees, agents and contractors) the right to enter the Marketing Premises during normal business hours to examine the contents of Dealer's storage tanks in which said motor fuels purchased hereunder are handled or stored. Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to Dealer's obligations under this Agreement.

11. Contingencies

No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any covenant, agreement, or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to Distributor or to Imperial Oil or any person affiliated with distributor under this Agreement) if such default or non performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any delays in or failure of performance by Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request, or control of any governmental authority; or
- b. When the supply of motor fuel at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by Distributor is interrupted, unavailable or inadequate for any reason or cause which Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of motor fuels to be sold under this Agreement by allocating its available supply of motor fuels among its customers, itself, and its related and subsidiary companies in such manner as it may in its sole and absolute discretion determine and Distributor shall not be obliged to obtain or purchase other supplies of the motor fuels to make up any such shortage.

12. Proprietary Marks

- a. Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for Dealer's use and shall only use such marks to designate the origin of the Esso-branded motor fuels and otherwise in the manner authorized and instructed by Distributor from time to time. DEALER AGREES THAT MOTOR FUELS AND PETROLEUM PRODUCTS OF OTHERS WILL NOT BE SOLD BY DEALER UNDER SUCH PROPRIETARY MARKS. If, in the sole opinion of Distributor, any samples taken by Distributor or Imperial Oil under this Agreement are not Esso-branded motor fuels, or are not in the condition in which delivered by Distributor, or any documents and records reviewed by Distributor or Imperial Oil show Dealer has failed to comply with its obligations hereunder, Distributor may, at its sole option, debrand the Marketing Premises in question or cancel and terminate this Agreement.
- b. By written notice to Dealer, Distributor may withdraw its approval to: (i) brand the Marketing Premises ("debrand") or (ii) use or operate any motor fuels business or Related Businesses at the Marketing Premises, if, in Distributor's sole judgment: (i) the Marketing Premises (or the motor fuels business and/or Related Businesses) fails to portray the image and standards expected from Esso-branded retail outlets; or (ii) Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If Distributor debrands the Marketing Premises, withdraws its approval to use or operate the motor fuels business or Related Businesses at the Marketing Premises, upon termination of this Agreement, or prior thereto upon demand by Distributor, Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from Distributor, consisting in whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.
- d. Dealer agrees to take no action that will diminish or dilute the value of the Proprietary Marks. Dealer shall not sell non-Esso branded motor fuels under any of the Proprietary Marks, including without limitation, any Esso-identified canopy or at any fueling island where Dealer is selling Esso-branded motor fuels.
- e. Dealer shall not use the Proprietary Marks as part of Dealer's corporate or other name.
- f. Dealer hereby consents to Distributor or Imperial Oil removing or painting over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the Esso trade name, trade-marks, signs and advertising items, prior to the expiration or earlier termination of this Agreement.

13. Customer Service & Operating Standards

- a. Dealer shall ensure that its Marketing Premises meet the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits), failing which Dealer shall lose the right to use or display Proprietary Marks at any such Marketing Premises:

- (1) Paved driveways with safe and good ingress and egress; and
 - (2) Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances; and
 - (3) Clean premises free of debris, trash, and fire hazards; and
 - (4) Modern restrooms for men and women available to the general public; and
 - (5) Offer two(2) grades of Esso-branded motor fuels; and
 - (6) Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and
 - (7) Compliance with applicable operating standards as described in Schedule "C", and facility standards as described in Schedule "I" ("Facility Requirements"), which are incorporated herein and made a part of this Agreement.
- b. While using any Proprietary Marks, Dealer agrees:
- (1) To render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct Dealer's business in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the Esso-branded motor fuels sold hereunder; and
 - (2) To provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers; and
 - (3) To keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies; and
 - (4) To assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the Esso-branded motor fuels during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to Dealer.
 - (5) To purchase, maintain, and display an adequate quantity of Esso-branded motor oils, lubricants, greases, anti freeze, and other petroleum products and related products (the "Petroleum Products") for resale from the Marketing Premises to meet the needs of Dealer's retail customers from time to time. Dealer acknowledges that the Distributor is not a distributor of Petroleum Products and agrees to purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area.
 - (6) The Dealer shall keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers.
 - (7) The Dealer shall ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. Dealer agrees that Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by Distributor to cure, continues to be in violation of this Section.

- d. Dealer shall not permit at the Marketing Premises:
- (1) Any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits; or
 - (2) The sale or use of illegal drugs or drug paraphernalia; or
 - (3) The sale of any pornographic material or other material that Distributor determines may be offensive to the general public.
- e. Dealer shall not permit at the Marketing Premises the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits relating to youth access to tobacco products. Dealer shall promptly advise Distributor of any charges or notifications of violations received at the Marketing Premises from any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.
- f. The Dealer acknowledges receipt of and shall comply with the Imperial Oil Operating Standards Manual (the "Manual"), including without limitation the Operating Standards and the other standards, methods, procedures and specifications established by Imperial Oil from time to time applicable to the operation of the Dealer's business. The provisions of the Manual, including without limitation the Operating Standards and the other standards, methods, procedures and specifications applicable to carrying on the Dealer's business, are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to Distributor promptly upon request and, in any event, upon the expiration or earlier termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's prior written consent. The Dealer acknowledges that the entire contents of the Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. The Dealer shall maintain the absolute confidentiality of all such information during the term of this Agreement and after the expiration or earlier termination of this Agreement and shall not disclose any such information for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer's business in accordance with this Agreement. The Dealer further agrees not to use any such information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

14. No Exclusive Marketing Rights

This Agreement does not give Dealer an exclusive right in any market or geographic area to sell Esso-branded motor fuel or conduct any of the Related Businesses. Dealer acknowledges that Distributor and Imperial Oil may directly or indirectly compete with Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks ("Trademarks"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling Esso-branded motor fuels, other branded motor fuels or operating businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, enterprises or other

businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

15. Fuel Handling Equipment

Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment"). Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a. The Dealer warrants and represents to Distributor that as of the effective date of this Agreement, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises are in good condition and repair and meet regulatory requirements.
- b. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and to meet regulatory requirements. The Dealer shall make all needed repairs and replacements promptly.
- c. The Dealer shall have in place on all underground motor fuels storage tanks the following equipment:
 - (1) Spill containment boxes; and
 - (2) Overfill prevention valves,and such equipment shall, at all times, be in good operating condition and repair.
- d. Notwithstanding any other provision in this Agreement, if Distributor is required by law, or if in Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "hazard"), then Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. Distributor shall not be obliged to re-commence delivery of the Motor Fuels until Imperial is satisfied, in its sole discretion, that the hazard does not exist or has ceased to exist.
- e. The Dealer agrees :
 - (1) that if Distributor does or causes the doing of any act to remedy a hazard, whether or not the acts are required by law, the Dealer will pay Distributor for all costs and expenses incurred by Distributor for the doing of such act; and
 - (2) upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuel or other substance and so notify Distributor immediately if any such spillage is determined to have occurred and Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.
- f. Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential environmental hazards.

16. Loaned Equipment

- a. Distributor will loan to the Dealer the equipment listed in Schedule "D" hereto (the "Equipment") as and when it may be available for use on the Marketing Premises in the Dealer's business; and the Dealer hereby accepts such loan.
- b. Distributor shall have the right, in its sole discretion and from time to time, to replace, add to or substitute any one or combination of items of the Equipment.

c. The Dealer shall:

- (1) pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
 - (2) obtain all necessary permits, licences and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;
 - (3) not alter, part with possession of, or encumber, lease, or sell the Equipment;
 - (4) complete day to day maintenance and repair, including replacement of parts, of the Equipment unless Distributor advises the Dealer in writing that Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;
 - (5) keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;
 - (6) comply with all laws applicable to the Equipment;
 - (7) be responsible for all damage caused to the Equipment by the gross negligence or willful act of any person or persons other than Distributor, its employees, contractors and agents;
 - (8) use the Equipment intended for storage, handling, advertising or displaying the Esso-branded motor fuels and the Petroleum Products, solely for such intended purpose.
 - (9) return to Distributor in good repair and operating condition, reasonable wear and tear excepted (i) all Equipment immediately upon the expiration or earlier termination of this Agreement and (ii) any Equipment replaced by Distributor for any reason immediately upon such replacement;
 - (10) for greater certainty, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (i) effect maintenance and repair of the Equipment and (ii) replace, add to or substitute any one or combination of items of the Equipment; and
 - (11) upon the expiration or earlier termination of this Agreement, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor, and the Dealer agrees not to affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a fixture of the Marketing Premises without each person now or hereafter having an interest in the Marketing Premises first executing an acknowledgement and consent in the form of Schedule "E".
- e. The Dealer acknowledges that it has examined the Equipment provided to the Dealer as of the effective date of this Agreement and is satisfied therewith and shall indemnify Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of Distributor's negligence or a defect in the Equipment, provided the Dealer shall have given Distributor prompt written notice of such negligence or defect.

17. Compliance with Laws

Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits including those concerning the environment, hazardous substances or wastes, toxic substances, and occupational safety and health.

18. Indemnity

The Dealer agrees to indemnify and save harmless Distributor, its partners, directors, officers, employees, agents and affiliates and their respective directors, officers, employees, agents and affiliates (each an "indemnified party") from and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer's business on the Marketing Premises;
- b. the storage, handling and sale of the motor fuels on and from the Marketing Premises; and
- c. the Equipment.

The foregoing indemnity shall not include a claim arising out of, in respect of or in connection with the negligence or willful misconduct of an indemnified party.

19. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:
 - (1) a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and Distributor arising out of all the operations of the Dealer pertaining to the Dealer's business, whether or not conducted on or from the Marketing Premises with all inclusive limits of at least three million dollars (\$3,000,000) for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and
 - (2) a third party liability policy on all vehicles used in the Dealer's business, with all inclusive limits of at least one million dollars (\$1,000,000) for any one incident.
- b. The insurance policy referred to in subsection 18a.(2) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
- c. Upon written request by Distributor, the Dealer shall provide Distributor with a certificate of insurance and such other information as may reasonably be required by Distributor in a form satisfactory to Distributor as evidence of the insurance required under this Section. The insurance policies shall be endorsed to provide that in the event of any change in them which could affect Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to Distributor thirty (30) days prior to the effective date of any such change or cancellation.
- d. Distributor may amend this Section, in its sole discretion and from time to time, on the anniversary of the commencement date of this Agreement upon sixty (60) days' prior written notice to the Dealer.

20. Technology and Communications

If required by Distributor in writing from time to time, Dealer shall comply with the following:

- a. Install and maintain in good operating condition and at Dealer's expense at the Marketing Premises:
 - (1) A facsimile machine for sending and receiving written communications; and
 - (2) Equipment that allows access to the internet or other electronic-transmission or data communications systems designated by Distributor from time to time.

- b. Subscribe, at Dealer's expense, at the Marketing Premises to a voicemail system for transmitting and receiving telephone communications.
- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition, replacement or updating of point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software.

21. Retail Credit and Debit System

The Dealer acknowledges receipt of an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer Business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor.

The Dealer shall pay to Distributor the following fee(s), which Distributor may amend, in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer:

G-Site data transmission fee: \$ [REDACTED]/month.

eN-Touch fee: units at \$ [REDACTED]/month.

The Dealer shall implement and utilize the retail credit and debit system(s) designated by Distributor, in its sole discretion and from time to time, to be used by its dealers and the Dealer further shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).

22. Termination

- a. Where the end of the term of this Agreement set out in Section 3 is later than the end of the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, or where the said Esso Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said Esso Branded Distributor Agreement, unless
 - (1) the said Esso Branded Distributor Agreement is extended, renewed or replaced and
 - (2) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an Esso location.
- b. Distributor, in its sole discretion, shall have the right terminate this Agreement between Dealer and Distributor immediately and without notice and demand immediate payment of all monies due it as follows:
 - (1) In accordance with the applicable provisions of this Agreement; or
 - (2) Bankruptcy proceedings are instituted by or against Dealer; control of Dealer's business or assets pass by law or otherwise to any person or representative other than Dealer; or
 - (3) Dealer is in breach of a provision under this Agreement; or
 - (4) Dealer fails to timely pay obligations due Distributor under this Agreement; or

- (5) Dealer is in default of any Third Party Credit Card Agreement entered into between the parties in connection with this Agreement, or in the event the Third Party terminates the Dealers use of the Third Party's credit card processing facilities for any reason whatsoever; or
- (6) Any intended indemnity, guarantee, or suretyship in connection with this Agreement is revoked or curtailed; or
- (7) If any motor fuel, other than the Esso-Branded motor fuels are kept, sold or otherwise dealt with on or from the Marketing Premises; or
- (8) If the Dealer fails to sell the Esso-branded motor fuels strictly in accordance with the grades and kinds designated in the Manual; or
- (9) The Dealer sells any Esso-branded motor fuel: (i) in bulk, (ii) to any person for resale, or (iii) to any person not using a government approved container; or
- (10) If the Dealer ceases to carry on the Dealer's business on or from the Marketing Premises; or
- (11) If the Dealer or any of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or any of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is made in respect of the Dealer or any of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed for the Dealer or any of the Guarantors, or if the Dealer or any of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an "insolvent person" as that term is defined in the Act; or
- (12) If the Dealer or any of the Guarantors shall at any time have any of the goods and chattels of the Dealer's business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of Distributor sell any of such goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer's business; or
- (13) If the Dealer fails to operate the Dealer's business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control; or
- (14) If the Dealer or any of the Guarantors is convicted of or pleads guilty to any criminal offense, whether or not related to the Dealer Business; or
- (15) If the Dealer fails to maintain adequate inventory of the Motor Fuels at the Marketing Premises to meet the needs of its retail customers; or
- (16) The Dealer or any of the Guarantors attempts to abandon the Marketing Premises or to sell or dispose of its goods or chattels otherwise than in the ordinary course of its business; or
- (17) If the Dealer (i) is a corporation and a principal shareholder of the Dealer dies or becomes Incapacitated or (ii) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes Incapacitated; or
- (18) If any applicable law now or hereafter in effect renders any provision of this Agreement unenforceable or unlawful.

- c. Upon the expiration or earlier termination of this Agreement for any reason, the Dealer shall immediately:
- (1) cease all use of the Proprietary Marks;
 - (2) pay to Distributor or any person, firm or corporation affiliated or associated with Distributor, all amounts and charges as have or will thereafter become due hereunder or under any other agreement between the Dealer and Distributor or any person, firm or corporation affiliated or associated with Distributor, and are then unpaid;
 - (3) return to Distributor all copies of the Manual then in the possession of the Dealer;
 - (4) notify the telephone company and all listing agencies of the expiration or earlier termination of the Dealer's right to use the Proprietary Marks and terminate all such listings using the Proprietary Marks;
 - (5) surrender the Equipment to Distributor; and
 - (6) at the request of Distributor, take all such action as may be necessary to cancel any trade or business name registration which contains any part of the Proprietary Marks under any applicable law and furnish Imperial with evidence satisfactory to it of compliance with the Dealer's obligation hereunder within thirty (30) days after the expiration or earlier termination of this Agreement.

Any termination of this Agreement pursuant to this Article shall be without prejudice to any other right (including any right of indemnity), remedy or relief vested in or to which Distributor may otherwise be entitled against the Dealer. All monies paid by the Dealer to Distributor under this Agreement or otherwise shall be retained by Distributor as consideration for the rights and benefits previously conferred on the Dealer hereunder and as liquidated damages. The foregoing remedy shall not exclude any of the remedies which Distributor may have at law or in equity by reason of the default, breach or non-observance by the Dealer of any provision of this Agreement.

23. Claims

- a. Neither Distributor nor Imperial Oil is liable to Dealer for shortages in quantity or quality unless Dealer notifies Distributor within 48 hours after delivery (or discovery in the case of latent defect for quality deficiencies) in writing setting forth fully the facts upon which any such claim for shortage in quantity or defect in quality is made and unless Distributor and/or Imperial Oil are given a reasonable opportunity to inspect the Motor fuels concerning which any such claim is being made. Distributor's and/or Imperial Oil's liability with respect to any shortage in quantity shall be limited to an amount equal to the volume of any shortage multiplied by the Dealer's cost of motor fuel including delivery and taxes in effect for the delivery in question. Distributor and/or Imperial Oil's liability with respect to any defect in quality shall be limited to the cost of removing the defective motor fuels from the Marketing Premises at its own expense and replacing them without charge to the Dealer. Distributor and/or Imperial Oil shall not be liable for any special, indirect, or consequential damages to the Dealer for any shortage in quantity or defect in quality. All other claims by Dealer against Distributor or Imperial Oil including their affiliates and subsidiaries of any kind, whether or not arising out of this Agreement, are barred unless Dealer gives Distributor and/or Imperial Oil, as the case may be, notice within ninety (90) days after the event, act or omission to which the claim relates. Whether or not Dealer provides timely notice of a claim, any claim by Dealer is barred unless asserted by the commencement of a lawsuit naming Distributor and/or Imperial Oil as defendant in a court of competent jurisdiction within twelve (12) months after the event, act or omission to which the claim relates.
- b. Dealer recognizes that, at any time during the term of this Agreement, any of the grades or brands of motor fuels sold hereunder or any of the Proprietary Marks may be changed, altered, amended or eliminated. Dealer also recognizes that, at any time during the term of this Agreement, the quality or specification of any of the motor fuels sold hereunder may be changed or altered. If any such change or alteration materially affects the performance of such motor fuels or the needs of Dealer therefor for the purposes intended by

Dealer, Dealer may terminate this Agreement as to any such motor fuels so affected on thirty (30) days' prior written notice to Distributor. However, Dealer may not terminate this Agreement for any change in quality or specification of any said motor fuels resulting from compliance with federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits. In the event that the manufacture of certain of the Esso-branded motor fuels sold hereunder is discontinued, Distributor shall notify Dealer of such an event and this Agreement shall terminate as to such motor fuels when such notice is effective.

24. Entire Agreement; Modifications

This Agreement, any documents referred to in this Agreement and any attachments to this Agreement constitute the entire, full and complete agreement between Distributor and Dealer concerning the subject matter hereof, and supersede all prior agreements relating to that subject matter. Except for any permitted to be made unilaterally by Distributor under this Agreement, no amendment, change or variance from this Agreement is binding on either party unless agreed in writing by Distributor's and Dealer's authorized representative. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by Distributor to the Dealer.

25. Miscellaneous

This Agreement shall enure to the benefit of and be binding upon the Parties hereto and their respective assigns. Any assignment of this Agreement by Dealer without Distributor's written consent shall be void. Distributor's right to require strict performance shall not be affected by any previous waiver or course of dealing. Neither this Agreement nor any modification or waiver shall be binding on Distributor unless in writing signed by an authorized representative. Past performance shall not be deemed a waiver of this requirement.

26. Guarantee

As consideration in part for Distributor entering into this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Guarantors and Distributor, the Guarantors hereby agree as follows:

- a. to unconditionally and irrevocably guarantee to Distributor, as a primary obligor, the due payment by the Dealer of all monies payable under this Agreement and any other obligations whatsoever by the Dealer to Distributor at the time or times appointed therefor, and the due observance and performance by the Dealer of all the covenants, terms, provisions, stipulations and conditions in this Agreement and any other obligations whatsoever to be observed and performed by the Dealer;
- b. to indemnify and save Distributor harmless from and against all costs, losses, expenses and damages it may suffer as a result of the Dealer's non-compliance with any term or condition of this Agreement;
- c. that this shall be a continuing guarantee and shall be binding upon the Guarantors after as well as before the Dealer's non-compliance with any term or condition of this Agreement, until all monies due under the Agreement have been fully paid and satisfied and all covenants, terms, provisions, stipulations, agreements and conditions observed, performed and carried out;
- d. Distributor shall not be bound to exhaust its recourse against the Dealer before requiring payment of any monies or the observance or performance of any obligations by the Guarantors and the Guarantors waive notice of demand for payment or performance, notice of default, protest and notice of protest and any and all other notices and legal and equitable defenses to which the Guarantors may be entitled;
- e. no release or releases and no indulgence or extensions of time or waiver granted by Distributor to the Dealer with respect to the observance or performance or any defaults or breaches of this Agreement by the Dealer nor any dealings between Distributor and the Dealer shall in any way modify, alter or prejudice Distributor or diminish or affect the liability of the Guarantors under this Agreement;
- f. the covenants and agreements herein entered into by the Guarantors are to be construed as both joint and several;

- g. the guarantee and the liability of each of the Guarantors hereunder is not affected by the death or loss or diminution of capacity of any of the Guarantors; and
- h. for clarification, this guarantee extends to and is binding upon each of the Guarantors and their heirs, executors, administrators, legal representatives and assigns, it being understood that this guarantee will continue to bind the Guarantors even if one or each of the Guarantors, as the case may be, cease to be involved, directly or indirectly in the Dealer Business or in the Dealer.

27. Notices

Any notice to be given hereunder:

- a. by Distributor to the Dealer and the Guarantors shall be conclusively deemed to have been given when addressed to the Dealer and: (i) delivered personally or by courier to the Marketing Premises; (ii) mailed by prepaid registered mail addressed to the Dealer at the Marketing Premises; or (iii) sent by electronic facsimile to the Dealer provided evidence of transmission is retained, and
- b. by the Dealer or the Guarantors to Distributor shall be conclusively deemed to have been given when addressed to the following address and: (i) delivered or mailed by prepaid registered mail to Distributor at the following address, or (ii) sent by electronic facsimile to Distributor, provided evidence of transmission is retained, at the following number:

NOCO Canada Inc.
5468 Dundas Street West, Suite 401
Etobicoke, Ontario
M9C 6E3

Attention: Vice President, Retail
Facsimile No.: (416) 232-6625

Any notice, if delivered personally or by courier shall be conclusively deemed to have been given when actually received, if mailed by prepaid registered mail, on the fifth Business Day following the deposit thereof in the mail or, if transmitted by electronic facsimile before 3:00 p.m. on a Business Day, on that Business Day and, if transmitted by electronic facsimile after 3:00 p.m. on a Business Day on the Business Day following the date of the transmission.

28. Quality Assurance

Dealer agrees to store, handle, sell and dispense the Esso-branded motor fuels purchased and sold hereunder in compliance with the procedures provided by Distributor from time to time.

29. Right of Entry

In addition to any other rights of Distributor under this Agreement, Dealer hereby permits Distributor, Imperial Oil and their respective affiliates, employees, agents, vendors, contractors and representatives to enter, during normal operating hours, the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement, to enforce any and all rights and remedies under this Agreement including taking action to preserve the integrity of the Proprietary Marks and determine Dealer's compliance with this Agreement. Neither Distributor nor Imperial Oil is liable to Dealer for any interference with Dealer's business as a result of Distributor or Imperial Oil entering the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement.

30. Survival

All obligations of the parties hereto which expressly or by their nature survive the expiration, earlier termination, permitted transfer and permitted assignment of this Agreement shall continue in full force and effect, until they are satisfied or by their nature expire.

31. Withholding Payments

The Dealer will not on the grounds of the alleged non-performance by Distributor of any of its obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to Distributor or any person affiliated with Distributor.

32. Further Assurances

The parties agree to diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

33. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the province of or territory of Canada in which the Marketing Premises is located and the federal laws of Canada applicable therein.

34. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity of such provision in any other jurisdiction.

35. No Waiver

No waiver of any covenant, agreement or obligation in this Agreement shall be construed as a waiver of any succeeding breach thereof or of any other covenant, agreement or obligation in this Agreement, and no delay or omission on the part of any party to exercise any right acquired through the default of any other shall be construed as a waiver of or shall impair such right.

36. Compliance with Law; Workers Compensation; Environmental

- a. The Dealer shall fulfill all the duties imposed upon it by law and shall obey all laws, regulations, rules, by-laws and ordinances applicable to the Dealer's business and to the Marketing Premises, including without limitation the competition laws of Canada and all other applicable laws relating to competition.
- b. The Dealer shall: (i) comply fully, at the Dealer's sole expense, with provisions of the relevant Workers' Compensation legislation; and (ii) obtain for all the persons employed in the Dealer's business, including the Dealer and the principal shareholder(s) and interest holder(s) of the Dealer, as the case may be, the complete package of benefits available under the relevant Workers' Compensation legislation.
- c. The Dealer shall comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.

37. No Special or Consequential Damages

Distributor shall not be liable for any special or consequential damages or loss of profit arising from any breach of its obligations under this Agreement.

38. Independent Legal Advice

Each of the Dealer and the Guarantors acknowledges that it: (i) has had ample time to read and has read this Agreement and has been afforded the opportunity to retain independent legal advice to assist it in its review, execution and delivery of this Agreement; and (ii) has of its own free will either declined to do so or obtained independent legal advice.

39. Distributor agrees to:

40.

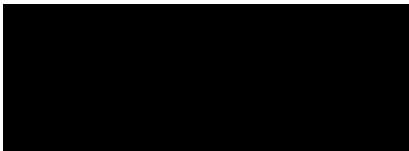
- i) supply and install an electronic price section for I.D. sign which will be under warranty for one (1) year; after that, the Dealer will be responsible for all maintenance and repair.



- ii) Repaint site to Esso colours including canopy columns, island curbing, main I.D. signs, building sign frames, bollards and vent pipes.
- iii) Upon completion of the site upgrade by the Dealer, the Distributor will reimburse the Dealer for \$40,000.00 (Forty thousand Dollars) toward the cost of an Encore 500 Hi Flow diesel dispenser, two Encore 300 Blender suction pumps, and one Encore 300 single suction pump. Ownership of these pumps will belong to Distributor for the full term of the agreement. At the end of the term, ownership of the pumps will revert to the Dealer. Dealer responsible for repair and maintenance of pumps.
- iv) Supply and install one POS terminal and printer and one Speedpass counter mat.
- v) \$500.00 (five hundred dollars) for the initial purchase of approved uniforms.

EXECUTED as of the date first herein specified.

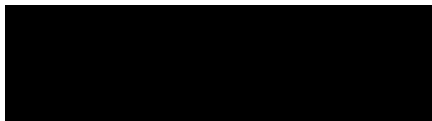
WITNESS:



NOCO Canada Inc.

By: _____
 Title: _____

WITNESS:



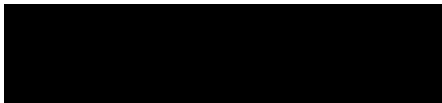
1143294 Ontario Inc.
Name of Dealer (printed)

By: _____
 Title: _____

WITNESS:



By: _____
 Name of Guarantor (printed)

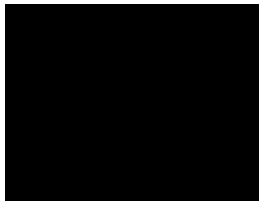


By: _____

WITNESS:

 Name of Guarantor (printed)

 By: _____





SCHEDULE "A"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between NOCO CANADA INC., 1143294 Ontario Inc. (The "Dealer"), and [REDACTED] (The "Guarantor(s)) dated the 1st day of February, 2005.

1. PRODUCT GRADES AND QUANTITIES

The annual quantities of Esso-branded motor fuels by grade to be sold and purchased hereunder will be as follows :
ESTIMATED

<u>PRODUCT GRADE</u>	<u>ANNUAL QUANTITY IN LITRES</u>
Premium Gasoline	[REDACTED]
Regular Gasoline	[REDACTED]
Low Sulphur Diesel Fuel	[REDACTED]
TOTAL ALL GRADES	[REDACTED]

2. PRODUCT PRICES

The Dealer's prices of the Esso-branded motor fuels per litre F.O.B. the Distributor's Designated Loading Rack (as designated in clause 3 below) effective on the 1st day of December, 2004 are as follows:

<u>MOTOR FUEL GRADE</u>	<u>PRICE</u>	<u>DELIVERY COST</u>	<u>TAXES</u>	<u>INVOICE PRICE</u>
Premium Gasoline	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Regular Gasoline	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Low Sulphur Diesel	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

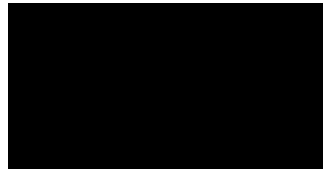
The amounts indicated above for TAXES and INVOICE PRICE are for illustrative purposes only and are exclusive of the Federal Goods and Services Tax (G.S.T.)

3. DELIVERY LOCATIONS

The Esso-branded motor fuels sold and purchased hereunder will be delivered by the Distributor. The Distributor shall deliver and the Dealer shall take delivery of the motor fuels at the Marketing Premises subject to the minimum "full truck load" or "deemed full truck load" quantity and delivery costs set out below :

<u>MARKETING PREMISES</u>	<u>FULL or DEEMED FULL TRUCK LOAD</u>	<u>DELIVERY RATE/LITRE</u>	<u>DESIGNATED ESSO LOADING RACK</u>
27523 - Highway #62S Bancroft, Ontario	[REDACTED] Litres	[REDACTED]	[REDACTED]

The Distributor shall have the right to change the Delivery Rate per Litre upon giving the Dealer written notice of any change.





IN WITNESS WHEREOF the Parties have acknowledged and agreed to the contents of this SCHEDULE "A" to the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS dated the 15th day of February, 2005.

Witness

NOCO CANADA INC.

A.S.O.

Jan 16/2005
Date

Witness

DEALER

Title:

Feb 1 2005
Date

1143294 Ontario Inc.
Name of Dealer (Printed)

Witness

GUARANTOR

Title:

Feb 1 2005
Date

Name of Guarantor (Printed)

GUARANTOR

Witness

Title:

Date

Name of Guarantor (Printed)



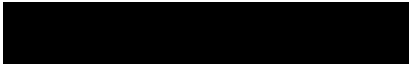

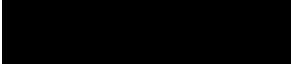
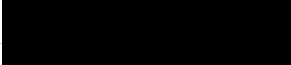

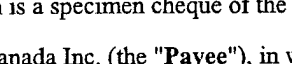
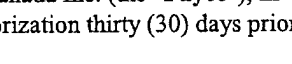
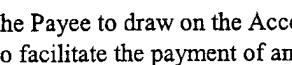



SCHEDULE "B"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between NOCO CANADA INC., and 1143294 Ontario Inc. "Dealer", dated the 1st day of February, 2005,

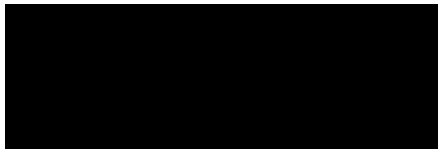
PAYOR'S AUTHORIZATION FOR PRE-AUTHORIZED DEBITS
(Business Purposes)

1. The Payor hereby certifies the accuracy of the following information:

Name: 
 Address: 
 Town: 
 Province: 
 Postal Code: 
 Telephone Number: 
 Account:  (the "Account")
 Name of Payor's
 Financial Institution:  (the "Processing Institution")

2. Attached to this Authorization is a specimen cheque of the Payor marked 'VOID'.
3. The Payor will notify Noco Canada Inc. (the "Payee"), in writing, of any change in the information provided in Sections 1 and 2 of this Authorization thirty (30) days prior to the effective date of any such change.
4. The Payor hereby authorizes the Payee to draw on the Account with the Processing Institution (each a pre-authorized debit or ("PAD")) to facilitate the payment of any and all such monies owing by the Payor to the Payee, including without limitation any monies owing pursuant to the Motor Fuel Supply Agreement - Esso-Branded Motor Fuels dated February 1, 2005 among the Payee, the Payor and others.
5. The Payor represents and warrants that all persons whose signatures are required to authorize withdrawals from the Account have signed this Authorization and that all persons signing this Authorization are the authorized signatories and are duly authorized to execute this Authorization.
6. This Authorization may be cancelled by the Payor at any time upon written notice to the Payee.
7. The Payor acknowledges that executing and delivering this Authorization to the Payee constitutes delivery by the Payor to the Processing Institution.
8. The Payor and the Payee each hereby waive any and all PAD pre-notification requirements otherwise required by Rule H1 of the Canadian Payments Association ACSS Rules Manual.
9. The Payee may issue PADs in a dollar amount up to a maximum of \$  per day.
10. The Payor acknowledges that the Processing Institution is not required as a condition to honouring a PAD issued to verify that a PAD has been issued in accordance with the particulars of the Authorization, including without limitation the amount of the PAD and that the consideration for the payment for which the PAD was issued has been received by the Payee.


(initials)





11. The revocation of this Authorization by the Payee does not terminate any contract for goods or services that exists between the Payee and the Payor. This Authorization applies only to the method of payment and does not otherwise have any bearing on the contract for goods or services exchanged.

12. The Payor may dispute a PAD only under the following conditions:

- (1) the PAD was not drawn in accordance with this Authorization; or
- (2) this Authorization was revoked.

The Payor acknowledges that in order to be reimbursed, a declaration to the effect that one of foregoing circumstances occurred, must be completed and presented to the branch of the Processing Institution holding the Account up to and including 10 business days after the date on which the PAD in dispute was posted to the Account.

13. The Payee shall provide to the Payor notice and particulars of each PAD within 10 days following the date the Payee issues the PAD.

14. The Payor acknowledges that when disputing any PAD beyond the time allowed in this section it is a matter to be resolved solely between the Payor and the Payee, outside the payments system.

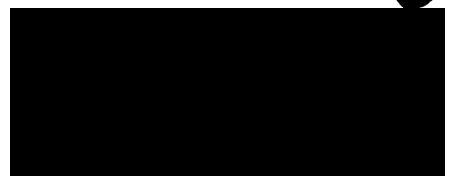
15. The Payor acknowledges that the information contained in the Authorization may be disclosed to the Payee's financial institution(s) as may be required or desirable to complete any PAD transaction.

16. The Payor understands and accepts the terms of participating in a PAD plan.

DATED effective as of the 1st day of FEBRUARY, 2005.

1143294 Ontario Inc.

By  (c/s)
{Insert Officer/Director Name}

SCHEDULE "C"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between NOCO CANADA INC., and 1143294 Ontario Inc. "Dealer", dated the 1st day of February, 2005,

OPERATING STANDARDS

The following operating standards for the Premises set out the Dealer's responsibilities with respect to safety and other operating procedures for the Premises and must be complied with strictly.

Operating Procedures

- Be aware of, and comply with, any applicable law relating to the operations on the Premises and any accounting and inventory management system requirements.
- Understand all duties in running the Premises.
- Ensure that the Dealer's employees understand the duties delegated to them.

Safety

The Dealer's employees must:

- Use safe work procedures when carrying out their duties.
- Be aware of and follow safe work practices when carrying out their duties.
- Be trained in the recognition and correction of hazardous conditions to avoid emergencies.
- Be aware and comply with applicable safety regulations.

Security/Robbery Prevention

- Take proper preventative measures to reduce the risk of robbery.
- Train the Dealer's employees in security and robbery prevention.
- The Dealer must train the Dealer's employees in the procedures to follow before, during and after a robbery.

Critical Equipment

- Know the critical equipment on the Premises.
- Ensure that the Dealer's employees are aware of the critical equipment on the Premises.
- Ensure that when critical controls are disarmed, appropriate communication takes place prior to such disarming and that such critical controls are re-activated.
- Follow appropriate procedures for disarming the critical equipment, including completing the form for the disarming or removal of critical controls and shutdown systems.

(initials)

Emergency Response

- Post the emergency response plan wall chart on the Premises in a conspicuous place.
- Train Dealer's employees in emergency response. This should include a review of potential hazards and how to deal with them, and the operation and use of fire extinguishers.
- Have the required equipment and supplies to respond to emergency situations.
- Hold at least two practice drills each year using different emergency situations.
- Document the Dealer's employee training and practice drills.

Workplace Hazardous Materials Information System ("WHMIS")

- Educate and train all the Dealer's employees on the WHMIS program prior to their starting work on the Premises and provide documented evidence thereof.
- Ensure that all Material Safety Data Sheets for controlled products are current, available and accessible to the Dealer's employees.
- Conduct at least once per year a review of WHMIS with the Dealer's employees and provide a forum for the Dealer's employees to discuss any related concerns and issues.
- Ensure that all containers of controlled products are properly labeled.
- Ensure that all fill pipes, gauge pipes and valves are properly tagged.
- Keep an inventory list of controlled products on the Premises in those provinces where it is required.

Waste Management

- Be familiar with and comply with the applicable waste regulations.
- Dispose of waste generated at the Premises according to the applicable waste regulations.
- If required by applicable laws, have a signed contract with a licensed hauler for the removal of hazardous wastes from the Premises.
- Use only a licensed hauler to remove and transport hazardous waste from the Premises.
- Keep copies of all waste manifests on file for a minimum of 2 years, or longer if required by applicable laws.

Licences and Permits

- Have the necessary operating licences and permits to meet regulatory requirements.
- Have on the Premises all manuals required or advisable to operate the service station.

Incident Definition and Reporting

- Report specified incidents to the territory manager.
- Be aware of and understand the Dealer's responsibilities for reporting specific incidents directly to government agencies.
- Share the benefit of past incidents with the Dealer's employees.
- Document the incidents and keep them on file.

Training

- Provide initial and continuous training to all the Dealer's employees.
- If required by applicable laws, maintain training records for each of the Dealer's employees on the Premises.

(initials)



Credit Card

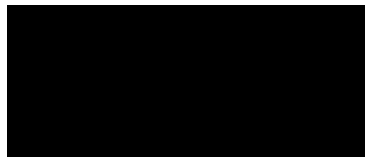
- Follow the standards for credit card authorization and processing documented in the Credit Card Guide.
- Retain the credit card slips for:
 - 6 months for manual transactions; and
 - 12 months for electronic transactions.
- Provide copies of credit card slips to Imperial within the time requested.
- Submit manual slips on a timely basis.

Esso Extra Card

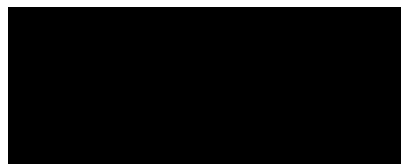
- Collect, use and disclose information gathered for use by Imperial in connection with the Esso extra card only in accordance with applicable laws.
- Display all point-of-purchase materials prescribed by Imperial in connection with the Esso Extra card.
- Ask each purchaser of applicable merchandise or services whether he or she has an Esso extra card. If so, whether he or she would like to use it and, if not, whether he or she would like to obtain an Esso extra card.
- Record and process the sales transactions of retail customers with an Esso extra card, using the Esso extra card.
- Maintain an adequate supply of merchandise redeemable by holder of Esso extra cards.
- Redeem valid Esso extra card reward certificates presented by retail customers for prescribed merchandise or services.

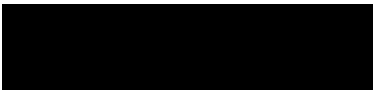
Record Retention

- Keep all relevant records on the Premises to be able to prove that you have taken the necessary steps to comply with applicable law.



(initials)





SCHEDULE "D"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between NOCO CANADA INC., and 1143294 Ontario Inc. "Dealer", dated the 1st day of February, 2005,

EQUIPMENT

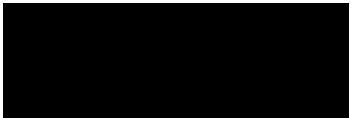
The following is a list of the Equipment:

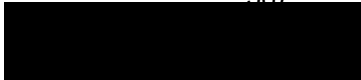
Sign Type	Quantity
MID - Inserts Only	
Canopy Inserts	
VSAT	
Speedpass Pad	
Imprinter	
POS Device	
*Electronic price Sign	
<input checked="" type="checkbox"/> Encore 500 Hi Flow Diesel Dispenser	
<input checked="" type="checkbox"/> Encore 300 Blender suction pumps	
<input checked="" type="checkbox"/> Encore 300 single suction pump	

Depreciation Chart for loaned equipment indicated above as well as installation costs referred to in Clause 39.

First Year	\$
Second Year	\$
Third Year	\$
Fourth Year	\$
Fifth Year	\$
Sixth Year	\$
Seventh Year	\$
Eighth Year	\$
Ninth Year	\$
Tenth Year	\$

Notwithstanding anything herein contained to the contrary, it is agreed and understood that to the extent that the loaned equipment is being amortized over a specific period of time, such as five (5) years, the Dealer will at all times be responsible for paying to Distributor at Distributor's option the unamortized portion of the loaned equipment based upon the agreed depreciation rate. Notwithstanding the foregoing, in the event of default by the Dealer, Distributor, without prejudice to any other rights or remedies it may have, and without prejudice to its right to claim payment of unamortized balance of the loaned equipment, can elect in lieu thereof to seize the equipment and to sell the same for such amount and on such terms and conditions as it considers advisable. Upon completion of the sale, the amount of the sale proceeds, less the expenses shall be credited to the Dealer, and the said amount shall be

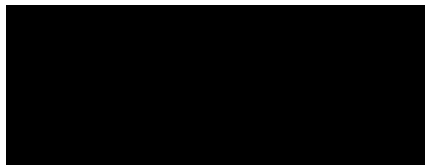


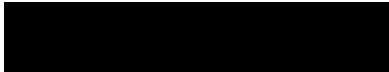


deducted from the original cost of the loaned equipment to Distributor, and the balance after the said credit shall become immediately due and payable without abatement, set-off or deduction.

[Redacted signature]

(initials)





SCHEDULE "E"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between NOCO CANADA INC., and 1143294 Ontario Inc. "Dealer", dated the 1st day of February, 2005,

ACKNOWLEDGEMENT AND CONSENT OF DEALER, LANDLORD AND/OR MORTGAGEE

TO: NOCO CANADA INC.

RE: Dealer Sales Agreement made effective as of February 1st, 2005 (the "Agreement") among, NOCO CANADA INC. (the "Distributor"), 1143294 Ontario Inc. (the "Dealer"), {INSERT LANDLORD NAME} and {INSERT MORTGAGEE NAME}

Each of the undersigned, being the Dealer, the landlord, the mortgagee or any one or more of the foregoing, of the Premises (as such term is defined in the Agreement) hereby acknowledges that:

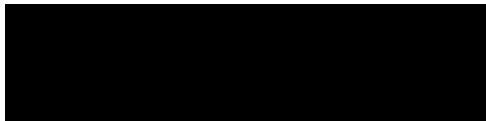
1. Distributor will be entitled, in its sole discretion and from time to time, to remove from the Premises the equipment listed on the attached Exhibit I, together with all substitutions and additions (the "Equipment"), which (i) Imperial owns, (ii) will be or has been loaned by Distributor to the Dealer and (iii) will be or is located on the Premises; and

1. there does not now exist, shall not come into existence and shall never exist a security interest in the Equipment in favor of the undersigned, notwithstanding that the Equipment or any part or parts thereof may be attached to or may constitute part of the real property to which the undersigned has an interest.

IN WITNESS WHEREOF the Dealer has executed this Acknowledgment and Consent on the 1st day of February, 2005

1143294 Ontario Inc.

Witness



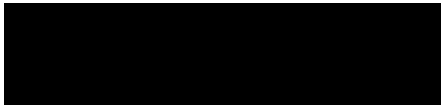
By: [Redacted]
Name: [Redacted]
Title: [Redacted]

I have authority to bind the Corporation.

IN WITNESS WHEREOF the undersigned landlord of the Premises has executed this Acknowledgment and Consent on the 1st day of February, 2005.

<<LandlordName>>

Witness



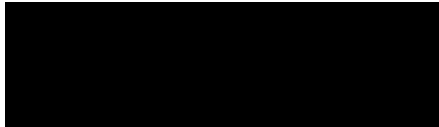
By: [Redacted]
Name: [Redacted]
Title: [Redacted]

I have authority to bind the Corporation.

IN WITNESS WHEREOF the undersigned mortgagee of the Premises has executed this Acknowledgment and Consent on the 1st day of February, 2005

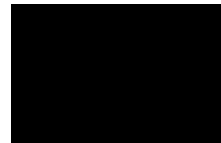
<<MortgageeName>>

Witness



By: [Redacted]
Name: [Redacted]
Title: [Redacted]

I have authority to bind the Corporation.



(initials)

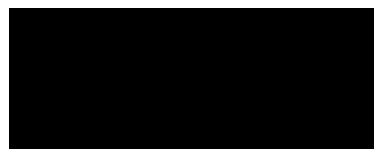




EXHIBIT I
to a Form of Acknowledgement and Consent of
Dealer, Landlord and/or Mortgagee

EQUIPMENT

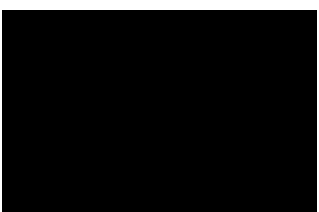
Sign Type

Quantity

MID - Inserts Only
Canopy Inserts
VSAT
Speedpass Pad
Imprinter
POS Device

—
—
—
—
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—
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(initials)



20...



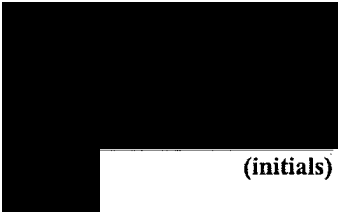
SCHEDULE "F"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between NOCO CANADA INC., and 1143294 Ontario Inc. "Dealer", dated the 1st day of February, 2005,

PREMISES

The municipal address of the Premises is:

**27523 Highway #62S, R.R.#1
Bancroft, Onatrio
K0L 1C0**



(initials)

[Attach Site Plan]




SCHEDULE "G"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between NOCO CANADA INC., and 1143294 Ontario Inc. "Dealer", dated the 1st day of February, 2005 ,

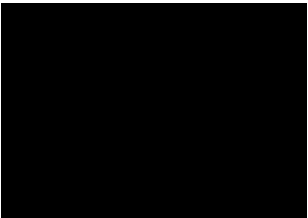
CUSTOMER LOYALTY OBLIGATIONS**1. Participation**

Dealer shall participate in the Esso Extra Win & Earn promotional program (the "Program") offered by Imperial to its Retail Branded Distributors, retailers and retail customers. Dealer shall comply with all requirements of the Program, including without limitation, the procedures, instructions and guidelines relating to the Program (the "Guidelines"), as provided or amended by Imperial to Dealer from time to time in its sole discretion. Without limiting the generality of the foregoing, Dealer shall:

- collect and communicate customer information to Imperial for Imperial's use only and in accordance with applicable laws and regulations (for greater certainty, Dealer shall not provide any customer information to any person other than Imperial nor shall Dealer use any customer information other than in accordance with the Guidelines or as otherwise directed by Imperial from time to time),
- ensure the Esso Extra card or the Royal Bank Esso VISA card is offered to each retail customer in accordance with the Guidelines,
- record and process sales transactions and the applicable Program points in accordance with the Guidelines for retail customers participating in the Program,
- redeem Program points as requested by customers at the Site for merchandise or services in accordance with the Guidelines,
- maintain an adequate supply of merchandise required to redeem Program points, or, if such merchandise is unavailable, maintain a supply of equivalent merchandise, and display all Program point-of-purchase promotional materials or signage at the times and in the manner prescribed by Imperial during the Program.

2. Electronic Reward Redemption Remuneration

The Retail Branded Distributor shall pay Dealer an amount (the "Reward Payment"), plus applicable taxes (other than income taxes), for each valid Program reward redeemed electronically at the Site in accordance with the Guidelines. The Reward Payment payable by the Retail Branded Distributor to Dealer shall be credited to Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Retail Branded Distributor may change the manner and the time the Reward Payment is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Reward Payment shall be calculated by Imperial as the actual number of reward redemptions for each type of reward redeemed electronically by customers at the Site multiplied by the reward cost rate as determined solely by Imperial and documented in the Guidelines.





3. Promotional Program Fee

If applicable law permits, the Dealer shall pay Retail Branded Distributor a promotional program fee (the "Program Fee"), plus applicable taxes (other than income taxes). The Program Fee payable by Dealer to Retail Branded Distributor shall be debited directly from Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Imperial may change the manner and the time the Program Fee is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Program Fee shall be calculated as the number of points (the "Fee Points") awarded to customers for transactions made at the Site multiplied by the program rate (the "Fee Rate").

The Fee Points are the total of:

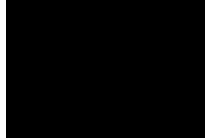
- the base points issued at a rate of one point per dollar spent,
- all bonus points issued for sales of different grades of gasoline or car washes, and
- points issued for offers unique to the Site as instituted or extended by Dealer.

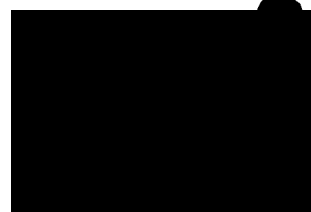
For greater certainty, the Fee Points excludes:

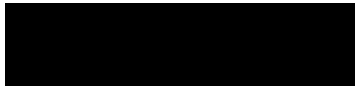
- (i) promotional points issued via direct mail offers extended by Imperial to customers
- (ii) points issued to holders of the Royal Bank Esso VISA card at a rate of one point per dollar charged to the card regardless of the vendor where the card is used, and
- (iii) bonus points issued for the purchase of specific merchandise on the Site through a program instituted or extended by Imperial.

The Fee Rate is defined as:

Fuel products & services	\$		for each point issued
Convenience store products & services	\$		for each base point issued
Car wash products & services	\$		for each base point issued
Other products & services	\$		for each point issued
Vehicle repair bay products & services	\$		for each point issued

 _____
 (initials)



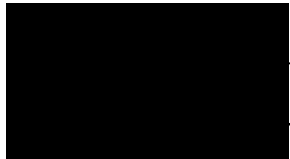


SCHEDULE "H"

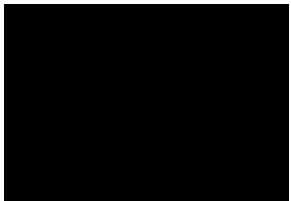
Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between NOCO CANADA INC., and 1143294 Ontario Inc."Dealer", dated the 1st day of February, 2005,

IMPROVEMENTS

Description of Improvements:



(initials)



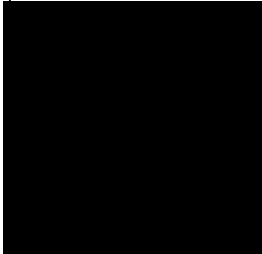


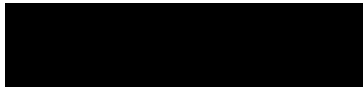
SCHEDULE "I"

FACILITY REQUIREMENTS

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between NOCO CANADA INC., and 1143294 Ontario Inc. "Dealer", dated the 1st day of February, 2005.

Item	Description		"New" & >100K D1Sites	Min Stds New	Min Stds Renewal Or Upgrade
Weather Canopy (Canopy required at all D1 & D2 sites only) (Standards for all other sites with existing canopies)	Fascia	3D			
		2D			
	Column Cladding	New Style (wide perpendicular to pump) Colour - Cambridge White by Color Steel Inc.			
		Current (wide facing pump) Colour to match Cambridge White by Color Steel Inc			
		None (steel column only) Colour to match Cambridge White by Color Steel Inc.			
Pump/ Dispenser		Image 2000 (Blue Graphics for new gasoline dispensers – Red for existing)			
		Previous Esso			
		Pay at the pumps & Speedpass			
MID		New Image (Flag Type)			
		Previous Esso			
Painting	MID Structural Posts, Sign Frames	P - 5 White			
	Lighting poles, Posts, island fascia, Message Sign Frames	P - 13 Grey			



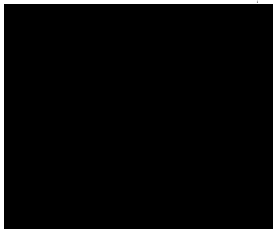


POS	G-Site		
	Operating retail automation system compatible with Imperial's card processing network		

***Subject to MID sign permit availability

Definitions

3D	600mm illuminated Red Frameless Flexface Fascia with 300 non-illuminated white metal Fascia. C/W individually "ESSO" Red illuminated letters.
2D	900mm illuminated Frameless Flexface Fascia, 600mm high red and 300 mm White, with ESSO letters.
MID	Major Identification Sign
D-1	<p>Dealer Forecourt & Backcourt meeting the following requirements:</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards that can be upgraded to 3D, 3 Products with proper pump ID. Current Major Identification sign, Good Gas Location. • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
D-2	
100k	Market Area Population in 1000's



Changes To Brand Standards - Imperial may change its "Facility Requirements for Distributor Esso-Branded Outlets" from time to time. Imperial will notify the Retail Branded Distributor of all changes and the Retail Branded Distributor must comply with these changes for all future applications.

Site: Ess307

RESOLUTIONS OF THE DIRECTORS OF

1143294 Ontario Inc.

We, the undersigned, being all the directors of **1133294 Ontario Inc.** (the "Corporation"), a corporate body incorporated under the **Business Corporations Act (Ontario)** adopt the following agreements by resolution, pursuant to the provisions of said act, by our unanimous written consent without a meeting, with full force and effect as if passed at a duly constituted meeting:

Motor Fuel Supply Agreement - Esso-Branded Motor Fuels between 1143294 Ontario Inc. and NOCO CANADA INC. (collectively, the "Agreements").

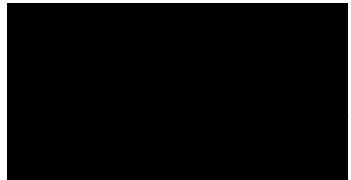
WHEREAS the directors of the Corporation have reviewed the Agreements to be made and entered into by and between the Corporation and NOCO CANADA INC., and they recommend approval of same;

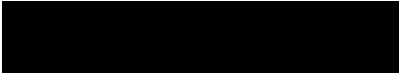
BE IT RESOLVED THAT:

- I. The aforementioned Agreements, namely the NOCO CANADA INC.. Motor Fuels Supply Agreement - Esso-Branded Motor Fuels, in the forms and scope submitted to the directors of the Corporation be and they are hereby approved and the Corporation is hereby authorized to enter into, execute and deliver the Agreements, with such additional terms, conditions, additions, deletions, amendments and variations as any one officer or director of the Corporation may approve, the execution and delivery of any such Agreement by any one officer or director of the Corporation being conclusive evidence of such determination; and
- II. [REDACTED] the President of the Corporation, or any other officer or director of the Corporation, acting alone, being he or she is hereby authorized and instructed, for and on behalf of the Corporation, to sign, execute and deliver the Agreements, to agree to any change, addition or modification to the Agreements as he or she may deem necessary or appropriate, at his or her sole discretion, and to sign, execute and deliver all such other deeds, documents or writings and to perform and do or cause to be performed and has done all such other acts and things as he or she may, in his or her sole discretion, deem necessary, advantageous, useful or expedient for the purpose of giving full effect to the terms of these resolutions and to said Agreements, his or her signature to said Agreements and to all such other deeds, documents, writings or instruments to be sufficient to bind the Corporation.

The foregoing resolutions are hereby consented to, enacted and passed by all the directors of the Corporation pursuant to the provisions of the **Business Corporations Act (Ontario)** , this 1st day of February, 2005.

[REDACTED]
{Insert Officer/Director Name}
[REDACTED]





CERTIFICATE

1143294 Ontario Inc. (the "Corporation")

I/we,  and , being the President and ~~Secretary~~, respectively, of the

1. The Corporation does not offer its securities to the public.
2. The names and address of all of the directors of the Corporation are set out below and the signatures appearing opposite their names are true and genuine signatures of such persons:

NAME	ADDRESS	SIGNATURE
	27523 Highway #625- RR#1 Brimley, Ontario K0L 1C0	
_____	_____	_____
_____	_____	_____
_____	_____	_____

3. The names and addresses of all of the officers of the Corporation are:

President:

(Name) 

(Address) 

Secretary:

(Name) _____

(Address) _____

Shareholder:

(Name) _____

(Address) _____

Shareholder:

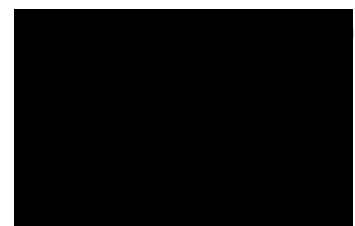
(Name) _____

(Address) _____

4. (a) The total number of issued and outstanding securities of the Corporation is:

common shares npv/wpv _____  _____

preferred shares _____  _____



Additional Security _____

(b) The names, addresses and holdings of securities of all of the shareholders of the Corporation are:

NAME	ADDRESS	SECURITIES
[REDACTED]	# 27523 - Highway # 625 RR # 1, Bancroft, Ontario K0L 1C0	[REDACTED]
_____	_____	_____
_____	_____	_____
_____	_____	_____

5. There have been no changes to the Articles of the Corporation since incorporation; except the following:
6. Since incorporation the powers of the directors of the Corporation have not been altered, reduced or impaired in any manner; except the following:
7. The Corporation is not insolvent and, in particular, and without limiting the generality of the foregoing, has the ability to pay its debts as they become due in the usual and ordinary course of its business.
8. All the records of the Corporation required to be kept pursuant to the provisions of the **Business Corporations Act (Ontario)** are situate at:

27523 - Highway # 625 - RR # 1, Bancroft, Ontario K0L 1C0

The aforementioned records of the Corporation have been thoroughly reviewed and there is nothing whatsoever in said records which could in any way adversely affect the validity, priority or authorization of any agreements, documents or instruments entered into by the Corporation with XXXX Inc. or its affiliates.

DATED at ^{Bancroft} {insert location}, in the Province of Ontario, this 1st day of February, 2005.

President

{Insert Name}

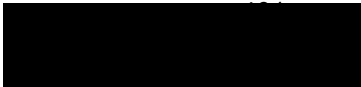
Secretary

{Insert Name}

SCHEDULE "A"
TO THE RESOLUTIONS AND THE CERTIFICATE OF THE DIRECTORS

LIST OF APPLICABLE COMPANIES ACTS

Alberta	<i>Business Corporations Act (Alberta)</i>
British Columbia	<i>Company Act (B.C.)</i>
Manitoba	<i>Corporations Act (Manitoba)</i>
New Brunswick	<i>Business Corporations Act (N.B.)</i>
Newfoundland	<i>Corporations Act (Newfoundland)</i>
Nova Scotia	<i>Companies Act (N.S.)</i>
Northwest Territories	<i>Company Ordinance (NWT)</i>
Nunavut	<i>Business Corporations Act (Nunavut)</i>
Ontario	<i>Business Corporations Act (Ontario)</i>
Prince Edward Island	<i>Companies Act (PEI)</i>
Quebec	<i>Companies Act (Quebec)</i>
Saskatchewan	<i>Business Corporations Act (Saskatchewan)</i>
Yukon Territories	<i>Business Corporations Act (Yukon)</i>
Federal	<i>Canada Business Corporations</i>



**LETTER OF ACKNOWLEDGMENT OF RECEIPT
OF PETROLEUM HANDLING & EMERGENCY RESPONSE INFORMATION**

NOCO CANADA INC.
5468 Dundas Street West, Suite 401
Etobicoke, ON
M9C 6E3

Attention: Vice President, Retail

1143294 Ontario Inc. , hereby acknowledges receipt of the following information from Noco Canada Inc.:

- (i) Provincial/Territorial Petroleum Handling Regulations, or
- (ii) Example of a Contingency Plan/Emergency Response chart, which includes Internal Reporting Procedures and Government contacts.
- (iii) List of maintenance and emergency contractors currently approved by Noco Canada Inc.
- (iv) List of environmental consultants currently used by Noco Canada Inc.
- (v) Material Safety Data Sheets (MSDS) for petroleum products.
- (vi) Example of Inventory Control Procedures.

1143294 Ontario Inc. hereby acknowledges to:

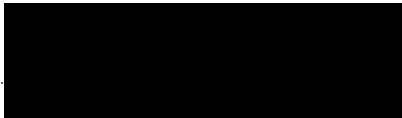
- (i) Obtain, familiarize and keep updates to the Provincial/Territorial Petroleum Handling Regulations. These updates can be obtained from the Publications Centres/Queens Printers per the list provided in this package.
- (ii) Keep a list of maintenance and emergency contractors currently approved by the Province or Territory. These lists can be obtained from the Ministry of the Environment (MOE) or in Ontario from the Technical Standards and Safety Authority (TSSA).

1143294 Ontario Inc. understands that it is not obligated to use any of the contractors that are listed as currently used by Noco Canada Inc. 1143294 Ontario Inc. also understands that all the information provided will change from time to time and that it is the responsibility of 1143294 Ontario Inc. to keep current on all items.

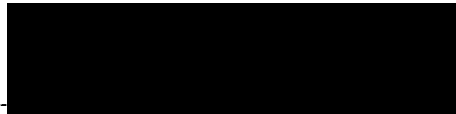
Dated: February 1, 2005

1143294 Ontario Inc.

Witness



Per:

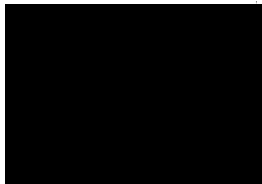


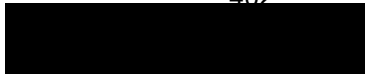
{Insert Officer/Director Name}



President

Office





**LETTER OF CONFIRMATION
OF ENVIRONMENTAL COMPLIANCE**

NOCO CANADA INC.
5468 Dundas Street West, Suite 401
Etobicoke, ON
M9C 6E3

Attention: Vice President, Retail

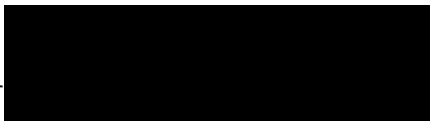
1143294 Ontario Inc. hereby confirms that the service station facility, and operation, located at 27523 Highway 62S, Bancroft, Ontario, is in compliance with the following environmental requirements:

- (i) has a current provincial petroleum retailing license/permit (copy of license/permit attached);
- (ii) the tankage system is registered, where applicable (copy of registration attached);
- (iii) the tankage system meets provincial installation and specification standards;
- (iv) the tankage system was installed by a provincially licensed/approved contractor, where required by law;
- (v) an approved emergency contingency plan is in place;
- (vi) is operating in compliance with regulatory operating requirements; and

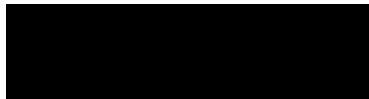
Dated: February 1, 2005

1143294 Ontario Inc.

Witness



Per:

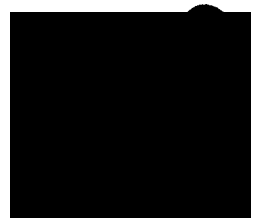


{Insert Officer/Director Name}



President

Office

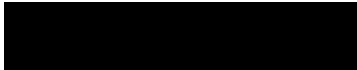


**REGULATORY REQUIREMENTS FOR
TANKAGE AND CONTRACTOR REGISTRATION**

	<u>TANK REGISTRATION</u>	<u>CONTRACTOR LICENSING/REGISTRATION</u>
BRITISH COLUMBIA	<ul style="list-style-type: none"> ◆ Not required at present ◆ Regulation expected by Q2, 1992 	<ul style="list-style-type: none"> ◆ Not required at present
ALBERTA	<ul style="list-style-type: none"> ◆ Mandatory ◆ To be completed by August 31, 1993 	<ul style="list-style-type: none"> ◆ Mandatory
SASKATCHEWAN	<ul style="list-style-type: none"> ◆ Mandatory 	<ul style="list-style-type: none"> ◆ Not required at present
MANITOBA	<ul style="list-style-type: none"> ◆ Not required at present ◆ Regulation expected by Q1, 1992 	<ul style="list-style-type: none"> ◆ Not required at present ◆ Expected by Q1, 1992
ONTARIO	<ul style="list-style-type: none"> ◆ Only for underground tanks at "Private Outlets." ◆ (These are locations where product is for own use only.) 	<ul style="list-style-type: none"> ◆ Mandatory
QUEBEC	<ul style="list-style-type: none"> ◆ Not required at present ◆ Draft regulations will require registration of tanks for "own use" only" 	<ul style="list-style-type: none"> ◆ Not required at present'
NEW BRUNSWICK	<ul style="list-style-type: none"> ◆ Only for underground tanks > 2,000 litres and aboveground tanks > 2,000 litres 	<ul style="list-style-type: none"> ◆ Certification required
PRINCE EDWARD ISLAND	<ul style="list-style-type: none"> ◆ Required for both underground and aboveground tanks 	<ul style="list-style-type: none"> ◆ Licensing required
NOVA SCOTIA	<ul style="list-style-type: none"> ◆ Only for underground tanks > 2,000 litres and aboveground tanks > 4,000 litres 	<ul style="list-style-type: none"> ◆ Contractors to be approved
NEWFOUNDLAND	<ul style="list-style-type: none"> ◆ Mandatory 	<ul style="list-style-type: none"> ◆ Not required at present
NORTHWEST TERRITORIES	<ul style="list-style-type: none"> ◆ Mandatory for both underground and aboveground tanks 	<ul style="list-style-type: none"> ◆ Not required at present
YUKON	<ul style="list-style-type: none"> ◆ Safety Certificate required 	<ul style="list-style-type: none"> ◆ Not required at present

NOTE: The regulatory requirements indicated above will change from time to time.
It is Dealer's responsibility to keep current on any changes.

PUBLIC



**MOTOR FUEL SUPPLY AGREEMENT
ESSO-BRANDED MOTOR FUELS**

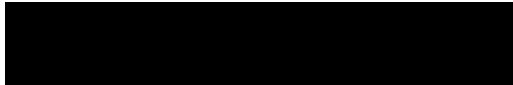
This Agreement is made on May 01 2012 (the "Effective Date")

BETWEEN:

PARKLAND INDUSTRIES LTD.
(hereinafter called "Distributor")

- and -

SAFE CORPORATION
(hereinafter called "Dealer") having a
motor fuels "Marketing Premises" located at
675 Stone St. N.
GANANOQUE, Ontario K7G 1Z4
- and -



(hereinafter called the "Guarantors")

WHEREAS Distributor is engaged in the sale and distribution of high quality petroleum products under the nationally and internationally known ESSO trade mark;

AND WHEREAS the Dealer desires to carry on the business of the sale of petroleum products in accordance with this Agreement;

AND WHEREAS the Guarantors have agreed to guarantee the obligations of the Dealer under this Agreement as consideration in part for the Distributor entering into this Agreement;

AND WHEREAS, based on its marketing strategies Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("Imperial Oil") has established the following core values ("Core Values"), namely

- To deliver quality products that customers can trust.
- To employ friendly, helpful people.
- To provide speedy, reliable and friendly service.
- To provide clean, attractive and well maintained retail facilities.
- To be a responsible, environmentally conscious neighbour.

NOW THEREFORE the Distributor and the Dealer agree as follows:

1. Grant

Distributor, under an Esso Branded Distributor Agreement with Imperial Oil, has the right to grant to Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the terms and conditions of this Agreement, Distributor grants Dealer the right to use the "Esso" mark and such other proprietary marks specified by Imperial Oil, from time to time, for use in connection with the sale of Esso-branded motor fuels ("Proprietary Marks") at the Marketing Premises. Dealer hereby accepts the use of the Proprietary Marks subject to the terms and conditions of this Agreement and agrees to conduct its



business in a manner consistent with the commitments in the Core Values and agrees to comply with Imperial Oil business standards and policies, including, without limitation Imperial Oil's National Standards Handbook as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by Distributor from time to time. DEALER ACKNOWLEDGES THAT ITS RELATIONSHIP IS EXCLUSIVELY WITH DISTRIBUTOR. NOTHING IN THIS AGREEMENT MAY BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN DEALER AND IMPERIAL OIL.

2. Related Businesses

Distributor acknowledges that Dealer may wish to operate, during the term of this Agreement, additional businesses ("Related Businesses") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, Distributor's trademarks, Dealer's own trademarks or third party trademarks. Dealer acknowledges that the operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the Esso-branded motor fuels and Proprietary Marks. Accordingly, Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by Distributor to Dealer from time to time. If Dealer fails to comply with this Agreement or any such requirements, and without limiting Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, Distributor may require Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks, or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Effective Date, Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.


3. Term

- a. The term of this Agreement is for the period beginning on **May 1, 2012** and ending on **April 20, 2016**, unless terminated earlier in accordance with this Agreement. If the said term exceeds the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, then the term of this Agreement shall expire upon the expiry of the said Esso Branded Distributor Agreement; and
- b. This Agreement shall have **one automatic five (5) Year** renewal term unless either party gives not less than ninety (90) days written notice to the other prior to the expiration of the initial term of this Agreement of their intention to terminate. All conditions and provisions of this Agreement for the renewal term will remain the same; EXCEPTING ONLY that in the event that the parties agree upon any changes to this Agreement for the renewal term, then all changes must be expressed in writing and executed by all parties hereto in the same manner and with the same formality as this Agreement is executed.


4. Product Quantities

- a. Distributor shall sell and deliver and Dealer shall purchase, receive and pay for the Dealer's entire requirements of Esso-branded motor fuel for sale at the Marketing Premises in the quantities and at the prices and terms and conditions set out herein. The motor fuels purchased by Dealer from Distributor under this Agreement shall be for resale at the Marketing Premises only. The Dealer shall use good faith and diligent efforts to maximize the sale of Esso-branded motor fuels at the Marketing Premises. Dealer shall at all times have available for sale at the Marketing Premises such quantities of the Esso-branded motor fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.



- b. The minimum annual volume of Esso-branded motor fuel Dealer is obligated to purchase during any contract year ("contract year" meaning the consecutive twelve (12) months beginning on the Effective Date and each subsequent consecutive twelve (12) month period) is  litres (the "Minimum Annual Volume"). The Minimum Annual Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil.
- c. In each contract year, Dealer must purchase from Distributor a minimum of eighty percent (80%) of the Minimum Annual Volume for Esso-branded motor fuel. Should Dealer fail, in any contract year, to purchase the aforementioned 80% of the Minimum Annual Volume of Esso-branded motor fuel, Distributor may terminate or not renew this Agreement upon giving 60 days prior written notice to the Dealer and the Guarantor(s).

5. Dealer Payment

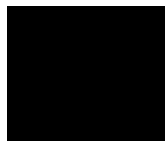
- a. As consideration in part for the Dealer accepting the use of the Proprietary marks as set out herein, Distributor shall pay to the Dealer a payment in the amount of \$  cents per litre (plus applicable taxes) multiplied by the number of litres of the Esso-Branded motor fuels purchased by the Dealer from Distributor pursuant to this Agreement (the "Dealer Payment"). The Dealer Payment shall be calculated by Distributor based on the Distributors' records and paid by Distributor to the Dealer monthly in arrears within twenty (20) days immediately following the end of each month during the term of this Agreement.
- b. Distributor shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days' prior written notice to the Dealer and the Guarantors if the Dealer fails to purchase eighty (80) percent of the Minimum Annual Volume in any contract year.
- c. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the covenants or agreements contained in this Agreement; and (ii) this Agreement shall not have terminated.

6. Right of First Refusal

- a. The Marketing Premises are located on those lands legally described as:

PT LT 18 E GANANOQUE RIVER BLK W PL 86; PT LT 12-13 CON 1 LEEDS; PT RDAL BTN LOTS 12 & 13 CON 1 LEEDS PT 1 28R574; GANANOQUE

(hereinafter referred to as the "Lands"). The Dealer operates its Esso branded motor fuels business and other ancillary business from the Lands (hereinafter referred to as the "Business"). If at any time during the term of this Agreement the Dealer shall receive a bona fide offer (hereinafter in this Article referred to as the "Offer") from a third party with whom the Dealer is dealing at arm's length (the "Third Party") for the purchase of the Business and/or the Lands in whole or in part and the Dealer is prepared to accept the Offer, the Dealer shall, before accepting the Offer, give written notice to the Distributor within three (3) Business Days of the date the Dealer received the Offer by sending to the Distributor an executed copy of the Offer and notifying the Distributor therewith of the Dealer's desire to accept the Offer. The Distributor shall have the right to purchase on the terms and conditions of the Offer, the Business and/or the Lands referred to in the Offer. The right to purchase shall be exercised by the Distributor delivering notice in writing thereof to the Dealer within thirty (30) Business Days after receipt of a copy of the executed Offer (hereinafter in this Article referred to as the "Exercise Period").



- b. In the event the Distributor does not exercise the right to purchase the Business and/or the Lands referred to in the Offer within the Exercise Period, the Dealer shall be at liberty to complete the sale of the Business and/or the Lands referred to in the Offer to the Third Party; provided that such sale shall be completed within ninety (90) days from the expiry of the Exercise Period, failing which the Dealer's right to complete such sale shall terminate.
- c. In the event that the Distributor shall notify the Dealer in writing within the Exercise Period of its desire to purchase the Business and/or the Lands referred to in the Offer, a binding agreement of purchase and sale shall exist between the Dealer and the Distributor with respect to the Business and/or the Lands at and for a price equal to that described in the Offer and on the terms and conditions therein contained. In the event the Offer provides for financing from the Dealer to allow the Third Party to close the purchase of the Business and/or the Lands referred to in the Offer, the Distributor shall pay the principal amount of the Dealer financing in cash on closing.
- d. The Dealer covenants and agrees that the Dealer shall not:
- (i) accept any offer for the purchase of all or any portion of the Land which will require some form of consideration, other than cash or cash equivalent in Canadian currency, to be paid, it being intended that the consideration not be of a unique nature such that the Distributor would be unable to provide the same consideration;
 - (ii) accept any offer to purchase the Business and/or the Lands from a party or parties with whom the Dealer is not dealing at arm's length;
 - (iii) accept any offer to purchase the Business and/or the Lands which is not a bona fide offer.
- e. Any purchase and sale of the Business and/or the Lands pursuant to the terms of this Agreement shall close on the thirtieth (30th) day after the expiry of the Exercise Period or on such other date as the Parties may agree upon.
- f. The Dealer covenants and agrees that as a condition precedent to the Distributor allowing the Dealer to sell the Business and/or the Lands to a third party, the Dealer will execute and deliver to the solicitor acting on the Dealer's behalf in such transaction an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, such amounts of money that are still due and owing to the Distributor by the Dealer. In the event the proceeds of the sale paid to the Distributor are insufficient to extinguish the Dealer's indebtedness to the Distributor, the Dealer shall continue to be liable to the Distributor for any remaining indebtedness to the Distributor.

7. Price and Terms of Sale

- a. The Dealer shall pay Distributor for the Esso-branded motor fuels purchased pursuant to this Agreement the price thereof in effect at the Distributors' designated loading rack at the time that the motor fuels are loaded for delivery to the Dealer, plus the cost of delivery, plus all applicable taxes. The motor fuel prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. In the event of a shortage or unavailability of the motor fuels at the Distributors' designated loading rack for any particular delivery to the Dealer the Distributor shall use its best efforts to deliver motor fuels from an alternate loading rack in order to complete the delivery and the Dealer hereby agrees to pay for any increased costs required to complete such delivery.

- b. Measurement of the volume of each delivery of the motor fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15 degrees Celsius in accordance with normal industry practice.
- c. All purchases of the Esso-branded motor fuels shall be paid by the Dealer upon or before delivery in immediately available funds as set out herein, unless Distributor, in its sole discretion and from time to time, grants credit terms to the Dealer. If Distributor grants credit terms to the Dealer, such credit terms may be amended by Distributor in its sole discretion upon written notice from time to time. If Distributor grants credit terms to the Dealer and the Dealer accepts delivery of any Esso-branded motor fuel in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation paying interest on overdue accounts at rates to be determined by Distributor from time to time. Distributor reserves the right to withhold any amounts due by the Distributor to the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its sole discretion and without notice decline to make deliveries of motor fuels to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.
- d. The Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to Distributor by the Dealer pursuant to this Agreement:
- (1) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by Distributor, in its sole discretion and from time to time;
 - (2) may be collected by Distributor by pre-authorized debit in the manner set out on Schedule "A" or by wire transfer.
- f. The Dealer shall, from time to time, execute and deliver to Distributor an authorization for pre-authorized debit substantially in the form of Schedule "A" in order to facilitate the collection of payments pursuant to this Section. Distributor may amend Schedule "A", in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer.
- g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer's business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
- h. Distributor agrees that, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, the Distributor will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

8. Delivery

- a. Delivery will be by tank truck into Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the motor fuel shall pass to the Dealer as the motor fuel is discharged from Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.
- b. Dealer shall ensure that the Distributors tank truck will have unimpeded access to the fill pipes and storage tanks while making any delivery to the Marketing Premises.
- c. Dealer will notify Distributor of any required delivery of motor fuels in accordance with Distributors written ordering and delivery procedures. Dealer will only order deliveries in orders of a minimum of [REDACTED] litres per delivery (hereinafter referred to as "full truck load"). Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. Dealer will accept delivery of the Esso-branded motor fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributors ordering and delivery procedures.
- d. Upon the dispatch of a delivery vehicle by Distributor to deliver the Esso-branded motor fuels to the Marketing Premises, the Dealer agrees to either accept the delivery of a "full truck load" of the Esso-branded motor fuels (or less than a "full truck load" of the Esso-Branded motor fuels only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to Distributor all the reasonable costs incurred by Distributor in connection with any delay or aborted delivery.
- e. Distributor shall not be required to deliver to the Dealer the Esso-Branded motor fuels in any quantity less than a "full truck load" or "deemed full truck load", which shall be determined in each case by Distributor in its sole discretion and from time to time. If the Dealer requests the delivery of and Distributor agrees to deliver the Esso-branded motor fuels in a quantity less than a "full truck load" or "deemed full truck load", then Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however, the delivery by Distributor of Esso-branded motor fuels in a quantity less than a "full truckload" or "deemed full truckload" on any one or more occasions shall not require Distributor to deliver Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the sole discretion of Distributor from time to time.

9. Product Control

- a. Dealer shall exercise the highest degree of care in handling, storing, selling and using the Esso-branded motor fuel delivered to the Marketing Premises. Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any Esso-branded motor fuel (including without limitation, the blending of such motor fuels with ethanol). Dealer shall not sell from the Marketing Premises Esso-branded motor fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. Distributor may refuse to make deliveries into Dealer's storage tanks at the Marketing Premises until in Distributor's judgment, any deficiencies in the quality of motor fuels at the Marketing Premises are corrected.
- b. Access to Premises. Dealer grants Distributor and Imperial Oil (including their employees, agents and contractors) the right to enter the Marketing Premises during normal business hours to examine the contents of Dealer's storage tanks in which said motor fuels purchased hereunder are

handled or stored. Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to Dealer's obligations under this Agreement.

10. Contingencies

No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any covenant, agreement, or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to Distributor or to Imperial Oil or any person affiliated with distributor under this Agreement) if such default or non performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any delays in or failure of performance by Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request, or control of any governmental authority; or
- b. When the supply of motor fuel at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by Distributor is interrupted, unavailable or inadequate for any reason or cause which Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of motor fuels to be sold under this Agreement by allocating its available supply of motor fuels among its customers, itself, and its related and subsidiary companies in such manner as it may in its sole and absolute discretion determine and Distributor shall not be obliged to obtain or purchase other supplies of the motor fuels to make up any such shortage.

11. Proprietary Marks

- a. Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for Dealer's use and shall only use such marks to designate the origin of the Esso-branded motor fuels and otherwise in the manner authorized and instructed by Distributor from time to time. DEALER AGREES THAT MOTOR FUELS AND PETROLEUM PRODUCTS OF OTHERS WILL NOT BE SOLD BY DEALER UNDER SUCH PROPRIETARY MARKS. If, in the sole opinion of Distributor, any samples taken by Distributor or Imperial Oil under this Agreement are not Esso-branded motor fuels, or are not in the condition in which delivered by Distributor, or any documents and records reviewed by Distributor or Imperial Oil show Dealer has failed to comply with its obligations hereunder, Distributor may, at its sole option, debrand the Marketing Premises in question or cancel and terminate this Agreement.
- b. By written notice to Dealer, Distributor may withdraw its approval to: (i) brand the Marketing Premises ("debrand") or (ii) use or operate any motor fuels business or Related Businesses at the Marketing Premises, if, in Distributor's sole judgment: (i) the Marketing Premises (or the motor fuels business and/or Related Businesses) fails to portray the image and standards expected from Esso-branded retail outlets; or (ii) Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If Distributor debrands the Marketing Premises, withdraws its approval to use or operate the motor fuels business or Related Businesses at the Marketing Premises, upon termination of this Agreement, or prior thereto upon demand by Distributor, Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from Distributor, consisting in

whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.

- d. Dealer agrees to take no action that will diminish or dilute the value of the Proprietary Marks. Dealer shall not sell non-Esso branded motor fuels under any of the Proprietary Marks, including without limitation, any Esso-identified canopy or at any fueling island where Dealer is selling Esso-branded motor fuels.
- e. Dealer shall not use the Proprietary Marks as part of Dealer's corporate or other name.
- f. Dealer hereby consents to Distributor or Imperial Oil removing or painting over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the Esso trade name, trade-marks, signs and advertising items, prior to the expiration or earlier termination of this Agreement.

12. Customer Service & Operating Standards

- a. Dealer shall ensure that its Marketing Premises meet the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits), failing which Dealer shall lose the right to use or display Proprietary Marks at any such Marketing Premises:
 - (1) Paved driveways with safe and good ingress and egress; and
 - (2) Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances; and
 - (3) Clean premises free of debris, trash, and fire hazards; and
 - (4) Modern restrooms for men and women available to the general public; and
 - (5) Offer two(2) grades of Esso-branded motor fuels; and
 - (6) Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and
 - (7) Compliance with applicable operating standards as described in Schedule "B", and facility standards as described in Schedule "C" ("Facility Requirements"), which are incorporated herein and made a part of this Agreement.
- b. While using any Proprietary Marks, Dealer agrees:
 - (1) To render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct Dealer's business in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the Esso-branded motor fuels sold hereunder; and
 - (2) To provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers; and

- (3) To keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies; and
 - (4) To assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the Esso-branded motor fuels during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to Dealer; and
 - (5) To purchase, maintain, and display an adequate quantity of Esso-branded motor oils, lubricants, greases, anti freeze, and other petroleum products and related products (the "Petroleum Products") for resale from the Marketing Premises to meet the needs of Dealer's retail customers from time to time. Dealer acknowledges that the Distributor is not a distributor of Petroleum Products and agrees to purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area; and
 - (6) The Dealer shall keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers; and
 - (7) The Dealer shall ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. Dealer agrees that Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by Distributor to cure, continues to be in violation of this Section.
- d. Dealer shall not permit at the Marketing Premises:
- (1) Any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits; or
 - (2) The sale or use of illegal drugs or drug paraphernalia; or
 - (3) The sale of any pornographic material or other material that Distributor determines may be offensive to the general public.
- e. Dealer shall not permit at the Marketing Premises the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits relating to youth access to tobacco products. Dealer shall promptly advise Distributor of any charges or notifications of violations received at the Marketing Premises from any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.
- f. The Dealer acknowledges receipt of and shall comply with the Imperial Oil Operating Standards Manual (the "Manual"), including without limitation the Operating Standards and the other standards, methods, procedures and specifications established by Imperial Oil from time to time applicable to the operation the Dealer's business. The provisions of the Manual, including without limitation the Operating Standards and the other standards, methods, procedures and

specifications applicable to carrying on the Dealer's business, are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to Distributor promptly upon request and, in any event, upon the expiration or earlier termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's prior written consent. The Dealer acknowledges that the entire contents of the Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. The Dealer shall maintain the absolute confidentiality of all such information during the term of this Agreement and after the expiration or earlier termination of this Agreement and shall not disclose any such information for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer's business in accordance with this Agreement. The Dealer further agrees not to use any such information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

13. No Exclusive Marketing Rights

This Agreement does not give Dealer an exclusive right in any market or geographic area to sell Esso-branded motor fuel or conduct any of the Related Businesses. Dealer acknowledges that Distributor and Imperial Oil may directly or indirectly compete with Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks ("Trademarks"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling Esso-branded motor fuels, other branded motor fuels or operating businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, enterprises or other businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

14. Fuel Handling Equipment

Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment"). Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a. The Dealer warrants and represents to Distributor that as of the effective date of this Agreement, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises are in good condition and repair and meet regulatory requirements.
- b. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and to meet regulatory

- requirements. The Dealer shall make all needed repairs and replacements promptly.
- c. The Dealer shall have in place on all underground motor fuels storage tanks the following equipment:
- (1) spill containment boxes; and
 - (2) overfill prevention valves,
- and such equipment shall, at all times, be in good operating condition and repair.
- d. Notwithstanding any other provision in this Agreement, if Distributor is required by law, or if in Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "hazard"), then Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. Distributor shall not be obliged to re-commence delivery of the Motor Fuels until Distributor is satisfied, in its sole discretion, that the hazard does not exist or has ceased to exist.
- e. The Dealer agrees :
- (1) that if Distributor does or causes the doing of any act to remedy a hazard, whether or not the acts are required by law, the Dealer will pay Distributor for all costs and expenses incurred by Distributor for the doing of such act; and
 - (2) upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuel or other substance and so notify Distributor immediately if any such spillage is determined to have occurred and Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.
- f. Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential environmental hazards.

15. Loaned Equipment

- a. Distributor will loan to the Dealer the equipment listed in Schedule "D" hereto (the "Equipment") as and when it may be available for use on the Marketing Premises in the Dealer's business; and the Dealer hereby accepts such loan.
- b. Distributor shall have the right, in its sole discretion and from time to time, to replace, add to or substitute any one or combination of items of the Equipment.
- c. The Dealer shall:
- (1) pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
 - (2) obtain all necessary permits, licences and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;
 - (3) not alter, part with possession of, or encumber, lease, or sell the Equipment;
 - (4) complete day to day maintenance and repair, including replacement of parts, of the

Equipment unless Distributor advises the Dealer in writing that Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;

- (5) keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;
 - (6) comply with all laws applicable to the Equipment;
 - (7) be responsible for all damage caused to the Equipment by the gross negligence or willful act of any person or persons other than Distributor, its employees, contractors and agents;
 - (8) use the Equipment intended for storage, handling, advertising or displaying the Esso-branded motor fuels and the Petroleum Products, solely for such intended purpose;
 - (9) return to Distributor in good repair and operating condition, reasonable wear and tear excepted (i) all Equipment immediately upon the expiration or earlier termination of this Agreement and (ii) any Equipment replaced by Distributor for any reason immediately upon such replacement;
 - (10) for greater certainty, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (i) effect maintenance and repair of the Equipment and (ii) replace, add to or substitute any one or combination of items of the Equipment; and
 - (11) upon the expiration or earlier termination of this Agreement, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor, and the Dealer agrees not to affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a fixture of the Marketing Premises.
- e. The Dealer acknowledges that it has examined the Equipment provided to the Dealer as of the effective date of this Agreement and is satisfied therewith and shall indemnify Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of Distributor's negligence or a defect in the Equipment, provided the Dealer shall have given Distributor prompt written notice of such negligence or defect.

16. Compliance with Laws

Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits including those concerning the environment, hazardous substances or wastes, toxic substances, and occupational safety and health.

17. Indemnity

The Dealer agrees to indemnify and save harmless Distributor, its partners, directors, officers, employees, agents and **affiliates** and their respective directors, officers, employees, agents and affiliates (each an "indemnified party") from and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that

they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer's business on the Marketing Premises;
- b. the storage, handling and sale of the motor fuels on and from the Marketing Premises; and
- c. the Equipment.

The foregoing indemnity shall not include a claim arising out of, in respect of or in connection with the negligence or willful misconduct of an indemnified party.

18. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:
 - (1) a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and Distributor arising out of all the operations of the Dealer pertaining to the Dealer's business, whether or not conducted on or from the Marketing Premises with all inclusive limits of at least three million dollars (\$3,000,000) for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and
 - (2) a third party liability policy on all vehicles used in the Dealer's business, with all inclusive limits of at least one million dollars (\$1,000,000) for any one incident.
- b. The insurance policy referred to in subsection 18a.(2) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
- c. Upon written request by Distributor, the Dealer shall provide Distributor with a certificate of insurance and such other information as may reasonably be required by Distributor in a form satisfactory to Distributor as evidence of the insurance required under this Section. The insurance policies shall be endorsed to provide that in the event of any change in them which could affect Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to Distributor thirty (30) days prior to the effective date of any such change or cancellation.
- d. Distributor may amend this Section, in its sole discretion and from time to time, on the anniversary of the commencement date of this Agreement upon sixty (60) days' prior written notice to the Dealer.

19. Technology and Communications

If required by Distributor in writing from time to time, Dealer shall comply with the following:

- a. Install and maintain in good operating condition and at Dealer's expense at the Marketing Premises:
 - (1) a facsimile machine for sending and receiving written communications; and
 - (2) equipment that allows access to the internet or other electronic-transmission or data

communications systems designated by Distributor from time to time.

- b. Subscribe, at Dealer's expense, at the Marketing Premises to a voicemail system for transmitting and receiving telephone communications.
- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition, replacement or updating of point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software.

20. Retail Credit and Debit System

The Dealer acknowledges receipt of an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer Business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor.

The Dealer shall pay to Distributor the following fee(s), which Distributor may amend, in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer:

G-Site data transmission fee: \$ [redacted] month.

eN-Touch fee: 1 unit(s) at \$ [redacted] month.

Manual Imprinter: Yes at \$ [redacted] month.

VSAT Satellite: 1 unit(s) at \$ [redacted] month

Speedpass "inside pay" pad: 1 unit(s) at \$ [redacted] month

The Dealer shall implement and utilize the retail credit and debit system(s) designated by Distributor, in its sole discretion and from time to time, to be used by its dealers and the Dealer further shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).

21. Termination

- a. Where the end of the term of this Agreement set out in Section 3 is later than the end of the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, or where the said Esso Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said Esso Branded Distributor Agreement, unless:
 - (1) the said Esso Branded Distributor Agreement is extended, renewed or replaced; and
 - (2) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an Esso location.

- b. Distributor, in its sole discretion, shall have the right to terminate this Agreement between Dealer and Distributor immediately and without notice and demand immediate payment of all monies due it as follows:
- (1) In accordance with the applicable provisions of this Agreement; or
 - (2) Bankruptcy proceedings are instituted by or against Dealer; control of Dealer's business or assets pass by law or otherwise to any person or representative other than Dealer; or
 - (3) Dealer is in breach of a provision under this Agreement; or
 - (4) Dealer fails to timely pay obligations due Distributor under this Agreement; or
 - (5) Dealer is in default of any Third Party Credit Card Agreement entered into between the parties in connection with this Agreement, or in the event the Third Party terminates the Dealers use of the Third Party's credit card processing facilities for any reason whatsoever; or
 - (6) Any intended indemnity, guarantee, or suretyship in connection with this Agreement is revoked or curtailed; or
 - (7) If any motor fuel, other than the Esso-Branded motor fuels are kept, sold or otherwise dealt with on or from the Marketing Premises; or
 - (8) If the Dealer fails to sell the Esso-branded motor fuels strictly in accordance with the grades and kinds designated in the Manual; or
 - (9) The Dealer sells any Esso-branded motor fuel: (i) in bulk, (ii) to any person for resale, or (iii) to any person not using a government approved container; or
 - (10) If the Dealer ceases to carry on the Dealer's business on or from the Marketing Premises; or
 - (11) If the Dealer or any of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or any of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is made in respect of the Dealer or any of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed for the Dealer or any of the Guarantors, or if the Dealer or any of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an "insolvent person" as that term is defined in the Act; or
 - (12) If the Dealer or any of the Guarantors shall at any time have any of the goods and chattels of the Dealer's business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of Distributor sell any of such

goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer's business; or

- (13) If the Dealer fails to operate the Dealer's business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control; or
 - (14) If the Dealer or any of the Guarantors is convicted of or pleads guilty to any criminal offense, whether or not related to the Dealer Business; or
 - (15) If the Dealer fails to maintain adequate inventory of the Motor Fuels at the Marketing Premises to meet the needs of its retail customers; or
 - (16) The Dealer or any of the Guarantors attempts to abandon the Marketing Premises or to sell or dispose of its goods or chattels otherwise than in the ordinary course of its business; or
 - (17) If the Dealer (i) is a corporation and a principal shareholder of the Dealer dies or becomes incapacitated or (ii) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes incapacitated; or
 - (18) If any applicable law now or hereafter in effect renders any provision of this Agreement unenforceable or unlawful.
- c. Upon the expiration or earlier termination of this Agreement for any reason, the Dealer shall immediately:
- (1) cease all use of the Proprietary Marks;
 - (2) pay to Distributor or any person, firm or corporation affiliated or associated with Distributor, all amounts and charges as have or will thereafter become due hereunder or under any other agreement between the Dealer and Distributor or any person, firm or corporation affiliated or associated with Distributor, and are then unpaid;
 - (3) return to Distributor all copies of the Manual then in the possession of the Dealer;
 - (4) notify the telephone company and all listing agencies of the expiration or earlier termination of the Dealer's right to use the Proprietary Marks and terminate all such listings using the Proprietary Marks;
 - (5) surrender the Equipment to Distributor; and
 - (6) at the request of Distributor, take all such action as may be necessary to cancel any trade or business name registration which contains any part of the Proprietary Marks under any applicable law and furnish Imperial with evidence satisfactory to it of compliance with the Dealer's obligation hereunder within thirty (30) days after the expiration or earlier termination of this Agreement.

Any termination of this Agreement pursuant to this Article shall be without prejudice to any other right (including any right of indemnity), remedy or relief vested in or to which Distributor may otherwise be entitled against the Dealer. All monies paid by the Dealer to Distributor under this Agreement or otherwise shall be retained by Distributor as consideration for the rights and benefits previously conferred on the Dealer hereunder and as liquidated damages. The foregoing remedy shall not exclude

any of the remedies which Distributor may have at law or in equity by reason of the default, breach or non-observance by the Dealer of any provision of this Agreement.

22. Claims

- a. Neither Distributor nor Imperial Oil is liable to Dealer for shortages in quantity or quality unless Dealer notifies Distributor within 48 hours after delivery (or discovery in the case of latent defect for quality deficiencies) in writing setting forth fully the facts upon which any such claim for shortage in quantity or defect in quality is made and unless Distributor and/or Imperial Oil are given a reasonable opportunity to inspect the Motor fuels concerning which any such claim is being made. Distributor's and/or Imperial Oil's liability with respect to any shortage in quantity shall be limited to an amount equal to the volume of any shortage multiplied by the Dealer's cost of motor fuel including delivery and taxes in effect for the delivery in question. Distributor and/or Imperial Oil's liability with respect to any defect in quality shall be limited to the cost of removing the defective motor fuels from the Marketing Premises at its own expense and replacing them without charge to the Dealer. Distributor and/or Imperial Oil shall not be liable for any special, indirect, or consequential damages to the Dealer for any shortage in quantity or defect in quality. All other claims by Dealer against Distributor or Imperial Oil including their affiliates and subsidiaries of any kind, whether or not arising out of this Agreement, are barred unless Dealer gives Distributor and/or Imperial Oil, as the case may be, notice within ninety (90) days after the event, act or omission to which the claim relates. Whether or not Dealer provides timely notice of a claim, any claim by Dealer is barred unless asserted by the commencement of a lawsuit naming Distributor and/or Imperial Oil as defendant in a court of competent jurisdiction within twelve (12) months after the event, act or omission to which the claim relates.
- b. Dealer recognizes that, at any time during the term of this Agreement, any of the grades or brands of motor fuels sold hereunder or any of the Proprietary Marks may be changed, altered, amended or eliminated. Dealer also recognizes that, at any time during the term of this Agreement, the quality or specification of any of the motor fuels sold hereunder may be changed or altered. If any such change or alteration materially affects the performance of such motor fuels or the needs of Dealer therefor for the purposes intended by Dealer, Dealer may terminate this Agreement as to any such motor fuels so affected on thirty (30) days' prior written notice to Distributor. However, Dealer may not terminate this Agreement for any change in quality or specification of any said motor fuels resulting from compliance with federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits. In the event that the manufacture of certain of the Esso-branded motor fuels sold hereunder is discontinued, Distributor shall notify Dealer of such an event and this Agreement shall terminate as to such motor fuels when such notice is effective.

23. Entire Agreement; Modifications

This Agreement, any documents referred to in this Agreement and any attachments to this Agreement constitute the entire, full and complete agreement between Distributor and Dealer concerning the subject matter hereof, and supersede all prior agreements relating to that subject matter. Except for any permitted to be made unilaterally by Distributor under this Agreement, no amendment, change or variance from this Agreement is binding on either party unless agreed in writing by Distributor's and Dealer's authorized representative. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by Distributor to the Dealer.

24. Miscellaneous

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective

assigns. Any assignment of this Agreement by Dealer without Distributor's written consent shall be void. Distributor's right to require strict performance shall not be affected by any previous waiver or course of dealing. Neither this Agreement nor any modification or waiver shall be binding on Distributor unless in writing signed by an authorized representative. Past performance shall not be deemed a waiver of this requirement.

25. Guarantee

As consideration in part for Distributor entering into this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Guarantors and Distributor, the Guarantors hereby agree as follows:

- a. To unconditionally and irrevocably guarantee to Distributor, as a primary obligor, the due payment by the Dealer of all monies payable under this Agreement and any other obligations whatsoever by the Dealer to Distributor at the time or times appointed therefor, and the due observance and performance by the Dealer of all the covenants, terms, provisions, stipulations and conditions in this Agreement and any other obligations whatsoever to be observed and performed by the Dealer;
- b. To indemnify and save Distributor harmless from and against all costs, losses, expenses and damages it may suffer as a result of the Dealer's non-compliance with any term or condition of this Agreement;
- c. That this shall be a continuing guarantee and shall be binding upon the Guarantors after as well as before the Dealer's non-compliance with any term or condition of this Agreement, until all monies due under the Agreement have been fully paid and satisfied and all covenants, terms, provisions, stipulations, agreements and conditions observed, performed and carried out;
- d. Distributor shall not be bound to exhaust its recourse against the Dealer before requiring payment of any monies or the observance or performance of any obligations by the Guarantors and the Guarantors waive notice of demand for payment or performance, notice of default, protest and notice of protest and any and all other notices and legal and equitable defenses to which the Guarantors may be entitled;
- e. No release or releases and no indulgence or extensions of time or waiver granted by Distributor to the Dealer with respect to the observance or performance or any defaults or breaches of this Agreement by the Dealer nor any dealings between Distributor and the Dealer shall in any way modify, alter or prejudice Distributor or diminish or affect the liability of the Guarantors under this Agreement;
- f. The covenants and agreements herein entered into by the Guarantors are to be construed as both joint and several;
- g. The guarantee and the liability of each of the Guarantors hereunder is not affected by the death or loss or diminution of capacity of any of the Guarantors; and
- h. For clarification, this guarantee extends to and is binding upon each of the Guarantors and their heirs, executors, administrators, legal representatives and assigns, it being understood that this guarantee will continue to bind the Guarantors even if one or each of the Guarantors, as the case may be, cease to be involved, directly or indirectly in the Dealer Business or in the Dealer.

26. Notices

Any notice to be given hereunder:

- a. By Distributor to the Dealer and the Guarantors shall be conclusively deemed to have been given when addressed to the Dealer and: (i) delivered personally or by courier to the Marketing Premises; (ii) mailed by prepaid registered mail addressed to the Dealer at the Marketing Premises; or (iii) sent by electronic facsimile to the Dealer provided evidence of transmission is retained, and
- b. By the Dealer or the Guarantors to Distributor shall be conclusively deemed to have been given when addressed to the following address and: (i) delivered or mailed by prepaid registered mail to Distributor at the following address, or (ii) sent by electronic facsimile to Distributor, provided evidence of transmission is retained, at the following number:

**236 - 4919 - 59 Street
RED DEER, Alberta
T4N 6C9
Attention: Legal Services Department
Facsimile No.: (403) 346-3015**

Any notice, if delivered personally or by courier shall be conclusively deemed to have been given when actually received, if mailed by prepaid registered mail, on the fifth business day following the deposit thereof in the mail or, if transmitted by electronic facsimile before 3:00 p.m. on a business day, on that business day and, if transmitted by electronic facsimile after 3:00 p.m. on a business day on the business day following the date of the transmission.

27. Quality Assurance

Dealer agrees to store, handle, sell and dispense the Esso-branded motor fuels purchased and sold hereunder in compliance with the procedures provided by Distributor from time to time.

28. Right of Entry

In addition to any other rights of Distributor under this Agreement, Dealer hereby permits Distributor, Imperial Oil and their respective affiliates, employees, agents, vendors, contractors and representatives to enter, during normal operating hours, the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement, to enforce any and all rights and remedies under this Agreement including taking action to preserve the integrity of the Proprietary Marks and determine Dealer's compliance with this Agreement. Neither Distributor nor Imperial Oil is liable to Dealer for any interference with Dealer's business as a result of Distributor or Imperial Oil entering the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement.

29. Survival

All obligations of the parties hereto which expressly or by their nature survive the expiration, earlier termination, permitted transfer and permitted assignment of this Agreement shall continue in full force and effect, until they are satisfied or by their nature expire.

30. Withholding Payments

The Dealer will not on the grounds of the alleged non-performance by Distributor of any of its obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to Distributor or any person affiliated with Distributor.

31. Further Assurances

The parties agree to diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

32. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the province or territory of Canada in which the Marketing Premises is located and the federal laws of Canada applicable therein.

33. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity of such provision in any other jurisdiction.

34. No Waiver

No waiver of any covenant, agreement or obligation in this Agreement shall be construed as a waiver of any succeeding breach thereof or of any other covenant, agreement or obligation in this Agreement, and no delay or omission on the part of any party to exercise any right acquired through the default of any other shall be construed as a waiver of or shall impair such right.

35. Compliance with Law; Workers Compensation; Environmental

- a. The Dealer shall fulfill all the duties imposed upon it by law and shall obey all laws, regulations, rules, by-laws and ordinances applicable to the Dealer's business and to the Marketing Premises, including without limitation the competition laws of Canada and all other applicable laws relating to competition.
- b. The Dealer shall: (i) comply fully, at the Dealer's sole expense, with provisions of the relevant Workers' Compensation legislation; and (ii) obtain for all the persons employed in the Dealer's business, including the Dealer and the principal shareholder(s) and interest holder(s) of the Dealer, as the case may be, the complete package of benefits available under the relevant Workers' Compensation legislation.
- c. The Dealer shall comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.

36. No Special or Consequential Damages

Distributor shall not be liable for any special or consequential damages or loss of profit arising from any breach of its obligations under this Agreement.

INTENTIONALLY DELETED



37. Independent Legal Advice

Each of the Dealer and the Guarantors acknowledges that it: (i) has had ample time to read and has read this Agreement and has been afforded the opportunity to retain independent legal advice to assist it in its review, execution and delivery of this Agreement; and (ii) has of its own free will either declined to do so or obtained independent legal advice.

EXECUTED as of the date first herein specified.

Scott McKewen
Director & Retail Operations

PARWIE AND INDUSTRIES LTD.

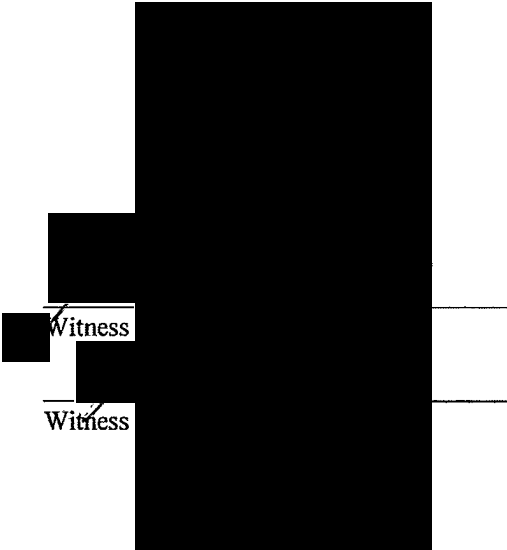


PER: _____ **Peter Kilty**
Vice President, Retail

SAFE CORPORATION

PER: _____

PER: _____

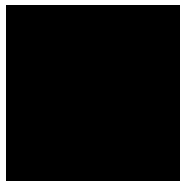


Witness

Witness

Guarantor

Guarantor



SCHEDULE "A"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and Safe Corporation.

PAYOR'S AUTHORIZATION FOR PRE-AUTHORIZED DEBITS
(Business Purposes)

1. The Payor hereby certifies the accuracy of the following information:

Name: [REDACTED] (the "Payor")
 Address: [REDACTED]
 Town: [REDACTED]
 Province: [REDACTED]
 Postal Code: [REDACTED]
 Telephone Number: [REDACTED]
 Account: [REDACTED] (the "Account")
 Name of Payor's Financial Institution: [REDACTED] (the "Processing Institution")

2. Attached to this Authorization is a specimen cheque of the Payor marked 'VOID'.
3. The Payor will notify Parkland (the "Payee"), in writing, of any change in the information provided in Sections 1 and 2 of this Authorization thirty (30) days prior to the effective date of any such change.
4. The Payor hereby authorizes the Payee to draw on the Account with the Processing Institution (each a pre-authorized debit or ("PAD")) to facilitate the payment of any and all such monies owing by the Payor to the Payee, including without limitation any monies owing pursuant to the Motor Fuel Supply Agreement - Esso-Branded Motor Fuels among the Payee, the Payor and others.
5. The Payor represents and warrants that all persons whose signatures are required to authorize withdrawals from the Account have signed this Authorization and that all persons signing this Authorization are the authorized signatories and are duly authorized to execute this Authorization.
6. This Authorization may be cancelled by the Payor at any time upon written notice to the Payee.
7. The Payor acknowledges that executing and delivering this Authorization to the Payee constitutes delivery by the Payor to the Processing Institution.
8. The Payor and the Payee each hereby waive any and all PAD pre-notification requirements otherwise required by Rule H1 of the Canadian Payments Association ACSS Rules Manual.
9. The Payee may issue PADs in a dollar amount up to a maximum of \$ [REDACTED] per day.
10. The Payor acknowledges that the Processing Institution is not required as a condition to honouring a PAD issued to verify that a PAD has been issued in accordance with the particulars of the Authorization, including without limitation the amount of the PAD and that the consideration for the payment for which the PAD was issued has been received by the Payee.
11. The revocation of this Authorization by the Payee does not terminate any contract for goods or services that exists between the Payee and the Payor. This Authorization applies only to the method of payment and does not otherwise have any bearing on the contract for goods or services exchanged.
12. The Payor may dispute a PAD only under the following conditions:

- (1) the PAD was not drawn in accordance with this Authorization; or
- (2) this Authorization was revoked.

The Payor acknowledges that in order to be reimbursed, a declaration to the effect that one of foregoing circumstances occurred, must be completed and presented to the branch of the Processing Institution holding the Account up to and including 10 business days after the date on which the PAD in dispute was posted to the Account.

13. The Payee shall provide to the Payor notice and particulars of each PAD within 10 days following the date the Payee issues the PAD.
14. The Payor acknowledges that when disputing any PAD beyond the time allowed in this section it is a matter to be resolved solely between the Payor and the Payee, outside the payments system.
15. The Payor acknowledges that the information contained in the Authorization may be disclosed to the Payee's financial institution(s) as may be required or desirable to complete any PAD transaction.
16. The Payor understands and accepts the terms of participating in a PAD plan.

SCHEDULE "B"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and Safe Corporation.

OPERATING STANDARDS

The following operating standards for the Premises set out the Dealer's responsibilities with respect to safety and other operating procedures for the Premises and must be complied with strictly.

Operating Procedures

- Be aware of, and comply with, any applicable law relating to the operations on the Premises and any accounting and inventory management system requirements.
- Understand all duties in running the Premises.
- Ensure that the Dealer's employees understand the duties delegated to them.

Safety

The Dealer's employees must:

- Use safe work procedures when carrying out their duties.
- Be aware of and follow safe work practices when carrying out their duties.
- Be trained in the recognition and correction of hazardous conditions to avoid emergencies.
- Be aware and comply with applicable safety regulations.

Security/Robbery Prevention

- Take proper preventative measures to reduce the risk of robbery.
- Train the Dealer's employees in security and robbery prevention.
- The Dealer must train the Dealer's employees in the procedures to follow before, during and after a robbery.

Critical Equipment

- Know the critical equipment on the Premises.
- Ensure that the Dealer's employees are aware of the critical equipment on the Premises.
- Ensure that when critical controls are disarmed, appropriate communication takes place prior to such disarming and that such critical controls are re-activated.
- Follow appropriate procedures for disarming the critical equipment, including completing the form for the disarming or removal of critical controls and shutdown systems.

Emergency Response

- Post the emergency response plan wall chart on the Premises in a conspicuous place.
- Train Dealer's employees in emergency response. This should include a review of potential hazards and how to deal with them, and the operation and use of fire extinguishers.
- Have the required equipment and supplies to respond to emergency situations.
- Hold at least two practice drills each year using different emergency situations.
- Document the Dealer's employee training and practice drills.

Workplace Hazardous Materials Information System ("WHMIS")

- Educate and train all the Dealer's employees on the WHMIS program prior to their starting work on the Premises and provide documented evidence thereof.
- Ensure that all Material Safety Data Sheets for controlled products are current, available and accessible to the Dealer's employees.
- Conduct at least once per year a review of WHMIS with the Dealer's employees and provide a forum for the Dealer's employees to discuss any related concerns and issues.
- Ensure that all containers of controlled products are properly labeled.
- Ensure that all fill pipes, gauge pipes and valves are properly tagged.
- Keep an inventory list of controlled products on the Premises in those provinces where it is required.

Waste Management

- Be familiar with and comply with the applicable waste regulations.
- Dispose of waste generated at the Premises according to the applicable waste regulations.
- If required by applicable laws, have a signed contract with a licensed hauler for the removal of hazardous wastes from the Premises.
- Use only a licensed hauler to remove and transport hazardous waste from the Premises.
- Keep copies of all waste manifests on file for a minimum of 2 years, or longer if required by applicable laws.

Licences and Permits

- Have the necessary operating licences and permits to meet regulatory requirements.
- Have on the Premises all manuals required or advisable to operate the service station.

Incident Definition and Reporting

- Report specified incidents to the territory manager.
- Be aware of and understand the Dealer's responsibilities for reporting specific incidents directly to government agencies.
- Share the benefit of past incidents with the Dealer's employees.
- Document the incidents and keep them on file.

Training

- Provide initial and continuous training to all the Dealer's employees.
- If required by applicable laws, maintain training records for each of the Dealer's employees on the Premises.

Credit Card

- Follow the standards for credit card authorization and processing documented in the Credit Card Guide.
- Retain the credit card slips for:
 - 6 months for manual transactions; and
 - 12 months for electronic transactions.
- Provide copies of credit card slips to Imperial within the time requested.
- Submit manual slips on a timely basis.

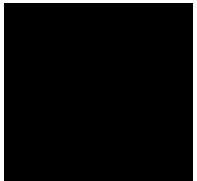


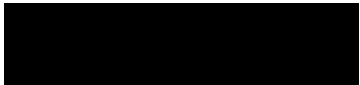
Esso Extra Card

- Collect, use and disclose information gathered for use by Imperial in connection with the Esso extra card only in accordance with applicable laws.
- Display all point-of-purchase materials prescribed by Imperial in connection with the Esso Extra card.
- Ask each purchaser of applicable merchandise or services whether he or she has an Esso extra card. If so, whether he or she would like to use it and, if not, whether he or she would like to obtain an Esso extra card.
- Record and process the sales transactions of retail customers with an Esso extra card, using the Esso extra card.
- Maintain an adequate supply of merchandise redeemable by holder of Esso extra cards.
- Redeem valid Esso extra card reward certificates presented by retail customers for prescribed merchandise or services.

Record Retention

- Keep all relevant records on the Premises to be able to prove that you have taken the necessary steps to comply with applicable law.





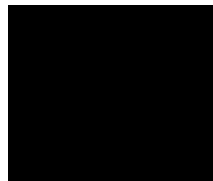
	Operating retail automation system compatible with Imperial's card processing network	
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***Subject to MID sign permit availability

Definitions

3D	600mm illuminated Red Frameless Flexface Fascia with 300 non-illuminated white metal Fascia. C/W individually "ESSO" Red illuminated letters.
2D	900mm illuminated Frameless Flexface Fascia, 600mm high red and 300 mm White, with ESSO letters.
MID	Major Identification Sign
D-1	<p>Dealer Forecourt & Backcourt meeting the following requirements:</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards that can be upgraded to 3D, 3 Products with proper pump ID. Current Major Identification sign, Good Gas Location. • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
D-2	<ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards Minimum 2 (preferred 3) products with proper pump I.D. M.I.D. S/B goal post (minimum) but other to standard acceptable • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
100k	Market Area Population in 1000's

Changes To Brand Standards - Imperial may change its "Facility Requirements for Distributor Esso-Branded Outlets" from time to time. Imperial will notify the Distributor of all changes and the Distributor must comply with these changes for all future applications.





SCHEDULE "D"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and Safe Corporation.

EQUIPMENT

The following is a list of the Equipment:

Sign Type	Quantity
MID Sign	
MID - Inserts Only	
Canopy Inserts	
Price Panel	
VSAT	
Speedpass Pad	
Imprinter	
POS Device	
Pump topper sign frames	



SCHEDULE "E"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and Safe Corporation.

CUSTOMER LOYALTY OBLIGATIONS**1. Participation**

Dealer shall participate in the Esso Extra Win & Earn promotional program (the "Program") offered by Imperial to its Distributors, retailers and retail customers. Dealer shall comply with all requirements of the Program, including without limitation, the procedures, instructions and guidelines relating to the Program (the "Guidelines"), as provided or amended by Imperial to Dealer from time to time in its sole discretion. Without limiting the generality of the foregoing, Dealer shall:

- collect and communicate customer information to Imperial for Imperial's use only and in accordance with applicable laws and regulations (for greater certainty, Dealer shall not provide any customer information to any person other than Imperial nor shall Dealer use any customer information other than in accordance with the Guidelines or as otherwise directed by Imperial from time to time),
- ensure the Esso Extra card or the Royal Bank Esso VISA card is offered to each retail customer in accordance with the Guidelines,
- record and process sales transactions and the applicable Program points in accordance with the Guidelines for retail customers participating in the Program,
- redeem Program points as requested by customers at the Site for merchandise or services in accordance with the Guidelines,
- maintain an adequate supply of merchandise required to redeem Program points, or, if such merchandise is unavailable, maintain a supply of equivalent merchandise, and display all Program point-of-purchase promotional materials or signage at the times and in the manner prescribed by Imperial during the Program.

2. Electronic Reward Redemption Remuneration

The Distributor shall pay Dealer an amount (the "Reward Payment"), plus applicable taxes (other than income taxes), for each valid Program reward redeemed electronically at the Site in accordance with the Guidelines. The Reward Payment payable by the Distributor to Dealer shall be credited to Dealer's account with the Distributor on or about the 15th day and on or about the last day of each month. Distributor may change the manner and the time the Reward Payment is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Reward Payment shall be calculated by Imperial as the actual number of reward redemptions for each type of reward redeemed electronically by customers at the Site multiplied by the reward cost rate as determined solely by Imperial and documented in the Guidelines.



3. Promotional Program Fee

If applicable law permits, the Dealer shall pay Distributor a promotional program fee (the "Program Fee"), plus applicable taxes (other than income taxes). The Program Fee payable by Dealer to Distributor shall be debited directly from Dealer's account with the Distributor on or about the 15th day and on or about the last day of each month. Imperial may change the amount, manner and the time the Program Fee is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Program Fee shall be calculated as the number of points (the "Fee Points") awarded to customers for transactions made at the Site multiplied by the program rate (the "Fee Rate").

The Fee Points are the total of:

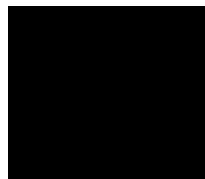
- the base points issued at a rate of one point per dollar spent,
- all bonus points issued for sales of different grades of gasoline or car washes, and
- points issued for offers unique to the Site as instituted or extended by Dealer.

For greater certainty, the Fee Points excludes:

- (i) promotional points issued via direct mail offers extended by Imperial to customers
- (ii) points issued to holders of the Royal Bank Esso VISA card at a rate of one point per dollar charged to the card regardless of the vendor where the card is used, and
- (iii) bonus points issued for the purchase of specific merchandise on the Site through a program instituted or extended by Imperial.

The Fee Rate is defined as:

Fuel products & services	\$	[REDACTED]	for each point issued
Convenience store products & services	\$	[REDACTED]	for each base point issued
Car wash products & services	\$	[REDACTED]	for each base point issued
Other products & services	\$	[REDACTED]	for each point issued
Vehicle repair bay products & services	\$	[REDACTED]	for each point issued



PUBLIC

**MOTOR FUEL SUPPLY AGREEMENT
ESSO-BRANDED MOTOR FUELS**

This Agreement is made on 009 8/14 (the "Effective Date")

BETWEEN:

PARKLAND INDUSTRIES LTD.
(hereinafter called "Distributor")

- and -

1141435 ONTARIO LIMITED
(hereinafter called "Dealer") having a
motor fuels "Marketing Premises" located at
51 Notre Dame Street West
Azilda, Ontario P0M 1B0

- and -

1141435 ONTARIO LIMITED
(hereinafter called the "Guarantors")

WHEREAS Distributor is engaged in the sale and distribution of high quality petroleum products under the nationally and internationally known ESSO trade mark;

AND WHEREAS the Dealer desires to carry on the business of the sale of petroleum products in accordance with this Agreement;

AND WHEREAS the Guarantors have agreed to guarantee the obligations of the Dealer under this Agreement as consideration in part for the Distributor entering into this Agreement;

AND WHEREAS, based on its marketing strategies Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("Imperial Oil") has established the following core values ("Core Values"), namely

- To deliver quality products that customers can trust.
- To employ friendly, helpful people.
- To provide speedy, reliable and friendly service.
- To provide clean, attractive and well maintained retail facilities.
- To be a responsible, environmentally conscious neighbour.

NOW THEREFORE the Distributor and the Dealer agree as follows:

1. Grant

Distributor, under an Esso Branded Distributor Agreement with Imperial Oil, has the right to grant to Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the terms and conditions of this Agreement, Distributor grants Dealer the right to use the "Esso" mark and such other proprietary marks specified by Imperial Oil, from time to time, for use in connection with the sale of Esso-branded motor fuels ("Proprietary Marks") at the Marketing Premises. Dealer hereby accepts the use of the Proprietary Marks subject to the terms and conditions of this Agreement and agrees to conduct its

business in a manner consistent with the commitments in the Core Values and agrees to comply with Imperial Oil business standards and policies, including, without limitation Imperial Oil's National Standards Handbook as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by Distributor from time to time. DEALER ACKNOWLEDGES THAT ITS RELATIONSHIP IS EXCLUSIVELY WITH DISTRIBUTOR. NOTHING IN THIS AGREEMENT MAY BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN DEALER AND IMPERIAL OIL.

2. Related Businesses

Distributor acknowledges that Dealer may wish to operate, during the term of this Agreement, additional businesses ("Related Businesses") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, Distributor's trademarks, Dealer's own trademarks or third party trademarks. Dealer acknowledges that the operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the Esso-branded motor fuels and Proprietary Marks. Accordingly, Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by Distributor to Dealer from time to time. If Dealer fails to comply with this Agreement or any such requirements, and without limiting Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, Distributor may require Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks, or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Effective Date, Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.

3. Term

- a. The term of this Agreement is for the period beginning on **November 1, 2014** and ending on **October 31, 2024**, unless terminated earlier in accordance with this Agreement. If the said term exceeds the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, then the term of this Agreement shall expire upon the expiry of the said Esso Branded Distributor Agreement; and

4. Product Quantities

- a. Distributor shall sell and deliver and Dealer shall purchase, receive and pay for the Dealer's entire requirements of Esso-branded motor fuel for sale at the Marketing Premises in the quantities and at the prices and terms and conditions set out herein. The motor fuels purchased by Dealer from Distributor under this Agreement shall be for resale at the Marketing Premises only. The Dealer shall use good faith and diligent efforts to maximize the sale of Esso-branded motor fuels at the Marketing Premises. Dealer shall at all times have available for sale at the Marketing Premises such quantities of the Esso-branded motor fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.
- b. The minimum annual volume of Esso-branded motor fuel Dealer is obligated to purchase during any contract year ("contract year" meaning the consecutive twelve (12) months beginning on the Effective Date and each subsequent consecutive twelve (12) month period) is [REDACTED] litres (the "Minimum Annual Volume"). The Minimum Annual Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil.

- c. In each contract year, Dealer must purchase from Distributor a minimum of eighty percent (80%) of the Minimum Annual Volume for Esso-branded motor fuel. Should Dealer fail, in any contract year, to purchase the aforementioned 80% of the Minimum Annual Volume of Esso-branded motor fuel, Distributor may terminate or not renew this Agreement upon giving 60 days prior written notice to the Dealer and the Guarantor(s).

5. Dealer Payment

- a. As consideration in part for the Dealer accepting the use of the Proprietary marks as set out herein, Distributor shall pay to the Dealer a payment in the amount of [REDACTED] cents per litre (plus applicable taxes) multiplied by the number of litres of the Esso-Branded motor fuels purchased by the Dealer from Distributor pursuant to this Agreement (the "Dealer Payment"). The Dealer Payment shall be calculated by Distributor based on the Distributors' records and paid by Distributor to the Dealer monthly in arrears within twenty (20) days immediately following the end of each month during the term of this Agreement.
- b. Distributor shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days' prior written notice to the Dealer and the Guarantors if the Dealer fails to purchase eighty (80) percent of the Minimum Annual Volume in any contract year.
- c. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the covenants or agreements contained in this Agreement; and (ii) this Agreement shall not have terminated.

6. Right of First Refusal

- a. The Marketing Premises are located on those lands legally described as:

PCL 27529 SEC SWS; PT LT 5 CON 2 RAYSIDE PT 2 53R9334; GREATER SUDBURY

(hereinafter referred to as the "Lands"). The Dealer operates its Esso branded motor fuels business and other ancillary business from the Lands (hereinafter referred to as the "Business"). If at any time during the term of this Agreement the Dealer shall receive a bona fide offer (hereinafter in this Article referred to as the "Offer") from a third party with whom the Dealer is dealing at arm's length (the "Third Party") for the purchase of the Business and/or the Lands in whole or in part and the Dealer is prepared to accept the Offer, the Dealer shall, before accepting the Offer, give written notice to the Distributor within three (3) Business Days of the date the Dealer received the Offer by sending to the Distributor an executed copy of the Offer and notifying the Distributor therewith of the Dealer's desire to accept the Offer. The Distributor shall have the right to purchase on the terms and conditions of the Offer, the Business and/or the Lands referred to in the Offer. The right to purchase shall be exercised by the Distributor delivering notice in writing thereof to the Dealer within thirty (30) Business Days after receipt of a copy of the executed Offer (hereinafter in this Article referred to as the "Exercise Period").

- b. In the event the Distributor does not exercise the right to purchase the Business and/or the Lands referred to in the Offer within the Exercise Period, the Dealer shall be at liberty to complete the sale of the Business and/or the Lands referred to in the Offer to the Third Party; provided that such sale shall be completed within ninety (90) days from the expiry of the Exercise Period, failing which the Dealer's right to complete such sale shall terminate.
- c. In the event that the Distributor shall notify the Dealer in writing within the Exercise Period of its desire to purchase the Business and/or the Lands referred to in the Offer, a binding agreement of



purchase and sale shall exist between the Dealer and the Distributor with respect to the Business and/or the Lands at and for a price equal to that described in the Offer and on the terms and conditions therein contained. In the event the Offer provides for financing from the Dealer to allow the Third Party to close the purchase of the Business and/or the Lands referred to in the Offer, the Distributor shall pay the principal amount of the Dealer financing in cash on closing.

- d. The Dealer covenants and agrees that the Dealer shall not:
- (i) accept any offer for the purchase of all or any portion of the Land which will require some form of consideration, other than cash or cash equivalent in Canadian currency, to be paid, it being intended that the consideration not be of a unique nature such that the Distributor would be unable to provide the same consideration;
 - (ii) accept any offer to purchase the Business and/or the Lands from a party or parties with whom the Dealer is not dealing at arm's length;
 - (iii) accept any offer to purchase the Business and/or the Lands which is not a bona fide offer.
- e. Any purchase and sale of the Business and/or the Lands pursuant to the terms of this Agreement shall close on the thirtieth (30th) day after the expiry of the Exercise Period or on such other date as the Parties may agree upon.
- f. The Dealer covenants and agrees that as a condition precedent to the Distributor allowing the Dealer to sell the Business and/or the Lands to a third party, the Dealer will execute and deliver to the solicitor acting on the Dealer's behalf in such transaction an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, such amounts of money that are still due and owing to the Distributor by the Dealer. In the event the proceeds of the sale paid to the Distributor are insufficient to extinguish the Dealer's indebtedness to the Distributor, the Dealer shall continue to be liable to the Distributor for any remaining indebtedness to the Distributor.

7. Price and Terms of Sale

- a. The Dealer shall pay Distributor for the Esso-branded motor fuels purchased pursuant to this Agreement the price thereof in effect at the Distributors' designated loading rack at the time that the motor fuels are loaded for delivery to the Dealer, plus the cost of delivery, plus all applicable taxes. The motor fuel prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. In the event of a shortage or unavailability of the motor fuels at the Distributors' designated loading rack for any particular delivery to the Dealer the Distributor shall use its best efforts to deliver motor fuels from an alternate loading rack in order to complete the delivery and the Dealer hereby agrees to pay for any increased costs required to complete such delivery.
- b. Measurement of the volume of each delivery of the motor fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15 degrees Celsius in accordance with normal industry practice.
- c. All purchases of the Esso-branded motor fuels shall be paid by the Dealer upon or before delivery in immediately available funds as set out herein, unless Distributor, in its sole discretion and from time to time, grants credit terms to the Dealer. If Distributor grants credit terms to the Dealer, such credit terms may be amended by Distributor in its sole discretion upon written notice from time to time. If Distributor grants credit terms to the Dealer and the Dealer accepts

delivery of any Esso-branded motor fuel in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation paying interest on overdue accounts at rates to be determined by Distributor from time to time. Distributor reserves the right to withhold any amounts due by the Distributor to the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its sole discretion and without notice decline to make deliveries of motor fuels to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.

- d. The Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to Distributor by the Dealer pursuant to this Agreement:
 - (1) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by Distributor, in its sole discretion and from time to time;
 - (2) may be collected by Distributor by pre-authorized debit in the manner set out on Schedule "A" or by wire transfer.
- f. The Dealer shall, from time to time, execute and deliver to Distributor an authorization for pre-authorized debit substantially in the form of Schedule "A" in order to facilitate the collection of payments pursuant to this Section. Distributor may amend Schedule "A", in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer.
- g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer's business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
- h. Distributor agrees that, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, the Distributor will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

8. Delivery

- a. Delivery will be by tank truck into Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the motor fuel shall pass to the Dealer as the motor fuel is discharged from Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.
- b. Dealer shall ensure that the Distributors tank truck will have unimpeded access to the fill pipes and storage tanks while making any delivery to the Marketing Premises.



- c. Dealer will notify Distributor of any required delivery of motor fuels in accordance with Distributors written ordering and delivery procedures. Dealer will only order deliveries in orders of a minimum of [REDACTED] litres per delivery (hereinafter referred to as "full truck load"). Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. Dealer will accept delivery of the Esso-branded motor fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributors ordering and delivery procedures.
- d. Upon the dispatch of a delivery vehicle by Distributor to deliver the Esso-branded motor fuels to the Marketing Premises, the Dealer agrees to either accept the delivery of a "full truck load" of the Esso-branded motor fuels (or less than a "full truck load" of the Esso-Branded motor fuels only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to Distributor all the reasonable costs incurred by Distributor in connection with any delay or aborted delivery.
- e. Distributor shall not be required to deliver to the Dealer the Esso-Branded motor fuels in any quantity less than a "full truck load" or "deemed full truck load", which shall be determined in each case by Distributor in its sole discretion and from time to time. If the Dealer requests the delivery of and Distributor agrees to deliver the Esso-branded motor fuels in a quantity less than a "full truck load" or "deemed full truck load", then Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however, the delivery by Distributor of Esso-branded motor fuels in a quantity less than a "full truckload" or "deemed full truckload" on any one or more occasions shall not require Distributor to deliver Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the sole discretion of Distributor from time to time.

9. Product Control

- a. Dealer shall exercise the highest degree of care in handling, storing, selling and using the Esso-branded motor fuel delivered to the Marketing Premises. Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any Esso-branded motor fuel (including without limitation, the blending of such motor fuels with ethanol). Dealer shall not sell from the Marketing Premises Esso-branded motor fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. Distributor may refuse to make deliveries into Dealer's storage tanks at the Marketing Premises until in Distributor's judgment, any deficiencies in the quality of motor fuels at the Marketing Premises are corrected.
- b. Access to Premises. Dealer grants Distributor and Imperial Oil (including their employees, agents and contractors) the right to enter the Marketing Premises during normal business hours to examine the contents of Dealer's storage tanks in which said motor fuels purchased hereunder are handled or stored. Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to Dealer's obligations under this Agreement.

10. Contingencies

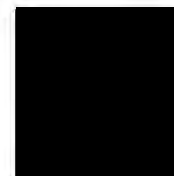
No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any covenant, agreement, or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to Distributor or to Imperial Oil or any person affiliated with distributor under this

Agreement) if such default or non performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any delays in or failure of performance by Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request, or control of any governmental authority; or
- b. When the supply of motor fuel at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by Distributor is interrupted, unavailable or inadequate for any reason or cause which Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of motor fuels to be sold under this Agreement by allocating its available supply of motor fuels among its customers, itself, and its related and subsidiary companies in such manner as it may in its sole and absolute discretion determine and Distributor shall not be obliged to obtain or purchase other supplies of the motor fuels to make up any such shortage.

11. Proprietary Marks

- a. Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for Dealer's use and shall only use such marks to designate the origin of the Esso-branded motor fuels and otherwise in the manner authorized and instructed by Distributor from time to time. DEALER AGREES THAT MOTOR FUELS AND PETROLEUM PRODUCTS OF OTHERS WILL NOT BE SOLD BY DEALER UNDER SUCH PROPRIETARY MARKS. If, in the sole opinion of Distributor, any samples taken by Distributor or Imperial Oil under this Agreement are not Esso-branded motor fuels, or are not in the condition in which delivered by Distributor, or any documents and records reviewed by Distributor or Imperial Oil show Dealer has failed to comply with its obligations hereunder, Distributor may, at its sole option, debrand the Marketing Premises in question or cancel and terminate this Agreement.
- b. By written notice to Dealer, Distributor may withdraw its approval to: (i) brand the Marketing Premises ("debrand") or (ii) use or operate any motor fuels business or Related Businesses at the Marketing Premises, if, in Distributor's sole judgment: (i) the Marketing Premises (or the motor fuels business and/or Related Businesses) fails to portray the image and standards expected from Esso-branded retail outlets; or (ii) Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If Distributor debrands the Marketing Premises, withdraws its approval to use or operate the motor fuels business or Related Businesses at the Marketing Premises, upon termination of this Agreement, or prior thereto upon demand by Distributor, Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from Distributor, consisting in whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.
- d. Dealer agrees to take no action that will diminish or dilute the value of the Proprietary Marks. Dealer shall not sell non-Esso branded motor fuels under any of the Proprietary Marks, including without limitation, any Esso-identified canopy or at any fueling island where Dealer is selling Esso-branded motor fuels.



- e. Dealer shall not use the Proprietary Marks as part of Dealer's corporate or other name.
- f. Dealer hereby consents to Distributor or Imperial Oil removing or painting over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the Esso trade name, trade-marks, signs and advertising items, prior to the expiration or earlier termination of this Agreement.

12. Customer Service & Operating Standards

- a. Dealer shall ensure that its Marketing Premises meet the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits), failing which Dealer shall lose the right to use or display Proprietary Marks at any such Marketing Premises:
 - (1) Paved driveways with safe and good ingress and egress; and
 - (2) Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances; and
 - (3) Clean premises free of debris, trash, and fire hazards; and
 - (4) Modern restrooms for men and women available to the general public; and
 - (5) Offer two(2) grades of Esso-branded motor fuels; and
 - (6) Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and
 - (7) Compliance with applicable operating standards as described in Schedule "B", and facility standards as described in Schedule "C" ("Facility Requirements"), which are incorporated herein and made a part of this Agreement.
- b. While using any Proprietary Marks, Dealer agrees:
 - (1) To render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct Dealer's business in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the Esso-branded motor fuels sold hereunder; and
 - (2) To provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers; and
 - (3) To keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies; and
 - (4) To assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the Esso-branded motor fuels during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to Dealer; and



- (5) To purchase, maintain, and display an adequate quantity of Esso-branded motor oils, lubricants, greases, anti freeze, and other petroleum products and related products (the "Petroleum Products") for resale from the Marketing Premises to meet the needs of Dealer's retail customers from time to time. Dealer acknowledges that the Distributor is not a distributor of Petroleum Products and agrees to purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area; and
 - (6) The Dealer shall keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers; and
 - (7) The Dealer shall ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. Dealer agrees that Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by Distributor to cure, continues to be in violation of this Section.
- d. Dealer shall not permit at the Marketing Premises:
- (1) Any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits; or
 - (2) The sale or use of illegal drugs or drug paraphernalia; or
 - (3) The sale of any pornographic material or other material that Distributor determines may be offensive to the general public.
- e. Dealer shall not permit at the Marketing Premises the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits relating to youth access to tobacco products. Dealer shall promptly advise Distributor of any charges or notifications of violations received at the Marketing Premises from any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.
- f. The Dealer acknowledges receipt of and shall comply with the Imperial Oil Operating Standards Manual (the "Manual"), including without limitation the Operating Standards and the other standards, methods, procedures and specifications established by Imperial Oil from time to time applicable to the operation the Dealer's business. The provisions of the Manual, including without limitation the Operating Standards and the other standards, methods, procedures and specifications applicable to carrying on the Dealer's business, are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to Distributor promptly upon request and, in any event, upon the expiration or earlier termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's prior written consent. The Dealer acknowledges that the entire contents of the Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. The Dealer shall maintain the absolute confidentiality of all such information during the term of this

Agreement and after the expiration or earlier termination of this Agreement and shall not disclose any such information for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer's business in accordance with this Agreement. The Dealer further agrees not to use any such information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

13. No Exclusive Marketing Rights

This Agreement does not give Dealer an exclusive right in any market or geographic area to sell Esso-branded motor fuel or conduct any of the Related Businesses. Dealer acknowledges that Distributor and Imperial Oil may directly or indirectly compete with Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks ("Trademarks"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling Esso-branded motor fuels, other branded motor fuels or operating businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, enterprises or other businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

14. Fuel Handling Equipment

Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment"). Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a. The Dealer warrants and represents to Distributor that as of the effective date of this Agreement, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises are in good condition and repair and meet regulatory requirements.
- b. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and to meet regulatory requirements. The Dealer shall make all needed repairs and replacements promptly.
- c. The Dealer shall have in place on all underground motor fuels storage tanks the following equipment:
 - (1) spill containment boxes; and
 - (2) overfill prevention valves,and such equipment shall, at all times, be in good operating condition and repair.

- d. Notwithstanding any other provision in this Agreement, if Distributor is required by law, or if in Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "hazard"), then Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. Distributor shall not be obliged to re-commence delivery of the Motor Fuels until Distributor is satisfied, in its sole discretion, that the hazard does not exist or has ceased to exist.
- e. The Dealer agrees :
 - (1) that if Distributor does or causes the doing of any act to remedy a hazard, whether or not the acts are required by law, the Dealer will pay Distributor for all costs and expenses incurred by Distributor for the doing of such act; and
 - (2) upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuel or other substance and so notify Distributor immediately if any such spillage is determined to have occurred and Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.
- f. Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential environmental hazards.

15. Loaned Equipment

- a. Distributor will loan to the Dealer the equipment listed in Schedule "D" hereto (the "Equipment") as and when it may be available for use on the Marketing Premises in the Dealer's business; and the Dealer hereby accepts such loan.
- b. Distributor shall have the right, in its sole discretion and from time to time, to replace, add to or substitute any one or combination of items of the Equipment.
- c. The Dealer shall:
 - (1) pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
 - (2) obtain all necessary permits, licences and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;
 - (3) not alter, part with possession of, or encumber, lease, or sell the Equipment;
 - (4) complete day to day maintenance and repair, including replacement of parts, of the Equipment unless Distributor advises the Dealer in writing that Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;
 - (5) keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;
 - (6) comply with all laws applicable to the Equipment;

- (7) be responsible for all damage caused to the Equipment by the gross negligence or willful act of any person or persons other than Distributor, its employees, contractors and agents;
 - (8) use the Equipment intended for storage, handling, advertising or displaying the Esso-branded motor fuels and the Petroleum Products, solely for such intended purpose;
 - (9) return to Distributor in good repair and operating condition, reasonable wear and tear excepted (i) all Equipment immediately upon the expiration or earlier termination of this Agreement and (ii) any Equipment replaced by Distributor for any reason immediately upon such replacement;
 - (10) for greater certainty, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (i) effect maintenance and repair of the Equipment and (ii) replace, add to or substitute any one or combination of items of the Equipment; and
 - (11) upon the expiration or earlier termination of this Agreement, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor, and the Dealer agrees not to affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a fixture of the Marketing Premises.
- e. The Dealer acknowledges that it has examined the Equipment provided to the Dealer as of the effective date of this Agreement and is satisfied therewith and shall indemnify Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of Distributor's negligence or a defect in the Equipment, provided the Dealer shall have given Distributor prompt written notice of such negligence or defect.

16. Compliance with Laws

Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits including those concerning the environment, hazardous substances or wastes, toxic substances, and occupational safety and health.

17. Indemnity

The Dealer agrees to indemnify and save harmless Distributor, its partners, directors, officers, employees, agents and **affiliates** and their respective directors, officers, employees, agents and affiliates (each an "indemnified party") from and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer's business on the Marketing Premises;
- b. the storage, handling and sale of the motor fuels on and from the Marketing Premises; and
- c. the Equipment.

The foregoing indemnity shall not include a claim arising out of, in respect of or in connection with the negligence or willful misconduct of an indemnified party.

18. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:
 - (1) a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and Distributor arising out of all the operations of the Dealer pertaining to the Dealer's business, whether or not conducted on or from the Marketing Premises with all inclusive limits of at least three million dollars (\$3,000,000) for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and
 - (2) a third party liability policy on all vehicles used in the Dealer's business, with all inclusive limits of at least one million dollars (\$1,000,000) for any one incident.
- b. The insurance policy referred to in subsection 18a.(2) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
- c. Upon written request by Distributor, the Dealer shall provide Distributor with a certificate of insurance and such other information as may reasonably be required by Distributor in a form satisfactory to Distributor as evidence of the insurance required under this Section. The insurance policies shall be endorsed to provide that in the event of any change in them which could affect Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to Distributor thirty (30) days prior to the effective date of any such change or cancellation.
- d. Distributor may amend this Section, in its sole discretion and from time to time, on the anniversary of the commencement date of this Agreement upon sixty (60) days' prior written notice to the Dealer.

19. Technology and Communications

If required by Distributor in writing from time to time, Dealer shall comply with the following:

- a. Install and maintain in good operating condition and at Dealer's expense at the Marketing Premises:
 - (1) a facsimile machine for sending and receiving written communications; and
 - (2) equipment that allows access to the internet or other electronic-transmission or data communications systems designated by Distributor from time to time.
- b. Subscribe, at Dealer's expense, at the Marketing Premises to a voicemail system for transmitting and receiving telephone communications.
- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition,

replacement or updating of point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software.

20. Retail Credit and Debit System

The Dealer acknowledges receipt of an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer Business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. The Dealer will pay a flat monthly fee for transmission and maintenance and repair of equipment, currently set at Seventy Five (\$75.00) Dollars.

The Dealer shall pay to Distributor the following fee(s), which Distributor may amend, in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer:

Passport data transmission fee: \$ [REDACTED]/month.

eN-Touch fee: 1 unit(s) at \$ [REDACTED]/month.

Manual Imprinter: 0 at \$ [REDACTED] month.

VSAT Satellite: 1 unit(s) at \$ [REDACTED] month

Speedpass "inside pay" pad: 1 unit(s) at \$ [REDACTED] month

The Dealer shall implement and utilize the retail credit and debit system(s) designated by Distributor, in its sole discretion and from time to time, to be used by its dealers and the Dealer further shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).

21. Termination

- a. Where the end of the term of this Agreement set out in Section 3 is later than the end of the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, or where the said Esso Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said Esso Branded Distributor Agreement, unless:
 - (1) the said Esso Branded Distributor Agreement is extended, renewed or replaced; and
 - (2) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an Esso location.
- b. Distributor, in its sole discretion, shall have the right to terminate this Agreement between Dealer and Distributor immediately and without notice and demand immediate payment of all monies due it as follows:
 - (1) In accordance with the applicable provisions of this Agreement; or

- (2) Bankruptcy proceedings are instituted by or against Dealer; control of Dealer's business or assets pass by law or otherwise to any person or representative other than Dealer; or
- (3) Dealer is in breach of a provision under this Agreement; or
- (4) Dealer fails to timely pay obligations due Distributor under this Agreement; or
- (5) Dealer is in default of any Third Party Credit Card Agreement entered into between the parties in connection with this Agreement, or in the event the Third Party terminates the Dealers use of the Third Party's credit card processing facilities for any reason whatsoever; or
- (6) Any intended indemnity, guarantee, or suretyship in connection with this Agreement is revoked or curtailed; or
- (7) If any motor fuel, other than the Esso-Branded motor fuels are kept, sold or otherwise dealt with on or from the Marketing Premises; or
- (8) If the Dealer fails to sell the Esso-branded motor fuels strictly in accordance with the grades and kinds designated in the Manual; or
- (9) The Dealer sells any Esso-branded motor fuel: (i) in bulk, (ii) to any person for resale, or (iii) to any person not using a government approved container; or
- (10) If the Dealer ceases to carry on the Dealer's business on or from the Marketing Premises; or
- (11) If the Dealer or any of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or any of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is made in respect of the Dealer or any of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed for the Dealer or any of the Guarantors, or if the Dealer or any of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an "insolvent person" as that term is defined in the Act; or
- (12) If the Dealer or any of the Guarantors shall at any time have any of the goods and chattels of the Dealer's business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of Distributor sell any of such goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer's business; or
- (13) If the Dealer fails to operate the Dealer's business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control; or

- (14) If the Dealer or any of the Guarantors is convicted of or pleads guilty to any criminal offense, whether or not related to the Dealer Business; or
 - (15) If the Dealer fails to maintain adequate inventory of the Motor Fuels at the Marketing Premises to meet the needs of its retail customers; or
 - (16) The Dealer or any of the Guarantors attempts to abandon the Marketing Premises or to sell or dispose of its goods or chattels otherwise than in the ordinary course of its business; or
 - (17) If the Dealer (i) is a corporation and a principal shareholder of the Dealer dies or becomes incapacitated or (ii) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes incapacitated; or
 - (18) If any applicable law now or hereafter in effect renders any provision of this Agreement unenforceable or unlawful.
- c. Upon the expiration or earlier termination of this Agreement for any reason, the Dealer shall immediately:
- (1) cease all use of the Proprietary Marks;
 - (2) pay to Distributor or any person, firm or corporation affiliated or associated with Distributor, all amounts and charges as have or will thereafter become due hereunder or under any other agreement between the Dealer and Distributor or any person, firm or corporation affiliated or associated with Distributor, and are then unpaid;
 - (3) return to Distributor all copies of the Manual then in the possession of the Dealer;
 - (4) notify the telephone company and all listing agencies of the expiration or earlier termination of the Dealer's right to use the Proprietary Marks and terminate all such listings using the Proprietary Marks;
 - (5) surrender the Equipment to Distributor; and
 - (6) at the request of Distributor, take all such action as may be necessary to cancel any trade or business name registration which contains any part of the Proprietary Marks under any applicable law and furnish Imperial with evidence satisfactory to it of compliance with the Dealer's obligation hereunder within thirty (30) days after the expiration or earlier termination of this Agreement.

Any termination of this Agreement pursuant to this Article shall be without prejudice to any other right (including any right of indemnity), remedy or relief vested in or to which Distributor may otherwise be entitled against the Dealer. All monies paid by the Dealer to Distributor under this Agreement or otherwise shall be retained by Distributor as consideration for the rights and benefits previously conferred on the Dealer hereunder and as liquidated damages. The foregoing remedy shall not exclude any of the remedies which Distributor may have at law or in equity by reason of the default, breach or non-observance by the Dealer of any provision of this Agreement.

22. Claims

- a. Neither Distributor nor Imperial Oil is liable to Dealer for shortages in quantity or quality unless Dealer notifies Distributor within 48 hours after delivery (or discovery in the case of latent defect for quality deficiencies) in writing setting forth fully the facts upon which any such claim for shortage in quantity or defect in quality is made and unless Distributor and/or Imperial Oil are

given a reasonable opportunity to inspect the Motor fuels concerning which any such claim is being made. Distributor's and/or Imperial Oil's liability with respect to any shortage in quantity shall be limited to an amount equal to the volume of any shortage multiplied by the Dealer's cost of motor fuel including delivery and taxes in effect for the delivery in question. Distributor and/or Imperial Oil's liability with respect to any defect in quality shall be limited to the cost of removing the defective motor fuels from the Marketing Premises at its own expense and replacing them without charge to the Dealer. Distributor and/or Imperial Oil shall not be liable for any special, indirect, or consequential damages to the Dealer for any shortage in quantity or defect in quality. All other claims by Dealer against Distributor or Imperial Oil including their affiliates and subsidiaries of any kind, whether or not arising out of this Agreement, are barred unless Dealer gives Distributor and/or Imperial Oil, as the case may be, notice within ninety (90) days after the event, act or omission to which the claim relates. Whether or not Dealer provides timely notice of a claim, any claim by Dealer is barred unless asserted by the commencement of a lawsuit naming Distributor and/or Imperial Oil as defendant in a court of competent jurisdiction within twelve (12) months after the event, act or omission to which the claim relates.

- b. Dealer recognizes that, at any time during the term of this Agreement, any of the grades or brands of motor fuels sold hereunder or any of the Proprietary Marks may be changed, altered, amended or eliminated. Dealer also recognizes that, at any time during the term of this Agreement, the quality or specification of any of the motor fuels sold hereunder may be changed or altered. If any such change or alteration materially affects the performance of such motor fuels or the needs of Dealer therefor for the purposes intended by Dealer, Dealer may terminate this Agreement as to any such motor fuels so affected on thirty (30) days' prior written notice to Distributor. However, Dealer may not terminate this Agreement for any change in quality or specification of any said motor fuels resulting from compliance with federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits. In the event that the manufacture of certain of the Esso-branded motor fuels sold hereunder is discontinued, Distributor shall notify Dealer of such an event and this Agreement shall terminate as to such motor fuels when such notice is effective.

23. Entire Agreement; Modifications

This Agreement, any documents referred to in this Agreement and any attachments to this Agreement constitute the entire, full and complete agreement between Distributor and Dealer concerning the subject matter hereof, and supersede all prior agreements relating to that subject matter. Except for any permitted to be made unilaterally by Distributor under this Agreement, no amendment, change or variance from this Agreement is binding on either party unless agreed in writing by Distributor's and Dealer's authorized representative. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by Distributor to the Dealer.

24. Miscellaneous

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective assigns. Any assignment of this Agreement by Dealer without Distributor's written consent shall be void. Distributor's right to require strict performance shall not be affected by any previous waiver or course of dealing. Neither this Agreement nor any modification or waiver shall be binding on Distributor unless in writing signed by an authorized representative. Past performance shall not be deemed a waiver of this requirement.

25. Guarantee

As consideration in part for Distributor entering into this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Guarantors and Distributor, the Guarantors hereby agree as follows:

- a. To unconditionally and irrevocably guarantee to Distributor, as a primary obligor, the due payment by the Dealer of all monies payable under this Agreement and any other obligations whatsoever by the Dealer to Distributor at the time or times appointed therefor, and the due observance and performance by the Dealer of all the covenants, terms, provisions, stipulations and conditions in this Agreement and any other obligations whatsoever to be observed and performed by the Dealer;
- b. To indemnify and save Distributor harmless from and against all costs, losses, expenses and damages it may suffer as a result of the Dealer's non-compliance with any term or condition of this Agreement;
- c. That this shall be a continuing guarantee and shall be binding upon the Guarantors after as well as before the Dealer's non-compliance with any term or condition of this Agreement, until all monies due under the Agreement have been fully paid and satisfied and all covenants, terms, provisions, stipulations, agreements and conditions observed, performed and carried out;
- d. Distributor shall not be bound to exhaust its recourse against the Dealer before requiring payment of any monies or the observance or performance of any obligations by the Guarantors and the Guarantors waive notice of demand for payment or performance, notice of default, protest and notice of protest and any and all other notices and legal and equitable defenses to which the Guarantors may be entitled;
- e. No release or releases and no indulgence or extensions of time or waiver granted by Distributor to the Dealer with respect to the observance or performance or any defaults or breaches of this Agreement by the Dealer nor any dealings between Distributor and the Dealer shall in any way modify, alter or prejudice Distributor or diminish or affect the liability of the Guarantors under this Agreement;
- f. The covenants and agreements herein entered into by the Guarantors are to be construed as both joint and several;
- g. The guarantee and the liability of each of the Guarantors hereunder is not affected by the death or loss or diminution of capacity of any of the Guarantors; and
- h. For clarification, this guarantee extends to and is binding upon each of the Guarantors and their heirs, executors, administrators, legal representatives and assigns, it being understood that this guarantee will continue to bind the Guarantors even if one or each of the Guarantors, as the case may be, cease to be involved, directly or indirectly in the Dealer Business or in the Dealer.

26. Notices

Any notice to be given hereunder:

- a. By Distributor to the Dealer and the Guarantors shall be conclusively deemed to have been given when addressed to the Dealer and: (i) delivered personally or by courier to the Marketing Premises; (ii) mailed by prepaid registered mail addressed to the Dealer at the Marketing Premises; or (iii) sent by electronic facsimile to the Dealer provided evidence of transmission is retained, and

37. Independent Legal Advice

Each of the Dealer and the Guarantors acknowledges that it: (i) has had ample time to read and has read this Agreement and has been afforded the opportunity to retain independent legal advice to assist it in its review, execution and delivery of this Agreement; and (ii) has of its own free will either declined to do so or obtained independent legal advice.

EXECUTED as of the date first herein specified.

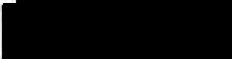
PARKLAND  **TRISSON McKelvie**
Director of Retail Operations

PER: 

Peter Kilty
1141435 ONTARIO LIMITED Vice President, Retail

PER: 

PER: _____


 Guarantor



Witness



SCHEDULE "A"

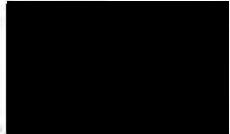
Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 1141435 Ontairo Limited.

PAYOR'S AUTHORIZATION FOR PRE-AUTHORIZED DEBITS
(Business Purposes)

1. The Payor hereby certifies the accuracy of the following information:

Name: _____ (the "Payor")
 Address: _____
 Town: _____
 Province: _____
 Postal Code: _____
 Telephone Number: _____
 Account: _____ (the "Account")
 Name of Payor's _____
 Financial Institution: _____ (the "Processing Institution")

2. Attached to this Authorization is a specimen cheque of the Payor marked 'VOID'.
3. The Payor will notify Parkland (the "Payee"), in writing, of any change in the information provided in Sections 1 and 2 of this Authorization thirty (30) days prior to the effective date of any such change.
4. The Payor hereby authorizes the Payee to draw on the Account with the Processing Institution (each a pre-authorized debit or ("PAD")) to facilitate the payment of any and all such monies owing by the Payor to the Payee, including without limitation any monies owing pursuant to the Motor Fuel Supply Agreement - Esso-Branded Motor Fuels among the Payee, the Payor and others.
5. The Payor represents and warrants that all persons whose signatures are required to authorize withdrawals from the Account have signed this Authorization and that all persons signing this Authorization are the authorized signatories and are duly authorized to execute this Authorization.
6. This Authorization may be cancelled by the Payor at any time upon written notice to the Payee.
7. The Payor acknowledges that executing and delivering this Authorization to the Payee constitutes delivery by the Payor to the Processing Institution.
8. The Payor and the Payee each hereby waive any and all PAD pre-notification requirements otherwise required by Rule H1 of the Canadian Payments Association ACSS Rules Manual.
9. The Payee may issue PADs in a dollar amount up to a maximum of \$ _____ per day _____
10. The Payor acknowledges that the Processing Institution is not required as a condition to honouring a PAD issued to verify that a PAD has been issued in accordance with the particulars of the Authorization, including without limitation the amount of the PAD and that the consideration for the payment for which the PAD was issued has been received by the Payee.
11. The revocation of this Authorization by the Payee does not terminate any contract for goods or services that exists between the Payee and the Payor. This Authorization applies only to the method of payment and does not otherwise have any bearing on the contract for goods or services exchanged.



12. The Payor may dispute a PAD only under the following conditions:

- (1) the PAD was not drawn in accordance with this Authorization; or
- (2) this Authorization was revoked.

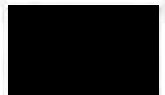
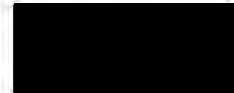
The Payor acknowledges that in order to be reimbursed, a declaration to the effect that one of foregoing circumstances occurred, must be completed and presented to the branch of the Processing Institution holding the Account up to and including 10 business days after the date on which the PAD in dispute was posted to the Account.

13. The Payee shall provide to the Payor notice and particulars of each PAD within 10 days following the date the Payee issues the PAD.

14. The Payor acknowledges that when disputing any PAD beyond the time allowed in this section it is a matter to be resolved solely between the Payor and the Payee, outside the payments system.

15. The Payor acknowledges that the information contained in the Authorization may be disclosed to the Payee's financial institution(s) as may be required or desirable to complete any PAD transaction.

16. The Payor understands and accepts the terms of participating in a PAD plan.



SCHEDULE "B"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 1141435 Ontario Limited.

OPERATING STANDARDS

The following operating standards for the Premises set out the Dealer's responsibilities with respect to safety and other operating procedures for the Premises and must be complied with strictly.

Operating Procedures

- Be aware of, and comply with, any applicable law relating to the operations on the Premises and any accounting and inventory management system requirements.
- Understand all duties in running the Premises.
- Ensure that the Dealer's employees understand the duties delegated to them.

Safety

The Dealer's employees must:

- Use safe work procedures when carrying out their duties.
- Be aware of and follow safe work practices when carrying out their duties.
- Be trained in the recognition and correction of hazardous conditions to avoid emergencies.
- Be aware and comply with applicable safety regulations.

Security/Robbery Prevention

- Take proper preventative measures to reduce the risk of robbery.
- Train the Dealer's employees in security and robbery prevention.
- The Dealer must train the Dealer's employees in the procedures to follow before, during and after a robbery.

Critical Equipment

- Know the critical equipment on the Premises.
- Ensure that the Dealer's employees are aware of the critical equipment on the Premises.
- Ensure that when critical controls are disarmed, appropriate communication takes place prior to such disarming and that such critical controls are re-activated.
- Follow appropriate procedures for disarming the critical equipment, including completing the form for the disarming or removal of critical controls and shutdown systems.

Emergency Response

- Post the emergency response plan wall chart on the Premises in a conspicuous place.
- Train Dealer's employees in emergency response. This should include a review of potential hazards and how to deal with them, and the operation and use of fire extinguishers.
- Have the required equipment and supplies to respond to emergency situations.
- Hold at least two practice drills each year using different emergency situations.
- Document the Dealer's employee training and practice drills.

Workplace Hazardous Materials Information System ("WHMIS")

- Educate and train all the Dealer's employees on the WHMIS program prior to their starting work on the Premises and provide documented evidence thereof.
- Ensure that all Material Safety Data Sheets for controlled products are current, available and accessible to the Dealer's employees.
- Conduct at least once per year a review of WHMIS with the Dealer's employees and provide a forum for the Dealer's employees to discuss any related concerns and issues.
- Ensure that all containers of controlled products are properly labeled.
- Ensure that all fill pipes, gauge pipes and valves are properly tagged.
- Keep an inventory list of controlled products on the Premises in those provinces where it is required.

Waste Management

- Be familiar with and comply with the applicable waste regulations.
- Dispose of waste generated at the Premises according to the applicable waste regulations.
- If required by applicable laws, have a signed contract with a licensed hauler for the removal of hazardous wastes from the Premises.
- Use only a licensed hauler to remove and transport hazardous waste from the Premises.
- Keep copies of all waste manifests on file for a minimum of 2 years, or longer if required by applicable laws.

Licences and Permits

- Have the necessary operating licences and permits to meet regulatory requirements.
- Have on the Premises all manuals required or advisable to operate the service station.

Incident Definition and Reporting

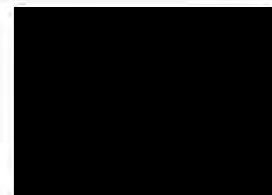
- Report specified incidents to the territory manager.
- Be aware of and understand the Dealer's responsibilities for reporting specific incidents directly to government agencies.
- Share the benefit of past incidents with the Dealer's employees.
- Document the incidents and keep them on file.

Training

- Provide initial and continuous training to all the Dealer's employees.
- If required by applicable laws, maintain training records for each of the Dealer's employees on the Premises.

Credit Card

- Follow the standards for credit card authorization and processing documented in the Credit Card Guide.
- Retain the credit card slips for:
 - 6 months for manual transactions; and
 - 12 months for electronic transactions.
- Provide copies of credit card slips to Imperial within the time requested.
- Submit manual slips on a timely basis.



Esso Extra Card

- Collect, use and disclose information gathered for use by Imperial in connection with the Esso extra card only in accordance with applicable laws.
- Display all point-of-purchase materials prescribed by Imperial in connection with the Esso Extra card.
- Ask each purchaser of applicable merchandise or services whether he or she has an Esso extra card. If so, whether he or she would like to use it and, if not, whether he or she would like to obtain an Esso extra card.
- Record and process the sales transactions of retail customers with an Esso extra card, using the Esso extra card.
- Maintain an adequate supply of merchandise redeemable by holder of Esso extra cards.
- Redeem valid Esso extra card reward certificates presented by retail customers for prescribed merchandise or services.

Record Retention

- Keep all relevant records on the Premises to be able to prove that you have taken the necessary steps to comply with applicable law.

SCHEDULE "C"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 1141435 Ontario Limited.

FACILITY REQUIREMENTS

Item	Description		"New" & >100K D1Sites	Min Stds New	Min Stds Renewal Or Upgrade
Weather Canopy	Fascia	3D			
(Canopy required at all D1 & D2 sites only)		2D			
(Standards for all other sites with existing canopies)	Column Cladding	New Style (wide perpendicular to pump) Colour - Cambridge White by Color Steel Inc.			
		Current (wide facing pump) Colour to match Cambridge White by Color Steel Inc			
		None (steel column only) Colour to match Cambridge White by Color Steel Inc.			
Pump/Dispenser		Image 2000 (Blue Graphics for new gasoline dispensers – Red for existing)			
		Previous Esso			
		Pay at the pumps & Speedpass			
MID		New Image (Flag Type)			
		Previous Esso			
Painting	MID Structural Posts, Sign Frames	P - 5 White			
	Lighting poles, Posts, island fascia, Message Sign Frames	P - 13 Grey			
POS	G-Site				



	Operating retail automation system compatible with Imperial's card processing network	
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***Subject to MID sign permit availability

Definitions

3D	600mm illuminated Red Frameless Flexface Fascia with 300 non-illuminated white metal Fascia. C/W individually "ESSO" Red illuminated letters.
2D	900mm illuminated Frameless Flexface Fascia, 600mm high red and 300 mm White, with ESSO letters.
MID	Major Identification Sign
D-1 D-2	<p>Dealer Forecourt & Backcourt meeting the following requirements:</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards that can be upgraded to 3D, 3 Products with proper pump ID. Current Major Identification sign, Good Gas Location. • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics. • Forecourt: Canopy with proper I.D. Standards Minimum 2 (preferred 3) products with proper pump I.D. M.I.D. S/B goal post (minimum) but other to standard acceptable • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
100k	Market Area Population in 1000's

Changes To Brand Standards - Imperial may change its "Facility Requirements for Distributor Esso-Branded Outlets" from time to time. Imperial will notify the Distributor of all changes and the Distributor must comply with these changes for all future applications.




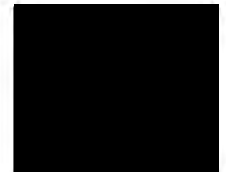
SCHEDULE "D"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 1141435 Ontario Limited.

EQUIPMENT

The following is a list of the Equipment:

Sign Type	Quantity
MID Inserts (1 per side)	
Canopy Inserts & boxes (1 per side)	
VSAT	
Speedpass Pad	
eN-Touch POS device	



SCHEDULE "E"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 1141435 Ontario Limited.

CUSTOMER LOYALTY OBLIGATIONS

1. Participation

Dealer shall participate in the Esso Extra Win & Earn promotional program (the "Program") offered by Imperial to its Distributors, retailers and retail customers. Dealer shall comply with all requirements of the Program, including without limitation, the procedures, instructions and guidelines relating to the Program (the "Guidelines"), as provided or amended by Imperial to Dealer from time to time in its sole discretion. Without limiting the generality of the foregoing, Dealer shall:

- collect and communicate customer information to Imperial for Imperial's use only and in accordance with applicable laws and regulations (for greater certainty, Dealer shall not provide any customer information to any person other than Imperial nor shall Dealer use any customer information other than in accordance with the Guidelines or as otherwise directed by Imperial from time to time),
- ensure the Esso Extra card or the Royal Bank Esso VISA card is offered to each retail customer in accordance with the Guidelines,
- record and process sales transactions and the applicable Program points in accordance with the Guidelines for retail customers participating in the Program,
- redeem Program points as requested by customers at the Site for merchandise or services in accordance with the Guidelines,
- maintain an adequate supply of merchandise required to redeem Program points, or, if such merchandise is unavailable, maintain a supply of equivalent merchandise, and display all Program point-of-purchase promotional materials or signage at the times and in the manner prescribed by Imperial during the Program.

2. Electronic Reward Redemption Remuneration

The Distributor shall pay Dealer an amount (the "Reward Payment"), plus applicable taxes (other than income taxes), for each valid Program reward redeemed electronically at the Site in accordance with the Guidelines. The Reward Payment payable by the Distributor to Dealer shall be credited to Dealer's account with the Distributor on or about the 15th day and on or about the last day of each month. Distributor may change the manner and the time the Reward Payment is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Reward Payment shall be calculated by Imperial as the actual number of reward redemptions for each type of reward redeemed electronically by customers at the Site multiplied by the reward cost rate as determined solely by Imperial and documented in the Guidelines.

3. Promotional Program Fee

If applicable law permits, the Dealer shall pay Distributor a promotional program fee (the "Program Fee"), plus applicable taxes (other than income taxes). The Program Fee payable by Dealer to Distributor

GUARANTEE

TO: PARKLAND INDUSTRIES LTD.

236, 4919 – 59 Street
RED DEER, Alberta, T4N 6C9
(hereinafter called "Parkland")

RE: Guarantee of Corporate Indebtedness

The undersigned (hereinafter called the "Guarantor") being a principal of **1141435 Ontario Limited** (hereinafter called the "Corporation") in consideration of Parkland granting or extending credit (the "Indebtedness") to the Corporation arising from any dealings between Parkland and the Corporation, present or future, direct or indirect, including but not limited to the purchase of petroleum products, including all accessories related thereto, do hereby for myself, my heirs, executors, administrators (and where there are more than one undersigned Guarantor, jointly and severally) unconditionally guarantee the payment when due of all Indebtedness, interest and penalties thereon, if applicable, owing to Parkland by the Corporation from time to time and unconditionally guarantee the performance of all obligations of the Corporation to Parkland. Parkland shall have the right at any time to take and release any collateral or other securities, to extend the time for payment by the Corporation or any person liable upon any collateral or other securities, to compromise or compound with the Corporation or to release the Corporation without notice to the Guarantor and without the Guarantor's consent and without discharging or effecting the liability of the Guarantor to Parkland.

Parkland shall not be bound to exhaust its recourses against the Corporation or other persons, or the securities Parkland may hold before being entitled to payment from the Guarantor.

This Guarantee shall be a continuing Guarantee and shall extend to and be security for all the sums of money, indebtedness and other obligations which shall or at any time be due from the Corporation to Parkland.

GIVEN under hand and seal at AZILDA, in the Province of Ontario this 8 day of OCTOBER, 2014.

Signature or witness

ADDENDUM

THIS ADDENDUM IS ATTACHED TO AND FORMS PART OF THE ESSO-BRANDED MOTOR FUEL SUPPLY AGREEMENT DATED EFFECTIVE NOVEMBER 1, 2014 AND MADE BETWEEN PARKLAND INDUSTRIES LTD., AS DISTRIBUTOR, AND 1141435 ONTARIO LIMITED, AS DEALER AND [REDACTED] AS GUARANTOR.

FORGIVABLE LOAN

1. At the request of the Dealer, the Distributor will provide a forgivable loan up to a maximum of [REDACTED] DOLLARS to be used towards site improvements at the Marketing Premises. Such site improvements may include, but are not limited to, the purchase of new petroleum fuel equipment. Parkland will advance the loan only if improvements are completed and receipts submitted on time. Improvements must be completed within 24 months of the commencement date of this Agreement. Dealer must submit receipts and request the Loan within [REDACTED] months of the commencement date of this Agreement.

2. The said sum of \$ [REDACTED] will be earned by the Dealer in the following manner: every time a delivery of Esso Branded motor fuels is made by the Distributor to the Dealer at the time of payment by the Dealer for such delivery, the Distributor will forgive an amount equal to \$ [REDACTED] per litre for every litre of Esso Branded motor fuels delivered by the Distributor to the Dealer, subject to the following: if the Dealer discontinues the business of a retail petroleum fuels outlet at the Marketing Premises, or if said Esso-Branded Motor Fuels Supply Agreement is terminated or cancelled or expires at any time prior to its having been in full force and effect for a time sufficient for the Dealer to earn the said sum then the Dealer hereby promises to repay, on demand, to the Distributor that portion of the said sum of \$ [REDACTED] that has not been earned by the Dealer.

3. Prior to any advancement of funds:

- (a) The Dealer will execute and deliver the Esso-Branded Motor Fuel Supply Agreement and this Addendum to the Distributor;
- (b) The Dealer will cause to be delivered to the Distributor sufficient security in the form of:
 - (i) a Firm Irrevocable Letter of Credit (in form and content acceptable to the Distributor) issued by a recognized financial institution in the sum of \$ [REDACTED]
 - (ii) ; or
 - (iii) a Collateral Mortgage in the principal amount of \$ [REDACTED] granted by the Borrower in favour of the Lender, on the Marketing Premises;
- (c) The Dealer will provide the Distributor with the paid invoices of approved site improvements;

INTENTIONALLY LEFT BLANK



- (d) There is no event of default under this Agreement; and
- (e) There is, in the opinion of the Distributor, acting reasonably, no material adverse change in risk.

[REDACTED]
PARKLAND INDUSTRIES LTD.

PER: [REDACTED]

PER: [REDACTED]

1141435 ONTARIO LIMITED

PER: [REDACTED]

[REDACTED]

Witness

PER: _____

[REDACTED]
Guarantor, [REDACTED]

[REDACTED]

AFFIDAVIT OF EXECUTION

CANADA) I, [REDACTED],
)
PROVINCE OF ONTARIO) of BRADFORD, in the Province of Ontario,
)
TO WIT) **MAKE OATH AND SAY:**

1. **THAT** I was personally present and did see [REDACTED] named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes therein.
2. **THAT** the same was executed at BRADFORD, in the Province of Ontario and that I am the subscribing witness thereto.
3. **THAT** I know the said [REDACTED] and he/she is in my belief of the full age of 18 years.

SWORN BEFORE ME at the City)
 of BARRIE, in the Province)
 of Ontario, this 10 day)
 of OCTOBER, A.D. 2014.)
 _____)
A COMMISSIONER FOR OATHS in)
 and for the Province of Ontario)
 My Commission expires _____)

[REDACTED]
 [REDACTED]
Signature of Witness
 Name: [REDACTED]
 Address: 495 Britannia Ave
BRADFORD, ON L3Z 2L9.

PUBLIC

Esso Ref # **303534**
Pioneer Site # **720**

**MOTOR FUEL SUPPLY AGREEMENT
ESSO BRANDED MOTOR FUELS**

This Agreement is made in triplicate, this 8th day of November, 2012. but effective as at **December 1, 2012.**

BETWEEN:

PIONEER ENERGY LP
By its General Partner,
PIONEER ENERGY MANAGEMENT INC.
having a Head Office at
1122 International Blvd., Suite 700, Burlington, Ontario L7L 6Z8
(hereinafter called "Distributor")

- and-

1662382 Ontario Ltd.
(hereinafter called "Dealer") having a retail motor fuels outlet
located at **3466 Highway 144, Chelmsford, Ontario P0M 1L0**
(herein after called the "Marketing Premises")

- and-

[REDACTED]
business persons in the Province of Ontario having their
(hereinafter called the "Guarantor")

WHEREAS, based on its marketing strategies, Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("**Imperial Oil**") has established the following core values (the "**Core Values**"), namely

- to deliver quality products that customers can trust;
- to employ friendly, helpful people;
- to provide speedy, reliable and friendly service;
- to provide clean, attractive and well maintained retail facilities; and
- to be a responsible, environmentally conscious neighbour.

AND WHEREAS the Distributor is engaged in the sale and distribution of Imperial Oil's high quality petroleum products marketed under the nationally and internationally known ESSO trade mark;

AND WHEREAS **[REDACTED] Company Limited** (hereinafter called the "Landlord") the Landlord owns the lands and Marketing Premises located at **3466 Highway 144, Chelmsford, Ontario P0M 1L0 and being legally described as See Schedule "G"**(such lands and retail motor fuels outlet being hereinafter called the "**Property**");

AND WHEREAS the Landlord leases the Property to the Dealer pursuant to a **verbal lease** and having a term of lease at least as long as the term of the Motor Fuel Supply Agreement (the "**Landlord Lease**");

AND WHEREAS the Dealer operates an existing retail motor fuels outlet on the Property (such Property and retail motor fuels outlet being hereafter called the "Marketing Premises");

AND WHEREAS the Dealer desires to carry on, in accordance with this Agreement, the business of the buying of Imperial Oil's high quality petroleum products marketed under the nationally and internationally known ESSO trade mark and selling such petroleum products to retail customers on and from the Marketing Premises (the "**Dealer Business**");

AND WHEREAS the Guarantor has agreed to guarantee the obligations of the Dealer under this Agreement as consideration, in part, for the Distributor entering into this Agreement;

NOW THEREFORE the Distributor and the Dealer agree as follows:

1. Grant

The Distributor, under an Esso Branded Distributor Agreement with Imperial Oil (the "**Esso Branded Distributor Agreement**"), has the right to grant to the Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the provisions of this Agreement, the Distributor grants to the Dealer the right to use the "Esso" mark and such other proprietary marks specified by Imperial Oil from time to time (the "**Proprietary Marks**") in connection with the sale of Esso Branded Motor Fuels (as hereinafter defined) from the Marketing Premises and, subject to the provisions of this Agreement, the Dealer accepts the grant of such right to use of the Proprietary Marks in connection with the sale of Esso Branded Motor Fuels from the Marketing Premises. The Dealer shall at all times conduct the Dealer Business in a manner consistent with the Core Values and shall comply with Imperial Oil's business standards and policies, including, without limitation Imperial Oil's Imperial Dealer and Distributor Site Operations Manual as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by the Distributor from time to time. **NOTHING IN THIS AGREEMENT HOWEVER SHALL BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN THE DEALER AND IMPERIAL OIL AND THAT THE DEALER'S RELATIONSHIP IS EXCLUSIVELY WITH THE DISTRIBUTOR.**

2. Related Businesses

During the term of this Agreement the Dealer may wish to operate, in addition to the Dealer Business, additional businesses (the "**Related Businesses**") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, the Distributor's trademarks, the Dealer's own trademarks or third party trademarks. The operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the Esso Branded Motor Fuels and Proprietary Marks. Accordingly, the Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by the Distributor to the Dealer from time to time. If the Dealer fails to comply with this Agreement or any such requirements, without limiting the Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, the Distributor may require the Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Commencement Date (as hereafter defined), the Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.

3. Term (Use where commencement date is known.)

- a. The term of this Agreement is for a period of **Ten (10) years**, beginning on **December 1, 2012** and ending on **November 30, 2022** (the "Term") unless terminated earlier in accordance with this Agreement.
- b. The Agreement may be terminated by either the Distributor or Dealer effective at the end of the fifth (5th) year of the Term, upon the giving of written notice at least ninety (90) days prior to the end of the fifth (5th) year of the Term.

4. Product Quantities

- a. Subject to the provisions of this Agreement, the Dealer shall purchase from the Distributor and the Distributor shall sell to the Dealer the Dealer's entire requirements of motor fuels for sale at the Marketing Premises in the quantities, at the prices and terms set out herein (the "Esso Branded Motor Fuels"). The Esso Branded Motor Fuels purchased by the Dealer from the Distributor shall be for resale at the Marketing Premises only. The Dealer shall at all times have available for sale at the Marketing Premises such

quantities of the Esso Branded Motor Fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.

- b. The minimum annual volume of Esso Branded Motor Fuel the Dealer is expected to purchase during any contract year ("**contract year**" meaning the consecutive twelve (12) months beginning on the Commencement Date and during each subsequent consecutive twelve (12) month period) is [REDACTED] litres (the "Minimum Annual Volume"). The Minimum Annual Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil or the Distributor.
- c. In each contract year, the Dealer must purchase from the Distributor a minimum of **eighty percent (80%)** of the Minimum Annual Volume for Esso Branded Motor Fuel. Should the Dealer fail, in any contract year, to purchase **eighty percent (80%)** of the Minimum Annual Volume of Esso Branded Motor Fuels, the Distributor may terminate or not renew this Agreement upon giving sixty (60) days prior written notice to the Dealer and the Guarantors.

5. Right of First Refusal

- a. The Dealer hereby grants to the Distributor the right of first refusal to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of any bona fide written offer received by the Dealer during the term of this Agreement which the Dealer is willing to accept. This right of first refusal shall include any offer to Purchase made by the Dealer to the Registered Owner of the Marketing Premises where the Dealer is a Tenant. The Dealer shall send such written offer to the Distributor in the manner provided herein for the giving of notices and the Distributor shall have thirty (30) days from the receipt of such written offer in which to notify the Dealer that it elects to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of such offer. If the offer does not consist wholly of cash, the Distributor shall have the right to meet the terms of such offer with a reasonable equivalent in cash. In the event the Distributor does not exercise its rights hereunder, the Dealer shall be free, after the end of said period of thirty (30) days, to sell, lease or sublease (as the case may be) the Marketing Premises on the terms contained in the bona fide written offer but subject to the terms of this Agreement including this option.
- b. In the event the Distributor exercises its rights to purchase, lease or sublease (as the case may be) the Marketing Premises, this Agreement, together with any other related agreements, shall terminate on the date of closing or completion of the transaction.
- c. In the event the Distributor does not exercise its right to purchase, lease or sub-lease the Marketing Premises (as the case may be) as hereinbefore set forth, the Dealer may sell, lease or sub-lease the Marketing Premises on the terms and conditions contained in the bona fide written offer conditional upon and subject to:
 - i. receipt by the Dealer of the express written consent of the Distributor to such sale, lease or sub-lease. The Dealer Acknowledges that such consent maybe withheld or refused by the Distributor based upon such consideration as the Distributor may, in its sole and absolute discretion, determine including but not limited to the financial condition of the purchaser/tenant/sub-tenant; and
 - ii. the purchaser, tenant or sub-tenant (as the case may be) executing an agreement with the Distributor to assume all obligations of the Dealer under the within Supply Agreement or in the alternative such purchaser, tenant or sub-tenant executing a new Supply Agreement with the Distributor on such terms an conditions as are satisfactory to the Distributor; and
 - iii. such purchaser, tenant or sub-tenant providing satisfactory security to the Distributor, as in the Distributor's sole discretion may be required, to obtain the Distributor's consent referred to (i) above; and
 - iv. payment in full by the Dealer to the Distributor of all monies or other obligations owned by the Dealer to the Distributor; and

- v. payment by the Dealer to the Distributor of all costs, charges or other expenses whatsoever (including but not limited to all legal and administrative costs of the Distributor) incurred by the Distributor to consider, review, facilitate and/or implement the foregoing; and
- vi. the Distributor's legal counsel being satisfied as to the form and content of all documentation to satisfy the foregoing;

In the event the Dealer proceeds with any sale, lease or sub-lease of the Marketing Premises without full compliance with the foregoing requirements, the Dealer shall be deemed to be in breach of the Dealer's obligations under this Agreement and the Distributor shall be at liberty to pursue its remedies against the Dealer as a result of such breach, including but not limited to those remedies as set forth in paragraph 21 herein.

For purposes of the foregoing, any change of control, transfer, assignment, amalgamation or other dealing whatsoever with the shareholdings of the Dealer or corporate parent of the Dealer shall be deemed to be a sale of the Marketing Premises and require compliance by the Dealer of all terms and conditions as set forth in this paragraph 5.

- d. As a condition precedent to the Distributor allowing the Dealer to sell, lease or sublease (as the case may be) the Marketing Premises and the Dealer Business thereon to a third party, the Dealer shall execute and deliver to the solicitor acting on the Dealer's behalf, in such transaction, an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, such amounts of money as are then due and owing to the Distributor by the Dealer. In the event the proceeds of the transaction paid to the Distributor are insufficient to extinguish the Dealer's indebtedness to the Distributor, the Dealer shall, notwithstanding such sale, lease or sublease (as the case may be) continue to be liable to the Distributor for any remaining indebtedness.

6. Assignment, Sale of Business

- a. The Dealer shall not sell, assign, transfer or otherwise dispose of or deal with, whether absolutely, by way of security or otherwise, any or all of its rights or obligations under this Agreement without the prior written consent of the Distributor, which consent is conditional upon and subject to the provisions of paragraph 5 c. Any assignment or transfer made without the prior written consent of the Distributor shall be void. For the purposes of this Section, if the Dealer is not an individual, a change of control of the Dealer shall be deemed to be a transfer of the Dealer's interests in this Agreement.
- b. The Dealer shall not to sell, lease, sublease or part with possession of the Marketing Premises or the Dealer Business or the shares in the Dealer, in any manner, unless and until the Distributor has received at least thirty (30) days' prior written notice of the Dealer's intention to do so.
- c. The Distributor shall have the right to sell, assign, transfer or otherwise dispose of or deal with any or all of its rights or obligations under this Agreement. If any such sale, assignment, transfer or disposition occurs, the Distributor shall be released from any liability under this Agreement for the rights or obligations sold, assigned, transferred or disposed of, except to the extent that such rights or obligations relate to periods prior to such sale, assignment, transfer or disposition.

7. Price and Terms of Sale

- a. The Dealer shall pay the Distributor for the Esso Branded Motor Fuels purchased pursuant to this Agreement, the price thereof in effect at the Distributor's designated loading rack at the time that the Esso Branded Motor Fuels are loaded for delivery to the Dealer plus the cost of delivery and all applicable taxes. The Esso Branded Motor Fuels prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. In the event of a shortage or unavailability of the motor fuels at the Distributor's designated loading rack for any particular pick-up to the Dealer, the Distributor shall use reasonable commercial efforts to deliver Esso Branded Motor Fuels from an alternate loading rack and the Dealer shall pay for any increased costs required to complete such delivery.

- b. Measurement of the volume of each delivery of the Esso Branded Motor Fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15 degrees Celsius in accordance with normal industry practice.
- c. All purchases of the Esso Branded Motor Fuels, shall be paid by the Dealer upon or before delivery, in immediately available funds as set out herein, unless the Distributor, in its discretion and from time to time, grants credit terms to the Dealer. If the Distributor grants credit terms to the Dealer, such credit terms may be amended by the Distributor in its discretion upon written notice from time to time. If the Distributor grants credit terms to the Dealer and the Dealer accepts delivery of any Esso Branded Motor Fuels in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation paying interest on overdue accounts at rates to be determined by the Distributor from time to time. The Distributor reserves the right to withhold any amounts due by the Distributor to the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its discretion and without notice decline to make delivery to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.
- d. Subject to the Distributors right to, from time to time, grant and amend credit terms, including rates of interest, as provided in (c) above, the Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to the Distributor by the Dealer pursuant to this Agreement: (i) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by the Distributor, in its discretion, from time to time; and (ii) may be collected by the Distributor by pre-authorized debit in the manner set out in Schedule "A" or by wire transfer.
- f. The Dealer shall, from time to time, execute and deliver to the Distributor an authorization for pre-authorized debit in the form of Schedule "A" in order to facilitate the collection of payments pursuant to this Section. The Distributor may amend Schedule "A" in its sole discretion and from time to time, upon thirty (30) days' prior written notice to the Dealer.
- g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer's business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. The Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
- h. The Distributor agrees that, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, the Distributor will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

8. Delivery

- a. Delivery of the Esso Branded Motor Fuels will be by tank truck into the Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the Esso Branded Motor Fuels shall pass to the Dealer as it is discharged from the Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.
- b. The Dealer shall ensure that the Distributor's tank truck will at all times have unimpeded access to the fill pipes and storage tanks while making any delivery to the Marketing Premises.
- c. The Dealer will notify the Distributor of any required delivery of Esso Branded Motor Fuels in accordance with the Distributors written ordering and delivery procedures. The Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. The Dealer will only order deliveries

of not less than [REDACTED] litres, the "deemed full truck load". The Dealer shall accept delivery of the Esso Branded Motor Fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributors ordering and delivery procedures.

- d. Upon the dispatch of a delivery vehicle by the Distributor to deliver the Esso Branded Motor Fuels to the Marketing Premises, the Dealer shall either accept the delivery of a "deemed full truck load" of the Esso Branded Motor Fuels (or less than a "deemed full truck load" of the Esso Branded Motor Fuels only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to the Distributor all the reasonable costs incurred by the Distributor in connection with any delay or aborted delivery.
- e. The Distributor shall not be required to deliver to the Dealer the Esso Branded Motor Fuels in any quantity less than a "deemed full truck load", which shall be determined in each case by the Distributor in its discretion from time to time. If the Dealer requests the delivery of and the Distributor delivers the Esso Branded Motor Fuels in a quantity less than a "deemed full truck load", then the Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however, the delivery by the Distributor of the Esso Branded Motor Fuels in a quantity less than a "deemed full truckload" on any one or more occasions shall not require the Distributor to deliver Esso Branded Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the discretion of the Distributor from time to time.

9. Product Control

- a. The Dealer shall exercise the highest degree of care in handling, storing, selling and using the Esso Branded Motor Fuels delivered to the Marketing Premises. The Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any Esso Branded Motor Fuels (including without limitation, the blending of such motor fuels with ethanol). The Dealer shall not sell from the Marketing Premises Esso Branded Motor Fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. The Distributor may refuse access by the Dealer to the Distributor's loading racks, the Dealer's until, in Distributor's judgment, any deficiencies in the quality of Esso Branded Motor Fuels at the Marketing Premises are corrected.
- b. Access to Premises. The Dealer grants Distributor and Imperial Oil (including their employees, agents and contractors) the right to enter the Marketing Premises during normal business hours to examine the contents of the Dealer's storage tanks in which said Esso Branded Motor Fuels purchased hereunder are handled or stored. The Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to the Dealer's obligations under this Agreement.

10. Contingencies

No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any covenant, agreement or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to the Distributor or to Imperial Oil or any person affiliated with the Distributor under this Agreement) if such default or non-performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any delays in or failure of performance by the Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request or control of any governmental authority; or
- b. When the supply of Esso Branded Motor Fuels at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by the Distributor is interrupted, unavailable or inadequate for any reason or cause which the Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of Esso Branded Motor Fuels to be sold under this Agreement by allocating its available supply of Esso Branded Motor Fuels among its customers, itself, and its related and subsidiary companies in such

manner as it may in its discretion determine and the Distributor shall not be obliged to obtain or purchase other supplies of the Esso Branded Motor Fuels to make up any such shortage.

11. Proprietary Marks

- a. The Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for the Dealer's use and shall only use such marks to designate the origin of the Esso Branded Motor Fuels and otherwise in the manner authorized and instructed by the Distributor from time to time. THE DEALER AGREES THAT MOTOR FUELS AND PETROLEUM PRODUCTS OF OTHERS WILL NOT BE SOLD BY THE DEALER UNDER SUCH PROPRIETARY MARKS. If, in the opinion of the Distributor, any samples taken by the Distributor or Imperial Oil under this Agreement are not Esso Branded Motor Fuels, or are not in the condition in which sold by the Distributor, or any documents and records reviewed by the Distributor or Imperial Oil show the Dealer has failed to comply with its obligations hereunder, the Distributor may, at its option, de-brand (as described in Section 17b.) the Marketing Premises and/r cancel and terminate this Agreement.
- b. By written notice to the Dealer, the Distributor may withdraw its approval to: (i) brand the Marketing Premises ("de-brand") or (ii) use or operate any motor fuels business or Related Businesses at the Marketing Premises, if, in the Distributor's judgment: (i) the Marketing Premises (or the motor fuels business and/or Related Businesses) fails to portray the image and standards expected from Esso Branded Retail Outlets; or (ii) The Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If the Distributor de-brands the Marketing Premises, withdraws its approval to use or operate the motor fuels business or Related Businesses at the Marketing Premises, upon expiration or termination of this Agreement, or upon demand being made by the Distributor, the Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from the Distributor, consisting in whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.
- d. The Dealer agrees to take no action that will diminish or dilute the value of the Proprietary Marks. The Dealer shall not sell non-Esso Branded Motor Fuels under any of the Proprietary Marks, including without limitation, any Esso-identified canopy or at any fuelling island where the Dealer is selling Esso Branded Motor Fuels.
- e. The Dealer shall not use the Proprietary Marks as part of the Dealer's corporate or other name.
- f. The Dealer hereby consents that the Distributor or Imperial Oil may remove or paint over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the Esso trade name, trade-marks, signs and advertising items, prior to the expiration or earlier termination of this Agreement.

12. Customer Service & Operating Standards

- a. The Dealer shall ensure that the Marketing Premises meets the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits), failing which the Dealer shall lose the right to use or display Proprietary Marks at the Marketing Premises:
 - i. Paved driveways with safe and good ingress and egress;
 - ii. Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances;
 - iii. Clean premises free of debris, trash and fire hazards;
 - iv. Modern restrooms for men and women available to the general public; and

- v. Offer two (2) grades of Esso Branded Motor Fuels;
 - vi. Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and
 - vii. Compliance with applicable operating standards as described in Schedule "B", and facility standards as described in Schedule "F" ("**Facility Requirements**"), which are incorporated into and made a part of this Agreement.
- b. While using any Proprietary Marks, the Dealer shall:
- i. render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct the Dealer Business and any Related Businesses in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the Esso Branded Motor Fuels sold hereunder;
 - ii. provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers;
 - iii. keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies;
 - iv. assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the Esso Branded Motor Fuels during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to the Dealer;
 - v. purchase, maintain, and display an adequate quantity of Esso Branded motor oils, lubricants, greases, anti-freeze, and other petroleum products and related products (the "Petroleum Products") for resale from the Marketing Premises to meet the needs of the Dealer's retail customers from time to time. As the Distributor is not a distributor of Petroleum Products the Dealer shall purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area;
 - vi. keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers; and
 - vii. shall ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. The Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by the Distributor to cure, continues to be in violation of this Section.
- d. The Dealer shall not permit at the Marketing Premises:
- i. any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits;
 - ii. the sale or use of illegal drugs or drug paraphernalia; or
 - iii. the sale of any pornographic material or other material that the Distributor determines may be offensive to the general public.
 - iv. the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits relating to youth access to tobacco products. The Dealer shall promptly advise the Distributor of any charges or notifications of violations received at the Marketing Premises from

any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.

- e. The Dealer shall at all times comply with any operations manual and/or books, pamphlets, tapes, videos, memoranda, menus, recipes, directives, instructions and other materials prepared by or on behalf of Imperial Oil and provided to the Dealer by either the Distributor or Imperial Oil, whether in written, machine readable or any other form (collectively, the "**Manual**") setting out the standards, including without limitation, operating standards, methods, procedures, techniques and specifications, established by Imperial Oil from time to time for the retail sale of Esso Branded Motor Fuels and Petroleum Products, as same may be amended or supplemented from time to time. The provisions of the Manual applicable to the Dealer Business are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to the Distributor promptly upon request and, in any event, upon the expiration or termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's prior written consent. It is understood that the entire content of the Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. Both during the term of this Agreement and after the expiration or termination of this Agreement, the Dealer shall maintain the absolute confidentiality of the entire content of the Manual and shall not disclose any such content for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer Business in accordance with this Agreement. Further, the Dealer shall not use any such content, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

13. No Exclusive Marketing Rights

This Agreement does not give the Dealer an exclusive right in any market or geographic area to sell Esso Branded Motor Fuel or conduct the Dealer Business or any Related Businesses. It is understood that the Distributor and Imperial Oil may, directly or indirectly, compete with the Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks (the "**Trademarks**"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, the Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the Dealer Business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling Esso Branded Motor Fuels, other branded motor fuels or operating businesses the same or similar in kind as the Dealer Business or Related Businesses, other retail outlets, enterprises or other businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

14. Fuel Handling Equipment

- a. The Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under the Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "**Fuel Handling Equipment**"). The Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.
- b. On the Commencement Date the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises shall be in good condition and repair and meet regulatory requirements.
- c. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and meet regulatory requirements. All needed repairs and replacements shall be made promptly by the Dealer.

- d. The Dealer shall have in place on all underground motor fuels storage tanks spill containment boxes and overflow prevention valves. The Dealer shall, at all times, keep such equipment in good operating condition and repair.
- e. Notwithstanding any other provision in this Agreement, if the Distributor is required by law, or if in the Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "**Hazard**"), then the Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. The Distributor shall not be obliged to re-commence delivery of the motor fuels until the Distributor is satisfied, in its discretion that the Hazard does not exist or has ceased to exist. If the Distributor does or causes the doing of any act to remedy a Hazard, whether or not the act is required by law, the Dealer shall pay the Distributor for all costs and expenses incurred by the Distributor for the doing of such act and, upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuels or other substances and notify the Distributor immediately if any such spillage is determined to have occurred. If spillage is determined to have occurred, the Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spillage.
- f. The Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential Hazards.

15. Loaned Equipment

- a. The Distributor will loan to the Dealer the equipment listed in Schedule "C" hereto (the "**Equipment**") as and when it may be available for use on the Marketing Premises in the Dealer Business; and the Dealer hereby accepts such loan of Equipment.
- b. The Distributor shall have the right, in its discretion, to, from time to time, replace, add to or substitute any one or combination of items of the Equipment.
- c. The Dealer shall:
 - i. pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
 - ii. obtain all necessary permits, licenses and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;
 - iii. not alter, part with possession of, or encumber, lease or sell the Equipment;
 - iv. complete day to day maintenance and repair, including replacement of parts, of the Equipment unless the Distributor advises the Dealer, in writing, that the Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;
 - v. keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;
 - vi. comply with all laws applicable to the Equipment;
 - vii. be responsible for all damage caused to the Equipment by the gross negligence or willful act of any person or persons other than the Distributor, its employees, contractors and agents;
 - viii. use the Equipment intended for storage, handling, advertising or displaying the Esso Branded Motor Fuels and the Petroleum Products, solely for such intended purpose.
 - ix. return to the Distributor in good repair and operating condition, reasonable wear and tear excepted (I) all Equipment immediately upon the expiration or termination of this Agreement and (II) any Equipment replaced by the Distributor for any reason immediately upon such replacement;

- x. for greater certainty, permit the Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (I) effect maintenance and repair of the Equipment and (II) replace, add to or substitute any one or combination of items of the Equipment; and
 - xi. upon the expiration or termination of this Agreement, permit the Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor and the Dealer shall not affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a fixture of the Marketing Premises without each person now or hereafter having an interest in the Marketing Premises first executing an acknowledgement and consent in the form of Schedule "D".
- e. Prior to the Commencement Date the Dealer shall examine the Equipment provided to the Dealer and, unless, prior to the Commencement Date, the Dealer notifies the Distributor, in writing, of any complaint regarding the Equipment, the Dealer shall be deemed to have satisfied itself with regard to the Equipment. The Dealer shall indemnify the Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of the Distributor's gross negligence or a defect in the Equipment, provided the Dealer shall have given the Distributor prompt written notice of such gross negligence or defect.

16. Compliance with Laws

The Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits, including those concerning the environment, hazardous substances or wastes, toxic substances and occupational safety and health.

17. Indemnity

The Dealer shall and does hereby indemnify and save harmless the Distributor, its partners, directors, officers, employees, agents and affiliates and their respective directors, officers, employees, agents and affiliates (each an "indemnified party") from and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer Business on the Marketing Premises;
- b. the storage, handling and sale of motor fuels on and from the Marketing Premises; and
- c. the Equipment.

This indemnity shall not include a claim arising out of, in respect of or in connection with the gross negligence or willful misconduct of an indemnified party.

18. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:
 - i. a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and the Distributor arising out of all the operations of the Dealer pertaining to the Dealer Business, whether or not conducted on or from the Marketing Premises with all inclusive limits of at least five million (\$5,000,000) dollars for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and
 - ii. a third party liability policy on all vehicles used in the Dealer Business, with all inclusive limits of at least one million dollars (\$1,000,000) for any one incident.

- b. The insurance policy referred to in subsection 18 a.(ii) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
- c. Upon written request by the Distributor, the Dealer shall provide the Distributor with a certificate of insurance and such other information as may reasonably be required by the Distributor in a form satisfactory to the Distributor as evidence of the insurance required under this Section. The insurance policies shall be endorsed to provide that in the event of any change in them which could affect the Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to the Distributor thirty (30) days prior to the effective date of any such change or cancellation.
- d. The Distributor may amend this Section, in its discretion and from time to time, on the anniversary of the Effective Date upon sixty (60) days prior written notice to the Dealer.

19. Technology and Communications

Upon receipt of a written request from the Distributor, the Dealer shall:

- a. Install and maintain in good operating condition, at the Dealer's expense, at the Marketing Premises: (i) a facsimile machine for sending and receiving written communications; and (ii) equipment that allows access to the internet or other electronic-transmission or data communications systems designated by the Distributor from time to time;
- b. Subscribe, at the Dealer's expense, at the Marketing Premises, to a voice mail system for transmitting and receiving telephone communications; and
- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition, replacement or updating of point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software.

20. Retail Credit and Debit System

The Dealer has or shall receive an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer Business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial Oil. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith and complies with all guidelines therefor, including complying with all requirements of such retail credit and debit system for regular maintenance and replacement in the event of loss or damage.

The Dealer shall pay to the Distributor the following fee(s), which the Distributor may amend, in its discretion from time to time, upon sixty (60) days prior written notice to the Dealer:

G-Site data transmission fee: █████/month.
eN-Touch fee: █████ units at \$████/month.

The Dealer shall implement and utilize the retail credit and debit system(s) designated by the Distributor, in its discretion from time to time, to be used by its dealers and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s). All credit cards accepted currently by the Distributor attract a rate of █████ and a Debit card transaction currently attracts a █████ charge.

21. Termination

- a. Where the end of the term of this Agreement as set out in Section 3 is later than the end of the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the

beginning of this Agreement, or where the said Esso Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said Esso Branded Distributor Agreement, unless (i) the term of said Esso Branded Distributor Agreement is extended, renewed or replaced and (ii) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an Esso location.

- b. The Distributor may, in its discretion, upon the occurrence of any one of the following events terminate this Agreement immediately and without notice to the Dealer and the Guarantors and without providing any prior opportunity to cure same:
- i. if the Dealer is in default of any Third Party Credit Card Agreement, entered into between the parties in connection with this Agreement, or if the Third Party terminates the Dealer's use of the Third Party's Credit Card processing facilities for any reason whatsoever;
 - ii. if any indemnity, guarantee, or suretyship obtained in connection with this Agreement is revoked or curtailed;
 - iii. if any motor fuel, other than the Esso Branded Motor Fuels are kept, sold or otherwise dealt with on or from the Marketing Premises;
 - iv. if the Dealer fails to sell the Esso Branded Motor Fuels strictly in accordance with the grades and kinds designated in the Manual;
 - v. if the Dealer sells any Esso Branded Motor Fuel: (I) in bulk, (II) to any person for resale, or (III) to any person not using a government approved container; or
 - vi. if the Dealer ceases to carry on the Dealer Business on or from the Marketing Premises;
 - vii. if the Dealer or any one or more of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or one or more of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is made in respect of the Dealer or any one or more of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed for the Dealer or any one or more of the Guarantors, or if the Dealer or any one or more of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any one or more of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an "insolvent person" as that term is defined in the Act;
 - viii. if the Dealer shall at any time have any of the goods and chattels of the Dealer Business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of the Distributor sell any of such goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer Business;
 - ix. if the Dealer fails to operate the Dealer Business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control;
 - x. if the Dealer or any one or more of the Guarantors is convicted of or pleads guilty to any criminal offence, whether or not related to the Dealer Business;
 - xi. if the Dealer fails to pay any amount payable to the Distributor under the provisions of this Agreement;

- xii. the Dealer fails to maintain adequate inventory of the Esso Branded Motor Fuels at the Marketing Premises to meet the needs of its retail customers;
 - xiii. if the Esso Branded Distributor Agreement is terminated for any reason;
 - xiv. the Dealer or any one or more of the Guarantors attempts to abandon the Marketing Premises or to sell or dispose of its goods or chattels otherwise than in the ordinary course of its business;
 - xv. if the Dealer fails to comply with the provisions of the Manual or Section 18 of this Agreement;
 - xvi. if the Dealer (I) is a corporation and a principal shareholder of the Dealer dies or becomes unable, by reason of physical or mental illness or disability, to operate the Dealer Business in the ordinary course for thirty (30) days or more (“**Incapacitated**”) or (II) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes Incapacitated;
 - xvii. if the Dealer is in default on any provision of any other agreement with the Distributor pertaining to the Marketing Premises; or
 - xviii. if any applicable law now or hereafter in effect renders any provision of this Agreement unenforceable or unlawful.
- c. Upon the expiration or termination of this Agreement for any reason, the Dealer shall immediately:
- i. cease to use in any manner the Proprietary Marks;
 - ii. pay to the Distributor or any person, firm or corporation affiliated or associated with the Distributor, all amounts and charges as are or may thereafter become due and payable hereunder or under any other agreement between the Dealer and Distributor or any person, firm or corporation affiliated or associated with the Distributor ;
 - iii. return to the Distributor all copies of the Manual then in the possession of the Dealer;
 - iv. notify the telephone company and all listing agencies of the expiration or termination of the Dealer's right to use the Proprietary Marks and terminate all such listings using the Proprietary Marks;
 - v. cease to operate the Dealer Business in any manner which would, directly or indirectly, represent to the public that the Dealer Business was thereafter operated in association with the Proprietary Marks and cease to hold itself out as a present or former dealer of Esso Branded Motor Fuels;
 - vi. surrender the Equipment to the Distributor; and
 - vii. at the request of the Distributor, take all such action as may be necessary to cancel any trade or business name registration which contains any part of the Proprietary Marks under any applicable law and furnish the Distributor with evidence satisfactory to it of compliance with the Dealer's obligation hereunder within thirty (30) days after the expiration or termination of this Agreement.

Any termination of this Agreement pursuant to this Section shall be without prejudice to any other right (including any right of indemnity), remedy or relief vested in or to which the Distributor may otherwise be entitled against the Dealer. All monies paid by the Dealer to the Distributor under this Agreement or otherwise shall be retained by the Distributor as consideration for the rights and benefits previously conferred on the Dealer hereunder and as liquidated damages. The foregoing remedy shall not exclude any of the remedies which the Distributor may have at law or in equity by reason of the default, breach or non-observance by the Dealer of any provision of this Agreement.

22. Claims

- a. Neither the Distributor nor Imperial Oil is liable to the Dealer for shortages in quantity or quality of Esso Branded Motor Fuels unless the Dealer notifies the Distributor, in writing, within forty-eight (48) hours after delivery (or discovery in the case of latent defect for quality deficiencies) setting forth fully the facts upon which any such claim for shortage in quantity or defect in quality is made and unless the Distributor and/or Imperial Oil are given a reasonable opportunity to inspect the motor fuels concerning which any such claim is being made, the Distributor's and/or Imperial Oil's liability with respect to any shortage in quantity shall be limited to an amount equal to the volume of any shortage multiplied by the Dealer's cost of motor fuel including delivery and taxes in effect for the delivery in question. The Distributor and/or Imperial Oil's liability with respect to any defect in quality shall be limited to the cost of removing the defective motor fuels from the Marketing Premises at its own expense and replacing them without charge to the Dealer. The Distributor and/or Imperial Oil shall not be liable for any special, indirect, or consequential damages to the Dealer for any shortage in quantity or defect in quality. All other claims by the Dealer against the Distributor or Imperial Oil including their affiliates and subsidiaries of any kind, whether or not arising out of this Agreement, are barred unless the Dealer gives the Distributor and/or Imperial Oil, as the case may be, notice within ninety (90) days after the event, act or omission to which the claim relates. Whether or not the Dealer provides timely notice of a claim, any claim by the Dealer is barred unless asserted by the commencement of a lawsuit naming the Distributor and/or Imperial Oil as defendant in a court of competent jurisdiction within twelve (12) months after the event, act or omission to which the claim relates.
- b. The Dealer recognizes that, at any time during the term of this Agreement, any of the grades or brands of motor fuels sold hereunder or any of the Proprietary Marks may be changed, altered, amended or eliminated. The Dealer also recognizes that, at any time during the term of this Agreement, the quality or specification of any of the motor fuels sold hereunder may be changed or altered. If any such change or alteration materially affects the performance of such motor fuels or the needs of the Dealer therefor for the purposes intended by the Dealer, the Dealer may terminate this Agreement as to any such motor fuels so affected on thirty (30) days' prior written notice to the Distributor. However, the Dealer may not terminate this Agreement for any change in quality or specification of any said motor fuels resulting from compliance with federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits. In the event that the manufacture of certain of the Esso Branded Motor Fuels sold hereunder is discontinued, the Distributor shall notify the Dealer of such an event and this Agreement shall terminate as to such motor fuels when such notice is effective.

23. Entire Agreement; Modifications

This Agreement, any documents referred to in this Agreement and any attachments to this Agreement, constitute the entire agreement between the Distributor and the Dealer concerning the subject matter hereof, and supersede all prior agreements, understandings, negotiations and discussions relating to that subject matter. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by the Distributor to the Dealer. Except as explicitly provided in this Agreement this Agreement may not be supplemented, modified or amended unless done so in writing and executed by the Dealer, the Guarantors and the Distributor.

24. Guarantee

As consideration in part for the Distributor entering into this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Guarantors and the Distributor, the Guarantors hereby covenant and agree as follows:

- a. to unconditionally and irrevocably guarantee to the Distributor, as a primary obligor, the due payment by the Dealer of all monies payable under this Agreement and any other obligations whatsoever by the Dealer to the Distributor at the time or times appointed therefor, and the due observance and performance by the Dealer of all the provisions in this Agreement and any other obligations whatsoever to be observed and performed by the Dealer;
- b. to indemnify and save the Distributor harmless from and against all costs, losses, expenses and damages it may suffer as a result of the Dealer's non-compliance with any provision of this Agreement;

- c. that this shall be a continuing guarantee and shall be binding upon the Guarantors after as well as before the Dealer's non-compliance with any provisions of this Agreement, until all monies due under the Agreement have been fully paid and satisfied and all provisions have been observed, performed and carried out;
- d. the Distributor shall not be bound to exhaust its recourse against the Dealer before requiring payment of any monies or the observance or performance of any obligations by the Guarantors and the Guarantors waive notice of demand for payment or performance, notice of default, protest and notice of protest and any and all other notices and legal and equitable defenses to which the Guarantors may be entitled;
- e. no release or releases and no indulgence or extensions of time or waiver granted by the Distributor to the Dealer with respect to the observance or performance or any defaults or breaches of this Agreement by the Dealer nor any dealings between the Distributor and the Dealer shall in any way modify, alter or prejudice the Distributor or diminish or affect the liability of the Guarantors under this Agreement;
- f. the covenants and agreements herein entered into by the Guarantors are to be construed as both joint and several;
- g. the guarantee and the liability of each of the Guarantors hereunder is not and shall not be affected by the death or loss or diminution of capacity of any of the Guarantors;
- h. this guarantee extends to and is binding upon each of the Guarantors and their heirs, executors, administrators, legal representatives and assigns, and
- i. this guarantee shall continue to bind the Guarantors even if one or more of them, cease to be involved, directly or indirectly in the Dealer Business or in the Dealer.

25. Security Interest

Intentionally Deleted.

26. Set Off

In the event of a breach or default by the Dealer, the Distributor shall be entitled to set off any amounts which may be due and payable to the Dealer by the Distributor under this or any other agreements between the parties against any amounts due and payable to it by the Dealer under this Agreement or any other agreements between the parties.

27. Notices

Any notice to be given hereunder:

- a. by the Distributor to the Dealer and the Guarantors shall be conclusively deemed to have been given when addressed to the Dealer and: (i) delivered personally or by courier to the Marketing Premises; or (ii) mailed by prepaid mail addressed to the Dealer at the Marketing Premises; or (iii) sent by electronic facsimile to the Dealer provided evidence of transmission is retained, and
- b. by the Dealer or the Guarantors to the Distributor shall be conclusively deemed to have been given when addressed to the following address and: (i) delivered or mailed by prepaid registered mail to the Distributor at the following address, or (ii) sent by electronic facsimile to the Distributor, provided evidence of transmission is retained, at the following number: **PIONEER ENERGY MANAGEMENT INC.**, 1122 International Blvd., Suite 700, Burlington, Ontario L7L 6Z8, Attention: Vice President, Retail Sales Facsimile No.: (905) 633-3470

Any notice, if delivered personally or by courier shall be conclusively deemed to have been given when actually received, if mailed by prepaid mail, on the fifth Business Day following the deposit thereof in the mail or, if transmitted by electronic facsimile before 4:00 p.m. on a Business Day, on that Business Day and, if transmitted by electronic facsimile after 4:00 p.m. on a Business Day on the Business Day following the date of the transmission.

28. Quality Assurance

Subject to the provisions of the Manual, the Dealer shall store, handle, sell and dispense the Esso Branded Motor Fuels purchased and sold hereunder in compliance with the procedures provided by the Distributor from time to time.

29. Right of Entry

In addition to any other rights of the Distributor under this Agreement, the Dealer hereby permits the Distributor, Imperial Oil and their respective affiliates, employees, agents, vendors, contractors and representatives to enter, during normal operating hours, the Marketing Premises and other places where the Dealer conducts any business covered by the terms of this Agreement, to enforce any and all rights and remedies under this Agreement including taking action to preserve the integrity of the Proprietary Marks and determine the Dealer's compliance with this Agreement. Neither the Distributor nor Imperial Oil is liable to the Dealer for any interference with the Dealer's business as a result of the Distributor or Imperial Oil entering the Marketing Premises and other places where the Dealer conducts any business covered by the terms of this Agreement.

30. Withholding Payments

The Dealer will not on the grounds of the alleged non-performance by the Distributor of any of its obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to the Distributor or any person affiliated with the Distributor.

31. Further Assurances

The parties shall diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

32. Number and Gender Headings

This Agreement shall be read with such changes in number and gender as the context of the reference may require. The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

33. Time of the Essence and Governing Law

Time shall be of the essence in this Agreement, which shall be governed by and construed in accordance with the laws of the province of or territory of Canada in which the Marketing Premises is located and the federal laws of Canada applicable therein.

34. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity of such provision in any other jurisdiction.

35. No Waiver

No waiver of a breach of any provision in this Agreement shall be binding upon the Distributor unless made in writing and signed by the Distributor and no waiver of or past performance or course of dealing with a breach of any provision in this Agreement shall be construed as a waiver of any succeeding breach thereof or of any other provision in this Agreement and no delay or omission on the part of the Distributor to exercise any right acquired through the default of the Dealer shall be construed as a waiver of or shall impair such right.

36. Compliance with Law, Workers Compensation, Environmental

- a. The Dealer shall fulfill all the duties imposed upon it by law and shall obey all laws, regulations, rules, by-laws and ordinances applicable to the Dealer Business and to the Marketing Premises, including without limitation the competition laws of Canada and all other applicable laws relating to competition.
- b. The Dealer shall: (i) comply fully, at the Dealer's expense, with provisions of the relevant Workers' Compensation legislation; and (ii) obtain for all the persons employed in the Dealer Business, including the Dealer and the principal shareholder(s) and interest holder(s) of the Dealer, as the case may be, the complete package of benefits available under the relevant Workers' Compensation legislation.
- c. The Dealer shall comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.

37. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors and permitted assigns.

38. No Special or Consequential Damages

The Distributor shall not be liable for any special or consequential damages or loss of profit arising from any breach of its obligations under this Agreement.

39. Survival

All obligations of the parties hereto which expressly or by their nature survive the expiration, termination, permitted transfer and permitted assignment of this Agreement shall continue in full force and effect, until they are satisfied or by their nature expire.

40. Other Conditions

Schedule "H" – ("Other Conditions") is an integral part of this agreement.

41. Independent Legal Advice

The Dealer and each of the Guarantors acknowledges that: (i) it or they, as the case may be, has had ample time to read and has read this Agreement and has been afforded the opportunity to retain independent legal advice to assist in the review, execution and delivery of this Agreement; and (ii) it or they, as the case may be, has of its own free will either obtained independent legal advice or declined to do so.

In Witness Whereof Pioneer Energy LP, by its General Partner Pioneer Energy Management Inc., has executed this Agreement this 30th day of December, 2012 but effective as at **December 1, 2012**.

PIONEER ENERGY LP
By its General Partner
PIONEER ENERGY MANAGEMENT INC.

Per: [Redacted]
Name: [Redacted]
Title: **V.P. Dealer and Reseller Sales**

Per: [Redacted]
Name: [Redacted]
Title: **V.P. Real Estate & Development**

We have the authority to bind the corporation.

In Witness Whereof 1662382 Ontario Ltd. the Dealer, has executed this Agreement this 30 day of November, 2012 but effective as at December 1, 2012.

1662382 ONTARIO LTD.

[Redacted Signature]

Title: President

[Redacted Name]

Per:

Name:

Title: Secretary-Treasurer

We have the authority to bind the corporation.

In Witness Whereof [Redacted] and [Redacted] as Guarantors, have executed this Agreement this 30 day of November, 2012 but effective as at December 1, 2012.

[Redacted Signature]

Witness

[Redacted Signature]

[Redacted Signature]

Witness

[Redacted Signature]

SCHEDULE "A"



1122 International Blvd., Suite 700, Burlington, On. L7L 6Z8, 905-639-2060

**PIONEER ENERGY LP
COMMERCIAL AUTHORIZATION FOR PRE-AUTHORIZED DEBITS ("PADS")**

The undersigned ("Payor") hereby provides this authorization ("Authorization") to Pioneer Energy LP (PELP), to process from time-to-time variable debits by electronic entry (or paper) covering any or all monies owing to PELP plus taxes. All amounts debited will be in Canadian funds.

In connection with such Authorization, Payor further states and agrees as follows:

1. Payor's name and address, etc is as follows:

Name	Telephone #	Fax #
Street Address	City/Town	Province & Postal Code
Email Address		

2. The following financial institution and bank account have been selected by Payor for the purposes of processing PADS pursuant to this Authorization and delivery of the Authorization to PELP constitutes delivery by Payor to such financial institution.

Financial Institution:

Name of Institution		
Branch Address		
City	Province	Postal Code

Account Information

Business Account Name		
Bank ID / Transit #	CDN Business funds account #	Institution #

PRE-AUTHORIZED DEBITS - TERMS AND CONDITIONS (continued)

3. Payor acknowledges that this Authorization is provided for the benefit of PELP, and Payor's financial institution referenced above and is provided in consideration of such financial institution agreeing to process PADS against Payor's account in accordance with this Authorization and the rules of the Canadian Payments Association ("Rules"). In the event of any conflict between this Authorization and the Rules, this Authorization shall prevail.
4. Attached to this Authorization is a specimen cheque of the Payor marked "VOID".
5. The Payor agrees to notify PELP, in writing, of any change in the banking information provided herein at least thirty (30) days prior to the effective date of any such change.
6. The Payor represents and warrants that all persons whose signatures are required to authorize withdrawals from the Payor's bank account in paragraph 2 have signed this Authorization and that all persons signing this Authorization are the authorized signatories and are duly authorized to execute this Authorization.
7. This Authorization may be cancelled by the Payor upon thirty (30) days prior written notice to PELP.
8. The Payor hereby waives any and all PAD pre-notification requirements otherwise required by Rule H1 of the Rules.
9. The Payor acknowledges that the financial institution in paragraph 2 is not required as a condition to honouring a PAD to verify compliance with the particulars of this Authorization.
10. The revocation of this Authorization by the Payor does not terminate any contract for goods or services that exists between the Payor and PELP. This Authorization applies only to the method of payment and does not otherwise have any bearing on the contract for goods or services exchanged.
11. The Payor agrees that it may only dispute a PAD under the following conditions:
 - (a) the PAD was not drawn in accordance with this Authorization; or
 - (b) this Authorization was revoked.The Payor acknowledges that in order to be reimbursed, a declaration to the effect that one of foregoing circumstances occurred, must be completed and presented to the branch of the financial institution (shown in paragraph 2) no later than ten (10) business days after the date on which the PAD in dispute was posted to the Payor's account.
12. The Payor acknowledges that if disputing any PAD beyond the time allowed in paragraph 11, it becomes a matter to be resolved solely between the Payor and PELP and outside the payments system.
13. The Payor acknowledges that the information contained in the Authorization may be disclosed to PELP's financial institution(s), as may be required or desirable to complete any PAD transaction. (Applicable to the Province of Quebec only: Such consent constituting the consent required under the Act pertaining to the protection of personal information in the private sector (L.R.Q.c.P.39.1)).
14. The Payor agrees that Payee may also from time to time, if applicable, process credits to Payor's bank account.
15. The Payor agrees to waive their right to receive pre-notification of the amount of the PAD and agree that you do not require advance notice of the amount of the PADs before the debit is processed. **(Invoices are prepared, e-mailed and processed on the same day).**
16. The payor acknowledges this PAD is for business only.

SCHEDULE "A"

Executed by Payor as of the _____ day of _____ 20____

By: _____

The "Payor"

Authorized Signatory

By: _____

Authorized Signatory

You have certain recourse rights if any debit/credit does not comply with this agreement. For example you have the right to receive reimbursement for any debit/credit that is not authorized or is not consistent with this PAD agreement. To obtain more information on your recourse rights contact your financial institution or www.cdnpay.ca.

SCHEDULE "B"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and 1662382 Ontario Ltd., and [REDACTED] and [REDACTED] dated effective as at **December 1, 2012**.

OPERATING STANDARDS

The following operating standards for the Premises set out the Dealer's responsibilities with respect to safety and other operating procedures for the Premises and must be complied with strictly.

Operating Procedures

- Be aware of, and comply with, any applicable law relating to the operations on the Premises and any accounting and inventory management system requirements.
- Understand all duties in running the Premises.
- Ensure that the Dealer's employees understand the duties delegated to them.

Safety

The Dealer's employees must:

- Use safe work procedures when carrying out their duties.
- Be aware of and follow safe work practices when carrying out their duties.
- Be trained in the recognition and correction of hazardous conditions to avoid emergencies.
- Be aware and comply with applicable safety regulations.

Security/Robbery Prevention

- Take proper preventative measures to reduce the risk of robbery.
- Train the Dealer's employees in security and robbery prevention.
- The Dealer must train the Dealer's employees in the procedures to follow before, during and after a robbery.

Critical Equipment

- Know the critical equipment on the Premises.
- Ensure that the Dealer's employees are aware of the critical equipment on the Premises.
- Ensure that when critical controls are disarmed, appropriate communication takes place prior to such disarming and that such critical controls are re-activated.
- Follow appropriate procedures for disarming the critical equipment, including completing the form for the disarming or removal of critical controls and shutdown systems

[REDACTED]

(initials)

Emergency Response

- Post the emergency response plan wall chart on the Premises in a conspicuous place.
- Train Dealer's employees in emergency response. This should include a review of potential hazards and how to deal with them, and the operation and use of fire extinguishers.
- Have the required equipment and supplies to respond to emergency situations.
- Hold at least two practice drills each year using different emergency situations.
- Document the Dealer's employee training and practice drills.

Workplace Hazardous Materials Information System ("WHMIS")

- Educate and train all the Dealer's employees on the WHMIS program prior to their starting work on the Premises and provide documented evidence thereof.
- Ensure that all Material Safety Data Sheets for controlled products are current, available and accessible to the Dealer's employees.
- Conduct at least once per year a review of WHMIS with the Dealer's employees and provide a forum for the Dealer's employees to discuss any related concerns and issues.
- Ensure that all containers of controlled products are properly labeled.
- Ensure that all fill pipes, gauge pipes and valves are properly tagged.
- Keep an inventory list of controlled products on the Premises in those provinces where it is required.

Waste Management

- Be familiar with and comply with the applicable waste regulations.
- Dispose of waste generated at the Premises according to the applicable waste regulations.
- If required by applicable laws, have a signed contract with a licensed hauler for the removal of hazardous wastes from the Premises.
- Use only a licensed hauler to remove and transport hazardous waste from the Premises.
- Keep copies of all waste manifests on file for a minimum of 2 years, or longer if required by applicable laws.

Licenses and Permits

- Have the necessary operating licenses and permits to meet regulatory requirements.
- Have on the Premises all manuals required or advisable to operate the service station.

Incident Definition and Reporting

- Report specified incidents to the territory manager.
- Be aware of and understand the Dealer's responsibilities for reporting specific incidents directly to government agencies.
- Share the benefit of past incidents with the Dealer's employees.
- Document the incidents and keep them on file.

Training

- Provide initial and continuous training to all the Dealer's employees.
- If required by applicable laws, maintain training records for each of the Dealer's employees on the Premises.



(initials)

Credit Card


- Follow the standards for credit card authorization and processing documented in the Credit Card Guide.
- Retain the credit card slips for:
 - 6 months for manual transactions; and
 - 12 months for electronic transactions.
- Provide copies of credit card slips to Imperial within the time requested.
- Submit manual slips on a timely basis.

Esso Extra Card

- Collect, use and disclose information gathered for use by Imperial in connection with the Esso extra card only in accordance with applicable laws.
- Display all point-of-purchase materials prescribed by Imperial in connection with the Esso Extra card.
- Ask each purchaser of applicable merchandise or services whether he or she has an Esso extra card. If so, whether he or she would like to use it and, if not, whether he or she would like to obtain an Esso extra card.
- Record and process the sales transactions of retail customers with an Esso extra card, using the Esso extra card.
- Maintain an adequate supply of merchandise redeemable by holder of Esso extra cards.
- Redeem valid Esso extra card reward certificates presented by retail customers for prescribed merchandise or services.

Record Retention

- Keep all relevant records on the Premises to be able to prove that you have taken the necessary steps to comply with applicable law.



(initials)

SCHEDULE "C"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and 1662382 Ontario Ltd., and [REDACTED] and [REDACTED] dated effective as at **December 1, 2012**.


EQUIPMENT

The following is a list of the Equipment:

Sign Type

Quantity

- MID Sign
- Spreader Panels
- VSAT
- Speedpass Pad
- Imprinter
- POS Device
- Illuminated Canopy Flex Fascia



[REDACTED]

(initials)

SCHEDULE "D"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and 1662382 Ontario Ltd., and [REDACTED] and [REDACTED] dated effective as at **December 1, 2012**.

ACKNOWLEDGEMENT AND CONSENT OF DEALER, LANDLORD AND/OR MORTGAGEE

TO: PIONEER

RE: Motor Fuel Supply Agreement – Esso Branded Motor Fuels (the “Agreement”) between, PIONEER (the “Distributor”), and 1662382 Ontario Ltd., (the “Dealer”) and [REDACTED] and [REDACTED] (the Guarantors) dated effective as at **December 1, 2012**.

Each of the undersigned, being the Dealer, the Landlord, the Mortgagee or any one or more of the foregoing, of the Premises (as such term is defined in the Agreement) hereby acknowledges that:

1. The Distributor will be entitled, in its discretion and from time to time, to remove from the Premises the equipment listed on the attached Exhibit I, together with all substitutions and additions (the “Equipment”), which (i) Imperial owns, (ii) will be or has been loaned by the Distributor to the Dealer and (iii) will be or is located on the Premises; and
2. There does not now exist, shall not come into existence and shall never exist a security interest in the Equipment in favour of the undersigned, notwithstanding that the Equipment or any part or parts thereof may be attached to or may constitute part of the real property to which the undersigned has an interest.

IN WITNESS WHEREOF the Dealer has executed this Acknowledgment and Consent on the 30 day of November, 2012, but effective as at **December 1, 2012**.

1662382 ONTARIO LTD.

[REDACTED]

Title: President


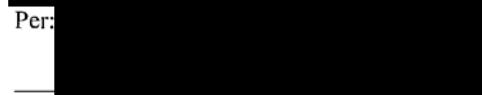
Per:

Name

Title: Secretary-Treasurer

We have the authority to bind the corporation.


IN WITNESS WHEREOF the undersigned Landlord of the Premises has executed this Acknowledgment and Consent on the 30 day of November, 2012, but effective as at **December 1, 2012**.

 **Company Limited**
Per: 
Name:
Title: President

I have the authority to bind the corporation.

IN WITNESS WHEREOF the undersigned Mortgagee of the Premises has executed this Acknowledgment and Consent on the 30 day of November, 2012, but effective as at **December 1, 2012**.


Witness:

N/A
Per: 
Name:
Title: President








I have the authority to bind the corporation.

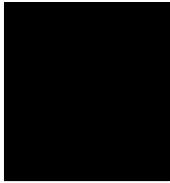

(initials)

EXHIBIT I
to a Form of Acknowledgement and Consent of
Dealer, Landlord and/or Mortgagee

EQUIPMENT

The following is a list of the Equipment:

Sign Type	Quantity
MID Sign	
Spreader Panels	
VSAT	
Speedpass Pad	
Inprinter	
POS Device	
Illuminated Canopy Flex Fascia	



(initials)

SCHEDULE "E"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and 1662382 Ontario Ltd., and [REDACTED] and [REDACTED] dated effective as **December 1, 2012**.

CUSTOMER LOYALTY OBLIGATIONS

1. Participation

The Dealer shall participate in the Esso Extra Win & Earn promotional program (the "Program") offered by Imperial to its Retail Branded Distributors, retailers and retail customers. The Dealer shall comply with all requirements of the Program, including without limitation, the procedures, instructions and guidelines relating to the Program (the "Guidelines"), as provided or amended by Imperial to the Dealer from time to time in its discretion. Without limiting the generality of the foregoing, the Dealer shall:

- collect and communicate customer information to Imperial for Imperial's use only and in accordance with applicable laws and regulations (for greater certainty, the Dealer shall not provide any customer information to any person other than Imperial nor shall the Dealer use any customer information other than in accordance with the Guidelines or as otherwise directed by Imperial from time to time),
- ensure the Esso Extra card or the Royal Bank Esso VISA card is offered to each retail customer in accordance with the Guidelines,
- record and process sales transactions and the applicable Program points in accordance with the Guidelines for retail customers participating in the Program,
- redeem Program points as requested by customers at the Site for merchandise or services in accordance with the Guidelines,
- maintain an adequate supply of merchandise required to redeem Program points, or, if such merchandise is unavailable, maintain a supply of equivalent merchandise, and display all Program point-of-purchase promotional materials or signage at the times and in the manner prescribed by Imperial during the Program.

2. Electronic Reward Redemption Remuneration

The Retail Branded Distributor shall pay the Dealer an amount (the "Reward Payment"), plus applicable taxes (other than income taxes), for each valid Program reward redeemed electronically at the Site in accordance with the Guidelines. The Reward Payment payable by the Retail Branded Distributor to the Dealer shall be credited to the Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Retail Branded Distributor may change the manner and the time the Reward Payment is due and payable in its discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Reward Payment shall be calculated by Imperial as the actual number of reward redemptions for each type of reward redeemed electronically by customers at the Site multiplied by the reward cost rate as determined solely by Imperial and documented in the Guidelines.

3. Promotional Program Fee

If applicable law permits, the Dealer shall pay Retail Branded Distributor a promotional program fee (the "Program Fee"), plus applicable taxes (other than income taxes). The Program Fee payable by Dealer to Retail Branded Distributor shall be debited directly from the Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Imperial may change the manner and the time the Program Fee is due and payable in its discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Program Fee shall be calculated as the number of points (the "Fee Points") awarded to customers for transactions made at the Site multiplied by the program rate (the "Fee Rate").

The Fee Points are the total of:

- the base points issued at a rate of one point per dollar spent,
- all bonus points issued for sales of different grades of gasoline or car washes, and
- points issued for offers unique to the Site as instituted or extended by the Dealer.

For greater certainty, the Fee Points excludes:

- (i) promotional points issued via direct mail offers extended by Imperial to customers
- (ii) points issued to holders of the Royal Bank Esso VISA card at a rate of one point per dollar charged to the card regardless of the vendor where the card is used, and
- (iii) bonus points issued for the purchase of specific merchandise on the Site through a program instituted or extended by Imperial.

The Fee Rate is defined as:

Fuel products & services	\$	_____	for each point issued
Convenience store products & services	\$	_____	for each base point issued
Car wash products & services	\$	_____	for each base point issued
Other products & services	\$	_____	for each point issued
Vehicle repair bay products & services	\$	_____	for each point issued

(initials)

SCHEDULE "F"

FACILITY REQUIREMENTS

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and 1662382 Ontario Ltd., and [REDACTED] and [REDACTED] dated effective as at December 1, 2012.

Item	Description		"New" & >100K D1Sites	Min Stds New	Min Stds Renewal Or Upgrade
Weather Canopy (Canopy required at all D1 & D2 sites only) (Standards for all other sites with existing canopies)	Fascia	3D			
		2D			
	Column Cladding	New Style (wide perpendicular to pump) Colour - Cambridge White by Color Steel Inc.			
		Current (wide facing pump) Colour to match Cambridge White by Color Steel Inc None (steel column only) Colour to match Cambridge White by Color Steel Inc.			
Pump/ Dispenser		Image 2000 (Blue Graphics for new gasoline dispensers – Red for existing)			
		Previous Esso			
		Pay at the pumps & Speedpass			
MID		New Image (Flag Type)			
		Previous Esso			
Painting	MID Structural Posts, Sign Frames	P - 5 White			
	Lighting poles, Posts, island fascia, Message Sign Frames	P - 13 Grey			
POS	G-Site				
	Operating retail automation system compatible with Imperial's card processing network				

***Subject to MID sign permit availability

Definitions

3D	600mm illuminated Red Frameless Flexface Fascia with 300 non-illuminated white metal Fascia. C/W individually "ESSO" Red illuminated letters.
2D	900mm illuminated Frameless Flexface Fascia, 600mm high red and 300 mm White, with ESSO letters.
MID	Major Identification Sign
D-1	<p>Dealer Forecourt & Backcourt meeting the following requirements:</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards that can be upgraded to 3D, 3 Products with proper pump ID. Current Major Identification sign, Good Gas Location. • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
D-2	
100k	Market Area Population in 1000's

Changes To Brand Standards - Imperial may change its "Facility Requirements for Distributor Esso Branded Outlets" from time to time. Imperial will notify the Retail Branded Distributors of all changes and the Retail Branded Distributors must comply with these changes for all future applications.

SCHEDULE "G"**LEGAL DESCRIPTION OF PREMISES**

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and **1662382 Ontario Ltd.**, and [REDACTED] and [REDACTED] dated effective as at **December 1, 2012.**

Greater Sudbury

PIN No. 73349-1197, 73349-0218, 73349-0316

PCL 15982, Sec SWS, Pt Lot 2, Con. 3, Balfour as in LT148165, LT 436356, Pt. 1 53R58585:

PCL 28204, Sec SWS; Lot 20, PLM513 PCL 25878, Sec SWS, Lot 21, PI M513

SCHEDULE "H"

OTHER CONDITIONS

1. Monetary Consideration

- a. As consideration in part for the Dealer accepting the use of the Proprietary Marks as provided in this Agreement, the Distributor shall pay \$ [REDACTED] cents per litre comprised of a payment to the Landlord in the amount of \$ [REDACTED] cents per litre (plus applicable taxes) and to the Dealer the amount of \$ [REDACTED] cents per litre (plus applicable taxes) multiplied by the number of litres of the Esso Branded Motor Fuels purchased by the Dealer from the Distributor pursuant to this Agreement (the "Dealer Payment"). The Dealer Payment shall be calculated by the Distributor, based on the Distributors' records and paid by the Distributor to the Dealer, monthly, in arrears, within twenty (20) days following the end of each month during the term of this Agreement.
- b. The Distributor shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days prior written notice to the Dealer and the Guarantors if the Dealer fails to purchase **eighty percent (80%)** of the Minimum Annual Volume of Esso Branded Motor Fuels in any contract year.
- c. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the provisions contained in this Agreement; and (ii) this Agreement shall not have been terminated.

2. Prepaid Dealer Payment

Subject to:

- a. the execution and delivery by the Dealer, in favour of the Distributor, of a Demand Promissory Note, in form and content satisfactory to the Distributor, in its discretion, in the principal amount of [REDACTED] Dollars;
- b. the execution, delivery and registration of a demand collateral real property mortgage granted by the Dealer in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion, including therein, among other things, the personal guarantees of the Guarantors; and
- c. the execution, delivery and registration of a demand General Security Agreement by the Dealer in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion;
- d. the execution and delivery by the Guarantors of a unconditional and irrevocable continuing guarantee, in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion, whereby the Guarantors, jointly and severally guarantee all debts, liabilities or monies owed by the Dealer to the Distributor, including interest, regardless of when or how such liability may arise.

The Distributor shall prepay to the Dealer [REDACTED] Dollars of the Dealer Payment (the "Prepaid Dealer Payment") in order to assist the Dealer in paying for the initial costs of building the retail motor fuels outlet on the Marketing Premises. The Dealer shall pay the Distributor's reasonable legal costs related to the preparation and registration of the said promissory note, real property mortgage, guarantee and any other security documentation the Distributor shall reasonably require. The Prepaid Dealer Payment will be paid to the Dealer as follows:

- i. [REDACTED] Dollars will be paid as soon as possible following the Dealer completing to the satisfaction of the Distributor, acting reasonably, the improvements/upgrades set forth in **Proposed Upgrades** Section of this Agreement and providing the Distributor with proof, by way of paid contractor receipts, that such improvements and upgrades have been paid and that the payment therefore totaled, exclusive of taxes, at least [REDACTED] Dollars.

The Prepaid Dealer Payment will be repaid by the Dealer to the Distributor, by the Distributor applying \$ [REDACTED] cents per litre of the monthly Dealer Payment plus the Dealer remitting monthly payments of [REDACTED]

██████████ Dollars against the Prepaid Dealer Payment amount until such time as the Prepaid Dealer Payment amount has fully repaid. The Dealer and the Guarantors hereby irrevocably authorize the Distributor to make such application as aforesaid. If for any reason the term of the Agreement expires or terminates prior to the Prepaid Dealer Payment amount being fully repaid, any balance owing upon such expiration or termination shall become immediately due and payable by the Dealer to the Distributor.

3. Additional Monetary Consideration

Subject to:

- a) the execution and delivery by the Dealer, in favour of the Distributor, of a Demand Promissory Note, in form and content satisfactory to the Distributor, in its discretion, in the principal amount of ██████████ Dollars;
- b) the execution, delivery and registration of a demand collateral real property mortgage granted by the Dealer in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion, including therein, among other things, the personal guarantees of the Guarantors; and
- c) the execution, delivery and registration of a demand General Security Agreement by the Dealer in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion;
- d) the execution and delivery by the Guarantors of a unconditional and irrevocable continuing guarantee, in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion, whereby the Guarantors, jointly and severally guarantee all debts, liabilities or monies owed by the Dealer to the Distributor, including interest, regardless of when or how such liability may arise.

The Distributor will advance to the Dealer up to a maximum of ██████████ as an Additional Monetary Consideration (the "AMC"). The AMC will be paid to the Dealer upon the Dealer providing proof, to the satisfaction of the Distributor that the Dealer has completed and paid for all the proposed upgrades set forth in **Proposed Upgrades** of this Agreement. The AMC shall be amortized monthly over the term of this Agreement on a straight line basis. If this Agreement terminates or expires before the AMC is fully amortized, the Dealer shall forthwith pay to the Distributor the unamortized portion of the AMC.

4. Proposed Upgrades

The improvements/upgrades the Dealer proposes to make to the Marketing Premises with respect to its building of a retail motor fuels outlet will include:

- **Coffee Offer**
- **Update passport**
- **Replace pumps**

The planning, design and construction of the proposed improvements/upgrades and all costs associated therewith or incidental thereto will be the responsibility of the Dealer. If requested by the Dealer, the Distributor will assist the Dealer by providing support in the following areas:

- Information on design, supply, and installation and service contractors
- Information on Imperial Oil equipment suppliers

5. Esso Brand Signage

The Distributor will loan to the Dealer for the term of this Agreement signage to identify the Esso brand. The loaned signage includes:

- See Schedule "D"

The Dealer shall be responsible for and shall provide all electrical feeds to signs, all electrical hook ups, concrete bases and permits (if required).

The value of the Esso Brand Signage loaned by the Distributor to the Dealer shall be amortized monthly over the term of this Agreement on a straight line basis. If this Agreement terminates or expires before the Esso Brand Signage is fully amortized, the Dealer shall forthwith pay to the Distributor the unamortized portion of the Esso Brand Signage.

6. Site Image and Merchandising

Provided the Dealer purchases items, including but not limited to, pump island merchandising equipment, pump topper hardware and uniforms for staff, through the Distributor's recommended suppliers, the Distributor will, following the Commencement Date, contribute up to [REDACTED] Dollars for general site image upgrades and merchandising.

**LETTER OF CONFIRMATION
OF ENVIRONMENTAL COMPLIANCE**

PIONEER ENERGY MANAGEMENT INC.
1122 International Blvd., Suite 700
Burlington, Ontario L7L 6Z8
Att: Vice President Retail Sales

1662382 Ontario Ltd., hereby confirms that the service station facility, and operation, located at **3466 Highway 144, Chelmsford, Ontario P0M 1L0**, is in compliance with the following environmental requirements:

- (i) {X} has a current provincial petroleum retailing license/permit (copy of license/permit attached);
- (ii) {X} the tankage system is registered, where applicable (copy of registration attached);
- (iii) {X} the tankage system meets provincial installation and specification standards;
- (iv) {X} the tankage system was installed by a provincially licensed/approved contractor, where required by law;
- (v) {X} an approved emergency contingency plan is in place; and
- (vi) {X} is operating in compliance with regulatory operating requirements.

Dated: November 30, 2012

1662382 ONTARIO LTD.

[Redacted Signature]
Per: [Redacted]
Name: [Redacted]
Title: President

Per: [Redacted]
Name: [Redacted]
Title: Secretary-Treasurer

We have the authority to bind the corporation.

PUBLIC



**MOTOR FUEL SUPPLY AGREEMENT
ESSO-BRANDED MOTOR FUELS**

This Agreement is made on September 1, 2012 (the "Effective Date")



BETWEEN:

PARKLAND INDUSTRIES LTD.
(hereinafter called "Distributor")

- and -

1481693 ONTARIO INC.
(hereinafter called "Dealer") having a
motor fuels "Marketing Premises" located at
227 Brock Road South
ABERFOYLE, Ontario N1H 6H9

- and -


and

(hereinafter called the "Guarantors")

WHEREAS Distributor is engaged in the sale and distribution of high quality petroleum products under the nationally and internationally known ESSO trade mark;

AND WHEREAS the Dealer desires to carry on the business of the sale of petroleum products in accordance with this Agreement;

AND WHEREAS the Guarantors have agreed to guarantee the obligations of the Dealer under this Agreement as consideration in part for the Distributor entering into this Agreement;

AND WHEREAS, based on its marketing strategies Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("Imperial Oil") has established the following core values ("Core Values"), namely

- To deliver quality products that customers can trust.
- To employ friendly, helpful people.
- To provide speedy, reliable and friendly service.
- To provide clean, attractive and well maintained retail facilities.
- To be a responsible, environmentally conscious neighbour.

NOW THEREFORE the Distributor and the Dealer agree as follows:

1. Grant

Distributor, under an Esso Branded Distributor Agreement with Imperial Oil, has the right to grant to Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the terms and conditions of

this Agreement, Distributor grants Dealer the right to use the "Esso" mark and such other proprietary marks specified by Imperial Oil, from time to time, for use in connection with the sale of Esso-branded motor fuels ("Proprietary Marks") at the Marketing Premises. Dealer hereby accepts the use of the Proprietary Marks subject to the terms and conditions of this Agreement and agrees to conduct its business in a manner consistent with the commitments in the Core Values and agrees to comply with Imperial Oil business standards and policies, including, without limitation Imperial Oil's National Standards Handbook as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by Distributor from time to time. DEALER ACKNOWLEDGES THAT ITS RELATIONSHIP IS EXCLUSIVELY WITH DISTRIBUTOR. NOTHING IN THIS AGREEMENT MAY BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN DEALER AND IMPERIAL OIL.

2. Related Businesses

Distributor acknowledges that Dealer may wish to operate, during the term of this Agreement, additional businesses ("Related Businesses") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, Distributor's trademarks, Dealer's own trademarks or third party trademarks. Dealer acknowledges that the operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the Esso-branded motor fuels and Proprietary Marks. Accordingly, Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by Distributor to Dealer from time to time. If Dealer fails to comply with this Agreement or any such requirements, and without limiting Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, Distributor may require Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks, or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Effective Date, Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.

3. Term

- a. The term of this Agreement is for the period beginning on **September 1, 2012** and ending on **August 31, 2017**, unless terminated earlier in accordance with this Agreement. If the said term exceeds the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, then the term of this Agreement shall expire upon the expiry of the said Esso Branded Distributor Agreement; and

4. Product Quantities

- a. Distributor shall sell and deliver and Dealer shall purchase, receive and pay for the Dealer's entire requirements of Esso-branded motor fuel for sale at the Marketing Premises in the quantities and at the prices and terms and conditions set out herein. The motor fuels purchased by Dealer from Distributor under this Agreement shall be for resale at the Marketing Premises only. The Dealer shall use good faith and diligent efforts to maximize the sale of Esso-branded motor fuels at the Marketing Premises. Dealer shall at all times have available for sale at the Marketing Premises such quantities of the Esso-branded motor fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.

- b. The minimum annual volume of Esso-branded motor fuel Dealer is obligated to purchase during any contract year ("contract year" meaning the consecutive twelve (12) months beginning on the Effective Date and each subsequent consecutive twelve (12) month period) is [REDACTED] litres (the "Minimum Annual Volume"). The Minimum Annual Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil.
- c. In each contract year, Dealer must purchase from Distributor a minimum of eighty percent (80%) of the Minimum Annual Volume for Esso-branded motor fuel. Should Dealer fail, in any contract year, to purchase the aforementioned 80% of the Minimum Annual Volume of Esso-branded motor fuel, Distributor may terminate or not renew this Agreement upon giving 60 days prior written notice to the Dealer and the Guarantor(s).

5. Dealer Payment

- a. As consideration in part for the Dealer accepting the use of the propriety marks as set out herein, Distributor shall pay to the Dealer a payment in the accordance with the following Dealer Payment Scale per litre (plus applicable taxes) multiplied by the number of litres of Esso-Branded motor fuels purchased by the Dealer from Distributor pursuant to this Agreement during each contract year and/or pro-rated for any partial contract year (the "Dealer Payment").

Dealer Payment Scale:

From [REDACTED] to [REDACTED] litres- \$ [REDACTED] per litre on all litres purchased during any contract year,

From [REDACTED] to [REDACTED] litres- \$ [REDACTED] per litre on all litres purchased during any contract year,

Over [REDACTED] litres- \$ [REDACTED] per litre on all litres purchased during contract year.

The Dealer Payment rate per litre will apply to the entire volume of motor fuels purchased during any contract year of the term herein, for example is [REDACTED] litres of motor fuels were purchased in a contract year the Dealer Payment rate of \$ [REDACTED] per litre will be paid on the entire [REDACTED] litres of motor fuels purchased during the contract year.

The Dealer Payment will be determined based on the number of litres purchased by the Dealer during the previous contract year referenced against the Dealer Payment Scale. In the event the volume of motor fuels purchased in any month by the Dealer is reduced to a level that, in the sole discretion of the Distributor, would result in a higher Dealer Payment amount than set out in the Dealer Payment Sale, the Distributor shall have the right to refuse the Dealer Payment accordingly upon giving written notice of any such reduction to the Dealer. The Dealer Payment shall be calculated by Distributor based on the Distributors' records and paid by the Distributor to the Dealer monthly in arrears with twenty (20) days immediately following the end of each month during the term of this Agreement.

- b. Distributor shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days' prior written notice to the Dealer and the Guarantors if the Dealer fails to purchase eighty (80) percent of the Minimum Annual Volume in any contract year.
- c. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the covenants or agreements contained in this Agreement; and (ii) this Agreement shall not have terminated.

6. Right of First Refusal

- a. The Marketing Premises are located on those lands legally described as:

**PT LOT 26, CONCESSION 7, TOWNSHIP OF PUSLINCH, PART 1, 61R863,
TOWNSHIP OF PUSLINCH**

(hereinafter referred to as the "Lands"). The Dealer operates its Esso branded motor fuels business and other ancillary business from the Lands (hereinafter referred to as the "Business"). If at any time during the term of this Agreement the Dealer shall receive a bona fide offer (hereinafter in this Article referred to as the "Offer") from a third party with whom the Dealer is dealing at arm's length (the "Third Party") for the purchase of the Business and/or the Lands in whole or in part and the Dealer is prepared to accept the Offer, the Dealer shall, before accepting the Offer, give written notice to the Distributor within three (3) Business Days of the date the Dealer received the Offer by sending to the Distributor an executed copy of the Offer and notifying the Distributor therewith of the Dealer's desire to accept the Offer. The Distributor shall have the right to purchase on the terms and conditions of the Offer, the Business and/or the Lands referred to in the Offer. The right to purchase shall be exercised by the Distributor delivering notice in writing thereof to the Dealer within sixty (60) Business Days after receipt of a copy of the executed Offer (hereinafter in this Article referred to as the "Exercise Period").

- b. In the event the Distributor does not exercise the right to purchase the Business and/or the Lands referred to in the Offer within the Exercise Period, the Dealer shall be at liberty to complete the sale of the Business and/or the Lands referred to in the Offer to the Third Party; provided that such sale shall be completed within ninety (90) days from the expiry of the Exercise Period, failing which the Dealer's right to complete such sale shall terminate
- c. In the event that the Distributor shall notify the Dealer in writing within the Exercise Period of its desire to purchase the Business and/or the Lands referred to in the Offer, a binding agreement of purchase and sale shall exist between the Dealer and the Distributor with respect to the Business and/or the Lands at and for a price equal to that described in the Offer and on the terms and conditions therein contained. In the event the Offer provides for financing from the Dealer to allow the Third Party to close the purchase of the Business and/or the Lands referred to in the Offer, the Distributor shall pay the principal amount of the Dealer financing in cash on closing.
- d. Parkland Industries Ltd. will waive its Right of First Refusal if the Dealer can demonstrate that a lease, sublease assign, or any transfer possession is involving the current Dealer's family members. Parkland credit approval required, and said transfer to a relative does not involve a loss in Parkland supply to the account.
- e. The Dealer covenants and agrees that the Dealer shall not:
- (i) accept any offer for the purchase of all or any portion of the Land which will require some form of consideration, other than cash or cash equivalent in Canadian currency, to be paid, it being intended that the consideration not be of a unique nature such that the Distributor would be unable to provide the same consideration;
 - (ii) accept any offer to purchase the Business and/or the Lands from a party or parties with whom the Dealer is not dealing at arm's length;
 - (iii) accept any offer to purchase the Business and/or the Lands which is not a bona fide offer.

- f. Any purchase and sale of the Business and/or the Lands pursuant to the terms of this Agreement shall close on the thirtieth (30th) day after the expiry of the Exercise Period or on such other date as the Parties may agree upon.
- g. The Dealer covenants and agrees that as a condition precedent to the Distributor allowing the Dealer to sell the Business and/or the Lands to a third party, the Dealer will execute and deliver to the solicitor acting on the Dealer's behalf in such transaction an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, such amounts of money that are still due and owing to the Distributor by the Dealer. In the event the proceeds of the sale paid to the Distributor are insufficient to extinguish the Dealer's indebtedness to the Distributor, the Dealer shall continue to be liable to the Distributor for any remaining indebtedness to the Distributor.

7. Price and Terms of Sale

- a. The Dealer shall pay Distributor for the Esso-branded motor fuels purchased pursuant to this Agreement the price thereof in effect at the Distributors' designated loading rack at the time that the motor fuels are loaded for delivery to the Dealer, plus the cost of delivery, plus all applicable taxes. The motor fuel prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. In the event of a shortage or unavailability of the motor fuels at the Distributors' designated loading rack for any particular delivery to the Dealer the Distributor shall use its best efforts to deliver motor fuels from an alternate loading rack in order to complete the delivery and the Dealer hereby agrees to pay for any increased costs required to complete such delivery.
- b. Measurement of the volume of each delivery of the motor fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15 degrees Celsius in accordance with normal industry practice.
- c. All purchases of the Esso-branded motor fuels shall be paid by the Dealer upon or before delivery in immediately available funds as set out herein, unless Distributor, in its sole discretion and from time to time, grants credit terms to the Dealer. If Distributor grants credit terms to the Dealer, such credit terms may be amended by Distributor in its sole discretion upon written notice from time to time. If Distributor grants credit terms to the Dealer and the Dealer accepts delivery of any Esso-branded motor fuel in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation paying interest on overdue accounts at rates to be determined by Distributor from time to time. Distributor reserves the right to withhold any amounts due by the Distributor to the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its sole discretion and without notice decline to make deliveries of motor fuels to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.
- d. The Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to Distributor by the Dealer pursuant to this Agreement:
 - (1) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by Distributor, in its sole discretion and from time to time;

- (2) may be collected by Distributor by pre-authorized debit in the manner set out on Schedule "A" or by wire transfer.
- f. The Dealer shall, from time to time, execute and deliver to Distributor an authorization for pre-authorized debit substantially in the form of Schedule "A" in order to facilitate the collection of payments pursuant to this Section. Distributor may amend Schedule "A", in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer.
- g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer's business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
- h. Distributor agrees that, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, the Distributor will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

8. Delivery

- a. As per the request of the Dealer, Parkland Industries Ltd. shall arrange for Chapple Fuels Ltd. to provide petroleum transport/delivery service to the Dealer's marketing premises. Parkland grants the Dealer the right to request another change of transport/delivery service in the future. The Dealers request for a change of transport company will not be unreasonable withheld as long as the suggested carrier meets Parklands criteria.
- b. Delivery will be by tank truck into Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the motor fuel shall pass to the Dealer as the motor fuel is discharged from Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.
- c. Dealer shall ensure that the Distributors tank truck will have unimpeded access to the fill pipes and storage tanks while making any delivery to the Marketing Premises.
- d. Dealer will notify Distributor of any required delivery of motor fuels in accordance with Distributors written ordering and delivery procedures. Dealer will only order deliveries in orders of a minimum of [REDACTED] litres per delivery (hereinafter referred to as "full truck load"). Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. Dealer will accept delivery of the Esso-branded motor fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributors ordering and delivery procedures.
- e. Upon the dispatch of a delivery vehicle by Distributor to deliver the Esso-branded motor fuels to the Marketing Premises, the Dealer agrees to either accept the delivery of a "full truck load" of the Esso-branded motor fuels (or less than a "full truck load" of the Esso-Branded motor fuels

only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to Distributor all the reasonable costs incurred by Distributor in connection with any delay or aborted delivery.

- f. Distributor shall not be required to deliver to the Dealer the Esso-Branded motor fuels in any quantity less than a "full truck load" or "deemed full truck load", which shall be determined in each case by Distributor in its sole discretion and from time to time. If the Dealer requests the delivery of and Distributor agrees to deliver the Esso-branded motor fuels in a quantity less than a "full truck load" or "deemed full truck load", then Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however, the delivery by Distributor of Esso-branded motor fuels in a quantity less than a "full truckload" or "deemed full truckload" on any one or more occasions shall not require Distributor to deliver Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the sole discretion of Distributor from time to time.

9. Product Control

- a. Dealer shall exercise the highest degree of care in handling, storing, selling and using the Esso-branded motor fuel delivered to the Marketing Premises. Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any Esso-branded motor fuel (including without limitation, the blending of such motor fuels with ethanol). Dealer shall not sell from the Marketing Premises Esso-branded motor fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. Distributor may refuse to make deliveries into Dealer's storage tanks at the Marketing Premises until in Distributor's judgment, any deficiencies in the quality of motor fuels at the Marketing Premises are corrected.
- b. Access to Premises. Dealer grants Distributor and Imperial Oil (including their employees, agents and contractors) the right to enter the Marketing Premises during normal business hours to examine the contents of Dealer's storage tanks in which said motor fuels purchased hereunder are handled or stored. Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to Dealer's obligations under this Agreement.

10. Contingencies

No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any covenant, agreement, or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to Distributor or to Imperial Oil or any person affiliated with distributor under this Agreement) if such default or non performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any delays in or failure of performance by Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request, or control of any governmental authority; or

- b. When the supply of motor fuel at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by Distributor is interrupted, unavailable or inadequate for any reason or cause which Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of motor fuels to be sold under this Agreement by allocating its available supply of motor fuels among its customers, itself, and its related and subsidiary companies in such manner as it may in its sole and absolute discretion determine and Distributor shall not be obliged to obtain or purchase other supplies of the motor fuels to make up any such shortage.

11. Proprietary Marks

- a. Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for Dealer's use and shall only use such marks to designate the origin of the Esso-branded motor fuels and otherwise in the manner authorized and instructed by Distributor from time to time. DEALER AGREES THAT MOTOR FUELS AND PETROLEUM PRODUCTS OF OTHERS WILL NOT BE SOLD BY DEALER UNDER SUCH PROPRIETARY MARKS. If, in the sole opinion of Distributor, any samples taken by Distributor or Imperial Oil under this Agreement are not Esso-branded motor fuels, or are not in the condition in which delivered by Distributor, or any documents and records reviewed by Distributor or Imperial Oil show Dealer has failed to comply with its obligations hereunder, Distributor may, at its sole option, debrand the Marketing Premises in question or cancel and terminate this Agreement.
- b. By written notice to Dealer, Distributor may withdraw its approval to: (i) brand the Marketing Premises ("debrand") or (ii) use or operate any motor fuels business or Related Businesses at the Marketing Premises, if, in Distributor's sole judgment: (i) the Marketing Premises (or the motor fuels business and/or Related Businesses) fails to portray the image and standards expected from Esso-branded retail outlets; or (ii) Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If Distributor debrands the Marketing Premises, withdraws its approval to use or operate the motor fuels business or Related Businesses at the Marketing Premises, upon termination of this Agreement, or prior thereto upon demand by Distributor, Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from Distributor, consisting in whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.
- d. Dealer agrees to take no action that will diminish or dilute the value of the Proprietary Marks. Dealer shall not sell non-Esso branded motor fuels under any of the Proprietary Marks, including without limitation, any Esso-identified canopy or at any fueling island where Dealer is selling Esso-branded motor fuels.
- e. Dealer shall not use the Proprietary Marks as part of Dealer's corporate or other name.
- f. Dealer hereby consents to Distributor or Imperial Oil removing or painting over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the Esso trade name, trade-marks, signs and advertising items, prior to the expiration or earlier termination of this Agreement.

12. Customer Service & Operating Standards

- a. Dealer shall ensure that its Marketing Premises meet the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits), failing which Dealer shall lose the right to use or display Proprietary Marks at any such Marketing Premises:
- (1) Paved driveways with safe and good ingress and egress; and
 - (2) Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances; and
 - (3) Clean premises free of debris, trash, and fire hazards; and
 - (4) Modern restrooms for men and women available to the general public; and
 - (5) Offer two(2) grades of Esso-branded motor fuels; and
 - (6) Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and
 - (7) Compliance with applicable operating standards as described in Schedule "B", and facility standards as described in Schedule "C" ("Facility Requirements"), which are incorporated herein and made a part of this Agreement.
- b. While using any Proprietary Marks, Dealer agrees:
- (1) To render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct Dealer's business in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the Esso-branded motor fuels sold hereunder; and
 - (2) To provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers; and
 - (3) To keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies; and
 - (4) To assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the Esso-branded motor fuels during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to Dealer; and
 - (5) To purchase, maintain, and display an adequate quantity of Esso-branded motor oils, lubricants, greases, anti freeze, and other petroleum products and related products (the "Petroleum Products") for resale from the Marketing Premises to meet the needs of

- (6) Dealer's retail customers from time to time. Dealer acknowledges that the Distributor is not a distributor of Petroleum Products and agrees to purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area; and
 - (7) The Dealer shall keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers; and
 - (8) The Dealer shall ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. Dealer agrees that Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by Distributor to cure, continues to be in violation of this Section.
- d. Dealer shall not permit at the Marketing Premises:
- (1) Any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits; or
 - (2) The sale or use of illegal drugs or drug paraphernalia; or
 - (3) The sale of any pornographic material or other material that Distributor determines may be offensive to the general public.
- e. Dealer shall not permit at the Marketing Premises the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits relating to youth access to tobacco products. Dealer shall promptly advise Distributor of any charges or notifications of violations received at the Marketing Premises from any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.
- f. The Dealer acknowledges receipt of and shall comply with the Imperial Oil Operating Standards Manual (the "Manual"), including without limitation the Operating Standards and the other standards, methods, procedures and specifications established by Imperial Oil from time to time applicable to the operation the Dealer's business. The provisions of the Manual, including without limitation the Operating Standards and the other standards, methods, procedures and specifications applicable to carrying on the Dealer's business, are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to Distributor promptly upon request and, in any event, upon the expiration or earlier termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's prior written consent. The Dealer acknowledges that the entire contents of the Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. The Dealer shall maintain the absolute confidentiality of all such information during the term of this Agreement and after the expiration or earlier termination of this Agreement and shall not disclose any such information for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer's business in accordance

with this Agreement. The Dealer further agrees not to use any such information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

13. No Exclusive Marketing Rights

This Agreement does not give Dealer an exclusive right in any market or geographic area to sell Esso-branded motor fuel or conduct any of the Related Businesses. Dealer acknowledges that Distributor and Imperial Oil may directly or indirectly compete with Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks ("Trademarks"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling Esso-branded motor fuels, other branded motor fuels or operating businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, enterprises or other businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

14. Fuel Handling Equipment

Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment"). Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a. The Dealer warrants and represents to Distributor that as of the effective date of this Agreement, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises are in good condition and repair and meet regulatory requirements.
- b. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and to meet regulatory requirements. The Dealer shall make all needed repairs and replacements promptly.
- c. The Dealer shall have in place on all underground motor fuels storage tanks the following equipment:
 - (1) spill containment boxes; and
 - (2) overfill prevention valves,

and such equipment shall, at all times, be in good operating condition and repair.

- d. Notwithstanding any other provision in this Agreement, if Distributor is required by law, or if in Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "hazard"), then Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. Distributor shall not be obliged to re-commence delivery of the Motor Fuels until Distributor is satisfied, in its sole discretion, that the hazard does not exist or has ceased to exist.
- e. The Dealer agrees :
- (1) that if Distributor does or causes the doing of any act to remedy a hazard, whether or not the acts are required by law, the Dealer will pay Distributor for all costs and expenses incurred by Distributor for the doing of such act; and
 - (2) upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuel or other substance and so notify Distributor immediately if any such spillage is determined to have occurred and Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.
- f. Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential environmental hazards.

15. Loaned Equipment

- a. Distributor will loan to the Dealer the equipment listed in Schedule "D" hereto (the "Equipment") as and when it may be available for use on the Marketing Premises in the Dealer's business; and the Dealer hereby accepts such loan.
- b. Distributor shall have the right, in its sole discretion and from time to time, to replace, add to or substitute any one or combination of items of the Equipment.
- c. The Dealer shall:
 - (1) pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
 - (2) obtain all necessary permits, licences and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;
 - (3) not alter, part with possession of, or encumber, lease, or sell the Equipment;
 - (4) complete day to day maintenance and repair, including replacement of parts, of the Equipment unless Distributor advises the Dealer in writing that Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;
 - (5) keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;
 - (6) comply with all laws applicable to the Equipment;

- (7) be responsible for all damage caused to the Equipment by the gross negligence or willful act of any person or persons other than Distributor, its employees, contractors and agents;
 - (8) use the Equipment intended for storage, handling, advertising or displaying the Esso-branded motor fuels and the Petroleum Products, solely for such intended purpose;
 - (9) return to Distributor in good repair and operating condition, reasonable wear and tear excepted (i) all Equipment immediately upon the expiration or earlier termination of this Agreement and (ii) any Equipment replaced by Distributor for any reason immediately upon such replacement;
 - (10) for greater certainty, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (i) effect maintenance and repair of the Equipment and (ii) replace, add to or substitute any one or combination of items of the Equipment; and
 - (11) upon the expiration or earlier termination of this Agreement, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor, and the Dealer agrees not to affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a fixture of the Marketing Premises.
 - e. The Dealer acknowledges that it has examined the Equipment provided to the Dealer as of the effective date of this Agreement and is satisfied therewith and shall indemnify Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of Distributor's negligence or a defect in the Equipment, provided the Dealer shall have given Distributor prompt written notice of such negligence or defect.

16. Compliance with Laws

Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits including those concerning the environment, hazardous substances or wastes, toxic substances, and occupational safety and health.

17. Indemnity

The Dealer agrees to indemnify and save harmless Distributor, its partners, directors, officers, employees, agents and affiliates and their respective directors, officers, employees, agents and affiliates (each an "indemnified party") from and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer's business on the Marketing Premises;
- b. the storage, handling and sale of the motor fuels on and from the Marketing Premises; and
- c. the Equipment.

The foregoing indemnity shall not include a claim arising out of, in respect of or in connection with the negligence or willful misconduct of an indemnified party.

18. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:
 - (1) a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and Distributor arising out of all the operations of the Dealer pertaining to the Dealer's business, whether or not conducted on or from the Marketing Premises with all inclusive limits of at least three million dollars (\$3,000,000) for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and
 - (2) a third party liability policy on all vehicles used in the Dealer's business, with all inclusive limits of at least one million dollars (\$1,000,000) for any one incident.
- b. The insurance policy referred to in subsection 18a.(2) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
- c. Upon written request by Distributor, the Dealer shall provide Distributor with a certificate of insurance and such other information as may reasonably be required by Distributor in a form satisfactory to Distributor as evidence of the insurance required under this Section. The insurance policies shall be endorsed to provide that in the event of any change in them which could affect Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to Distributor thirty (30) days prior to the effective date of any such change or cancellation.
- d. Distributor may amend this Section, in its sole discretion and from time to time, on the anniversary of the commencement date of this Agreement upon sixty (60) days' prior written notice to the Dealer.

19. Technology and Communications

If required by Distributor in writing from time to time, Dealer shall comply with the following:

- a. Install and maintain in good operating condition and at Dealer's expense at the Marketing Premises:
 - (1) a facsimile machine for sending and receiving written communications; and
 - (2) equipment that allows access to the internet or other electronic-transmission or data communications systems designated by Distributor from time to time.
- b. Subscribe, at Dealer's expense, at the Marketing Premises to a voicemail system for transmitting and receiving telephone communications.

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- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition, replacement or updating of point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software.

20. Retail Credit and Debit System

The Dealer acknowledges receipt of an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer Business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor.

The Dealer shall pay to Distributor the following fee(s), which Distributor may amend, in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer:

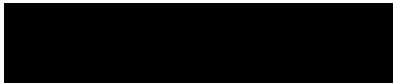
- G-Site data transmission fee: \$ [redacted] /month.
- eN-Touch fee: 1 unit(s) at \$ [redacted] /month.
- Manual Imprinter: Yes at \$ [redacted] /month.
- VSAT Satellite: 1 unit(s) at \$ [redacted] /month
- Speedpass "inside pay" pad: 1 unit(s) at \$ [redacted] /month

The Dealer shall implement and utilize the retail credit and debit system(s) designated by Distributor, in its sole discretion and from time to time, to be used by its dealers and the Dealer further shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).

21. Termination

- a. Where the end of the term of this Agreement set out in Section 3 is later than the end of the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, or where the said Esso Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said Esso Branded Distributor Agreement, unless:
 - (1) the said Esso Branded Distributor Agreement is extended, renewed or replaced; and
 - (2) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an Esso location.
- b. Distributor, in its sole discretion, shall have the right to terminate this Agreement between Dealer and Distributor immediately and without notice and demand immediate payment of all monies due it as follows:
 - (1) In accordance with the applicable provisions of this Agreement; or

- (2) Bankruptcy proceedings are instituted by or against Dealer; control of Dealer's business or assets pass by law or otherwise to any person or representative other than Dealer; or
- (3) Dealer is in breach of a provision under this Agreement; or
- (4) Dealer fails to timely pay obligations due Distributor under this Agreement; or
- (5) Dealer is in default of any Third Party Credit Card Agreement entered into between the parties in connection with this Agreement, or in the event the Third Party terminates the Dealers use of the Third Party's credit card processing facilities for any reason whatsoever; or
- (6) Any intended indemnity, guarantee, or suretyship in connection with this Agreement is revoked or curtailed; or
- (7) If any motor fuel, other than the Esso-Branded motor fuels are kept, sold or otherwise dealt with on or from the Marketing Premises; or
- (8) If the Dealer fails to sell the Esso-branded motor fuels strictly in accordance with the grades and kinds designated in the Manual; or
- (9) The Dealer sells any Esso-branded motor fuel: (i) in bulk, (ii) to any person for resale, or (iii) to any person not using a government approved container; or
- (10) If the Dealer ceases to carry on the Dealer's business on or from the Marketing Premises; or
- (11) If the Dealer or any of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or any of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is made in respect of the Dealer or any of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed for the Dealer or any of the Guarantors, or if the Dealer or any of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an "insolvent person" as that term is defined in the Act; or
- (12) If the Dealer or any of the Guarantors shall at any time have any of the goods and chattels of the Dealer's business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of Distributor sell any of such goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer's business; or
- (13) If the Dealer fails to operate the Dealer's business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control; or



**MOTOR FUEL SUPPLY AGREEMENT
ESSO-BRANDED MOTOR FUELS**

This Agreement is made on September 1, 2012 (the "Effective Date")



BETWEEN:

PARKLAND INDUSTRIES LTD.
(hereinafter called "Distributor")

- and -

1481693 ONTARIO INC.
(hereinafter called "Dealer") having a
motor fuels "Marketing Premises" located at
227 Brock Road South
ABERFOYLE, Ontario N1H 6H9

- and -


and

(hereinafter called the "Guarantors")

WHEREAS Distributor is engaged in the sale and distribution of high quality petroleum products under the nationally and internationally known ESSO trade mark;

AND WHEREAS the Dealer desires to carry on the business of the sale of petroleum products in accordance with this Agreement;

AND WHEREAS the Guarantors have agreed to guarantee the obligations of the Dealer under this Agreement as consideration in part for the Distributor entering into this Agreement;

AND WHEREAS, based on its marketing strategies Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("Imperial Oil") has established the following core values ("Core Values"), namely

- To deliver quality products that customers can trust.
- To employ friendly, helpful people.
- To provide speedy, reliable and friendly service.
- To provide clean, attractive and well maintained retail facilities.
- To be a responsible, environmentally conscious neighbour.

NOW THEREFORE the Distributor and the Dealer agree as follows:

1. Grant

Distributor, under an Esso Branded Distributor Agreement with Imperial Oil, has the right to grant to Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the terms and conditions of

this Agreement, Distributor grants Dealer the right to use the "Esso" mark and such other proprietary marks specified by Imperial Oil, from time to time, for use in connection with the sale of Esso-branded motor fuels ("Proprietary Marks") at the Marketing Premises. Dealer hereby accepts the use of the Proprietary Marks subject to the terms and conditions of this Agreement and agrees to conduct its business in a manner consistent with the commitments in the Core Values and agrees to comply with Imperial Oil business standards and policies, including, without limitation Imperial Oil's National Standards Handbook as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by Distributor from time to time. DEALER ACKNOWLEDGES THAT ITS RELATIONSHIP IS EXCLUSIVELY WITH DISTRIBUTOR. NOTHING IN THIS AGREEMENT MAY BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN DEALER AND IMPERIAL OIL.

2. Related Businesses

Distributor acknowledges that Dealer may wish to operate, during the term of this Agreement, additional businesses ("Related Businesses") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, Distributor's trademarks, Dealer's own trademarks or third party trademarks. Dealer acknowledges that the operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the Esso-branded motor fuels and Proprietary Marks. Accordingly, Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by Distributor to Dealer from time to time. If Dealer fails to comply with this Agreement or any such requirements, and without limiting Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, Distributor may require Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks, or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Effective Date, Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.

3. Term

- a. The term of this Agreement is for the period beginning on **September 1, 2012** and ending on **August 31, 2017**, unless terminated earlier in accordance with this Agreement. If the said term exceeds the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, then the term of this Agreement shall expire upon the expiry of the said Esso Branded Distributor Agreement; and

4. Product Quantities

- a. Distributor shall sell and deliver and Dealer shall purchase, receive and pay for the Dealer's entire requirements of Esso-branded motor fuel for sale at the Marketing Premises in the quantities and at the prices and terms and conditions set out herein. The motor fuels purchased by Dealer from Distributor under this Agreement shall be for resale at the Marketing Premises only. The Dealer shall use good faith and diligent efforts to maximize the sale of Esso-branded motor fuels at the Marketing Premises. Dealer shall at all times have available for sale at the Marketing Premises such quantities of the Esso-branded motor fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.

- b. The minimum annual volume of Esso-branded motor fuel Dealer is obligated to purchase during any contract year ("contract year" meaning the consecutive twelve (12) months beginning on the Effective Date and each subsequent consecutive twelve (12) month period) is [REDACTED] litres (the "Minimum Annual Volume"). The Minimum Annual Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil.
- c. In each contract year, Dealer must purchase from Distributor a minimum of eighty percent (80%) of the Minimum Annual Volume for Esso-branded motor fuel. Should Dealer fail, in any contract year, to purchase the aforementioned 80% of the Minimum Annual Volume of Esso-branded motor fuel, Distributor may terminate or not renew this Agreement upon giving 60 days prior written notice to the Dealer and the Guarantor(s).

5. Dealer Payment

- a. As consideration in part for the Dealer accepting the use of the propriety marks as set out herein, Distributor shall pay to the Dealer a payment in the accordance with the following Dealer Payment Scale per litre (plus applicable taxes) multiplied by the number of litres of Esso-Branded motor fuels purchased by the Dealer from Distributor pursuant to this Agreement during each contract year and/or pro-rated for any partial contract year (the "Dealer Payment").

Dealer Payment Scale:

From [REDACTED] to [REDACTED] litres- \$ [REDACTED] per litre on all litres purchased during any contract year,

From [REDACTED] to [REDACTED] litres- \$ [REDACTED] per litre on all litres purchased during any contract year,

Over [REDACTED] litres- \$ [REDACTED] per litre on all litres purchased during contract year.

The Dealer Payment rate per litre will apply to the entire volume of motor fuels purchased during any contract year of the term herein, for example is [REDACTED] litres of motor fuels were purchased in a contract year the Dealer Payment rate of \$ [REDACTED] per litre will be paid on the entire [REDACTED] litres of motor fuels purchased during the contract year.

The Dealer Payment will be determined based on the number of litres purchased by the Dealer during the previous contract year referenced against the Dealer Payment Scale. In the event the volume of motor fuels purchased in any month by the Dealer is reduced to a level that, in the sole discretion of the Distributor, would result in a higher Dealer Payment amount than set out in the Dealer Payment Sale, the Distributor shall have the right to refuse the Dealer Payment accordingly upon giving written notice of any such reduction to the Dealer. The Dealer Payment shall be calculated by Distributor based on the Distributors' records and paid by the Distributor to the Dealer monthly in arrears with twenty (20) days immediately following the end of each month during the term of this Agreement.

- b. Distributor shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days' prior written notice to the Dealer and the Guarantors if the Dealer fails to purchase eighty (80) percent of the Minimum Annual Volume in any contract year.
- c. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the covenants or agreements contained in this Agreement; and (ii) this Agreement shall not have terminated.

6. Right of First Refusal

- a. The Marketing Premises are located on those lands legally described as:

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(hereinafter referred to as the "Lands"). The Dealer operates its Esso branded motor fuels business and other ancillary business from the Lands (hereinafter referred to as the "Business"). If at any time during the term of this Agreement the Dealer shall receive a bona fide offer (hereinafter in this Article referred to as the "Offer") from a third party with whom the Dealer is dealing at arm's length (the "Third Party") for the purchase of the Business and/or the Lands in whole or in part and the Dealer is prepared to accept the Offer, the Dealer shall, before accepting the Offer, give written notice to the Distributor within three (3) Business Days of the date the Dealer received the Offer by sending to the Distributor an executed copy of the Offer and notifying the Distributor therewith of the Dealer's desire to accept the Offer. The Distributor shall have the right to purchase on the terms and conditions of the Offer, the Business and/or the Lands referred to in the Offer. The right to purchase shall be exercised by the Distributor delivering notice in writing thereof to the Dealer within sixty (60) Business Days after receipt of a copy of the executed Offer (hereinafter in this Article referred to as the "Exercise Period").

- b. In the event the Distributor does not exercise the right to purchase the Business and/or the Lands referred to in the Offer within the Exercise Period, the Dealer shall be at liberty to complete the sale of the Business and/or the Lands referred to in the Offer to the Third Party; provided that such sale shall be completed within ninety (90) days from the expiry of the Exercise Period, failing which the Dealer's right to complete such sale shall terminate
- c. In the event that the Distributor shall notify the Dealer in writing within the Exercise Period of its desire to purchase the Business and/or the Lands referred to in the Offer, a binding agreement of purchase and sale shall exist between the Dealer and the Distributor with respect to the Business and/or the Lands at and for a price equal to that described in the Offer and on the terms and conditions therein contained. In the event the Offer provides for financing from the Dealer to allow the Third Party to close the purchase of the Business and/or the Lands referred to in the Offer, the Distributor shall pay the principal amount of the Dealer financing in cash on closing.
- d. Parkland Industries Ltd. will waive its Right of First Refusal if the Dealer can demonstrate that a lease, sublease assign, or any transfer possession is involving the current Dealer's family members. Parkland credit approval required, and said transfer to a relative does not involve a loss in Parkland supply to the account.
- e. The Dealer covenants and agrees that the Dealer shall not:
- (i) accept any offer for the purchase of all or any portion of the Land which will require some form of consideration, other than cash or cash equivalent in Canadian currency, to be paid, it being intended that the consideration not be of a unique nature such that the Distributor would be unable to provide the same consideration;
 - (ii) accept any offer to purchase the Business and/or the Lands from a party or parties with whom the Dealer is not dealing at arm's length;
 - (iii) accept any offer to purchase the Business and/or the Lands which is not a bona fide offer.

- f. Any purchase and sale of the Business and/or the Lands pursuant to the terms of this Agreement shall close on the thirtieth (30th) day after the expiry of the Exercise Period or on such other date as the Parties may agree upon.
- g. The Dealer covenants and agrees that as a condition precedent to the Distributor allowing the Dealer to sell the Business and/or the Lands to a third party, the Dealer will execute and deliver to the solicitor acting on the Dealer's behalf in such transaction an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, such amounts of money that are still due and owing to the Distributor by the Dealer. In the event the proceeds of the sale paid to the Distributor are insufficient to extinguish the Dealer's indebtedness to the Distributor, the Dealer shall continue to be liable to the Distributor for any remaining indebtedness to the Distributor.

7. Price and Terms of Sale

- a. The Dealer shall pay Distributor for the Esso-branded motor fuels purchased pursuant to this Agreement the price thereof in effect at the Distributors' designated loading rack at the time that the motor fuels are loaded for delivery to the Dealer, plus the cost of delivery, plus all applicable taxes. The motor fuel prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. In the event of a shortage or unavailability of the motor fuels at the Distributors' designated loading rack for any particular delivery to the Dealer the Distributor shall use its best efforts to deliver motor fuels from an alternate loading rack in order to complete the delivery and the Dealer hereby agrees to pay for any increased costs required to complete such delivery.
- b. Measurement of the volume of each delivery of the motor fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15 degrees Celsius in accordance with normal industry practice.
- c. All purchases of the Esso-branded motor fuels shall be paid by the Dealer upon or before delivery in immediately available funds as set out herein, unless Distributor, in its sole discretion and from time to time, grants credit terms to the Dealer. If Distributor grants credit terms to the Dealer, such credit terms may be amended by Distributor in its sole discretion upon written notice from time to time. If Distributor grants credit terms to the Dealer and the Dealer accepts delivery of any Esso-branded motor fuel in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation paying interest on overdue accounts at rates to be determined by Distributor from time to time. Distributor reserves the right to withhold any amounts due by the Distributor to the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its sole discretion and without notice decline to make deliveries of motor fuels to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.
- d. The Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to Distributor by the Dealer pursuant to this Agreement:
 - (1) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by Distributor, in its sole discretion and from time to time;

- (2) may be collected by Distributor by pre-authorized debit in the manner set out on Schedule "A" or by wire transfer.
- f. The Dealer shall, from time to time, execute and deliver to Distributor an authorization for pre-authorized debit substantially in the form of Schedule "A" in order to facilitate the collection of payments pursuant to this Section. Distributor may amend Schedule "A", in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer.
 - g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer's business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
 - h. Distributor agrees that, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, the Distributor will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

8. Delivery

- a. As per the request of the Dealer, Parkland Industries Ltd. shall arrange for Chapple Fuels Ltd. to provide petroleum transport/delivery service to the Dealer's marketing premises. Parkland grants the Dealer the right to request another change of transport/delivery service in the future. The Dealer's request for a change of transport company will not be unreasonable withheld as long as the suggested carrier meets Parkland's criteria.
- b. Delivery will be by tank truck into Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the motor fuel shall pass to the Dealer as the motor fuel is discharged from Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.
- c. Dealer shall ensure that the Distributor's tank truck will have unimpeded access to the fill pipes and storage tanks while making any delivery to the Marketing Premises.
- d. Dealer will notify Distributor of any required delivery of motor fuels in accordance with Distributor's written ordering and delivery procedures. Dealer will only order deliveries in orders of a minimum of [REDACTED] litres per delivery (hereinafter referred to as "full truck load"). Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. Dealer will accept delivery of the Esso-branded motor fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributor's ordering and delivery procedures.
- e. Upon the dispatch of a delivery vehicle by Distributor to deliver the Esso-branded motor fuels to the Marketing Premises, the Dealer agrees to either accept the delivery of a "full truck load" of the Esso-branded motor fuels (or less than a "full truck load" of the Esso-Branded motor fuels

only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to Distributor all the reasonable costs incurred by Distributor in connection with any delay or aborted delivery.

- f. Distributor shall not be required to deliver to the Dealer the Esso-Branded motor fuels in any quantity less than a "full truck load" or "deemed full truck load", which shall be determined in each case by Distributor in its sole discretion and from time to time. If the Dealer requests the delivery of and Distributor agrees to deliver the Esso-branded motor fuels in a quantity less than a "full truck load" or "deemed full truck load", then Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however, the delivery by Distributor of Esso-branded motor fuels in a quantity less than a "full truckload" or "deemed full truckload" on any one or more occasions shall not require Distributor to deliver Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the sole discretion of Distributor from time to time.

9. Product Control

- a. Dealer shall exercise the highest degree of care in handling, storing, selling and using the Esso-branded motor fuel delivered to the Marketing Premises. Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any Esso-branded motor fuel (including without limitation, the blending of such motor fuels with ethanol). Dealer shall not sell from the Marketing Premises Esso-branded motor fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. Distributor may refuse to make deliveries into Dealer's storage tanks at the Marketing Premises until in Distributor's judgment, any deficiencies in the quality of motor fuels at the Marketing Premises are corrected.
- b. Access to Premises. Dealer grants Distributor and Imperial Oil (including their employees, agents and contractors) the right to enter the Marketing Premises during normal business hours to examine the contents of Dealer's storage tanks in which said motor fuels purchased hereunder are handled or stored. Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to Dealer's obligations under this Agreement.

10. Contingencies

No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any covenant, agreement, or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to Distributor or to Imperial Oil or any person affiliated with distributor under this Agreement) if such default or non performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any delays in or failure of performance by Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request, or control of any governmental authority; or


- b. When the supply of motor fuel at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by Distributor is interrupted, unavailable or inadequate for any reason or cause which Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of motor fuels to be sold under this Agreement by allocating its available supply of motor fuels among its customers, itself, and its related and subsidiary companies in such manner as it may in its sole and absolute discretion determine and Distributor shall not be obliged to obtain or purchase other supplies of the motor fuels to make up any such shortage.

11. Proprietary Marks

- a. Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for Dealer's use and shall only use such marks to designate the origin of the Esso-branded motor fuels and otherwise in the manner authorized and instructed by Distributor from time to time. DEALER AGREES THAT MOTOR FUELS AND PETROLEUM PRODUCTS OF OTHERS WILL NOT BE SOLD BY DEALER UNDER SUCH PROPRIETARY MARKS. If, in the sole opinion of Distributor, any samples taken by Distributor or Imperial Oil under this Agreement are not Esso-branded motor fuels, or are not in the condition in which delivered by Distributor, or any documents and records reviewed by Distributor or Imperial Oil show Dealer has failed to comply with its obligations hereunder, Distributor may, at its sole option, debrand the Marketing Premises in question or cancel and terminate this Agreement.
- b. By written notice to Dealer, Distributor may withdraw its approval to: (i) brand the Marketing Premises ("debrand") or (ii) use or operate any motor fuels business or Related Businesses at the Marketing Premises, if, in Distributor's sole judgment: (i) the Marketing Premises (or the motor fuels business and/or Related Businesses) fails to portray the image and standards expected from Esso-branded retail outlets; or (ii) Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If Distributor debrands the Marketing Premises, withdraws its approval to use or operate the motor fuels business or Related Businesses at the Marketing Premises, upon termination of this Agreement, or prior thereto upon demand by Distributor, Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from Distributor, consisting in whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.
- d. Dealer agrees to take no action that will diminish or dilute the value of the Proprietary Marks. Dealer shall not sell non-Esso branded motor fuels under any of the Proprietary Marks, including without limitation, any Esso-identified canopy or at any fueling island where Dealer is selling Esso-branded motor fuels.
- e. Dealer shall not use the Proprietary Marks as part of Dealer's corporate or other name.
- f. Dealer hereby consents to Distributor or Imperial Oil removing or painting over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the Esso trade name, trade-marks, signs and advertising items, prior to the expiration or earlier termination of this Agreement.

12. Customer Service & Operating Standards

- a. Dealer shall ensure that its Marketing Premises meet the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits), failing which Dealer shall lose the right to use or display Proprietary Marks at any such Marketing Premises:
- (1) Paved driveways with safe and good ingress and egress; and
 - (2) Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances; and
 - (3) Clean premises free of debris, trash, and fire hazards; and
 - (4) Modern restrooms for men and women available to the general public; and
 - (5) Offer two(2) grades of Esso-branded motor fuels; and
 - (6) Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and
 - (7) Compliance with applicable operating standards as described in Schedule "B", and facility standards as described in Schedule "C" ("Facility Requirements"), which are incorporated herein and made a part of this Agreement.
- b. While using any Proprietary Marks, Dealer agrees:
- (1) To render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct Dealer's business in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the Esso-branded motor fuels sold hereunder; and
 - (2) To provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers; and
 - (3) To keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies; and
 - (4) To assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the Esso-branded motor fuels during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to Dealer; and
 - (5) To purchase, maintain, and display an adequate quantity of Esso-branded motor oils, lubricants, greases, anti freeze, and other petroleum products and related products (the "Petroleum Products") for resale from the Marketing Premises to meet the needs of

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- (6) Dealer's retail customers from time to time. Dealer acknowledges that the Distributor is not a distributor of Petroleum Products and agrees to purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area; and
 - (7) The Dealer shall keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers; and
 - (8) The Dealer shall ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. Dealer agrees that Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by Distributor to cure, continues to be in violation of this Section.
 - d. Dealer shall not permit at the Marketing Premises:
 - (1) Any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits; or
 - (2) The sale or use of illegal drugs or drug paraphernalia; or
 - (3) The sale of any pornographic material or other material that Distributor determines may be offensive to the general public.
 - e. Dealer shall not permit at the Marketing Premises the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits relating to youth access to tobacco products. Dealer shall promptly advise Distributor of any charges or notifications of violations received at the Marketing Premises from any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.
 - f. The Dealer acknowledges receipt of and shall comply with the Imperial Oil Operating Standards Manual (the "Manual"), including without limitation the Operating Standards and the other standards, methods, procedures and specifications established by Imperial Oil from time to time applicable to the operation the Dealer's business. The provisions of the Manual, including without limitation the Operating Standards and the other standards, methods, procedures and specifications applicable to carrying on the Dealer's business, are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to Distributor promptly upon request and, in any event, upon the expiration or earlier termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's prior written consent. The Dealer acknowledges that the entire contents of the Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. The Dealer shall maintain the absolute confidentiality of all such information during the term of this Agreement and after the expiration or earlier termination of this Agreement and shall not disclose any such information for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer's business in accordance

with this Agreement. The Dealer further agrees not to use any such information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

13. No Exclusive Marketing Rights

This Agreement does not give Dealer an exclusive right in any market or geographic area to sell Esso-branded motor fuel or conduct any of the Related Businesses. Dealer acknowledges that Distributor and Imperial Oil may directly or indirectly compete with Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks ("Trademarks"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling Esso-branded motor fuels, other branded motor fuels or operating businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, enterprises or other businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

14. Fuel Handling Equipment

Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment"). Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a. The Dealer warrants and represents to Distributor that as of the effective date of this Agreement, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises are in good condition and repair and meet regulatory requirements.
- b. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and to meet regulatory requirements. The Dealer shall make all needed repairs and replacements promptly.
- c. The Dealer shall have in place on all underground motor fuels storage tanks the following equipment:
 - (1) spill containment boxes; and
 - (2) overfill prevention valves,and such equipment shall, at all times, be in good operating condition and repair.

- d. Notwithstanding any other provision in this Agreement, if Distributor is required by law, or if in Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "hazard"), then Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. Distributor shall not be obliged to re-commence delivery of the Motor Fuels until Distributor is satisfied, in its sole discretion, that the hazard does not exist or has ceased to exist.
- e. The Dealer agrees :
- (1) that if Distributor does or causes the doing of any act to remedy a hazard, whether or not the acts are required by law, the Dealer will pay Distributor for all costs and expenses incurred by Distributor for the doing of such act; and
 - (2) upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuel or other substance and so notify Distributor immediately if any such spillage is determined to have occurred and Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.
- f. Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential environmental hazards.

15. Loaned Equipment

- a. Distributor will loan to the Dealer the equipment listed in Schedule "D" hereto (the "Equipment") as and when it may be available for use on the Marketing Premises in the Dealer's business; and the Dealer hereby accepts such loan.
- b. Distributor shall have the right, in its sole discretion and from time to time, to replace, add to or substitute any one or combination of items of the Equipment.
- c. The Dealer shall:
 - (1) pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
 - (2) obtain all necessary permits, licences and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;
 - (3) not alter, part with possession of, or encumber, lease, or sell the Equipment;
 - (4) complete day to day maintenance and repair, including replacement of parts, of the Equipment unless Distributor advises the Dealer in writing that Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;
 - (5) keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;
 - (6) comply with all laws applicable to the Equipment;

- (7) be responsible for all damage caused to the Equipment by the gross negligence or willful act of any person or persons other than Distributor, its employees, contractors and agents;
 - (8) use the Equipment intended for storage, handling, advertising or displaying the Esso-branded motor fuels and the Petroleum Products, solely for such intended purpose;
 - (9) return to Distributor in good repair and operating condition, reasonable wear and tear excepted (i) all Equipment immediately upon the expiration or earlier termination of this Agreement and (ii) any Equipment replaced by Distributor for any reason immediately upon such replacement;
 - (10) for greater certainty, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (i) effect maintenance and repair of the Equipment and (ii) replace, add to or substitute any one or combination of items of the Equipment; and
 - (11) upon the expiration or earlier termination of this Agreement, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor, and the Dealer agrees not to affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a fixture of the Marketing Premises.
 - e. The Dealer acknowledges that it has examined the Equipment provided to the Dealer as of the effective date of this Agreement and is satisfied therewith and shall indemnify Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of Distributor's negligence or a defect in the Equipment, provided the Dealer shall have given Distributor prompt written notice of such negligence or defect.

16. Compliance with Laws

Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits including those concerning the environment, hazardous substances or wastes, toxic substances, and occupational safety and health.

17. Indemnity

The Dealer agrees to indemnify and save harmless Distributor, its partners, directors, officers, employees, agents and affiliates and their respective directors, officers, employees, agents and affiliates (each an "indemnified party") from and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer's business on the Marketing Premises;
- b. the storage, handling and sale of the motor fuels on and from the Marketing Premises; and
- c. the Equipment.

The foregoing indemnity shall not include a claim arising out of, in respect of or in connection with the negligence or willful misconduct of an indemnified party.

18. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:
 - (1) a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and Distributor arising out of all the operations of the Dealer pertaining to the Dealer's business, whether or not conducted on or from the Marketing Premises with all inclusive limits of at least three million dollars (\$3,000,000) for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and
 - (2) a third party liability policy on all vehicles used in the Dealer's business, with all inclusive limits of at least one million dollars (\$1,000,000) for any one incident.
- b. The insurance policy referred to in subsection 18a.(2) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
- c. Upon written request by Distributor, the Dealer shall provide Distributor with a certificate of insurance and such other information as may reasonably be required by Distributor in a form satisfactory to Distributor as evidence of the insurance required under this Section. The insurance policies shall be endorsed to provide that in the event of any change in them which could affect Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to Distributor thirty (30) days prior to the effective date of any such change or cancellation.
- d. Distributor may amend this Section, in its sole discretion and from time to time, on the anniversary of the commencement date of this Agreement upon sixty (60) days' prior written notice to the Dealer.

19. Technology and Communications

If required by Distributor in writing from time to time, Dealer shall comply with the following:

- a. Install and maintain in good operating condition and at Dealer's expense at the Marketing Premises:
 - (1) a facsimile machine for sending and receiving written communications; and
 - (2) equipment that allows access to the internet or other electronic-transmission or data communications systems designated by Distributor from time to time.
- b. Subscribe, at Dealer's expense, at the Marketing Premises to a voicemail system for transmitting and receiving telephone communications.

- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition, replacement or updating of point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software.

20. Retail Credit and Debit System

The Dealer acknowledges receipt of an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer Business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor.

The Dealer shall pay to Distributor the following fee(s), which Distributor may amend, in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer:

G-Site data transmission fee: \$ [REDACTED]/month.

eN-Touch fee: 1 unit(s) at \$ [REDACTED] month.

Manual Imprinter: Yes at \$ [REDACTED] month.

VSAT Satellite: 1 unit(s) at \$ [REDACTED] month

Speedpass "inside pay" pad: 1 unit(s) at \$ [REDACTED] month

The Dealer shall implement and utilize the retail credit and debit system(s) designated by Distributor, in its sole discretion and from time to time, to be used by its dealers and the Dealer further shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).

21. Termination

- a. Where the end of the term of this Agreement set out in Section 3 is later than the end of the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, or where the said Esso Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said Esso Branded Distributor Agreement, unless:
 - (1) the said Esso Branded Distributor Agreement is extended, renewed or replaced; and
 - (2) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an Esso location.
- b. Distributor, in its sole discretion, shall have the right to terminate this Agreement between Dealer and Distributor immediately and without notice and demand immediate payment of all monies due it as follows:
 - (1) In accordance with the applicable provisions of this Agreement; or

- (2) Bankruptcy proceedings are instituted by or against Dealer; control of Dealer's business or assets pass by law or otherwise to any person or representative other than Dealer; or
- (3) Dealer is in breach of a provision under this Agreement; or
- (4) Dealer fails to timely pay obligations due Distributor under this Agreement; or
- (5) Dealer is in default of any Third Party Credit Card Agreement entered into between the parties in connection with this Agreement, or in the event the Third Party terminates the Dealers use of the Third Party's credit card processing facilities for any reason whatsoever; or
- (6) Any intended indemnity, guarantee, or suretyship in connection with this Agreement is revoked or curtailed; or
- (7) If any motor fuel, other than the Esso-Branded motor fuels are kept, sold or otherwise dealt with on or from the Marketing Premises; or
- (8) If the Dealer fails to sell the Esso-branded motor fuels strictly in accordance with the grades and kinds designated in the Manual; or
- (9) The Dealer sells any Esso-branded motor fuel: (i) in bulk, (ii) to any person for resale, or (iii) to any person not using a government approved container; or
- (10) If the Dealer ceases to carry on the Dealer's business on or from the Marketing Premises; or
- (11) If the Dealer or any of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or any of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is made in respect of the Dealer or any of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed for the Dealer or any of the Guarantors, or if the Dealer or any of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an "insolvent person" as that term is defined in the Act; or
- (12) If the Dealer or any of the Guarantors shall at any time have any of the goods and chattels of the Dealer's business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of Distributor sell any of such goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer's business; or
- (13) If the Dealer fails to operate the Dealer's business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control; or

- (14) If the Dealer or any of the Guarantors is convicted of or pleads guilty to any criminal offense, whether or not related to the Dealer Business; or
 - (15) If the Dealer fails to maintain adequate inventory of the Motor Fuels at the Marketing Premises to meet the needs of its retail customers; or
 - (16) The Dealer or any of the Guarantors attempts to abandon the Marketing Premises or to sell or dispose of its goods or chattels otherwise than in the ordinary course of its business; or
 - (17) If the Dealer (i) is a corporation and a principal shareholder of the Dealer dies or becomes incapacitated or (ii) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes incapacitated; or
 - (18) If any applicable law now or hereafter in effect renders any provision of this Agreement unenforceable or unlawful.
- c. Upon the expiration or earlier termination of this Agreement for any reason, the Dealer shall immediately:
- (1) cease all use of the Proprietary Marks;
 - (2) pay to Distributor or any person, firm or corporation affiliated or associated with Distributor, all amounts and charges as have or will thereafter become due hereunder or under any other agreement between the Dealer and Distributor or any person, firm or corporation affiliated or associated with Distributor, and are then unpaid;
 - (3) return to Distributor all copies of the Manual then in the possession of the Dealer;
 - (4) notify the telephone company and all listing agencies of the expiration or earlier termination of the Dealer's right to use the Proprietary Marks and terminate all such listings using the Proprietary Marks;
 - (5) surrender the Equipment to Distributor; and
 - (6) at the request of Distributor, take all such action as may be necessary to cancel any trade or business name registration which contains any part of the Proprietary Marks under any applicable law and furnish Imperial with evidence satisfactory to it of compliance with the Dealer's obligation hereunder within thirty (30) days after the expiration or earlier termination of this Agreement.

Any termination of this Agreement pursuant to this Article shall be without prejudice to any other right (including any right of indemnity), remedy or relief vested in or to which Distributor may otherwise be entitled against the Dealer. All monies paid by the Dealer to Distributor under this Agreement or otherwise shall be retained by Distributor as consideration for the rights and benefits previously conferred on the Dealer hereunder and as liquidated damages. The foregoing remedy shall not exclude any of the remedies which Distributor may have at law or in equity by reason of the default, breach or non-observance by the Dealer of any provision of this Agreement.

22. Claims

- a. Neither Distributor nor Imperial Oil is liable to Dealer for shortages in quantity or quality unless Dealer notifies Distributor within 48 hours after delivery (or discovery in the case of latent defect for quality deficiencies) in writing setting forth fully the facts upon which any such claim for shortage in quantity or defect in quality is made and unless Distributor and/or Imperial Oil are

given a reasonable opportunity to inspect the Motor fuels concerning which any such claim is being made. Distributor's and/or Imperial Oil's liability with respect to any shortage in quantity shall be limited to an amount equal to the volume of any shortage multiplied by the Dealer's cost of motor fuel including delivery and taxes in effect for the delivery in question. Distributor and/or Imperial Oil's liability with respect to any defect in quality shall be limited to the cost of removing the defective motor fuels from the Marketing Premises at its own expense and replacing them without charge to the Dealer. Distributor and/or Imperial Oil shall not be liable for any special, indirect, or consequential damages to the Dealer for any shortage in quantity or defect in quality. All other claims by Dealer against Distributor or Imperial Oil including their affiliates and subsidiaries of any kind, whether or not arising out of this Agreement, are barred unless Dealer gives Distributor and/or Imperial Oil, as the case may be, notice within ninety (90) days after the event, act or omission to which the claim relates. Whether or not Dealer provides timely notice of a claim, any claim by Dealer is barred unless asserted by the commencement of a lawsuit naming Distributor and/or Imperial Oil as defendant in a court of competent jurisdiction within twelve (12) months after the event, act or omission to which the claim relates.

- b. Dealer recognizes that, at any time during the term of this Agreement, any of the grades or brands of motor fuels sold hereunder or any of the Proprietary Marks may be changed, altered, amended or eliminated. Dealer also recognizes that, at any time during the term of this Agreement, the quality or specification of any of the motor fuels sold hereunder may be changed or altered. If any such change or alteration materially affects the performance of such motor fuels or the needs of Dealer therefor for the purposes intended by Dealer, Dealer may terminate this Agreement as to any such motor fuels so affected on thirty (30) days' prior written notice to Distributor. However, Dealer may not terminate this Agreement for any change in quality or specification of any said motor fuels resulting from compliance with federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits. In the event that the manufacture of certain of the Esso-branded motor fuels sold hereunder is discontinued, Distributor shall notify Dealer of such an event and this Agreement shall terminate as to such motor fuels when such notice is effective.

23. Entire Agreement; Modifications

This Agreement, any documents referred to in this Agreement and any attachments to this Agreement constitute the entire, full and complete agreement between Distributor and Dealer concerning the subject matter hereof, and supersede all prior agreements relating to that subject matter. Except for any permitted to be made unilaterally by Distributor under this Agreement, no amendment, change or variance from this Agreement is binding on either party unless agreed in writing by Distributor's and Dealer's authorized representative. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by Distributor to the Dealer.

24. Miscellaneous

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective assigns. Any assignment of this Agreement by Dealer without Distributor's written consent shall be void. Distributor's right to require strict performance shall not be affected by any previous waiver or course of dealing. Neither this Agreement nor any modification or waiver shall be binding on Distributor unless in writing signed by an authorized representative. Past performance shall not be deemed a waiver of this requirement.

25. Guarantee

As consideration in part for Distributor entering into this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Guarantors and Distributor, the Guarantors hereby agree as follows:

- a. To unconditionally and irrevocably guarantee to Distributor, as a primary obligor, the due payment by the Dealer of all monies payable under this Agreement and any other obligations whatsoever by the Dealer to Distributor at the time or times appointed therefor, and the due observance and performance by the Dealer of all the covenants, terms, provisions, stipulations and conditions in this Agreement and any other obligations whatsoever to be observed and performed by the Dealer;
- b. To indemnify and save Distributor harmless from and against all costs, losses, expenses and damages it may suffer as a result of the Dealer's non-compliance with any term or condition of this Agreement;
- c. That this shall be a continuing guarantee and shall be binding upon the Guarantors after as well as before the Dealer's non-compliance with any term or condition of this Agreement, until all monies due under the Agreement have been fully paid and satisfied and all covenants, terms, provisions, stipulations, agreements and conditions observed, performed and carried out;
- d. Distributor shall not be bound to exhaust its recourse against the Dealer before requiring payment of any monies or the observance or performance of any obligations by the Guarantors and the Guarantors waive notice of demand for payment or performance, notice of default, protest and notice of protest and any and all other notices and legal and equitable defenses to which the Guarantors may be entitled;
- e. No release or releases and no indulgence or extensions of time or waiver granted by Distributor to the Dealer with respect to the observance or performance or any defaults or breaches of this Agreement by the Dealer nor any dealings between Distributor and the Dealer shall in any way modify, alter or prejudice Distributor or diminish or affect the liability of the Guarantors under this Agreement;
- f. The covenants and agreements herein entered into by the Guarantors are to be construed as both joint and several;
- g. The guarantee and the liability of each of the Guarantors hereunder is not affected by the death or loss or diminution of capacity of any of the Guarantors; and
- h. For clarification, this guarantee extends to and is binding upon each of the Guarantors and their heirs, executors, administrators, legal representatives and assigns, it being understood that this guarantee will continue to bind the Guarantors even if one or each of the Guarantors, as the case may be, cease to be involved, directly or indirectly in the Dealer Business or in the Dealer.

26. Notices

Any notice to be given hereunder:

- a. By Distributor to the Dealer and the Guarantors shall be conclusively deemed to have been given when addressed to the Dealer and: (i) delivered personally or by courier to the Marketing Premises; (ii) mailed by prepaid registered mail addressed to the Dealer at the Marketing Premises; or (iii) sent by electronic facsimile to the Dealer provided evidence of transmission is retained, and

- b. By the Dealer or the Guarantors to Distributor shall be conclusively deemed to have been given when addressed to the following address and: (i) delivered or mailed by prepaid registered mail to Distributor at the following address, or (ii) sent by electronic facsimile to Distributor, provided evidence of transmission is retained, at the following number:

236 - 4919 - 59 Street
RED DEER, Alberta
T4N 6C9
Attention: Legal Services Department
Facsimile No.: (403) 346-3015

Any notice, if delivered personally or by courier shall be conclusively deemed to have been given when actually received, if mailed by prepaid registered mail, on the fifth business day following the deposit thereof in the mail or, if transmitted by electronic facsimile before 3:00 p.m. on a business day, on that business day and, if transmitted by electronic facsimile after 3:00 p.m. on a business day on the business day following the date of the transmission.

27. Quality Assurance

Dealer agrees to store, handle, sell and dispense the Esso-branded motor fuels purchased and sold hereunder in compliance with the procedures provided by Distributor from time to time.

28. Right of Entry

In addition to any other rights of Distributor under this Agreement, Dealer hereby permits Distributor, Imperial Oil and their respective affiliates, employees, agents, vendors, contractors and representatives to enter, during normal operating hours, the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement, to enforce any and all rights and remedies under this Agreement including taking action to preserve the integrity of the Proprietary Marks and determine Dealer's compliance with this Agreement. Neither Distributor nor Imperial Oil is liable to Dealer for any interference with Dealer's business as a result of Distributor or Imperial Oil entering the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement.

29. Survival

All obligations of the parties hereto which expressly or by their nature survive the expiration, earlier termination, permitted transfer and permitted assignment of this Agreement shall continue in full force and effect, until they are satisfied or by their nature expire.

30. Withholding Payments

The Dealer will not on the grounds of the alleged non-performance by Distributor of any of its obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to Distributor or any person affiliated with Distributor.

31. Further Assurances

The parties agree to diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

32. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the province of or territory of Canada in which the Marketing Premises is located and the federal laws of Canada applicable therein.

33. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity of such provision in any other jurisdiction.

34. No Waiver

No waiver of any covenant, agreement or obligation in this Agreement shall be construed as a waiver of any succeeding breach thereof or of any other covenant, agreement or obligation in this Agreement, and no delay or omission on the part of any party to exercise any right acquired through the default of any other shall be construed as a waiver of or shall impair such right.

35. Compliance with Law; Workers Compensation; Environmental

- a. The Dealer shall fulfill all the duties imposed upon it by law and shall obey all laws, regulations, rules, by-laws and ordinances applicable to the Dealer's business and to the Marketing Premises, including without limitation the competition laws of Canada and all other applicable laws relating to competition.
- b. The Dealer shall: (i) comply fully, at the Dealer's sole expense, with provisions of the relevant Workers' Compensation legislation; and (ii) obtain for all the persons employed in the Dealer's business, including the Dealer and the principal shareholder(s) and interest holder(s) of the Dealer, as the case may be, the complete package of benefits available under the relevant Workers' Compensation legislation.
- c. The Dealer shall comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.

36. No Special or Consequential Damages

Distributor shall not be liable for any special or consequential damages or loss of profit arising from any breach of its obligations under this Agreement.

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37. Independent Legal Advice

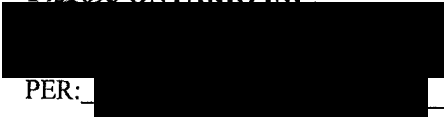
Each of the Dealer and the Guarantors acknowledges that it: (i) has had ample time to read and has read this Agreement and has been afforded the opportunity to retain independent legal advice to assist it in its review, execution and delivery of this Agreement; and (ii) has of its own free will either declined to do so or obtained independent legal advice.

EXECUTED as of the date first herein specified.

PARKLAND INDUSTRIES LTD.

PER:  **Scott McKelvie**
Director of Retail Operatic


1481693 ONTARIO INC

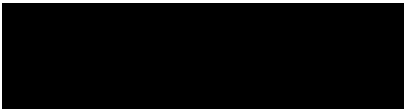
PER: 

PER: 


Witness


Guarantor


Witness


Guarantor

SCHEDULE "A"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 1481693 Ontario Inc.

PAYOR'S AUTHORIZATION FOR PRE-AUTHORIZED DEBITS (Business Purposes)

1. The Payor hereby certifies the accuracy of the following information:

Name: _____ (the "Payor")
 Address: _____
 Town: _____
 Province: _____
 Postal Code: _____
 Telephone Number: _____
 Account: _____ (the "Account")
 Name of Payor's _____
 Financial Institution: _____ (the "Processing Institution")

2. Attached to this Authorization is a specimen cheque of the Payor marked 'VOID'.
3. The Payor will notify Parkland (the "Payee"), in writing, of any change in the information provided in Sections 1 and 2 of this Authorization thirty (30) days prior to the effective date of any such change.
4. The Payor hereby authorizes the Payee to draw on the Account with the Processing Institution (each a pre-authorized debit or ("PAD")) to facilitate the payment of any and all such monies owing by the Payor to the Payee, including without limitation any monies owing pursuant to the Motor Fuel Supply Agreement - Esso-Branded Motor Fuels among the Payee, the Payor and others.
5. The Payor represents and warrants that all persons whose signatures are required to authorize withdrawals from the Account have signed this Authorization and that all persons signing this Authorization are the authorized signatories and are duly authorized to execute this Authorization.
6. This Authorization may be cancelled by the Payor at any time upon written notice to the Payee.
7. The Payor acknowledges that executing and delivering this Authorization to the Payee constitutes delivery by the Payor to the Processing Institution.
8. The Payor and the Payee each hereby waive any and all PAD pre-notification requirements otherwise required by Rule H1 of the Canadian Payments Association ACSS Rules Manual.
9. The Payee may issue PADs in a dollar amount up to a maximum of \$ _____ per day.
10. The Payor acknowledges that the Processing Institution is not required as a condition to honouring a PAD issued to verify that a PAD has been issued in accordance with the particulars of the Authorization, including without limitation the amount of the PAD and that the consideration for the payment for which the PAD was issued has been received by the Payee.
11. The revocation of this Authorization by the Payee does not terminate any contract for goods or services that exists between the Payee and the Payor. This Authorization applies only to the method of payment and does not otherwise have any bearing on the contract for goods or services exchanged.

12. The Payor may dispute a PAD only under the following conditions:

- (1) the PAD was not drawn in accordance with this Authorization; or
- (2) this Authorization was revoked.

The Payor acknowledges that in order to be reimbursed, a declaration to the effect that one of foregoing circumstances occurred, must be completed and presented to the branch of the Processing Institution holding the Account up to and including 10 business days after the date on which the PAD in dispute was posted to the Account.

13. The Payee shall provide to the Payor notice and particulars of each PAD within 10 days following the date the Payee issues the PAD.
14. The Payor acknowledges that when disputing any PAD beyond the time allowed in this section it is a matter to be resolved solely between the Payor and the Payee, outside the payments system.
15. The Payor acknowledges that the information contained in the Authorization may be disclosed to the Payee's financial institution(s) as may be required or desirable to complete any PAD transaction.
16. The Payor understands and accepts the terms of participating in a PAD plan.

SCHEDULE "B"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 1481693 Ontario Inc.

OPERATING STANDARDS

The following operating standards for the Premises set out the Dealer's responsibilities with respect to safety and other operating procedures for the Premises and must be complied with strictly.

Operating Procedures

- Be aware of, and comply with, any applicable law relating to the operations on the Premises and any accounting and inventory management system requirements.
- Understand all duties in running the Premises.
- Ensure that the Dealer's employees understand the duties delegated to them.

Safety

The Dealer's employees must:

- Use safe work procedures when carrying out their duties.
- Be aware of and follow safe work practices when carrying out their duties.
- Be trained in the recognition and correction of hazardous conditions to avoid emergencies.
- Be aware and comply with applicable safety regulations.

Security/Robbery Prevention

- Take proper preventative measures to reduce the risk of robbery.
- Train the Dealer's employees in security and robbery prevention.
- The Dealer must train the Dealer's employees in the procedures to follow before, during and after a robbery.

Critical Equipment

- Know the critical equipment on the Premises.
- Ensure that the Dealer's employees are aware of the critical equipment on the Premises.
- Ensure that when critical controls are disarmed, appropriate communication takes place prior to such disarming and that such critical controls are re-activated.
- Follow appropriate procedures for disarming the critical equipment, including completing the form for the disarming or removal of critical controls and shutdown systems.

Emergency Response

- Post the emergency response plan wall chart on the Premises in a conspicuous place.
- Train Dealer's employees in emergency response. This should include a review of potential hazards and how to deal with them, and the operation and use of fire extinguishers.
- Have the required equipment and supplies to respond to emergency situations.
- Hold at least two practice drills each year using different emergency situations.
- Document the Dealer's employee training and practice drills.

Workplace Hazardous Materials Information System ("WHMIS")

- Educate and train all the Dealer's employees on the WHMIS program prior to their starting work on the Premises and provide documented evidence thereof.
- Ensure that all Material Safety Data Sheets for controlled products are current, available and accessible to the Dealer's employees.
- Conduct at least once per year a review of WHMIS with the Dealer's employees and provide a forum for the Dealer's employees to discuss any related concerns and issues.
- Ensure that all containers of controlled products are properly labeled.
- Ensure that all fill pipes, gauge pipes and valves are properly tagged.
- Keep an inventory list of controlled products on the Premises in those provinces where it is required.

Waste Management

- Be familiar with and comply with the applicable waste regulations.
- Dispose of waste generated at the Premises according to the applicable waste regulations.
- If required by applicable laws, have a signed contract with a licensed hauler for the removal of hazardous wastes from the Premises.
- Use only a licensed hauler to remove and transport hazardous waste from the Premises.
- Keep copies of all waste manifests on file for a minimum of 2 years, or longer if required by applicable laws.

Licences and Permits

- Have the necessary operating licences and permits to meet regulatory requirements.
- Have on the Premises all manuals required or advisable to operate the service station.

Incident Definition and Reporting

- Report specified incidents to the territory manager.
- Be aware of and understand the Dealer's responsibilities for reporting specific incidents directly to government agencies.
- Share the benefit of past incidents with the Dealer's employees.
- Document the incidents and keep them on file.

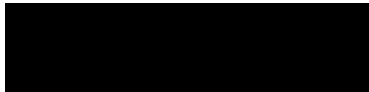
Training

- Provide initial and continuous training to all the Dealer's employees.
- If required by applicable laws, maintain training records for each of the Dealer's employees on the Premises.

Credit Card

- Follow the standards for credit card authorization and processing documented in the Credit Card Guide.
- Retain the credit card slips for:
 - 6 months for manual transactions; and
 - 12 months for electronic transactions.
- Provide copies of credit card slips to Imperial within the time requested.
- Submit manual slips on a timely basis.

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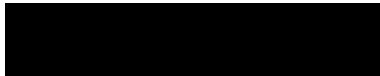


Esso Extra Card

- Collect, use and disclose information gathered for use by Imperial in connection with the Esso extra card only in accordance with applicable laws.
- Display all point-of-purchase materials prescribed by Imperial in connection with the Esso Extra card.
- Ask each purchaser of applicable merchandise or services whether he or she has an Esso extra card. If so, whether he or she would like to use it and, if not, whether he or she would like to obtain an Esso extra card.
- Record and process the sales transactions of retail customers with an Esso extra card, using the Esso extra card.
- Maintain an adequate supply of merchandise redeemable by holder of Esso extra cards.
- Redeem valid Esso extra card reward certificates presented by retail customers for prescribed merchandise or services.

Record Retention

- Keep all relevant records on the Premises to be able to prove that you have taken the necessary steps to comply with applicable law.



SCHEDULE "C"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. And 1481693 Ontario Inc.

FACILITY REQUIREMENTS

Item	Description		"New" & >100K D1 Sites	Min Stds New	Min Stds Renewal Or Upgrade
Weather Canopy	Fascia	3D			
(Canopy required at all D1 & D2 sites only)		2D			
(Standards for all other sites with existing canopies)	Column Cladding	New Style (wide perpendicular to pump) Colour - Cambridge White by Color Steel Inc.			
		Current (wide facing pump) Colour to match Cambridge White by Color Steel Inc			
		None (steel column only) Colour to match Cambridge White by Color Steel Inc.			
Pump/Dispenser		Image 2000 (Blue Graphics for new gasoline dispensers - Red for existing)			
		Previous Esso			
		Pay at the pumps & Speedpass			
MID		New Image (Flag Type)			
		Previous Esso			
Painting	MID Structural Posts, Sign Frames	P - 5 White			
	Lighting poles, Posts, island fascia, Message Sign Frames	P - 13 Grey			
POS	G-Site				

	Operating retail automation system compatible with Imperial's card processing network	
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***Subject to MID sign permit availability

Definitions

3D	600mm illuminated Red Frameless Flexface Fascia with 300 non-illuminated white metal Fascia. C/W individually "ESSO" Red illuminated letters.
2D	900mm illuminated Frameless Flexface Fascia, 600mm high red and 300 mm White, with ESSO letters.
MID	Major Identification Sign
D-1	<p>Dealer Forecourt & Backcourt meeting the following requirements:</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards that can be upgraded to 3D, 3 Products with proper pump ID. Current Major Identification sign, Good Gas Location. • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
D-2	<ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards Minimum 2 (preferred 3) products with proper pump I.D. M.I.D. S/B goal post (minimum) but other to standard acceptable • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
100k	Market Area Population in 1000's

Changes To Brand Standards - Imperial may change its "Facility Requirements for Distributor Esso-Branded Outlets" from time to time. Imperial will notify the Distributor of all changes and the Distributor must comply with these changes for all future applications.



SCHEDULE "D"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 1481693 Ontario Inc.

EQUIPMENT

The following is a list of the Equipment:

Sign Type	Quantity
MID Sign (1 per side)	
Canopy Inserts (1 per side)	
Price Panel	
VSAT	
Speedpass Pad	
Manual Imprinter	
Island Banner Sign Inserts	
Building Fascia Inserts	



3. Promotional Program Fee

If applicable law permits, the Dealer shall pay Distributor a promotional program fee (the "Program Fee"), plus applicable taxes (other than income taxes). The Program Fee payable by Dealer to Distributor shall be debited directly from Dealer's account with the Distributor on or about the 15th day and on or about the last day of each month. Imperial may change the amount, manner and the time the Program Fee is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Program Fee shall be calculated as the number of points (the "Fee Points") awarded to customers for transactions made at the Site multiplied by the program rate (the "Fee Rate").

The Fee Points are the total of:

- the base points issued at a rate of one point per dollar spent,
- all bonus points issued for sales of different grades of gasoline or car washes, and
- points issued for offers unique to the Site as instituted or extended by Dealer.

For greater certainty, the Fee Points excludes:

- (i) promotional points issued via direct mail offers extended by Imperial to customers
- (ii) points issued to holders of the Royal Bank Esso VISA card at a rate of one point per dollar charged to the card regardless of the vendor where the card is used, and
- (iii) bonus points issued for the purchase of specific merchandise on the Site through a program instituted or extended by Imperial.

The Fee Rate is defined as:

Fuel products & services	\$	[REDACTED]	for each point issued
Convenience store products & services	\$	[REDACTED]	for each base point issued
Car wash products & services	\$	[REDACTED]	for each base point issued
Other products & services	\$	[REDACTED]	for each point issued
Vehicle repair bay products & services	\$	[REDACTED]	for each point issued

CONDITIONAL ASSIGNMENT AGREEMENT

THIS AGREEMENT effective as of the 1st day of October, 2012. ("Effective Date")

BETWEEN:

2141962 ONTARIO INC.
(hereinafter called the "Dealer")


- and -

224133 ONTARIO INC.
(hereinafter called the "Lessee")


-and-

2141962 ONTARIO INC.
(hereinafter called the "Landlord")

- and -


(hereinafter called the "Guarantors")

- and -


(hereinafter called the "Guarantors")

-and-

PARKLAND INDUSTRIES LTD.
(hereinafter called "Parkland")

WHEREAS Parkland and the Dealer are parties to: a Motor Fuel Supply Agreement Esso-Branded Motor Fuels dated October 1, 2012, hereinafter referred to as (the "Supply Agreement"), a copy of which is attached hereto as Schedule "A";

AND WHEREAS the Landlord and the Lessee are parties to a Lease Agreement (the "Lease") wherein the Dealer has leased to the Lessee the lands and premises (the "Lands") described in the Supply Agreement and the Lessee desires to assume the Dealer's rights and obligations under the Supply Agreement excepting only those rights and obligations more specifically set forth herein;

NOW THEREFORE in consideration of the sum of One (\$1.00) Dollar the receipt and sufficiency of which is hereby acknowledged, the parties hereto acknowledge and agree that:

1. The Dealer hereby assigns to the Lessee all its right, title and interest in and to the Supply Agreement.
2. The Lessee hereby accepts such assignment and the Lessee hereby assumes all obligations under the Supply Agreement and covenants with Parkland to observe, perform, fulfill and keep those conditions and covenants contained in the Supply Agreement to be performed by the Dealer named therein in the same manner and to the same extent as if the Lessee had been originally mentioned as the Dealer in the Supply Agreement.

3. If the Lease is terminated, cancelled or expires prior to its having been in full force and effect during the term of the Supply Agreement then this Agreement will be cancelled and the rights and obligations that have been assigned to the Lessee under this Agreement will revert back to the Dealer immediately.
4. Parkland hereby consents to this assignment and agrees that it shall hold the Lessee responsible for the observance and performance of the conditions and covenants contained in the Supply Agreement on and after the effective date of this Agreement.
5. The Guarantors hereby consent to the assignment and to the covenants contained herein. The Guarantors hereby covenant and agree to observe, perform and fulfill all guarantees contained in the Dealer Agreements in the same manner and to the same extent as if the Guarantors had been originally mentioned as the Guarantors in the Dealer Agreements.
6. Any notice shall be given to the respective parties at the following addresses:

Parkland

5101, 333-96th Avenue NE
Calgary, AB T3K 0S3

Landlord

1185 Regional Road
Manchester, Ontario L9L 1B5

Lessee

44 West Normandy Dr.
Markham, Ontario L6B 0A6

Guarantors

[REDACTED]

[REDACTED]

7. This Assumption Agreement may be executed in one or more counterparts, including facsimile transmission thereof, each of which shall be deemed an original and when so executed all such counterparts taken together form one agreement and shall be valid and binding in the manner set forth above.

INTENTIONALLY LEFT BLANK

8. The aforesaid assignment shall be effective as of the date first written above.

2141962 ONTARIO INC. (Dealer)

Per: [Redacted] ✓

2141962 ONTARIO INC. (Landlord)

Per: [Redacted] ✓

2241333 ONTARIO INC. (New Dealer)

Per: [Redacted]

Witness [Redacted]
Witness [Redacted]

[Redacted] Guarantor

[Redacted] Guarantor

PARKLANDS LTD.

Per: [Redacted]

Per: [Redacted]

GUARANTEE

TO: PARKLAND INDUSTRIES LTD.
236, 4919 – 59 Street
RED DEER, Alberta, T4N 6C9
(hereinafter called "Parkland")

RE: Guarantee of Corporate Indebtedness

The undersigned (hereinafter called the "Guarantor") being a principal of 2241333 Ontario Inc. (hereinafter called the "Corporation") in consideration of Parkland granting or extending credit (the "Indebtedness") to the Corporation arising from any dealings between Parkland and the Corporation, present or future, direct or indirect, including but not limited to the purchase of petroleum products, including all accessories related thereto, do hereby for myself, my heirs, executors, administrators (and where there are more than one undersigned Guarantor, jointly and severally) unconditionally guarantee the payment when due of all Indebtedness, interest and penalties thereon, if applicable, owing to Parkland by the Corporation from time to time and unconditionally guarantee the performance of all obligations of the Corporation to Parkland. Parkland shall have the right at any time to take and release any collateral or other securities, to extend the time for payment by the Corporation or any person liable upon any collateral or other securities, to compromise or compound with the Corporation or to release the Corporation without notice to the Guarantor and without the Guarantor's consent and without discharging or effecting the liability of the Guarantor to Parkland.

Parkland shall not be bound to exhaust its recourses against the Corporation or other persons, or the securities Parkland may hold before being entitled to payment from the Guarantor.

This Guarantee shall be a continuing Guarantee and shall extend to and be security for all the sums of money, indebtedness and other obligations which shall or at any time be due from the Corporation to Parkland.

GIVEN under hand and seal at MARKHAM, in the Province of Ontario this 26th day

of NOVEMBER, 2012.

[Redacted Signature of Witness]

[Redacted Signature of Guarantor]

Signature of Witness

Guarantor

AFFIDAVIT OF EXECUTION

CANADA
PROVINCE OF ONTARIO
TO WIT

) I, _____,
)
) of Association in the Province of Ontario,
)
)
) MAKE OATH AND SAY:

1. THAT I was personally present and did see _____ named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes therein.

2. THAT the same was executed at MARKHAM, in the Province of Ontario and that I am the subscribing witness thereto.

3. THAT I know the said _____ and he/she is in my belief of the full age of 18 years.

SWORN BEFORE ME at the City of Coburg, in the Province of Ontario, this 22nd day of November, A.D. 2012.

Signature of witness

Address: _____

A COMMISSIONER FOR OATHS in and for the Province of Ontario
My Commission expires _____

A Commissioner for Oaths and Notary Public
in and for the Province of Alberta
My Commission expires at the
Pleasure of the Lieutenant-Governor

GUARANTEE

TO: PARKLAND INDUSTRIES LTD.
236, 4919 - 59 Street
RED DEER, Alberta, T4N 6C9
(hereinafter called "Parkland")

RE: Guarantee of Corporate Indebtedness

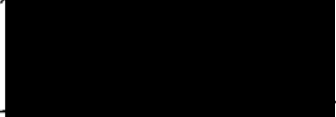
The undersigned (hereinafter called the "Guarantor") being a principal of 2141962 Ontario Inc. (hereinafter called the "Corporation") in consideration of Parkland granting or extending credit (the "Indebtedness") to the Corporation arising from any dealings between Parkland and the Corporation, present or future, direct or indirect, including but not limited to the purchase of petroleum products, including all accessories related thereto, do hereby for myself, my heirs, executors, administrators (and where there are more than one undersigned Guarantor, jointly and severally) unconditionally guarantee the payment when due of all Indebtedness, interest and penalties thereon, if applicable, owing to Parkland by the Corporation from time to time and unconditionally guarantee the performance of all obligations of the Corporation to Parkland. Parkland shall have the right at any time to take and release any collateral or other securities, to extend the time for payment by the Corporation or any person liable upon any collateral or other securities, to compromise or compound with the Corporation or to release the Corporation without notice to the Guarantor and without the Guarantor's consent and without discharging or effecting the liability of the Guarantor to Parkland.


Parkland shall not be bound to exhaust its recourses against the Corporation or other persons, or the securities Parkland may hold before being entitled to payment from the Guarantor.

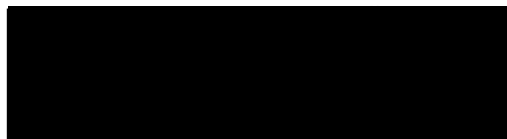
This Guarantee shall be a continuing Guarantee and shall extend to and be security for all the sums of money, indebtedness and other obligations which shall or at any time be due from the Corporation to Parkland.

GIVEN under hand and seal at RANDOLPH HILL, in the Province of Ontario this 26th day

of 11th SEPTEMBER, 2012.



Signature of Witness




Guarantor

AFFIDAVIT OF EXECUTION

CANADA)
)
PROVINCE OF ONTARIO)
)
TO WIT)

I, _____,

of Bulletts in the Province of Ontario,

MAKE OATH AND SAY:

1. **THAT** I was personally present and did see _____ named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes therein.

2. **THAT** the same was executed at Ridgeway Hill, in the Province of Ontario and that I am the subscribing witness thereto.

3. **THAT** I know the said _____ and he/she is in my belief of the full age of 18 years.

SWORN BEFORE ME at the City)
 of Colgan, in the Province)
 of Ontario, this 20th day)
 of November, A.D. 2012.)
 _____)

Signature of Witness
 Name: _____
 Address: _____

A COMMISSIONER FOR OATHS in)
 and for the Province of Ontario)
 My Commission expires _____)
 _____)

A Commissioner for Oaths and Notary Public
 in and for the Province of Alberta
 My Commission expires at the
 Pleasure of the Lieutenant-Governor

**MOTOR FUEL SUPPLY AGREEMENT
ESSO-BRANDED MOTOR FUELS**

This Agreement is made on 15th DAY NOVEMBER 2007 (the "Effective Date")

BETWEEN:

PARKLAND INDUSTRIES LTD.
(hereinafter called "Distributor")

- and -

2141962 ONTARIO INC.
(hereinafter called "Dealer") having a
motor fuels "Marketing Premises" located at
1185 Regional Road, Manchester, Ontario L9L 1B5

- and -

[REDACTED]
45 Cantan Ct, Richmond Hill, Ontario L4S 2V4
(hereinafter called the "Guarantors")

WHEREAS Distributor is engaged in the sale and distribution of high quality petroleum products under the nationally and internationally known ESSO trade mark;

AND WHEREAS the Dealer desires to carry on the business of the sale of petroleum products in accordance with this Agreement;

AND WHEREAS the Guarantors have agreed to guarantee the obligations of the Dealer under this Agreement as consideration in part for the Distributor entering into this Agreement;

AND WHEREAS, based on its marketing strategies Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("Imperial Oil") has established the following core values ("Core Values"), namely

- To deliver quality products that customers can trust.
- To employ friendly, helpful people.
- To provide speedy, reliable and friendly service.
- To provide clean, attractive and well maintained retail facilities.
- To be a responsible, environmentally conscious neighbour.

NOW THEREFORE the Distributor and the Dealer agree as follows:

1. Grant

Distributor, under an Esso Branded Distributor Agreement with Imperial Oil, has the right to grant to Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the terms and conditions of this Agreement, Distributor grants Dealer the right to use the "Esso" mark and such other proprietary marks specified by Imperial Oil, from time to time, for use in connection with the sale of Esso-branded motor fuels ("Proprietary Marks") at the Marketing Premises. Dealer hereby accepts the use of the Proprietary Marks subject to the terms and conditions of this Agreement and agrees to conduct its

business in a manner consistent with the commitments in the Core Values and agrees to comply with Imperial Oil business standards and policies, including, without limitation Imperial Oil's National Standards Handbook as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by Distributor from time to time. DEALER ACKNOWLEDGES THAT ITS RELATIONSHIP IS EXCLUSIVELY WITH DISTRIBUTOR. NOTHING IN THIS AGREEMENT MAY BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN DEALER AND IMPERIAL OIL.

2. Related Businesses

Distributor acknowledges that Dealer may wish to operate, during the term of this Agreement, additional businesses ("Related Businesses") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, Distributor's trademarks, Dealer's own trademarks or third party trademarks. Dealer acknowledges that the operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the Esso-branded motor fuels and Proprietary Marks. Accordingly, Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by Distributor to Dealer from time to time. If Dealer fails to comply with this Agreement or any such requirements, and without limiting Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, Distributor may require Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks, or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Effective Date, Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.

3. Term

- a. The term of this Agreement is for the period beginning on **October 1, 2012** and ending on **September 30, 2020**, unless terminated earlier in accordance with this Agreement. If the said term exceeds the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, then the term of this Agreement shall expire upon the expiry of the said Esso Branded Distributor Agreement.

4. Product Quantities

- a. Distributor shall sell and deliver and Dealer shall purchase, receive and pay for the Dealer's entire requirements of Esso-branded motor fuel for sale at the Marketing Premises in the quantities and at the prices and terms and conditions set out herein. The motor fuels purchased by Dealer from Distributor under this Agreement shall be for resale at the Marketing Premises only. The Dealer shall use good faith and diligent efforts to maximize the sale of Esso-branded motor fuels at the Marketing Premises. Dealer shall at all times have available for sale at the Marketing Premises such quantities of the Esso-branded motor fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.
- b. The minimum annual volume of Esso-branded motor fuel Dealer is obligated to purchase during any contract year ("contract year" meaning the consecutive twelve (12) months beginning on the Effective Date and each subsequent consecutive twelve (12) month period) is litres (the "Minimum Annual Volume"). The Minimum Annual Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of

allocation by Imperial Oil.

- c. In each contract year, Dealer must purchase from Distributor a minimum of eighty percent (80%) of the Minimum Annual Volume for Esso-branded motor fuel. Should Dealer fail, in any contract year, to purchase the aforementioned 80% of the Minimum Annual Volume of Esso-branded motor fuel, Distributor may terminate or not renew this Agreement upon giving 60 days prior written notice to the Dealer and the Guarantor(s).

5. Dealer Payment

- a. As consideration in part for the Dealer accepting the use of the Proprietary marks as set out herein, Distributor shall pay to the Dealer a payment in the amount of XXXX cents per litre (plus applicable taxes) multiplied by the number of litres of the Esso-Branded motor fuels purchased by the Dealer from Distributor pursuant to this Agreement (the "Dealer Payment"). The Dealer Payment shall be calculated by Distributor based on the Distributors' records and paid by Distributor to the Dealer monthly in arrears within twenty (20) days immediately following the end of each month during the term of this Agreement.
- b. Distributor shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days' prior written notice to the Dealer and the Guarantors if the Dealer fails to purchase eighty (80) percent of the Minimum Annual Volume in any contract year.
- c. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the covenants or agreements contained in this Agreement; and (ii) this Agreement shall not have terminated.

6. Right of First Refusal

- a. The Marketing Premises are located on those lands legally described as:

**PT LT 12; CON 5, REACH PT 1, 40R12879
S/T D396871 SCUGOG**

(hereinafter referred to as the "Lands"). The Dealer operates its Esso branded motor fuels business and other ancillary business from the Lands (hereinafter referred to as the "Business"). If at any time during the term of this Agreement the Dealer shall receive a bona fide offer (hereinafter in this Article referred to as the "Offer") from a third party with whom the Dealer is dealing at arm's length (the "Third Party") for the purchase of the Business and/or the Lands in whole or in part and the Dealer is prepared to accept the Offer, the Dealer shall, before accepting the Offer, give written notice to the Distributor within three (3) Business Days of the date the Dealer received the Offer by sending to the Distributor an executed copy of the Offer and notifying the Distributor therewith of the Dealer's desire to accept the Offer. The Distributor shall have the right to purchase on the terms and conditions of the Offer, the Business and/or the Lands referred to in the Offer. The right to purchase shall be exercised by the Distributor delivering notice in writing thereof to the Dealer within thirty (30) Business Days after receipt of a copy of the executed Offer (hereinafter in this Article referred to as the "Exercise Period").

- b. In the event the Distributor does not exercise the right to purchase the Business and/or the Lands referred to in the Offer within the Exercise Period, the Dealer shall be at liberty to complete the sale of the Business and/or the Lands referred to in the Offer to the Third Party; provided that such sale shall be completed within ninety (90) days from the expiry of the Exercise Period, failing which the Dealer's right to complete such sale shall terminate.

- c. In the event that the Distributor shall notify the Dealer in writing within the Exercise Period of its desire to purchase the Business and/or the Lands referred to in the Offer, a binding agreement of purchase and sale shall exist between the Dealer and the Distributor with respect to the Business and/or the Lands at and for a price equal to that described in the Offer and on the terms and conditions therein contained. In the event the Offer provides for financing from the Dealer to allow the Third Party to close the purchase of the Business and/or the Lands referred to in the Offer, the Distributor shall pay the principal amount of the Dealer financing in cash on closing.
- d. The Dealer covenants and agrees that the Dealer shall not:
 - (i) accept any offer for the purchase of all or any portion of the Land which will require some form of consideration, other than cash or cash equivalent in Canadian currency, to be paid, it being intended that the consideration not be of a unique nature such that the Distributor would be unable to provide the same consideration;
 - (ii) accept any offer to purchase the Business and/or the Lands from a party or parties with whom the Dealer is not dealing at arm's length;
 - (iii) accept any offer to purchase the Business and/or the Lands which is not a bona fide offer.
- e. Any purchase and sale of the Business and/or the Lands pursuant to the terms of this Agreement shall close on the thirtieth (30th) day after the expiry of the Exercise Period or on such other date as the Parties may agree upon.
- f. The Dealer covenants and agrees that as a condition precedent to the Distributor allowing the Dealer to sell the Business and/or the Lands to a third party, the Dealer will execute and deliver to the solicitor acting on the Dealer's behalf in such transaction an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, such amounts of money that are still due and owing to the Distributor by the Dealer. In the event the proceeds of the sale paid to the Distributor are insufficient to extinguish the Dealer's indebtedness to the Distributor, the Dealer shall continue to be liable to the Distributor for any remaining indebtedness to the Distributor.

7. Price and Terms of Sale

- a. The Dealer shall pay Distributor for the Esso-branded motor fuels purchased pursuant to this Agreement the price thereof in effect at the Distributors' designated loading rack at the time that the motor fuels are loaded for delivery to the Dealer, plus the cost of delivery, plus all applicable taxes. The motor fuel prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. In the event of a shortage or unavailability of the motor fuels at the Distributors' designated loading rack for any particular delivery to the Dealer the Distributor shall use its best efforts to deliver motor fuels from an alternate loading rack in order to complete the delivery and the Dealer hereby agrees to pay for any increased costs required to complete such delivery.
- b. Measurement of the volume of each delivery of the motor fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15 degrees Celsius in accordance with normal industry practice.
- c. All purchases of the Esso-branded motor fuels shall be paid by the Dealer upon or before delivery in immediately available funds as set out herein, unless Distributor, in its sole discretion

and from time to time, grants credit terms to the Dealer. If Distributor grants credit terms to the Dealer, such credit terms may be amended by Distributor in its sole discretion upon written notice from time to time. If Distributor grants credit terms to the Dealer and the Dealer accepts delivery of any Esso-branded motor fuel in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation paying interest on overdue accounts at rates to be determined by Distributor from time to time. Distributor reserves the right to withhold any amounts due by the Distributor to the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its sole discretion and without notice decline to make deliveries of motor fuels to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.

- d. The Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to Distributor by the Dealer pursuant to this Agreement:
 - (1) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by Distributor, in its sole discretion and from time to time;
 - (2) may be collected by Distributor by pre-authorized debit in the manner set out on Schedule "A" or by wire transfer.
- f. The Dealer shall, from time to time, execute and deliver to Distributor an authorization for pre-authorized debit substantially in the form of Schedule "A" in order to facilitate the collection of payments pursuant to this Section. Distributor may amend Schedule "A", in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer.
- g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer's business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
- h. Distributor agrees that, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, the Distributor will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

8. Delivery

- a. Delivery will be by tank truck into Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the motor fuel shall pass to the Dealer as the motor fuel is discharged from Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.

- b. Dealer shall ensure that the Distributors tank truck will have unimpeded access to the fill pipes and storage tanks while making any delivery to the Marketing Premises.
- c. Dealer will notify Distributor of any required delivery of motor fuels in accordance with Distributors written ordering and delivery procedures. Dealer will only order deliveries in orders of a minimum of [REDACTED] litres per delivery (hereinafter referred to as "full truck load"). Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. Dealer will accept delivery of the Esso-branded motor fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributors ordering and delivery procedures.
- d. Upon the dispatch of a delivery vehicle by Distributor to deliver the Esso-branded motor fuels to the Marketing Premises, the Dealer agrees to either accept the delivery of a "full truck load" of the Esso-branded motor fuels (or less than a "full truck load" of the Esso-Branded motor fuels only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to Distributor all the reasonable costs incurred by Distributor in connection with any delay or aborted delivery.
- e. Distributor shall not be required to deliver to the Dealer the Esso-Branded motor fuels in any quantity less than a "full truck load" or "deemed full truck load", which shall be determined in each case by Distributor in its sole discretion and from time to time. If the Dealer requests the delivery of and Distributor agrees to deliver the Esso-branded motor fuels in a quantity less than a "full truck load" or "deemed full truck load", then Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however, the delivery by Distributor of Esso-branded motor fuels in a quantity less than a "full truckload" or "deemed full truckload" on any one or more occasions shall not require Distributor to deliver Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the sole discretion of Distributor from time to time.

9. Product Control

- a. Dealer shall exercise the highest degree of care in handling, storing, selling and using the Esso-branded motor fuel delivered to the Marketing Premises. Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any Esso-branded motor fuel (including without limitation, the blending of such motor fuels with ethanol). Dealer shall not sell from the Marketing Premises Esso-branded motor fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. Distributor may refuse to make deliveries into Dealer's storage tanks at the Marketing Premises until in Distributor's judgment, any deficiencies in the quality of motor fuels at the Marketing Premises are corrected.
- b. Access to Premises. Dealer grants Distributor and Imperial Oil (including their employees, agents and contractors) the right to enter the Marketing Premises during normal business hours to examine the contents of Dealer's storage tanks in which said motor fuels purchased hereunder are handled or stored. Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to Dealer's obligations under this Agreement.

10. Contingencies

No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any covenant, agreement, or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to Distributor or to Imperial Oil or any person affiliated with distributor under this Agreement) if such default or non performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any delays in or failure of performance by Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request, or control of any governmental authority; or
- b. When the supply of motor fuel at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by Distributor is interrupted, unavailable or inadequate for any reason or cause which Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of motor fuels to be sold under this Agreement by allocating its available supply of motor fuels among its customers, itself, and its related and subsidiary companies in such manner as it may in its sole and absolute discretion determine and Distributor shall not be obliged to obtain or purchase other supplies of the motor fuels to make up any such shortage.

11. Proprietary Marks

- a. Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for Dealer's use and shall only use such marks to designate the origin of the Esso-branded motor fuels and otherwise in the manner authorized and instructed by Distributor from time to time. DEALER AGREES THAT MOTOR FUELS AND PETROLEUM PRODUCTS OF OTHERS WILL NOT BE SOLD BY DEALER UNDER SUCH PROPRIETARY MARKS. If, in the sole opinion of Distributor, any samples taken by Distributor or Imperial Oil under this Agreement are not Esso-branded motor fuels, or are not in the condition in which delivered by Distributor, or any documents and records reviewed by Distributor or Imperial Oil show Dealer has failed to comply with its obligations hereunder, Distributor may, at its sole option, debrand the Marketing Premises in question or cancel and terminate this Agreement.
- b. By written notice to Dealer, Distributor may withdraw its approval to: (i) brand the Marketing Premises ("debrand") or (ii) use or operate any motor fuels business or Related Businesses at the Marketing Premises, if, in Distributor's sole judgment: (i) the Marketing Premises (or the motor fuels business and/or Related Businesses) fails to portray the image and standards expected from Esso-branded retail outlets; or (ii) Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If Distributor debrands the Marketing Premises, withdraws its approval to use or operate the motor fuels business or Related Businesses at the Marketing Premises, upon termination of this Agreement, or prior thereto upon demand by Distributor, Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from Distributor, consisting in whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.

- d. Dealer agrees to take no action that will diminish or dilute the value of the Proprietary Marks. Dealer shall not sell non-Esso branded motor fuels under any of the Proprietary Marks, including without limitation, any Esso-identified canopy or at any fueling island where Dealer is selling Esso-branded motor fuels.
- e. Dealer shall not use the Proprietary Marks as part of Dealer's corporate or other name.
- f. Dealer hereby consents to Distributor or Imperial Oil removing or painting over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the Esso trade name, trade-marks, signs and advertising items, prior to the expiration or earlier termination of this Agreement.

12. Customer Service & Operating Standards

- a. Dealer shall ensure that its Marketing Premises meet the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits), failing which Dealer shall lose the right to use or display Proprietary Marks at any such Marketing Premises:
 - (1) Paved driveways with safe and good ingress and egress; and
 - (2) Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances; and
 - (3) Clean premises free of debris, trash, and fire hazards; and
 - (4) Modern restrooms for men and women available to the general public; and
 - (5) Offer two(2) grades of Esso-branded motor fuels; and
 - (6) Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and
 - (7) Compliance with applicable operating standards as described in Schedule "B", and facility standards as described in Schedule "C" ("Facility Requirements"), which are incorporated herein and made a part of this Agreement.
- b. While using any Proprietary Marks, Dealer agrees:
 - (1) To render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct Dealer's business in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the Esso-branded motor fuels sold hereunder; and
 - (2) To provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers; and
 - (3) To keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies; and

- (4) To assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the Esso-branded motor fuels during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to Dealer; and
 - (5) To purchase, maintain, and display an adequate quantity of Esso-branded motor oils, lubricants, greases, anti freeze, and other petroleum products and related products (the "Petroleum Products") for resale from the Marketing Premises to meet the needs of Dealer's retail customers from time to time. Dealer acknowledges that the Distributor is not a distributor of Petroleum Products and agrees to purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area; and
 - (6) The Dealer shall keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers; and
 - (7) The Dealer shall ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. Dealer agrees that Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by Distributor to cure, continues to be in violation of this Section.
- d. Dealer shall not permit at the Marketing Premises:
- (1) Any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits; or
 - (2) The sale or use of illegal drugs or drug paraphernalia; or
 - (3) The sale of any pornographic material or other material that Distributor determines may be offensive to the general public.
- e. Dealer shall not permit at the Marketing Premises the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits relating to youth access to tobacco products. Dealer shall promptly advise Distributor of any charges or notifications of violations received at the Marketing Premises from any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.
- f. The Dealer acknowledges receipt of and shall comply with the Imperial Oil Operating Standards Manual (the "Manual"), including without limitation the Operating Standards and the other standards, methods, procedures and specifications established by Imperial Oil from time to time applicable to the operation the Dealer's business. The provisions of the Manual, including without limitation the Operating Standards and the other standards, methods, procedures and specifications applicable to carrying on the Dealer's business, are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to Distributor promptly upon request and, in any event, upon the expiration or earlier

termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's prior written consent. The Dealer acknowledges that the entire contents of the Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. The Dealer shall maintain the absolute confidentiality of all such information during the term of this Agreement and after the expiration or earlier termination of this Agreement and shall not disclose any such information for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer's business in accordance with this Agreement. The Dealer further agrees not to use any such information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

13. No Exclusive Marketing Rights

This Agreement does not give Dealer an exclusive right in any market or geographic area to sell Esso-branded motor fuel or conduct any of the Related Businesses. Dealer acknowledges that Distributor and Imperial Oil may directly or indirectly compete with Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks ("Trademarks"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling Esso-branded motor fuels, other branded motor fuels or operating businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, enterprises or other businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

14. Fuel Handling Equipment

Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment"). Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a. The Dealer warrants and represents to Distributor that as of the effective date of this Agreement, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises are in good condition and repair and meet regulatory requirements.
- b. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and to meet regulatory requirements. The Dealer shall make all needed repairs and replacements promptly.
- c. The Dealer shall have in place on all underground motor fuels storage tanks the following equipment:

- (1) spill containment boxes; and
- (2) overfill prevention valves,

and such equipment shall, at all times, be in good operating condition and repair.

- d. Notwithstanding any other provision in this Agreement, if Distributor is required by law, or if in Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "hazard"), then Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. Distributor shall not be obliged to re-commence delivery of the Motor Fuels until Distributor is satisfied, in its sole discretion, that the hazard does not exist or has ceased to exist.
- e. The Dealer agrees :
 - (1) that if Distributor does or causes the doing of any act to remedy a hazard, whether or not the acts are required by law, the Dealer will pay Distributor for all costs and expenses incurred by Distributor for the doing of such act; and
 - (2) upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuel or other substance and so notify Distributor immediately if any such spillage is determined to have occurred and Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.
- f. Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential environmental hazards.

15. Loaned Equipment

- a. Distributor will loan to the Dealer the equipment listed in Schedule "D" hereto (the "Equipment") as and when it may be available for use on the Marketing Premises in the Dealer's business; and the Dealer hereby accepts such loan.
- b. Distributor shall have the right, in its sole discretion and from time to time, to replace, add to or substitute any one or combination of items of the Equipment.
- c. The Dealer shall:
 - (1) pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
 - (2) obtain all necessary permits, licences and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;
 - (3) not alter, part with possession of, or encumber, lease, or sell the Equipment;
 - (4) complete day to day maintenance and repair, including replacement of parts, of the Equipment unless Distributor advises the Dealer in writing that Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;

- (5) keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;
 - (6) comply with all laws applicable to the Equipment;
 - (7) be responsible for all damage caused to the Equipment by the gross negligence or willful act of any person or persons other than Distributor, its employees, contractors and agents;
 - (8) use the Equipment intended for storage, handling, advertising or displaying the Esso-branded motor fuels and the Petroleum Products, solely for such intended purpose;
 - (9) return to Distributor in good repair and operating condition, reasonable wear and tear excepted (i) all Equipment immediately upon the expiration or earlier termination of this Agreement and (ii) any Equipment replaced by Distributor for any reason immediately upon such replacement;
 - (10) for greater certainty, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (i) effect maintenance and repair of the Equipment and (ii) replace, add to or substitute any one or combination of items of the Equipment; and
 - (11) upon the expiration or earlier termination of this Agreement, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor, and the Dealer agrees not to affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a fixture of the Marketing Premises.
- e. The Dealer acknowledges that it has examined the Equipment provided to the Dealer as of the effective date of this Agreement and is satisfied therewith and shall indemnify Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of Distributor's negligence or a defect in the Equipment, provided the Dealer shall have given Distributor prompt written notice of such negligence or defect.

16. Compliance with Laws

Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits including those concerning the environment, hazardous substances or wastes, toxic substances, and occupational safety and health.

17. Indemnity

The Dealer agrees to indemnify and save harmless Distributor, its partners, directors, officers, employees, agents and affiliates and their respective directors, officers, employees, agents and affiliates (each an "indemnified party") from and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer's business on the Marketing Premises;

- b. the storage, handling and sale of the motor fuels on and from the Marketing Premises; and
- c. the Equipment.

The foregoing indemnity shall not include a claim arising out of, in respect of or in connection with the negligence or willful misconduct of an indemnified party.

18. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:
 - (1) a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and Distributor arising out of all the operations of the Dealer pertaining to the Dealer's business, whether or not conducted on or from the Marketing Premises with all inclusive limits of at least three million dollars (\$3,000,000) for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and
 - (2) a third party liability policy on all vehicles used in the Dealer's business, with all inclusive limits of at least one million dollars (\$1,000,000) for any one incident.
- b. The insurance policy referred to in subsection 18a.(2) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
- c. Upon written request by Distributor, the Dealer shall provide Distributor with a certificate of insurance and such other information as may reasonably be required by Distributor in a form satisfactory to Distributor as evidence of the insurance required under this Section. The insurance policies shall be endorsed to provide that in the event of any change in them which could affect Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to Distributor thirty (30) days prior to the effective date of any such change or cancellation.
- d. Distributor may amend this Section, in its sole discretion and from time to time, on the anniversary of the commencement date of this Agreement upon sixty (60) days' prior written notice to the Dealer.

19. Technology and Communications

If required by Distributor in writing from time to time, Dealer shall comply with the following:

- a. Install and maintain in good operating condition and at Dealer's expense at the Marketing Premises:
 - (1) a facsimile machine for sending and receiving written communications; and
 - (2) equipment that allows access to the internet or other electronic-transmission or data communications systems designated by Distributor from time to time.
- b. Subscribe, at Dealer's expense, at the Marketing Premises to a voicemail system for transmitting and receiving telephone communications.

- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition, replacement or updating of point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software.

20. Retail Credit and Debit System

The Dealer acknowledges receipt of an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer Business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor.

The Dealer shall pay to Distributor the following fee(s), which Distributor may amend, in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer:

G-Site data transmission fee: \$ [REDACTED] month.

eN-Touch fee: 1 unit(s) at \$ [REDACTED] month.

Manual Imprinter: Yes at \$ [REDACTED] month.

VSAT Satellite: 1 unit(s) at \$ [REDACTED] month

Speedpass "inside pay" pad: 1 unit(s) at \$ [REDACTED] month

The Dealer shall implement and utilize the retail credit and debit system(s) designated by Distributor, in its sole discretion and from time to time, to be used by its dealers and the Dealer further shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).

21. Termination

- a. Where the end of the term of this Agreement set out in Section 3 is later than the end of the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, or where the said Esso Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said Esso Branded Distributor Agreement, unless:
- (1) the said Esso Branded Distributor Agreement is extended, renewed or replaced; and
 - (2) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an Esso location.
- b. Distributor, in its sole discretion, shall have the right to terminate this Agreement between Dealer and Distributor immediately and without notice and demand immediate payment of all monies due it as follows:
- (1) In accordance with the applicable provisions of this Agreement; or

- (2) Bankruptcy proceedings are instituted by or against Dealer; control of Dealer's business or assets pass by law or otherwise to any person or representative other than Dealer; or
- (3) Dealer is in breach of a provision under this Agreement; or
- (4) Dealer fails to timely pay obligations due Distributor under this Agreement; or
- (5) Dealer is in default of any Third Party Credit Card Agreement entered into between the parties in connection with this Agreement, or in the event the Third Party terminates the Dealers use of the Third Party's credit card processing facilities for any reason whatsoever; or
- (6) Any intended indemnity, guarantee, or suretyship in connection with this Agreement is revoked or curtailed; or
- (7) If any motor fuel, other than the Esso-Branded motor fuels are kept, sold or otherwise dealt with on or from the Marketing Premises; or
- (8) If the Dealer fails to sell the Esso-branded motor fuels strictly in accordance with the grades and kinds designated in the Manual; or
- (9) The Dealer sells any Esso-branded motor fuel: (i) in bulk, (ii) to any person for resale, or (iii) to any person not using a government approved container; or
- (10) If the Dealer ceases to carry on the Dealer's business on or from the Marketing Premises; or
- (11) If the Dealer or any of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or any of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is made in respect of the Dealer or any of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed for the Dealer or any of the Guarantors, or if the Dealer or any of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an "insolvent person" as that term is defined in the Act; or
- (12) If the Dealer or any of the Guarantors shall at any time have any of the goods and chattels of the Dealer's business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of Distributor sell any of such goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer's business; or
- (13) If the Dealer fails to operate the Dealer's business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control; or

- (14) If the Dealer or any of the Guarantors is convicted of or pleads guilty to any criminal offense, whether or not related to the Dealer Business; or
 - (15) If the Dealer fails to maintain adequate inventory of the Motor Fuels at the Marketing Premises to meet the needs of its retail customers; or
 - (16) The Dealer or any of the Guarantors attempts to abandon the Marketing Premises or to sell or dispose of its goods or chattels otherwise than in the ordinary course of its business; or
 - (17) If the Dealer (i) is a corporation and a principal shareholder of the Dealer dies or becomes incapacitated or (ii) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes incapacitated; or
 - (18) If any applicable law now or hereafter in effect renders any provision of this Agreement unenforceable or unlawful.
- c. Upon the expiration or earlier termination of this Agreement for any reason, the Dealer shall immediately:
- (1) cease all use of the Proprietary Marks;
 - (2) pay to Distributor or any person, firm or corporation affiliated or associated with Distributor, all amounts and charges as have or will thereafter become due hereunder or under any other agreement between the Dealer and Distributor or any person, firm or corporation affiliated or associated with Distributor, and are then unpaid;
 - (3) return to Distributor all copies of the Manual then in the possession of the Dealer;
 - (4) notify the telephone company and all listing agencies of the expiration or earlier termination of the Dealer's right to use the Proprietary Marks and terminate all such listings using the Proprietary Marks;
 - (5) surrender the Equipment to Distributor; and
 - (6) at the request of Distributor, take all such action as may be necessary to cancel any trade or business name registration which contains any part of the Proprietary Marks under any applicable law and furnish Imperial with evidence satisfactory to it of compliance with the Dealer's obligation hereunder within thirty (30) days after the expiration or earlier termination of this Agreement.

Any termination of this Agreement pursuant to this Article shall be without prejudice to any other right (including any right of indemnity), remedy or relief vested in or to which Distributor may otherwise be entitled against the Dealer. All monies paid by the Dealer to Distributor under this Agreement or otherwise shall be retained by Distributor as consideration for the rights and benefits previously conferred on the Dealer hereunder and as liquidated damages. The foregoing remedy shall not exclude any of the remedies which Distributor may have at law or in equity by reason of the default, breach or non-observance by the Dealer of any provision of this Agreement.

22. Claims

- a. Neither Distributor nor Imperial Oil is liable to Dealer for shortages in quantity or quality unless Dealer notifies Distributor within 48 hours after delivery (or discovery in the case of latent defect for quality deficiencies) in writing setting forth fully the facts upon which any such claim for shortage in quantity or defect in quality is made and unless Distributor and/or Imperial Oil are

given a reasonable opportunity to inspect the Motor fuels concerning which any such claim is being made. Distributor's and/or Imperial Oil's liability with respect to any shortage in quantity shall be limited to an amount equal to the volume of any shortage multiplied by the Dealer's cost of motor fuel including delivery and taxes in effect for the delivery in question. Distributor and/or Imperial Oil's liability with respect to any defect in quality shall be limited to the cost of removing the defective motor fuels from the Marketing Premises at its own expense and replacing them without charge to the Dealer. Distributor and/or Imperial Oil shall not be liable for any special, indirect, or consequential damages to the Dealer for any shortage in quantity or defect in quality. All other claims by Dealer against Distributor or Imperial Oil including their affiliates and subsidiaries of any kind, whether or not arising out of this Agreement, are barred unless Dealer gives Distributor and/or Imperial Oil, as the case may be, notice within ninety (90) days after the event, act or omission to which the claim relates. Whether or not Dealer provides timely notice of a claim, any claim by Dealer is barred unless asserted by the commencement of a lawsuit naming Distributor and/or Imperial Oil as defendant in a court of competent jurisdiction within twelve (12) months after the event, act or omission to which the claim relates.

- b. Dealer recognizes that, at any time during the term of this Agreement, any of the grades or brands of motor fuels sold hereunder or any of the Proprietary Marks may be changed, altered, amended or eliminated. Dealer also recognizes that, at any time during the term of this Agreement, the quality or specification of any of the motor fuels sold hereunder may be changed or altered. If any such change or alteration materially affects the performance of such motor fuels or the needs of Dealer therefor for the purposes intended by Dealer, Dealer may terminate this Agreement as to any such motor fuels so affected on thirty (30) days' prior written notice to Distributor. However, Dealer may not terminate this Agreement for any change in quality or specification of any said motor fuels resulting from compliance with federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits. In the event that the manufacture of certain of the Esso-branded motor fuels sold hereunder is discontinued, Distributor shall notify Dealer of such an event and this Agreement shall terminate as to such motor fuels when such notice is effective.

23. Entire Agreement; Modifications

This Agreement, any documents referred to in this Agreement and any attachments to this Agreement constitute the entire, full and complete agreement between Distributor and Dealer concerning the subject matter hereof, and supersede all prior agreements relating to that subject matter. Except for any permitted to be made unilaterally by Distributor under this Agreement, no amendment, change or variance from this Agreement is binding on either party unless agreed in writing by Distributor's and Dealer's authorized representative. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by Distributor to the Dealer.

24. Miscellaneous

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective assigns. Any assignment of this Agreement by Dealer without Distributor's written consent shall be void. Distributor's right to require strict performance shall not be affected by any previous waiver or course of dealing. Neither this Agreement nor any modification or waiver shall be binding on Distributor unless in writing signed by an authorized representative. Past performance shall not be deemed a waiver of this requirement.

25. Guarantee

As consideration in part for Distributor entering into this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Guarantors and Distributor, the Guarantors hereby agree as follows:

- a. To unconditionally and irrevocably guarantee to Distributor, as a primary obligor, the due payment by the Dealer of all monies payable under this Agreement and any other obligations whatsoever by the Dealer to Distributor at the time or times appointed therefor, and the due observance and performance by the Dealer of all the covenants, terms, provisions, stipulations and conditions in this Agreement and any other obligations whatsoever to be observed and performed by the Dealer;
- b. To indemnify and save Distributor harmless from and against all costs, losses, expenses and damages it may suffer as a result of the Dealer's non-compliance with any term or condition of this Agreement;
- c. That this shall be a continuing guarantee and shall be binding upon the Guarantors after as well as before the Dealer's non-compliance with any term or condition of this Agreement, until all monies due under the Agreement have been fully paid and satisfied and all covenants, terms, provisions, stipulations, agreements and conditions observed, performed and carried out;
- d. Distributor shall not be bound to exhaust its recourse against the Dealer before requiring payment of any monies or the observance or performance of any obligations by the Guarantors and the Guarantors waive notice of demand for payment or performance, notice of default, protest and notice of protest and any and all other notices and legal and equitable defenses to which the Guarantors may be entitled;
- e. No release or releases and no indulgence or extensions of time or waiver granted by Distributor to the Dealer with respect to the observance or performance or any defaults or breaches of this Agreement by the Dealer nor any dealings between Distributor and the Dealer shall in any way modify, alter or prejudice Distributor or diminish or affect the liability of the Guarantors under this Agreement;
- f. The covenants and agreements herein entered into by the Guarantors are to be construed as both joint and several;
- g. The guarantee and the liability of each of the Guarantors hereunder is not affected by the death or loss or diminution of capacity of any of the Guarantors; and
- h. For clarification, this guarantee extends to and is binding upon each of the Guarantors and their heirs, executors, administrators, legal representatives and assigns, it being understood that this guarantee will continue to bind the Guarantors even if one or each of the Guarantors, as the case may be, cease to be involved, directly or indirectly in the Dealer Business or in the Dealer.

26. Notices

Any notice to be given hereunder:

- a. By Distributor to the Dealer and the Guarantors shall be conclusively deemed to have been given when addressed to the Dealer and: (i) delivered personally or by courier to the Marketing Premises; (ii) mailed by prepaid registered mail addressed to the Dealer at the Marketing Premises; or (iii) sent by electronic facsimile to the Dealer provided evidence of transmission is retained, and

- b. By the Dealer or the Guarantors to Distributor shall be conclusively deemed to have been given when addressed to the following address and: (i) delivered or mailed by prepaid registered mail to Distributor at the following address, or (ii) sent by electronic facsimile to Distributor, provided evidence of transmission is retained, at the following number:

5101, 333-96th Avenue NE
Calgary, Alberta T3K 0S0
Attention: Legal Services Department
Facsimile No.: (403) 567-2599

Any notice, if delivered personally or by courier shall be conclusively deemed to have been given when actually received, if mailed by prepaid registered mail, on the fifth business day following the deposit thereof in the mail or, if transmitted by electronic facsimile before 3:00 p.m. on a business day, on that business day and, if transmitted by electronic facsimile after 3:00 p.m. on a business day on the business day following the date of the transmission.

27. Quality Assurance

Dealer agrees to store, handle, sell and dispense the Esso-branded motor fuels purchased and sold hereunder in compliance with the procedures provided by Distributor from time to time.

28. Right of Entry

In addition to any other rights of Distributor under this Agreement, Dealer hereby permits Distributor, Imperial Oil and their respective affiliates, employees, agents, vendors, contractors and representatives to enter, during normal operating hours, the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement, to enforce any and all rights and remedies under this Agreement including taking action to preserve the integrity of the Proprietary Marks and determine Dealer's compliance with this Agreement. Neither Distributor nor Imperial Oil is liable to Dealer for any interference with Dealer's business as a result of Distributor or Imperial Oil entering the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement.

29. Survival

All obligations of the parties hereto which expressly or by their nature survive the expiration, earlier termination, permitted transfer and permitted assignment of this Agreement shall continue in full force and effect, until they are satisfied or by their nature expire.

30. Withholding Payments

The Dealer will not on the grounds of the alleged non-performance by Distributor of any of its obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to Distributor or any person affiliated with Distributor.

31. Further Assurances

The parties agree to diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

32. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the province or territory of Canada in which the Marketing Premises is located and the federal laws of Canada applicable therein.

33. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity of such provision in any other jurisdiction.

34. No Waiver

No waiver of any covenant, agreement or obligation in this Agreement shall be construed as a waiver of any succeeding breach thereof or of any other covenant, agreement or obligation in this Agreement, and no delay or omission on the part of any party to exercise any right acquired through the default of any other shall be construed as a waiver of or shall impair such right.

35. Compliance with Law; Workers Compensation; Environmental

- a. The Dealer shall fulfill all the duties imposed upon it by law and shall obey all laws, regulations, rules, by-laws and ordinances applicable to the Dealer's business and to the Marketing Premises, including without limitation the competition laws of Canada and all other applicable laws relating to competition.
- b. The Dealer shall: (i) comply fully, at the Dealer's sole expense, with provisions of the relevant Workers' Compensation legislation; and (ii) obtain for all the persons employed in the Dealer's business, including the Dealer and the principal shareholder(s) and interest holder(s) of the Dealer, as the case may be, the complete package of benefits available under the relevant Workers' Compensation legislation.
- c. The Dealer shall comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.

36. No Special or Consequential Damages

Distributor shall not be liable for any special or consequential damages or loss of profit arising from any breach of its obligations under this Agreement.

INTENTIONALLY LEFT BLANK

37. Independent Legal Advice

Each of the Dealer and the Guarantors acknowledges that it: (i) has had ample time to read and has read this Agreement and has been afforded the opportunity to retain independent legal advice to assist it in its review, execution and delivery of this Agreement; and (ii) has of its own free will either declined to do so or obtained independent legal advice.

EXECUTED as of the date first herein specified.

PARKLAND INDUSTRIES LTD.

PER: _____

PER: _____

2141962 ONTARIO INC.

PER: _____

PER: _____

Witness

Guarantor

SCHEDULE "A"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 2141962 Ontario Inc.

PAYOR'S AUTHORIZATION FOR PRE-AUTHORIZED DEBITS (Business Purposes)

1. The Payor hereby certifies the accuracy of the following information:

Name: _____ (the "Payor")
 Address: _____
 Town: _____
 Province: _____
 Postal Code: _____
 Telephone Number: _____
 Account: _____ (the "Account")
 Name of Payor's
 Financial Institution: _____ (the "Processing Institution")

2. Attached to this Authorization is a specimen cheque of the Payor marked 'VOID'.
3. The Payor will notify Parkland (the "Payee"), in writing, of any change in the information provided in Sections 1 and 2 of this Authorization thirty (30) days prior to the effective date of any such change.
4. The Payor hereby authorizes the Payee to draw on the Account with the Processing Institution (each a pre-authorized debit or ("PAD")) to facilitate the payment of any and all such monies owing by the Payor to the Payee, including without limitation any monies owing pursuant to the Motor Fuel Supply Agreement - Esso-Branded Motor Fuels among the Payee, the Payor and others.
5. The Payor represents and warrants that all persons whose signatures are required to authorize withdrawals from the Account have signed this Authorization and that all persons signing this Authorization are the authorized signatories and are duly authorized to execute this Authorization.
6. This Authorization may be cancelled by the Payor at any time upon written notice to the Payee.
7. The Payor acknowledges that executing and delivering this Authorization to the Payee constitutes delivery by the Payor to the Processing Institution.
8. The Payor and the Payee each hereby waive any and all PAD pre-notification requirements otherwise required by Rule H1 of the Canadian Payments Association ACSS Rules Manual.
9. The Payee may issue PADs in a dollar amount up to a maximum of \$ _____ per day.
10. The Payor acknowledges that the Processing Institution is not required as a condition to honouring a PAD issued to verify that a PAD has been issued in accordance with the particulars of the Authorization, including without limitation the amount of the PAD and that the consideration for the payment for which the PAD was issued has been received by the Payee.
11. The revocation of this Authorization by the Payee does not terminate any contract for goods or services that exists between the Payee and the Payor. This Authorization applies only to the method of payment and does not otherwise have any bearing on the contract for goods or services exchanged.
12. The Payor may dispute a PAD only under the following conditions:

- (1) the PAD was not drawn in accordance with this Authorization; or
- (2) this Authorization was revoked.

The Payor acknowledges that in order to be reimbursed, a declaration to the effect that one of foregoing circumstances occurred, must be completed and presented to the branch of the Processing Institution holding the Account up to and including 10 business days after the date on which the PAD in dispute was posted to the Account.

13. The Payee shall provide to the Payor notice and particulars of each PAD within 10 days following the date the Payee issues the PAD.
14. The Payor acknowledges that when disputing any PAD beyond the time allowed in this section it is a matter to be resolved solely between the Payor and the Payee, outside the payments system.
15. The Payor acknowledges that the information contained in the Authorization may be disclosed to the Payee's financial institution(s) as may be required or desirable to complete any PAD transaction.
16. The Payor understands and accepts the terms of participating in a PAD plan.

SCHEDULE "B"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 2141962 Ontario Inc.

OPERATING STANDARDS

The following operating standards for the Premises set out the Dealer's responsibilities with respect to safety and other operating procedures for the Premises and must be complied with strictly.

Operating Procedures

- Be aware of, and comply with, any applicable law relating to the operations on the Premises and any accounting and inventory management system requirements.
- Understand all duties in running the Premises.
- Ensure that the Dealer's employees understand the duties delegated to them.

Safety

The Dealer's employees must:

- Use safe work procedures when carrying out their duties.
- Be aware of and follow safe work practices when carrying out their duties.
- Be trained in the recognition and correction of hazardous conditions to avoid emergencies.
- Be aware and comply with applicable safety regulations.

Security/Robbery Prevention

- Take proper preventative measures to reduce the risk of robbery.
- Train the Dealer's employees in security and robbery prevention.
- The Dealer must train the Dealer's employees in the procedures to follow before, during and after a robbery.

Critical Equipment

- Know the critical equipment on the Premises.
- Ensure that the Dealer's employees are aware of the critical equipment on the Premises.
- Ensure that when critical controls are disarmed, appropriate communication takes place prior to such disarming and that such critical controls are re-activated.
- Follow appropriate procedures for disarming the critical equipment, including completing the form for the disarming or removal of critical controls and shutdown systems.

Emergency Response

- Post the emergency response plan wall chart on the Premises in a conspicuous place.
- Train Dealer's employees in emergency response. This should include a review of potential hazards and how to deal with them, and the operation and use of fire extinguishers.
- Have the required equipment and supplies to respond to emergency situations.
- Hold at least two practice drills each year using different emergency situations.
- Document the Dealer's employee training and practice drills.

Workplace Hazardous Materials Information System ("WHMIS")

- Educate and train all the Dealer's employees on the WHMIS program prior to their starting work on the Premises and provide documented evidence thereof.
- Ensure that all Material Safety Data Sheets for controlled products are current, available and accessible to the Dealer's employees.
- Conduct at least once per year a review of WHMIS with the Dealer's employees and provide a forum for the Dealer's employees to discuss any related concerns and issues.
- Ensure that all containers of controlled products are properly labeled.
- Ensure that all fill pipes, gauge pipes and valves are properly tagged.
- Keep an inventory list of controlled products on the Premises in those provinces where it is required.

Waste Management

- Be familiar with and comply with the applicable waste regulations.
- Dispose of waste generated at the Premises according to the applicable waste regulations.
- If required by applicable laws, have a signed contract with a licensed hauler for the removal of hazardous wastes from the Premises.
- Use only a licensed hauler to remove and transport hazardous waste from the Premises.
- Keep copies of all waste manifests on file for a minimum of 2 years, or longer if required by applicable laws.

Licences and Permits

- Have the necessary operating licences and permits to meet regulatory requirements.
- Have on the Premises all manuals required or advisable to operate the service station.

Incident Definition and Reporting

- Report specified incidents to the territory manager.
- Be aware of and understand the Dealer's responsibilities for reporting specific incidents directly to government agencies.
- Share the benefit of past incidents with the Dealer's employees.
- Document the incidents and keep them on file.

Training

- Provide initial and continuous training to all the Dealer's employees.
- If required by applicable laws, maintain training records for each of the Dealer's employees on the Premises.

Credit Card

- Follow the standards for credit card authorization and processing documented in the Credit Card Guide.
- Retain the credit card slips for:
 - 6 months for manual transactions; and
 - 12 months for electronic transactions.
- Provide copies of credit card slips to Imperial within the time requested.
- Submit manual slips on a timely basis.

Esso Extra Card

- Collect, use and disclose information gathered for use by Imperial in connection with the Esso extra card only in accordance with applicable laws.
- Display all point-of-purchase materials prescribed by Imperial in connection with the Esso Extra card.
- Ask each purchaser of applicable merchandise or services whether he or she has an Esso extra card. If so, whether he or she would like to use it and, if not, whether he or she would like to obtain an Esso extra card.
- Record and process the sales transactions of retail customers with an Esso extra card, using the Esso extra card.
- Maintain an adequate supply of merchandise redeemable by holder of Esso extra cards.
- Redeem valid Esso extra card reward certificates presented by retail customers for prescribed merchandise or services.

Record Retention

- Keep all relevant records on the Premises to be able to prove that you have taken the necessary steps to comply with applicable law.

SCHEDULE "C"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 2141962 Ontario Inc.

FACILITY REQUIREMENTS

Item	Description		"New" & >100K D1 Sites	Min Stds New	Min Stds Renewal Or Upgrade
Weather Canopy	Fascia	3D			
(Canopy required at all D1 & D2 sites only)		2D			
(Standards for all other sites with existing canopies)	Column Cladding	New Style (wide perpendicular to pump) Colour - Cambridge White by Color Steel Inc.			
		Current (wide facing pump) Colour to match Cambridge White by Color Steel Inc			
		None (steel column only) Colour to match Cambridge White by Color Steel inc.			
Pump/ Dispenser		Image 2000 (Blue Graphics for new gasoline dispensers - Red for existing)			
		Previous Esso			
		Pay at the pumps & Speedpass			
MID		New Image (Flag Type)			
		Previous Esso			
Painting	MID Structural Posts, Sign Frames	P - 5 White			
	Lighting poles, Posts, island fascia, Message Sign Frames	P - 13 Grey			
POS	G-Site				

	Operating retail automation system compatible with Imperial's card processing network	
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***Subject to MID sign permit availability

Definitions

3D	600mm illuminated Red Frameless Flexface Fascia with 300 non-illuminated white metal Fascia. C/W individually "ESSO" Red illuminated letters.
2D	900mm illuminated Frameless Flexface Fascia, 600mm high red and 300 mm White, with ESSO letters.
MID	Major Identification Sign
D-1 D-2	<p>Dealer Forecourt & Backcourt meeting the following requirements:</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards that can be upgraded to 3D, 3 Products with proper pump ID. Current Major Identification sign, Good Gas Location. • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics. • Forecourt: Canopy with proper I.D. Standards Minimum 2 (preferred 3) products with proper pump I.D. M.I.D. S/B goal post (minimum) but other to standard acceptable • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
100k	Market Area Population in 1000's


Changes To Brand Standards - Imperial may change its "Facility Requirements for Distributor Esso-Branded Outlets" from time to time. Imperial will notify the Distributor of all changes and the Distributor must comply with these changes for all future applications.

SCHEDULE "D"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 2141962 Ontario Inc.

EQUIPMENT

The following is a list of the Equipment:

Sign Type	Quantity
MID Inserts (1 per side)	
Canopy Inserts (1 per side)	
Price Panel	
VSAT	
Speedpass Pad	
Manual Imprinter	
eN-Touch POS device	

SCHEDULE "E"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 2141962 Ontario Inc.

CUSTOMER LOYALTY OBLIGATIONS

1. Participation

Dealer shall participate in the Esso Extra Win & Earn promotional program (the "Program") offered by Imperial to its Distributors, retailers and retail customers. Dealer shall comply with all requirements of the Program, including without limitation, the procedures, instructions and guidelines relating to the Program (the "Guidelines"), as provided or amended by Imperial to Dealer from time to time in its sole discretion. Without limiting the generality of the foregoing, Dealer shall:

- collect and communicate customer information to Imperial for Imperial's use only and in accordance with applicable laws and regulations (for greater certainty, Dealer shall not provide any customer information to any person other than Imperial nor shall Dealer use any customer information other than in accordance with the Guidelines or as otherwise directed by Imperial from time to time),
- ensure the Esso Extra card or the Royal Bank Esso VISA card is offered to each retail customer in accordance with the Guidelines,
- record and process sales transactions and the applicable Program points in accordance with the Guidelines for retail customers participating in the Program,
- redeem Program points as requested by customers at the Site for merchandise or services in accordance with the Guidelines,
- maintain an adequate supply of merchandise required to redeem Program points, or, if such merchandise is unavailable, maintain a supply of equivalent merchandise, and display all Program point-of-purchase promotional materials or signage at the times and in the manner prescribed by Imperial during the Program.

2. Electronic Reward Redemption Remuneration

The Distributor shall pay Dealer an amount (the "Reward Payment"), plus applicable taxes (other than income taxes), for each valid Program reward redeemed electronically at the Site in accordance with the Guidelines. The Reward Payment payable by the Distributor to Dealer shall be credited to Dealer's account with the Distributor on or about the 15th day and on or about the last day of each month. Distributor may change the manner and the time the Reward Payment is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Reward Payment shall be calculated by Imperial as the actual number of reward redemptions for each type of reward redeemed electronically by customers at the Site multiplied by the reward cost rate as determined solely by Imperial and documented in the Guidelines.

3. Promotional Program Fee

If applicable law permits, the Dealer shall pay Distributor a promotional program fee (the "Program Fee"), plus applicable taxes (other than income taxes). The Program Fee payable by Dealer to Distributor shall be debited directly from Dealer's account with the Distributor on or about the 15th day and on or about the last day of each month. Imperial may change the amount, manner and the time the Program Fee is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Program Fee shall be calculated as the number of points (the "Fee Points") awarded to customers for transactions made at the Site multiplied by the program rate (the "Fee Rate").

The Fee Points are the total of:

- the base points issued at a rate of one point per dollar spent,
- all bonus points issued for sales of different grades of gasoline or car washes, and
- points issued for offers unique to the Site as instituted or extended by Dealer.

For greater certainty, the Fee Points excludes:

- (i) promotional points issued via direct mail offers extended by Imperial to customers
- (ii) points issued to holders of the Royal Bank Esso VISA card at a rate of one point per dollar charged to the card regardless of the vendor where the card is used, and
- (iii) bonus points issued for the purchase of specific merchandise on the Site through a program instituted or extended by Imperial.

The Fee Rate is defined as:

Fuel products & services	\$	██████████	for each point issued
Convenience store products & services	\$	██████████	for each base point issued
Car wash products & services	\$	██████████	for each base point issued
Other products & services	\$	██████████	for each point issued
Vehicle repair bay products & services	\$	██████████	for each point issued

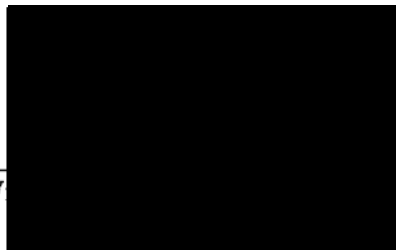
ADDENDUM

THIS ADDENDUM IS ATTACHED TO AND FORMS PART OF THE ESSO-BRANDED MOTOR FUEL SUPPLY AGREEMENT DATED EFFECTIVE **OCTOBER 1, 2012** AND MADE BETWEEN PARKLAND INDUSTRIES LTD., AS DISTRIBUTOR, AND 2141962 ONTARIO INC. AS DEALER AND [REDACTED] AS GUARANTORS.

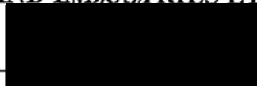
FORGIVABLE LOAN

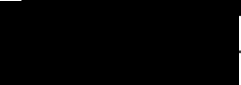
1. At the request of the Dealer, the Distributor will provide a forgivable loan up to a maximum of [REDACTED] **DOLLARS** to be used towards site improvements at the Marketing Premises. Such site improvements may include, but are not limited to, new EMV (Chip & Pin), compliant dispensing equipment and/or the purchase of the Passport POS system. The Dealer agrees the upgrades listed to be completed within one year of commencement of this agreement.
2. The said sum of \$ [REDACTED] will be earned by the Dealer in the following manner: every time a delivery of Esso Branded motor fuels is made by the Distributor to the Dealer at the time of payment by the Dealer for such delivery, the Distributor will forgive an amount equal to \$ [REDACTED] per litre for every litre of Esso Branded motor fuels delivered by the Distributor to the Dealer, subject to the following: if the Dealer discontinues the business of a retail petroleum fuels outlet at the Marketing Premises, or if said Esso-Branded Motor Fuels Supply Agreement is terminated or cancelled or expires at any time prior to its having been in full force and effect for a time sufficient for the Dealer to earn the said sum then the Dealer hereby promises to repay, on demand, to the Distributor that portion of the said sum of \$ [REDACTED] that has not been earned by the Dealer.
3. Prior to any advancement of funds:
 - (a) The Dealer will execute and deliver the Esso-Branded Motor Fuel Supply Agreement and this Addendum to the Distributor;
 - (b) The Dealer has provided a \$ [REDACTED] Bank Letter of Credit for additional security.
 - (c) The Dealer will cause to be delivered to the Distributor sufficient security in the form of:
 - (i) a Firm Irrevocable Letter of Credit (in form and content acceptable to the Distributor) issued by a recognized financial institution in the sum of \$ [REDACTED] or
 - (ii) a Collateral Mortgage in the principal amount of \$ [REDACTED] granted by the Borrower in favour of the Lender, on the Marketing Premises;
 - (d) The Dealer will provide the Distributor with the paid invoices of approved site improvements;

- (e) There is no event of default under this Agreement; and
- (f) There is, in the opinion of the Distributor, acting reasonably, no material adverse change in risk.

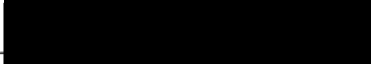
W 


PARKLAND INDUSTRIES LTD.

PER:  _____

PER:  *C. P. KIRBY*
V. P. ROYAK

2141962 ONTARIO INC.

PER:  _____

PER: _____


 Guarantor

PETROLEUM PRODUCTS SUPPLY AND PURCHASE AGREEMENT

THIS AGREEMENT made this 15th day of APRIL, A.D. 2014.

BETWEEN:

PARKLAND INDUSTRIES LTD.
236, 4919 - 59 Street
RED DEER, Alberta, T4N 6C9
(hereinafter called the "Seller")

- AND -

1632671 ONTARIO INC.
1625 Scugog Street
PORT PERRY, Ontario L6L 1K6
(hereinafter called the "Buyer")

THE SELLER AND BUYER (if more than one, jointly and severally) agree together as follows:

EXECUTION

1.01 Neither this Agreement nor any amendment or supplement thereto will be binding on the Seller unless and until it is signed on the Seller's behalf by the representatives duly authorized and a copy thereof so signed is delivered to the Buyer.

REPRESENTATION

2.01 The Buyer represents and warrants to the Seller, which representations and warranties the Seller is relying upon in entering into this Agreement, that the Buyer will not be in breach of any contractual obligation with any third party with respect to petroleum fuels purchased by the Buyer as a result of the Buyer entering into this Agreement.

PRODUCTS

3.01 The Seller will supply and the Buyer will purchase from the Seller all of the Buyer's requirements of light petroleum fuels for resale in the conduct of the Buyer's business (hereinafter called the "Business") on or from the lands and premises (hereinafter called the "Premises") legally described as follows:

LT 92 & PT LTS 91, 93, 94 & 95, PL 31 AS IN D489301 ;; TOWNSHIP OF SCUGOG

And municipally located at **1625 Scugog Street, Port Perry, Ontario.**

FUEL HANDLING EQUIPMENT

4.01 The Buyer will properly maintain in a safe condition all tanks, piping, dispensers, hoses, nozzles and connections in or through which light petroleum fuels is handled while under the Buyer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment"). The Seller may refuse to make delivery if it

believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a) The Buyer warrants and represents to the Seller that as of the commencement of this Agreement, the storage tanks, tight fill connections and dispensing equipment on the Premises are in good working condition and repair and meet regulatory requirements.
- b) The Buyer will keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Premises in good condition and repair, and to meet regulatory requirements. The Buyer will make all needed repairs and replacements promptly.
- c) The Buyer will comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.
- d) The Buyer will have in place on all underground motor fuels storage tanks the following equipment:
 - i) spill containment boxes; and
 - ii) overfill prevention valves.
- e) Notwithstanding any other provisions in this Agreement, if the Seller is required by law, or if in the Seller's reasonable opinion, the delivery to the Buyer of light petroleum fuels may constitute a hazard to life, property or the environment (a "hazard"), then the Seller may at any time and without liability therefore suspend or delay delivery of light petroleum fuels. The Seller will not be obligated to recommence delivery of the light petroleum fuels until the Seller is satisfied, in its sole discretion, that the hazard does not exist or has ceased to exist.
- f) The Buyer agrees:
 - i) that if the Seller does or causes the doing of any act to remedy a hazard, whether or not the acts are required by law, the Buyer will pay the Seller for all costs and expenses incurred by the Seller for the doing of such act; and
 - ii) upon completion of the delivery of any light petroleum fuels, the Buyer will inspect the Premises for any spillage of any light petroleum fuels or other substance and so notify the Seller immediately if any such spillage is determined to have occurred and the Buyer will immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.

- g) The Seller will have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Premises in response to actual or potential environmental hazards.

ENVIRONMENTAL CONTAMINATION & INDEMNIFICATION

4.02 The Buyer hereby assumes any and all environmental liabilities relating to the Premises, and the Buyer shall indemnify and save harmless the Seller its directors, officers, affiliated entities, employees, servants, agents, predecessors, successors or assigns against all actions, proceedings, claims, demands, losses, costs, damages and expenses of any nature which may be brought against or suffered by the Seller or which it may sustain, pay or incur as a result of or in any way connected with the environmental state or condition of the Premises or any decontamination or clean-up of any environmental contamination on or originating from the Premises whether such state or condition existed before, or arises on or after the commencement of this Agreement. Provided that, nothing contained in this clause shall obligate the Buyer to indemnify and save harmless the Seller for environmental contamination on the Premises and adjacent lands caused by or contributed to by the negligence, error or omission of the Seller, its agents or employees upon the Premises while the Seller is transferring petroleum products from its delivery trucks to the fuel storage tanks located at the Premises. This indemnification shall survive the expiration or earlier termination of this Agreement.

TERM

5.01 Subject to any rights of termination hereunder, this Agreement will be in effect for an initial term of **Ten (10) Years**, commencing on the **1st day of April, A.D. 2014**, and ending on the **31st day of March, A.D. 2024**.

5.02 If the Dealer purchases less than [REDACTED] litres during the term of this Agreement, Parkland will have the right to extend the term of this Agreement until such volume as been reached.

DELIVERY

6.01 In this Agreement "light petroleum fuels" means the types of light petroleum fuels described as follows:

- Regular Unleaded
- Mid-Grade Unleaded
- Premium Unleaded
- Low Sulphur Diesel

The term "light petroleum fuels" shall also include such other fuels similar to the foregoing fuels as may be carried by the Seller after the commencement of this Agreement.

6.02 The Buyer will order light petroleum fuels in orders of a minimum of [REDACTED] litres per delivery with each product ordered in amounts not less than [REDACTED] litres. Unless prior approval is received from the Seller to allow for fuel purchases in orders less than the said minimum of litres per delivery and less than [REDACTED] litres per product, then the Buyer agrees to pay such additional charges as may be levied on all deficient litres.

6.03 The Buyer will give not less than **48 hours** notice plus sufficient travel time for Seller's delivery trucks when placing orders, and the Seller will furnish transportation from the point of supply to the Premises. Any orders placed after 2:00 p.m. Mountain Standard Time (MST) will be deemed to have been received at 8:00 a.m. MST on the following business day and delivery time will be calculated from that time. If the Buyer gives less than the required minimum notice and delivery can be met then the Buyer agrees to pay such additional charges as may be levied by the Seller.

VOLUME

7.01 For the purposes of this Agreement, "Agreement Year" means the period commencing on **April 1st** in any calendar year and ending the following **March 31st**.

7.02 The volume of light petroleum fuels to be sold and delivered by the Seller to the Buyer during each Agreement Year will not be less than [REDACTED] litres.

7.03 The minimum purchase obligation is [REDACTED] litres during the term of this Agreement. Parkland will have the right to extend the term of this Agreement until such volume has been met.

7.04 For determining the quantities of light petroleum fuels purchased during any Agreement Year, the Seller's records of deliveries to the Buyer will be accepted as final.

7.05 It is agreed that the volumes of light petroleum fuels as outlined in clause 7.02 are only for retail sale to the automotive motor fuel trade at the Premises.

EXCESS REQUIREMENTS

8.01 If during any Agreement Year the Buyer's requirements for light petroleum fuels exceed the maximum annual volume in effect for such Agreement Year, the Seller will have the first option of supplying such excess volume, but if the Seller is unable to supply such excess volume, the Buyer may purchase its additional requirements from another supplier.

TERMINATION ON DEFICIENCY

9.01 If during any Agreement Year the Buyer fails to purchase the minimum volume of light petroleum fuels in effect for such year, the Seller may, in addition to other remedies, terminate this Agreement on thirty (30) days notice to the Buyer.

PRICE

10.01 The Buyer will pay to the Seller for light petroleum fuels sold hereunder the price in effect at the Seller's designated loading rack at the time that the light petroleum fuels are loaded for delivery to the Buyer, plus the cost of delivery, plus all applicable taxes. The light petroleum fuels prices will be established daily by the Seller and are subject to change at any time and without notice. In the event of a shortage or unavailability of the light petroleum fuels at the Seller's designated loading rack for any particular delivery to the Buyer, the Seller will use its best efforts to deliver light petroleum fuels from an alternate loading rack in order to complete the delivery and the Buyer agrees to pay for any increased costs required to complete such delivery.

10.02 Measurement of the volume of each delivery of the light petroleum fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15°C in accordance with normal industry practice.

PAYMENT TERMS

11.01 The terms of payment shall be **automatic bank withdrawals on the date of delivery** or on such other terms as the Seller may grant from time to time.

11.02 If at any time the Buyer fails to make any payment due to the Seller or an affiliate of the Seller, then, in addition to other remedies, the Seller may suspend deliveries until payment has been made or by notice to the Buyer, forthwith terminate this Agreement.

11.03 Title to, and property and ownership in, the light petroleum fuels shall be transferred to the Buyer upon delivery.

11.04 Whether or not title in the light petroleum fuels has passed to the Buyer, risk in all light petroleum fuels delivered hereunder shall pass to the Buyer upon delivery of such fuels into the Buyer's fuel storage tanks, and the Buyer assumes all responsibility and liability for loss or damage to the Buyer or others resulting from the handling and use of the light petroleum fuels after such fuel is delivered into the Buyer's fuel storage tanks.

11.05 The Seller will have the right from time to time to deduct or set off against any monies payable to the Buyer and to withhold from the Buyer any amounts owing by the Seller to the Buyer and to apply the said sums so withheld as payment for any amounts owing by the Buyer to the Seller under this or any other agreement between the Seller and the Buyer.

SECURITY INTEREST

12.01 For the purposes of paragraphs 12.02 through 12.05 "collateral" shall mean "all light petroleum fuels delivered by the Seller to the Buyer pursuant to this Agreement".

12.02 According to the *Personal Property Security Act* (Ontario) (the "PPSA"), a "purchase-money security interest" means, *inter alia*, "a security interest taken or reserved in collateral to secure payment of all or part of its purchase price"

12.03 By virtue of the PPSA and this Agreement, the Buyer confirms that the Seller has and shall continue to have a purchase-money security interest in the collateral and in any and all proceeds of whatever type or kind derived from any dealing with the collateral, which security interest is to secure payment of all sums owing by the Buyer to the Seller for the collateral and the performance of any and all present and future obligations of the Buyer to the Seller pursuant to this Agreement.

12.04 So long as the Buyer is not in default under any of its obligations under this Agreement, the Buyer shall have the right to sell the collateral in the ordinary course of business, but the proceeds of such sales shall be subject to any security interest created by the PPSA or this Agreement.

12.05 In the event of default by the Buyer to the Seller of any of its obligations pursuant to this Agreement, all amounts owing by the Buyer to the Seller will, at the option of the Seller, immediately become due and payable without demand or notice of any kind and the Seller may take immediate possession of any or all of the collateral, and the Buyer hereby consents to the entry by the Seller on any of his property and/or the Premises for this purpose and covenants to indemnify and save harmless the Seller from any liability arising out of any person entering the property and/or Premises for this purpose. The Seller may retain the collateral repossessed and commence proceedings or take such other steps as the law may provide against the Buyer for any amounts owing to the Seller by the Buyer for any collateral sold by the Buyer.

TAXES

13.01 Any tax, duty, charge or fee now or hereafter levied on the light petroleum fuels sold hereunder or required to be paid or collected by the Seller by reason of the delivery, sale or use thereof, will be paid by the Buyer in addition to the prices specified.

PRODUCTS LIABILITY

14.01 The Seller will have no liability to the Buyer for any defect in quality or shortage in quantity of the light petroleum fuels delivered by the Seller to the Buyer unless the Buyer within forty-eight (48) hours after delivery of the fuels in question gives the Seller notice setting forth full particulars of the Buyer's claim, and the Seller is given reasonable opportunity to inspect such fuels. However, the maximum liability to the Seller shall not exceed the value of its fuels delivered.

PREVENTION OF PERFORMANCE

15.01 If the Seller is prevented from or delayed in making deliveries, or the Buyer is prevented from or delayed in accepting deliveries hereunder due to any act of God, fire, riot, labour disturbance, weather or road conditions, earthquake, war, act of any government authority (whether foreign, domestic, dominion, provincial, county or municipal) or voluntary or involuntary compliance with any law, order, regulation, request or recommendation thereof, accident, total or partial failure of transportation, delivery vehicles or supplies or any other cause, except financial, beyond the control of the Seller or the Buyer (as the case may be) whether similar to the foregoing causes or not, the obligations of the Seller and Buyer to make and accept deliveries will be suspended during the period of such prevention or delay.

15.02 Subject to the rights of the parties set out in clauses 8.01 and 15.01, if the Seller's supply of any light petroleum fuels at the place from which deliveries are usually made is or will be insufficient at any time for the Seller to fill all orders which would normally be filled from such place, then, irrespective of the cause of such insufficiency, the Seller may at its option discontinue deliveries of such fuels or apportion deliveries among orders, received or anticipated, from the Buyer and from other purchasers in such manner as the Seller, in its sole discretion, determines, and the Buyer may in such event, temporarily make other supply arrangements for so long as insufficient delivery on the part of the Seller shall prevail.

REMEDIES

16.01 If the Buyer breaches any provisions of this Agreement or defaults in the payment of any indebtedness to the Seller, whether under this Agreement or otherwise, or if the Buyer becomes

bankrupt, insolvent or is dissolved pursuant to the Business Corporations Act of Ontario, or if the Seller, acting reasonably and in good faith, believes that the performance of the Buyer to keep the retail petroleum fuels outlet at the Premises open for business is impaired, the Seller may by written notice forthwith suspend deliveries of light petroleum fuels and suspend all loyalty programs granted herein or terminate this Agreement without prejudice to any other rights or remedies the Seller may have by law. If the Seller breaches any provisions of this Agreement or defaults in the payment of any indebtedness to the Buyer, whether under this Agreement or otherwise, or if the Seller becomes bankrupt, insolvent or is dissolved pursuant to the Business Corporations Act of Ontario, the Buyer may terminate this Agreement without prejudice to any other rights or remedies the Buyer may have hereunder or by law. Furthermore, if the Seller becomes unable to supply light petroleum fuels in accordance with this Agreement, the Buyer may temporarily make other supply arrangements for a period of thirty (30) days from the date of the Seller's inability to supply, after which period, if the Seller cannot then make alternate supply arrangements, the Buyer may, by written notice, forthwith terminate this Agreement.

CONTINUATION OBLIGATIONS

17.01 No suspension or termination of this Agreement pursuant to clauses 5.02, 9.01, 11.02, 15.01 or 16.01 will affect or be construed to release the Buyer from any obligations already accrued or obligations which arise upon termination of this Agreement.

USE OF SELLER'S TRADEMARKS

18.01 Under the direction of the Seller, and subject to the provisions of this Agreement, the Buyer will use the Seller's trademarks, trade names and colour scheme to identify and advertise any fuels purchased hereunder. The Buyer acknowledges that the Seller may during the course of this Agreement change its trademarks, trade names and colour scheme, and the Buyer will use such changed trademarks, trade names and colour scheme to identify and advertise any fuels purchased hereunder.

18.02 The Buyer will not sell or offer for sale under the Seller's trademarks, trade names or colour scheme any fuels other than those purchased hereunder or any mixture or adulteration of any fuels purchased hereunder with any other fuels or material.

18.03 If the Buyer ceases to purchase its entire supply of light petroleum fuels hereunder or if the Seller believes, on commercially reasonable grounds, that the Buyer through any act or omission is placing the Seller's trademarks, trade names and colour scheme in jeopardy and that any conduct of the Buyer in operating the Business reflects unfavourably on the goodwill of the Seller, or if the Seller decides, in its absolute discretion, that the Buyer's Business ceases to meet the Seller's criteria for a Race Trac Gas service station or if this Agreement terminates for any reason, the Buyer will immediately and completely discontinue the use of the Seller's trademarks, trade names and colour scheme and, if the Buyer fails to do so, the Seller may at the Buyer's expense enter the Premises and remove, obliterate, paint over or otherwise destroy the Seller's trademarks, trade names or colour scheme or any similarity of same.

18.04 All signs and other advertising devices furnished by the Seller to the Buyer will remain the Seller's property and, subject to the provisions of this Agreement, will be used solely in connection

with the Buyer's sale of fuels purchased from the Seller and will be returned to the Seller immediately upon demand, failing which, the Seller may enter the Premises and remove the same.

RIGHT OF FIRST REFUSAL

19.01 In the event that the Buyer receives a bona fide offer to supply light petroleum fuels for resale from another supplier for a fixed term and is in a position to terminate this Agreement pursuant to clause 5.02 herein, then if the Seller matches the terms of the offer, the Seller shall have the right to continue to supply the Buyer's need of light petroleum fuels for the period of time and the price outlined in the bona fide offer.

19.02 If at any time during the term of this Agreement or any renewal or extension thereof the Buyer determines to sell or otherwise dispose of the Business and/or the Premises, in whole or in part, or any property which includes all or any part of the Business and/or the Premises and receives a bona fide offer in writing, which he is willing to accept, he shall immediately notify the Seller and forward to him a copy of the offer, and within thirty (30) days thereafter, the Seller shall have the right to acquire the Business and/or the Premises from the Buyer at the price and under the terms and conditions set forth in the said offer. If the offer does not consist wholly of cash the Seller shall have the right to meet the terms of such offer with a reasonable equivalent in cash. In the event that the Seller declines to purchase the Business and/or the Premises under the terms and conditions set forth in the said offer, and the same is not completed, then this right of first refusal shall remain in effect for any future offers. In the event that the Seller declines to purchase the Business and/or the Premises under the terms and conditions set forth in the said offer, and the same is completed, then this right of first refusal shall remain in effect for any offers received by any successor of the Buyer.

INDEMNITY

20.01 Any person performing any duties or engaged in any work on the Premises or in connection with the Business at the request of the Buyer will be deemed to be an employee or agent of the Buyer, and the Seller will not be responsible for their acts, remuneration or omissions.

20.02 The Buyer shall have no authority to assume or create any obligation whatsoever, expressed or implied, in the name of the Seller, nor to bind the Seller in any manner whatsoever. The Buyer is not an employee of the Seller.

20.03 The Buyer will indemnify the Seller against any and all claims, loss and liability on account of injury to or death of any person or damage to property caused by or happening in connection with such acts or omissions or the condition, maintenance, possession, use or operation of the Premises or the conduct of the Business.

20.04 Such indemnification will survive the expiration or sooner termination of the term of this Agreement, notwithstanding anything in this Agreement.

WAIVER

21.01 The Seller's right to require strict performance of the Buyer's obligations hereunder will not be affected in any way by any previous waiver, forbearance or course of dealing.

ASSIGNABILITY

22.01 Neither this Agreement nor any claim against the Seller arising directly or indirectly out of or in connection with this Agreement is assignable by the Buyer or by operation of law without the prior written consent of the Seller, which will not be unreasonably withheld.

ENUREMENT INTERPRETATION

23.01 This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

23.02 Wherever the singular or masculine is used in this Agreement, the same will be construed as meaning the plural or the feminine or the body corporate or politic wherever the context or the parties may so require.

23.03 The marginal notes and headings herein are for the convenience of reference only and will not affect the scope, intent, or interpretation of any provision of this Agreement.

TIME

24.01 Time shall be of the essence of this Agreement and each and every part hereof.

NOTICES

25.01 Notices will be in writing and will be deemed given if delivered, upon delivery or will be deemed given if mailed, on the third business day following the mailing in any Government Post Office in Canada under prepaid registered cover addressed to the party to whom it is intended at such party's address mentioned on the first page of this Agreement or at the address of such party last known to the party giving such notice.

AGREEMENT ENTIRETY

26.01 This Agreement constitutes the entire Agreement between the parties and there are no Agreements, representations, conditions or warranties concerning the subject matter of this Agreement that are not merged herein or superseded hereby.

EQUIPMENT LOAN PROVISIONS**LOAN**

27.01 The Seller hereby loans to the Buyer the equipment described in the attached Schedule "A". The same may be amended from time to time by written amendment signed by the Seller and Buyer, but all equipment furnished by the Seller to the Buyer for use at the Premises during the currency of this Agreement will be subject to the provisions hereof, whether or not described in such Schedule or any amendments. All equipment from time to time subject to the provision of this Agreement is herein called the "Equipment".

USE

28.01 The Buyer will not transfer, assign, encumber or sell the Equipment; the Buyer will not remove or permit removal of the Equipment or any part from the Premises; he will be responsible for all repairs to the Equipment including but not limited to broken glass, ballasts, hoses and nozzles, retractor cables, belts and vandalism; he will maintain the Equipment in good repair and efficient

operating condition and will return the same to the Seller immediately upon the termination of this Agreement in as good condition as when received by the Buyer excepting only reasonable wear and tear not resulting from acts or omissions of the Buyer or the Buyer's employees, customers, agents or contractors.

28.02 The Seller or its agent will have the right to inspect, repair and paint the Equipment and to enter the Premises at any reasonable time for such purposes. Expenses for repair shall be at the expense of the Buyer.

28.03 The Buyer will place and maintain at the Buyer's sole expense insurance against fire and all other risks as are included in a standard fire and extended coverage contract in an amount equal to the full replacement value of the Equipment and public liability insurance in the amount of Two Million (\$2,000,000.00) Dollars. Each policy shall name the Seller as an additional insured. The Buyer shall obtain from each insurer a written undertaking to notify the Seller in writing at least 30 days prior to any cancellation of its policy. The Buyer shall, at the request of the Seller, provide the Seller with written evidence satisfactory to the Seller of the existence of the insurance policies described above.

CHARGES

29.01 The Buyer will pay all taxes, assessments, license, permits and inspection fees and other governmental charges on all Equipment and on the Buyer with respect to the possession or use in the business conducted on the Premises.

INDEMNITY

30.01 The Buyer will indemnify the Seller against any and all claims and liability for injury or death to persons or damage to property caused by or happening in connection with the Equipment or the condition, maintenance, possession or use thereof.

OWNERSHIP AND REMOVAL BY SELLER

31.01 The Equipment will remain the property of the Seller notwithstanding any attachment thereof to the Premises, and the Seller may enter the Premises and remove all or any part of the Equipment at any time during the term of this Agreement or within sixty (60) days after any termination or expiration thereof.

31.02 If after any termination or the expiration of this Agreement or any renewal periods, the Equipment or any part thereof remains on the Premises because the Buyer has purchased the same, the Buyer will immediately remove or cause to be removed the Seller's trademarks, trade names and colour scheme from the Equipment and, if the Buyer fails to do so, the Seller may enter the Premises and at the Buyer's expense remove the Seller's trademarks, trade names and colour scheme from the Equipment.

CREDIT CARD PROGRAM

32.01 The Seller agrees to provide and the Buyer agrees to use the Seller's standard Credit Card Program. The Buyer will be responsible for the following charges: **1.65%** credit card service charge for all Visa transactions; **1.65%** credit card service charge for all MasterCard transactions; **1.65%**

credit card service charge for all American Express transactions; █ % credit card service charge for all other credit card transactions and █¢ per debit card transaction. Such charges may be adjusted from time to time without notice. The Seller shall supply a Point of Sale Terminal at a rental rate of █ Dollars per month. This rental rate is subject to change from time to time without notice. The Buyer will provide a dedicated phone line for the Point of Sale Terminal.

LOYALTY PROGRAM(S)

33.01 The Buyer acknowledges that the Seller offers loyalty programs from time to time to help build traffic and customer acceptance of the operation of retail petroleum fuels outlets of which the Seller is the supplier of petroleum fuels. The Buyer has conveyed its desire, upon mutually acceptable terms, to participate in the Seller's loyalty programs as and when the same are offered.

ADDITIONAL TERMS

34.01 During the term of this Agreement and for each day of the operation of the retail petroleum fuels outlet, the Buyer will:

- a) Ensure that all employees on duty dress in such manner as may be prescribed by the Seller from time to time and agreed upon by the Buyer, acting reasonably;
- b) Keep the retail petroleum fuels outlet located on the Premises open for business from 6:00 a.m. to 9:00 p.m., 7 days per week, or between the hours or on such days as are agreed upon from time to time between the parties;
- c) Ensure that the level in each storage tank shall be measured and recorded. A water test of all storage tanks shall be completed and recorded daily. Any record of water in the tanks shall be communicated to the Seller;
- d) Ensure that an inventory reconciliation record for each storage tank showing the measurements in the above noted clause 34.01(c), a comparison of these measurements with meter readings and a computation of any gain or loss of liquid shall be retained for a period of at least two (2) years; and
- e) Keep the Premises clean and remove snow and garbage from the Premises.

34.02 The Seller shall have the right at anytime and from time to time to enter the Premises, without notice, to view the digital or mechanical readings from the Buyer's fuel pumps.



34.03 Attached hereto as Schedule "B" are further terms and conditions which are incorporated in and made a part of this Agreement, if any.

34.04 The Buyer acknowledges receipt of a copy of this Agreement and waives all rights to receive a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first above written.


PARKLAND INDUSTRIES LTD.

PER: 

PER: 

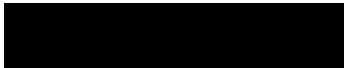

1632671 ONTARIO INC.

PER: 

print name

PER: _____

print name



SCHEDULE "A"

LIST OF LOANED EQUIPMENT

Attached to and forming part of the Petroleum Products Supply and Purchase Agreement made between **Parkland Industries Ltd.** and **1632671 Ontario Inc.**

QUANTITY



DESCRIPTION

- MID Inserts (1 per side)
- Canopy Inserts (1 per side)
- Price Panel
- Manual Imprinter
- Parkland POS device
- Hurricane Sign Frame
- Pump Topper Sign Frames

end of Schedule "A"

SCHEDULE "B"**ADDITIONAL TERMS**

Attached to and forming part of the Petroleum Products Supply and Purchase Agreement made between **Parkland Industries Ltd. and 1632671 Ontario Inc.**

FORGIVABLE LOAN

1. At the request of the Buyer, the Seller will provide a forgivable loan up to a maximum of [REDACTED] Dollars to be used towards the purchase and construction of upgrades and improvements at the Premises, such upgrades and improvements must be approved by the Seller.

2. The said sum of \$ [REDACTED] will be earned by the Buyer in the following manner: every time a delivery of light petroleum fuels is made by the Seller to the Buyer at the time of payment by the Buyer for such delivery, the Seller will forgive an amount equal to \$ [REDACTED] per litre for every litre of light petroleum fuels delivered by the Seller to the Buyer, subject to the following: if the Buyer discontinues the business of a retail petroleum fuels outlet at the Premises, or if said Petroleum Products Supply and Purchase Agreement is terminated or cancelled or expires at any time prior to its having been in full force and effect for a time sufficient for the Buyer to earn the said sum then the Buyer hereby promises to repay, on demand, to the Seller that portion of the said sum of \$ [REDACTED] that has not been earned by the Buyer.

3. Prior to any advancement of funds:

- (a) The Buyer will execute and deliver the Petroleum Products Supply and Purchase Agreement to the Seller;
- (b) The Buyer will provide the Seller with paid invoice(s) as proof of purchase prior to advancement of funds;
- (c) The Buyer will cause to be delivered to the Seller sufficient security in the form of:
 - (ii) a Firm Irrevocable Letter of Credit (in form and content acceptable to the Seller) issued by a recognized financial institution in the sum of \$ [REDACTED]
- (d) There is no event of default under this Agreement; and
- (e) There is, in the opinion of the Seller, acting reasonably, no material adverse change in risk.

DEALER PAYMENT

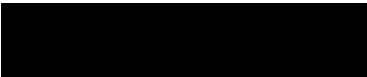
4. As consideration in part for the Buyer accepting the use of the Proprietary marks as set out herein, the Seller shall pay to the Buyer a payment in the amount of [REDACTED] cents per litre (plus applicable taxes) multiplied by the number of litres of the light petroleum fuels purchased by the Buyer from the Seller pursuant to this Agreement (the "Dealer Payment"). The Dealer Payment shall be calculated by the Seller based on the Sellers' records and paid by the Seller to the Buyer monthly in arrears within twenty (20) days immediately following the end of each month during the term of this Agreement.



5. The Seller shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days' prior written notice to the Buyer, if the Buyer fails to purchase eighty (80) percent of the Minimum Annual Volume in any contract year.

6. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Buyer shall not be in default in the observance or performance of any of the covenants or agreements contained in this Agreement; and (ii) this Agreement shall not have terminated.

end of Schedule "B"



ACKNOWLEDGMENT

Loaned Equipment

QUANTITY

DESCRIPTION



MID Inserts (1 per side)
Canopy Inserts (1 per side)
Price Panel
Manual Imprinter
Parkland POS device
Hurricane Sign Frame
Pump Topper Sign Frames

1632671 Ontario Inc., acknowledges that it has received the above marked items in good working condition for purposes of on loan only and accepts full responsibility for upkeep, maintenance and security of all above marked items as per the terms and conditions contained in the Petroleum Products Supply and Purchase Agreement made between **Parkland Industries Ltd.** and **1632671 Ontario Inc.**

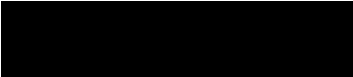
DATED MAY 5 , 2014.



1632671 ONTARIO INC.

PER:

PER:



GUARANTEE

TO: PARKLAND INDUSTRIES LTD.
236, 4919 – 59 Street
RED DEER, Alberta, T4N 6C9
(hereinafter called "Parkland")

RE: Guarantee of Corporate Indebtedness

The undersigned (hereinafter called the "Guarantor") being a principal of **1632671 Ontario Inc.** (hereinafter called the "Corporation") in consideration of Parkland granting or extending credit (the "Indebtedness") to the Corporation arising from any dealings between Parkland and the Corporation, present or future, direct or indirect, including but not limited to the purchase of petroleum products, including all accessories related thereto, do hereby for myself, my heirs, executors, administrators (and where there are more than one undersigned Guarantor, jointly and severally) unconditionally guarantee the payment when due of all Indebtedness, interest and penalties thereon, if applicable, owing to Parkland by the Corporation from time to time and unconditionally guarantee the performance of all obligations of the Corporation to Parkland. Parkland shall have the right at any time to take and release any collateral or other securities, to extend the time for payment by the Corporation or any person liable upon any collateral or other securities, to compromise or compound with the Corporation or to release the Corporation without notice to the Guarantor and without the Guarantor's consent and without discharging or effecting the liability of the Guarantor to Parkland.

Parkland shall not be bound to exhaust its recourses against the Corporation or other persons, or the securities Parkland may hold before being entitled to payment from the Guarantor.

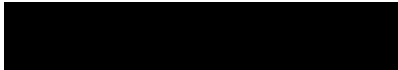
This Guarantee shall be a continuing Guarantee and shall extend to and be security for all the sums of money, indebtedness and other obligations which shall or at any time be due from the Corporation to Parkland.

GIVEN under hand and seal at Red Deer, in the Province of Ontario this 5th day of May, 2014.



Signature of Witness



Guarantor



AFFIDAVIT OF EXECUTION


CANADA) I, ,

))

PROVINCE OF ONTARIO) of Aurora in the Province of Ontario,

))

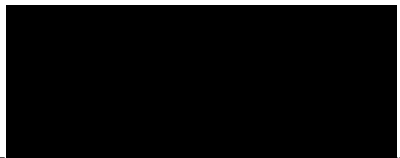
TO WIT) **MAKE OATH AND SAY:**

1. **THAT** I was personally present and did see  named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes therein.

2. **THAT** the same was executed at Aurora, in the Province of Ontario and that I am the subscribing witness thereto.


3. **THAT** I know the said  and he/she is in my belief of the full age of 18 years.

SWORN BEFORE ME at the City)
 of Burlington, in the Province)
 of Ontario, this 5th day)
 of May, A.D. 2014.)
 _____)



Signature of Witness
 Name: _____
 Address: 223 E. TIGARD
AURORA ONT L7T 4K7

A COMMISSIONER FOR OATHS in
 and for the Province of Ontario
 My Commission expires N/A

 a Commissioner, etc.
 Acting Deputy Clerk for The Corporation of
 The City of Burlington, Regional Municipality
 Of Halton.

Esso Ref # 303760
Pioneer Site # 779

**MOTOR FUEL SUPPLY AGREEMENT
ESSO BRANDED MOTOR FUELS**

This Agreement is made in triplicate, this 10th day of January, 2013 but effective as at **April 15, 2013**.


BETWEEN:

PIONEER ENERGY LP
By its General Partner,
PIONEER ENERGY MANAGEMENT INC.
a partnership existing under the laws of the Province of Ontario
having a Head Office at
1122 International Blvd., Suite 700, Burlington, Ontario L7L 6Z8
(hereinafter called "Distributor")

- and-

1059945 Alberta Inc.
(hereinafter called "Dealer") having a retail motor fuels outlet
located at **10 Main St., Neepawa, Manitoba R0J 1H0**
(herein after called the "Marketing Premises")

- and-


business persons in the Province of Ontario having their
principal residence at
(hereinafter called the "Guarantor")

WHEREAS, based on its marketing strategies, Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("**Imperial Oil**") has established the following core values (the "**Core Values**"), namely

- to deliver quality products that customers can trust;
- to employ friendly, helpful people;
- to provide speedy, reliable and friendly service;
- to provide clean, attractive and well maintained retail facilities; and
- to be a responsible, environmentally conscious neighbour.

AND WHEREAS the Distributor is engaged in the sale and distribution of Imperial Oil's high quality petroleum products marketed under the nationally and internationally known ESSO trade mark;

AND WHEREAS the Dealer is building or operates a retail motor fuels outlet at **10 Main St., Neepawa, Manitoba R0J 1H0** and being legally described as See Schedule "G" (such lands and retail motor fuels outlet being hereinafter called the "**Marketing Premises**");

AND WHEREAS the Dealer desires to carry on, in accordance with this Agreement, the business of the buying of Imperial Oil's high quality petroleum products marketed under the nationally and internationally known ESSO trade mark and selling such petroleum products to retail customers on and from the Marketing Premises (the "**Dealer Business**");

AND WHEREAS the Guarantor has agreed to guarantee the obligations of the Dealer under this Agreement as consideration, in part, for the Distributor entering into this Agreement;

NOW THEREFORE the Distributor and the Dealer agree as follows:

1. Grant

The Distributor, under an Esso Branded Distributor Agreement with Imperial Oil (the "**Esso Branded Distributor Agreement**"), has the right to grant to the Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the provisions of this Agreement, the Distributor grants to the Dealer the right to use the "Esso" mark and such other proprietary marks specified by Imperial Oil from time to time (the "**Proprietary Marks**") in connection with the sale of Esso Branded Motor Fuels (as hereinafter defined) from the Marketing Premises and, subject to the provisions of this Agreement, the Dealer accepts the grant of such right to use of the Proprietary Marks in connection with the sale of Esso Branded Motor Fuels from the Marketing Premises. The Dealer shall at all times conduct the Dealer Business in a manner consistent with the Core Values and shall comply with Imperial Oil's business standards and policies, including, without limitation Imperial Oil's Imperial Dealer and Distributor Site Operations Manual as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by the Distributor from time to time. **NOTHING IN THIS AGREEMENT HOWEVER SHALL BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN THE DEALER AND IMPERIAL OIL AND THAT THE DEALER'S RELATIONSHIP IS EXCLUSIVELY WITH THE DISTRIBUTOR.**

2. Related Businesses

During the term of this Agreement the Dealer may wish to operate, in addition to the Dealer Business, additional businesses (the "**Related Businesses**") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, the Distributor's trademarks, the Dealer's own trademarks or third party trademarks. The operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the Esso Branded Motor Fuels and Proprietary Marks. Accordingly, the Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by the Distributor to the Dealer from time to time. If the Dealer fails to comply with this Agreement or any such requirements, without limiting the Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, the Distributor may require the Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Commencement Date (as hereafter defined), the Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.

3. Term

See Schedule "H".

4. Product Quantities

- a. Subject to the provisions of this Agreement, the Dealer shall purchase from the Distributor and the Distributor shall sell to the Dealer the Dealer's entire requirements of motor fuels for sale at the Marketing Premises in the quantities, at the prices and terms set out herein (the "Esso Branded Motor Fuels"). The Esso Branded Motor Fuels purchased by the Dealer from the Distributor shall be for resale at the Marketing Premises only. The Dealer shall at all times have available for sale at the Marketing Premises such quantities of the Esso Branded Motor Fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.
- b. The minimum annual volume of Esso Branded Motor Fuel the Dealer is expected to purchase during any contract year ("**contract year**" meaning the consecutive twelve (12) months beginning on the Commencement Date and during each subsequent consecutive twelve (12) month period) is See Schedule "H" (the "Minimum Annual Volume"). The Minimum Annual Volume shall be subject to any changes

prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil or the Distributor.

- c. In each contract year, the Dealer must purchase from the Distributor a minimum of **eighty percent (80%)** of the Minimum Annual Volume for Esso Branded Motor Fuel. Should the Dealer fail, in any contract year, to purchase **eighty percent (80%)** of the Minimum Annual Volume of Esso Branded Motor Fuels, the Distributor may terminate or not renew this Agreement upon giving sixty (60) days prior written notice to the Dealer and the Guarantors.

5. Right of First Refusal

- a. The Dealer hereby grants to the Distributor the right of first refusal to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of any bona fide written offer received by the Dealer during the term of this Agreement which the Dealer is willing to accept. This right of first refusal shall include any offer to Purchase made by the Dealer to the Registered Owner of the Marketing Premises where the Dealer is a Tenant. The Dealer shall send such written offer to the Distributor in the manner provided herein for the giving of notices and the Distributor shall have thirty (30) days from the receipt of such written offer in which to notify the Dealer that it elects to purchase, lease or sublease (as the case may be) the Marketing Premises on the terms of such offer. If the offer does not consist wholly of cash, the Distributor shall have the right to meet the terms of such offer with a reasonable equivalent in cash. In the event the Distributor does not exercise its rights hereunder, the Dealer shall be free, after the end of said period of thirty (30) days, to sell, lease or sublease (as the case may be) the Marketing Premises on the terms contained in the bona fide written offer but subject to the terms of this Agreement including this option.
- b. In the event the Distributor exercises its rights to purchase, lease or sublease (as the case may be) the Marketing Premises, this Agreement, together with any other related agreements, shall terminate on the date of closing or completion of the transaction.
- c. In the event the Distributor does not exercise its right to purchase, lease or sub-lease the Marketing Premises (as the case may be) as hereinbefore set forth, the Dealer may sell, lease or sub-lease the Marketing Premises on the terms and conditions contained in the bona fide written offer conditional upon and subject to:
 - i. receipt by the Dealer of the express written consent of the Distributor to such sale, lease or sub-lease. The Dealer Acknowledges that such consent maybe withheld or refused by the Distributor based upon such consideration as the Distributor may, in its sole and absolute discretion, determine including but not limited to the financial condition of the purchaser/tenant/sub-tenant; and
 - ii. the purchaser, tenant or sub-tenant (as the case may be) executing an agreement with the Distributor to assume all obligations of the Dealer under the within Supply Agreement or in the alternative such purchaser, tenant or sub-tenant executing a new Supply Agreement with the Distributor on such terms and conditions as are satisfactory to the Distributor; and
 - iii. such purchaser, tenant or sub-tenant providing satisfactory security to the Distributor, as in the Distributor's sole discretion may be required, to obtain the Distributor's consent referred to (i) above; and
 - iv. payment in full by the Dealer to the Distributor of all monies or other obligations owned by the Dealer to the Distributor; and
 - v. payment by the Dealer to the Distributor of all costs, charges or other expenses whatsoever (including but not limited to all legal and administrative costs of the Distributor) incurred by the Distributor to consider, review, facilitate and/or implement the foregoing; and
 - vi. the Distributor's legal counsel being satisfied as to the form and content of all documentation to satisfy the foregoing;

In the event the Dealer proceeds with any sale, lease or sub-lease of the Marketing Premises without full compliance with the foregoing requirements, the Dealer shall be deemed to be in breach of the Dealer's obligations under this Agreement and the Distributor shall be at liberty to pursue its remedies against the Dealer as a result of such breach, including but not limited to those remedies as set forth in paragraph 21 herein.

For purposes of the foregoing, any change of control, transfer, assignment, amalgamation or other dealing whatsoever with the shareholdings of the Dealer or corporate parent of the Dealer shall be deemed to be a sale of the Marketing Premises and require compliance by the Dealer of all terms and conditions as set forth in this paragraph 5.

- d. As a condition precedent to the Distributor allowing the Dealer to sell, lease or sublease (as the case may be) the Marketing Premises and the Dealer Business thereon to a third party, the Dealer shall execute and deliver to the solicitor acting on the Dealer's behalf, in such transaction, an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, such amounts of money as are then due and owing to the Distributor by the Dealer. In the event the proceeds of the transaction paid to the Distributor are insufficient to extinguish the Dealer's indebtedness to the Distributor, the Dealer shall, notwithstanding such sale, lease or sublease (as the case may be) continue to be liable to the Distributor for any remaining indebtedness.

6. Assignment, Sale of Business

- a. The Dealer shall not sell, assign, transfer or otherwise dispose of or deal with, whether absolutely, by way of security or otherwise, any or all of its rights or obligations under this Agreement without the prior written consent of the Distributor, which consent is conditional upon and subject to the provisions of paragraph 5 c. Any assignment or transfer made without the prior written consent of the Distributor shall be void. For the purposes of this Section, if the Dealer is not an individual, a change of control of the Dealer shall be deemed to be a transfer of the Dealer's interests in this Agreement.
- b. The Dealer shall not to sell, lease, sublease or part with possession of the Marketing Premises or the Dealer Business or the shares in the Dealer, in any manner, unless and until the Distributor has received at least thirty (30) days' prior written notice of the Dealer's intention to do so.
- c. The Distributor shall have the right to sell, assign, transfer or otherwise dispose of or deal with any or all of its rights or obligations under this Agreement. If any such sale, assignment, transfer or disposition occurs, the Distributor shall be released from any liability under this Agreement for the rights or obligations sold, assigned, transferred or disposed of, except to the extent that such rights or obligations relate to periods prior to such sale, assignment, transfer or disposition.

7. Price and Terms of Sale

- a. The Dealer shall pay the Distributor for the Esso Branded Motor Fuels purchased pursuant to this Agreement, the price thereof in effect at the Distributor's designated loading rack at the time that the Esso Branded Motor Fuels are loaded for delivery to the Dealer plus the cost of delivery and all applicable taxes. The Esso Branded Motor Fuels prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. In the event of a shortage or unavailability of the motor fuels at the Distributor's designated loading rack for any particular pick-up to the Dealer, the Distributor shall use reasonable commercial efforts to deliver Esso Branded Motor Fuels from an alternate loading rack and the Dealer shall pay for any increased costs required to complete such delivery.
- b. Measurement of the volume of each delivery of the Esso Branded Motor Fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15 degrees Celsius in accordance with normal industry practice.
- c. All purchases of the Esso Branded Motor Fuels, shall be paid by the Dealer upon or before delivery, in immediately available funds as set out herein, unless the Distributor, in its discretion and from time to time, grants credit terms to the Dealer. If the Distributor grants credit terms to the Dealer, such credit terms may

be amended by the Distributor in its discretion upon written notice from time to time. If the Distributor grants credit terms to the Dealer and the Dealer accepts delivery of any Esso Branded Motor Fuels in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation paying interest on overdue accounts at rates to be determined by the Distributor from time to time. The Distributor reserves the right to withhold any amounts due by the Distributor to the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its discretion and without notice decline to make delivery to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.

- d. Subject to the Distributors right to, from time to time, grant and amend credit terms, including rates of interest, as provided in (c) above, the Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to the Distributor by the Dealer pursuant to this Agreement: (i) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by the Distributor, in its discretion, from time to time; and (ii) may be collected by the Distributor by pre-authorized debit in the manner set out in Schedule "A" or by wire transfer.
- f. The Dealer shall, from time to time, execute and deliver to the Distributor an authorization for pre-authorized debit in the form of Schedule "A" in order to facilitate the collection of payments pursuant to this Section. The Distributor may amend Schedule "A" in its sole discretion and from time to time, upon thirty (30) days' prior written notice to the Dealer.
- g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer's business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. The Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
- h. The Distributor agrees that, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, the Distributor will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

8. Delivery

- a. Delivery of the Esso Branded Motor Fuels will be by tank truck into the Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the Esso Branded Motor Fuels shall pass to the Dealer as it is discharged from the Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.
- b. The Dealer shall ensure that the Distributor's tank truck will at all times have unimpeded access to the fill pipes and storage tanks while making any delivery to the Marketing Premises.
- c. The Dealer will notify the Distributor of any required delivery of Esso Branded Motor Fuels in accordance with the Distributors written ordering and delivery procedures. The Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. The Dealer will only order deliveries of not less than See Schedule "H", the "deemed full truck load". The Dealer shall accept delivery of the Esso Branded Motor Fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributors ordering and delivery procedures.
- d. Upon the dispatch of a delivery vehicle by the Distributor to deliver the Esso Branded Motor Fuels to the Marketing Premises, the Dealer shall either accept the delivery of a "deemed full truck load" of the Esso

Branded Motor Fuels (or less than a "deemed full truck load" of the Esso Branded Motor Fuels only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to the Distributor all the reasonable costs incurred by the Distributor in connection with any delay or aborted delivery.

- e. The Distributor shall not be required to deliver to the Dealer the Esso Branded Motor Fuels in any quantity less than a "deemed full truck load", which shall be determined in each case by the Distributor in its discretion from time to time. If the Dealer requests the delivery of and the Distributor delivers the Esso Branded Motor Fuels in a quantity less than a "deemed full truck load", then the Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however, the delivery by the Distributor of the Esso Branded Motor Fuels in a quantity less than a "deemed full truckload" on any one or more occasions shall not require the Distributor to deliver Esso Branded Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the discretion of the Distributor from time to time.

9. Product Control

- a. The Dealer shall exercise the highest degree of care in handling, storing, selling and using the Esso Branded Motor Fuels delivered to the Marketing Premises. The Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any Esso Branded Motor Fuels (including without limitation, the blending of such motor fuels with ethanol). The Dealer shall not sell from the Marketing Premises Esso Branded Motor Fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. The Distributor may refuse access by the Dealer to the Distributor's loading racks, the Dealer's until, in Distributor's judgment, any deficiencies in the quality of Esso Branded Motor Fuels at the Marketing Premises are corrected.
- b. Access to Premises. The Dealer grants Distributor and Imperial Oil (including their employees, agents and contractors) the right to enter the Marketing Premises during normal business hours to examine the contents of the Dealer's storage tanks in which said Esso Branded Motor Fuels purchased hereunder are handled or stored. The Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to the Dealer's obligations under this Agreement.

10. Contingencies

No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any covenant, agreement or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to the Distributor or to Imperial Oil or any person affiliated with the Distributor under this Agreement) if such default or non-performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any delays in or failure of performance by the Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request or control of any governmental authority; or
- b. When the supply of Esso Branded Motor Fuels at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by the Distributor is interrupted, unavailable or inadequate for any reason or cause which the Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of Esso Branded Motor Fuels to be sold under this Agreement by allocating its available supply of Esso Branded Motor Fuels among its customers, itself, and its related and subsidiary companies in such manner as it may in its discretion determine and the Distributor shall not be obliged to obtain or purchase other supplies of the Esso Branded Motor Fuels to make up any such shortage.

11. Proprietary Marks

- a. The Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for the Dealer's use and shall only use such marks to designate the origin of the Esso Branded Motor Fuels and otherwise in the manner authorized and instructed by the Distributor from time to time. THE DEALER AGREES THAT MOTOR FUELS AND PETROLEUM PRODUCTS OF OTHERS WILL NOT BE SOLD BY THE DEALER UNDER SUCH PROPRIETARY MARKS. If, in the opinion of the Distributor, any samples taken by the Distributor or Imperial Oil under this Agreement are not Esso Branded Motor Fuels, or are not in the condition in which sold by the Distributor, or any documents and records reviewed by the Distributor or Imperial Oil show the Dealer has failed to comply with its obligations hereunder, the Distributor may, at its option, de-brand (as described in Section 17b.) the Marketing Premises and/r cancel and terminate this Agreement.
- b. By written notice to the Dealer, the Distributor may withdraw its approval to: (i) brand the Marketing Premises ("de-brand") or (ii) use or operate any motor fuels business or Related Businesses at the Marketing Premises, if, in the Distributor's judgment: (i) the Marketing Premises (or the motor fuels business and/or Related Businesses) fails to portray the image and standards expected from Esso Branded Retail Outlets; or (ii) The Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If the Distributor de-brands the Marketing Premises, withdraws its approval to use or operate the motor fuels business or Related Businesses at the Marketing Premises, upon expiration or termination of this Agreement, or upon demand being made by the Distributor, the Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from the Distributor, consisting in whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.
- d. The Dealer agrees to take no action that will diminish or dilute the value of the Proprietary Marks. The Dealer shall not sell non-Esso Branded Motor Fuels under any of the Proprietary Marks, including without limitation, any Esso-identified canopy or at any fuelling island where the Dealer is selling Esso Branded Motor Fuels.
- e. The Dealer shall not use the Proprietary Marks as part of the Dealer's corporate or other name.
- f. The Dealer hereby consents that the Distributor or Imperial Oil may remove or paint over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the Esso trade name, trade-marks, signs and advertising items, prior to the expiration or earlier termination of this Agreement.

12. Customer Service & Operating Standards

- a. The Dealer shall ensure that the Marketing Premises meets the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits), failing which the Dealer shall lose the right to use or display Proprietary Marks at the Marketing Premises:
 - i. Paved driveways with safe and good ingress and egress;
 - ii. Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances;
 - iii. Clean premises free of debris, trash and fire hazards;
 - iv. Modern restrooms for men and women available to the general public; and
 - v. Offer two (2) grades of Esso Branded Motor Fuels;

- vi. Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and
 - vii. Compliance with applicable operating standards as described in Schedule "B", and facility standards as described in Schedule "F" ("**Facility Requirements**"), which are incorporated into and made a part of this Agreement.
- b. While using any Proprietary Marks, the Dealer shall:
- i. render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct the Dealer Business and any Related Businesses in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the Esso Branded Motor Fuels sold hereunder;
 - ii. provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers;
 - iii. keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies;
 - iv. assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the Esso Branded Motor Fuels during such hours each day and days a week as are reasonable considering customer convenience, competitive conditions and economic consequences to the Dealer;
 - v. purchase, maintain, and display an adequate quantity of Esso Branded motor oils, lubricants, greases, anti-freeze, and other petroleum products and related products (the "Petroleum Products") for resale from the Marketing Premises to meet the needs of the Dealer's retail customers from time to time. As the Distributor is not a distributor of Petroleum Products the Dealer shall purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area;
 - vi. keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers; and
 - vii. shall ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. The Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by the Distributor to cure, continues to be in violation of this Section.
- d. The Dealer shall not permit at the Marketing Premises:
- i. any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits;
 - ii. the sale or use of illegal drugs or drug paraphernalia; or
 - iii. the sale of any pornographic material or other material that the Distributor determines may be offensive to the general public.
 - iv. the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits relating to youth access to tobacco products. The Dealer shall promptly advise the Distributor of any charges or notifications of violations received at the Marketing Premises from

any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.

- e. The Dealer shall at all times comply with any operations manual and/or books, pamphlets, tapes, videos, memoranda, menus, recipes, directives, instructions and other materials prepared by or on behalf of Imperial Oil and provided to the Dealer by either the Distributor or Imperial Oil, whether in written, machine readable or any other form (collectively, the "**Manual**") setting out the standards, including without limitation, operating standards, methods, procedures, techniques and specifications, established by Imperial Oil from time to time for the retail sale of Esso Branded Motor Fuels and Petroleum Products, as same may be amended or supplemented from time to time. The provisions of the Manual applicable to the Dealer Business are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to the Distributor promptly upon request and, in any event, upon the expiration or termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's prior written consent. It is understood that the entire content of the Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. Both during the term of this Agreement and after the expiration or termination of this Agreement, the Dealer shall maintain the absolute confidentiality of the entire content of the Manual and shall not disclose any such content for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer Business in accordance with this Agreement. Further, the Dealer shall not use any such content, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

13. No Exclusive Marketing Rights

This Agreement does not give the Dealer an exclusive right in any market or geographic area to sell Esso Branded Motor Fuel or conduct the Dealer Business or any Related Businesses. It is understood that the Distributor and Imperial Oil may, directly or indirectly, compete with the Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks (the "**Trademarks**"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, the Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the Dealer Business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling Esso Branded Motor Fuels, other branded motor fuels or operating businesses the same or similar in kind as the Dealer Business or Related Businesses, other retail outlets, enterprises or other businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

14. Fuel Handling Equipment

- a. The Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under the Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "**Fuel Handling Equipment**"). The Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.
- b. On the Commencement Date the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises shall be in good condition and repair and meet regulatory requirements.

- c. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and meet regulatory requirements. All needed repairs and replacements shall be made promptly by the Dealer.
- d. The Dealer shall have in place on all underground motor fuels storage tanks spill containment boxes and overfill prevention valves. The Dealer shall, at all times, keep such equipment in good operating condition and repair.
- e. Notwithstanding any other provision in this Agreement, if the Distributor is required by law, or if in the Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "Hazard"), then the Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. The Distributor shall not be obliged to re-commence delivery of the motor fuels until the Distributor is satisfied, in its discretion that the Hazard does not exist or has ceased to exist. If the Distributor does or causes the doing of any act to remedy a Hazard, whether or not the act is required by law, the Dealer shall pay the Distributor for all costs and expenses incurred by the Distributor for the doing of such act and, upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuels or other substances and notify the Distributor immediately if any such spillage is determined to have occurred. If spillage is determined to have occurred, the Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spillage.
- f. The Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential Hazards.

15. Loaned Equipment

- a. The Distributor will loan to the Dealer the equipment listed in Schedule "C" hereto (the "Equipment") as and when it may be available for use on the Marketing Premises in the Dealer Business; and the Dealer hereby accepts such loan of Equipment.
- b. The Distributor shall have the right, in its discretion, to, from time to time, replace, add to or substitute any one or combination of items of the Equipment.
- c. The Dealer shall:
 - i. pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
 - ii. obtain all necessary permits, licenses and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;
 - iii. not alter, part with possession of, or encumber, lease or sell the Equipment;
 - iv. complete day to day maintenance and repair, including replacement of parts, of the Equipment unless the Distributor advises the Dealer, in writing, that the Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;
 - v. keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;
 - vi. comply with all laws applicable to the Equipment;
 - vii. be responsible for all damage caused to the Equipment by the gross negligence or willful act of any person or persons other than the Distributor, its employees, contractors and agents;

- viii. use the Equipment intended for storage, handling, advertising or displaying the Esso Branded Motor Fuels and the Petroleum Products, solely for such intended purpose.
 - ix. return to the Distributor in good repair and operating condition, reasonable wear and tear excepted (I) all Equipment immediately upon the expiration or termination of this Agreement and (II) any Equipment replaced by the Distributor for any reason immediately upon such replacement;
 - x. for greater certainty, permit the Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (I) effect maintenance and repair of the Equipment and (II) replace, add to or substitute any one or combination of items of the Equipment; and
 - xi. upon the expiration or termination of this Agreement, permit the Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor and the Dealer shall not affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a fixture of the Marketing Premises without each person now or hereafter having an interest in the Marketing Premises first executing an acknowledgement and consent in the form of Schedule "D".
- e. Prior to the Commencement Date the Dealer shall examine the Equipment provided to the Dealer and, unless, prior to the Commencement Date, the Dealer notifies the Distributor, in writing, of any complaint regarding the Equipment, the Dealer shall be deemed to have satisfied itself with regard to the Equipment. The Dealer shall indemnify the Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of the Distributor's gross negligence or a defect in the Equipment, provided the Dealer shall have given the Distributor prompt written notice of such gross negligence or defect.

16. Compliance with Laws

The Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits, including those concerning the environment, hazardous substances or wastes, toxic substances and occupational safety and health.

17. Indemnity

The Dealer shall and does hereby indemnify and save harmless the Distributor, its partners, directors, officers, employees, agents and affiliates and their respective directors, officers, employees, agents and affiliates (each an "indemnified party") from and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer Business on the Marketing Premises;
- b. the storage, handling and sale of motor fuels on and from the Marketing Premises; and
- c. the Equipment.

This indemnity shall not include a claim arising out of, in respect of or in connection with the gross negligence or willful misconduct of an indemnified party.

18. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:

- i. a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and the Distributor arising out of all the operations of the Dealer pertaining to the Dealer Business, whether or not conducted on or from the Marketing Premises with all inclusive limits of at least five million (\$5,000,000) dollars for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and
 - ii. a third party liability policy on all vehicles used in the Dealer Business, with all inclusive limits of at least one million dollars (\$1,000,000) for any one incident.
- b. The insurance policy referred to in subsection 18 a.(ii) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
 - c. Upon written request by the Distributor, the Dealer shall provide the Distributor with a certificate of insurance and such other information as may reasonably be required by the Distributor in a form satisfactory to the Distributor as evidence of the insurance required under this Section. The insurance policies shall be endorsed to provide that in the event of any change in them which could affect the Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to the Distributor thirty (30) days prior to the effective date of any such change or cancellation.
 - d. The Distributor may amend this Section, in its discretion and from time to time, on the anniversary of the Effective Date upon sixty (60) days prior written notice to the Dealer.

19. Technology and Communications

Upon receipt of a written request from the Distributor, the Dealer shall:

- a. Install and maintain in good operating condition, at the Dealer's expense, at the Marketing Premises: (i) a facsimile machine for sending and receiving written communications; and (ii) equipment that allows access to the internet or other electronic-transmission or data communications systems designated by the Distributor from time to time;
- b. Subscribe, at the Dealer's expense, at the Marketing Premises, to a voice mail system for transmitting and receiving telephone communications; and
- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition, replacement or updating of point of purchase equipment, pump dispensing technology, credit and cash processing equipment and software.

20. Retail Credit and Debit System

The Dealer has or shall receive an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer Business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial Oil. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith and complies with all guidelines therefor, including complying with all requirements of such retail credit and debit system for regular maintenance and replacement in the event of loss or damage.

The Dealer shall pay to the Distributor the following fee(s), which the Distributor may amend, in its discretion from time to time, upon sixty (60) days prior written notice to the Dealer:

G-Site data transmission fee: [REDACTED]/month.
 eN-Touch fee: units at \$ [REDACTED]/month.

The Dealer shall implement and utilize the retail credit and debit system(s) designated by the Distributor, in its discretion from time to time, to be used by its dealers and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s). All credit cards accepted currently by the Distributor attract a rate of [REDACTED] % to [REDACTED] % and a Debit card transaction currently attracts a [REDACTED] cent charge.

21. Termination

- a. Where the end of the term of this Agreement as set out in Section 3 is later than the end of the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, or where the said Esso Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said Esso Branded Distributor Agreement, unless (i) the term of said Esso Branded Distributor Agreement is extended, renewed or replaced and (ii) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an Esso location.
- b. The Distributor may, in its discretion, upon the occurrence of any one of the following events terminate this Agreement immediately and without notice to the Dealer and the Guarantors and without providing any prior opportunity to cure same:
 - i. if the Dealer is in default of any Third Party Credit Card Agreement, entered into between the parties in connection with this Agreement, or if the Third Party terminates the Dealer's use of the Third Party's Credit Card processing facilities for any reason whatsoever;
 - ii. if any indemnity, guarantee, or suretyship obtained in connection with this Agreement is revoked or curtailed;
 - iii. if any motor fuel, other than the Esso Branded Motor Fuels are kept, sold or otherwise dealt with on or from the Marketing Premises;
 - iv. if the Dealer fails to sell the Esso Branded Motor Fuels strictly in accordance with the grades and kinds designated in the Manual;
 - v. if the Dealer sells any Esso Branded Motor Fuel: (I) in bulk, (II) to any person for resale, or (III) to any person not using a government approved container; or
 - vi. if the Dealer ceases to carry on the Dealer Business on or from the Marketing Premises;
 - vii. if the Dealer or any one or more of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or one or more of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is made in respect of the Dealer or any one or more of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed for the Dealer or any one or more of the Guarantors, or if the Dealer or any one or more of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any one or more of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an "insolvent person" as that term is defined in the Act;
 - viii. if the Dealer shall at any time have any of the goods and chattels of the Dealer Business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of the Distributor sell any of such goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer Business;

- ix. if the Dealer fails to operate the Dealer Business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control;
 - x. if the Dealer or any one or more of the Guarantors is convicted of or pleads guilty to any criminal offence, whether or not related to the Dealer Business;
 - xi. if the Dealer fails to pay any amount payable to the Distributor under the provisions of this Agreement;
 - xii. the Dealer fails to maintain adequate inventory of the Esso Branded Motor Fuels at the Marketing Premises to meet the needs of its retail customers;
 - xiii. if the Esso Branded Distributor Agreement is terminated for any reason;
 - xiv. the Dealer or any one or more of the Guarantors attempts to abandon the Marketing Premises or to sell or dispose of its goods or chattels otherwise than in the ordinary course of its business;
 - xv. if the Dealer fails to comply with the provisions of the Manual or Section 18 of this Agreement;
 - xvi. if the Dealer (I) is a corporation and a principal shareholder of the Dealer dies or becomes unable, by reason of physical or mental illness or disability, to operate the Dealer Business in the ordinary course for thirty (30) days or more ("Incapacitated") or (II) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes Incapacitated;
 - xvii. if the Dealer is in default on any provision of any other agreement with the Distributor pertaining to the Marketing Premises; or
 - xviii. if any applicable law now or hereafter in effect renders any provision of this Agreement unenforceable or unlawful.
- c. Upon the expiration or termination of this Agreement for any reason, the Dealer shall immediately:
- i. cease to use in any manner the Proprietary Marks;
 - ii. pay to the Distributor or any person, firm or corporation affiliated or associated with the Distributor, all amounts and charges as are or may thereafter become due and payable hereunder or under any other agreement between the Dealer and Distributor or any person, firm or corporation affiliated or associated with the Distributor ;
 - iii. return to the Distributor all copies of the Manual then in the possession of the Dealer;
 - iv. notify the telephone company and all listing agencies of the expiration or termination of the Dealer's right to use the Proprietary Marks and terminate all such listings using the Proprietary Marks;
 - v. cease to operate the Dealer Business in any manner which would, directly or indirectly, represents to the public that the Dealer Business was thereafter operated in association with the Proprietary Marks and cease to hold itself out as a present or former dealer of Esso Branded Motor Fuels;
 - vi. surrender the Equipment to the Distributor; and
 - vii. at the request of the Distributor, take all such action as may be necessary to cancel any trade or business name registration which contains any part of the Proprietary Marks under any applicable law and furnish the Distributor with evidence satisfactory to it of compliance with the Dealer's obligation hereunder within thirty (30) days after the expiration or termination of this Agreement.

Any termination of this Agreement pursuant to this Section shall be without prejudice to any other right (including any right of indemnity), remedy or relief vested in or to which the Distributor may otherwise be entitled against the Dealer. All monies paid by the Dealer to the Distributor under this Agreement or otherwise shall be retained by the Distributor as consideration for the rights and benefits previously conferred on the Dealer hereunder and as liquidated damages. The foregoing remedy shall not exclude any of the remedies which the Distributor may have at law or in equity by reason of the default, breach or non-observance by the Dealer of any provision of this Agreement.

22. Claims

- a. Neither the Distributor nor Imperial Oil is liable to the Dealer for shortages in quantity or quality of Esso Branded Motor Fuels unless the Dealer notifies the Distributor, in writing, within forty-eight (48) hours after delivery (or discovery in the case of latent defect for quality deficiencies) setting forth fully the facts upon which any such claim for shortage in quantity or defect in quality is made and unless the Distributor and/or Imperial Oil are given a reasonable opportunity to inspect the motor fuels concerning which any such claim is being made, the Distributor's and/or Imperial Oil's liability with respect to any shortage in quantity shall be limited to an amount equal to the volume of any shortage multiplied by the Dealer's cost of motor fuel including delivery and taxes in effect for the delivery in question. The Distributor and/or Imperial Oil's liability with respect to any defect in quality shall be limited to the cost of removing the defective motor fuels from the Marketing Premises at its own expense and replacing them without charge to the Dealer. The Distributor and/or Imperial Oil shall not be liable for any special, indirect, or consequential damages to the Dealer for any shortage in quantity or defect in quality. All other claims by the Dealer against the Distributor or Imperial Oil including their affiliates and subsidiaries of any kind, whether or not arising out of this Agreement, are barred unless the Dealer gives the Distributor and/or Imperial Oil, as the case may be, notice within ninety (90) days after the event, act or omission to which the claim relates. Whether or not the Dealer provides timely notice of a claim, any claim by the Dealer is barred unless asserted by the commencement of a lawsuit naming the Distributor and/or Imperial Oil as defendant in a court of competent jurisdiction within twelve (12) months after the event, act or omission to which the claim relates.
- b. The Dealer recognizes that, at any time during the term of this Agreement, any of the grades or brands of motor fuels sold hereunder or any of the Proprietary Marks may be changed, altered, amended or eliminated. The Dealer also recognizes that, at any time during the term of this Agreement, the quality or specification of any of the motor fuels sold hereunder may be changed or altered. If any such change or alteration materially affects the performance of such motor fuels or the needs of the Dealer therefor for the purposes intended by the Dealer, the Dealer may terminate this Agreement as to any such motor fuels so affected on thirty (30) days' prior written notice to the Distributor. However, the Dealer may not terminate this Agreement for any change in quality or specification of any said motor fuels resulting from compliance with federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders or permits. In the event that the manufacture of certain of the Esso Branded Motor Fuels sold hereunder is discontinued, the Distributor shall notify the Dealer of such an event and this Agreement shall terminate as to such motor fuels when such notice is effective.

23. Entire Agreement; Modifications

This Agreement, any documents referred to in this Agreement and any attachments to this Agreement, constitute the entire agreement between the Distributor and the Dealer concerning the subject matter hereof, and supersede all prior agreements, understandings, negotiations and discussions relating to that subject matter. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by the Distributor to the Dealer. Except as explicitly provided in this Agreement this Agreement may not be supplemented, modified or amended unless done so in writing and executed by the Dealer, the Guarantors and the Distributor.

24. Guarantee

As consideration in part for the Distributor entering into this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Guarantors and the Distributor, the Guarantors hereby covenant and agree as follows:

- a. to unconditionally and irrevocably guarantee to the Distributor, as a primary obligor, the due payment by the Dealer of all monies payable under this Agreement and any other obligations whatsoever by the Dealer to the Distributor at the time or times appointed therefor, and the due observance and performance by the Dealer of all the provisions in this Agreement and any other obligations whatsoever to be observed and performed by the Dealer;
- b. to indemnify and save the Distributor harmless from and against all costs, losses, expenses and damages it may suffer as a result of the Dealer's non-compliance with any provision of this Agreement;
- c. that this shall be a continuing guarantee and shall be binding upon the Guarantors after as well as before the Dealer's non-compliance with any provisions of this Agreement, until all monies due under the Agreement have been fully paid and satisfied and all provisions have been observed, performed and carried out;
- d. the Distributor shall not be bound to exhaust its recourse against the Dealer before requiring payment of any monies or the observance or performance of any obligations by the Guarantors and the Guarantors waive notice of demand for payment or performance, notice of default, protest and notice of protest and any and all other notices and legal and equitable defenses to which the Guarantors may be entitled;
- e. no release or releases and no indulgence or extensions of time or waiver granted by the Distributor to the Dealer with respect to the observance or performance or any defaults or breaches of this Agreement by the Dealer nor any dealings between the Distributor and the Dealer shall in any way modify, alter or prejudice the Distributor or diminish or affect the liability of the Guarantors under this Agreement;
- f. the covenants and agreements herein entered into by the Guarantors are to be construed as both joint and several;
- g. the guarantee and the liability of each of the Guarantors hereunder is not and shall not be affected by the death or loss or diminution of capacity of any of the Guarantors;
- h. this guarantee extends to and is binding upon each of the Guarantors and their heirs, executors, administrators, legal representatives and assigns, and
- i. this guarantee shall continue to bind the Guarantors even if one or more of them, cease to be involved, directly or indirectly in the Dealer Business or in the Dealer.

25. Security Interest

To secure payment or performance of all obligations of the Dealer under this Agreement or any other agreement between the Dealer and the Distributor, the Dealer:

- a. hereby grants to the Distributor a Purchase Money Security Interest, as defined in the Personal Property Security Act, as amended, of the province of or territory of Canada in which the Marketing Premises is located, in all goods and inventory supplied by the Distributor to the Dealer as well as all proceeds derived therefrom. Any proceeds received by the Dealer with respect to any disposition of, or dealing with, such goods and inventory, shall be received by the Dealer in trust for the Distributor;
- b. agrees to execute and deliver, as and when requested by the Distributor to do so, a general security agreement, in form and content satisfactory to the Distributor, granting the Distributor a security interest in all of the Dealer's present and after-acquired real and personal property of whatever description or kind, as general and continuing collateral security for the due payment and performance of all present and future indebtedness and liability of every kind, nature and description, whether direct or indirect, joint or several, absolute or contingent, matured or unmatured, of the Dealer to the Distributor, wherever and however incurred, under this Agreement or any other agreement between the Dealer and the Distributor.
- c. shall provide to the Distributor a stand-by irrevocable letter of credit (the "Letter of Credit") in the amount of **See Schedule "H"**. The Dealer shall maintain in full force and effect the Letter of Credit in an amount to

be agreed upon between the Distributor and the Dealer, in a form and from a bank acceptable to the Distributor during the term of this Agreement and for a period of sixty (60) days following the expiration or earlier termination thereof. The Dealer shall deliver a replacement Letter of Credit to the Distributor at least thirty (30) days prior to the expiration of the existing Letter of Credit.

26. Set Off

In the event of a breach or default by the Dealer, the Distributor shall be entitled to set off any amounts which may be due and payable to the Dealer by the Distributor under this or any other agreements between the parties against any amounts due and payable to it by the Dealer under this Agreement or any other agreements between the parties.

27. Notices

Any notice to be given hereunder:

- a. by the Distributor to the Dealer and the Guarantors shall be conclusively deemed to have been given when addressed to the Dealer and: (i) delivered personally or by courier to the Marketing Premises; or (ii) mailed by prepaid mail addressed to the Dealer at the Marketing Premises; or (iii) sent by electronic facsimile to the Dealer provided evidence of transmission is retained, and
- b. by the Dealer or the Guarantors to the Distributor shall be conclusively deemed to have been given when addressed to the following address and: (i) delivered or mailed by prepaid registered mail to the Distributor at the following address, or (ii) sent by electronic facsimile to the Distributor, provided evidence of transmission is retained, at the following number: **PIONEER ENERGY MANAGEMENT INC.**, 1122 International Blvd., Suite 700, Burlington, Ontario L7L 6Z8, Attention: Vice President, Retail Sales Facsimile No.: (905) 633-3470

Any notice, if delivered personally or by courier shall be conclusively deemed to have been given when actually received, if mailed by prepaid mail, on the fifth Business Day following the deposit thereof in the mail or, if transmitted by electronic facsimile before 4:00 p.m. on a Business Day, on that Business Day and, if transmitted by electronic facsimile after 4:00 p.m. on a Business Day on the Business Day following the date of the transmission.

28. Quality Assurance

Subject to the provisions of the Manual, the Dealer shall store, handle, sell and dispense the Esso Branded Motor Fuels purchased and sold hereunder in compliance with the procedures provided by the Distributor from time to time.

29. Right of Entry

In addition to any other rights of the Distributor under this Agreement, the Dealer hereby permits the Distributor, Imperial Oil and their respective affiliates, employees, agents, vendors, contractors and representatives to enter, during normal operating hours, the Marketing Premises and other places where the Dealer conducts any business covered by the terms of this Agreement, to enforce any and all rights and remedies under this Agreement including taking action to preserve the integrity of the Proprietary Marks and determine the Dealer's compliance with this Agreement. Neither the Distributor nor Imperial Oil is liable to the Dealer for any interference with the Dealer's business as a result of the Distributor or Imperial Oil entering the Marketing Premises and other places where the Dealer conducts any business covered by the terms of this Agreement.

30. Withholding Payments

The Dealer will not on the grounds of the alleged non-performance by the Distributor of any of its obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to the Distributor or any person affiliated with the Distributor.

31. Further Assurances

The parties shall diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

32. Number and Gender Headings

This Agreement shall be read with such changes in number and gender as the context of the reference may require. The division of this Agreement into Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

33. Time of the Essence and Governing Law

Time shall be of the essence in this Agreement, which shall be governed by and construed in accordance with the laws of the province of or territory of Canada in which the Marketing Premises is located and the federal laws of Canada applicable therein.

34. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity of such provision in any other jurisdiction.

35. No Waiver

No waiver of a breach of any provision in this Agreement shall be binding upon the Distributor unless made in writing and signed by the Distributor and no waiver of or past performance or course of dealing with a breach of any provision in this Agreement shall be construed as a waiver of any succeeding breach thereof or of any other provision in this Agreement and no delay or omission on the part of the Distributor to exercise any right acquired through the default of the Dealer shall be construed as a waiver of or shall impair such right.

36. Compliance with Law, Workers Compensation, Environmental

- a. The Dealer shall fulfill all the duties imposed upon it by law and shall obey all laws, regulations, rules, by-laws and ordinances applicable to the Dealer Business and to the Marketing Premises, including without limitation the competition laws of Canada and all other applicable laws relating to competition.
- b. The Dealer shall: (i) comply fully, at the Dealer's expense, with provisions of the relevant Workers' Compensation legislation; and (ii) obtain for all the persons employed in the Dealer Business, including the Dealer and the principal shareholder(s) and interest holder(s) of the Dealer, as the case may be, the complete package of benefits available under the relevant Workers' Compensation legislation.
- c. The Dealer shall comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.

37. Enurement

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors and permitted assigns.

38. No Special or Consequential Damages

The Distributor shall not be liable for any special or consequential damages or loss of profit arising from any breach of its obligations under this Agreement.

39. Survival

All obligations of the parties hereto which expressly or by their nature survive the expiration, termination, permitted transfer and permitted assignment of this Agreement shall continue in full force and effect, until they are satisfied or by their nature expire.

40. Other Conditions

Schedule "H" – ("Other Conditions") is an integral part of this agreement.

41. Independent Legal Advice

The Dealer and each of the Guarantors acknowledges that: (i) it or they, as the case may be, has had ample time to read and has read this Agreement and has been afforded the opportunity to retain independent legal advice to assist in the review, execution and delivery of this Agreement; and (ii) it or they, as the case may be, has of its own free will either obtained independent legal advice or declined to do so.

In Witness Whereof Pioneer Energy LP, by its General Partner Pioneer Energy Management Inc., has executed this Agreement this 17th day of April, 2013 but effective as at ~~February 15, 2013~~ April 17, [Redacted]

PIONEER ENERGY LP
By its General Partner
PIONEER ENERGY MANAGEMENT INC.

Per: [Redacted]
Name: **Brian Kitchen**
Title: **V.P. Dealer and Reseller Sales**

Per: [Redacted]
Name: **J.David MacFarlane**
Title: **V.P. Real Estate & Development**

We have the authority to bind the corporation.

In Witness Whereof 1059945 Alberta Inc. the Dealer, has executed this Agreement this 5 day of April, 2013 but effective as at April 15, 2013 [Redacted]

1059945 ALBERTA INC.

Per: [Redacted]
Name: [Redacted]
Title: **President**

I have authority to bind the corporation.

In Witness Whereof Mohammad Khalid Aziz as a Guarantor, has executed this Agreement this 5 day of April, 2013 but effective as at April 15, 2013 [Redacted]

Witness [Redacted]
[Redacted]
Barrister & Solicitor

SCHEDULE 'A'



1122 International Blvd., Suite 700, Burlington, On. L7L 6Z8, 905-639-2060

**PIONEER ENERGY LP
COMMERCIAL AUTHORIZATION FOR PRE-AUTHORIZED DEBITS ("PADS")**

The undersigned ("Payor") hereby provides this authorization ("Authorization") to Pioneer Energy LP (PELP), to process from time-to-time variable debits by electronic entry (or paper) covering any or all monies owing to PELP plus taxes. All amounts debited will be in Canadian funds.

In connection with such Authorization, Payor further states and agrees as follows:

1. Payor's name and address, etc is as follows:

<u>Name</u>		<u>Telephone #</u>	<u>Fax #</u>
<u>Street Address</u>		<u>City/Town</u>	<u>Province & Postal Code</u>
<u>Email Address</u>			

2. The following financial institution and bank account have been selected by Payor for the purposes of processing PADS pursuant to this Authorization and delivery of the Authorization to PELP constitutes delivery by Payor to such financial institution.

Financial Institution:

<u>Name of Institution</u>		
<u>Branch Address</u>		
<u>City</u>	<u>Province</u>	<u>Postal Code</u>

Account Information

<u>Business Account Name</u>		
<u>Bank ID / Transit #</u>	<u>CDN Business funds account #</u>	<u>Institution #</u>

SCHEDULE "A"**PRE-AUTHORIZED DEBITS - TERMS AND CONDITIONS (continued)**

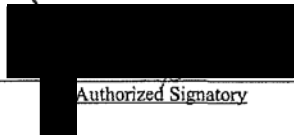
3. Payor acknowledges that this Authorization is provided for the benefit of PELP, and Payor's financial institution referenced above and is provided in consideration of such financial institution agreeing to process PADS against Payor's account in accordance with this Authorization and the rules of the Canadian Payments Association ("Rules"). In the event of any conflict between this Authorization and the Rules, this Authorization shall prevail.
4. Attached to this Authorization is a specimen cheque of the Payor marked "VOID".
5. The Payor agrees to notify PELP, in writing, of any change in the banking information provided herein at least thirty (30) days prior to the effective date of any such change.
6. The Payor represents and warrants that all persons whose signatures are required to authorize withdrawals from the Payor's bank account in paragraph 2 have signed this Authorization and that all persons signing this Authorization are the authorized signatories and are duly authorized to execute this Authorization.
7. This Authorization may be cancelled by the Payor upon thirty (30) days prior written notice to PELP.
8. The Payor hereby waives any and all PAD pre-notification requirements otherwise required by Rule H1 of the Rules.
9. The Payor acknowledges that the financial institution in paragraph 2 is not required as a condition to honouring a PAD to verify compliance with the particulars of this Authorization.
10. The revocation of this Authorization by the Payor does not terminate any contract for goods or services that exists between the Payor and PELP. This Authorization applies only to the method of payment and does not otherwise have any bearing on the contract for goods or services exchanged.
11. The Payor agrees that it may only dispute a PAD under the following conditions:
 - (a) the PAD was not drawn in accordance with this Authorization; or
 - (b) this Authorization was revoked.The Payor acknowledges that in order to be reimbursed, a declaration to the effect that one of foregoing circumstances occurred, must be completed and presented to the branch of the financial institution (shown in paragraph 2) no later than ten (10) business days after the date on which the PAD in dispute was posted to the Payor's account.
12. The Payor acknowledges that if disputing any PAD beyond the time allowed in paragraph 11, it becomes a matter to be resolved solely between the Payor and PELP and outside the payments system.
13. The Payor acknowledges that the information contained in the Authorization may be disclosed to PELP's financial institution(s), as may be required or desirable to complete any PAD transaction. (Applicable to the Province of Quebec only: Such consent constituting the consent required under the Act pertaining to the protection of personal information in the private sector (L.R.Q.c.P.39.1)).
14. The Payor agrees that Payee may also from time to time, if applicable, process credits to Payor's bank account.
15. The Payor agrees to waive their right to receive pre-notification of the amount of the PAD and agree that you do not require advance notice of the amount of the PADs before the debit is processed. (Invoices are prepared, e-mailed and processed on the same day).
16. The payor acknowledges this PAD is for business only.

SCHEDULE "A"

Executed by Payor as of the 5 day of April 2013

1059945 Alberta Inc.
The "Payor"

By:



Authorized Signatory

By:

Authorized Signatory

You have certain recourse rights if any debit/credit does not comply with this agreement. For example you have the right to receive reimbursement for any debit/credit that is not authorized or is not consistent with this PAD agreement. To obtain more information on your recourse rights contact your financial institution or www.cdnpay.ca.

SCHEDULE "B"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and 1059945 Alberta Inc., and [REDACTED] dated effective as at April, [REDACTED] 2013.

OPERATING STANDARDS

The following operating standards for the Premises set out the Dealer’s responsibilities with respect to safety and other operating procedures for the Premises and must be complied with strictly.

Operating Procedures

- Be aware of, and comply with, any applicable law relating to the operations on the Premises and any accounting and inventory management system requirements.
- Understand all duties in running the Premises.
- Ensure that the Dealer’s employees understand the duties delegated to them.

Safety

The Dealer’s employees must:

- Use safe work procedures when carrying out their duties.
- Be aware of and follow safe work practices when carrying out their duties.
- Be trained in the recognition and correction of hazardous conditions to avoid emergencies.
- Be aware and comply with applicable safety regulations.

Security/Robbery Prevention

- Take proper preventative measures to reduce the risk of robbery.
- Train the Dealer’s employees in security and robbery prevention.
- The Dealer must train the Dealer’s employees in the procedures to follow before, during and after a robbery.

Critical Equipment

- Know the critical equipment on the Premises.
- Ensure that the Dealer’s employees are aware of the critical equipment on the Premises.
- Ensure that when critical controls are disarmed, appropriate communication takes place prior to such disarming and that such critical controls are re-activated.
- Follow appropriate procedures for disarming the critical equipment, including completing the form for the disarming or removal of critical controls and shutdown systems

 [REDACTED]

 (initials)

Emergency Response

- Post the emergency response plan wall chart on the Premises in a conspicuous place.
- Train Dealer's employees in emergency response. This should include a review of potential hazards and how to deal with them, and the operation and use of fire extinguishers.
- Have the required equipment and supplies to respond to emergency situations.
- Hold at least two practice drills each year using different emergency situations.
- Document the Dealer's employee training and practice drills.

Workplace Hazardous Materials Information System ("WHMIS")

- Educate and train all the Dealer's employees on the WHMIS program prior to their starting work on the Premises and provide documented evidence thereof.
- Ensure that all Material Safety Data Sheets for controlled products are current, available and accessible to the Dealer's employees.
- Conduct at least once per year a review of WHMIS with the Dealer's employees and provide a forum for the Dealer's employees to discuss any related concerns and issues.
- Ensure that all containers of controlled products are properly labeled.
- Ensure that all fill pipes, gauge pipes and valves are properly tagged.
- Keep an inventory list of controlled products on the Premises in those provinces where it is required.

Waste Management

- Be familiar with and comply with the applicable waste regulations.
- Dispose of waste generated at the Premises according to the applicable waste regulations.
- If required by applicable laws, have a signed contract with a licensed hauler for the removal of hazardous wastes from the Premises.
- Use only a licensed hauler to remove and transport hazardous waste from the Premises.
- Keep copies of all waste manifests on file for a minimum of 2 years, or longer if required by applicable laws.

Licenses and Permits

- Have the necessary operating licenses and permits to meet regulatory requirements.
- Have on the Premises all manuals required or advisable to operate the service station.

Incident Definition and Reporting

- Report specified incidents to the territory manager.
- Be aware of and understand the Dealer's responsibilities for reporting specific incidents directly to government agencies.
- Share the benefit of past incidents with the Dealer's employees.
- Document the incidents and keep them on file.

Training

- Provide initial and continuous training to all the Dealer's employees.
- If required by applicable laws, maintain training records for each of the Dealer's employees on the Premises.

(initials)

Credit Card

- Follow the standards for credit card authorization and processing documented in the Credit Card Guide.
- Retain the credit card slips for:
 - 6 months for manual transactions; and
 - 12 months for electronic transactions.
- Provide copies of credit card slips to Imperial within the time requested.
- Submit manual slips on a timely basis.

Esso Extra Card

- Collect, use and disclose information gathered for use by Imperial in connection with the Esso extra card only in accordance with applicable laws.
- Display all point-of-purchase materials prescribed by Imperial in connection with the Esso Extra card.
- Ask each purchaser of applicable merchandise or services whether he or she has an Esso extra card. If so, whether he or she would like to use it and, if not, whether he or she would like to obtain an Esso extra card.
- Record and process the sales transactions of retail customers with an Esso extra card, using the Esso extra card.
- Maintain an adequate supply of merchandise redeemable by holder of Esso extra cards.
- Redeem valid Esso extra card reward certificates presented by retail customers for prescribed merchandise or services.

Record Retention

- Keep all relevant records on the Premises to be able to prove that you have taken the necessary steps to comply with applicable law.

(initials)

SCHEDULE "C"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and 1059945 Alberta Inc., and [REDACTED] dated effective as at April [REDACTED] 2013. [REDACTED]

EQUIPMENT

The following is a list of the Equipment:

Sign Type

Quantity

N/A

[REDACTED]

(initials)

SCHEDULE "D"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and 1059945 Alberta Inc., and [REDACTED] dated effective as at April [REDACTED] 2013 [REDACTED]

ACKNOWLEDGEMENT AND CONSENT OF DEALER, LANDLORD AND/OR MORTGAGEE

TO: PIONEER

RE: Motor Fuel Supply Agreement – Esso Branded Motor Fuels (the "Agreement") between, PIONEER (the "Distributor"), and 1059945 Alberta Inc., (the "Dealer") and [REDACTED] (the Guarantors) dated effective as at April 15, 2013.

Each of the undersigned, being the Dealer, the Landlord, the Mortgagee or any one or more of the foregoing, of the Premises (as such term is defined in the Agreement) hereby acknowledges that:

1. The Distributor will be entitled, in its discretion and from time to time, to remove from the Premises the equipment listed on the attached Exhibit I, together with all substitutions and additions (the "Equipment"), which (i) Imperial owns, (ii) will be or has been loaned by the Distributor to the Dealer and (iii) will be or is located on the Premises; and
2. There does not now exist, shall not come into existence and shall never exist a security interest in the Equipment in favour of the undersigned, notwithstanding that the Equipment or any part or parts thereof may be attached to or may constitute part of the real property to which the undersigned has an interest.

IN WITNESS WHEREOF the Dealer has executed this Acknowledgment and Consent on the 5 day of April, 2013, but effective as at April [REDACTED] 2013.

1059945 ALBERTA INC.

Per: [REDACTED]
Name: [REDACTED]

Title: President

I have authority to bind the corporation.

IN WITNESS WHEREOF the undersigned Landlord of the Premises has executed this Acknowledgment and Consent on the _____ day of _____, 2013, but effective as at April 15, 2013.

[REDACTED]

Witness [REDACTED]

N/A
Per:

Name: n/a

Title: _____

I have the authority to bind the corporation.

IN WITNESS WHEREOF the undersigned Mortgagee of the Premises has executed this Acknowledgment and Consent on the _____ day of _____, 2013, but effective as at April 2013.

Business Development Bank of Canada
Per:

Name:

Title: _____

I have the authority to bind the corporation.

(initials)


EXHIBIT I
to a Form of Acknowledgement and Consent of
Dealer, Landlord and/or Mortgagee
EQUIPMENT

The following is a list of the Equipment:

Sign Type

Quantity

N/A



(initials)

SCHEDULE "E"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and 1059945 Alberta Inc., and [REDACTED] dated effective as April 2013 [REDACTED]

CUSTOMER LOYALTY OBLIGATIONS

1. Participation

The Dealer shall participate in the Esso Extra Win & Earn promotional program (the "Program") offered by Imperial to its Retail Branded Distributors, retailers and retail customers. The Dealer shall comply with all requirements of the Program, including without limitation, the procedures, instructions and guidelines relating to the Program (the "Guidelines"), as provided or amended by Imperial to the Dealer from time to time in its discretion. Without limiting the generality of the foregoing, the Dealer shall:

- collect and communicate customer information to Imperial for Imperial's use only and in accordance with applicable laws and regulations (for greater certainty, the Dealer shall not provide any customer information to any person other than Imperial nor shall the Dealer use any customer information other than in accordance with the Guidelines or as otherwise directed by Imperial from time to time),
- ensure the Esso Extra card or the Royal Bank Esso VISA card is offered to each retail customer in accordance with the Guidelines,
- record and process sales transactions and the applicable Program points in accordance with the Guidelines for retail customers participating in the Program,
- redeem Program points as requested by customers at the Site for merchandise or services in accordance with the Guidelines,
- maintain an adequate supply of merchandise required to redeem Program points, or, if such merchandise is unavailable, maintain a supply of equivalent merchandise, and display all Program point-of-purchase promotional materials or signage at the times and in the manner prescribed by Imperial during the Program.

2. Electronic Reward Redemption Remuneration

The Retail Branded Distributor shall pay the Dealer an amount (the "Reward Payment"), plus applicable taxes (other than income taxes), for each valid Program reward redeemed electronically at the Site in accordance with the Guidelines. The Reward Payment payable by the Retail Branded Distributor to the Dealer shall be credited to the Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Retail Branded Distributor may change the manner and the time the Reward Payment is due and payable in its discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Reward Payment shall be calculated by Imperial as the actual number of reward redemptions for each type of reward redeemed electronically by customers at the Site multiplied by the reward cost rate as determined solely by Imperial and documented in the Guidelines.

3. Promotional Program Fee

If applicable law permits, the Dealer shall pay Retail Branded Distributor a promotional program fee (the "Program Fee"), plus applicable taxes (other than income taxes). The Program Fee payable by Dealer to Retail Branded Distributor shall be debited directly from the Dealer's account with the Retail Branded Distributor on or about the 15th day and on or about the last day of each month. Imperial may change the manner and the time the Program Fee is due and payable in its discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Program Fee shall be calculated as the number of points (the "Fee Points") awarded to customers for transactions made at the Site multiplied by the program rate (the "Fee Rate").

The Fee Points are the total of:

- the base points issued at a rate of one point per dollar spent,
- all bonus points issued for sales of different grades of gasoline or car washes, and
- points issued for offers unique to the Site as instituted or extended by the Dealer.

For greater certainty, the Fee Points excludes:

- (i) promotional points issued via direct mail offers extended by Imperial to customers
- (ii) points issued to holders of the Royal Bank Esso VISA card at a rate of one point per dollar charged to the card regardless of the vendor where the card is used, and
- (iii) bonus points issued for the purchase of specific merchandise on the Site through a program instituted or extended by Imperial.

The Fee Rate is defined as:

Fuel products & services	\$	██████████	for each point issued
Convenience store products & services	\$	██████████	for each base point issued
Car wash products & services	\$	██████████	for each base point issued
Other products & services	\$	██████████	for each point issued
Vehicle repair bay products & services	\$	██████████	for each point issued

 (initials)

SCHEDULE "F"

FACILITY REQUIREMENTS

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and 1059945 Alberta Inc., and [REDACTED] dated effective as at April 2013 [REDACTED]

Item	Description		"New" & >100K D1Sites	Min Stds New	Min Stds Renewal Or Upgrade
Weather Canopy (Canopy required at all D1 & D2 sites only) (Standards for all other sites with existing canopies)	Fascia	3D	[REDACTED]	[REDACTED]	[REDACTED]
		2D			
	Column Cladding	New Style (wide perpendicular to pump) Colour - Cambridge White by Color Steel Inc.			
		Current (wide facing pump) Colour to match Cambridge White by Color Steel Inc			
Pump/ Dispenser		Image 2000 (Blue Graphics for new gasoline dispensers – Red for existing)	[REDACTED]	[REDACTED]	[REDACTED]
		Previous Esso			
		Pay at the pumps & Speedpass			
MID		New Image (Flag Type)	[REDACTED]	[REDACTED]	[REDACTED]
		Previous Esso			
Painting	MID Structural Posts, Sign Frames	P - 5 White	[REDACTED]	[REDACTED]	[REDACTED]
	Lighting poles, Posts, island fascia, Message Sign Frames	P - 13 Grey			
POS	G-Site		[REDACTED]	[REDACTED]	[REDACTED]
		Operating retail automation system compatible with Imperial's card processing network			

***Subject to MID sign permit availability

Definitions

3D	600mm illuminated Red Frameless Flexface Fascia with 300 non-illuminated white metal Fascia. C/W individually "ESSO" Red illuminated letters.
2D	900mm illuminated Frameless Flexface Fascia, 600mm high red and 300 mm White, with ESSO letters.
MID	Major Identification Sign
D-1	<p>Dealer Forecourt & Backcourt meeting the following requirements:</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards that can be upgraded to 3D, 3 Products with proper pump ID. Current Major Identification sign, Good Gas Location. • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
D-2	<p>standard</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards Minimum 2 (preferred 3) products with proper pump I.D. M.I.D. S/B goal post (minimum) but other to acceptable • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
100k	Market Area Population in 1000's

Changes To Brand Standards - Imperial may change its "Facility Requirements for Distributor Esso Branded Outlets" from time to time. Imperial will notify the Retail Branded Distributors of all changes and the Retail Branded Distributors must comply with these changes for all future applications.

SCHEDULE "G"

LEGAL DESCRIPTION OF PREMISES

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT – ESSO BRANDED MOTOR FUELS between Pioneer and 1059945 Alberta Inc., and [REDACTED] dated effective as at April [REDACTED] 2013 [REDACTED]

Certificate of Title number 2569782/5, SP Lot 14, Plan 6991 NLTO in NW 1/4 28-14-15 WPM

SCHEDULE "H"
OTHER CONDITIONS

1. Term

Pursuant to Section 3 of this Agreement Term is to be read as follows:

Term

- a) The term of this Agreement is for a period of **ten years**, beginning on **April 1, 2013** and ending on **April 1, 2023** (the "Term") unless terminated earlier in accordance with this Agreement.

2. Product Quantities

Pursuant to Section 4 b. Minimum Annual Volume is to be read as follows:

litres

3. Delivery

Pursuant to Section 8 c. deemed full truck load is to be read as follows:

litres

4. Security Interest

Pursuant to Section 25 c. Letter of Credit amount is to be read as follows:

xx/100 Dollars

5. Monetary Consideration

- a. As consideration in part for the Dealer accepting the use of the Proprietary Marks as provided in this Agreement, the Distributor shall pay to the Dealer consideration in the amount of cents per litre (plus applicable taxes) multiplied by the number of litres of the Esso Branded Motor Fuels purchased by the Dealer from the Distributor pursuant to this Agreement (the "Dealer Payment"). The Dealer Payment shall be calculated by the Distributor, based on the Distributors' records and paid by the Distributor to the Dealer, monthly, in arrears, within twenty (20) days following the end of each month during the term of this Agreement.
- b. If the annual volume of Esso-Branded motor fuels purchased by the Dealer from the Distributor in any 12 month contract period exceeds exceeds litres, the Distributor will pay to the Dealer an additional of a cent per litre (plus applicable taxes) for all litres of the Esso-Branded motor fuels purchased by the Dealer from the Distributor during that 12 month period. The additional **point two five (0.25)** of a cents per litre shall be calculated by the Distributor, based on the Distributor's records and paid by the distributor to the Dealer each year on the anniversary of the Effective Date, in arrears within thirty (30) days following the anniversary date.
- c. The Distributor shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days prior written notice to the Dealer and the Guarantors if the Dealer fails to purchase **eighty percent (80%)** of the Minimum Annual Volume of Esso Branded Motor Fuels in any contract year.
- d. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the provisions contained in this Agreement; and (ii) this Agreement shall not have been terminated.

6. Prepaid Dealer Payment

Subject to:

- a. the execution and delivery by the Dealer, in favour of the Distributor, of a Demand Promissory Note, in form and content satisfactory to the Distributor, in its discretion, in the principal amount of [REDACTED] Dollars;
- b. the execution, delivery and registration of a demand collateral real property mortgage granted by the Dealer in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion, including therein, among other things, the personal guarantees of the Guarantors; and
- c. the execution, delivery and registration of a demand General Security Agreement by the Dealer in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion;
- d. the execution and delivery by the Guarantors of a unconditional and irrevocable continuing guarantee, in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion, whereby the Guarantors, jointly and severally guarantee all debts, liabilities or monies owed by the Dealer to the Distributor, including interest, regardless of when or how such liability may arise.

The Distributor shall prepay to the Dealer [REDACTED] Dollars of the Dealer Payment (the "Prepaid Dealer Payment") in order to assist the Dealer in paying for the initial costs of building the retail motor fuels outlet on the Marketing Premises. The Dealer shall pay the Distributor's reasonable legal costs related to the preparation and registration of the said promissory note, real property mortgage, guarantee and any other security documentation the Distributor shall reasonably require. The Prepaid Dealer Payment will be paid to the Dealer as follows:

- i. [REDACTED] Dollars will be paid as soon as possible following the Dealer completing to the satisfaction of the Distributor, acting reasonably, the improvements/upgrades set forth in Proposed Upgrades Section of this Agreement and providing the Distributor with proof, by way of paid contractor receipts, that such improvements and upgrades have been paid and that the payment therefore totaled, exclusive of taxes, at least [REDACTED] Dollars.

The Prepaid Dealer Payment will be repaid by the Dealer to the Distributor, by the Distributor applying [REDACTED] cents per litre of the monthly Dealer Payment against the Prepaid Dealer Payment amount until such time as the Prepaid Dealer Payment amount has fully repaid. The Dealer and the Guarantors hereby irrevocably authorize the Distributor to make such application as aforesaid. Upon the Prepaid Dealer Payment amount being fully repaid in the manner aforesaid the Distributor shall cease to so apply the [REDACTED] cents per litre of the monthly Dealer Payment and the full amount of the monthly Dealer Payment shall be dealt with as elsewhere provided in this Agreement. If for any reason the term of the Agreement expires or terminates prior to the Prepaid Dealer Payment amount being fully repaid, any balance owing upon such expiration or termination shall become immediately due and payable by the Dealer to the Distributor.

7. Additional Monetary Consideration

Subject to

- a) the execution and delivery by the Dealer, in favour of the Distributor, of a Demand Promissory Note, in form and content satisfactory to the Distributor, in its discretion, in the principal amount of [REDACTED] Dollars;
- b) the execution, delivery and registration of a demand collateral real property mortgage granted by the Dealer in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion, including therein, among other things, the personal guarantees of the Guarantors; and

- c) the execution, delivery and registration of a demand General Security Agreement by the Dealer in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion;
- d) the execution and delivery by the Guarantors of a unconditional and irrevocable continuing guarantee, in favour of the Distributor, in form and content satisfactory to the Distributor, in its discretion, whereby the Guarantors, jointly and severally guarantee all debts, liabilities or monies owed by the Dealer to the Distributor, including interest, regardless of when or how such liability may arise.

The Distributor will advance to the Dealer up to a maximum of [REDACTED] Dollars as an Additional Monetary Consideration (the "AMC"). The AMC will be paid to the Dealer upon the Dealer providing proof, to the satisfaction of the Distributor that the Dealer has completed and paid for all the proposed upgrades set forth in **Proposed Upgrades** of this Agreement. The AMC shall be amortized monthly over the term of this Agreement on a straight line basis. If this Agreement terminates or expires before the AMC is fully amortized, the Dealer shall forthwith pay to the Distributor the unamortized portion of the AMC.

8. Proposed Upgrades

The improvements/upgrades the Dealer proposes to make to the Marketing Premises with respect to its building of a retail motor fuels outlet will include:

- **Upgrade POS system**
- **C-Store**

The planning, design and construction of the proposed improvements/upgrades and all costs associated therewith or incidental thereto will be the responsibility of the Dealer. If requested by the Dealer, the Distributor will assist the Dealer by providing support in the following areas:

- Information on design, supply, and installation and service contractors
- Information on Imperial Oil equipment suppliers

9. Esso Brand Signage

The Distributor will loan to the Dealer for the term of this Agreement signage to identify the Esso brand. The loaned signage includes:

- N/A

The Dealer shall be responsible for and shall provide all electrical feeds to signs, all electrical hook ups, concrete bases and permits (if required).

The value of the Esso Brand Signage loaned by the Distributor to the Dealer shall be amortized monthly over the term of this Agreement on a straight line basis. If this Agreement terminates or expires before the Esso Brand Signage is fully amortized, the Dealer shall forthwith pay to the Distributor the unamortized portion of the Esso Brand Signage.

10. Conditions Precedent

This agreement is conditional upon:

- a) completion of the Asset Purchase Agreement between the Distributor and the Dealer signed November 2, 2012 .

IN WITNESS WHEREOF the Parties have acknowledged and agreed to the contents of this SCHEDULE "H" to the Motor Fuel Supply Agreement – Esso Branded Motor Fuels dated effective as at April 2013.

PIONEER ENERGY LP
By its General Partner
PIONEER ENERGY MANAGEMENT INC.

[Redacted Signature]

Per: _____

Name: **Brian Kitchen**

Title: **V.P. Dealer and Retailer Sales**

[Redacted Signature]

Per: _____

Name: **J. David MacFarlane**

Title: **V.P. Real Estate & Development**

We have the authority to bind the Corporation.

DEALER

1059945 ALBERTA INC.

[Redacted Signature]

Per: _____

Name: _____

Title: **President**

I have authority to bind the corporation.

[Redacted Signature]

Witness

[Redacted Signature]

[Redacted Signature]

LETTER OF CONFIRMATION
OF ENVIRONMENTAL COMPLIANCE

PIONEER ENERGY MANAGEMENT INC.
1122 International Blvd., Suite 700
Burlington, Ontario L7L 6Z8
Att: Vice President Retail Sales

1059945 Alberta Inc., hereby confirms that the service station facility, and operation, located at **10 Main St., Neepawa, Manitoba R0J 1H0**, is in compliance with the following environmental requirements:

- (i) has a current provincial petroleum retailing license/permit (copy of license/permit attached);
- (ii) the tankage system is registered, where applicable (copy of registration attached);
- (iii) the tankage system meets provincial installation and specification standards;
- (iv) the tankage system was installed by a provincially licensed/approved contractor, where required by law;
- (v) an approved emergency contingency plan is in place; and
- (vi) is operating in compliance with regulatory operating requirements.

Dated: April 5, 2013

1059945 ALBERTA INC.

Per:

Name

Title: President

I have authority to bind the corporation.

**MOTOR FUEL SUPPLY AGREEMENT
ESSO-BRANDED MOTOR FUELS**

This Agreement is made on APRIL 5, 2012 (the "Effective Date")


BETWEEN:

PARKLAND INDUSTRIES LTD.
(hereinafter called "Distributor")

- and -

1746936 ONTARIO INC.
(hereinafter called "Dealer") having a
motor fuels "Marketing Premises" located at
1000 Ontario Road
Welland, Ontario, L3B 5E4

- and -


(hereinafter called the "Guarantors")

WHEREAS Distributor is engaged in the sale and distribution of high quality petroleum products under the nationally and internationally known ESSO trade mark;

AND WHEREAS the Dealer desires to carry on the business of the sale of petroleum products in accordance with this Agreement;

AND WHEREAS the Guarantors have agreed to guarantee the obligations of the Dealer under this Agreement as consideration in part for the Distributor entering into this Agreement;

AND WHEREAS, based on its marketing strategies Imperial Oil, a partnership of Imperial Oil Limited and McColl-Frontenac Petroleum Inc. ("Imperial Oil") has established the following core values ("Core Values"), namely

- To deliver quality products that customers can trust.
- To employ friendly, helpful people.
- To provide speedy, reliable and friendly service.
- To provide clean, attractive and well maintained retail facilities.
- To be a responsible, environmentally conscious neighbour.

NOW THEREFORE the Distributor and the Dealer agree as follows:

1. Grant

Distributor, under an Esso Branded Distributor Agreement with Imperial Oil, has the right to grant to Dealer the use of certain Imperial Oil owned proprietary marks. Subject to the terms and conditions of this Agreement, Distributor grants Dealer the right to use the "Esso" mark and such other proprietary marks specified by Imperial Oil, from time to time, for use in connection with the sale of Esso-branded motor fuels ("Proprietary Marks") at the Marketing Premises. Dealer hereby accepts the use of the Proprietary Marks subject to the terms and conditions of this Agreement and agrees to conduct its

business in a manner consistent with the commitments in the Core Values and agrees to comply with Imperial Oil business standards and policies, including, without limitation Imperial Oil's National Standards Handbook as amended and updated (including Minimum Acceptable Ratings, if any) and training requirements, as communicated by Distributor from time to time. DEALER ACKNOWLEDGES THAT ITS RELATIONSHIP IS EXCLUSIVELY WITH DISTRIBUTOR. NOTHING IN THIS AGREEMENT MAY BE CONSTRUED AS CREATING A CONTRACTUAL OR OTHER RELATIONSHIP BETWEEN DEALER AND IMPERIAL OIL.

2. Related Businesses

Distributor acknowledges that Dealer may wish to operate, during the term of this Agreement, additional businesses ("Related Businesses") at the Marketing Premises using either the Proprietary Marks specified by Imperial Oil from time to time in connection with any such Related Businesses, Distributor's trademarks, Dealer's own trademarks or third party trademarks. Dealer acknowledges that the operation of the Related Businesses, whether branded with Proprietary Marks or other trademarks, impacts the customers' perception and acceptance of the Esso-branded motor fuels and Proprietary Marks. Accordingly, Dealer may operate a Related Business at the Marketing Premises only in compliance with this Agreement and any and all requirements for that Related Business communicated by Distributor to Dealer from time to time. If Dealer fails to comply with this Agreement or any such requirements, and without limiting Distributor's other rights or remedies under applicable laws or under this Agreement or any related or supplemental agreement, including termination or non-renewal of this Agreement, Distributor may require Dealer to stop operating the Related Business and for Related Businesses bearing Proprietary Marks, or the Distributor's trademarks, may also withdraw its approval for the use of any such Proprietary Marks or trademarks. From the Effective Date, Dealer shall not operate any Related Businesses or other businesses or activities, or change, delete or add any Related Businesses or other businesses or activities at the Marketing Premises unless agreed in writing by the parties hereto.

3. Term

- a. The term of this Agreement is for the period beginning on **June 1, 2012** and ending on **March 13, 2023**, unless terminated earlier in accordance with this Agreement. If the said term exceeds the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, then the term of this Agreement shall expire upon the expiry of the said Esso Branded Distributor Agreement; and

4. Product Quantities

- a. Distributor shall sell and deliver and Dealer shall purchase, receive and pay for the Dealer's entire requirements of Esso-branded motor fuel for sale at the Marketing Premises in the quantities and at the prices and terms and conditions set out herein. The motor fuels purchased by Dealer from Distributor under this Agreement shall be for resale at the Marketing Premises only. The Dealer shall use good faith and diligent efforts to maximize the sale of Esso-branded motor fuels at the Marketing Premises. Dealer shall at all times have available for sale at the Marketing Premises such quantities of the Esso-branded motor fuels as are sufficient to meet the demand from time to time of the Dealer's retail customers.
- b. The minimum annual volume of Esso-branded motor fuel Dealer is obligated to purchase during any contract year ("contract year" meaning the consecutive twelve (12) months beginning on the Effective Date and each subsequent consecutive twelve (12) month period) is [REDACTED] litres (the "Minimum Annual Volume"). The Minimum Annual Volume shall be subject to any changes prescribed by government rules, regulations or orders or resulting from any plan of allocation by Imperial Oil.

- c. In each contract year, Dealer must purchase from Distributor a minimum of eighty percent (80%) of the Minimum Annual Volume for Esso-branded motor fuel. Should Dealer fail, in any contract year, to purchase the aforementioned 80% of the Minimum Annual Volume of Esso-branded motor fuel, Distributor may terminate or not renew this Agreement upon giving 60 days prior written notice to the Dealer and the Guarantor(s).

5. Dealer Payment

- a. As consideration in part for the Dealer accepting the use of the Proprietary marks as set out herein, Distributor shall pay to the Dealer a payment in the amount of [REDACTED] cents per litre (plus applicable taxes) multiplied by the number of litres of the Esso-Branded motor fuels purchased by the Dealer from Distributor pursuant to this Agreement (the "Dealer Payment"). The Dealer Payment shall be calculated by Distributor based on the Distributors' records and paid by Distributor to the Dealer monthly in arrears within twenty (20) days immediately following the end of each month during the term of this Agreement.
- b. Distributor shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days' prior written notice to the Dealer and the Guarantors if the Dealer fails to purchase eighty (80) percent of the Minimum Annual Volume in any contract year.
- c. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Dealer shall not be in default in the observance or performance of any of the covenants or agreements contained in this Agreement; and (ii) this Agreement shall not have terminated.

6. Right of First Refusal

- a. The Marketing Premises are located on those lands legally described as:

**PT LT 22 & GORE CON 7 CROWLAND, AS IN RO707385; WELLAND
in the Land Titles Division of the Niagara South Registry Office (No. 59).**

- (hereinafter referred to as the "Lands"). The Dealer operates its Esso branded motor fuels business and other ancillary business from the Lands (hereinafter referred to as the "Business"). If at any time during the term of this Agreement the Dealer shall receive a bona fide offer (hereinafter in this Article referred to as the "Offer") from a third party with whom the Dealer is dealing at arm's length (the "Third Party") for the purchase of the Business and/or the Lands in whole or in part and the Dealer is prepared to accept the Offer, the Dealer shall, before accepting the Offer, give written notice to the Distributor within three (3) Business Days of the date the Dealer received the Offer by sending to the Distributor an executed copy of the Offer and notifying the Distributor therewith of the Dealer's desire to accept the Offer. The Distributor shall have the right to purchase on the terms and conditions of the Offer, the Business and/or the Lands referred to in the Offer. The right to purchase shall be exercised by the Distributor delivering notice in writing thereof to the Dealer within thirty (30) Business Days after receipt of a copy of the executed Offer (hereinafter in this Article referred to as the "Exercise Period").
- b. In the event the Distributor does not exercise the right to purchase the Business and/or the Lands referred to in the Offer within the Exercise Period, the Dealer shall be at liberty to complete the sale of the Business and/or the Lands referred to in the Offer to the Third Party; provided that such sale shall be completed within ninety (90) days from the expiry of the Exercise Period, failing which the Dealer's right to complete such sale shall terminate.

- c. In the event that the Distributor shall notify the Dealer in writing within the Exercise Period of its desire to purchase the Business and/or the Lands referred to in the Offer, a binding agreement of purchase and sale shall exist between the Dealer and the Distributor with respect to the Business and/or the Lands at and for a price equal to that described in the Offer and on the terms and conditions therein contained. In the event the Offer provides for financing from the Dealer to allow the Third Party to close the purchase of the Business and/or the Lands referred to in the Offer, the Distributor shall pay the principal amount of the Dealer financing in cash on closing.
- d. The Dealer covenants and agrees that the Dealer shall not:
 - (i) accept any offer for the purchase of all or any portion of the Land which will require some form of consideration, other than cash or cash equivalent in Canadian currency, to be paid, it being intended that the consideration not be of a unique nature such that the Distributor would be unable to provide the same consideration;
 - (ii) accept any offer to purchase the Business and/or the Lands from a party or parties with whom the Dealer is not dealing at arm's length;
 - (iii) accept any offer to purchase the Business and/or the Lands which is not a bona fide offer.
- e. Any purchase and sale of the Business and/or the Lands pursuant to the terms of this Agreement shall close on the thirtieth (30th) day after the expiry of the Exercise Period or on such other date as the Parties may agree upon.
- f. The Dealer covenants and agrees that as a condition precedent to the Distributor allowing the Dealer to sell the Business and/or the Lands to a third party, the Dealer will execute and deliver to the solicitor acting on the Dealer's behalf in such transaction an irrevocable authorization and direction to pay to the Distributor, out of the proceeds of the transaction, such amounts of money that are still due and owing to the Distributor by the Dealer. In the event the proceeds of the sale paid to the Distributor are insufficient to extinguish the Dealer's indebtedness to the Distributor, the Dealer shall continue to be liable to the Distributor for any remaining indebtedness to the Distributor.

7. Price and Terms of Sale

- a. The Dealer shall pay Distributor for the Esso-branded motor fuels purchased pursuant to this Agreement the price thereof in effect at the Distributors' designated loading rack at the time that the motor fuels are loaded for delivery to the Dealer, plus the cost of delivery, plus all applicable taxes. The motor fuel prices hereunder will be established daily by the Distributor and are subject to change at any time and without notice. In the event of a shortage or unavailability of the motor fuels at the Distributors' designated loading rack for any particular delivery to the Dealer the Distributor shall use its best efforts to deliver motor fuels from an alternate loading rack in order to complete the delivery and the Dealer hereby agrees to pay for any increased costs required to complete such delivery.
- b. Measurement of the volume of each delivery of the motor fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15 degrees Celsius in accordance with normal industry practice.
- c. All purchases of the Esso-branded motor fuels shall be paid by the Dealer upon or before delivery in immediately available funds as set out herein, unless Distributor, in its sole discretion and from time to time, grants credit terms to the Dealer. If Distributor grants credit terms to

Dealer, such credit terms may be amended by Distributor in its sole discretion upon written notice from time to time. If Distributor grants credit terms to the Dealer and the Dealer accepts delivery of any Esso-branded motor fuel in accordance therewith, the Dealer shall comply with such credit terms for all purposes, including without limitation paying interest on overdue accounts at rates to be determined by Distributor from time to time. Distributor reserves the right to withhold any amounts due by the Distributor to the Dealer and apply such amounts directly as a set-off against any amounts due and outstanding owing to the Distributor. If the Dealer's account is past due the Distributor may in its sole discretion and without notice decline to make deliveries of motor fuels to the Dealer and the Distributor shall not be liable for any costs, claims, or damages in connection therewith.

- d. The Dealer shall pay interest on any past due amounts at the rate of 18% per annum calculated daily, not in advance, and compounded monthly so long as payment of any monies due and payable hereunder is outstanding.
- e. Any payment made to Distributor by the Dealer pursuant to this Agreement:
 - (1) shall be made together with applicable taxes and become due and payable on the date and at the time and at the location determined by Distributor, in its sole discretion and from time to time;
 - (2) may be collected by Distributor by pre-authorized debit in the manner set out on Schedule "A" or by wire transfer.
- f. The Dealer shall, from time to time, execute and deliver to Distributor an authorization for pre-authorized debit substantially in the form of Schedule "A" in order to facilitate the collection of payments pursuant to this Section. Distributor may amend Schedule "A", in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer.
- g. The Dealer shall use the retail credit and debit system and point of sale services prescribed by Imperial Oil from time to time to be used by the Dealer exclusively in the Dealer's business, and for no other purpose. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor. Dealer shall pay all fees established from time to time for the use of all such retail credit and debit systems and the Dealer shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).
- h. Distributor agrees that, upon receipt of information from Imperial Oil that the Dealer has submitted any valid customer credit card receipts to Imperial Oil for processing, the Distributor will credit the Dealer's purchase of the next delivery of motor fuels with the amount of such receipts.

8. Delivery

- a. Delivery will be by tank truck into Dealer's storage tanks at the Marketing Premises. Property, title and risk of loss of the motor fuel shall pass to the Dealer as the motor fuel is discharged from Distributor's tank truck and passes the collar of the fill pipe of the Dealer's storage tanks at the Marketing Premises.
- b. Dealer shall ensure that the Distributors tank truck will have unimpeded access to the fill pipes

- and storage tanks while making any delivery to the Marketing Premises.
- c. Dealer will notify Distributor of any required delivery of motor fuels in accordance with Distributors written ordering and delivery procedures. Dealer will only order deliveries in orders of a minimum of [REDACTED] litres per delivery (hereinafter referred to as "full truck load"). Distributor reserves the right to amend its ordering and delivery procedures on written notice to the Dealer. Dealer will accept delivery of the Esso-branded motor fuels into the storage tank(s) on the Marketing Premises in accordance with the Distributors ordering and delivery procedures.
 - d. Upon the dispatch of a delivery vehicle by Distributor to deliver the Esso-branded motor fuels to the Marketing Premises, the Dealer agrees to either accept the delivery of a "full truck load" of the Esso-branded motor fuels (or less than a "full truck load" of the Esso-Branded motor fuels only pursuant to Subsection (e) of this Section) at the time the delivery truck arrives at the Marketing Premises or pay to Distributor all the reasonable costs incurred by Distributor in connection with any delay or aborted delivery.
 - e. Distributor shall not be required to deliver to the Dealer the Esso-Branded motor fuels in any quantity less than a "full truck load" or "deemed full truck load", which shall be determined in each case by Distributor in its sole discretion and from time to time. If the Dealer requests the delivery of and Distributor agrees to deliver the Esso-branded motor fuels in a quantity less than a "full truck load" or "deemed full truck load", then Distributor may charge, and the Dealer shall pay, an additional service charge therefor; however, the delivery by Distributor of Esso-branded motor fuels in a quantity less than a "full truckload" or "deemed full truckload" on any one or more occasions shall not require Distributor to deliver Motor Fuels in such quantity on any other occasion. Whether such additional service charge shall be levied and, if so, in what amount shall in each case be in the sole discretion of Distributor from time to time.

9. Product Control

- a. Dealer shall exercise the highest degree of care in handling, storing, selling and using the Esso-branded motor fuel delivered to the Marketing Premises. Dealer shall not cause or allow any contamination, mixing, commingling, adulteration or otherwise change in the composition of any Esso-branded motor fuel (including without limitation, the blending of such motor fuels with ethanol). Dealer shall not sell from the Marketing Premises Esso-branded motor fuels that are contaminated or adulterated or fail to meet the fuel requirements under applicable law in effect at the time of delivery including, without limitation, requirements relating to octane, oxygen content, sulfur content, and all other regulated components or characteristics of a motor fuel or motor fuel additive, or unleaded gasoline requirements. Distributor may refuse to make deliveries into Dealer's storage tanks at the Marketing Premises until in Distributor's judgment, any deficiencies in the quality of motor fuels at the Marketing Premises are corrected.
- b. Access to Premises. Dealer grants Distributor and Imperial Oil (including their employees, agents and contractors) the right to enter the Marketing Premises during normal business hours to examine the contents of Dealer's storage tanks in which said motor fuels purchased hereunder are handled or stored. Distributor and Imperial Oil (including their employees, agents and contractors) may obtain samples from any of the aforementioned storage tanks and may otherwise review all documents and records relating either directly or indirectly to Dealer's obligations under this Agreement.

10. Contingencies

No party hereto shall be deemed to be in default of or shall be liable for the non-performance of any

covenant, agreement, or obligation of this Agreement (except for the Dealer's obligation to pay for any amounts due to Distributor or to Imperial Oil or any person affiliated with distributor under this Agreement) if such default or non performance is caused by any occurrence which is beyond the reasonable control of the party affected. Any delays in or failure of performance by Distributor shall not constitute default hereunder or give rise to any claims for damages if and to the extent that such delay or failure is caused:

- a. Because of compliance with any order, request, or control of any governmental authority; or
- b. When the supply of motor fuel at any facility or the production, manufacture, storage, transportation, distribution or delivery contemplated by Distributor is interrupted, unavailable or inadequate for any reason or cause which Distributor determines is beyond its reasonable control when acting in good faith in the ordinary course of business. The Distributor shall have the right to reduce the quantities of motor fuels to be sold under this Agreement by allocating its available supply of motor fuels among its customers, itself, and its related and subsidiary companies in such manner as it may in its sole and absolute discretion determine and Distributor shall not be obliged to obtain or purchase other supplies of the motor fuels to make up any such shortage.

11. Proprietary Marks

- a. Dealer shall only use the Proprietary Marks designated and permitted by Imperial Oil for Dealer's use and shall only use such marks to designate the origin of the Esso-branded motor fuels and otherwise in the manner authorized and instructed by Distributor from time to time. DEALER AGREES THAT MOTOR FUELS AND PETROLEUM PRODUCTS OF OTHERS WILL NOT BE SOLD BY DEALER UNDER SUCH PROPRIETARY MARKS. If, in the sole opinion of Distributor, any samples taken by Distributor or Imperial Oil under this Agreement are not Esso-branded motor fuels, or are not in the condition in which delivered by Distributor, or any documents and records reviewed by Distributor or Imperial Oil show Dealer has failed to comply with its obligations hereunder, Distributor may, at its sole option, debrand the Marketing Premises in question or cancel and terminate this Agreement.
- b. By written notice to Dealer, Distributor may withdraw its approval to: (i) brand the Marketing Premises ("debrand") or (ii) use or operate any motor fuels business or Related Businesses at the Marketing Premises, if, in Distributor's sole judgment: (i) the Marketing Premises (or the motor fuels business and/or Related Businesses) fails to portray the image and standards expected from Esso-branded retail outlets; or (ii) Dealer is in default of any obligation, condition, representation, or warranty under this Agreement or any related or supplemental agreement.
- c. If Distributor debrands the Marketing Premises, withdraws its approval to use or operate the motor fuels business or Related Businesses at the Marketing Premises, upon termination of this Agreement, or prior thereto upon demand by Distributor, Dealer shall discontinue the posting, mounting, display or other use of the Proprietary Marks, and any sign, poster, placard, plate, device or form of advertising matter whether or not received from Distributor, consisting in whole or in part of the name Imperial Oil or any of the Proprietary Marks except only to the extent they appear as labels or identification of products still in the containers or packages designed and furnished by Imperial Oil.
- d. Dealer agrees to take no action that will diminish or dilute the value of the Proprietary Marks. Dealer shall not sell non-Esso branded motor fuels under any of the Proprietary Marks, including without limitation, any Esso-identified canopy or at any fueling island where Dealer is selling

Esso-branded motor fuels.

- e. Dealer shall not use the Proprietary Marks as part of Dealer's corporate or other name.
- f. Dealer hereby consents to Distributor or Imperial Oil removing or painting over the Proprietary Marks the use of which is granted to the Dealer pursuant to this Agreement, including without limitation the Esso trade name, trade-marks, signs and advertising items, prior to the expiration or earlier termination of this Agreement.

12. Customer Service & Operating Standards

- a. Dealer shall ensure that its Marketing Premises meet the following minimum image requirements (unless such compliance will result in the Dealer being in breach of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits), failing which Dealer shall lose the right to use or display Proprietary Marks at any such Marketing Premises:
 - (1) Paved driveways with safe and good ingress and egress; and
 - (2) Permanent building which is structurally sound and complies with all fire, building and zoning codes and ordinances; and
 - (3) Clean premises free of debris, trash, and fire hazards; and
 - (4) Modern restrooms for men and women available to the general public; and
 - (5) Offer two(2) grades of Esso-branded motor fuels; and
 - (6) Posting, at all times, of actual motor fuel prices, in numerals, in Imperial Oil-approved price sign systems located on the Marketing Premises; and
 - (7) Compliance with applicable operating standards as described in Schedule "B", and facility standards as described in Schedule "C" ("Facility Requirements"), which are incorporated herein and made a part of this Agreement.
- b. While using any Proprietary Marks, Dealer agrees:
 - (1) To render appropriate, prompt, efficient, and courteous service, at the Marketing Premises, to respond expeditiously to all customer complaints, making fair adjustment when appropriate, and otherwise conduct Dealer's business in a fair and ethical manner and maintain the Marketing Premises in a manner which will foster customer acceptance of and desire for the Esso-branded motor fuels sold hereunder; and
 - (2) To provide sufficiently qualified and neatly dressed personnel in uniform at the Marketing Premises as appropriate to render first class service to customers; and
 - (3) To keep restrooms clean, orderly, sanitary and adequately furnished with restroom supplies; and
 - (4) To assist in maintaining a high level of customer acceptance of Proprietary Marks by keeping the Marketing Premises open for dispensing of the Esso-branded motor fuels during such hours each day and days a week as are reasonable considering customer

- convenience, competitive conditions and economic consequences to Dealer; and
- (5) To purchase, maintain, and display an adequate quantity of Esso-branded motor oils, lubricants, greases, anti freeze, and other petroleum products and related products (the "Petroleum Products") for resale from the Marketing Premises to meet the needs of Dealer's retail customers from time to time. Dealer acknowledges that the Distributor is not a distributor of Petroleum Products and agrees to purchase the Petroleum Products directly from Imperial Oil or its designated distributor of Petroleum Products in the Dealer's market area; and
 - (6) The Dealer shall keep the Marketing Premises open for business on the days and during the hours that are sufficient to meet the demand from time to time of the Dealer's retail customers; and
 - (7) The Dealer shall ensure that the automobile maintenance and repair services, if any, provided on the Marketing Premises are performed to the reasonable satisfaction of the consumers of such services.
- c. Dealer agrees that Distributor may revoke permission to display Proprietary Marks at the Marketing Premises which, after reasonable notice by Distributor to cure, continues to be in violation of this Section.
- d. Dealer shall not permit at the Marketing Premises:
- (1) Any consumption of intoxicating beverages in violation of applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits; or
 - (2) The sale or use of illegal drugs or drug paraphernalia; or
 - (3) The sale of any pornographic material or other material that Distributor determines may be offensive to the general public.
- e. Dealer shall not permit at the Marketing Premises the illegal sale of any tobacco products, including without limitation, sales in violation of any federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits relating to youth access to tobacco products. Dealer shall promptly advise Distributor of any charges or notifications of violations received at the Marketing Premises from any regulatory authority resulting from any such tobacco sales and of the resolution of any such charges and notifications.
- f. The Dealer acknowledges receipt of and shall comply with the Imperial Oil Operating Standards Manual (the "Manual"), including without limitation the Operating Standards and the other standards, methods, procedures and specifications established by Imperial Oil from time to time applicable to the operation the Dealer's business. The provisions of the Manual, including without limitation the Operating Standards and the other standards, methods, procedures and specifications applicable to carrying on the Dealer's business, are hereby incorporated into and shall form a part of this Agreement and the Dealer shall comply with same as if fully set forth herein. The Manual shall at all times remain the exclusive property of Imperial Oil and shall be returned to Distributor promptly upon request and, in any event, upon the expiration or earlier termination of this Agreement. Neither the Dealer nor the Dealer's employees shall at any time copy, duplicate or otherwise reproduce or transcribe the Manual or any part thereof without Imperial Oil's prior written consent. The Dealer acknowledges that the entire contents of the

Manual is of a proprietary and confidential nature and is a trade secret of Imperial Oil. The Dealer shall maintain the absolute confidentiality of all such information during the term of this Agreement and after the expiration or earlier termination of this Agreement and shall not disclose any such information for any reason whatsoever, disclosing the same to the Dealer's employees only to the extent necessary for the operation of the Dealer's business in accordance with this Agreement. The Dealer further agrees not to use any such information, directly or indirectly, in any other business or in any other manner or obtain any benefit therefrom not specifically approved in writing by Imperial Oil.

13. No Exclusive Marketing Rights

This Agreement does not give Dealer an exclusive right in any market or geographic area to sell Esso-branded motor fuel or conduct any of the Related Businesses. Dealer acknowledges that Distributor and Imperial Oil may directly or indirectly compete with Dealer or the Marketing Premises by using, or authorizing the use of any trademark or trade names owned by Imperial Oil (or any of its subsidiaries or affiliates) from time to time including, without limitation, the Proprietary Marks ("Trademarks"), including in close proximity to, and notwithstanding any commercial impact on the Marketing Premises. Specifically, Distributor reserves, and Imperial Oil has reserved, the right to so compete by:

- a. Establishing or continuing at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) other distributorships, businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, franchises, enterprises and other businesses utilizing any of the Trademarks; or
- b. Directly selling Esso-branded motor fuels, other branded motor fuels or operating businesses the same or similar in kind as the motor fuels business or Related Businesses, other retail outlets, enterprises or other businesses at locations of their choice (including without limitation in close proximity to the Marketing Premises and notwithstanding commercial impact) utilizing any of the Trademarks.

14. Fuel Handling Equipment

Dealer shall properly maintain in a safe condition all tanks, piping, pumps, dispensers, hoses, nozzles and connections in or through which motor fuel is handled while under Dealer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment"). Distributor may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a. The Dealer warrants and represents to Distributor that as of the effective date of this Agreement, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises are in good condition and repair and meet regulatory requirements.
- b. The Dealer shall keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Marketing Premises in good condition and repair, and to meet regulatory requirements. The Dealer shall make all needed repairs and replacements promptly.
- c. The Dealer shall have in place on all underground motor fuels storage tanks the following equipment:
 - (1) spill containment boxes; and
 - (2) overfill prevention valves,

and such equipment shall, at all times, be in good operating condition and repair.

- d. Notwithstanding any other provision in this Agreement, if Distributor is required by law, or if in Distributor's reasonable opinion, the delivery to the Dealer of any motor fuels may constitute a hazard to life, property or the environment (a "hazard"), then Distributor may at any time and without liability therefor suspend or delay delivery of the motor fuels. Distributor shall not be obliged to re-commence delivery of the Motor Fuels until Distributor is satisfied, in its sole discretion, that the hazard does not exist or has ceased to exist.
- e. The Dealer agrees :
 - (1) that if Distributor does or causes the doing of any act to remedy a hazard, whether or not the acts are required by law, the Dealer will pay Distributor for all costs and expenses incurred by Distributor for the doing of such act; and
 - (2) upon completion of the delivery of any product, the Dealer shall inspect the Marketing Premises for any spillage of any motor fuel or other substance and so notify Distributor immediately if any such spillage is determined to have occurred and Dealer shall immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.
- f. Distributor shall have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Marketing Premises in response to actual or potential environmental hazards.

15. Loaned Equipment

- a. Distributor will loan to the Dealer the equipment listed in Schedule "D" hereto (the "Equipment") as and when it may be available for use on the Marketing Premises in the Dealer's business; and the Dealer hereby accepts such loan.
- b. Distributor shall have the right, in its sole discretion and from time to time, to replace, add to or substitute any one or combination of items of the Equipment.
- c. The Dealer shall:
 - (1) pay all licensing fees, taxes and other fees of every kind applicable to the Equipment;
 - (2) obtain all necessary permits, licences and other rights necessary to permit the installation, maintenance and use of the Equipment on the Marketing Premises, and the removal of the Equipment from the Marketing Premises;
 - (3) not alter, part with possession of, or encumber, lease, or sell the Equipment;
 - (4) complete day to day maintenance and repair, including replacement of parts, of the Equipment unless Distributor advises the Dealer in writing that Distributor shall be responsible for all or any part of such maintenance, repair and replacement for any one or a combination of items of the Equipment;
 - (5) keep and maintain on the Equipment any of the Proprietary Marks or colour scheme which appears thereon;
 - (6) comply with all laws applicable to the Equipment;

- (7) be responsible for all damage caused to the Equipment by the gross negligence or willful act of any person or persons other than Distributor, its employees, contractors and agents;
 - (8) use the Equipment intended for storage, handling, advertising or displaying the Esso-branded motor fuels and the Petroleum Products, solely for such intended purpose;
 - (9) return to Distributor in good repair and operating condition, reasonable wear and tear excepted (i) all Equipment immediately upon the expiration or earlier termination of this Agreement and (ii) any Equipment replaced by Distributor for any reason immediately upon such replacement;
 - (10) for greater certainty, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises at all reasonable times in order to (i) effect maintenance and repair of the Equipment and (ii) replace, add to or substitute any one or combination of items of the Equipment; and
 - (11) upon the expiration or earlier termination of this Agreement, permit Distributor, its employees, contractors, agents and invitees to enter upon the Marketing Premises to remove the Equipment.
- d. The title to and ownership of the Equipment shall at all times remain with the Distributor, and the Dealer agrees not to affix the Equipment to the Marketing Premises in such a way that the Equipment shall become a fixture of the Marketing Premises.
 - e. The Dealer acknowledges that it has examined the Equipment provided to the Dealer as of the effective date of this Agreement and is satisfied therewith and shall indemnify Distributor from and against all claims and demands for loss, damage or injury in respect of the Equipment unless such claims or demands arise by reason of Distributor's negligence or a defect in the Equipment, provided the Dealer shall have given Distributor prompt written notice of such negligence or defect.

16. Compliance with Laws

Dealer shall operate and maintain the Marketing Premises and all business conducted at the Marketing Premises, in compliance with all applicable federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits including those concerning the environment, hazardous substances or wastes, toxic substances, and occupational safety and health.

17. Indemnity

The Dealer agrees to indemnify and save harmless Distributor, its partners, directors, officers, employees, agents and affiliates and their respective directors, officers, employees, agents and affiliates (each an "indemnified party") from and against any cause of action, claim, demand, liability, cost, expense, loss or damage (each a "claim") that may be threatened, made or brought against them or that they may suffer or incur directly or indirectly arising out of, in respect of or in connection with:

- a. the operation of the Dealer's business on the Marketing Premises;
- b. the storage, handling and sale of the motor fuels on and from the Marketing Premises; and
- c. the Equipment.

The foregoing indemnity shall not include a claim arising out of, in respect of or in connection with the

negligence or willful misconduct of an indemnified party.

18. Insurance

- a. Without in any way limiting any liability of the Dealer under this Agreement, the Dealer shall maintain in full force and effect the following insurance:
 - (1) a comprehensive general liability policy which insures the Dealer in respect of liability to third parties and Distributor arising out of all the operations of the Dealer pertaining to the Dealer's business, whether or not conducted on or from the Marketing Premises with all inclusive limits of at least three million dollars (\$3,000,000) for any one incident. This insurance policy shall insure the Dealer for liability assumed pursuant to this Agreement; and
 - (2) a third party liability policy on all vehicles used in the Dealer's business, with all inclusive limits of at least one million dollars (\$1,000,000) for any one incident.
- b. The insurance policy referred to in subsection 18a.(2) above shall be written using the standard garage automobile policy (S.P.F. No. 4, or its equivalent in provinces with compulsory government insurance plans), or in the alternative, using a standard garage automobile policy in combination with an endorsement excluding owned automobiles and with an owner's form of the standard automobile policy (S.P.F. No. 1).
- c. Upon written request by Distributor, the Dealer shall provide Distributor with a certificate of insurance and such other information as may reasonably be required by Distributor in a form satisfactory to Distributor as evidence of the insurance required under this Section. The insurance policies shall be endorsed to provide that in the event of any change in them which could affect Distributor's interests, or in the event of their cancellation, the insurers shall give prior written notice thereof by registered mail to Distributor thirty (30) days prior to the effective date of any such change or cancellation.
- d. Distributor may amend this Section, in its sole discretion and from time to time, on the anniversary of the commencement date of this Agreement upon sixty (60) days' prior written notice to the Dealer.

19. Technology and Communications

If required by Distributor in writing from time to time, Dealer shall comply with the following:

- a. Install and maintain in good operating condition and at Dealer's expense at the Marketing Premises:
 - (1) a facsimile machine for sending and receiving written communications; and
 - (2) equipment that allows access to the internet or other electronic-transmission or data communications systems designated by Distributor from time to time.
- b. Subscribe, at Dealer's expense, at the Marketing Premises to a voicemail system for transmitting and receiving telephone communications.
- c. Make other reasonable expenditures or investments to update equipment, technology and communications systems at the Marketing Premises, including without limitation, the addition, replacement or updating of point of purchase equipment, pump dispensing technology, credit and

cash processing equipment and software.

20. Retail Credit and Debit System

The Dealer acknowledges receipt of an imprinter, computer equipment and electronic transmission facilities to be used by the Dealer exclusively in the Dealer Business, and for no other purpose, as the retail credit and debit system presently prescribed by Imperial. The Dealer shall be entitled to use such equipment and facilities and certain maintenance and support services; provided that the Dealer pays for all costs associated therewith, including complying with all requirements of such retail credit and debit system and regular maintenance and replacement in the event of loss or damage, and the Dealer complies with all guidelines therefor.

The Dealer shall pay to Distributor the following fee(s), which Distributor may amend, in its sole discretion and from time to time, upon sixty (60) days' prior written notice to the Dealer:

G-Site data transmission fee: \$ [REDACTED] /month.

eN-Touch fee: ² 1 unit(s) at \$ [REDACTED] /month. [REDACTED]

Manual Imprinter: Yes at \$ [REDACTED] /month.

VSAT Satellite: 1 unit(s) at \$ [REDACTED] /month

Speedpass "inside pay" pad: 1 unit(s) at \$ [REDACTED] /month

The Dealer shall implement and utilize the retail credit and debit system(s) designated by Distributor, in its sole discretion and from time to time, to be used by its dealers and the Dealer further shall comply with all the terms, conditions and regulations relating thereto. The Dealer shall pay all commissions and charges required to be paid by the Dealer to the proprietors and operators of such system(s).

21. Termination

- a. Where the end of the term of this Agreement set out in Section 3 is later than the end of the term of the Esso Branded Distributor Agreement that is in effect between the Distributor and Imperial Oil at the beginning of this Agreement, or where the said Esso Branded Distributor Agreement is terminated before the end of the term of this Agreement, then this Agreement shall automatically terminate immediately upon the end of the term or the expiry, as the case may be, of the said Esso Branded Distributor Agreement, unless:
 - (1) the said Esso Branded Distributor Agreement is extended, renewed or replaced; and
 - (2) Imperial Oil gives approval to the Distributor that the Marketing Premises are approved as an Esso location.
- b. Distributor, in its sole discretion, shall have the right to terminate this Agreement between Dealer and Distributor immediately and without notice and demand immediate payment of all monies due it as follows:
 - (1) In accordance with the applicable provisions of this Agreement; or
 - (2) Bankruptcy proceedings are instituted by or against Dealer; control of Dealer's business or assets pass by law or otherwise to any person or representative other than Dealer; or

- (3) Dealer is in breach of a provision under this Agreement; or
- (4) Dealer fails to timely pay obligations due Distributor under this Agreement; or
- (5) Dealer is in default of any Third Party Credit Card Agreement entered into between the parties in connection with this Agreement, or in the event the Third Party terminates the Dealers use of the Third Party's credit card processing facilities for any reason whatsoever; or
- (6) Any intended indemnity, guarantee, or suretyship in connection with this Agreement is revoked or curtailed; or
- (7) If any motor fuel, other than the Esso-Branded motor fuels are kept, sold or otherwise dealt with on or from the Marketing Premises; or
- (8) If the Dealer fails to sell the Esso-branded motor fuels strictly in accordance with the grades and kinds designated in the Manual; or
- (9) The Dealer sells any Esso-branded motor fuel: (i) in bulk, (ii) to any person for resale, or (iii) to any person not using a government approved container; or
- (10) If the Dealer ceases to carry on the Dealer's business on or from the Marketing Premises; or
- (11) If the Dealer or any of the Guarantors makes or is deemed to have made a general assignment for the benefit of its creditors under the Bankruptcy and Insolvency Act (the "Act"), or if a petition is filed against the Dealer or any of the Guarantors under the Act, or if the Dealer or any of the Guarantors shall be declared or adjudicated bankrupt, or if an application is made in respect of the Dealer or any of the Guarantors under the Companies' Creditors Arrangement Act, or if a liquidator, trustee in bankruptcy, custodian, receiver, receiver and manager, moderator or any other officer with similar powers shall be appointed for the Dealer or any of the Guarantors, or if the Dealer or any of the Guarantors shall commit any act of bankruptcy or institute proceedings to be adjudged bankrupt or insolvent or consents to the institution of such appointment or proceedings, or if the Dealer or any of the Guarantors admits in writing the inability to pay its debts generally as they become due or becomes an "insolvent person" as that term is defined in the Act; or
- (12) If the Dealer or any of the Guarantors shall at any time have any of the goods and chattels of the Dealer's business seized or taken in execution or in attachment by a creditor of the Dealer, or a writ of execution shall issue against such goods and chattels or if the Dealer shall without the prior written consent of Distributor sell any of such goods or chattels except in the normal course of business, such that the foregoing materially impairs the operation of the Dealer's business; or
- (13) If the Dealer fails to operate the Dealer's business for seventy-two (72) consecutive hours during which time it was not prevented from doing so by fire, flood, labour disturbance or any other cause beyond its control; or
- (14) If the Dealer or any of the Guarantors is convicted of or pleads guilty to any criminal offense, whether or not related to the Dealer Business; or

- (15) If the Dealer fails to maintain adequate inventory of the Motor Fuels at the Marketing Premises to meet the needs of its retail customers; or
 - (16) The Dealer or any of the Guarantors attempts to abandon the Marketing Premises or to sell or dispose of its goods or chattels otherwise than in the ordinary course of its business; or
 - (17) If the Dealer (i) is a corporation and a principal shareholder of the Dealer dies or becomes incapacitated or (ii) is a person other than a corporation and the Dealer, a Guarantor or a principal interest holder of the Dealer dies or becomes incapacitated; or
 - (18) If any applicable law now or hereafter in effect renders any provision of this Agreement unenforceable or unlawful.
- c. Upon the expiration or earlier termination of this Agreement for any reason, the Dealer shall immediately:
- (1) cease all use of the Proprietary Marks;
 - (2) pay to Distributor or any person, firm or corporation affiliated or associated with Distributor, all amounts and charges as have or will thereafter become due hereunder or under any other agreement between the Dealer and Distributor or any person, firm or corporation affiliated or associated with Distributor, and are then unpaid;
 - (3) return to Distributor all copies of the Manual then in the possession of the Dealer;
 - (4) notify the telephone company and all listing agencies of the expiration or earlier termination of the Dealer's right to use the Proprietary Marks and terminate all such listings using the Proprietary Marks;
 - (5) surrender the Equipment to Distributor; and
 - (6) at the request of Distributor, take all such action as may be necessary to cancel any trade or business name registration which contains any part of the Proprietary Marks under any applicable law and furnish Imperial with evidence satisfactory to it of compliance with the Dealer's obligation hereunder within thirty (30) days after the expiration or earlier termination of this Agreement.

Any termination of this Agreement pursuant to this Article shall be without prejudice to any other right (including any right of indemnity), remedy or relief vested in or to which Distributor may otherwise be entitled against the Dealer. All monies paid by the Dealer to Distributor under this Agreement or otherwise shall be retained by Distributor as consideration for the rights and benefits previously conferred on the Dealer hereunder and as liquidated damages. The foregoing remedy shall not exclude any of the remedies which Distributor may have at law or in equity by reason of the default, breach or non-observance by the Dealer of any provision of this Agreement.

22. Claims

- a. Neither Distributor nor Imperial Oil is liable to Dealer for shortages in quantity or quality unless Dealer notifies Distributor within 48 hours after delivery (or discovery in the case of latent defect for quality deficiencies) in writing setting forth fully the facts upon which any such claim for shortage in quantity or defect in quality is made and unless Distributor and/or Imperial Oil are given a reasonable opportunity to inspect the Motor fuels concerning which any such claim is being made. Distributor's and/or Imperial Oil's liability with respect to any shortage in quantity

shall be limited to an amount equal to the volume of any shortage multiplied by the Dealer's cost of motor fuel including delivery and taxes in effect for the delivery in question. Distributor and/or Imperial Oil's liability with respect to any defect in quality shall be limited to the cost of removing the defective motor fuels from the Marketing Premises at its own expense and replacing them without charge to the Dealer. Distributor and/or Imperial Oil shall not be liable for any special, indirect, or consequential damages to the Dealer for any shortage in quantity or defect in quality. All other claims by Dealer against Distributor or Imperial Oil including their affiliates and subsidiaries of any kind, whether or not arising out of this Agreement, are barred unless Dealer gives Distributor and/or Imperial Oil, as the case may be, notice within ninety (90) days after the event, act or omission to which the claim relates. Whether or not Dealer provides timely notice of a claim, any claim by Dealer is barred unless asserted by the commencement of a lawsuit naming Distributor and/or Imperial Oil as defendant in a court of competent jurisdiction within twelve (12) months after the event, act or omission to which the claim relates.

- b. Dealer recognizes that, at any time during the term of this Agreement, any of the grades or brands of motor fuels sold hereunder or any of the Proprietary Marks may be changed, altered, amended or eliminated. Dealer also recognizes that, at any time during the term of this Agreement, the quality or specification of any of the motor fuels sold hereunder may be changed or altered. If any such change or alteration materially affects the performance of such motor fuels or the needs of Dealer therefor for the purposes intended by Dealer, Dealer may terminate this Agreement as to any such motor fuels so affected on thirty (30) days' prior written notice to Distributor. However, Dealer may not terminate this Agreement for any change in quality or specification of any said motor fuels resulting from compliance with federal, provincial or municipal laws, statutes, ordinances, codes, regulations, rules, orders, or permits. In the event that the manufacture of certain of the Esso-branded motor fuels sold hereunder is discontinued, Distributor shall notify Dealer of such an event and this Agreement shall terminate as to such motor fuels when such notice is effective.

23. Entire Agreement; Modifications

This Agreement, any documents referred to in this Agreement and any attachments to this Agreement constitute the entire, full and complete agreement between Distributor and Dealer concerning the subject matter hereof, and supersede all prior agreements relating to that subject matter. Except for any permitted to be made unilaterally by Distributor under this Agreement, no amendment, change or variance from this Agreement is binding on either party unless agreed in writing by Distributor's and Dealer's authorized representative. Except as provided in this Agreement, there are no conditions, representations, warranties, undertakings, promises, inducements or agreements whether direct, indirect, collateral, express or implied made by Distributor to the Dealer.

24. Miscellaneous

This Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective assigns. Any assignment of this Agreement by Dealer without Distributor's written consent shall be void. Distributor's right to require strict performance shall not be affected by any previous waiver or course of dealing. Neither this Agreement nor any modification or waiver shall be binding on Distributor unless in writing signed by an authorized representative. Past performance shall not be deemed a waiver of this requirement.

25. Guarantee

As consideration in part for Distributor entering into this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each of the Guarantors

and Distributor, the Guarantors hereby agree as follows:

- a. To unconditionally and irrevocably guarantee to Distributor, as a primary obligor, the due payment by the Dealer of all monies payable under this Agreement and any other obligations whatsoever by the Dealer to Distributor at the time or times appointed therefor, and the due observance and performance by the Dealer of all the covenants, terms, provisions, stipulations and conditions in this Agreement and any other obligations whatsoever to be observed and performed by the Dealer;
- b. To indemnify and save Distributor harmless from and against all costs, losses, expenses and damages it may suffer as a result of the Dealer's non-compliance with any term or condition of this Agreement;
- c. That this shall be a continuing guarantee and shall be binding upon the Guarantors after as well as before the Dealer's non-compliance with any term or condition of this Agreement, until all monies due under the Agreement have been fully paid and satisfied and all covenants, terms, provisions, stipulations, agreements and conditions observed, performed and carried out;
- d. Distributor shall not be bound to exhaust its recourse against the Dealer before requiring payment of any monies or the observance or performance of any obligations by the Guarantors and the Guarantors waive notice of demand for payment or performance, notice of default, protest and notice of protest and any and all other notices and legal and equitable defenses to which the Guarantors may be entitled;
- e. No release or releases and no indulgence or extensions of time or waiver granted by Distributor to the Dealer with respect to the observance or performance or any defaults or breaches of this Agreement by the Dealer nor any dealings between Distributor and the Dealer shall in any way modify, alter or prejudice Distributor or diminish or affect the liability of the Guarantors under this Agreement;
- f. The covenants and agreements herein entered into by the Guarantors are to be construed as both joint and several;
- g. The guarantee and the liability of each of the Guarantors hereunder is not affected by the death or loss or diminution of capacity of any of the Guarantors; and
- h. For clarification, this guarantee extends to and is binding upon each of the Guarantors and their heirs, executors, administrators, legal representatives and assigns, it being understood that this guarantee will continue to bind the Guarantors even if one or each of the Guarantors, as the case may be, cease to be involved, directly or indirectly in the Dealer Business or in the Dealer.

26. Notices

Any notice to be given hereunder:

- a. By Distributor to the Dealer and the Guarantors shall be conclusively deemed to have been given when addressed to the Dealer and: (i) delivered personally or by courier to the Marketing Premises; (ii) mailed by prepaid registered mail addressed to the Dealer at the Marketing Premises; or (iii) sent by electronic facsimile to the Dealer provided evidence of transmission is retained, and
- b. By the Dealer or the Guarantors to Distributor shall be conclusively deemed to have been given when addressed to the following address and: (i) delivered or mailed by prepaid registered mail to Distributor at the following address, or (ii) sent by electronic facsimile to Distributor, provided

evidence of transmission is retained, at the following number:

236 - 4919 - 59 Street
RED DEER, Alberta
T4N 6C9
Attention: Legal Services Department
Facsimile No.: (403) 346-3015

Any notice, if delivered personally or by courier shall be conclusively deemed to have been given when actually received, if mailed by prepaid registered mail, on the fifth business day following the deposit thereof in the mail or, if transmitted by electronic facsimile before 3:00 p.m. on a business day, on that business day and, if transmitted by electronic facsimile after 3:00 p.m. on a business day on the business day following the date of the transmission.

27. Quality Assurance

Dealer agrees to store, handle, sell and dispense the Esso-branded motor fuels purchased and sold hereunder in compliance with the procedures provided by Distributor from time to time.

28. Right of Entry

In addition to any other rights of Distributor under this Agreement, Dealer hereby permits Distributor, Imperial Oil and their respective affiliates, employees, agents, vendors, contractors and representatives to enter, during normal operating hours, the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement, to enforce any and all rights and remedies under this Agreement including taking action to preserve the integrity of the Proprietary Marks and determine Dealer's compliance with this Agreement. Neither Distributor nor Imperial Oil is liable to Dealer for any interference with Dealer's business as a result of Distributor or Imperial Oil entering the Marketing Premises and other places where Dealer conducts any business covered by the terms of this Agreement.

29. Survival

All obligations of the parties hereto which expressly or by their nature survive the expiration, earlier termination, permitted transfer and permitted assignment of this Agreement shall continue in full force and effect, until they are satisfied or by their nature expire.

30. Withholding Payments

The Dealer will not on the grounds of the alleged non-performance by Distributor of any of its obligations under this Agreement or under any other agreement between the parties, withhold payment of any amounts due to Distributor or any person affiliated with Distributor.

31. Further Assurances

The parties agree to diligently do or cause to be done all acts or things and to execute all documents and instruments necessary to implement and carry into effect this Agreement to its full extent.

32. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the province or territory of Canada in which the Marketing Premises is located and the federal laws of Canada applicable therein.

33. Severability

Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to that

jurisdiction, be ineffective to the extent of such prohibition or unenforceability and shall be severed from the balance of this Agreement, all without affecting the remaining provisions of this Agreement or affecting the validity of such provision in any other jurisdiction.

34. No Waiver

No waiver of any covenant, agreement or obligation in this Agreement shall be construed as a waiver of any succeeding breach thereof or of any other covenant, agreement or obligation in this Agreement, and no delay or omission on the part of any party to exercise any right acquired through the default of any other shall be construed as a waiver of or shall impair such right.

35. Compliance with Law; Workers Compensation; Environmental

- a. The Dealer shall fulfill all the duties imposed upon it by law and shall obey all laws, regulations, rules, by-laws and ordinances applicable to the Dealer's business and to the Marketing Premises, including without limitation the competition laws of Canada and all other applicable laws relating to competition.
- b. The Dealer shall: (i) comply fully, at the Dealer's sole expense, with provisions of the relevant Workers' Compensation legislation; and (ii) obtain for all the persons employed in the Dealer's business, including the Dealer and the principal shareholder(s) and interest holder(s) of the Dealer, as the case may be, the complete package of benefits available under the relevant Workers' Compensation legislation.
- c. The Dealer shall comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.

36. No Special or Consequential Damages

Distributor shall not be liable for any special or consequential damages or loss of profit arising from any breach of its obligations under this Agreement.

37. Independent Legal Advice

Each of the Dealer and the Guarantors acknowledges that it: (i) has had ample time to read and has read this Agreement and has been afforded the opportunity to retain independent legal advice to assist it in its review, execution and delivery of this Agreement; and (ii) has of its own free will either declined to do so or obtained independent legal advice.

EXECUTED as of the date first herein specified.

Scott McNeil
 Director of Retail Operations
 PER: _____

 PER: _____

 PER: _____

 PER: _____

1746936 ONTARIO INC

[Redacted Signature]

Witness

[Redacted Signature]

Guarantor

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SCHEDULE "A"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 1746936 Ontario Inc.

PAYOR'S AUTHORIZATION FOR PRE-AUTHORIZED DEBITS (Business Purposes)

1. The Payor hereby certifies the accuracy of the following information:

Name:

Address:

Town:

Province:

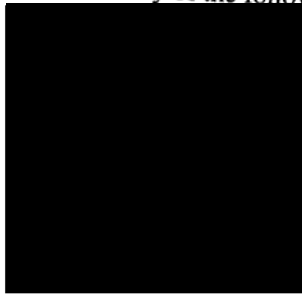
Postal Code:

Telephone Number:

Account:

Name of Payor's


Financial Institution:



the "Payor")

the "Account")

(the "Processing Institution")

2. Attached to this Authorization is a specimen cheque of the Payor marked 'VOID'.
3. The Payor will notify Parkland (the "Payee"), in writing, of any change in the information provided in Sections 1 and 2 of this Authorization thirty (30) days prior to the effective date of any such change.
4. The Payor hereby authorizes the Payee to draw on the Account with the Processing Institution (each a pre-authorized debit or ("PAD")) to facilitate the payment of any and all such monies owing by the Payor to the Payee, including without limitation any monies owing pursuant to the Motor Fuel Supply Agreement - Esso-Branded Motor Fuels among the Payee, the Payor and others.
5. The Payor represents and warrants that all persons whose signatures are required to authorize withdrawals from the Account have signed this Authorization and that all persons signing this Authorization are the authorized signatories and are duly authorized to execute this Authorization.
6. This Authorization may be cancelled by the Payor at any time upon written notice to the Payee.
7. The Payor acknowledges that executing and delivering this Authorization to the Payee constitutes delivery by the Payor to the Processing Institution.
8. The Payor and the Payee each hereby waive any and all PAD pre-notification requirements otherwise required by Rule H1 of the Canadian Payments Association ACSS Rules Manual.
9. The Payee may issue PADs in a dollar amount up to a maximum of \$  per day.
10. The Payor acknowledges that the Processing Institution is not required as a condition to honouring a PAD issued to verify that a PAD has been issued in accordance with the particulars of the Authorization, including without limitation the amount of the PAD and that the consideration for the payment for which the PAD was issued has been received by the Payee.
11. The revocation of this Authorization by the Payee does not terminate any contract for goods or services that exists between the Payee and the Payor. This Authorization applies only to the method of payment and does not otherwise have any bearing on the contract for goods or services exchanged.
12. The Payor may dispute a PAD only under the following conditions:

- (1) the PAD was not drawn in accordance with this Authorization; or
- (2) this Authorization was revoked.

The Payor acknowledges that in order to be reimbursed, a declaration to the effect that one of foregoing circumstances occurred, must be completed and presented to the branch of the Processing Institution holding the Account up to and including 10 business days after the date on which the PAD in dispute was posted to the Account.

13. The Payee shall provide to the Payor notice and particulars of each PAD within 10 days following the date the Payee issues the PAD.
14. The Payor acknowledges that when disputing any PAD beyond the time allowed in this section it is a matter to be resolved solely between the Payor and the Payee, outside the payments system.
15. The Payor acknowledges that the information contained in the Authorization may be disclosed to the Payee's financial institution(s) as may be required or desirable to complete any PAD transaction.
16. The Payor understands and accepts the terms of participating in a PAD plan.

SCHEDULE "B"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 1746936 Ontario Inc.

OPERATING STANDARDS

The following operating standards for the Premises set out the Dealer's responsibilities with respect to safety and other operating procedures for the Premises and must be complied with strictly.

Operating Procedures

- Be aware of, and comply with, any applicable law relating to the operations on the Premises and any accounting and inventory management system requirements.
- Understand all duties in running the Premises.
- Ensure that the Dealer's employees understand the duties delegated to them.

Safety

The Dealer's employees must:

- Use safe work procedures when carrying out their duties.
- Be aware of and follow safe work practices when carrying out their duties.
- Be trained in the recognition and correction of hazardous conditions to avoid emergencies.
- Be aware and comply with applicable safety regulations.

Security/Robbery Prevention

- Take proper preventative measures to reduce the risk of robbery.
- Train the Dealer's employees in security and robbery prevention.
- The Dealer must train the Dealer's employees in the procedures to follow before, during and after a robbery.

Critical Equipment

- Know the critical equipment on the Premises.
- Ensure that the Dealer's employees are aware of the critical equipment on the Premises.
- Ensure that when critical controls are disarmed, appropriate communication takes place prior to such disarming and that such critical controls are re-activated.
- Follow appropriate procedures for disarming the critical equipment, including completing the form for the disarming or removal of critical controls and shutdown systems.

Emergency Response

- Post the emergency response plan wall chart on the Premises in a conspicuous place.
- Train Dealer's employees in emergency response. This should include a review of potential hazards and how to deal with them, and the operation and use of fire extinguishers.
- Have the required equipment and supplies to respond to emergency situations.
- Hold at least two practice drills each year using different emergency situations.
- Document the Dealer's employee training and practice drills.

Workplace Hazardous Materials Information System ("WHMIS")

- Educate and train all the Dealer's employees on the WHMIS program prior to their starting work on the Premises and provide documented evidence thereof.
- Ensure that all Material Safety Data Sheets for controlled products are current, available and accessible to the Dealer's employees.
- Conduct at least once per year a review of WHMIS with the Dealer's employees and provide a forum for the Dealer's employees to discuss any related concerns and issues.
- Ensure that all containers of controlled products are properly labeled.
- Ensure that all fill pipes, gauge pipes and valves are properly tagged.
- Keep an inventory list of controlled products on the Premises in those provinces where it is required.

Waste Management

- Be familiar with and comply with the applicable waste regulations.
- Dispose of waste generated at the Premises according to the applicable waste regulations.
- If required by applicable laws, have a signed contract with a licensed hauler for the removal of hazardous wastes from the Premises.
- Use only a licensed hauler to remove and transport hazardous waste from the Premises.
- Keep copies of all waste manifests on file for a minimum of 2 years, or longer if required by applicable laws.

Licences and Permits

- Have the necessary operating licences and permits to meet regulatory requirements.
- Have on the Premises all manuals required or advisable to operate the service station.

Incident Definition and Reporting

- Report specified incidents to the territory manager.
- Be aware of and understand the Dealer's responsibilities for reporting specific incidents directly to government agencies.
- Share the benefit of past incidents with the Dealer's employees.
- Document the incidents and keep them on file.

Training

- Provide initial and continuous training to all the Dealer's employees.
- If required by applicable laws, maintain training records for each of the Dealer's employees on the Premises.

Credit Card

- Follow the standards for credit card authorization and processing documented in the Credit Card Guide.
- Retain the credit card slips for:
 - 6 months for manual transactions; and
 - 12 months for electronic transactions.
- Provide copies of credit card slips to Imperial within the time requested.
- Submit manual slips on a timely basis.

Esso Extra Card

- Collect, use and disclose information gathered for use by Imperial in connection with the Esso extra card only in accordance with applicable laws.
- Display all point-of-purchase materials prescribed by Imperial in connection with the Esso Extra card.
- Ask each purchaser of applicable merchandise or services whether he or she has an Esso extra card. If so, whether he or she would like to use it and, if not, whether he or she would like to obtain an Esso extra card.
- Record and process the sales transactions of retail customers with an Esso extra card, using the Esso extra card.
- Maintain an adequate supply of merchandise redeemable by holder of Esso extra cards.
- Redeem valid Esso extra card reward certificates presented by retail customers for prescribed merchandise or services.

Record Retention

- Keep all relevant records on the Premises to be able to prove that you have taken the necessary steps to comply with applicable law.

SCHEDULE "C"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 1746936 Ontario Inc.

FACILITY REQUIREMENTS

Item	Description		"New" & >100K D1 Sites	Min Stds New	Min Stds Renewal Or Upgrade
Weather Canopy	Fascia	3D			
(Canopy required at all D1 & D2 sites only)		2D			
(Standards for all other sites with existing canopies)	Column Cladding	New Style (wide perpendicular to pump) Colour - Cambridge White by Color Steel Inc.			
		Current (wide facing pump) Colour to match Cambridge White by Color Steel Inc			
		None (steel column only) Colour to match Cambridge White by Color Steel Inc.			
Pump/Dispenser		Image 2000 (Blue Graphics for new gasoline dispensers - Red for existing)			
		Previous Esso			
		Pay at the pumps & Speedpass			
MID		New Image (Flag Type)			
		Previous Esso			
Painting	MID Structural Posts, Sign Frames	P - 5 White			
	Lighting poles, Posts, island fascia, Message Sign Frames	P - 13 Grey			
POS	G-Site				

	Operating retail automation system compatible with Imperial's card processing network	
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***Subject to MID sign permit availability

Definitions

3D	600mm illuminated Red Frameless Flexface Fascia with 300 non-illuminated white metal Fascia. C/W individually "ESSO" Red illuminated letters.
2D	900mm illuminated Frameless Flexface Fascia, 600mm high red and 300 mm White, with ESSO letters.
MID	Major Identification Sign
D-1 D-2	<p>Dealer Forecourt & Backcourt meeting the following requirements:</p> <ul style="list-style-type: none"> • Forecourt: Canopy with proper I.D. Standards that can be upgraded to 3D, 3 Products with proper pump ID. Current Major Identification sign, Good Gas Location. • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics. • Forecourt: Canopy with proper I.D. Standards Minimum 2 (preferred 3) products with proper pump I.D. M.I.D. S/B goal post (minimum) but other to standard acceptable • Backcourt: Modern offer clearly compatible with Gasoline (Customer draw). Note: Not authorized to use "Tiger Express" or "On The Run" trademarks, or interior/exterior colour schemes and graphics.
100k	Market Area Population in 1000's

Changes To Brand Standards - Imperial may change its "Facility Requirements for Distributor Esso-Branded Outlets" from time to time. Imperial will notify the Distributor of all changes and the Distributor must comply with these changes for all future applications.

SCHEDULE "D"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 1746936 Ontario Inc.

EQUIPMENT

The following is a list of the Equipment:

Sign Type	Quantity
MID Frame	[REDACTED]
MID - Inserts Only	[REDACTED]
Canopy Inserts	[REDACTED]
VSAT	[REDACTED]
Speedpass Pad	[REDACTED]
Imprinter	[REDACTED]
POS Device	[REDACTED]

SCHEDULE "E"

Attached to and forming part of the MOTOR FUEL SUPPLY AGREEMENT - ESSO-BRANDED MOTOR FUELS between Parkland Industries Ltd. and 1746936 Ontario Inc.

CUSTOMER LOYALTY OBLIGATIONS

1. Participation

Dealer shall participate in the Esso Extra Win & Earn promotional program (the "Program") offered by Imperial to its Distributors, retailers and retail customers. Dealer shall comply with all requirements of the Program, including without limitation, the procedures, instructions and guidelines relating to the Program (the "Guidelines"), as provided or amended by Imperial to Dealer from time to time in its sole discretion. Without limiting the generality of the foregoing, Dealer shall:

- collect and communicate customer information to Imperial for Imperial's use only and in accordance with applicable laws and regulations (for greater certainty, Dealer shall not provide any customer information to any person other than Imperial nor shall Dealer use any customer information other than in accordance with the Guidelines or as otherwise directed by Imperial from time to time),
- ensure the Esso Extra card or the Royal Bank Esso VISA card is offered to each retail customer in accordance with the Guidelines,
- record and process sales transactions and the applicable Program points in accordance with the Guidelines for retail customers participating in the Program,
- redeem Program points as requested by customers at the Site for merchandise or services in accordance with the Guidelines,
- maintain an adequate supply of merchandise required to redeem Program points, or, if such merchandise is unavailable, maintain a supply of equivalent merchandise, and display all Program point-of-purchase promotional materials or signage at the times and in the manner prescribed by Imperial during the Program.

2. Electronic Reward Redemption Remuneration

The Distributor shall pay Dealer an amount (the "Reward Payment"), plus applicable taxes (other than income taxes), for each valid Program reward redeemed electronically at the Site in accordance with the Guidelines. The Reward Payment payable by the Distributor to Dealer shall be credited to Dealer's account with the Distributor on or about the 15th day and on or about the last day of each month. Distributor may change the manner and the time the Reward Payment is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Reward Payment shall be calculated by Imperial as the actual number of reward redemptions for each type of reward redeemed electronically by customers at the Site multiplied by the reward cost rate as determined solely by Imperial and documented in the Guidelines.

3. Promotional Program Fee

If applicable law permits, the Dealer shall pay Distributor a promotional program fee (the "Program Fee"), plus applicable taxes (other than income taxes). The Program Fee payable by Dealer to Distributor shall be debited directly from Dealer's account with the Distributor on or about the 15th day and on or about the last day of each month. Imperial may change the amount, manner and the time the Program Fee is due and payable in its sole discretion and from time to time upon sixty (60) days prior written notice to the Dealer. The Program Fee shall be calculated as the number of points (the "Fee Points") awarded to customers for transactions made at the Site multiplied by the program rate (the "Fee Rate").

The Fee Points are the total of:

- the base points issued at a rate of one point per dollar spent,
- all bonus points issued for sales of different grades of gasoline or car washes, and
- points issued for offers unique to the Site as instituted or extended by Dealer.

For greater certainty, the Fee Points excludes:

- (i) promotional points issued via direct mail offers extended by Imperial to customers
- (ii) points issued to holders of the Royal Bank Esso VISA card at a rate of one point per dollar charged to the card regardless of the vendor where the card is used, and
- (iii) bonus points issued for the purchase of specific merchandise on the Site through a program instituted or extended by Imperial.

The Fee Rate is defined as:

Fuel products & services	\$ [REDACTED]	for each point issued
Convenience store products & services	\$ [REDACTED]	for each base point issued
Car wash products & services	\$ [REDACTED]	for each base point issued
Other products & services	\$ [REDACTED]	for each point issued
Vehicle repair bay products & services	\$ [REDACTED]	for each point issued

GUARANTEE

TO: PARKLAND INDUSTRIES LTD.
236, 4919 – 59 Street
RED DEER, Alberta, T4N 6C9
(hereinafter called "Parkland")

RE: Guarantee of Corporate Indebtedness

The undersigned (hereinafter called the "Guarantor") being a principal of **1746936 Ontario Inc.** (hereinafter called the "Corporation") in consideration of Parkland granting or extending credit (the "Indebtedness") to the Corporation arising from any dealings between Parkland and the Corporation, present or future, direct or indirect, including but not limited to the purchase of petroleum products, including all accessories related thereto, do hereby for myself, my heirs, executors, administrators (and where there are more than one undersigned Guarantor, jointly and severally) unconditionally guarantee the payment when due of all Indebtedness, interest and penalties thereon, if applicable, owing to Parkland by the Corporation from time to time and unconditionally guarantee the performance of all obligations of the Corporation to Parkland. Parkland shall have the right at any time to take and release any collateral or other securities, to extend the time for payment by the Corporation or any person liable upon any collateral or other securities, to compromise or compound with the Corporation or to release the Corporation without notice to the Guarantor and without the Guarantor's consent and without discharging or effecting the liability of the Guarantor to Parkland.

Parkland shall not be bound to exhaust its recourses against the Corporation or other persons, or the securities Parkland may hold before being entitled to payment from the Guarantor.

This Guarantee shall be a continuing Guarantee and shall extend to and be security for all the sums of money, indebtedness and other obligations which shall or at any time be due from the Corporation to Parkland.

GIVEN under hand and seal at WELLAND, in the Province of Ontario this 5th day

of APRIL, 2012.



Signature of Witness


Guarantor

AFFIDAVIT OF EXECUTION

CANADA)
PROVINCE OF ONTARIO)
TO WIT)
I, [REDACTED],
of Welland, in the Province of Ontario,
MAKE OATH AND SAY:

1. **THAT** I was personally present and did see [REDACTED] named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes therein.

2. **THAT** the same was executed at Hamilton, in the Province of Ontario and that I am the subscribing witness thereto.

3. **THAT** I know the said [REDACTED] and he/she is in my belief of the full age of 18 years.

SWORN BEFORE ME at the City of Hamilton, in the Province of Ontario, this 10th day of April, A.D. 2012.

[REDACTED]

A COMMISSIONER FOR OATHS in and for the Province of Ontario
My Commission expires on death.

[REDACTED]
Signature of Witness
Name: [REDACTED]
Address: [REDACTED]
Welland, ON.

PETROLEUM PRODUCTS SUPPLY AND PURCHASE AGREEMENT

THIS AGREEMENT made this 15th day of May 2013.

BETWEEN:

PARKLAND INDUSTRIES LTD.
236, 4919 - 59 Street
RED DEER, Alberta, T4N 6C9
(hereinafter called the "Seller")

- AND -

2326074 ONTARIO CORPORATION
8 Hiscock Blvd.
Toronto, ON M1G 1S4
(hereinafter called the "Buyer")

THE SELLER AND BUYER (if more than one, jointly and severally) agree together as follows:

EXECUTION

1.01 Neither this Agreement nor any amendment or supplement thereto will be binding on the Seller unless and until it is signed on the Seller's behalf by the representatives duly authorized and a copy thereof so signed is delivered to the Buyer.

REPRESENTATION

2.01 The Buyer represents and warrants to the Seller, which representations and warranties the Seller is relying upon in entering into this Agreement, that the Buyer will not be in breach of any contractual obligation with any third party with respect to petroleum fuels purchased by the Buyer as a result of the Buyer entering into this Agreement.

PRODUCTS

3.01 The Seller will supply and the Buyer will purchase from the Seller all of the Buyer's requirements of light petroleum fuels for resale in the conduct of the Buyer's business (hereinafter called the "Business") on or from the lands and premises (hereinafter called the "Premises") legally described as follows:

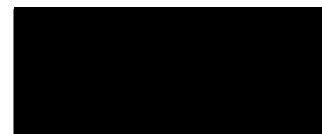
LTS 131 & 132 PL 669; LT 39 PL 665; S/T BB95547 WELLAND

and municipally known as: **554 Niagara St. N., Welland, Ontario.**

FUEL HANDLING EQUIPMENT

4.01 The Buyer will properly maintain in a safe condition all tanks, piping, dispensers, hoses, nozzles and connections in or through which light petroleum fuels is handled while under the Buyer's control including any related corrosion prevention and inventory control systems (hereinafter collectively called the "Fuel Handling Equipment"). The Seller may refuse to make delivery if it believes that the Fuel Handling Equipment is not safely maintained or does not comply with applicable safety standards.

- a) The Buyer warrants and represents to the Seller that as of the commencement of this Agreement, the storage tanks, tight fill connections and dispensing equipment on the Premises are in good working



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condition and repair and meet regulatory requirements.

- b) The Buyer will keep, at all times, the storage tanks, tight fill connections and dispensing equipment on the Premises in good condition and repair, and to meet regulatory requirements. The Buyer will make all needed repairs and replacements promptly.
- c) The Buyer will comply strictly with all applicable laws, including without limitation applicable environmental protection, waste disposal, fire codes and petroleum handling laws and regulations.
- d) The Buyer will have in place on all underground motor fuels storage tanks the following equipment:
 - i) spill containment boxes; and
 - ii) overfill prevention valves.
- e) Notwithstanding any other provisions in this Agreement, if the Seller is required by law, or if in the Seller's reasonable opinion, the delivery to the Buyer of light petroleum fuels may constitute a hazard to life, property or the environment (a "hazard"), then the Seller may at any time and without liability therefore suspend or delay delivery of light petroleum fuels. The Seller will not be obligated to re-commence delivery of the light petroleum fuels until the Seller is satisfied, in its sole discretion, that the hazard does not exist or has ceased to exist.
- f) The Buyer agrees:
 - i) that if the Seller does or causes the doing of any act to remedy a hazard, whether or not the acts are required by law, the Buyer will pay the Seller for all costs and expenses incurred by the Seller for the doing of such act; and
 - ii) upon completion of the delivery of any light petroleum fuels, the Buyer will inspect the Premises for any spillage of any light petroleum fuels or other substance and so notify the Seller immediately if any such spillage is determined to have occurred and the Buyer will immediately take all reasonable and safe action to clean up and minimize the environmental impact of any spill.
- g) The Seller will have no liability whatsoever for losses occasioned by business interruption resulting from or attributable to any other activity taken or not taken, on the Premises in response to actual or potential environmental hazards.

ENVIRONMENTAL CONTAMINATION & INDEMNIFICATION

4.02 The Buyer hereby assumes any and all environmental liabilities relating to the Premises, and the Buyer shall indemnify and save harmless the Seller its directors, officers, affiliated entities, employees, servants, agents, predecessors, successors or assigns against all actions, proceedings, claims, demands, losses, costs, damages and expenses of any nature which may be brought against or suffered by the Seller or which it may sustain, pay or incur as a result of or in any way connected with the environmental state or condition of the Premises or any decontamination or clean-up of any environmental contamination on or originating from the Premises whether such state or condition existed before, or arises on or after the commencement of this Agreement. Provided that, nothing contained in this clause shall obligate the Buyer to indemnify and save harmless the Seller for environmental

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contamination on the Premises and adjacent lands caused by or contributed to by the negligence, error or omission of the Seller, its agents or employees upon the Premises while the Seller is transferring petroleum products from its delivery trucks to the fuel storage tanks located at the Premises. This indemnification shall survive the expiration or earlier termination of this Agreement.

TERM

5.01 Subject to any rights of termination hereunder, this Agreement will be in effect for an initial term of **Ten (10) Years**, commencing on the **15th day of May, 2013**, and ending on the **14th day of May, 2023**.

DELIVERY

6.01 In this Agreement "light petroleum fuels" means the types of light petroleum fuels described as follows:

Regular Unleaded
Mid-Grade Unleaded
Premium Unleaded
Low Sulphur Diesel

The term "light petroleum fuels" shall also include such other fuels similar to the foregoing fuels as may be carried by the Seller after the commencement of this Agreement.

6.02 The Buyer will order light petroleum fuels in orders of a minimum of [REDACTED] litres per delivery with each product ordered in amounts not less than 5,000 litres. Unless prior approval is received from the Seller to allow for fuel purchases in orders less than the said minimum of litres per delivery and less than 5,000 litres per product, then the Buyer agrees to pay such additional charges as may be levied on all deficient litres.

6.03 The Buyer will give not less than **48 hours** notice plus sufficient travel time for Seller's delivery trucks when placing orders, and the Seller will furnish transportation from the point of supply to the Premises. Any orders placed after 2:00 p.m. Mountain Standard Time (MST) will be deemed to have been received at 8:00 a.m. MST on the following business day and delivery time will be calculated from that time. If the Buyer gives less than the required minimum notice and delivery can be met then the Buyer agrees to pay such additional charges as may be levied by the Seller.

VOLUME

7.01 For the purposes of this Agreement, "Agreement Year" means the period commencing on **May 15** in any calendar year and ending the following **May 14**.

7.02 The Minimum Purchase Obligation is 3,000,000 litres of Motor Fuels during every consecutive twelve (12) month period of the Agreement. Failure to meet eighty percent (80%) of the Minimum Purchase Obligation may result in termination of the Agreement.

7.03 For determining the quantities of light petroleum fuels purchased during any Agreement Year, the Seller's records of deliveries to the Buyer will be accepted as final.

7.04 It is agreed that the volumes of light petroleum fuels as outlined in clause 7.02 are only for retail sale to the automotive motor fuel trade at the Premises.

EXCESS REQUIREMENTS

8.01 If during any Agreement Year the Buyer's requirements for light petroleum fuels exceed the maximum annual volume in effect for such Agreement Year, the Seller will have the first option of supplying such excess volume, but if the Seller is unable to supply such excess volume, the Buyer may purchase its additional requirements from another supplier.

TERMINATION ON DEFICIENCY

9.01 If during any Agreement Year the Buyer fails to purchase the minimum volume of light petroleum fuels in effect for such year, the Seller may, in addition to other remedies, terminate this Agreement on thirty (30) days notice to the Buyer.

PRICE

10.01 The Buyer will pay to the Seller for light petroleum fuels sold hereunder the price in effect at the Seller's designated loading rack at the time that the light petroleum fuels are loaded for delivery to the Buyer, plus the cost of delivery, plus all applicable taxes. The light petroleum fuels prices will be established daily by the Seller and are subject to change at any time and without notice. In the event of a shortage or unavailability of the light petroleum fuels at the Seller's designated loading rack for any particular delivery to the Buyer, the Seller will use its best efforts to deliver light petroleum fuels from an alternate loading rack in order to complete the delivery and the Buyer agrees to pay for any increased costs required to complete such delivery.

10.02 Measurement of the volume of each delivery of the light petroleum fuels sold and purchased hereunder will be determined as the metered volume loaded at the loading rack adjusted to a temperature of 15°C in accordance with normal industry practice.

PAYMENT TERMS

11.01 The terms of payment shall be **automatic bank withdrawals on the date of delivery** or on such other terms as the Seller may grant from time to time.

11.02 If at any time the Buyer fails to make any payment due to the Seller or an affiliate of the Seller, then, in addition to other remedies, the Seller may suspend deliveries until payment has been made or by notice to the Buyer, forthwith terminate this Agreement.

11.03 Title to, and property and ownership in, the light petroleum fuels shall be transferred to the Buyer upon delivery.

11.04 Whether or not title in the light petroleum fuels has passed to the Buyer, risk in all light petroleum fuels delivered hereunder shall pass to the Buyer upon delivery of such fuels into the Buyer's fuel storage tanks, and the Buyer assumes all responsibility and liability for loss or damage to the Buyer or others resulting from the handling and use of the light petroleum fuels after such fuel is delivered into the Buyer's fuel storage tanks.

11.05 The Seller will have the right from time to time to deduct or set off against any monies payable to the Buyer and to withhold from the Buyer any amounts owing by the Seller to the Buyer and to apply the said sums so withheld as payment for any amounts owing by the Buyer to the Seller under this or any other agreement between the Seller and the Buyer.

SECURITY INTEREST

12.01 For the purposes of paragraphs 12.02 through 12.05 "collateral" shall mean "all light petroleum fuels delivered by the Seller to the Buyer pursuant to this Agreement".

12.02 According to the *Personal Property Security Act* (Ontario) (the "PPSA"), a "purchase-money security interest" means, *inter alia*, "a security interest taken or reserved in collateral to secure payment of all or part of its purchase price"

12.03 By virtue of the PPSA and this Agreement, the Buyer confirms that the Seller has and shall continue to have a purchase-money security interest in the collateral and in any and all proceeds of whatever type or kind derived from any dealing with the collateral, which security interest is to secure payment of all sums owing by the Buyer to the Seller for the collateral and the performance of any and all present and future obligations of the Buyer to the Seller pursuant to this Agreement.

12.04 So long as the Buyer is not in default under any of its obligations under this Agreement, the Buyer shall have the right to sell the collateral in the ordinary course of business, but the proceeds of such sales shall be subject to any security interest created by the PPSA or this Agreement.

12.05 In the event of default by the Buyer to the Seller of any of its obligations pursuant to this Agreement, all amounts owing by the Buyer to the Seller will, at the option of the Seller, immediately become due and payable without demand or notice of any kind and the Seller may take immediate possession of any or all of the collateral, and the Buyer hereby consents to the entry by the Seller on any of his property and/or the Premises for this purpose and covenants to indemnify and save harmless the Seller from any liability arising out of any person entering the property and/or Premises for this purpose. The Seller may retain the collateral repossessed and commence proceedings or take such other steps as the law may provide against the Buyer for any amounts owing to the Seller by the Buyer for any collateral sold by the Buyer.

TAXES

13.01 Any tax, duty, charge or fee now or hereafter levied on the light petroleum fuels sold hereunder or required to be paid or collected by the Seller by reason of the delivery, sale or use thereof, will be paid by the Buyer in addition to the prices specified.

PRODUCTS LIABILITY

14.01 The Seller will have no liability to the Buyer for any defect in quality or shortage in quantity of the light petroleum fuels delivered by the Seller to the Buyer unless the Buyer within forty-eight (48) hours after delivery of the fuels in question gives the Seller notice setting forth full particulars of the Buyer's claim, and the Seller is given reasonable opportunity to inspect such fuels. However, the maximum liability to the Seller shall not exceed the value of its fuels delivered.

PREVENTION OF PERFORMANCE

15.01 If the Seller is prevented from or delayed in making deliveries, or the Buyer is prevented from or delayed in accepting deliveries hereunder due to any act of God, fire, riot, labour disturbance, weather or road conditions, earthquake, war, act of any government authority (whether foreign, domestic, dominion, provincial, county or municipal) or voluntary or involuntary compliance with any law, order, regulation, request or recommendation thereof, accident, total or partial failure of transportation, delivery vehicles or supplies or any other cause, except financial, beyond the control of the Seller or the Buyer (as the case may be) whether similar to the foregoing causes



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or not, the obligations of the Seller and Buyer to make and accept deliveries will be suspended during the period of such prevention or delay.

15.02 Subject to the rights of the parties set out in clauses 8.01 and 15.01, if the Seller's supply of any light petroleum fuels at the place from which deliveries are usually made is or will be insufficient at any time for the Seller to fill all orders which would normally be filled from such place, then, irrespective of the cause of such insufficiency, the Seller may at its option discontinue deliveries of such fuels or apportion deliveries among orders, received or anticipated, from the Buyer and from other purchasers in such manner as the Seller, in its sole discretion, determines, and the Buyer may in such event, temporarily make other supply arrangements for so long as insufficient delivery on the part of the Seller shall prevail.

REMEDIES

16.01 If the Buyer breaches any provisions of this Agreement or defaults in the payment of any indebtedness to the Seller, whether under this Agreement or otherwise, or if the Buyer becomes bankrupt, insolvent or is dissolved pursuant to the Business Corporations Act of Ontario, or if the Seller, acting reasonably and in good faith, believes that the performance of the Buyer to keep the retail petroleum fuels outlet at the Premises open for business is impaired, the Seller may by written notice forthwith suspend deliveries of light petroleum fuels and suspend all loyalty programs granted herein or terminate this Agreement without prejudice to any other rights or remedies the Seller may have by law. If the Seller breaches any provisions of this Agreement or defaults in the payment of any indebtedness to the Buyer, whether under this Agreement or otherwise, or if the Seller becomes bankrupt, insolvent or is dissolved pursuant to the Business Corporations Act of Ontario, the Buyer may terminate this Agreement without prejudice to any other rights or remedies the Buyer may have hereunder or by law. Furthermore, if the Seller becomes unable to supply light petroleum fuels in accordance with this Agreement, the Buyer may temporarily make other supply arrangements for a period of thirty (30) days from the date of the Seller's inability to supply, after which period, if the Seller cannot then make alternate supply arrangements, the Buyer may, by written notice, forthwith terminate this Agreement.

CONTINUATION OBLIGATIONS

17.01 No suspension or termination of this Agreement pursuant to clauses 5.02, 9.01, 11.02, 15.01 or 16.01 will affect or be construed to release the Buyer from any obligations already accrued or obligations which arise upon termination of this Agreement.

USE OF SELLER'S TRADEMARKS

18.01 Under the direction of the Seller, and subject to the provisions of this Agreement, the Buyer will use the Seller's trademarks, trade names and colour scheme to identify and advertise any fuels purchased hereunder. The Buyer acknowledges that the Seller may during the course of this Agreement change its trademarks, trade names and colour scheme, and the Buyer will use such changed trademarks, trade names and colour scheme to identify and advertise any fuels purchased hereunder.

18.02 The Buyer will not sell or offer for sale under the Seller's trademarks, trade names or colour scheme any fuels other than those purchased hereunder or any mixture or adulteration of any fuels purchased hereunder with any other fuels or material.

18.03 If the Buyer ceases to purchase its entire supply of light petroleum fuels hereunder or if the Seller believes, on commercially reasonable grounds, that the Buyer through any act or omission is placing the Seller's trademarks, trade names and colour scheme in jeopardy and that any conduct of the Buyer in operating the Business reflects unfavourably on the goodwill of the Seller, or if the Seller decides, in its absolute discretion, that the Buyer's Business ceases to meet the Seller's criteria for a Race Trac Gas service station or if this Agreement terminates for

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any reason, the Buyer will immediately and completely discontinue the use of the Seller's trademarks, trade names and colour scheme and, if the Buyer fails to do so, the Seller may at the Buyer's expense enter the Premises and remove, obliterate, paint over or otherwise destroy the Seller's trademarks, trade names or colour scheme or any similarity of same.

18.04 All signs and other advertising devices furnished by the Seller to the Buyer will remain the Seller's property and, subject to the provisions of this Agreement, will be used solely in connection with the Buyer's sale of fuels purchased from the Seller and will be returned to the Seller immediately upon demand, failing which, the Seller may enter the Premises and remove the same.

RIGHT OF FIRST REFUSAL

19.01 In the event that the Buyer receives a bona fide offer to supply light petroleum fuels for resale from another supplier for a fixed term and is in a position to terminate this Agreement pursuant to clause 5.02 herein, then if the Seller matches the terms of the offer, the Seller shall have the right to continue to supply the Buyer's need of light petroleum fuels for the period of time and the price outlined in the bona fide offer.

19.02 If at any time during the term of this Agreement or any renewal or extension thereof the Buyer determines to sell, lease or otherwise dispose of the Business and/or the Premises, in whole or in part, or any property which includes all or any part of the Business and/or the Premises and receives a bona fide offer in writing, which he is willing to accept, he shall immediately notify the Seller and forward to him a copy of the offer, and within sixty (60) days thereafter, the Seller shall have the right to acquire the Business and/or the Premises from the Buyer at the price and under the terms and conditions set forth in the said offer. If the offer does not consist wholly of cash the Seller shall have the right to meet the terms of such offer with a reasonable equivalent in cash. In the event that the Seller declines to purchase or lease the Business and/or the Premises under the terms and conditions set forth in the said offer, and the same is not completed, then this right of first refusal shall remain in effect for any future offers. In the event that the Seller declines to purchase or lease the Business and/or the Premises under the terms and conditions set forth in the said offer, and the same is completed, then this right of first refusal shall remain in effect for any offers received by any successor of the Buyer.

INDEMNITY

20.01 Any person performing any duties or engaged in any work on the Premises or in connection with the Business at the request of the Buyer will be deemed to be an employee or agent of the Buyer, and the Seller will not be responsible for their acts, remuneration or omissions.

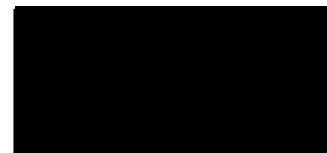
20.02 The Buyer shall have no authority to assume or create any obligation whatsoever, expressed or implied, in the name of the Seller, nor to bind the Seller in any manner whatsoever. The Buyer is not an employee of the Seller.

20.03 The Buyer will indemnify the Seller against any and all claims, loss and liability on account of injury to or death of any person or damage to property caused by or happening in connection with such acts or omissions or the condition, maintenance, possession, use or operation of the Premises or the conduct of the Business.

20.04 Such indemnification will survive the expiration or sooner termination of the term of this Agreement, notwithstanding anything in this Agreement.

WAIVER

21.01 The Seller's right to require strict performance of the Buyer's obligations hereunder will not be affected in any way by any previous waiver, forbearance or course of dealing.



ASSIGNABILITY

22.01 Neither this Agreement nor any claim against the Seller arising directly or indirectly out of or in connection with this Agreement is assignable by the Buyer or by operation of law without the prior written consent of the Seller, which will not be unreasonably withheld.

ENUREMENT INTERPRETATION

23.01 This Agreement shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

23.02 Wherever the singular or masculine is used in this Agreement, the same will be construed as meaning the plural or the feminine or the body corporate or politic wherever the context or the parties may so require.

23.03 The marginal notes and headings herein are for the convenience of reference only and will not affect the scope, intent, or interpretation of any provision of this Agreement.

TIME

24.01 Time shall be of the essence of this Agreement and each and every part hereof.

NOTICES

25.01 Notices will be in writing and will be deemed given if delivered, upon delivery or will be deemed given if mailed, on the third business day following the mailing in any Government Post Office in Canada under prepaid registered cover addressed to the party to whom it is intended at such party's address mentioned on the first page of this Agreement or at the address of such party last known to the party giving such notice.

AGREEMENT ENTIRETY

26.01 This Agreement constitutes the entire Agreement between the parties and there are no Agreements, representations, conditions or warranties concerning the subject matter of this Agreement that are not merged herein or superseded hereby.

EQUIPMENT LOAN PROVISIONS**LOAN**

27.01 The Seller hereby loans to the Buyer the equipment described in the attached Schedule "A". The same may be amended from time to time by written amendment signed by the Seller and Buyer, but all equipment furnished by the Seller to the Buyer for use at the Premises during the currency of this Agreement will be subject to the provisions hereof, whether or not described in such Schedule or any amendments. All equipment from time to time subject to the provision of this Agreement is herein called the "Equipment".

INSTALLATION COSTS

27.02 Intentionally Deleted.

PUMP CALIBRATION

27.03 Intentionally Deleted.

SELLER'S WARRANTY

27.04 Intentionally Deleted.

USE

28.01 The Buyer will not transfer, assign, encumber or sell the Equipment; the Buyer will not remove or permit removal of the Equipment or any part from the Premises; he will be responsible for all repairs to the Equipment including but not limited to broken glass, ballasts, hoses and nozzles, retractor cables, belts and vandalism; he will maintain the Equipment in good repair and efficient operating condition and will return the same to the Seller immediately upon the termination of this Agreement in as good condition as when received by the Buyer excepting only reasonable wear and tear not resulting from acts or omissions of the Buyer or the Buyer's employees, customers, agents or contractors.

28.02 The Seller or its agent will have the right to inspect, repair and paint the Equipment and to enter the Premises at any reasonable time for such purposes. Expenses for repair shall be at the expense of the Buyer.

28.03 The Buyer will place and maintain at the Buyer's sole expense insurance against fire and all other risks as are included in a standard fire and extended coverage contract in an amount equal to the full replacement value of the Equipment and public liability insurance in the amount of Two Million (\$2,000,000.00) Dollars. Each policy shall name the Seller as an additional insured. The Buyer shall obtain from each insurer a written undertaking to notify the Seller in writing at least 30 days prior to any cancellation of its policy. The Buyer shall, at the request of the Seller, provide the Seller with written evidence satisfactory to the Seller of the existence of the insurance policies described above.

CHARGES

29.01 The Buyer will pay all taxes, assessments, license, permits and inspection fees and other governmental charges on all Equipment and on the Buyer with respect to the possession or use in the business conducted on the Premises.

INDEMNITY

30.01 The Buyer will indemnify the Seller against any and all claims and liability for injury or death to persons or damage to property caused by or happening in connection with the Equipment or the condition, maintenance, possession or use thereof.

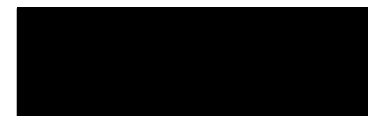
OWNERSHIP AND REMOVAL BY SELLER

31.01 The Equipment will remain the property of the Seller notwithstanding any attachment thereof to the Premises, and the Seller may enter the Premises and remove all or any part of the Equipment at any time during the term of this Agreement or within sixty (60) days after any termination or expiration thereof.

31.02 If after any termination or the expiration of this Agreement or any renewal periods, the Equipment or any part thereof remains on the Premises because the Buyer has purchased the same, the Buyer will immediately remove or cause to be removed the Seller's trademarks, trade names and colour scheme from the Equipment and, if the Buyer fails to do so, the Seller may enter the Premises and at the Buyer's expense remove the Seller's trademarks, trade names and colour scheme from the Equipment.

CREDIT CARD PROGRAM

32.01 The Seller agrees to provide and the Buyer agrees to use the Seller's standard Credit Card Program. The Buyer will be responsible for the following charges: [REDACTED] % credit card service charge for all Visa transactions; [REDACTED] % credit card service charge for all MasterCard transactions; [REDACTED] % credit card service charge for all American Express transactions; [REDACTED] % credit card service charge for all Seller's proprietary Fleetkard transactions; [REDACTED] % credit card service charge for all other credit card transactions and [REDACTED] ¢ per debit card transaction. Such charges may be adjusted from time to time without notice. The Seller shall supply a Point of Sale Terminal at a rental rate of



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_____ per month. This rental rate is subject to change from time to time without notice. The Buyer will provide a dedicated phone line for the Point of Sale Terminal.

LOYALTY PROGRAM(S)

33.01 The Buyer acknowledges that the Seller offers loyalty programs from time to time to help build traffic and customer acceptance of the operation of retail petroleum fuels outlets of which the Seller is the supplier of petroleum fuels. The Buyer has conveyed its desire, upon mutually acceptable terms, to participate in the Seller's loyalty programs as and when the same are offered, and in this regard, the Buyer and the Seller agree to the terms and conditions set forth on Schedule "C" attached hereto as amended or replaced from time to time to reflect additional or revised loyalty programs.

ADDITIONAL TERMS

34.01 During the term of this Agreement and for each day of the operation of the retail petroleum fuels outlet, the Buyer will:

- a) Ensure that all employees on duty dress in such manner as may be prescribed by the Seller from time to time and agreed upon by the Buyer, acting reasonably;
- b) Keep the retail petroleum fuels outlet located on the Premises open for business from 8:00 a.m. to 10:00 p.m., 7 days per week, or between the hours or on such days as are agreed upon from time to time between the parties;
- c) Ensure that the level in each storage tank shall be measured and recorded. A water test of all storage tanks shall be completed and recorded daily. Any record of water in the tanks shall be communicated to the Seller;
- d) Ensure that an inventory reconciliation record for each storage tank showing the measurements in the above noted clause 34.01(c), a comparison of these measurements with meter readings and a computation of any gain or loss of liquid shall be retained for a period of at least two (2) years; and
- e) Keep the Premises clean and remove snow and garbage from the Premises.



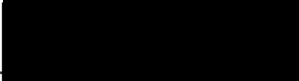

34.02 The Seller shall have the right at anytime and from time to time to enter the Premises, without notice, to view the digital or mechanical readings from the Buyer's fuel pumps.

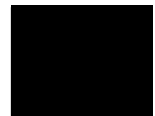
34.03 Attached hereto as Schedule "B" are further terms and conditions which are incorporated in and made a part of this Agreement, if any.

34.04 The Buyer acknowledges receipt of a copy of this Agreement and waives all rights to receive a copy of any financing statement, financing change statement or verification statement filed at any time in respect of this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement the day and year first above written.


PARKLAND INDUSTRIES LTD.
PER: 
PER: 

2326074 ONTARIO CORPORATION
PER: 

print name
PER: 

Print name



SCHEDULE "A"

LIST OF LOANED EQUIPMENT

Attached to and forming part of the Petroleum Products Supply and Purchase Agreement made between **Parkland Industries Ltd.** and **2326074 Ontario Corporation.**

QUANTITY

DESCRIPTION

MID Inserts (1 per side)
Canopy Inserts (1 per side)
Manual Imprinter
Parkland POS device

end of Schedule "A"

- 13 -

SCHEDULE "B"**ADDITIONAL TERMS**

Attached to and forming part of the Petroleum Products Supply and Purchase Agreement made between **Parkland Industries Ltd.** and **2326074 Ontario Corporation**.

DEALER PAYMENT

1. As consideration in part for the Buyer accepting the use of the Proprietary marks as set out herein, the Seller shall pay to the Buyer a payment in the amount of [REDACTED] cents per litre (plus applicable taxes) multiplied by the number of litres of the light petroleum fuels purchased by the Buyer from the Seller pursuant to this Agreement (the "Dealer Payment"). The Dealer Payment shall be calculated by the Seller based on the Sellers' records and paid by the Seller to the Buyer monthly in arrears within twenty (20) days immediately following the end of each month during the term of this Agreement.

2. The Seller shall have the right to reduce the amount of the Dealer Payment upon sixty (60) days' prior written notice to the Buyer, if the Buyer fails to purchase eighty (80) percent of the Minimum Annual Volume in any contract year.

3. It shall be a condition precedent to the payment of the Dealer Payment each month that: (i) the Buyer shall not be in default in the observance or performance of any of the covenants or agreements contained in this Agreement; and (ii) this Agreement shall not have terminated.

ADVANCE OF DEALER PAYMENT

4. The Seller will offer a prepayment of a portion of the Dealer Payment anticipated to be payable to the Buyer over the term of the Agreement (the "Prepaid Amount"), in the amount of [REDACTED] DOLLARS [REDACTED]. The Prepaid Amount shall be used by the Buyer to upgrade and improve the site. Planning, design and construction of upgrades and improvements shall be the sole responsibility of the Dealer. The Dealer Payment will be allocated to amortize the Prepaid Amount until the Prepaid Amount has been fully repaid to the Seller by the Buyer.

5. The proposed upgrades and improvements shall include: dispensing equipment and POS systems, construction of new convenience store, addition of a touchless rollover car wash.

6. The Prepaid amount will be payable only after completion of the upgrades and improvements set out above. The Prepaid Amount may be secured by way of a bank letter of credit in a form acceptable to the Seller or a collateral mortgage on the site. Agreements in addition to the Agreement may be registered against title.

7. That \$ [REDACTED] cents per litre of the Dealer Payment will be allocated to amortize the Prepaid Amount until the Prepaid Amount has been fully repaid to the Seller by the Buyer.

FORGIVABLE LOAN

8. At the request of the Buyer, the Seller will provide a forgivable loan up to a maximum of [REDACTED] DOLLARS to be used towards site improvements at the Marketing Premises. Such site improvements may include, but are not limited to, pump island merchandising and dispensing equipment, approved Race Trac Point of Sale (POS) devices, and Race Trac uniforms for the Seller's staff.

9. The Seller will write down an amount equal to \$ [REDACTED] cents per litre for every litre of Race Trac branded motor fuels delivered by the Seller to the Buyer, subject to the following: if the Buyer discontinues the business of a retail petroleum fuels outlet at the Marketing Premises, or if said Race Trac Petroleum Products Supply and Purchase Agreement is terminated or cancelled or expires at any time prior to its having been in full force and effect for a time sufficient for the Buyer to earn the said sum then the Buyer hereby promises to repay, on demand, to the Seller that portion of the said sum of \$ [REDACTED] that has not been written down by the Buyer.

10. The Prepaid Amount and the Forgivable Loan collectively the funds ("Funds").


11. Prior to any advancement of Funds:

- (a) The Buyer will execute and deliver to the Seller the Race Trac Petroleum Products Supply and Purchase Agreement;
- (b) The Buyer will cause to be delivered to the Seller sufficient security in the form of:
 - (i) a Firm Irrevocable Letter of Credit (in form and content acceptable to the Seller) issued by a recognized financial institution in the sum of \$ [REDACTED] for the Advance of Dealer Payment; and
 - (ii) a Collateral Mortgage in the principal amount of \$ [REDACTED] granted by the Borrower in favour of the Lender, on the Marketing Premises for the Forgivable Loan;
- (c) The Buyer will provide the Seller with the paid invoices of approved site improvements;
- (d) There is no event of default under this Agreement; and
- (e) There is, in the opinion of the Seller, acting reasonably, no material adverse change in risk.

end of Schedule "B"

ACKNOWLEDGMENT

Loaned Equipment

QUANTITY	DESCRIPTION
	MID Inserts (1 per side)
	Canopy Inserts (1 per side)
	Manual Imprinter
	Parkland POS device

2326074 Ontario Corporation, acknowledges that it has received the above marked items in good working condition for purposes of on loan only and accepts full responsibility for upkeep, maintenance and security of all above marked items as per the terms and conditions contained in the Petroleum Products Supply and Purchase Agreement made between Parkland Industries Ltd. and 2326074 Ontario Corporation.

DATED April 16, 2013.

2326074 Ontario Corporation 

PER: 

PER: 

GUARANTEE

TO: PARKLAND INDUSTRIES LTD.
236, 4919 – 59 Street
RED DEER, Alberta, T4N 6C9
(hereinafter called "Parkland")


RE: Guarantee of Corporate Indebtedness

The undersigned (hereinafter called the "Guarantor") being a principal of 2326074 ONTARIO CORPORATION (hereinafter called the "Corporation") in consideration of Parkland granting or extending credit (the "Indebtedness") to the Corporation arising from any dealings between Parkland and the Corporation, present or future, direct or indirect, including but not limited to the purchase of petroleum products, including all accessories related thereto, do hereby for myself, my heirs, executors, administrators (and where there are more than one undersigned Guarantor, jointly and severally) unconditionally guarantee the payment when due of all Indebtedness, interest and penalties thereon, if applicable, owing to Parkland by the Corporation from time to time and unconditionally guarantee the performance of all obligations of the Corporation to Parkland. Parkland shall have the right at any time to take and release any collateral or other securities, to extend the time for payment by the Corporation or any person liable upon any collateral or other securities, to compromise or compound with the Corporation or to release the Corporation without notice to the Guarantor and without the Guarantor's consent and without discharging or effecting the liability of the Guarantor to Parkland.

Parkland shall not be bound to exhaust its recourses against the Corporation or other persons, or the securities Parkland may hold before being entitled to payment from the Guarantor.

This Guarantee shall be a continuing Guarantee and shall extend to and be security for all the sums of money, indebtedness and other obligations which shall or at any time be due from the Corporation to Parkland.

GIVEN under hand and seal at Hornby, in the Province of Ontario this 16 day
of April, 2013.


Signature of Witness


Guarantor

AFFIDAVIT OF EXECUTION

CANADA) I, [REDACTED],
)
PROVINCE OF ONTARIO) of London, in the Province of Ontario,
)
TO WIT) **MAKE OATH AND SAY:**

1. **THAT** I was personally present and did see [REDACTED] named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes therein.
2. **THAT** the same was executed at Windsor, in the Province of Ontario and that I am the subscribing witness thereto.
3. **THAT** I know the said [REDACTED] and he/she is in my belief of the full age of 18 years.

SWORN BEFORE ME at the City
 of London, in the Province
 of Ontario, this 22 day
 of April, A.D. 2013.

[REDACTED]

A COMMISSIONER FOR OATHS in
 and for the Province of Ontario
 My Commission expires _____

[REDACTED]

Signature of Witness
 Name: _____
 Address: _____

[REDACTED] a Commissioner, etc.,
 County of Middlesex, for Thomson Mahoney Delorey,
 Registrars & Solicitors.
 Expires February 7, 2014.

[REDACTED]

GUARANTEE

TO: PARKLAND INDUSTRIES LTD.
236, 4919 – 59 Street
RED DEER, Alberta, T4N 6C9
(hereinafter called "Parkland")

RE: Guarantee of Corporate Indebtedness

The undersigned (hereinafter called the "Guarantor") being a principal of 2326074 ONTARIO CORPORATION (hereinafter called the "Corporation") in consideration of Parkland granting or extending credit (the "Indebtedness") to the Corporation arising from any dealings between Parkland and the Corporation, present or future, direct or indirect, including but not limited to the purchase of petroleum products, including all accessories related thereto, do hereby for myself, my heirs, executors, administrators (and where there are more than one undersigned Guarantor, jointly and severally) unconditionally guarantee the payment when due of all Indebtedness, interest and penalties thereon, if applicable, owing to Parkland by the Corporation from time to time and unconditionally guarantee the performance of all obligations of the Corporation to Parkland. Parkland shall have the right at any time to take and release any collateral or other securities, to extend the time for payment by the Corporation or any person liable upon any collateral or other securities, to compromise or compound with the Corporation or to release the Corporation without notice to the Guarantor and without the Guarantor's consent and without discharging or effecting the liability of the Guarantor to Parkland.

Parkland shall not be bound to exhaust its recourses against the Corporation or other persons, or the securities Parkland may hold before being entitled to payment from the Guarantor.


This Guarantee shall be a continuing Guarantee and shall extend to and be security for all the sums of money, indebtedness and other obligations which shall or at any time be due from the Corporation to Parkland.


GIVEN under hand and seal at Hardy, in the Province of Ontario this 16th day of April, 2013.


Signature of Witness


Guarantor


AFFIDAVIT OF EXECUTION

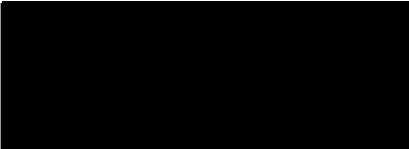
CANADA) I, 
)
PROVINCE OF ONTARIO) of London, in the Province of Ontario,
)
TO WIT) **MAKE OATH AND SAY:**

1. **THAT** I was personally present and did see  named in the within instrument, who is personally known to me to be the person named therein, duly sign and execute the same for the purposes therein.

2. **THAT** the same was executed at London, in the Province of Ontario and that I am the subscribing witness thereto.

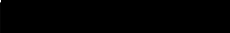
3. **THAT** I know the said  and he/she is in my belief of the full age of 18 years.

SWORN BEFORE ME at the City)
 of London, in the Province)
 of Ontario, this 22 day)
 of April, A.D. 2013.)
)



Signature of Witness
 Name: _____
 Address: _____

A COMMISSIONER FOR OATHS in
 and for the Province of Ontario
 My Commission expires _____

 a Commissioner, etc.,
 County of Middlesex, for Thomson Mahoney Delorey,
 Registrars & Collectors.
 Expires February 7, 2014.

TAB D

A handwritten signature in blue ink, appearing to read "Alex N. Mc Nabb", is written over a horizontal line.

**This is Exhibit D to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

PARKLAND FUEL CORPORATION

- and -

PARKLAND INDUSTRIES LTD.

- and -

PIONEER PETROLEUMS HOLDING LIMITED PARTNERSHIP

- and -

PIONEER ENERGY LP

- and -

PIONEER PETROLEUMS TRANSPORT INC.

- and -

PIONEER ENERGY INC.

- and -

PIONEER FUELS INC.

- and -

PIONEER PETROLEUMS HOLDING INC.

- and -

PIONEER ENERGY MANAGEMENT INC.

- and -

668086 N.B. LIMITED

- and -

3269344 NOVA SCOTIA LIMITED

- and -

1796745 ONTARIO LTD.

ASSET PURCHASE AGREEMENT

September 17, 2014

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ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT made as of the 17th day of September, 2014

AMONG:

PARKLAND FUEL CORPORATION, a body corporate incorporated under the laws of the Province of Alberta (“**Parkland**”)

- and -

PARKLAND INDUSTRIES LTD., a body corporate incorporated under the laws of the Province of Alberta (the “**Purchaser**”)

- and -

PIONEER PETROLEUMS HOLDING LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Ontario (“**Holding LP**”)

- and -

PIONEER ENERGY LP, a limited partnership formed under the laws of the Province of Ontario (“**Energy LP**”)

- and -

PIONEER PETROLEUMS TRANSPORT INC., a body corporate incorporated under the laws of the Province of Ontario (“**Transport Inc.**”)

- and -

PIONEER ENERGY INC., a body corporate incorporated under the laws of the Province of Ontario (“**Energy Inc.**”)

- and -

PIONEER FUELS INC., a body corporate incorporated under the laws of the Province of Ontario (“**Fuels Inc.**”)

- and -

PIONEER PETROLEUMS HOLDING INC., a body corporate incorporated under the laws of the Province of Ontario (“**Holding GP**”)

- and -

PIONEER ENERGY MANAGEMENT INC., a body corporate incorporated under the laws of the Province of Ontario (“**Energy GP**”)

- and -

668086 N.B. LIMITED, a body corporate incorporated under the laws of the Province of New Brunswick (“**NB Ltd.**”)

- 2 -

- and -

3269344 NOVA SCOTIA LIMITED, a body corporate incorporated under the laws of the Province of Nova Scotia (“**NS Ltd.**”)

- and -

1796745 ONTARIO LTD., a body corporate incorporated under the laws of the Province of Ontario (“**Ontario Ltd.**”)

WHEREAS:

- A. The Vendors carry on the Business (as defined herein);
- B. All of the assets and rights used in the conduct, operation or maintenance of, or otherwise relating to, the Business are legally and beneficially owned exclusively by one or more of the Vendors or are leased by one or more of the Vendors under existing leases, all as more particularly set out in this Agreement; and
- C. The Vendors wish to sell, and the Purchaser wishes to purchase, the Purchased Assets (as defined herein) and assume the Assumed Liabilities (as defined herein) associated therewith, upon the terms and subject to the conditions set out in this Agreement.

NOW THEREFORE, in consideration of the representations, warranties, covenants and agreements herein and other good and valuable consideration (the receipt and sufficiency of which is hereby acknowledged), the Parties covenant and agree as follows:

ARTICLE 1
DEFINITIONS

1.1 Definitions

In this Agreement, including the preamble and the recitals hereto, unless the context otherwise requires, or unless defined elsewhere in this Agreement:

- (a) “**Acknowledged Obligations**” means all Liabilities of the Vendors (to the extent not otherwise included in the Assumed Liabilities), whether past, present or future, arising from or in relation to:
 - (i) all Liabilities arising prior to, on or after the Closing Time under or relating to the Assumed Contracts;
 - (ii) all Liabilities arising prior to, on or after the Closing Time under or relating to (A) the Leases, (B) the Leased Real Property, or (C) the Owned Real Property;
 - (iii) all Liabilities arising prior to, on or after the Closing Time relating to the Employee Plans (excluding Liabilities associated with the LTIP, Annual SERP and the DC SERP) in respect of the Employees;
 - (iv) all Liabilities arising prior to, on or after the Closing Time relating to the Employees (other than the Excluded Employees) (including accrued wages and vacation payables);

- (v) all Liabilities arising after the Closing Time, and related to the period following Closing, for Taxes relating to the Business, the Purchased Assets, the Acknowledged Obligations and the Assumed Liabilities;
- (vi) all other Liabilities arising prior to, on or after the Closing Time relating to the Business and the Purchased Assets;
- (vii) all asset retirement obligations relating to the Business, including those as reflected in the Financial Statements of Energy LP for the fiscal year ended September 30, 2013;
- (viii) the charitable obligations listed in Schedule 5.8 to the Disclosure Letter;
- (ix) all Liabilities, whether past, present or future, arising prior to, on or after the Closing Time relating to the environmental condition of, or any Environmental Law relating to, under or in respect of any Real Property forming part of the Purchased Assets, including, in each case, any such Liability or obligation to any third party;

and excluding the Retained Liabilities;

- (b) “**Adjustment Amount**” means the positive (or negative) amount by which the Closing Working Capital is greater than (or less than) the Target NAWC;
- (c) “**Affiliate**” means, with respect to a specified Person, a Person that controls, is controlled by or is under common control with or by the subject Person and, for the purpose of this definition, control means the ability, directly or indirectly, to direct the voting of more than 50% of the voting interests of a Person;
- (d) “**Agreement**” means this asset purchase agreement, including all Schedules, as such agreement may be amended or supplemented from time to time, and references to “**Article**”, “**Section**” or “**Schedule**” mean the specified Article, Section or Schedule of this Agreement or the Disclosure Letter, as applicable;
- (e) “**Annual SERP**” means the Pioneer Supplemental Retirement Plan of the Business, including any predecessor plans thereto, relating to Employees other than [REDACTED – Personal Information];
- (f) “**ARC**” means an advance ruling certificate issued by the Commissioner under section 102 of the Competition Act;
- (g) “**Assumed Contracts**” means all Contracts relating to the Business other than those listed in Schedule 1.1(g) to the Disclosure Letter;
- (h) “**Assumed Liabilities**” means the following Liabilities of the Vendors arising from, under or in relation to, the Business and the Purchased Assets of the following nature and kind:
 - (i) all Liabilities arising prior to, on or after the Closing Time, relating to, under or in respect of the Purchased Assets or the Business;
 - (ii) all Liabilities arising prior to, on or after the Closing Time relating to, under or in respect of the Leases, the Leased Real Property or the Owned Real Property, all

structures, erections, improvements, appurtenances and fixtures located thereon, therein, thereunder or forming part thereof;

(iii) all Liabilities being assumed in accordance with Section 3.2; and

(iv) the Liabilities associated with retailer cash security and dealer cash security;

and excluding the Retained Liabilities;

- (i) “**Balance Sheet**” means the consolidated balance sheet of each of: (i) Energy LP; and (ii) Transport Inc. relating to the Business as at June 30, 2014, forming part of the Financial Statements;
- (j) “**BAR-Compliant Financial Statements**” means, at any point of determination, annual financial statements (and audit reports thereon) and interim financial statements of the Vendors in respect of the Purchased Assets and the Business which comply with sections 8.4(1) and (3) of Part 8 of NI 51-102;
- (k) “**Books and Records**” means, collectively, all books and records (excluding minute books or personal information with respect to the limited partners of Holding LP or any of their Affiliates) of the Vendors or relating to the Business or any of the Purchased Assets, including financial, corporate, operation and sales books, employee files (other than Excluded Employees), records, books of account, sales and purchase records, lists of present and former suppliers, customers and any others having business dealings with any of the Vendors, clients, sales leads, distributors, mailing lists, formulae, business reports, plans and projections, operating materials, engineering standards and specifications, and all other documents, files, records, correspondence, and other data and information, financial or otherwise, including all data and information stored on computer-related or other electronic media maintained with respect to the Business or any of the Purchased Assets;
- (l) “**Business**” means, collectively, all of the business operations as maintained, operated and conducted as of the date hereof and during the Interim Period, by the Vendors, including those associated with: (i) the retail sale and/or consignment sale of motor fuel at filling stations, convenience stores, car washes and cardlocks; (ii) the sale, supply, transportation, delivery and distribution of motor fuels, heating fuels, aviation gas, propane, distillates, lubricants, card lock services, other bulk fuels and related items to residential, commercial, wholesale (including dealer) and industrial customers, including the operation of bulk fuel plants in Ontario, New Brunswick and Nova Scotia and services related and ancillary thereto; (iii) the lending of equipment related to the Business set out in clauses (i) and (ii) above; and (iv) participation in the sale of convenience merchandise and food items and services at convenience stores and leasing of premises to quick service restaurant locations, in each of the provinces of Ontario, Manitoba, New Brunswick and Nova Scotia in each case as such business is operated, maintained and conducted by the Vendors;
- (m) “**Business Day**” means a day, other than a Saturday, Sunday or statutory holiday in the provinces of Ontario and Alberta and also excludes any day when banks are not generally open for the transaction of commercial banking business in each of Calgary, Alberta and Toronto, Ontario during normal banking hours;

- (m.1) "**Canada Transportation Act**" means the means the *Canada Transportation Act* (Canada), as amended, and the regulations promulgated thereunder;
- (m.2) "**Canada Transportation Act Approval**" means that: (a) the Minister of Transport shall, pursuant to section 53.1 of the Canada Transportation Act, have been notified of the transactions contemplated by this Agreement and shall have given notice to the Purchaser that he is of the opinion that the transactions contemplated by this Agreement do not raise issues with respect to the public interest as it relates to national transportation; or (b) if the Minister of Transport is of the opinion that the transactions contemplated by this Agreement raise issues with respect to the public interest as it relates to national transportation, the Governor-in-Council shall have approved the transactions contemplated by this Agreement;
- (n) "**Claims**" includes claims, demands, complaints, grievances, actions, applications, suits, causes of action, Orders, charges, indictments, prosecutions, informations or other similar processes, assessments or reassessments, judgments, Liabilities, expenses, costs, damages or Losses, contingent or otherwise, whether liquidated or unliquidated, matured or unmatured, disputed or undisputed, contractual, legal or equitable, including loss of value, professional fees, including fees and disbursements of legal counsel on a full indemnity basis, and all costs incurred in investigating or pursuing any of the foregoing or any proceeding relating to any of the foregoing;
- (o) "**Closing**" means the completion of the transactions contemplated herein;
- (p) "**Closing Approvals**" means those of the Required Approvals and Required Notifications set out in Schedule 1.1(p) to the Disclosure Letter;
- (q) "**Closing Cash Amount Payable**" has the meaning ascribed thereto in Section 2.7(a)(iii);
- (r) "**Closing Date**" means the earlier of January 31, 2015 and the date that is five Business Days after the conditions in Article 6 have been satisfied or waived (other than those conditions that by their terms are satisfied at Closing) provided that the Parties may extend the Closing Date at any time and from time to time by mutual written consent;
- (s) "**Closing Time**" means 12:01 a.m. (Toronto time) on the Closing Date, or such other time as may be agreed upon by the Parties in writing;
- (t) "**Closing Working Capital**" means the amount of the Normalized Working Capital as determined as at the Closing Date in accordance with this Agreement and in accordance with GAAP;
- (u) "**Commissioner**" means the Commissioner of Competition appointed under section 7 of the Competition Act or any Person authorized to perform duties on behalf of the Commissioner;
- (v) "**Commodity Taxes**" means all taxes levied on or measured by, or referred to as transfer, land transfer, registration charges, gross receipt, sales, provincial sales, use, documentary, recording, consumption, value-added, turnover, excise, stamp, fuel, tobacco or similar taxes (including, for greater certainty, GST/HST and the Ontario provincial and municipal land transfer tax), all customs duties, countervail, anti-dumping and special import measures and all import and export taxes and any security in respect thereof;

- (w) “**Competition Act**” means the *Competition Act* (Canada), as amended, and the regulations promulgated thereunder;
- (x) “**Competition Act Approval**” means, in respect of the transactions contemplated by this Agreement, that either: (i) an ARC has been issued by the Commissioner; or (ii) a “no action letter” has been received from the Commissioner indicating that he does not, at that time, intend to make an application under section 92 of the Competition Act, and either the waiting period has expired or been terminated by the Commissioner under subsections 123(1) or 123(2), respectively, of the Competition Act, or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act has been waived by the Commissioner under subsection 113(c) thereof;
- (y) “**Consideration Share Value**” means an amount equal to \$119,355,000;
- (z) “**Consideration Shares**” means 5,829,731 Parkland Shares, being such number of Parkland Shares equal to the Consideration Share Value divided by the volume weighted average trading price of the Parkland Shares on the TSX for the 15 day period ending two Business Days prior to the date hereof;
- (aa) “**Consideration Shares Agreements**” means, collectively, the Shareholder Agreement, the Rollover Agreement and the Non-Competition Agreement;
- (bb) “**Contract**” means each and every promissory note, contract, indenture, licence, lease, deed, agreement, obligation, promise, undertaking, understanding, option, instrument, arrangement, document, entitlement, engagement or any other binding commitment, whether written or oral, to which, prior to the Closing Date, any of the Vendors are a party or by which any of the Vendors are bound or under which any Vendor has, or will have, any right, benefit or Liability, or any contingent right, benefit or Liability (in each case, whether written or oral, express or implied) relating to the Business or any of the Purchased Assets;
- (cc) “**Current Assets**” means the assets listed in Section 2.1(a)(v);
- (dd) “**DC SERP**” means the Pioneer Supplemental Retirement Plan of the Business, including any predecessor plans thereto, relating to [REDACTED – Personal Information];
- (ee) “**Deficiency**” has the meaning ascribed thereto in Section 2.8(c)(i);
- (ff) “**Direct Claim**” has the meaning ascribed thereto in Section 8.4(a);
- (gg) “**Disclosing Party**” has the meaning ascribed thereto in Section 5.10(g);
- (hh) “**Disclosure Letter**” means the letter to be dated as of the date of this Agreement from the Vendors to the Purchasing Parties in connection with certain disclosures referenced in this Agreement;
- (ii) “**Dispute Notice**” has the meaning ascribed thereto in Section 2.8(b);
- (jj) “**Disputed Amounts**” has the meaning ascribed thereto in Section 2.8(b);
- (kk) “**Disputed Matter**” has the meaning ascribed thereto in Section 2.8(b);
- (ll) “**Elected Amount**” has the meaning ascribed thereto in Section 2.13(h)(i);

- (mm) “**Employee Plan**” means any employee benefit plan, program or arrangement sponsored, maintained or contributed to by any of the Vendors for the benefit of the Employees, including any pension plan (whether defined benefit, defined contribution, funded or unfunded), supplemental pension plan (including the DC SERP and the Annual SERP), deferred compensation plan, retirement income or group registered retirement savings plan, retirement compensation arrangement, stock option, stock appreciation rights, phantom stock or stock purchase plan, profit sharing plan, bonus plan or policy, commission or other incentive compensation plan (including the LTIP), change of control agreement, retention bonus plan or agreement, severance or termination pay arrangement, employee life or other group insurance plan, savings plan, employee loan, indemnity, education or hospitalization plan, medical or dental plan, long-term or short-term disability plan or any other employee benefit plan, program, policy or practice, whether formal or informal;
- (nn) “**Employees**” means all individuals who are employees of any of the Vendors in connection with the Business, including those employees on disability leave, parental leave or any other leave of absence;
- (oo) “**Employment Offers**” has the meaning ascribed thereto in Section 3.1(a);
- (pp) “**Encumbrance**” means any encumbrance, mortgage, pledge, assignment, charge, lien, security interest or other third party interest and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;
- (qq) “**Energy GP**” has the meaning ascribed thereto in the preamble to this Agreement;
- (rr) “**Energy Inc.**” has the meaning ascribed thereto in the preamble to this Agreement;
- (ss) “**Energy LP**” has the meaning ascribed thereto in the preamble to this Agreement;
- (tt) “**Environmental Approvals**” means all permits, certificates, licences, authorizations, consents, registrations, or approvals issued or required by Governmental Authorities pursuant to Environmental Laws with respect to the operation of the Business or related to any of the Purchased Assets;
- (uu) “**Environmental Laws**” means all Laws and agreements with Governmental Authorities and all other statutory requirements relating to public health and safety, noise control, pollution or the protection of the environment or to the use, storage, generation, handling, manufacturing, processing, labeling, advertising, sale, display, treatment, disposal, recycling, reuse, transportation, Release, threatened Release or remediation of Hazardous Substances, including civil responsibility for acts or omissions with respect to the environment, and all authorizations issued pursuant to such Law, agreements or other statutory requirements;
- (vv) “**Escrow Agent**” means Computershare Trust Company of Canada;
- (ww) “**Escrow Agreement**” means an escrow agreement to be entered as of the Closing Date among the Purchaser, the Vendors and the Escrow Agent, in the form settled thereby concurrently with the execution of this Agreement;
- (xx) “**ETA**” means the *Excise Tax Act* (Canada);

- (yy) “**Excluded Assets**” has the meaning ascribed thereto in Section 2.2;
- (zz) “**Excluded Business**” means all of the business operations maintained, operated or conducted by any of the Vendors prior to, at or after the Closing Time which does not form part of the Business;
- (aaa) “**Excluded Employees**” means [REDACTED – Personal Information] and all other former employees of the Business or Excluded Business who are not Employees on either the date of this Agreement or the Closing Date;
- (bbb) “**Financial Statements**” means, collectively:
 - (i) the audited consolidated financial statements of Energy LP for the fiscal years ended September 30, 2013, September 30, 2012 and September 25, 2011, together with the notes thereto and the auditor’s report thereon, prepared in accordance with GAAP, which are attached as Schedule 1.1(bbb)(i) to the Disclosure Letter;
 - (ii) the audited financial statements of Transport Inc. for the fiscal years ended September 30, 2013, September 30, 2012 and September 25, 2011, together with the notes thereto and the auditor’s report thereon, prepared in accordance with GAAP which are attached as Schedule 1.1(bbb)(ii) to the Disclosure Letter; and
 - (iii) the unaudited interim comparative financial statements of each of Energy LP, Energy Inc. and Transport Inc. for the 40 week period ended July 6, 2014, and of Fuels Inc. for the nine months ended June 30, 2014, without notes or cash flow statements, which are attached as Schedule 1.1(bbb)(iii) to the Disclosure Letter;
- (ccc) “**Fuels Inc.**” has the meaning ascribed thereto in the preamble to this Agreement;
- (ddd) “**GAAP**” has the meaning ascribed thereto in Section 1.5;
- (eee) **[Intentionally Deleted]**
- (fff) **[Intentionally Deleted]**
- (ggg) **[Intentionally Deleted]**
- (hhh) **[Intentionally Deleted]**
- (iii) **[Intentionally Deleted]**
- (jjj) “**Governmental Authorities**” means any: (i) national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, officials, ministers, Crown corporations, central bank, court, tribunal or dispute settlement panel, arbitral body, commission, board, bureau or agency, domestic or foreign; (ii) subdivision, agency, commission, board or authority of any of the foregoing; or (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;
- (kkk) “**GST/HST**” means all Taxes payable under Part IX of the ETA or under any provincial legislation similar to the ETA, and any reference to a specific provision of the ETA shall refer to any successor provision thereto of like or similar effect;

- (lll) “**Hazardous Substance**” means any element, waste or other substance, whether natural or artificial and whether consisting of gas, liquid, solid or vapour that is prohibited, listed, defined, judicially interpreted, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials or any substance which is deemed under Environmental Laws to be deleterious to natural resources or public health and safety;
- (mmm) “**Holdback Amount**” has the meaning ascribed thereto in Section 2.9;
- (nnn) “**Holding GP**” has the meaning ascribed thereto in the preamble to this Agreement;
- (ooo) “**Holding LP**” has the meaning ascribed thereto in the preamble to this Agreement;
- (ppp) “**Indemnification Escrow Amount**” means [REDACTED – Amount of Escrow Funds], retained for a period of 24 months from the Closing Date pursuant to the terms of the Escrow Agreement;
- (qqq) “**Indemnified Party**” has the meaning ascribed thereto in Section 8.4;
- (rrr) “**Indemnifying Party**” has the meaning ascribed thereto in Section 8.4;
- (sss) “**Indemnity Agreement**” means the agreement so titled, to be dated as of the date of this Agreement, among The Pioneer Group Inc., Suncor Energy Products Inc., Parkland Fuel Corporation and Parkland Industries Ltd.;
- (ttt) “**Indemnity Claim**” has the meaning ascribed thereto in Section 8.4;
- (uuu) “**Indemnity Threshold**” has the meaning ascribed thereto in Section 8.3(b)(iv);
- (vvv) “**Independent Accountant**” means an accounting firm of a recognized national standing in Canada which is independent of the Parties and which shall be appointed by the mutual agreement of the Parties as required by the terms and conditions of this Agreement. If the Parties are unable to agree on the Independent Accountant within 10 days then the Independent Accountant shall be Deloitte LLP, or in the event of a conflict, BDO Canada LLP;
- (www) “**Intellectual Property**” means as to the Vendors the intellectual property (whether foreign or domestic, registered or unregistered) used in the operation, conduct or maintenance of the Business, as it is currently being, and has been, operated, conducted or maintained, including: (i) all inventions, patents, patent applications and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions and re-examinations thereof; (ii) all trade-marks, trade-names, corporate names, domain names and all goodwill associated therewith; (iii) all copyrightable works, copyrights and industrial designs; (iv) all confidential information, including all lists of present and former suppliers, customers and any others having business dealings with, the Business and the mailing lists, trade secrets, processes, procedures, know-how, methods, data, compilations, databases and the information contained therein of the Vendors; together with (A) all copies and tangible embodiments of the foregoing, in whatever form or medium (including all computer software and related documentation), (B) all improvements, modifications, translations, adaptations, refinements, derivations and

combinations thereof, (C) all applications, registrations and renewals in connection therewith and (D) all Intellectual Property Rights related thereto;

- (xxx) “**Intellectual Property Rights**” means any right or protection existing from time to time in a specific jurisdiction, whether registered or not, under any patent law or other invention or discovery law, copyright law, performance or moral rights law, trade-secret law, confidential information law, integrated circuit topography law, semi-conductor chip protection law, trade-mark law, unfair competition law or other similar Laws and includes legislation by competent Governmental Authorities and judicial decisions under common law or equity;
- (yyy) “**Interim Period**” has the meaning ascribed thereto in Section 5.1;
- (zzz) “**Inventory**” has the meaning ascribed thereto in Section 2.1(a)(v)(B);
- (aaaa) “**Laws**” means all applicable laws, by-laws, statutes, rules, regulations, Orders, ordinances, awards, rulings, determinations, decrees, codes, policies, instruments, notices, directions, injunctions, judgments (including judicial decisions under common law or equity) and any other requirements of any Governmental Authority having the force of law;
- (bbbb) “**Leased Real Property**” has the meaning ascribed thereto in Section 2.1(a)(ix);
- (cccc) “**Leases**” has the meaning ascribed thereto in Section 2.1(a)(ix);
- (dddd) “**Letter of Intent**” means the letter agreement dated November 26, 2013 between the Purchaser and Holding LP;
- (eeee) “**Liability**” means, with respect to any Person, any liability, debt, duty, undertaking or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person;
- (ffff) “**Losses**” means, in respect of a Person and in relation to a matter, all losses, costs, debts, expenses and damages (including all penalties, fines and interest thereon), contingent or otherwise liquidated or unliquidated which such Person suffers, sustains, pays or incurs in connection with such matter, whether or not a Claim has been made, an Order issued or a judgment obtained, and includes Taxes (other than refundable Taxes), costs and disbursements of legal counsel (on a full indemnity basis) and other experts and consultants and reasonable costs arising from such matter;
- (gggg) “**LTIP**” means the Pioneer Long Term Incentive Plan;
- (hhhh) “**Material Adverse Change**” means any change, event, development, occurrence, circumstance or state of facts that, individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the business, operations, earnings, condition (financial or otherwise), property, assets (including the Purchased Assets) or Liabilities (contingent or otherwise) of the Business taken as a whole, other than any change, effect, event, development, occurrence, circumstance or state of facts relating to:
 - (i) any change in general economic conditions in Canada or any change in Canadian

financial, banking or currency exchange markets; (ii) any change or development resulting from any act of terrorism or any outbreak of hostilities or war (or any escalation or worsening thereof) or any natural disaster; (iii) any change or development affecting the specific industries in which the Vendors operate the Business; (iv) changes in applicable laws or GAAP in Canada or any other country or international accounting principles or standards (including any interpretation thereof by any applicable Governmental Authority); (v) seasonal fluctuations in the Business; (vi) any action required by this Agreement or the Transaction Documents; or (vii) the announcement of the transactions contemplated by this Agreement; provided, however, that any such change referred to in clause (i), (ii), (iii), (iv) or (v) above does not primarily relate only to (or have the effect of primarily relating only to), or disproportionately adversely affect the Business or the Purchased Assets, in each case taken as a whole; compared to other entities of similar size operating in the industries in which the Vendors operate;

- (iii) “**Material Adverse Effect**” means any effect resulting from a Material Adverse Change;
- (jjjj) “**Material Contracts**” means those Assumed Contracts as described in Section 4.1(kk);
- (kkkk) “**NB Ltd.**” has the meaning ascribed thereto in the preamble to this Agreement;
- (llll) “**NI 51-102**” means National Instrument 51-102 Continuous Disclosure Obligations of the Canadian Securities Administrators;
- (mmmm) “**Non-Competition Agreement**” means the non-competition, non-solicitation and confidentiality agreement to be entered into between the Purchaser and [REDACTED – Personal Information], in the form settled by the Parties concurrently with the execution of this Agreement;
- (nnnn) “**Normalized Working Capital**” means, with respect to the Business, certain current assets of the Vendor on a consolidated basis less certain current liabilities of the Vendor on a consolidated basis on the Closing Date but immediately prior to Closing, as calculated in accordance with the principles set forth in Schedule 1.1(nnnn) to the Disclosure Schedule and in conformity as determined in accordance with GAAP and shall include but not be limited to the following:
 - (i) accounts receivable (net of a reasonable allowance for bad debt and consistent with historical accounting practices);
 - (ii) provincial road tax receivables;
 - (iii) excise tax receivables;
 - (iv) sales taxes receivable;
 - (v) commodity taxes recoverable;
 - (vi) cigarette taxes receivable;
 - (vii) inventory;
 - (viii) prepaid expenses and deposits;
 - (ix) accounts payable;

- (x) sales taxes payable;
- (xi) commodity taxes payable;
- (xii) accrued liabilities (including accrued wages payable and accrued vacation pay payable);
- (xiii) vacation payables; and
- (xiv) deferred revenue;

and excluding the following:

- (xv) all current assets held in cash, cash equivalents, bank balances and short-term investments and including cash held in automated banking machines, coin wash and secured courier deposits;
- (xvi) all amounts receivable in respect of dealer loans and notes receivable;
- (xvii) income taxes receivable;
- (xviii) income taxes payable or accrued;
- (xix) accrued interest;
- (xx) liabilities associated with the LTIP, Annual SERP and the DC SERP;
- (xxi) accounts payable relating to professional services rendered in connection with the current sale process contemplated in this Agreement; and
- (xxii) all amounts owing in respect of bank debt or capital leases;

and for greater certainty, all trade accounts receivable, trade accounts payable and other amounts due to or from Suncor Energy Products Inc. (or any of its Affiliates) and Prime Petroleum Inc. (or any of its Affiliates, not including the Vendors) shall be included in the calculation of Normalized Working Capital;

- (oooo) “**NS Ltd.**” has the meaning ascribed thereto in the preamble to this Agreement;
- (pppp) “**Ontario Ltd.**” has the meaning ascribed thereto in the preamble to this Agreement;
- (qqqq) “**Orders**” means orders, injunctions, judgments, administrative complaints, decrees, rulings, awards, assessments, directions, instructions, penalties or sanctions issued, filed or imposed by any Governmental Authority or arbitrator and includes remedial orders;
- (rrrr) “**Ordinary Course of Business**” means the ordinary course of business consistent with prior custom and practice of the entity to whom such term relates (including with respect to quantity, frequency, terms, values, risks and obligations);
- (ssss) “**Owned Intellectual Property**” has the meaning ascribed thereto in Section 2.1(a)(xii);
- (tttt) “**Owned Real Property**” has the meaning ascribed thereto in Section 2.1(a)(xi);

- (uuuu) “**Parkland**” has the meaning ascribed thereto in the preamble to this Agreement;
- (vvvv) “**Parkland Financial Statements**” means: (i) Parkland’s audited comparative consolidated balance sheet as at December 31, 2013 and statements of earnings, retained earnings and cash flows for the year then ended, the notes thereto and the auditor’s report thereon; and (ii) Parkland’s unaudited comparative consolidated balance sheet as at June 30, 2014 and statements of earnings, retained earnings and cash flows for the six month period then ended and the notes thereto;
- (wwww) “**Parkland Group**” means, collectively, Parkland and its subsidiaries, including the Purchaser;
- (xxxx) “**Parkland Intellectual Property**” means as to the Purchasing Parties, the intellectual property (whether foreign or domestic, registered or unregistered) used in the operation, conduct or maintenance of their respective business, as it is currently being, and has been, operated, conducted or maintained, including: (i) all inventions, patents, patent applications and patent disclosures, together with all reissuances, continuations, continuations-in-part, revisions, extensions and re-examinations thereof; (ii) all trademarks, trade-names, corporate names, domain names and all goodwill associated therewith; (iii) all copyrightable works, copyrights and industrial designs; (iv) all confidential information, including all lists of present and former suppliers, customers and any others having business dealings with, the business of any of the Purchasing Parties and the mailing lists, trade secrets, processes, procedures, know-how, methods, data, compilations, databases and the information contained therein of the Purchasing Parties; together with (A) all copies and tangible embodiments of the foregoing, in whatever form or medium (including all computer software and related documentation), (B) all improvements, modifications, translations, adaptations, refinements, derivations and combinations thereof, (C) all applications, registrations and renewals in connection therewith and (D) all Intellectual Property Rights related thereto;
- (yyyy) “**Parkland Material Adverse Change**” means any change, event, development, occurrence, circumstance or state of facts that, individually or in the aggregate, is, or would reasonably be expected to be, material and adverse to the business, operations, earnings, condition (financial or otherwise), property, assets or Liabilities (contingent or otherwise) of the business of the Purchasing Parties taken as a whole, other than any change, effect, event, development, occurrence, circumstance or state of facts relating to: (i) any change in general economic conditions in Canada or any change in Canadian financial, banking or currency exchange markets; (ii) any change or development resulting from any act of terrorism or any outbreak of hostilities or war (or any escalation or worsening thereof) or any natural disaster; (iii) any change or development affecting the specific industries in which the Purchasing Parties operate their respective businesses; (iv) changes in applicable laws or GAAP in Canada or any other country or international accounting principles or standards (including any interpretation thereof by any applicable Governmental Authority); (v) seasonal fluctuations in the businesses of each of the Purchasing Parties; (vi) any action required by this Agreement or the Transaction Documents; or (vii) the announcement of the transactions contemplated by this Agreement; provided, however, that any such change referred to in clause (i), (ii), (iii), (iv) or (v) above does not primarily relate only to (or have the effect of primarily relating only to), or disproportionately adversely affect the business of the Purchasing Parties taken as a whole; compared to other entities of similar size operating in the industries in which the Purchasing Parties operate;

- (zzzz) “**Parkland Material Adverse Effect**” means any effect resulting from a Parkland Material Adverse Change;
- (aaaaa) “**Parkland Regulatory Authorizations**” has the meaning ascribed thereto in Section 4.2(1);
- (bbbbb) “**Parkland Shares**” means common shares in the capital of Parkland;
- (ccccc) “**Parties**” means the parties to this Agreement and their respective heirs, executors, legal representatives, successors and permitted assigns and “**Party**” means any one of them;
- (dddd) “**Permitted Encumbrances**” means the following Encumbrances as, in each case, they relate to the Business or the Purchased Assets:
- (i) Encumbrances for Realty Taxes, utilities and other governmental charges and levies that, in each case, are not yet due or are not in arrears;
 - (ii) construction, builders, mechanics’, carriers’, workers’, repairers’, storers’ or other similar Encumbrances (inchoate or otherwise) if individually or in the aggregate they arose or were incurred in the Ordinary Course of Business; and, in each case, the Contract under which such Encumbrance arose is to be assumed by the Purchaser pursuant to this Agreement, and an appropriate reserve has been set aside in respect of such Encumbrance and the holdback provisions of the relevant Encumbrance legislation applicable to such Contract;
 - (iii) minor title defects or irregularities, minor unregistered easements or rights of way, minor encroachments and restrictions, reservations and limitations in the original grant from the Crown or otherwise affecting the Real Property if such title defects, irregularities or restrictions are complied with in all material respects and do not, in the aggregate in respect of each individual Real Property, materially adversely affect the operation of the Business or the continued use of such Real Property after the Closing Date on substantially the same basis as the Business has been operated for the five-year period prior to the Closing Date;
 - (iv) easements, covenants, rights of way or other reservations and restrictions, if registered, provided that they are complied with in all material respects and do not, in the aggregate in respect of each individual Real Property, materially adversely affect the operation of the Business or the continued use of such Real Property to which they relate after the Closing Date on substantially the same basis as the Business has been operated for the five-year period prior to the Closing Date;
 - (v) registered agreements with municipalities or other Governmental Authorities or public utilities if they have been complied with or adequate security has been furnished to secure compliance;
 - (vi) any privilege in favour of any lessor, licensor or permitter for rent to become due or for other obligations or acts, the performance of which is required by the Leases, so long as the payment of or the performance of such other obligation or act is not delinquent and provided that such liens and privileges do not, in the aggregate, materially adversely affect: (A) the operation of Business or the continued use of the Real Property to which they relate after the Closing Date on

substantially the same basis as the Business has been operated for the five-year period prior to the Closing Date; or (B) the value of such Real Property;

- (vii) all Encumbrances affecting a landlord's freehold interest in any Leased Real Property; and
- (viii) the Encumbrances listed in Schedule 1.1(ddddd) to the Disclosure Letter;
- (eeee) "**Person**" includes an individual, partnership, limited partnership, firm, joint venture, venture capital fund, limited liability company, unlimited liability company, trust, trustee, executor, administrator, legal personal representative, estate, group, body corporate, corporation, Governmental Authority, agency or instrumentality, unincorporated organization or association syndicate or other entity, whether or not having legal status;
- (ffff) "**PIL Shares**" means such number of common shares in the capital of the Purchaser having a value equal to the Consideration Share Value;
- (gggg) "**Pioneer Leases**" means all real property leases or subleases, retail licence agreements or similar Contracts where any Vendor acts as landlord, sublandlord, licensor or in a similar capacity, each of which is disclosed in Schedule 1.1(gggg) to the Disclosure Letter;
- (hhhh) "**Post-Closing Statement**" has the meaning ascribed thereto in Section 2.8(a);
- (iiii) "**Pre-Closing Reorganization**" means the steps and actions described in Schedule 1.1(iiii) to the Disclosure Letter or otherwise taken in accordance with Section 5.1(d);
- (jjjj) "**Prepaid Expenses and Deposits**" has the meaning ascribed thereto in Section 2.1(a)(v)(C);
- (kkkk) "**Public Record**" means all information filed by or on behalf of Parkland with the applicable securities commissions (or similar securities regulatory authorities) in all of the provinces of Canada (with the exception of Québec), including any information filed in compliance, or intended compliance, with any applicable Canadian securities Laws;
- (llll) "**Purchase Price**" has the meaning ascribed to it in Section 2.5;
- (mmmm) "**Purchased Accounts Receivable**" has the meaning ascribed thereto in Section 2.1(a)(v)(A);
- (nnnn) "**Purchased Assets**" has the meaning ascribed thereto in Section 2.1(a);
- (oooo) "**Purchaser**" has the meaning ascribed thereto in the preamble to this Agreement;
- (pppp) "**Purchaser Indemnified Parties**" has the meaning ascribed thereto in Section 8.1;
- (qqqq) "**Purchaser's Proposed Calculations**" has the meaning ascribed thereto in Section 2.8(a);
- (rrrr) "**Purchasing Parties**" means, collectively, the Purchaser and Parkland;
- (ssss) "**Purchasing Parties' Fundamental Representations**" means the representation and warranties of the Purchasers in Sections 4.2(a), 4.2(b), 4.2(c), and 4.2(d);

- (ttttt) “**Real Property**” means any lands and premises from which the Vendors (directly or indirectly) operate, conduct or maintain, or may (in the case of vacant real property) operate, conduct or maintain, the Business and including the Owned Real Property and Leased Real Property;
- (uuuuu) “**Realty Tax**” means all taxes, levies, charges, local improvement rates and assessments whatsoever charged against the Real Property or part thereof by any Governmental Authority (other than Commodity Taxes);
- (vvvvv) “**Receiving Party**” has the meaning ascribed thereto in Section 5.10(g);
- (wwwww) “**Regulatory Authorizations**” means, collectively, all licences, permits, registrations, certificates, consents, Orders and similar rights and privileges in respect of, or required in connection with, the Purchased Assets and/or the carrying on of the Business, including the Environmental Approvals;
- (xxxxx) “**Release**” has the meaning prescribed in any Environmental Law and includes any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of a Hazardous Substance into the environment;
- (yyyyy) “**Required Approvals**” means the waivers, consents, approvals and authorizations listed in Schedule 1.1(yyyyy) to the Disclosure Letter;
- (zzzzz) “**Required Notifications**” means the notifications listed in Schedule 1.1(zzzzz) to the Disclosure Letter;
- (aaaaa) “**Restricted Rights**” has the meaning ascribed thereto in Section 2.10(a);
- (bbbbb) “**Retained Liabilities**” has the meaning ascribed thereto in Section 2.4;
- (ccccc) “**Rollover Agreement**” means the rollover agreement to be entered into between Parkland and the Vendors, in the form settled by the Parties concurrently with the execution of this Agreement;
- (ddddd) “**Shareholder Agreement**” means the shareholder agreement between Energy LP and Parkland in the form settled by such parties concurrently with the execution of this Agreement;
- (eeeee) “**Successor Taxes**” means any liability for Taxes required by law to be paid as an assessed liability by the Vendors which, as a result of the transfers herein, become a liability for Taxes of the Purchaser;
- (ffffff) “**Target NAWC**” means [REDACTED – Purchase price variable], an amount calculated in accordance with Schedule 1.1(ffffff);
- (ggggg) “**Tax Act**” means the *Income Tax Act* (Canada);
- (hhhhh) “**Tax Records**” has the meaning ascribed thereto in Section 2.2(b);
- (iiiiii) “**Tax Returns**” includes all returns, reports, notices, forms, declarations, elections, filings, information returns and statements (including any amendments, schedules,

attachments, supplements, appendices and exhibits thereto) required to be filed with any Governmental Authority in respect of Taxes, whether in tangible, electronic or other form;

- (jjjjj) “**Taxes**” means, with respect to any Person, all income taxes (including any tax on or based upon net income, gross income, income as specifically defined, earnings, profits or selected items of income, earnings or profits) and all Commodity Taxes, Realty Taxes, capital taxes, gross receipts taxes, environmental taxes, sales taxes, use taxes, ad valorem taxes, value added taxes, transfer taxes, franchise taxes, licence taxes, withholding taxes or other withholding obligations, payroll taxes, employment taxes, Canada Pension Plan premiums, other government pension plan premiums or contributions, Quebec Pension Plan premiums, excise, severance, social security premiums, workplace, safety and insurance premiums, employment insurance or compensation premiums, occupation taxes, premium taxes, property taxes, provincial Crown royalties, state taxes, windfall profits taxes, alternative or add-on minimum taxes, goods and services tax, harmonized sales tax, customs duties, fuel taxes, propane taxes, liquefied gas taxes, tobacco taxes or other taxes of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any taxing authority (domestic or foreign) on any Person or for which such Person is responsible, and any interest, penalties, additional taxes, additions to tax or other amounts imposed with respect to the foregoing;
- (kkkkk) “**Third Party**” has the meaning ascribed thereto in Section 2.10(a);
- (lllll) “**Third Party Claim**” has the meaning ascribed thereto in Section 8.4(a);
- (mmmmm) “**TM Assignments**” means the trademark assignments through which the TPGI Trade-marks shall ultimately be assigned, conveyed or otherwise transferred to Purchaser, in the forms settled by the Parties concurrently with the execution of this Agreement;
- (nnnnn) “**TPGI**” means The Pioneer Group Inc., a body corporate incorporated under the laws of the Province of Ontario;
- (ooooo) “**TPGI Trade-marks**” shall mean any trademarks, service marks, trade names, brand names, logos, trade dress and all elements thereof, other proprietary indicia of goods and services, whether registered or unregistered, all registrations and applications for registration of such trademarks, including intent-to-use applications, all issuances, extensions and renewals of such registrations and applications, and all of the goodwill associated with the use of and symbolized by any of the foregoing, anywhere in the world, which are: (i) owned by TPGI; and (ii) related to the Business or used in connection with the operation, conduct or maintenance thereof;
- (ppppp) “**Transaction Documents**” means, collectively, this Agreement together with the Consideration Shares Agreements, the Indemnity Agreement, the Transitional Services Agreement, the Escrow Agreement, the TM Assignments;
- (qqqqq) “**Transferred Employees**” has the meaning ascribed thereto in Section 3.1(g);
- (rrrrr) “**Transferred Information**” means the personal information (namely, information about an identifiable individual other than their business contact information when used or disclosed for the purpose of contacting such individual in that individual’s capacity as a representative of an organization and for no other purpose) to be disclosed or conveyed to

the Purchaser or any of its representatives or agents by or on behalf of any of the Vendors as a result of or in conjunction with the transactions contemplated herein, and includes all such personal information disclosed to the Purchaser prior to the execution of this Agreement;

(ssssss) “**Transitional Services Agreement**” means the transitional services agreement among Parkland, Holding LP, Energy LP, Transport Inc., Energy Inc., Fuels Inc., Holding GP, Energy GP, NB Ltd., NS Ltd., Ontario Ltd. and the Purchaser in the form settled by the Parties concurrently with the execution of this Agreement;

(tttttt) “**Transport Inc.**” has the meaning ascribed thereto in the preamble to this Agreement;

(uuuuuu) “**TSX**” means the Toronto Stock Exchange;

(vvvvvv) “**Unassignable Contracts**” has the meaning ascribed thereto in Section 2.10(a);

(wwwwww) “**Vendors**” means, collectively, Holding LP, Holding GP, Energy LP, Energy GP, Transport Inc., Energy Inc., Fuels Inc., NB Ltd., NS Ltd. and Ontario Ltd.; and

(xxxxxx) “**Vendors’ Fundamental Representations**” means the representations and warranties of the Vendors in Sections 4.1(a), 4.1(b), 4.1(c), 4.1(d), 4.1(e), 4.1(h) and 4.1(ff).

1.2 Certain Rules of Interpretation

In this Agreement and the Schedules hereto and in the Disclosure Letter and the Schedules thereto:

- (a) **Currency** - unless otherwise specified, all references to money amounts are to Canadian currency;
- (b) **Headings** - the division of this Agreement into Articles and Sections and the insertion of descriptive headings is solely for convenience of reference, the descriptive headings are not intended as complete or accurate descriptions of the content of such Articles or Sections and neither the division of this Agreement into Articles and Sections nor the insertion of descriptive headings shall affect the construction or interpretation of this Agreement;
- (c) **Singular, Gender, Herein, etc.** - the use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such Person or Persons or circumstances as the context otherwise permits, and “hereby”, “hereof”, “herein”, “hereunder”, “herewith”, “hereto” and similar terms refer to this Agreement and not to any particular provision of this Agreement;
- (d) **Inclusive Terminology** - whenever used in this Agreement, the words “includes” and “including” and similar terms of inclusion will not, unless expressly modified by the words “only” or “solely”, be construed as terms of limitation, but rather will mean “includes but is not limited to” and “including but not limited to”, so that references to included matters will be regarded as illustrative without being either characterizing or exhaustive;
- (e) **Consent** - whenever a provision of this Agreement requires an approval or consent by a Party to this Agreement and notification of such approval or consent is not delivered

within the applicable time limit, then, unless otherwise specified, the Party whose consent or approval is required shall be conclusively deemed to have withheld its approval or consent;

- (f) **Calculation of Time** - unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of the period is not a Business Day; and
- (g) **Interpretation Not Affected By Drafting Party** – the Parties acknowledge and agree that their respective legal counsel have reviewed and participated in settling the terms of this Agreement and that any rule of construction or interpretation to the effect that any ambiguity is to be resolved against the drafting Party shall not be applicable in the interpretation of this Agreement.

1.3 Knowledge

Where used with respect to the Vendors or the Purchasing Parties, the expression “to the knowledge of”, “known to” or a similar expression or phrase shall mean, when used to modify or describe the state of knowledge of factual matters by such Person: (a) in the case of the Vendors, the best of the knowledge, information and belief of [REDACTED – Personal Information]; or (b) in the case of Parkland, the Purchaser or the Purchasing Parties, the best of the knowledge, information and belief of [REDACTED – Personal Information]; and shall, in any event include the knowledge of all matters which, after reasonable diligence, in connection with the transactions contemplated hereby, is or, is ought to have been known, to such individual, as applicable.

1.4 Statutory References

A reference in this Agreement to a statute shall be a reference to the statute and the regulations promulgated thereunder, as amended or superseded from time to time, either before or after the date hereof, unless otherwise stated or the context otherwise requires.

1.5 Accounting Principles

All references to “GAAP” shall mean the applicable Canadian Accounting Standards for Private Enterprises, which are in effect from time to time, consistently applied in accordance with applicable accounting practices of the particular entity.

1.6 Vendors’ Representative

- (a) **Authority.** Energy LP shall have the full authority, on its own behalf and on behalf of each other Vendor, to give and receive notices, to settle Claims or disputes, to take or omit to take, on its own behalf and on behalf of each other Vendor, such action as Energy LP deems necessary or appropriate with respect to this Agreement; and the Purchasing Parties (and their Affiliates) shall be entitled to rely thereon and shall be fully protected and indemnified in so relying. All decisions by Energy LP with respect to this Agreement shall be binding upon all Vendors, and no Vendor shall have the right to object, dissent, protest or otherwise contest the same. The power-of-attorney granted in this Section 1.6 is coupled with an interest and has been given for valuable consideration, which is hereby acknowledged and is irrevocable.

- (b) **Payments.** All obligations of the Purchasing Parties under this Agreement to make a payment to the Vendors shall be satisfied in full by paying such amounts to Energy LP and it shall be the responsibility of Energy LP to deliver the appropriate amounts to the Vendors.
- (c) **Binding Effect of the Vendors.** All rights exercised, all payments made and all obligations satisfied by Energy LP under this Agreement shall be exercised, paid or satisfied by Energy LP on its own behalf and on behalf of the other Vendors and shall be binding upon the Vendors.
- (d) **Further Authorization.** Energy LP is specifically authorized to agree to and authorize, on its own behalf and on behalf of each other Vendor, any and all modifications, waivers, amendments or extensions of this Agreement that Energy LP deems necessary or appropriate. Without limiting the generality of the foregoing, Energy LP shall have the full and exclusive authority to:
 - (i) agree with the Purchasing Parties with respect to any matter or thing required or deemed necessary by Energy LP in connection with the provisions of this Agreement calling for the agreement of Vendors;
 - (ii) give and receive notices on behalf of all Vendors;
 - (iii) act on behalf of Vendors in connection with any matter as to which Vendors are or may be obligated under this Agreement, all in the absolute discretion of Energy LP; and
 - (iv) in general, do all things and perform all acts, including executing and delivering all agreements, certificates, receipts, consents, elections, instructions, and other instruments or documents contemplated by, or deemed by Energy LP to be necessary or advisable in connection with, this Agreement.

ARTICLE 2

PURCHASE AND SALE

2.1 Purchase and Sale

On the terms and subject to fulfillment of the conditions set out herein, at the Closing Time:

- (a) **Purchase and Sale of Purchased Assets** – each of the Vendors hereby agrees to sell, assign, transfer, convey and deliver to the Purchaser, and the Purchaser agrees to purchase from the Vendors, the Business and all of the right, title and interest of the Vendors in and to all of the assets, property and rights related thereto, other than the Excluded Assets (collectively, the Business and all of such assets, property and rights are herein referred to as the “**Purchased Assets**”), which shall include the following:
 - (i) **Vehicles and Equipment** – all vehicles (including all on-board computer equipment and filling and dispensing equipment) as set out in Schedule 2.1(a)(i) to the Disclosure Letter and all equipment, tools, trailers and other miscellaneous items used in the conduct, operation or maintenance of or otherwise related to, the Business;

- (ii) **Other Tangible Assets** – all other tangible assets owned or used or held by any of the Vendors used in the conduct, operation or maintenance of, or otherwise related to, the Business (other than Inventory), whether located in or on the Real Property or elsewhere, including:
 - (A) all office, warehouse and plant equipment;
 - (B) all cardlocks and other bulk fuel storage facilities, including petroleum tanks, lines and dispensers located on the Real Property or on property owned by third parties, and any fixtures and erections owned by any of the Vendors together with any interests appurtenant to them;
 - (C) all ice freezers/coolers, pop vending machines, tire inflators, ice cream freezers/coolers, tires, batteries and accessories display shelves/inventories, magazine display racks, water heaters (to the extent owned), water softeners, and confectionary advertising materials; and
 - (D) all car wash facilities and equipment;
- (iii) **Goodwill, Phone Numbers, E-mail, Corporate Name** – all goodwill, together with the exclusive right of the Purchaser (or any of its Affiliates) to represent itself as carrying on the Business in continuation of and in succession to the Vendors, including the Vendors’ individual and/or collective rights to use any phone (including cellular phone but excluding those cellular phones and related cellular phone numbers as set out in Schedule 2.1(a)(iii) to the Disclosure Letter) and facsimile numbers (to the extent assignable), lists of present and former suppliers, customers, clients, sales leads, distributors and any others having business dealings with any Vendor in respect of the Business, mailing lists, e-mail addresses and domain names used in the conduct, operation or maintenance of, or otherwise related to, the Business;
- (iv) **Computer Hardware and Software and Electronic Data Files** – all right, title and interest in and to all computer hardware, operating systems, software and websites used for the purpose of operating the Business, as well as electronic data files contained in or stored on any of the Vendors’ computer systems and all other electronic data files, including back-up files and copies, used in the conduct, operation or maintenance of, or otherwise related to, the Business or related to any of the Purchased Assets;
- (v) **Current Assets** – all the Current Assets including the following:
 - (A) **Purchased Accounts Receivable** – all accounts receivable recorded as being receivable in the Books and Records, including those current and past-due accounts receivable comprised of amounts due and payable to any of the Vendors in respect of the Business as at the Closing Date: (i) under the Contracts; and (ii) pursuant to the operation of the Business, generated up until the Closing Date (collectively, the “**Purchased Accounts Receivable**”);
 - (B) **Inventories** – all items, held by any of the Vendors, directly or indirectly, for sale, licence, rental, lease or other distribution in the Ordinary Course of Business, or that are being produced for sale, or that

are to be consumed, directly or indirectly, in the production of goods or services to be available for sale, of every kind and nature and wheresoever situate (including items held by or consigned to third parties, located offsite or on the applicable dealer site) relating to the Business, including all inventory of petroleum products and related products (including motor fuels, heating fuels, aviation gas, propane, distillates and lubricants), packaging materials, operating supplies, spare parts, replacement parts, work in progress and finished goods (collectively, the “**Inventory**”);

- (C) **Prepaid Expenses and Deposits** – all prepaid expenses and deposits related to the Business, including workers’ compensation prepayments, prepaid insurance and property Taxes, and, security deposits and constructions deposits (collectively, the “**Prepaid Expenses and Deposits**”); and
- (D) **Dealer Loans and Notes Receivable** – all notes, loans receivable and other similar debt obligations (including any security or guarantees granted in connection therewith) of tenants, dealers, lessees, licensees or consignees of the Business, arising in the Ordinary Course of Business and including dealer cash security and retailer cash security;
- (vi) **Leased Equipment** – all right, title and interest of each of the Vendors in, to and under all of the vehicle leases, equipment leases and other agreements between any Vendor and third parties (including any of the Vendors or any of their respective Affiliates) relating to machinery, equipment and vehicles leased or used in the conduct, operation or maintenance of, or otherwise related to, the Business;
- (vii) **Warranty Rights and Maintenance Contracts** – the full benefit of all warranties and warranty rights (express and implied) provided by or against manufacturers, sellers or lessors of any of the Purchased Assets and all maintenance Contracts in respect of the Purchased Assets;
- (viii) **Regulatory Authorizations** – all Regulatory Authorizations;
- (ix) **Leased Real Property** – all leases (collectively, the “**Leases**”) relating to any and all leased real property of the Vendors, including all rights and interests of the Vendors in and to any and all leased real property, from which the Vendors (directly or indirectly) operates, conducts or maintains or may (including in the case of any vacant leased real property) operate, conduct or maintain, the Business and all structures, erections, improvements, appurtenances and fixtures located thereon, therein, thereunder or forming part thereof (collectively, the “**Leased Real Property**”);
- (x) **Contracts** – without limitation to the foregoing, all of the Assumed Contracts;
- (xi) **Owned Real Property** – all lands and premises and freehold property and interest therein of the Vendors, including all lands and premises and freehold property and interest therein, from which the Vendors (directly or indirectly) operates, conducts or maintains the Business or may (including in the case of any vacant owned real property) operate, conduct or maintain, the Business owned by

each of the Vendors and all plants, buildings, cardlocks and bulk fuel storage facilities, structures, erections, improvements, appurtenances, tanks, lines, dispensers, canopies and fixtures (including fixed machinery and fixed equipment) situate thereon, therein, thereunder or forming part thereof (collectively, the “**Owned Real Property**”);

- (xii) **Intellectual Property** – all Intellectual Property, owned by any of the Vendors, (the “**Owned Intellectual Property**”) and all Intellectual Property held by the Vendors or used in the Business, including the trade-marks, trade-names, the corporate names, and other marks or indicia or source in respect of the Business, all as set out in Schedule 2.1(a)(xii) to the Disclosure Letter;
- (xiii) **Books and Records** – all Books and Records;
- (xiv) **Insurance Benefits** – any benefits payable under all insurance policies relating to the Business or the Purchased Assets; and
- (xv) **Miscellaneous** – all other properties, assets or rights used in the conduct, operation or maintenance of, or otherwise relating to, the Business,

excluding only the Excluded Assets, as described in Section 2.2.

- (b) **Payment of Purchase Price** – the Purchaser shall pay the Closing Cash Amount Payable and issue the PIL Shares, and Parkland shall issue the Consideration Shares in exchange for the PIL Shares, as described in Section 2.7;
- (c) **Transfer and Delivery of Purchased Assets** – each of the Vendors shall execute and deliver to the Purchaser (or any of its Affiliates, as directed by the Purchaser) all such bills of sale, assignments, instruments of transfer, deeds, assurances, consents and other documents as shall be necessary or desirable to effectively transfer to the Purchaser (or its Affiliates) the Purchased Assets; each of the Vendors shall deliver up to the Purchaser possession of the Purchased Assets, free and clear of all Encumbrances, other than Permitted Encumbrances; and
- (d) **Other Documents** – the Vendors and the Purchasing Parties shall each deliver such other documents as may be necessary or desirable to complete the transactions provided for in this Agreement.

2.2 Excluded Assets

The Purchased Assets shall not include (collectively, the “**Excluded Assets**”):

- (a) **Cash** – all cash and cash equivalents, including cash on hand or on deposit with banks (or other depositaries), vault cash in automated teller (bank) machines (which is owned by the third party operator) and marketable securities held by or for the account (and not otherwise forming a Purchased Asset described in Section 2.1(a)(v)) of the Vendors, net of any cheques issued by the Vendors and outstanding as at the Closing Time and excluding dealer cash security and retailer cash security;
- (b) **Refundable Taxes** – rights to refunds of Taxes paid by the Vendors, whether paid directly by the Vendors or indirectly by a third party on the Vendors’ behalf, regardless of whether such rights have arisen or hereafter arise, all of the Tax assets of the Vendors,

including any loss carry forwards, Tax credits, Tax refunds receivable, Tax Returns and working papers, information, files, correspondence, records, data, plans, reports and recorded knowledge related to Taxes (collectively, the “**Tax Records**”);

- (c) **Claims and Judgments** – the interest of any of the Vendors in any Claim and in the proceeds of any judgment, Order or decree issued or made in respect thereof, relating to periods prior to the Closing Time;
- (d) **Contracts** – those Contracts listed in Schedule 2.2(d) to the Disclosure Letter;
- (e) **Books and Records** – those books and records of the Vendors which are required by Law to be retained by the Vendors (including the minute books and corporate records of the Vendors), copies of which will be available to the Purchaser;
- (f) **Agreement** – the Vendors’ rights under or pursuant to this Agreement and each other agreement, document or instrument executed and delivered by the Vendors in connection with the consummation of the transactions contemplated by this Agreement; and
- (g) **Other Assets** – the other assets as set out in Schedule 2.2(g) to the Disclosure Letter.

2.3 Assumed Liabilities

Subject to Section 2.4, at the Closing Time and conditional upon Closing, the Purchaser shall assume and agree to pay when due and perform and discharge in accordance with their terms, the Assumed Liabilities. For greater certainty, conditional upon Closing, none of the Vendors will retain or continue to be responsible for and will not have any obligation to pay, satisfy, discharge, perform or fulfill any Assumed Liabilities.

2.4 Retained Liabilities

The Vendors will retain and continue to be responsible for and will pay, satisfy, discharge, perform and fulfill, the following Liabilities (collectively, the “**Retained Liabilities**”):

- (a) all Liabilities and Encumbrances, whether past, present or future, arising prior to, on or after the Closing Time, relating to, under or in respect of the Excluded Assets or the Excluded Business;
- (b) all Liabilities, whether past, present or future, arising prior to, on or after the Closing Time, relating to or in respect of the Excluded Employees;
- (c) all Liabilities, whether past, present or future arising prior to, on or after the Closing Time relating to, under or in respect of the LTIP, the Annual SERP and the DC SERP;
- (d) all Liabilities apportioned to any of the Vendors under Section 2.13(a);
- (e) all Liabilities, whether past, present or future, arising prior to, on or after the Closing Time, relating to, under or in respect of all Claims against the Vendors set out in Schedule 2.4(e) of the Disclosure Letter;
- (f) all Liabilities, whether past, present or future, arising prior to, on or after the Closing Time, relating to, under or in respect of the unregistered debenture dated September 27, 1993 issued to Suncor Energy Products Inc.;

- (g) all Liabilities, whether past, present or future, arising prior to, on or after the Closing Time, relating to, under or in respect of third party indebtedness of the Vendors for borrowed money, including, without limitation, debt owed to the Canadian Imperial Bank of Commerce;
- (h) all Liabilities whether past, present or future, arising prior to, on or after the Closing Time, relating to, under or in respect of the Pre-Closing Reorganization; and
- (i) all Liabilities, whether past, present or future, arising prior to, on or after the Closing Time, in connection with Taxes relating to the Business, the Purchased Assets, as provided for in this Agreement or the Retained Liabilities for, or in respect of, any time prior to or ending at, the Closing Time, including any Liabilities for Taxes relating, in any manner, to the Pre-Closing Reorganization, and other than, for greater certainty, Commodity Taxes that the Purchaser is responsible for paying pursuant to Section 2.13(c) of this Agreement.

For greater certainty, the Purchaser will not assume and will not have any obligation to pay, satisfy, discharge, perform or fulfill any of the Retained Liabilities.

2.5 Purchase Price

The consideration payable by the Purchaser for the sale of the Purchased Assets by the Vendors to the Purchaser shall be the aggregate amount of \$378,315,000 plus the amount of the Assumed Liabilities (the “**Purchase Price**”), increased (or decreased) by an amount equal to the Adjustment Amount. The Purchase Price shall be payable by the Purchaser as set forth in Section 2.7 and is subject to the adjustments set forth in Section 2.8.

2.6 Closing Statement

- (a) At Closing, the Normalized Working Capital shall be deemed to be equal to the Target NAWC.
- (b) Notwithstanding Section 2.6(a), at least five Business Days prior to the Closing Date, the Vendors shall deliver to Purchaser a closing statement which shall set forth in reasonable detail management’s estimate of Normalized Working Capital at the Closing Date for demonstrative purposes only.

2.7 Closing Date Payments

- (a) On the Closing Date, the Purchaser shall pay the Purchase Price (excluding the payments provided for under Section 2.7(b)) as follows:
 - (i) subject to Sections 2.7(d) and (f), deliver the Holdback Amount and the Indemnification Escrow Amount to the Escrow Agent, such amounts to be subject to the terms and conditions of the Escrow Agreement;
 - (ii) pay the Consideration Share Value to Energy LP or such other party as may be directed by the Vendors, provided that any such other party is approved, in writing, by the Purchaser (acting reasonably), by way of issuance of the PIL Shares;
 - (iii) deliver an amount in cash (the “**Closing Cash Amount Payable**”) to or as directed by the Vendors equal to the Purchase Price (excluding the payments

provided for under Section 2.7(b)) less the sum of: (A) the Consideration Share Value; (B) the Holdback Amount; and (C) the Indemnification Escrow Amount; and

- (iv) assume the Assumed Liabilities in accordance with Section 2.3.
- (b) **[Intentionally Deleted]**
- (c) On the Closing Date, immediately after receipt of the PIL Shares by Energy LP as partial payment of the portion of the Purchase Price payable to Energy LP, Energy LP shall transfer such shares to Parkland, pursuant to the terms and conditions of the Rollover Agreement, in exchange for the Consideration Shares. The Consideration Shares shall be registered in the name of Energy LP or such other party as may be directed by Energy LP, provided that any such other party is approved, in writing, by the Purchaser (acting reasonably).
- (d) The Vendors may elect to satisfy the Holdback Amount by providing, or causing to be provided, a letter of credit in an aggregate amount of not less than the Holdback Amount in favour of the Purchasing Parties as beneficiaries, in lieu of the Holdback Amount being delivered to the Escrow Agent as contemplated in Section 2.7(a)(i), in the standard form of a Canadian Schedule I Bank for a sight draft letter of credit.
- (e) The Vendors may elect to satisfy the Indemnification Escrow Amount by providing, or causing to be provided, a letter of credit, in the standard form of a Canadian Schedule I Bank for a sight draft letter of credit, in an aggregate amount of not less than the Indemnification Escrow Amount in favour of the Purchasing Parties as beneficiaries, in lieu of the Indemnification Escrow Amount as contemplated in Section 2.7(a)(i).
- (f) On the Closing Date, the Vendors shall deliver an amount in cash to the Purchaser equal to the Parkland Transaction Cost. For the purposes of this Section 2.7(g), the "**Parkland Transaction Cost**" means:
 - (i) in the event that the Closing Date occurs prior to December 6, 2014, the amount of [REDACTED – Purchase Price Variable.];
 - (ii) in the event that the Closing Date occurs on or after December 6, 2014, but prior to December 13, 2014, the amount of [REDACTED – Purchase Price Variable.];
 - (iii) in the event that the Closing Date occurs on or after December 13, 2014, but prior to December 20, 2014, the amount of [REDACTED – Purchase Price Variable.];
 - (iv) in the event that the Closing Date occurs on or after December 20, 2014, but prior to December 27, 2014, the amount of [REDACTED – Purchase Price Variable.]; or
 - (v) in the event that the Closing Date occurs on or after December 27, 2014, the amount of [REDACTED – Purchase Price Variable.].

2.8 Post-Closing Working Capital Adjustment

- (a) No later than 90 Business Days following the Closing Date, the Purchaser shall prepare and deliver to Energy LP (on its own behalf and on behalf of the Vendors) a closing

statement (the “**Post-Closing Statement**”) setting forth, in reasonable detail, the Purchaser’s calculation (the “**Purchaser’s Proposed Calculations**”) of the Closing Working Capital, the Adjustment Amount and the revised Purchase Price. The Purchaser shall provide Energy LP and its authorized representatives with reasonable access and assistance during normal business hours to the books and records of the Purchaser to verify the accuracy of Purchaser’s Proposed Calculations (including providing reasonable access to any working papers in respect of Purchaser’s Proposed Calculations), provided, however, that such access shall not unreasonably disrupt the operations of the Purchaser.

- (b) Energy LP (on its own behalf and on behalf of the Vendors) may object to any matter relating to the Post-Closing Statement or the Purchaser’s Proposed Calculations by written notice of objection (the “**Dispute Notice**”) delivered to Purchaser within 30 Business Days after Energy LP’s receipt of the Post-Closing Statement. In the event Energy LP (on its own behalf and on behalf of the Vendors) elects not to deliver a Dispute Notice to the Purchaser within such 30 Business Day period, the Post-Closing Statement will be conclusive and binding on the Purchaser and the Vendors. The Dispute Notice, if any, shall set forth, in reasonable detail, the matter in dispute and the basis for the dispute (the “**Disputed Matter**”) and, if related to a monetary amount, the amount of the Purchaser’s Proposed Calculations in dispute (the “**Disputed Amounts**”). If Energy LP (on its own behalf and on behalf of the Vendors) delivers a Dispute Notice within the 30 Business Day period referred to in this Section 2.8(b), then: (i) any amount of Purchaser’s proposed recalculation of the Purchase Price that is not a Disputed Amount shall be treated as final and binding; and (ii) any Disputed Matter or Disputed Amount shall be resolved as follows:
- (i) the Purchaser and Energy LP (on its own behalf and on behalf of the Vendors) shall use commercially reasonable efforts to resolve the Disputed Matters and the Disputed Amounts as soon as practicable. If the Purchaser and Energy LP do not agree on the determination of the Disputed Matters and the calculations of all of the Disputed Amounts within 30 Business Days of a Dispute Notice being received, the dispute shall be referred to the Independent Accountant. The Independent Accountant shall, as promptly as practicable, make a determination in respect of the Disputed Matters or Disputed Amounts subject to the following:
- (A) The Independent Accountant shall conduct a review and verification of the Disputed Matters and the Disputed Amounts based solely on materials presented by the Purchaser and Energy LP, and not by independent review (provided, however, that all calculations shall be performed in a manner consistent with past practices of the Vendors), and shall select either Energy LP’s determination of the Disputed Matters and the calculations of the Disputed Amounts as set forth in the Dispute Notice or the Purchaser’s determination of the Disputed Matters and the Proposed Calculations of the Disputed Amounts as set forth in Post-Closing Statement or an amount that is between the two proposed calculations.
- (B) Each of the Purchaser and Energy LP shall use their commercially reasonable efforts to cause the Independent Accountant to render a decision in accordance with this Section 2.8(b)(i), along with a statement of reasons therefor, within 45 days of the submission of the Disputed Matters and the Disputed Amounts to the Independent Accountant or a reasonable time thereafter. The decision of the Independent Accountant

shall be final and binding upon the Parties and non-appealable, and each such Party shall be entitled to obtain a judgment entered by a court having competent jurisdiction thereover enforcing such decision.

- (C) In the event the Parties submit any Disputed Matters or Disputed Amounts to the Independent Accountant for resolution, and the Independent Accountant awards a decision in favour of one Party, the other Party shall be responsible to pay the awarded Party's (1) costs and expenses incurred under this Section 2.8(b)(i); (2) the fees and costs of the Independent Accountant; and (3) all reasonable costs associated with engaging the Independent Accountant. If the Independent Accountant determines that the Disputed Matters or the Disputed Amount is between Energy LP's calculations of the Disputed Matters or the Disputed Amounts as set forth in the Dispute Notice and the Purchaser's Proposed Calculations of the Disputed Amounts as set forth in Post-Closing Statement, each Party shall pay their own costs and expenses incurred under this Section 2.8(b)(i) and the fees and costs of the Independent Accountant shall be allocated between the Parties based upon the percentage which the portion of the Disputed Amount not awarded to each Party bears to the amount actually contested by such Party.
- (c) Once the Closing Working Capital has been finally determined in accordance with this Section 2.8, then:
- (i) if the Target NAWC is greater than the Closing Working Capital, then the amount of such difference (the "**Deficiency**") will be owed by the Vendors (jointly and severally) to the Purchaser and shall be paid in accordance with Section 2.8(d); and
 - (ii) if the Closing Working Capital is greater than the Target NAWC, then the amount of such difference will be owed by the Purchaser to the Vendors, and shall be paid by wire transfer to Energy LP concurrently with the execution and delivery of the joint direction to the Escrow Agent as described in Section 2.8(d).
- (d) Once Section 2.8(c) applies, the Purchaser and Energy LP (on its own behalf and on behalf of the Vendors) will, within two Business Days of the determination of the Closing Working Capital in accordance with this Section 2.8, issue a joint direction to the Escrow Agent to distribute the Holdback Amount. If Section 2.8(c)(i) applies, the Escrow Agent shall be directed to distribute an amount from the Holdback Amount equal to the Deficiency (if any) to the Purchaser, with the remainder of the Holdback Amount (if any) to be distributed to Energy LP. If Section 2.8(c)(ii) applies, the Escrow Agent shall be directed to distribute the Holdback Amount entirely to the Vendors. Such distribution shall, in any case, be made forthwith and in any event within 2 Business Days. To the extent that the Deficiency exceeds the Holdback Amount, Energy LP (on its own behalf and on behalf of the Vendors) will effect a wire transfer to the Purchaser in the amount of such excess concurrently with the execution and delivery of the joint direction to the Escrow Agent.
- (e) For greater certainty, the adjustments set forth in this Section 2.8 shall not affect the number of PIL Shares or Consideration Shares issued to Energy LP in accordance with Section 2.7(a)(ii) and 2.7(c), respectively, and shall be an adjustment to the cash portion

of the Purchase Price only. Furthermore, the Vendors' liability in respect of any of the adjustments set forth in this Section 2.8 shall not be limited to the Closing Cash Amount Payable.

2.9 Holdback Amount

The Parties agree to a holdback of funds solely in connection with adjustments to the Purchase Price pursuant to the terms of Section 2.8 in an aggregate amount equal to [REDACTED – Holdback Amount] (together with interest accrued thereon, the "**Holdback Amount**"). The Holdback Amount shall be held by the Escrow Agent pursuant to and for the period specified in the Escrow Agreement. For greater certainty, the Holdback Amount is separate and distinct from the Indemnification Escrow Amount and is subject to the terms, limitations and provisions governing same, as set out in Section 8.6 and the Escrow Agreement.

2.10 Unassignable Rights

- (a) If any rights, entitlements, benefits, remedies, duties or obligations under any Contracts or Regulatory Authorizations, whether existing at present or in the future, are as a matter of law or by their terms: (1) not assignable; or (2) not assignable by the applicable Vendor to the Purchaser without the consent of a Person who is not a Party to this Agreement (hereinafter in this Section 2.10, a "**Third Party**") and such consents are not obtained by the Closing Time (hereinafter in this Section 2.10, collectively, the "**Restricted Rights**"), and the Contracts or Regulatory Authorizations under which the Restricted Rights arise are, collectively, the "**Unassignable Contracts**"); then:
- (i) pending the effective transfer of the relevant Unassignable Contracts, the applicable Vendor shall and will hold the Restricted Rights in trust for the exclusive benefit of the Purchaser as bare trustee and agent, provided that the Purchaser will pay, perform and discharge all duties and obligations and the Purchaser shall have all rights, entitlements, benefits, remedies, arising or accruing with respect to such Unassignable Contracts during that period;
 - (ii) the applicable Vendor will, at the request and expense and under the direction of the Purchaser, in the name of such Vendor or otherwise as the Purchaser shall reasonably specify, take all such reasonable actions and do all such reasonable things as shall, in the reasonable opinion of the Purchaser, be necessary or desirable in order that the rights, entitlements, benefits, remedies, duties and obligations of such Vendor under any such Unassignable Contract, and relating to the applicable Restricted Right, may be enjoyed, received or performed, as the case may be, in accordance with the terms of such Unassignable Contract, including that all monies receivable under such Unassignable Contract may be received by the Purchaser and that all rights and licenses under such Unassignable Contracts may be exercised by the Purchaser;
 - (iii) the applicable Vendor will promptly pay over to the Purchaser all such monies collected by such Vendor in respect of such Unassignable Contracts net of any unpaid related costs or expenses (including any Taxes that are payable in respect of the receipt of such amounts);
 - (iv) to the extent permitted by the Third Party and the Vendors:

- (A) the Purchaser will perform the duties and obligations under such Unassignable Contracts, on behalf of the Vendors until such time as the Restricted Rights are fully vested with the Purchaser; and
 - (B) the Vendor will exercise the rights, entitlements, benefits and remedies under such Unassignable Contracts, on behalf of the Purchaser until such time as the Restricted Rights are fully vested with the Purchaser;
 - (v) the Purchaser will be responsible for all costs reasonably incurred by such Vendor as a consequence of or in connection with this Section 2.10; and
 - (vi) the applicable Vendor shall maintain its existence, and shall continue to be licensed, registered or otherwise qualified and authorized to conduct its affairs and carry on business as is necessary to fulfill its obligations as set out in this Section 2.10 until the earlier of the expiry or assignment of the last Unassignable Contract;
- (b) Nothing in this Agreement shall be construed as an assignment of, or an attempt to assign to the Purchaser, any Unassignable Contract.

2.11 Purchased Accounts Receivable

The Purchaser shall make reasonable commercial efforts to ensure its accounting systems are in place in a timely manner in order to administer the Purchased Accounts Receivable. However, until the proper accounting systems are put in place by the Purchaser, or for up to nine months after the Closing Date, whichever is earlier, the Vendors shall remit to the Purchaser any amounts deposited to the Vendors' bank account in satisfaction of any Purchased Accounts Receivable.

2.12 Allocation of Purchase Price

The Vendors and the Purchaser agree that the amount of the Purchase Price allocated to each Purchased Asset shall be as set out in Schedule 2.12 to the Disclosure Letter. Any adjustments to the Purchase Price pursuant to this Agreement (except under Section 2.8 and in respect of adjustments for Working Capital) shall only adjust the amount of the Purchase Price allocated to the goodwill of Energy LP unless agreed to be allocated to a particular asset. In connection with any Commodity Taxes payable in respect of the Purchased Assets under Section 2.13(c), the Vendors and the Purchaser shall, no later than seven days prior to the Closing Date, mutually agree on an allocation of the Purchase Price in respect of the Purchased Assets, including an allocation of such amounts to the Purchased Assets located in each province, to be used for calculating the amount(s) of Commodity Taxes to be remitted or self-assessed to the relevant Governmental Authorities. The Purchaser and the Vendors shall report an allocation of the Purchase Price among the Purchased Assets in a manner entirely consistent with this Agreement and shall not take any position materially inconsistent therewith in the preparation of financial statements (other than as may reasonably be necessary in accordance with applicable accounting standards), the filing of any Tax Returns or in the course of any audit by any Governmental Authority, Taxes review or Taxes proceeding relating to any Tax Returns.

2.13 Tax Matters

- (a) Unless otherwise provided for in this Section 2.13, the Vendors will be responsible for the payment of all Taxes payable by them to any relevant taxing authority and relating to the operation of the Business and/or the ownership of the Purchased Assets which arise on or before, or are related to a period of time on or before, the Closing Time. Liability

for Realty Taxes shall be apportioned at the Closing between the Vendors and the Purchaser based upon the amounts set forth in the current tax bills therefor and the number of days in the taxable period prior to (and including) the Closing Date and in the taxable period following the Closing Date.

- (b) The Vendors and the Purchaser shall each file their respective Tax Returns based upon and in accordance with the allocations of the Purchase Price set out in Schedule 2.12 to the Disclosure Letter and/or the Elected Amounts referred to in 2.13(h), as applicable, and will not make any inconsistent statements or take any inconsistent positions on any Tax Returns, in any refund claims or during the course of any audits by any taxing authorities.
- (c) The Purchaser shall pay all Commodity Taxes applicable to, or resulting from the transactions contemplated by, this Agreement and any filing, registration, recording or transfer fees payable in connection with the instruments of transfer provided for in this Agreement. In respect of the purchase and sale of the Purchased Assets under this Agreement, each Party shall pay direct to the appropriate Governmental Authority all Commodity Taxes, registration charges and transfer fees payable by it and, upon the reasonable request of a Party, the requested Party shall furnish proof of such payment except that the Purchaser shall be liable for and shall pay all applicable Commodity Taxes required to be collected by the Vendors and the Vendors shall collect and remit any such collected Commodity Taxes as required by applicable Laws. The Purchaser shall also provide the Vendors with a purchase exemption certificate or its equivalent to support any reasonable exemption claimed in respect of the Purchased Assets.
- (d) To the extent permitted under subsection 167(1) of the ETA and any equivalent or corresponding provision under any applicable provincial legislation, the Vendors agree to jointly elect with the Purchaser, on the Closing Date, under subsection 167(1) of the ETA, and under any similar provision of any applicable provincial legislation, in the form prescribed for the purposes of that provision, in respect of the sale and transfer of the Purchased Assets by the Vendors hereunder, and the Purchaser shall file such elections with the Canada Revenue Agency within the time periods prescribed under the ETA, and provide the Vendors within 20 days of receipt with a photocopy of a written acknowledgement by the Canada Revenue Agency (and by the provincial taxing authority, where applicable) of the receipt of such elections. Notwithstanding anything to the contrary in this Agreement, the Purchaser shall indemnify and hold the Vendors harmless in respect of any Commodity Taxes, penalties, interest and other amounts which may be assessed against the Vendors as a result of the transactions under this Agreement including as a result of the Purchased Assets not being eligible for such elections or as a result of the Purchaser's failure to file the elections within the prescribed time.
- (e) The Purchaser is registered for GST/HST purposes under Part IX of the ETA and its GST/HST number is [REDACTED – GST Number].
- (f) To the extent that the joint elections under subsection 167(1) of the ETA are not executed by any of the Vendors and the Purchaser as set out in Section 2.13(d) of this Agreement and to the extent permitted under subsection 221(2) of the ETA and any equivalent or corresponding provision under any applicable provincial or territorial legislation, the Purchaser shall self-assess and remit directly to the appropriate Governmental Authority any applicable GST/HST imposed under the ETA and any similar value added or multi-staged tax imposed by any applicable provincial or territorial legislation payable in connection with the transfer of any of the Real Property not included under Section

2.13(d). The Purchaser shall make and file a return(s) in accordance with the requirements of subsection 228(4) of the ETA and any equivalent or corresponding provision under any applicable provincial or territorial legislation.

- (g) In accordance with the requirements of the Tax Act, the regulations thereunder, the administrative practice and policy of the Canada Revenue Agency and any applicable equivalent or corresponding provincial or territorial legislative, regulatory and administrative requirements, the Purchaser shall make and file, in a timely manner:
- (i) a joint election(s) to have the rules in section 22 of the Tax Act, and any equivalent or corresponding provision under applicable provincial or territorial tax legislation, apply in respect of the Purchased Accounts Receivable, and shall designate therein that portion of the Purchase Price allocated to the Purchased Accounts Receivable as determined by the Purchaser, is its sole discretion, as the consideration paid by the Purchaser to the Vendors; and
 - (ii) a joint election(s) to have the rules in subsection 20(24) of the Tax Act, and any equivalent or corresponding provision under applicable provincial or territorial tax legislation, apply to the obligations of the Vendors in respect of undertakings which arise from the operation of the Business and to which paragraph 12(1)(a) of the Tax Act applies. The Purchaser and the Vendors acknowledge that the Vendors are transferring assets to the Purchaser which have a value equal to the elected amount as consideration for the assumption by the Purchaser of such obligations of the Vendors.
- (h) The Purchasing Parties shall cooperate with Energy LP so that Energy LP may acquire the PIL Shares and the Consideration Shares on a tax-deferred rollover basis. Following the finalization of the Purchase Price in accordance with the terms of this Agreement, the Purchasing Parties agree and covenant to file one or more joint elections with Energy LP under subsection 85 of the Tax Act and the corresponding provisions of any applicable provincial tax statute (in a form acceptable to the Purchaser, acting reasonably) in connection with the issuance of the PIL Shares to Energy LP as payment of a portion of the Purchase Price payable to Energy LP, and the subsequent transfer by Energy LP of the PIL Shares in exchange for the Consideration Shares pursuant to the Rollover Agreement. The amounts to be elected as the transfer amounts shall be jointly determined by the Vendors and the Purchasing Parties, acting reasonably, provided that such elected amount shall be within the limitations set out in the Tax Act. In respect of such elections, and subject to the statutory limitations set out in section 85 of the Tax Act, the parties further agree:
- (i) the elected amount under subsection 85 of the Tax Act in respect of the transfer of each Purchased Asset by Energy LP to the Purchaser shall be such amount (each, an “**Elected Amount**”), within the limits of the Tax Act, that results in Energy LP not realizing any gain or income in respect of the disposition of such Purchased Asset with the exception that to the extent any income or gain must be realized as a result of the amount of the non-share consideration received by Energy LP exceeding what would otherwise be the aggregate Elected Amounts, such excess amount shall be allocated as follows: (A) [REDACTED - Purchase Price Allocation] for Energy LP shall be allocated to the tanks and lines for owned and leased sites (Class 8 and Class 13 assets) transferred by Energy LP, respectively, to the Purchaser; and (B) the balance of any such excess shall be to the “eligible capital property” (as defined in the Tax Act) transferred by Energy

LP to the Purchaser (for clarity although not relevant for this section there shall be allocated for Energy Inc. for tanks and lines the sum of [REDACTED – Purchase Price Allocation]);

- (ii) the Elected Amount in respect of the transfer of the PIL Shares by Energy LP to Parkland in consideration for the Consideration Shares shall be such amount that results in Energy LP not realizing any gain or income in respect of the disposition of the PIL Shares; and
- (iii) the Vendors shall be solely responsible for the filing of such tax elections, the accuracy of such elections and all expenses, charges and other Liabilities associated therewith (including any interest or penalties which may be assessed as a result or consequence of filing such elections). The Purchaser shall have no liability to the Vendors for any failure by the Vendors to file such elections on a timely basis, or for elections which are not filed, filed late or which are invalid.

2.14 Payment

Any payment of money made pursuant to this Agreement may be made by wire transfer of immediately available funds to the account specified by the Party entitled to receive such payment.

ARTICLE 3 **EMPLOYMENT**

3.1 Employees

- (a) On or before the date that is 15 Business Days prior to the Closing Date, or such other date as the Purchaser and Energy LP may agree in writing, the Purchaser (or an Affiliate of the Purchaser) shall make written offers of employment (the “**Employment Offers**”) to all Employees other than Excluded Employees, provided that such employment shall be conditional on Closing and effective at the Closing Time.
- (b) The Purchaser shall provide Energy LP with draft Employment Offers for prior approval of Energy LP, acting reasonably, no less than 10 Business Days prior to the date on which such Employment Offers are made to the Employees, other than the Excluded Employees, in accordance with Section 3.1(a).
- (c) The Employment Offers by the Purchaser (or an Affiliate of the Purchaser) to Employees, other than the Excluded Employees, shall: (i) be consistent with the Purchaser’s standard terms of employment with similar employees already employed by the Purchaser or an Affiliate of the Purchaser; (ii) be in the general geographic area of the current employment of the respective Employee; (iii) be substantially consistent with, or better than, the total compensation amount currently offered to each respective Employee by the applicable Vendor on the date hereof; and (iv) recognize the respective Employee’s years of service with the Vendors.
- (d) The Vendors shall encourage Employees, other than the Excluded Employees, to accept the Purchaser’s Employment Offers, shall facilitate the delivery of such Employment Offers and shall use commercially reasonable efforts to provide a reasonable opportunity for such Employees to discuss such Employment Offers with the Purchaser.

- (e) The Vendors shall be solely liable for any obligation arising from the LTIP, DC SERP and the Annual SERP or in respect of employees of the Excluded Business.
- (f) The Purchaser shall be solely liable for payment of all amounts owing to any Employees (other than Excluded Employees), including for vacation time, wages and other compensation, and for any Losses arising out of Claims by Transferred Employees to the extent related to their employment by the Purchaser or any of its Affiliates.
- (g) Employees who accept an offer of employment with the Purchaser as of Closing Time are referred to herein as “**Transferred Employees**”. For a period of five years following the Closing Date, the Vendors shall not, on their own behalf or on behalf of or in connection with any other Person, in any capacity whatsoever, solicit the employment or engagement of any Employee or otherwise entice away from the employment of the Purchaser or any of its Affiliates any Transferred Employee, whether or not such Transferred Employee would commit any breach of their contract or terms of employment by leaving the employ of the Purchaser or any of its Affiliates, provided that the Vendors shall not be in default of this Section 3.1(g) as a result of the following:
 - (i) general solicitations of employment that are not targeted to any Employee; or
 - (ii) the solicitation or employment of any Transferred Employee who was employed by the Purchaser or any of its Affiliates and whose employment has been terminated by the Purchaser or its Affiliates for three months or more.

3.2 Transferred Employees Workers’ Compensation Liabilities

Workers’ compensation Claims made prior to, on or after the Closing Time with respect to any Transferred Employee, whether the incident or alleged incident giving rise to a Claim occurred prior to, on or after the Closing Time shall be for the Purchaser’s workers’ compensation account.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Vendors

Each of the Vendors (which does not, in the case of Holding LP, include the limited partners of Holding LP) hereby jointly and severally represents and warrants to each of the Purchasing Parties as follows, and acknowledges and confirms that notwithstanding any independent searches or investigations that may be undertaken by or on behalf of the Purchasing Parties and notwithstanding any information or document provided to the Purchasing Parties, the Purchasing Parties are relying upon the accuracy of each such representation and warranty in connection with the execution and delivery of this Agreement and the purchase of the Purchased Assets, that as of the date hereof:

Status

- (a) each of the Vendors is either a corporation or a limited partnership duly incorporated, organized or formed, as applicable, and validly existing under the Laws of its jurisdiction of incorporation, organization or formation, as applicable, and each of the Vendors has the requisite power, authority and capacity to own, lease, licence or otherwise hold the Purchased Assets and to carry on the Business as is currently and has historically been operated, conducted or maintained by it;

- (b) each of the Vendors is duly registered, licensed or otherwise qualified or authorized to conduct its affairs or carry on business, as applicable in connection with the Business, and is in good standing in each jurisdiction in which the Purchased Assets are owned, leased, licensed or otherwise held, or the nature of such activities makes such registration, licensing, qualification or authorization necessary;
- (c) the Vendors are the only Persons which, in whole or in part, carry on the Business;

Due Authorization and Enforceability of Obligations of the Vendors

- (d) each of the Vendors has all requisite power, authority and capacity to enter into this Agreement and all documents to be delivered by the Vendors pursuant hereto (including the applicable Transaction Documents) and to perform its obligations hereunder and thereunder;
- (e) this Agreement has been duly authorized, executed and delivered on behalf of each of the Vendors. This Agreement constitutes, and each other document to be executed and delivered by any of the Vendors hereunder (including the applicable Transaction Documents) will, following their execution, constitute a legal, valid and binding obligation of such Vendor, enforceable against it in accordance with their respective terms and, at the Closing Time, all documents required to be executed and delivered by any of the Vendors hereunder (including the applicable Transaction Documents) will have been duly authorized, executed and delivered by such Vendor, and constitute legal, valid and binding obligations of such Vendor, enforceable against it in accordance with their respective terms;

Absence of Conflicts

- (f) except as set forth in Schedule 4.1(f) to the Disclosure Letter, the execution and delivery of this Agreement and all documents to be delivered pursuant hereto (including the applicable Transaction Documents), the performance of the terms hereof and thereof and the consummation of the transactions contemplated herein and therein do not and will not:
 - (i) result in a breach or violation of, conflict with or constitute a default under, any term or provision of the articles, by-laws or governing documents of any of the Vendors or any resolutions of the directors, shareholders or the general partners, as applicable, of any of the Vendors;
 - (ii) result in a material breach or violation of, conflict with, constitute a default (or an event, condition or occurrence which, with or without notice or passage of time or both, would constitute a default) under, accelerate or permit the acceleration of the performance required by, or result in a right of suspension, revocation or termination of, any Material Contract or material Regulatory Authorization to which any of the Purchased Assets and/or the Business are subject or result in the creation of any Encumbrance upon any of the Purchased Assets or give others any interest or right, including any right of purchase, termination, cancellation or acceleration under any such Material Contract or material Regulatory Authorization;

- (iii) result in the creation of any Encumbrance upon any of the Purchased Assets;
- (iv) result in a breach or violation of, conflict with or constitute a default under any Laws applicable to any of the Vendors, the Business or any of the Purchased Assets; or
- (v) give rise to a Material Adverse Effect;
- (g) the transactions contemplated by this Agreement do not require the approval of any creditor or securityholder of any of the Vendors, other than as expressly provided for herein and to be delivered at Closing;
- (h) except as set forth in Schedule 4.1(h) to the Disclosure Letter, no Person other than the Purchaser has any written or oral agreement, or any option or other right or privilege (whether by law, pre-emptive, contractual or otherwise) capable of becoming an agreement or option, for the purchase or acquisition from any of the Vendors of the Business or any of the Purchased Assets or any right, title and interest therein;

Approvals

- (i) the Required Approvals and the Required Notifications constitute all material waivers, consents, notifications, approvals and authorizations required to be obtained by any of the Vendors in connection with the execution, delivery and performance of this Agreement or any other documents or agreements to be delivered under this Agreement.
- (j) the Closing Approvals identified on Schedule 1.1(p) to the Disclosure Letter constitute all material waivers, consents, notifications, approvals and authorizations necessary in order for the Business to be continued to be carried on by the Purchaser in the Ordinary Course of Business subsequent to the Closing Date;
- (k) there is no legal impediment to the consummation of the transactions contemplated hereby and none of the Vendors is required to give any notice to, make any filing with, or obtain any waiver, consent, approval or authorization of, any Governmental Authority or other Person in connection with the execution, delivery or performance of this Agreement or the completion of the transactions contemplated by this Agreement save and except for:
 - (i) notices, filings, waivers, consents, approvals or authorizations that have been previously obtained and are currently in force;
 - (ii) the Required Approvals and the Required Notifications, including the Competition Act Approval and the Canada Transportation Act Approval; and
 - (iii) non-material waivers, consents, notifications, approvals and authorizations which individually and in aggregate do not affect the ability to carry on the Business in the ordinary course;

Regulatory Authorizations

- (l) (i) except as set forth in Schedule 4.1(l) to the Disclosure Letter, each of the Vendors holds and is in material compliance with all material Regulatory Authorizations; (ii) such Regulatory Authorizations are in full force and effect in accordance with their terms and, to the knowledge of any of the Vendors, no event has occurred or circumstance exists that

(with or without notice or passage of time or both) may constitute or result in a violation of any such Regulatory Authorization; (iii) no proceedings are pending or, to the knowledge of any of the Vendors threatened, which could result in the revocation or limitation of any Regulatory Authorization; and (iv) all material steps have been taken and filings have been made on a timely basis with respect to each Regulatory Authorization and, if applicable, its renewal;

- (m) Schedule 4.1(m) to the Disclosure Letter sets forth an accurate list of all material Regulatory Authorizations held by the Vendors;

Fees

- (n) none of the Vendors have incurred, nor will incur, any Liability, contingent or otherwise, for legal fees, brokerage fees, finder's fees, agent's commission or other similar forms of compensation with respect to the transactions contemplated herein which are, will be, or may become, the responsibility of the Purchasing Parties;

Books and Records

- (o) all of the material Books and Records, whether of a financial or accounting nature or otherwise, have been delivered or made available to the Purchaser and are true, complete, accurate in all material respects and fairly present the activities of the Business and the Purchased Assets and have been maintained in accordance with prudent business practices;

Financial Statements

- (p) the Financial Statements have been prepared in accordance with GAAP applied on a consistent basis with that of prior periods (except as expressly stated therein) and present fairly, completely and accurately in all material respects the financial position of each of the Vendors (on a consolidated basis) as of the dates and for the periods provided therein and the results of operations and the changes in financial position throughout the periods indicated;

Absence of Guarantees

- (q) except as set forth in Schedule 4.1(q) to the Disclosure Letter, none of the Vendors is a party to or bound by any Contract or agreement of guarantee, surety, support, indemnification or assumption, comfort letter, or other agreement or commitment of a similar nature whereby the obligations, Liabilities (whether absolute, contingent, accrued or otherwise) or indebtedness of any Person are guaranteed or assured in connection with the Business or any of the Purchased Assets and which form, or will form, a part of the Assumed Liabilities;

Accounts Receivable

- (r) the Purchased Accounts Receivable reflected on the respective Balance Sheets of the Vendors: (i) arose from transactions in the Ordinary Course of Business and are valid and to the knowledge of the Vendor, enforceable; (ii) are not subject to any assignment; (iii) are not subject to any right of discount, defence, counterclaim or set-off by the customer or account debtor; and (iv) other than those Purchased Accounts Receivable which are doubtful accounts and are set forth in Schedule 4.1(r) to the Disclosure Letter

and in respect of which a reasonable allowance has been made, consistent with past practice in the Ordinary Course of Business, and the Vendors have no knowledge of matters relating to the Purchased Accounts Receivable that would generally render any of them uncollectible;

Accounting

- (s) each of the Vendors maintains a system of general internal controls over financial reporting in respect of the Business and the Purchased Assets, effective to provide internal control over financial reporting in respect of the Business and the Purchased Assets sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability; and (iii) the recorded amounts for assets are reassessed periodically as required by GAAP;

Absence of Changes and Unusual Transactions

- (t) save and except as set out in Schedule 4.1(t) to the Disclosure Letter since September 30, 2013 and other than in connection with the Pre-Closing Reorganization:
 - (i) each of the Vendors has conducted the Business in the Ordinary Course of Business and in material compliance with all applicable Laws;
 - (ii) each of the Vendors has maintained adequate levels of Inventory consistent with past practice in order to carry on the Business in the Ordinary Course of Business;
 - (iii) none of the Vendors have transferred, assigned, sold or otherwise disposed of any of the assets shown or reflected in the Balance Sheet or cancelled any debts or entitlements except, in each case, in the Ordinary Course of Business;
 - (iv) none of the Vendors have incurred or assumed any material commitment or Liability (whether accrued, absolute, contingent or otherwise) relating to the Business or affecting any of the Purchased Assets except as disclosed in the Financial Statements and any unsecured current obligations and Liabilities incurred in the Ordinary Course of Business;
 - (v) none of the Vendors have made any material write-down of the value of the assets of the Business or the Purchased Assets or any write-off as uncollectible of accounts receivable or any portion thereof, other than in the Ordinary Course of Business, consistent with past practice;
 - (vi) none of the Vendors have made any material changes in accounting policies;
 - (vii) none of the Vendors have discharged or satisfied any Encumbrance, or paid any material obligation or Liability relating to the Business or any of the Purchased Assets, other than Liabilities included in the Balance Sheet and any Liabilities incurred by the Vendors since the date of the Balance Sheet are in the Ordinary Course of Business;

- (viii) there has been no damage, destruction, loss or other event, development or condition of any nature (whether or not covered by insurance) materially affecting the Business or the Purchased Assets (taken as a whole);
- (ix) none of the Vendors have suffered an operating loss or any unusual or extraordinary loss, waived or omitted to take any action in respect of any rights, or entered into any commitment or transaction not in the Ordinary Course of Business;
- (x) none of the Vendors have terminated, waived, released or cancelled any rights or Claims relating to the Business or the Purchased Assets, which termination, waiver, release or cancellation would individually or in the aggregate, have a Material Adverse Effect;
- (xi) none of the Vendors have commenced, participated or agreed to participate in any bankruptcy, involuntary liquidation, dissolution, winding up, insolvency or similar proceeding;
- (xii) none of the Vendors have modified or terminated, or received notice of termination of, any Material Contract;
- (xiii) none of the Vendors have increased or promised to increase, in any manner, the compensation or benefits of any of the Employees other than in the Ordinary Course of Business;
- (xiv) none of the Vendors have entered into, adopted or amended any Employee Plan;
- (xv) each of the Vendors has used commercially reasonable efforts to preserve the goodwill of the Business and its relationships with its suppliers, customers, clients, sales leads, distributors and any others having business dealings with the Vendors in respect of the Business and has used commercially reasonable efforts to keep available the services of the Employees for such purpose;
- (xvi) none of the Vendors have changed the manner of billing of, or the credit lines made available to, any customers of the Business except in the Ordinary Course of Business;
- (xvii) none of the Vendors have created or permitted to be created any Encumbrances on any of the Purchased Assets other than Permitted Encumbrances;
- (xviii) each of the Vendors has kept in full force and effect, and in good standing, all of the current insurance policies of such Vendor with respect to the Business and the Purchased Assets;
- (xix) there has been no Material Adverse Effect; and
- (xx) none of the Vendors have authorized, agreed or otherwise become committed to do any of the foregoing;

Joint Venture Interests or Strategic Alliances

- (u) except as amongst themselves, none of the Vendors are a partner or participant in, or a party to, any strategic alliance, partnership, joint venture, profit-sharing arrangement, co-

operative agreement or other association (other than trade or professional associations) of any nature whatsoever to which any of the Vendors are a partner or participant in, or party to, relating to the Business or any of the Purchased Assets and none of the Vendors are a: (i) party to any agreement under which such Vendor agrees to carry on any part of the Business in such manner, or by which such Vendor agrees to share any revenue or profit of the Business with any other Person; or (ii) partner, beneficiary, trustee, co-tenant, joint venture or otherwise a participant in any partnership, trust, joint venture, co-tenancy, profit sharing arrangement or similar jointly owned business undertaking, and none of the Vendors have significant investment interests in any business owned or controlled by any third party which carries on in whole or in part the Business or any business similar to, competitive with or ancillary to the Business;

Litigation

- (v) there is no Claim in progress, pending, or to the knowledge of the Vendors, threatened against or relating to the Business or any of the Purchased Assets, other than the Claims listed on Schedule 4.1(v) to the Disclosure Letter, which, if determined adversely to any of the Vendors would:
 - (i) individually or in the aggregate, have a Material Adverse Effect;
 - (ii) enjoin, restrict or prohibit the transfer of all or any part of the Purchased Assets; or
 - (iii) prevent or significantly impede any of the Vendors from fulfilling all of their obligations set out in this Agreement or any document delivered by the Vendors pursuant hereto;
- (w) except as set out in Schedule 4.1(w) to the Disclosure Letter, there are no material judgments unsatisfied against any of the Vendors nor any judgment, injunction, order, decree, ruling or charge of any Governmental Authority to which the Business is, or any of the Purchased Assets are, subject;

Tax

- (x) except as set forth in Schedule 4.1(x) to the Disclosure Letter:
 - (i) each of the Vendors has duly and timely, and in all applicable jurisdictions: (A) filed with the appropriate Governmental Authority or agency in the manner prescribed by Law all Tax Returns required to be filed by the Vendors in relation to the Business and the Purchased Assets that would cause or create a lien or charge for Taxes payable by the Vendors as required by this Agreement; and (B) paid all Taxes of the Vendors in respect of the Business and the Purchased Assets which are capable of forming or resulting in a lien on the Purchased Assets;
 - (ii) none of the Vendors are a non-resident of Canada for the purposes of the Tax Act;
 - (iii) each of the Vendors is duly registered under subdivision (d) of Division V of Part IX of the ETA for GST/HST purposes and their registration numbers are set out in Schedule 4.1(x)(iii) to the Disclosure Letter;

- (iv) each of the Vendors is registered in all applicable jurisdictions for all Commodity Tax purposes applicable to this Agreement, the Purchased Assets and the Business with respect to any retail sales Taxes, motor fuel Taxes, fuel excise Taxes or similar Taxes;
- (v) each of the Vendors, with respect to the Business and the Purchased Assets, has duly and timely withheld all Taxes and other amounts required by Law to be withheld by it (including Taxes and other amounts required to be withheld by it in respect of any amount paid or credited or deemed to be paid or credited by it to or for the account or benefit of any Person, including any Employees, officers or directors and any non-resident Person), and has duly and timely remitted to the appropriate Governmental Authority such Taxes and other amounts required by Law to be remitted by it;
- (vi) each of the Vendors has duly and timely collected all material amounts on account of any Commodity Taxes, including GST/HST and provincial or territorial sales Taxes, motor fuel Taxes, fuel excise Taxes or similar Taxes, required by Law to be collected by it and has duly and timely remitted to the appropriate Governmental Authority any such amounts required by Law to be remitted by it where failure to do so could result in an Encumbrance on the Purchased Assets or could become the Liability of the Purchaser after Closing by operation of Law;
- (vii) the Purchaser will not be liable for any Taxes or have successor liability for Successor Taxes of any of the Vendors as a result of acquiring the Purchased Assets;

Employees

- (y) Schedule 4.1(y) to the Disclosure Letter sets forth: (i) an identification number, job title, location of employment, duration of employment, vacation entitlement, employee benefit entitlement amount (including under any Employee Plan), on an individual and aggregate basis, and rate of remuneration (including any bonus, commission or other incentive compensation entitlement) as at the date of this Agreement, and status as a full-time or part-time employee, of each Employee; and (ii) the name of any Employee who is currently on or scheduled to take disability, maternity or other authorized leave of absence, or who is currently receiving workers' compensation or short-term or long-term disability benefits, as well as their expected date of return, if known;
- (z) except as set forth in Schedule 4.1(z) to the Disclosure Letter:
 - (i) none of the Vendors are a party to any written or oral employment (other than written employment agreements entered between any Vendor and any Employee) or consulting agreement with any other Person in respect of the Business; and
 - (ii) to the knowledge of the Vendors, there are no Claims which have been made by any Employee against any Vendor's workers compensation account, nor has any incident or alleged incident occurred for which such a Claim is probable;
- (aa) none of the Vendors or the Employees are subject to any agreement with any labour union or employee association in respect of the Business and have not made any

- commitment to, or conducted negotiations with, any labour union or employee association with respect to any future collective bargaining agreement;
- (bb) to the knowledge of the Vendors, there has been no attempt to organize, certify or establish any labour union or employee association in relation to any of the Employees during the five-year period preceding the date of this Agreement;
 - (cc) there are no existing or, to the knowledge of any of the Vendors, threatened strikes or labour disputes, walk outs, work stoppages, slow downs, lock outs, grievances, controversies or other labour troubles affecting any Employees or the Business;
 - (dd) except as set forth in Schedule 4.1(dd) to the Disclosure Letter, no Employee has any change of control, retention bonus or written severance or termination agreement with any of the Vendors, nor any written agreement that entitles him or her to continued employment with any of the Vendors following the consummation of the transactions contemplated by this Agreement;
 - (ee) each of the Vendors have been, and are, in material compliance with the Laws regarding labour and employment practices, including employment standards, terms and conditions of employment;

Purchased Assets

- (ff) collectively, the Vendors own and have the exclusive legal, beneficial and (where their interests are registrable) registered right, title and interest in and to all of the Purchased Assets (other than the fee simple interest in the Leased Real Property, and the personal property (including machinery, equipment, tools and vehicles) leased by the Vendors pursuant to the Contracts and disclosed in Schedule 4.1(ff) to the Disclosure Letter), with good and valid marketable title, free and clear of all Encumbrances other than Permitted Encumbrances and, in particular, without limiting the generality of the foregoing, other than as disclosed in Schedule 4.1(ff) to the Disclosure Letter, there has been no assignment, subletting or granting of any licence (of occupation or otherwise) of or in respect of the Purchased Assets which would cause a prohibition or restriction on the use or other exploitation by the Purchaser of such Purchased Assets in a manner consistent with the Business after giving effect to the Closing;
- (gg) except as set forth in Schedule 4.1(gg) to the Disclosure Letter, the Purchased Assets represent all of the assets, of any nature whatsoever, used in the conduct, operation or maintenance of, or otherwise relating to, the Business and as are necessary and sufficient to operate the Business in substantially the same manner as the Business is operated, conducted or maintained in the Ordinary Course of Business;
- (hh) except as set out in Schedule 4.1(hh) to the Disclosure Letter, no notice or proceeding in respect of expropriation of any of the Purchased Assets by any Governmental Authority has been given or commenced nor, to the knowledge of each of the Vendors, is there any proposal to give such notice or commence any such proceeding or are any such proceedings threatened;
- (ii) except as set forth in Schedule 4.1(ii) to the Disclosure Letter, all of the Purchased Assets are located on the Real Property or are in transit to and from the Real Property or the location of the Purchased Assets have been reviewed and verified by the Vendors and the list of such location provided to by the Purchaser;

Contracts

- (jj) accurate and complete copies, all as amended or supplemented to date, of: (i) all Material Contracts, and (ii) where Material Contracts are oral, correct and complete written summaries of the terms thereof have been made available to the Purchaser, and the copies or summaries thereof (as applicable) made available to the Purchaser constitute the entire agreement between the relevant parties thereto pertaining to the subject matter of such Material Contract;
- (kk) the Contracts listed on Schedule 4.1(kk) to the Disclosure Letter (the “**Material Contracts**”) are valid and in full force and effect, and constitute all:
 - (i) Contracts accounting for not less than 80% of the contracted cash flows of the Business during the previous twelve month period;
 - (ii) Contracts accounting for material commodity volumes supplied to the Business during the previous 12-month period;
 - (iii) guarantees in relation to any of the Assumed Liabilities;
 - (iv) Contracts that would by their terms on an assumption prohibit the assuming party from freely engaging in business anywhere in the world or competing with any Person or in any geographical area;
 - (v) Contracts or commitment for capital expenditures with a remaining amount to be paid in excess of \$250,000;
 - (vi) Contracts for the sale of any assets of the Business, other than sales of inventory in the Ordinary Course of Business, for consideration in excess of \$250,000;
 - (vii) Contracts granting to any Person of preferential rights to purchase any of the Purchased Assets or otherwise in relation to the Business (other than this Agreement), including pursuant to any right of first refusal;
 - (viii) Contracts with any Governmental Authority which provide for consideration, either individually or in the aggregate with other such Contracts, in excess of \$10 million to any single Governmental Authority;
 - (ix) all Leases and Pioneer Leases;
 - (x) Contracts related to the technology used in the Business which are set out in Schedule 4.1(kk) to the Disclosure Letter;
 - (xi) written employment agreements entered into between a Vendor and any Employee with an aggregate annual compensation in excess of \$140,000; and
 - (xii) any other Contracts providing for expenses or revenues of the Business in excess of \$100,000 per annum;
- (ll) none of the Vendors are in breach of any Assumed Contract, nor to the knowledge of the Vendors has any circumstance occurred nor does any circumstance exist, that with or without the passage of time, notice or both, may constitute such a breach and to the knowledge of the Vendors no third party to any Assumed Contract is in breach of any

such Assumed Contract nor has any circumstance occurred nor does any circumstance exist that with or without the passage of time, notice or both, may constitute such a breach, except where such breaches do not, individually or in the aggregate, constitute a Material Adverse Change;

- (mm) to the knowledge of the Vendors, no counterparty to any Material Contract has notified the Vendors of any intention to propose any material modification to, terminate or not renew, as the case may be, any Material Contract.
- (nn) none of the Vendors have received any notice alleging its default under any Assumed Contract, which default is material to the Business and has not been rectified as of the date hereof, except as set out in Schedule 4.1(nn) to the Disclosure Letter;

Real Property

- (oo) Schedule 4.1(oo) to the Disclosure Letter sets forth a list of all the Leases, the Leased Real Property and a legal description for such Leased Real Property, and none of the Vendors is a party to any real property leases or subleases (as tenant or subtenant) which are Assumed Contracts other than the Leases that are listed in Schedule 4.1(oo) to the Disclosure Letter;
- (pp) each of the Vendors has a legal and beneficial leasehold interest in the Leased Real Property and, to the knowledge of each of the Vendors, there are no matters materially adversely affecting the leasehold right, title and interest in and to any of the Leased Real Property of any of the Vendors;
- (qq) Schedule 4.1(qq) to the Disclosure Letter sets forth a list of all the Pioneer Leases, and none of the Vendors are a party to any real property leases, subleases, license agreements or similar Contracts as a landlord, sublandlord, licensor or in a similar capacity which are Assumed Contracts other than the Pioneer Leases or as listed in Schedule 4.1(qq) to the Disclosure Letter;
- (rr) except as set forth in Schedule 4.1(rr) to the Disclosure Letter, all of the Leases and Pioneer Leases are valid and in full force and effect and none of the applicable Vendors is in breach of any of the Leases or the Pioneer Leases in any material respect nor has any circumstance occurred nor does any circumstance exist that with or without the passage of time, notice or both, constitutes such a breach, and, to the knowledge of each of the Vendors, no third party to any of the Leases or the Pioneer Leases is in material breach of any of the Leases or the Pioneer Leases;
- (ss) no material default by any of the Vendors has occurred that remains outstanding under any obligation required to be observed or performed under any of the Leases, Pioneer Leases or Permitted Encumbrances;
- (tt) except as set forth in Schedule 4.1(tt) to the Disclosure Letter, there are no options to purchase or rights of first refusal to purchase with respect to the Real Property or any parts thereof that have not expired or been waived;
- (uu) to the knowledge of the Vendors the Real Property is currently used in material compliance with Laws applicable thereto related to zoning, construction and development, and the Vendors have all of the material Regulatory Authorizations for the operation of the Real Property for its present use;

- (vv) except as set forth in Schedule 4.1(vv) to the Disclosure Letter, the Real Property has free and unobstructed access to and from adjoining public highways, streets and/or roads and the Vendors have no knowledge of any existing fact or condition which could result in the amendment or termination of such access; all entrances/exits to the Real Property are permitted under Law and allow free and uninterrupted ingress and egress to public highways, streets and/or roads;
- (ww) neither the Vendors nor any Person on behalf of the Vendors has commenced any Realty Tax appeals in respect of any of the Real Property, other than as disclosed in Schedule 4.1(ww) to the Disclosure Letter;
- (xx) **[Intentionally Deleted]**
- (yy) subject to obtaining all of the Required Approvals and the making of the Required Notifications prior to, on, or after Closing, as applicable, to the knowledge of any of the Vendors, neither the execution of this Agreement nor the performance thereof by the Vendors will, in any material respect, result in a breach of any term or provision or constitute a default under any: (i) of the Encumbrances on the Real Property (including the Permitted Encumbrances); (ii) of the Leases or the Pioneer Leases; or (iii) indenture, mortgage, deed of trust to which any of the Vendors is a party or by which it is bound relating to the Business or any of the Purchased Assets;
- (zz) none of the Vendors has assigned or otherwise encumbered its interest under the Leases except pursuant to the Permitted Encumbrances;
- (aaa) Schedule 4.1(aaa) to the Disclosure Letter lists all Owned Real Property and sets forth the legal description thereof. Other than as set out in Schedule 4.1(aaa), there are no agreements, options, contracts or commitments to purchase, sell, transfer or otherwise dispose of any of the Owned Real Property;
- (bbb) the applicable Vendors are the sole beneficial and registered owners of, and have good and marketable title in fee simple to, the Owned Real Property, free and clear of any and all Encumbrances, except for the Permitted Encumbrances;
- (ccc) except as set forth in Schedule 4.1(ccc) to the Disclosure Letter, other than Leased Real Property and the Owned Real Property, there are no other real properties used by any of the Vendors in respect of the Business;

Customers and Suppliers

- (ddd) except as set out in Schedule 4.1(ddd) to the Disclosure Letter, to the knowledge of the Vendors, and subject to obtaining necessary consents in connection with this Agreement and the transactions contemplated hereby, there are no facts or circumstances which could reasonably be expected to result in the loss of any material volume of business as to dealers, tenants, licensees, suppliers or customers of the Business or material sources of revenue or material change in the terms and conditions of any material arrangement between the Vendors and their respective suppliers or customers, or otherwise in relation to any sources of revenue, including any material changes in price terms, rebates, advertising arrangements or any other economic terms, subject to the Purchaser satisfying the applicable supplier's credit requirements;

- (eee) except as set forth in Schedule 4.1(eee) to the Disclosure Letter, none of the Vendors have received any indication or notice that any of their respective dealers, tenants, licensees, suppliers or customers will or may cease to deal with the Business, or any material sources of revenue will be adversely impacted, as result of the transactions contemplated hereby;
- (fff) other than as set forth in Schedule 4.1(fff) to the Disclosure Letter, there are no previous, current or planned programs, practices, arrangements, understandings, agreements or offers (whether, in each case, written or oral) whereby any customers of the Business are entitled to, or customarily receive, discounts, allowances, rebates, credits, marketing, advertising or other promotional allowances, promotional sales or coupons, preferential terms or similar reductions in price or other trade terms granted by any of the Vendors to such customer of the Business;

Insurance

- (ggg) each of the Vendors maintains the policies of insurance listed in Schedule 4.1(ggg) to the Disclosure Letter, such policies of insurance represent all policies of insurance currently maintained by the Vendors and all such contracts of insurance are legal, valid, enforceable and in full force and effect and all premiums due and owing in connection with such policies have been paid; there exists no state or event of default under any such insurance policies; and there has been no notice or advice of withdrawal of any such policy or any notice of conditions for continuation of any coverage that has not been complied with; and each of the Vendors has given notice or has otherwise presented, in a timely fashion, every material Claim relating to the Business that is known by it or known by such Vendor to be covered by insurance under its insurance policies or contracts. Other than as set forth in Schedule 4.1(ggg) to the Disclosure Letter, no Vendor has been refused any insurance coverage sought or applied for in respect of the Business or in relation to any of the Purchased Assets and there is no material Claim pending under any insurance policy of the Vendors that has been denied, rejected, questioned or disputed by any insurer or as to which any insurer has made any reservation of rights or refused to cover all or any portion of such Claims. None of the Vendors has received any written notice of change, cancellation or premium increase with respect to, or alteration of, coverage under any of such insurance policies listed in Schedule 4.1(ggg) to the Disclosure Letter. The policies of insurance set forth in Schedule 4.1(ggg) to the Disclosure Letter (or other policies providing substantially similar insurance coverage) have been in effect continuously since January 1, 2009, except as specifically disclosed in Schedule 4.1(ggg), except for those held by or in respect of the businesses acquired by Fuels Inc. in November, 2011 (Ontario) and April, 2013 (Atlantic);

Inventories

- (hhh) all Inventories are valued on the Books and Records at the lower of cost and net realizable value;

Intellectual Property

- (iii) Schedule 4.1(iii) to the Disclosure Letter contains a list of all Intellectual Property (and the relevant agreements as to use and ownership of the Intellectual Property), currently or previously used by the Vendors in the operation, conduct and maintenance of the Business. All such Intellectual Property will be duly assigned and transferred by the

conveyance of Purchased Assets pursuant to this Agreement. In connection with Closing, the TPGI Trade-marks will be duly assigned and transferred first to Energy LP, and then to the Purchaser, pursuant to the TM Assignments. Except as set out in Schedule 4.1(iii) to the Disclosure Letter:

- (i) there are no registrations or applications for registration in respect of any Intellectual Property owned by any of the Vendors;
- (ii) TPGI does not own or have any other right, title or interest in any other trademarks, service marks, trade names, brand names, logos, trade dress, or any other proprietary indicia of goods and services, whether registered or unregistered, which are related to the Business or used in connection with the operation, conduct or maintenance thereof other than the TPGI Trade-marks;
- (iii) neither the Vendors nor TPGI use any trademarks, service marks, trade names, brand names, logos, trade dress or any other proprietary indicia of goods and services, whether registered or unregistered, in connection with the Business other than the Owned Intellectual Property, the TPGI Trade-marks and those duly licensed for such use as described in the Disclosure Letter;
- (iv) the Intellectual Property is sufficient to operate, conduct and maintain all aspects of the Business as such Business is currently and has previously been operated, conducted or maintained, and the Vendors collectively own or have sufficient rights to use the Intellectual Property for the operation, conduct and maintenance of the Business in all material respects as such Business is currently and has previously been operated, conducted or maintained and each item of the Intellectual Property will be owned or available for use by the Purchaser on substantially similar terms and conditions immediately after, and after giving effect to, the Closing without the need for any further right, licence, permission or consent in respect thereof and the consummation of the transactions contemplated herein will not impair, alter or limit in any material way such ownership or rights;
- (v) TPGI owns and has the exclusive legal and beneficial right, title and interest in and to the TPGI Trade-marks in the name of TPGI, free and clear of any Encumbrance, and there are no prohibitions or restrictions on the use or other exploitation by the Purchaser of such Intellectual Property Rights after giving effect to the Closing;
- (vi) the Vendors, collectively, own and have the exclusive legal and beneficial right, title and interest in and to the Owned Intellectual Property in the name of one or more of the Vendors only, free and clear of any Encumbrance, and there are no prohibitions or restrictions on the use or other exploitation by the Purchaser of such Intellectual Property after giving effect to the Closing;
- (vii) TPGI has not received any notice or Claim, or to the knowledge of the Vendors any complaint or threat alleging the infringement, misappropriation, misuse or violation of any Intellectual Property Right or other related or similar right of any third party or breach of any related or similar duty or obligation owed to any third party with respect to the TPGI Trade-marks;

- (viii) none of the Vendors have received any notice or Claim, or to the knowledge of the Vendors any complaint or threat alleging the infringement, misappropriation, misuse or violation of any Intellectual Property Right or other related or similar right of any third party or breach of any related or similar duty or obligation owed to any third party;
- (ix) to the knowledge of the Vendors, the use by TPGI and/or the Vendors of the TPGI Trade-marks does not infringe, misappropriate, misuse or violate the Intellectual Property Rights, or any other rights, of any third party in any material respect or breaches in any material respect any duty or obligation owed to any third party by TPGI;
- (x) to the knowledge of the Vendors, neither the operation, conduct and maintenance by the Vendors of the Business as it is currently and has previously been operated, conducted and maintained nor the use by the Vendors of the Intellectual Property in respect thereto, infringes, misappropriates, misuses or violates the Intellectual Property Rights, or any other rights, of any third party in any material respect or breaches in any material respect any duty or obligation owed to any third party by the Vendors; and
- (xi) all licences with respect to the TPGI Trade-marks shall be terminated at Closing;

Environmental

- (jjj) except as set out in Schedule 4.1(jjj) to the Disclosure Letter or disclosed by the environmental review and reports listed on Schedule 4.1(jjj) to the Disclosure Letter:
 - (i) to the knowledge of any of the Vendors, there are no facts that would reasonably be expected to give rise to any material Liabilities or to a notice to any of the Vendors of material non-compliance with any Environmental Law or Environmental Approvals in respect of the Business, the Purchased Assets or the Real Property;
 - (ii) no written notice, order, complaint or penalty has been received by the Vendors alleging that the Vendors are in material violation of, or have any material Liability or potential material Liability under, any Environmental Law, and there are no judicial, administrative or other actions, suits or proceedings pending or threatened against the Vendors which allege a violation of, or any material Liability or potential material Liability under, any Environmental Laws;
 - (iii) the Vendors have obtained all Environmental Approvals necessary for the operation of their respective Businesses as such Businesses are currently being conducted in order to comply with all Environmental Laws and, to the knowledge of the Vendors, there are no judicial, administrative or other actions, suits or proceedings pending or threatened against the Vendors which allege a material violation of, or any material Liability or potential material Liability under, any Environmental Laws;
 - (iv) none of the Vendors have any knowledge of any material Encumbrances or material restrictions on the ownership, occupancy, use, zoning or transferability of the Owned Real Property or the Leased Real Property imposed pursuant to any Environmental Laws; and

- (v) notwithstanding any other provision in this Agreement, the representations and warranties in this Section 4.1(jjj) constitute the sole and only representations and warranties relating to environmental matters;

Compliance with Laws

- (kkk) the operations of the Business have been and are now conducted in material compliance with all Laws of each jurisdiction the Laws of which have been and are now applicable to the Business and none of the Vendors have received any notice of any alleged violation of any such Laws;

Privacy

- (lll) the Vendors have conducted the Business in accordance with Laws relating to the collection, use and disclosure of personal information; and to the knowledge of the Vendors there is no reason to believe that the Transferred Information is other than that which is necessary for, and solely relates to, the completion of the transactions contemplated herein, including the determination to complete such transactions, or the use and enjoyment of the Purchased Assets by the Purchaser;

Jurisdiction

- (mmm) Schedule 4.1 (mmm) to the Disclosure Letter lists all of the jurisdictions in which the Vendors have conducted a material part of the Business during each of the five most recent fiscal years; and

Restrictive Covenants

- (nnn) except as set forth in Schedule 4.1 (nnn) to the Disclosure Letter, none of the Assumed Contracts contain any covenant expressly materially limiting the freedom of any of the Vendors to compete in any line of business, or transfer or to move any of the Purchased Assets or operations from their current location.

4.2 Representations and Warranties of Purchasing Parties

Each of the Purchasing Parties hereby jointly and severally represents and warrants to each of the Vendors as follows, and acknowledges and confirms that notwithstanding any independent searches or investigations that may be undertaken by or on behalf of the Vendors and notwithstanding any information or document provided to the Vendors, the Vendors are relying upon the accuracy of each of such representations and warranties in connection with the completion of the sale of the Purchased Assets:

Status of the Purchasing Parties

- (a) each of the Purchasing Parties is a corporation duly incorporated, organized, validly existing and in good standing under the Laws of its jurisdiction of incorporation and each of the Purchasing Parties has the corporate power, authority and capacity to own, lease, licence or otherwise hold their properties and assets and to carry on its business as presently conducted by it and to carry on the Business, own the Purchased Assets and assume the Assumed Liabilities on and after Closing;

Due Authorization and Enforceability of Obligations of the Purchasing Parties

- (b) each of the Purchasing Parties has all requisite power, authority and capacity to enter into this Agreement and all documents to be delivered by the Purchasing Parties pursuant hereto (including the applicable Transaction Documents) and to perform its obligations hereunder and thereunder;
- (c) this Agreement has been duly authorized, executed and delivered on behalf of each of the Purchasing Parties. This Agreement constitutes and each other document to be executed and delivered by the Purchasing Parties hereunder (including the Transaction Documents) will, following their execution, constitute a legal, valid and binding obligation of each of the Purchasing Parties, enforceable against the Purchasing Parties in accordance with their respective terms and, at the Closing Time, all documents required hereunder to be executed and delivered by the Purchasing Parties will have been duly authorized, executed and delivered by the Purchasing Parties, and constitute legal, valid and binding obligations of each of the Purchasing Parties, enforceable against the applicable Purchasing Party in accordance with their respective terms;

Absence of Conflicts

- (d) the execution and delivery of this Agreement and all documents to be delivered pursuant hereto (including the Transaction Documents), the performance of the terms hereof and thereof and the consummation of the transactions contemplated herein and therein do not and will not:
 - (i) result in a breach or violation of, conflict with or constitute a default under, any term or provision of the articles, by-laws or governing documents of either of the Purchasing Parties or any resolutions of the directors or shareholder of the Purchasing Parties; or
 - (ii) result in a breach or violation of, conflict with or constitute a default under any Laws applicable to either of the Purchasing Parties or any of the assets or properties of the Purchasing Parties, except as would not reasonably be expected to have a Parkland Material Adverse Effect;

Financial Statements

- (e) the Parkland Financial Statements have been prepared in accordance with generally accepted accounting principles for publicly accountable enterprises as adopted by the Canadian Accounting Standard Board applied on a consistent basis with that of prior periods (except as expressly stated therein) and present fairly, completely and accurately in all material respects the financial position of Parkland (on a consolidated basis) as of the dates and for the periods provided therein and the results of operations and the changes in financial position throughout the periods indicated;

Accounting

- (f) Parkland maintains a system of internal accounting controls sufficient to provide reasonable assurance that: (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability; (iii) access to assets is permitted only in

accordance with management's general or specific authorization; and (iv) the recorded amount for assets is compared with the current values of such assets at reasonable intervals and appropriate action is taken with respect to any differences;

No Material Change in Corporation or Subsidiaries

- (g) except as disclosed in the Public Record, subsequent to December 31, 2013, there has not been any material change (financial or otherwise) in the business, affairs, assets or liabilities (absolute, accrued, contingent or otherwise), capital or prospects of Parkland or any of its subsidiaries (taken as a whole) and no event has occurred or circumstance exists which could reasonably be expected to result in such a material change and, since that date, each of Parkland and each of its subsidiaries has conducted its affairs in the Ordinary Course of Business;

Capitalization

- (h) Parkland is authorized to issue an unlimited number of Parkland Shares and an unlimited number of preferred shares issuable in series, of which, as at September 16, 2014, only 75,576,722 are issued and outstanding. All securities and equity and voting interests, as the case may be, of Parkland's subsidiaries are fully paid and non-assessable and are all legally and beneficially owned, directly or indirectly, by Parkland;

Exchange Matters

- (i) the issued and outstanding Parkland Shares are listed and posted for trading on the TSX and Parkland is in compliance with the by-laws, policies, rule and regulations of the TSX;

Transfer Agent

- (j) Computershare Trust Company of Canada at its principal offices in Calgary, Alberta and Toronto, Ontario, has been duly appointed as the registrar and transfer agent in respect of the Parkland Shares;

No Restrictions on Distributions

- (k) subject to applicable Laws, Parkland is not currently prohibited, directly or indirectly, from paying dividends, or from paying interest or repaying any loans, advances or other indebtedness of Parkland;

Permits

- (l) the Parkland Group holds, or will hold at the Closing time, all material licences, permits, registrations, certificates, consents, Orders and similar rights and privileges in respect of, or required in connection with its businesses (collectively, referred to as the "**Parkland Regulatory Authorizations**") and such Parkland Regulatory Authorizations are in full force and effect in accordance with their terms and, to the knowledge of the Purchaser, no event has occurred or circumstance exists that (with or without notice or passage of time or both) may constitute or result in a violation of any such Parkland Regulatory Authorization, except as would not, individually or in the aggregate, result in a Parkland Material Adverse Effect;

Compliance with Laws

- (m) to the knowledge of Parkland, each member of the Parkland Group has conducted and is conducting its activities or businesses in compliance with all applicable Laws, including without limitation those of the country, province and municipality in which such entity carries on business or conducts its activities, other than that which would, individually or in the aggregate, not have a Parkland Material Adverse Effect;

Consents and Approvals

- (n) except for the Competition Act Approval and the Canada Transportation Act Approval and those set out in Section 6.1(b), no authorization, consent or approval of, or filing with or notice to, any Governmental Authority or other Person is required in connection with the execution, delivery or performance of this Agreement or the completion of the transactions contemplated by this Agreement by the Purchaser;

Sufficiency of Funds

- (o) as of the Closing Time, the Purchasing Parties will have sufficient cash available to enable the Purchaser to make payment of the Closing Cash Amount Payable and any and all other amounts to be paid by the Purchaser hereunder in accordance with the terms hereof;

Investment Canada Act (Canada)

- (p) each of the Purchasing Parties is a "Canadian" within the meaning of the *Investment Canada Act (Canada)*;

GST/HST Registration

- (q) the Purchaser is registered for GST/HST purposes;

Insurance

- (r) the Purchasing Parties (and their subsidiaries) are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts are prudent and customary in the businesses in which they are engaged; none of the Purchasing Parties or their subsidiaries have been refused any insurance coverage sought or applied for; and the Purchasing Parties have no reason to believe that the Purchasing Parties or their subsidiaries will not be able to renew their existing insurance coverage as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue their business, in either case, at reasonable cost;

Litigation

- (s) there is no Claim in progress, pending, or to the knowledge of the Purchasing Parties, threatened against or relating to any member of the Parkland Group before any Governmental Authority which, if determined adversely to any member of the Parkland Group would:
 - (i) individually or in the aggregate, have a Parkland Material Adverse Effect; or

- (ii) prevent or significantly impede the Purchasing Parties from fulfilling all of its obligations set out in this Agreement or any document delivered by any of the Purchasing Parties pursuant hereto;

Tax

- (t) the Parkland Group has duly and timely, and in all applicable jurisdictions filed with the appropriate Governmental Authority or agency in the manner prescribed by Law all Tax Returns that are required to be filed by it and such Tax Returns are true, complete and accurate in all material respects;
- (u) there are no actions, suits, proceedings, investigations, audits, enquiries, reassessments or Claims in progress, pending or, to the knowledge of each of the Purchasing Parties, threatened, against or relating to any of the members of the Parkland Group in respect of any Taxes which would, individually or in the aggregate, have a Parkland Material Adverse Effect;

Environmental

- (v) the operations of the Parkland Group are in material compliance with all Environmental Laws, other than such non-compliance which would, individually or in the aggregate, not have a Parkland Material Adverse Effect on the Parkland Group;
- (w) to the knowledge for the Purchasing Parties, there has been no material Release by the Parkland Group of any substance or Hazardous Substance at levels which materially exceed decommissioning or remediation standards under any Environmental Laws and which would, individually or in the aggregate, have a Parkland Material Adverse Effect on the Parkland Group;
- (x) the Parkland Group has obtained and maintained in full force and effect all material permits, certificates, licences, authorizations, consents, instructions, registrations, directions or approvals issued or required by Governmental Authorities pursuant to Environmental Laws, renewals and other authorizations necessary to conduct its respective businesses as currently conducted;

No Labour Disputes

- (y) there are no existing or, to the knowledge of each of the Purchasing Parties, threatened strikes or labour disputes, walk-outs, work stoppages, slow-downs, lock-outs, grievances, controversies or other labour troubles affecting any employees of the Parkland Group;

Intellectual Property

- (z) the Parkland Group holds all material licenses, certificates and permits from Governmental Authorities which are necessary to the conduct of its businesses; each member of the Parkland Group owns or possesses the right to use all Parkland Intellectual Property necessary to carry on their businesses in all material respects; no member of the Parkland Group has infringed, and no member of the Parkland Group has received notice of conflict with, any Parkland Intellectual Property of any other Person;

PIL and Consideration Shares

- (aa) at the Closing Time, the Purchasing Parties shall have the full corporate power and authority to issue the PIL Shares and the Consideration Shares, respectively, and the PIL Shares and the Consideration Shares shall be duly and validly authorized, allotted and reserved for issuance and, on the Closing Date, immediately following the consummation of the transactions contemplated by the Rollover Agreement: (i) the Consideration Shares shall be issued as fully paid and non-assessable Parkland Shares, free and clear of any Encumbrances or rights of third parties, voting trusts, unanimous or other third party shareholder agreement (other than the Shareholder Agreement), proxies and other interest, Claims or demands of every kind or nature whatsoever (other than such as may be created by, through or under the Vendors); (ii) good title to the Consideration Shares shall vest in the Vendors or as the Vendors may so direct; and (iii) the Consideration Shares shall be listed on the TSX and freely tradable by the Vendors, subject to the terms of the Shareholder Agreement and applicable securities Laws;

Securities Law Matters

- (bb) the Purchasing Parties have filed with the Canadian securities authorities all documents and materials required to be filed under applicable securities Laws and such documents and materials (including all exhibits and schedules to, and documents incorporated by reference in, those documents and materials), to the extent comprising the Purchaser's Public Record (including those filed on the System for Electronic Document Analysis and Retrieval (SEDAR)), do not, as of the date of such document, contain any misrepresentation (as that term is defined in the *Securities Act* (Alberta)) and the same comply in all material respects with applicable legal and stock exchange requirements;
- (cc) no order ceasing or suspending trading in securities of Parkland or prohibiting the issue or sale of securities by Parkland has been issued and, to the knowledge of Parkland, no proceedings for this purpose have been instituted, are pending, contemplated or threatened by any securities commissions or similar authority;
- (dd) Parkland is a reporting issuer (or equivalent) in the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, New Brunswick, Nova Scotia, Prince Edward Island, Newfoundland and (i) is not in default of its obligations under the securities Laws of such provinces; and (ii) is in material compliance with the rules and policies of the TSX; and
- (ee) the issuance of the Consideration Shares does not require the approval of any securityholders of Parkland.

ARTICLE 5
COVENANTS

5.1 Covenants of the Vendors

Each of the Vendors covenant and agree with the Purchaser that from the date hereof until the Closing Date or termination of this Agreement (the "**Interim Period**"), except with the prior written consent of the Purchaser, not to be unreasonably withheld, or as required in connection with the Pre-Closing Reorganization or as specifically contemplated by this Agreement:

- (a) each of the Vendors shall conduct the Business in the Ordinary Course of Business;

- (b) each of the Vendors shall maintain levels of Inventory consistent with past practice in order to continue carrying on the Business in the Ordinary Course of Business;
- (c) each of the Vendors shall pay or cause to be paid or correctly record and accrue for all costs and expenses relating to the Purchased Assets which are due or become due from the date hereof to the Closing Time;
- (d) each of the Vendors shall not do any of the following other than pursuant to transactions contemplated herein or pursuant to commitments entered into prior to the date of this Agreement and disclosed to the Purchaser in writing: (i) transfer, assign, sell or otherwise dispose of any of the Purchased Assets, except in the Ordinary Course of Business; (ii) cancel any debts or entitlements, except in the Ordinary Course of Business; (iii) purchase capital assets to be used in the Business having a value in excess of \$1,000,000 individually; (iv) make any commitment or propose, initiate or authorize any single capital expenditure with respect to the Business in excess of \$500,000 except as otherwise permitted in (iii) above; or (v) terminate, waive, release or cancel any right of material value to the Purchased Assets or the Business provided the restriction herein does not extend to and the Vendors taking such steps and actions as they may determine to distribute cash available (including the payment of dividends) and to structure their affairs and the holding of assets and liabilities (excluding the Purchased Assets) provided the same does not result in the creation of any Liability which would be contrary to the terms and requirements of this Agreement;
- (e) none of the Vendors shall terminate the employment of any Employee other than for just cause or in the Ordinary Course of Business;
- (f) none of the Vendors shall increase or promise to increase, in any manner, the compensation or benefits of any Employee, except for annual increases in October 2014 which are in the Ordinary Course of Business and are no greater than the annual consumer price index increase for the Province of Ontario between October 2013 and October 2014, as published by Statistics Canada;
- (g) each of the Vendors shall use commercially reasonable efforts to preserve the goodwill of the Business and the relationships of the Vendors with suppliers, customers, clients, sales leads, distributors, dealers, licensees, tenants and others having past or present business dealings with the Vendors in respect of the Business, to keep available the services of the Employees, and to maintain in full force and effect all Assumed Contracts and Regulatory Authorizations relating to the Business and the Purchased Assets;
- (h) each of the Vendors shall maintain all of the Purchased Assets in the Ordinary Course of Business;
- (i) each of the Vendors shall perform all material obligations falling due during the Interim Period under the Assumed Contracts and Regulatory Authorizations;
- (j) none of the Vendors shall enter into any Contract which will become an Assumed Contract which involves, individually or in the aggregate, financial obligations of more than \$100,000 per annum other than those expressly permitted in 5.1(d)(iii) and (iv);
- (k) none of the Vendors shall create or permit to be created any Encumbrance on any of the Purchased Assets other than Permitted Encumbrances;

- (l) the Vendors shall use commercially reasonable efforts to keep in full force and effect, and in good standing, all of the current insurance policies of the Vendors with respect to the Business and the Purchased Assets until the Closing Date;
- (m) each of the Vendors shall collect and manage accounts receivable and pay and manage accounts payable in the Ordinary Course of Business and consistent with past practice;
- (n) none of the Vendors shall consent to or otherwise allow any material amendments or any other material modifications to any of the Assumed Contracts; and
- (o) the Vendors shall promptly advise the Purchaser in writing of any Material Adverse Change after the date hereof.

5.2 Mutual Covenants

During the Interim Period:

- (a) each Party hereto will take all such actions, steps or procedures which are reasonable within such Party's control as may be necessary to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder and to take, or cause to be taken, all other action and to do, or cause to be done, all other things necessary, proper or advisable under Laws to complete and give effect to the transactions contemplated by this Agreement, including to: (i) fulfill all conditions set forth in Sections 6.1 and 6.2 hereof, as applicable, and perform all its obligations set forth this Agreement; (ii) obtain all necessary consents, assignments, waivers and amendments to or terminations of any instruments and take such measures as may be appropriate to fulfill its obligations hereunder and to carry out the transactions contemplated hereby; (iii) effect all necessary registrations and filings and submissions of information required by Governmental Authorities required to be effected by it in connection with the transactions contemplated herein; and (iv) cooperate with each other Party in connection with the performance by each other Party of its obligations hereunder including continuing to provide reasonable access to information and to maintain ongoing communications as between representatives of each of the Parties hereto;
- (b) each of the Vendors shall, as soon as practicable, notify the Purchaser in writing of any material change (actual, anticipated, complete or, to the knowledge of any of the Vendors, threatened) in the Business or in respect of any of the Purchased Assets which change is or would reasonably be expected to, individually or in the aggregate, be of such a nature as to render any representation or warranty of the Vendors misleading or untrue in any material respect; and
- (c) the Purchaser shall, as soon as practicable, notify the Vendors in writing of any material change (actual, anticipated, complete or, to the knowledge of the Purchaser, threatened) in the businesses of the Parkland Group which change is or would reasonably be expected to, individually or in the aggregate, be of such a nature as to render any representation or warranty of the Purchasing Parties misleading or untrue in any material respect.

5.3 Information During Interim Period

During the Interim Period each of the Vendors shall:

- (a) provide the Purchaser and the Purchaser's authorized representatives and advisors with access to all files, Books and Records, Contracts and other documents of any nature pertaining to the Business and the Purchased Assets and promptly provide the Purchaser and the Purchaser's authorized representatives and advisors with any and all additional information pertaining to the Business and the Purchased Assets, in both cases as the Purchaser or the Purchaser's representatives or advisors may reasonably request;
- (b) within two Business Days after receiving a request from the Purchaser, provide to the Purchaser such information as to compliance with Regulatory Authorizations as is reasonably required to confirm compliance with Regulatory Authorizations;
- (c) provide the Purchaser and the Purchaser's authorized representatives and advisors with reasonable access during normal business hours to the Purchased Assets, including the Real Property and other locations where other material relevant to the Business is stored provided the Purchaser will not interfere with the conduct of Business in the ordinary course or disrupt the employees in the undertaking of their duties. The Purchaser shall have the right to have the Purchased Assets, including the vehicles and the equipment described in Schedule 2.1(a)(i) to the Disclosure Letter and the other tangible assets and property of the Vendors described Sections 2.1(a)(ii), 2.1(a)(iv), 2.1(a)(vi), 2.1(a)(ix) and 2.1(a)(xi), inspected and tested by its authorized representatives; and
- (d) provide the Purchaser and the Purchaser's authorized representatives and advisors with reasonable access during normal business hours to its senior personnel, auditors and other representatives as may be reasonably requested, to facilitate due diligence inquiries pertaining to the Business and the Purchased Assets, including inquiries of Governmental Authorities and other third parties.

5.4 Change of Vendors' Name and Use of Marks

- (a) Forthwith following the completion of the purchase and sale of the Purchased Assets under this Agreement, each of the Vendors shall discontinue use of the Pioneer logo and the name "Pioneer", "Pioneer Energy", "Pioneer Fuels" and "Pioneer Petroleum", except where legally required to identify the Vendors until their name has been changed to another name. The Vendors shall deliver at Closing articles of amendment to change the corporate name of each of the applicable Vendors to another name not including the words "Pioneer", "Pioneer Energy", "Pioneer Fuels", "Pioneer Petroleum" and the specifically sold trademarks and trade names as listed in Schedule 2.1(a)(xii) to the Disclosure Letter, and otherwise not confusingly similar its present name. The Vendors shall file such articles of amendment with the applicable Governmental Authority immediately following Closing.
- (b) For a period of one (1) year following closing TPGI will be permitted to use the Pioneer "arrow and circle" logo and the "arrow and word-mark" logo and other stylized versions of the Pioneer name set forth in Schedule 2.1(a)(xii) to the Disclosure Letter (collectively, the "**Pioneer Word Marks**") in any documentation used solely in connection with TPGI's existing food services and property management businesses and in connection with family office reporting and correspondence, as such Pioneer Word Marks are currently used by TPGI for such purposes, pursuant to the terms of a trademark licence agreement to be delivered at Closing in accordance with Section 7.2(o). Such Pioneer Word Marks will not be used in marketing or promotional activities. For greater certainty, TPGI and its affiliates will not be permitted to use the word Pioneer or Pioneer logos in any manner in connection with uses that are related to the Business; which for

clarity does not include the use of the name “Pioneer” without the logo in the food businesses of TPGI including in the corporate names listed in Schedule 5.4 to the Disclosure Letter.

5.5 Vendors’ Future Actions

After the Closing, none of the Vendors shall, directly or indirectly, take any action which may adversely affect the Purchaser’s ownership of or the validity or enforceability of any of the Purchased Assets or operation of the Business.

5.6 *Planning Act* (Ontario) Compliance

This Agreement will be effective to create an interest in the Real Property located in the Province of Ontario only if the subdivision and part lot control provisions of the *Planning Act* (Ontario) are complied with. The Vendors hereby covenant to proceed diligently at their expense to obtain any necessary severance consent on or before Closing. In the event that a severance consent is required for any Real Property but such consent has not been obtained by Closing, the Purchaser agrees to proceed with closing the transactions contemplated in this Agreement for all other Real Property, and the property that required a severance consent shall be transferred as soon as such consent has been obtained. Between Closing and the date of transfer of the property requiring consent, the applicable Vendor shall lease such property to the Purchaser, under which lease the Purchaser will pay an annual rent of [REDACTED – Rent Amount] and will also pay, perform and discharge all obligations arising or accruing with respect to such property during that period.

5.7 Damaged Assets

The Purchase Price and the obligations to close will be unaffected by loss or damage to Purchased Assets, provided the Vendors agree to diligently pursue insurance recovery in connection with such loss or damage, and to promptly pay to the Purchaser all insurance proceeds received by the Vendors after Closing relating to any insurance policies held by the Vendors in respect of the Purchased Assets and resulting from damage related to the Purchased Assets.

5.8 Donations Budget

After the Closing, the Purchaser shall ensure that the donations program of the Business is maintained for a period of five years following the Closing Date (in accordance with and as set out in Schedule 5.8 to the Disclosure Letter).

5.9 Brand Maintenance

After the Closing, the Purchasing Parties shall ensure that the Pioneer brand as it exists at the Closing Time, and including the loyalty programs, shall be maintained at a minimum of 75% of the locations currently branded as Pioneer for a period of at least five years following the Closing Date and that the current head office in Burlington, Ontario be maintained as an operational office of the Business (including reception) with the existing “Pioneer” signage maintained on the exterior of such office, until at least November 30, 2016.

5.10 Competition Act

- (a) As soon as practicable, but no later than ten Business Days from the date of this Agreement: (i) the Purchaser shall, with the assistance of and, in consultation with, the Vendors, promptly file a submission with the Commissioner requesting an ARC and, in

- lieu thereof, request a 'no-action letter' in furtherance of obtaining the Competition Act Approval; and (ii) each of the Purchaser and the Vendors shall notify the Commissioner of the transactions contemplated by this Agreement in accordance with section 114(1) of the Competition Act and shall supply the Commissioner with the prescribed information.
- (b) Concurrently with making the filings and notifications to the Commissioner under this Section 5.10(a): (i) each of the Purchaser and the Vendors shall file all such filings and notifications with the Minister of Transport; and (ii) the Purchaser shall file with the Minister of Transport a submission with respect to the public interest as it relates to national transportation in respect of the transactions contemplated by this Agreement, all in accordance with section 53.1 of the Canada Transportation Act.
- (c) In connection with obtaining the Competition Act Approval and Canada Transportation Act Approval, each Party shall use commercially reasonable efforts to, and shall ensure their Affiliates:
- (i) cooperate and provide information and assistance to the other Parties to obtain the Competition Act Approval and Canada Transportation Act Approval and in respect of any notification, application, filing or response to information requests or submissions related to the Competition Act Approval;
 - (ii) make such further filings as may be necessary, proper or advisable to obtain the Competition Act Approval and Canada Transportation Act Approval;
 - (iii) respond promptly to any requests for information (including in respect of any supplementary filings or submissions or a supplementary information requests) or requests for meetings by Governmental Authorities;
 - (iv) provide the other Parties a reasonable opportunity to participate in any meetings or discussions (whether in person, by e-mail, by telephone or otherwise) with or before a Governmental Authority (except where the Governmental Authority expressly requests that a Party should not be present at the meeting or discussion or part or parts of the meeting or discussion) and participate in and review any material communication before it is made to any Governmental Authority;
 - (v) provide the other Parties with advance copies of all written materials that they intend to supply or file to secure Competition Act Approval and Canada Transportation Act Approval and shall provide the other Parties with a reasonable opportunity to comment on those written materials and shall agree to consider those comments in good faith; and
 - (vi) keep the other Parties informed of the status of the Competition Act Approval and Canada Transportation Act Approval and promptly notify the other Parties of receipt of any communications (oral or written) of any nature from a Governmental Authority (and provide the other Parties with copies thereof).
- (d) All information supplied by a Party to the other Party or to the Commissioner under this Section shall be, to the supplying Party's knowledge and belief, accurate and true and, if the supplying Party subsequently learns that the information is not accurate or true, such Party shall immediately in writing make such known to the other Party and, after giving the other Party advance notice and a reasonable opportunity to comment, provide

corrected information to the Commissioner that is, to the supplying Party's knowledge and belief, accurate and true.

- (e) Notwithstanding any provision in this Agreement or this Section 5.10, the Purchasing Parties shall not be required to divest or hold separate business or assets of the Purchasing Parties or the Purchased Assets or to take a measure or behavioral remedy which may be necessary to secure the Competition Act Approval except such requirements which individually and in the aggregate do not materially affect the undertaking of the Business in the ordinary course.
- (f) The Purchaser shall be responsible for the fees payable to the Receiver General for Canada in respect of the filings made under this Section 5.10.
- (g) Notwithstanding any requirement in this Section 5.10 or any other provision of this Agreement, where a Party (in this Section 5.10 only, a "**Disclosing Party**") is required under this Section 5.10 to provide information to another Party (in this Section 5.10 only, "**Receiving Party**") that the Disclosing Party deems to be competitively sensitive information, the Disclosing Party may restrict the provision of such competitively sensitive information only to the internal legal counsel and external legal counsel of the Receiving Party, provided that the Disclosing Party also provides a redacted version of any such application, notice, filing, submissions, undertakings, correspondence or communications (including responses to requests for information and inquiries from any Governmental Authority) which contains the competitively sensitive information.

5.11 Books and Records

- (a) The Purchasing Parties covenant and agree to maintain in safekeeping the Books and Records delivered by the Vendors pursuant to Section 7.2(1) for such period of time required by Law, following the Closing Date which relate to periods prior to the Closing Date, provided that, in the event the Purchaser intends to discard or destroy any of the Books and Records relating to the period before the Closing Date as to Tax matters or environmental status or issue matters the Purchaser will notify the Vendors and allow them to take possession of such Books and Records and provided in the event the Vendors provide reasonable notice to the Purchasing Parties of: (a) an investigation or audit of the Vendors by a taxation or other Governmental Authority; (b) a Claim to which any of the Vendors become or are a party (either as plaintiff or defendant) or there is a reasonable likelihood that such a Claim may arise, in each case, the Purchasing Parties will preserve such Book and Records for the duration in respect of which access to such Books and Records is reasonably required by the Vendors. During any such period, the Purchaser will allow the Vendors and the Vendors' authorized representatives and advisors reasonable access to and to make copies and to produce originals of such records at the request of the Vendors, acting reasonably, for the purpose of the same, which access shall be at locations to be determined by the Purchasing Parties, during normal business hours and at such other time or times as the Purchasing Parties may determine and in such a manner so as not to interfere unreasonably with the conduct of the business of the Purchasing Parties and shall, at the reasonable request and direct and reasonable cost of the Vendors, make available the services of the relevant Transferred Employees, if such Transferred Employee is then employed by any of the Purchasing Parties or their respective Affiliates, in connection therewith. In addition, the Purchasing Parties shall take reasonable steps to transition e-mails to the Excluded Employees by providing an out of office message that includes a forwarding address of the Excluded Employees for a period of three months from the Closing Date.

- (b) The Vendors covenant and agree to maintain in safekeeping the Tax Records for a period of seven (7) years following the Closing Date, or for such longer period as may be required by Law. During such period, the Vendors will allow the Purchaser and the Purchaser's authorized representatives and advisors reasonable access to and to make copies and to produce originals of such Tax Records at the request of the Purchaser, acting reasonably.

5.12 Continuous Disclosure and Business Acquisition Report

- (a) The Vendors shall:
 - (i) as soon as reasonably practicable after the date hereof, and in any event within 30 days of the date hereof, provide to the Purchaser, at the sole cost of the Purchaser for such preparation, BAR-Compliant Financial Statements for most recent annual period (on a comparative basis) and, if applicable, quarterly period, ended prior to the date hereof; and
 - (ii) during Interim Period, within 30 days of the completion of any interim quarterly period, or within 45 days of the completion of any annual period, as applicable, provide to the Purchaser, at the sole cost of the Purchaser for such preparation, BAR-Compliant Financial Statements which relate to such quarterly or annual period;

and upon delivery thereof in accordance herewith, all references to "Financial Statements" contained in this Agreement shall be deemed to include such financial statements and all references to "Balance Sheet" will be deemed to refer to the balance sheet contained in such statements.

- (b) During the Interim Period, the Vendors shall use their reasonable efforts to:
 - (i) respond to enquiries from the Purchasing Parties as to matters reasonably required (as determined by the Purchasing Parties, acting in their sole discretion) for the Purchasing Parties to satisfy their respective obligations under applicable securities Laws;
 - (ii) respond (and cause their current officers, directors and employees to respond) to any due diligence inquiries in respect of the Business or the Purchased Assets as may be reasonably requested, directly or indirectly, by either of the Purchasing Parties, or any of their representatives; and
 - (iii) cause their auditors to cooperate with the Purchasing Parties' accounting professionals and auditors as is reasonably required by the Purchasing Parties.
- (c) Following the Closing Date (and the Purchasing Parties acknowledging that the Vendors will have no employees, books or records available, all being transferred to the Purchaser), the Vendors shall use their reasonable efforts to assist the Purchasing Parties with the preparation and filing by the Purchasing Parties of a business acquisition report pursuant to Part 8 of NI 51-102.
- (d) The Vendors shall be provided a reasonable opportunity to review and comment on any draft disclosure document containing information relating to the Business or the Purchased Assets provided by the Vendors pursuant to this Section 5.12 and intended to

be used in any manner by the Purchasing Parties in advance of the use thereof and the Purchasing Parties will give good faith consideration to any comments of the Vendors thereon.

- (e) All third party costs and expenses incurred by the Vendors pursuant to their obligations in this Section 5.12 shall be for the account of the Purchaser.
- (f) The Purchasing Parties acknowledge that the Vendors shall have no liability whatsoever to the Purchasing Parties, their directors, officers, Affiliates or other respective successors or assigns or any other Person with respect to the Purchasing Parties' use of such information provided by the Vendors pursuant to this Section 5.12.

5.13 Acknowledged Obligations

The Purchaser acknowledges and agrees that the Purchased Assets are inextricably linked to the Acknowledged Obligations as part of the Business and that, on and after Closing, the Purchaser shall be responsible for and agrees to perform the Acknowledged Obligations.

5.14 Insurance Benefits

From and after the Closing Date, the Vendors will (at the expense of the Purchaser) take such steps as are reasonably requested by the Purchaser, subject to the terms of the applicable insurance policies of the Vendors, to retain the right to make claims and receive recoveries for the benefit of the Purchaser under any insurance policies maintained at any time prior to the Closing Date by the Vendors, covering any Loss or Claim relating to the Business or Purchased Assets arising out of occurrences prior to the Closing.

5.15 Office Sublease

Prior to Closing, the Vendors (on behalf of TPGI) and the Purchaser will negotiate in good faith to agree upon one or more agreements, to be executed by the Purchaser and TPGI concurrently with Closing, which shall provide for:

- (a) ongoing sublease by TPGI of its current office space located at 1122 International Blvd., Suite 700, Burlington, Ontario L7L 6Z8 at the current rate (with no common area charge and three of the assigned parking spaces (at no rent)) for a period not to exceed six months following the Closing Date with an option in favour of TPGI to terminate such sublease at no cost on one month's notice to the Purchaser;
- (b) ongoing sublease by TPGI of storage space located at 1122 International Blvd., Suite 700, Burlington, Ontario L7L 6Z8 for a period not to exceed six months following the Closing Date;
- (c) use by TPGI of the phone system forming part of the Purchased Assets (it being acknowledged that the separate phones systems owned by the Vendors and TPGI respectively will be reallocated to each in accordance with ownership) and internet for the duration of the sublease referred to in Section 5.15(a); and
- (d) use by TPGI of any software licenses relating to the Business or the Purchased Assets and assumed by the Purchaser, for the duration of the sublease referred to in Section 5.15(a), provided that such use is in accordance with the terms of such software licenses;

provided, however, that TPGI shall use commercially reasonable efforts to vacate the premises described in this Section 5.15 as soon as reasonably practicable following the Closing Date.

ARTICLE 6

CONDITIONS TO CLOSING

6.1 Conditions for the Benefit of the Purchasing Parties

The obligation of the Purchasing Parties to complete the purchase of the Purchased Assets from the Vendors pursuant hereto and consummate the transactions contemplated hereby is subject to the following conditions (which are for the exclusive benefit of the Purchasing Parties) being satisfied or complied with in all respects at the Closing Time, or such earlier time as is specified herein, provided, however, that any such condition may be waived in writing by the Purchasing Parties, in whole or in part, at any time, without prejudice to any of the other rights of the Purchasing Parties hereunder:

- (a) [REDACTED – Personal Information] shall have executed and delivered to the Purchaser a Non-Competition Agreement, substantially in the form attached as Schedule 6.1(a) to the Disclosure Letter;
- (b) Parkland shall have obtained conditional listing approval from the TSX, in respect of the issuance and listing of the Consideration Shares;
- (c) the applicable Vendor shall have released any Transferred Employees from and after the Closing from any confidentiality or non-competition agreement or non-solicitation covenants with such Vendor except to the extent that these have been assigned to the Purchaser;
- (d) the representations and warranties of each of the Vendors set out in Section 4.1 shall be true and correct at the Closing Time with the same force and effect as if made at and as of such time, except to the extent such representations and warranties speak as of an earlier date, in which case such representations and warranties shall be true and correct as at such date and except in each case where the failure of such representations and warranties to be true and correct has not and would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect and Energy LP, on its own behalf and on behalf of each of the Vendors, shall have delivered, on the Closing Date, a certificate confirming the foregoing dated the Closing Date, addressed to the Purchaser and duly executed by any two senior officers of Energy LP, on its own behalf and on behalf of each of the Vendors;
- (e) each of the Vendors shall have complied and performed, in all material respects, with all of the covenants and obligations set forth in this Agreement to be complied with, and performed by the Vendors at or prior to the Closing Time pursuant hereto, and Energy LP, on its own behalf and on behalf of each of the Vendors, shall have delivered, on the Closing Date, a certificate confirming the foregoing dated the Closing Date, addressed to the Purchasing Parties and duly executed by any two senior officers of Energy LP, on its own behalf and on behalf of each of the Vendors;
- (f) there shall have been no Material Adverse Effect since the date of this Agreement;
- (g) there shall be no Order issued delaying, restricting or preventing, and no Claim pending or, to the knowledge of any of the Vendors, threatened by any Governmental Authority to enjoin, delay, restrict or prohibit the purchase and sale of any of the Purchased Assets, as

contemplated hereby, or the right of the Purchaser to conduct the Business or to own or use the Purchased Assets following the Closing Time;

- (h) the Closing Approvals shall have been obtained, in each case, on terms acceptable to the Purchaser, acting reasonably, provided that, this condition to Closing, as it relates to the Leases and Pioneer Leases comprising the Closing Approvals only, shall be deemed to have been satisfied and complied with if the Vendors have duly completed the assignment of such number of Leases and Pioneer Leases (and, where applicable, have obtained the required third party consent or approval in respect thereof) representing no less than 80% of such;
- (i) the Competition Act Approval and Canada Transportation Act Approval shall have been obtained;
- (j) the Vendors shall have delivered evidence satisfactory to the Purchaser that all Encumbrances other than Permitted Encumbrances have been discharged or released as to the Purchased Assets such that the Purchased Assets are free and clear of all Encumbrances other than Permitted Encumbrances;
- (k) the Vendors shall have terminated the LTIP, Annual SERP and DC SERP, and provided the Purchasing Parties with evidence that all Employees participating in any equity-based incentive Employee Plans of the Business, including the LTIP, Annual SERP and DC SERP, have surrendered their rights under such Employee Plans;
- (l) the Vendors shall have prepared and delivered to the Purchasing Parties the financial statements described in Section 5.12; and
- (m) at Closing, the Vendors shall have delivered all items they are required to deliver pursuant to Section 7.2.

6.2 Conditions for the Benefit of the Vendors

The obligations of the Vendors to complete the sale of the Purchased Assets to the Purchaser pursuant hereto and consummate the transactions contemplated hereby are subject to the following conditions (which are for the exclusive benefit of the Vendors) being satisfied or complied with in all respects at the Closing Time, or such earlier time as is specified herein, provided, however, that any such condition may be waived in writing by the Vendors, in whole or in part, at any time, without prejudice to any of the other rights of the Vendors hereunder:

- (a) the representations and warranties of each of the Purchasing Parties in Section 4.2 shall be true and correct at the Closing Time with the same force and effect as if made at and as of such time, except to the extent such representations and warranties speak as of an earlier date, in which case such representations and warranties shall be true and correct as at such date and except in each case where the failure of such representations and warranties to be true and correct has not or would not, individually or in the aggregate, reasonably be expected to prevent, materially delay or materially impair the ability of the Purchasing Parties to consummate the transactions contemplated herein and each of the Purchasing Parties shall each have delivered, on the Closing Date, a certificate confirming the foregoing dated the Closing Date, addressed to the Vendors and duly executed by any two senior officers of each of the Purchasing Parties;

- (b) each of the Purchasing Parties shall have complied and performed, in all material respects, with all of the covenants and obligations set forth in this Agreement to be complied with, and performed by the Purchasing Parties at or prior to the Closing Time pursuant hereto, and each of the Purchasing Parties shall each have delivered, on the Closing Date, a certificate confirming the foregoing dated the Closing Date, addressed to the Vendors and duly executed by any two senior officers of the Purchasing Parties;
- (c) there shall be no Order issued delaying, restricting or preventing, and no Claim pending or, to the knowledge of the Purchaser, threatened by any Governmental Authority to enjoin, delay, restrict or prohibit the purchase and sale of any of the Purchased Assets, as contemplated hereby, or the right of any of the Vendors to conduct the Business or to own or use the Purchased Assets following the Closing Time;
- (d) the Competition Act Approval and Canada Transportation Act Approval shall have been obtained;
- (e) Parkland shall have obtained conditional listing approval from the TSX in respect of the issuance and listing of the Consideration Shares;
- (f) at Closing, the Purchasing Parties shall have delivered all items they are required to deliver pursuant to Section 7.3;
- (g) the letters of credit set out in Schedule 6.2 to the Disclosure Letter shall be replaced by the Purchasing Parties; and
- (h) the Vendors shall have received a favorable legal opinion from counsel to the Purchasing Parties as to the issuance of the PIL Shares and Consideration Shares being exempt from the prospectus requirements of securities Laws and as to the first trade of the Consideration Shares by Energy LP being subject to the restricted period set forth in section 2.5 of National Instrument 45-102 *Resale of Securities*.

ARTICLE 7

CLOSING

7.1 Place of Closing

The Closing shall take place at the Closing Time at the offices of Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario, or such place as may be agreed upon in writing between Energy LP and the Purchaser. In lieu of a physical closing, the Parties acknowledge and agree that the Closing may take place by way of electronic exchange of closing documentation, unless original documentation is required, and electronic fund transfer, without the need for physical meeting of the Parties.

7.2 Deliveries by the Vendors at Closing

At Closing, the Vendors, shall deliver, or cause to be delivered to the Purchaser:

- (a) certificates of the appropriate Governmental Authorities, dated the Closing Date, evidencing the existence of each of the Vendors;
- (b) a certified copy of the shareholders' or partners' resolutions each of the Vendors approving the sale of the Purchased Assets;

- (c) a certified copy of the directors' resolutions of each of the Vendors (or in the case of a limited partnership, the general partner of such partnership) approving this Agreement and the transactions contemplated hereby;
- (d) a certificate of incumbency of each of the Vendors;
- (e) all Closing Approvals, in form and substance acceptable to the Parties, acting reasonably;
- (f) payment of the applicable amount set forth in Section 2.7(f);
- (g) evidence of discharge or release of all Encumbrances which are not Permitted Encumbrances;
- (h) one or more executed general conveyances providing for the sale, assignment, transfer and conveyance of the Purchased Assets and assumption of the Assumed Liabilities, in substantially the form settled by the Parties concurrently with the execution of this Agreement;
- (i) an executed general assignment providing for the sale, assignment, transfer and conveyance of the Assumed Contracts, in the form settled by the Parties concurrently with the execution of this Agreement;
- (j) to the extent applicable, executed elections pursuant to subsection 167(1) of the ETA and any equivalent or corresponding provision of any applicable provincial or territorial legislation imposing a similar value added or multi-staged tax;
- (k) executed assignment agreements providing for the sale, assignment, transfer and conveyance of the Leases;
- (l) possession of the Purchased Assets;
- (m) the Books and Records;
- (n) officers' certificates confirming certain matters with respect to the Real Property in the form settled by the Parties concurrently with the execution of this Agreement;
- (o) registered transfers of the Real Property by the Vendors or the registered owners of the Real Property, as applicable, including, in the Province of Ontario, the completion of the statements required by the *Planning Act* (Ontario);
- (p) the trademark licence agreement in connection with TPGI's use of the Pioneer name following the Closing Date;
- (q) each of the Transaction Documents (including the Indemnity Agreement), duly executed by the applicable Parties thereto; and
- (r) such other documents and instruments as the Purchaser may reasonably require.

Where applicable, all deliveries by the Vendors at Closing shall be in the form settled by the Parties concurrently with the execution of this Agreement and attached hereto where so referenced.

7.3 Deliveries by Purchasing Parties at Closing

At Closing, the Purchasing Parties shall deliver to the Vendors (on their own behalf and on behalf of the Vendors):

- (a) certificates of the appropriate Governmental Authorities, dated the Closing Date, evidencing the existence of the Purchasing Parties;
- (b) certified copy of the directors' resolutions of each of the Purchasing Parties approving this Agreement and the transactions contemplated hereby;
- (c) a certificate of incumbency of each of the Purchasing Parties;
- (d) one or more executed general conveyances providing for the sale, assignment, transfer and conveyance of the Purchased Assets and assumption of the Assumed Liabilities in substantially the form settled by the Parties concurrently with the execution of this Agreement;
- (e) an executed general assignment providing for the sale, assignment, transfer and conveyance and assumption of the Assumed Contracts in the form settled upon by the Parties concurrently with the execution of this Agreement;
- (f) to the extent applicable, executed elections pursuant to subsection 167(1) of the ETA and any equivalent or corresponding provision under any applicable provincial or territorial legislation imposing a similar value added or multi-staged tax;
- (g) the Closing Cash Amount Payable;
- (h) the Consideration Shares, registered in the name of Energy LP;
- (i) evidence of payment of the Holdback Amount and the Indemnification Escrow Amount (or letters of credit) to the Escrow Agent;
- (j) executed assignment agreements providing for the sale, assignment, transfer and conveyance of the Leases;
- (k) each of the Transaction Documents (including the Indemnity Agreement), duly executed by the applicable Parties thereto; and
- (l) such other documents and instruments as the Vendors may reasonably require.

Where applicable, all deliveries by the Purchasing Parties at Closing shall be in the form settled by the Parties concurrently with the execution of this Agreement and attached hereto where so referenced.

ARTICLE 8 **INDEMNITIES**

8.1 Indemnity by the Vendors

Subject to Section 8.3, the Vendors, which for greater certainty does not, in the case of Holding LP, include the limited partners of Holding LP, shall, from and after the Closing Time, jointly and severally indemnify and save harmless the Purchasing Parties and its Affiliates (collectively, the

“**Purchaser Indemnified Parties**”), from and against, and will reimburse the Purchasing Parties for any Claims or Losses arising from, in connection with or related in any manner whatever to:

- (a) any misrepresentation or any incorrectness in or breach of any representation or warranty of any of the Vendors contained in this Agreement or in a certificate or instrument executed and delivered by the Vendors pursuant to this Agreement (provided however, that for the purpose only of calculating the amount of Losses in this Section 8.1(a), any Claim based on the misrepresentation of any of the Vendors shall be deemed to have been made without qualifications as to materiality where the words or phrases “material”, “Material Adverse Effect”, “Material Adverse Change” or words or phrases of similar import are used, such that the amount of Losses payable are not subject to any deduction in respect of amounts below the agreed upon level of materiality);
- (b) any material breach or non-fulfillment of any covenant or agreement on the part of the Vendors contained in this Agreement or any certificate or instrument executed and delivered by the Vendors, or any of them, pursuant to this Agreement; and
- (c) any Liabilities of the Vendors forming part of the Retained Liabilities;

provided that the indemnity hereunder as to the Consideration Shares Agreements is restricted to the Persons party to the respective agreement.

8.2 Indemnity by the Purchasing Parties

Subject to Section 8.3, the Purchasing Parties shall, from and after the Closing Time, jointly and severally indemnify and save harmless the Vendors from and against, and will reimburse the Vendors for, any Claims or Losses arising from, in connection with or related in any manner whatever to:

- (a) any misrepresentation or any incorrectness in or breach of any representation or warranty of any of the Purchasing Parties contained in this Agreement or in a certificate or instrument executed and delivered by the Purchasing Parties pursuant to this Agreement (provided however, that for the purpose only of calculating the amount of Losses in this Section 8.2(a), any Claim based on the misrepresentation of any of the Purchasing Parties shall be deemed to have been made without qualifications as to materiality where the words or phrases “material”, “Parkland Material Adverse Effect”, “Parkland Material Adverse Change” or words or phrases of similar import are used, such that the amount of Losses payable are not subject to any deduction in respect of amounts below the agreed upon level of materiality);
- (b) any material breach or non-fulfillment of any covenant or agreement on the part of the Purchasing Parties contained in this Agreement or in any certificate or instrument executed and delivered by the Purchasing Parties, or any of them pursuant to this Agreement;
- (c) any environmental contamination or condition of any Real Property or Liability under or pursuant to any Environmental Laws;
- (d) any Liabilities of the Vendors forming part of the Assumed Liabilities;
- (e) any Commodity Taxes (including any penalties, interest or other amounts) applicable to, or resulting from the transactions contemplated by, this Agreement; and

- (f) any Liabilities under any of the Acknowledged Obligations.

8.3 Limitations on Indemnities

- (a) Losses of the Purchasing Parties or the Vendors hereunder shall be deemed reduced by the amount of any insurance proceeds received by the Purchasing Parties or the Vendors with respect to such Losses.
- (b) The obligations of the Vendors under Section 8.1 shall be subject to the following limitations:
 - (i) subject to Sections 8.3(b)(ii) and 8.3(b)(iii), the obligations of the Vendors under Section 8.1(a) shall terminate two years from the Closing Date except with respect to *bona fide* Claims by the Purchasing Parties set forth in written notices (identifying in reasonable detail the identity and nature of the Claim) given by the Purchasing Parties to the Vendors prior to such date;
 - (ii) the obligations of the Vendors under Section 8.1(a) in respect of any Claim or Losses relating to or impacted by Tax matters set out in Section 4.1(x), arising in or in respect of a particular period ending on, before or including the Closing Date shall terminate on the date which is 90 days after the relevant Governmental Authorities shall no longer be entitled to assess or reassess Liability for Taxes against the Vendors or the Purchasing Parties for that particular period, which date shall not be extended by any waiver given by the Purchasing Parties after the Closing Date without the consent of the Vendors;
 - (iii) the obligations of the Vendors under Section 8.1(a) with respect to any Claims or Losses which are based on the breach of the Vendors' Fundamental Representations, or wilful misconduct, intentional misrepresentation or fraud by the Vendors, may be brought at any time for the maximum period permitted by Law;
 - (iv) except with respect to any Claim or Losses based on a breach of the Vendor's representations in Section 4.1(x), the Purchasing Parties shall not be entitled to make any indemnity claim under Section 8.1(a) until the aggregate amount of all Claims against the Vendors exceeds [REDACTED – Indemnity Threshold Amount] and (“**Indemnity Threshold**”). Once the aggregate amount of all Claims against the Vendors exceeds the Indemnity Threshold, then the Purchaser Indemnified Parties shall be entitled to make a Claim for the damages, Losses, costs, Liabilities and expenses incurred and for which it is entitled to indemnity pursuant to Section 8.1(a) which exceed the Indemnity Threshold;
 - (v) the total aggregate maximum liability of the Vendors pursuant to Section 8.1(a) shall not exceed [REDACTED – Liability Amount] (except for any Claims or Losses which are based on the breach of the Vendors' Fundamental Representations or breaches with respect to the Tax matters set out in Section 4.1(x)), and the total aggregate maximum liability of the Vendors pursuant to Sections 8.1(b) and (c), in connection with a breach of the Fundamental Representations or breaches with respect to the Tax matters set out in Section 4.1(x), which shall not exceed the Purchase Price), *provided however*, the limits set forth in this Section 8.3(b) shall not apply in the event of the wilful misconduct, intentional misrepresentation or fraud by the Vendors; and

- (vi) the Vendors shall not be liable for any punitive damages, but for certainty, in the event that such damages may be awarded against the Purchasing Parties by a court of competent jurisdiction without a right of appeal then such damages will be subject to indemnification from the Vendors, to the extent the Purchasing Parties are otherwise indemnified for such Loss hereunder.
- (c) The obligations of the Purchasing Parties under Section 8.2 shall be subject to the following limitations:
 - (i) Subject to Section 8.3(c)(ii), the obligations of the Purchasing Parties under Section 8.2(a) shall terminate two years from the Closing Date except with respect to *bona fide* Claims by the Vendors set forth in written notices (identifying in reasonable detail the identity and nature of the Claim) given by the Vendors to the Purchasing Parties prior to such date;
 - (ii) the obligations of the Purchasing Parties under Section 8.2(a) with respect to any Claims or Losses which are based on the breach of the Purchasing Parties' Fundamental Representations or wilful misconduct, intentional misrepresentation or fraud by the Purchasing Parties, may be brought at any time for the maximum period permitted by Law;
 - (iii) the Vendors shall not be entitled to make any indemnity claim under Section 8.2(a) until the aggregate amount of all Claims against the Purchasing Parties exceeds the Indemnity Threshold. Once the aggregate amount of all Claims against the Purchasing Parties exceeds the Indemnity Threshold, then the Vendors shall be entitled to make a Claim for the damages, Losses, costs, Liabilities and expenses incurred and for which it is entitled to indemnity pursuant to Section 8.2(a) which exceed the Indemnity Threshold;
 - (iv) the total aggregate maximum liability of the Purchasing Parties pursuant to Section 8.2(a) shall not exceed the Purchase Price, *provided however*, the limits set forth in this Section 8.3(c) shall not apply in the event of the wilful misconduct, intentional misrepresentation or fraud by the Vendors; and
 - (v) the Purchasing Parties shall not be liable for any punitive damages, but for certainty, in the event that such damages may be awarded against the Vendors by a court of competent jurisdiction without a right of appeal then such damages will be subject to indemnification from the Purchasing Parties, to the extent the Vendors are otherwise indemnified for such Loss hereunder.

8.4 Indemnification Procedure

The following provisions will apply to any Claim by any Person having the right to be indemnified pursuant to this Agreement (hereinafter, in this Section 8.4, any Person making a Claim for indemnification pursuant to this Agreement is referred to as the “**Indemnified Party**”, the Person against whom the Claim for indemnification is made pursuant to this Agreement is referred to as the “**Indemnifying Party**” and any such Claim for indemnity is referred to as the “**Indemnity Claim**”).

- (a) Promptly after becoming aware of any matter in respect of which it may assert an Indemnity Claim, the Indemnified Party will provide written notice of the Indemnity Claim to the Indemnifying Party, specifying (to the extent that information is available) the factual basis for the Indemnity Claim and the amount of the Indemnity Claim or, if an

amount is not then determinable, an estimate of the amount of the Indemnity Claim, if an estimate is feasible in the circumstances; provided, however, that no delay on the part of the Indemnified Party in notifying the Indemnifying Party will relieve the Indemnifying Party from its obligation to indemnify the Indemnified Party unless (and only to the extent that) the Indemnifying Party is materially prejudiced by such delay. Such notice shall also specify whether the Indemnity Claim arises as a result of a Claim by a Person against the Indemnified Party by a Person (including any Governmental Authority) who is not a Party to this Agreement (a “**Third Party Claim**”) or whether the Indemnity Claim arises as a result of a Claim directly by the Indemnified Party against the Indemnifying Party (a “**Direct Claim**”).

- (b) In the case of a Third Party Claim which concerns an amount required to be paid by the Indemnified Party under applicable Laws to a third party before the relevant procedure for challenging the existence or quantum of the alleged liability can be implemented or completed, the Indemnified Party may, notwithstanding any other provision of this Section 8.4, make such payment and forthwith demand reimbursement for such payment from the Indemnifying Party; provided that, if the alleged Third Party Claim, as finally determined (upon completion of settlement negotiations or applicable legal proceedings), is less than the amount that is so paid by the Indemnifying Party, then the Indemnified Party will, forthwith following such final determination and receipt of the overpaid amount from the third party, pay to the Indemnifying Party the amount by which the Liability, as finally determined, is less than the amount that was so paid by the Indemnifying Party.
- (c) The Indemnified Party will not negotiate, settle, compromise or pay (except in the case of payment of a judgment) any Third Party Claim in respect of which it has or proposes to assert an Indemnity Claim, except with the prior consent of the Indemnifying Party (which consent will not be unreasonably withheld or delayed).
- (d) With respect to any Third Party Claim, provided the Indemnifying Party admits, within 30 days of receipt of notice of the Third Party Claim from the Indemnified Party, to the Indemnified Party’s right to indemnification for the amount of such Third Party Claim that may at any time be determined or settled; and provided further that the action or other proceeding respecting prosecution of the Third Party Claim involves only a Claim for money damages and not a Claim for equitable relief:
 - (i) except as contemplated by Section 8.4(d)(iii), the Indemnifying Party will have the right to assume carriage of such legal, administrative or other proceedings through counsel of its choice, but the Indemnified Party will have the right and will be given the opportunity, to the extent the same does not give rise to a material conflict of interest, to participate in the defence of the Third Party Claim, to consult with the Indemnifying Party in the settlement of the Third Party Claim and the conduct of such legal, administrative and other proceedings (including consultation with counsel);
 - (ii) if requested by the Indemnified Party, the Indemnifying Party will keep the Indemnified Party fully advised with respect thereto, will provide the Indemnified Party with copies of all pleadings, notices, communications, documentary or other evidence with respect to such Third Party Claim except where the provision of such advice or the receipt of such documents would waive any claim of privilege by the Indemnifying Person or its legal representative; and

- (iii) notwithstanding Sections 8.4(d)(i) and 8.4(d)(ii), the Indemnifying Party will not settle the Third Party Claim or conduct any legal, administrative or other proceedings in any manner that could, in the reasonable opinion of the Indemnified Party, materially and adversely affect the Indemnified Party except with the prior written consent of the Indemnified Party, acting reasonably (which consent will not be unreasonably withheld or delayed).
- (e) If, with respect to any Third Party Claim, any of the conditions set forth in the opening sentence of Section 8.4(d) is or becomes unsatisfied, or in the event that the Indemnifying Party does not act to diligently defend against such Third Party Claim or declines to assume carriage of the applicable legal, administrative or other proceedings, then the following provisions will apply:
 - (i) the Indemnified Party, at its discretion, may assume carriage of the settlement or of any legal, administrative or other proceedings relating to the Third Party Claim and may defend or settle the Third Party Claim on such terms as the Indemnified Party, acting in good faith, considers advisable; and
 - (ii) any costs, damages and expenses incurred or suffered by the Indemnified Party in the settlement of such Third Party Claim or the conduct of any such legal, administrative or other proceedings will be added to the amount of the Indemnity Claim.
- (f) With respect to any Direct Claim, following receipt of notice from the Indemnified Party of the Direct Claim, the Indemnifying Party shall have 60 days to make such investigation of the Direct Claim as it considers necessary or desirable. For the purpose of such investigation, the Indemnified Party shall make available to the Indemnifying Party the information relied upon by the Indemnified Party to substantiate the Direct Claim, together with all such other information in the possession of the Indemnified Party as the Indemnifying Party may reasonably request. If the Indemnified Party and the Indemnifying Party agree, prior to the expiration of such 60 day period (or any mutually agreed upon extension thereof), to the validity and amount of such Direct Claim, the Indemnifying Party shall forthwith pay to the Indemnified Party the full agreed upon amount of the Direct Claim. Failing such agreement and payment, the Indemnified Party may commence an action or otherwise pursue any remedy it may have against the Indemnifying Party.

8.5 Tax Status of Indemnification Payments

Any payment made by the Vendors pursuant to this Article 8 shall constitute a reduction of the Purchase Price and any payment made by the Purchasing Parties pursuant to this Article 8 shall constitute an increase in the Purchase Price. In either case, each of the Vendors and the Purchaser shall, within a reasonable time of payment and receipt of such payment, as applicable, and in any event within two months of such payment, request all amendments to its current or past Tax Returns as may be necessary to reflect the foregoing. For greater certainty, any such reduction of, or increase in, the Purchase Price shall only adjust the amount of the Purchase Price allocated to goodwill unless the indemnity relates to a specific asset, then to the Purchase Price allocated to that asset.

8.6 Set-off Against Indemnification Escrow Amount

In accordance with the terms of the Escrow Agreement, the Purchasing Parties shall be entitled to set-off and deduct from the Indemnification Escrow Amount (which shall be a reduction of the Purchase

Price), any amounts on account of Losses to which the Purchasing Parties are entitled to recover pursuant to the provisions of this Article 8.

8.7 Single Recovery, Sole and Exclusive Remedy

Subject to the last sentence of this Section 8.7, the rights of indemnity set forth in this Article 8 are the sole and exclusive remedy of each Party in respect of the matters described in Section 8.1 or Section 8.2, as applicable under this Agreement. Accordingly, the Parties waive, from and after the Closing, any and all rights, remedies and Claims that one Party may have against the other, whether at Law, under any statute or in equity (including Claims for contribution or other rights of recovery arising under any Environmental Laws, Claims for breach of contract, breach of representation and warranty, negligent misrepresentation and all Claims for breach of duty), or otherwise, directly or indirectly, relating to the provisions of this Agreement or the transactions contemplated by this Agreement other than as expressly provided for in this Article 8 and other than those arising with respect to any wilful misconduct, intentional misrepresentation or fraud. The Parties agree that if a Claim for indemnification is made by one Party in accordance with Section 8.1 or Section 8.2, as the case may be, and there has been a refusal by the other Party to make payment or otherwise provide satisfaction in respect of such Claim, then a legal proceeding is the appropriate means to seek a remedy for such refusal. This Article 8 shall remain in full force and effect in all circumstances and shall not be terminated by any breach (fundamental, negligent or otherwise) by any Party of its representations, warranties or covenants under this Agreement or under any Closing document or by any termination or rescission of this Agreement by any Party. Notwithstanding the foregoing, either Party may bring an action for specific performance or injunction in connection with the rights and obligations set forth herein.

8.8 GST/HST Gross Up

If any payment made by the Vendors or the Purchaser pursuant to this Article 8 is deemed by the ETA to include GST/HST, or is deemed by any applicable provincial or territorial legislation to include a similar value added or multi-staged Tax, the amount of such payment shall be increased accordingly.

ARTICLE 9 TERMINATION

9.1 Termination

This Agreement:

- (a) may be terminated and the transactions contemplated hereby may be abandoned, at any time prior to the Closing:
 - (i) by mutual written consent of the Parties;
 - (ii) by the Purchaser on written notice to Energy LP (on its own behalf and on behalf of the Vendors) if the Closing shall not have occurred on the Closing Date and any of the conditions set forth in Section 6.1 hereof shall not have been satisfied, provided that the Purchasing Parties shall have complied in all material respects with their obligations hereunder; or
 - (iii) by Energy LP (on its own behalf and on behalf of the Vendors) on written notice to the Purchaser if the Closing shall not have occurred on the Closing Date and any of the conditions set forth in Section 6.2 hereof shall not have been satisfied,

provided that the Vendors shall have complied in all material respects with their respective obligations hereunder;

and any such notice of termination given by a Party shall specify the basis on which the Party seeks to terminate this Agreement.

9.2 Effect of Termination

In the event of termination of this Agreement pursuant to Section 9.1, this Agreement shall thereupon cease to have any further force and effect and each Parties shall thereafter have no further Liability thereunder to any other Party, except that the provisions of Article 8, Section 9.1, this Section 9.2, Section 11.1, Section 11.2, Section 11.5 and Section 11.13 shall survive any termination of this Agreement and provided that the requirements of the “Non-Disclosure Agreement” dated August 19, 2013 among the Vendors and Purchaser, including the preservation of confidentiality and the return and destruction of information and materials as to the Vendors and all aspects thereof remain in full force and effect. Nothing in this Section 9.2 shall relieve any Party of Liability for any breach of this Agreement.

9.3 Survival

Subject to the limitations and provisions set forth in this Agreement, notwithstanding the occurrence of Closing and the items delivered at Closing pursuant hereto, the representations, warranties, covenants and indemnities contained in this Agreement shall survive the Closing and the delivery of the items delivered at Closing pursuant hereto for the benefit of the Parties in accordance with terms hereof, in each case for the same period of time during which an obligation to indemnify exists pursuant to Sections 8.1 or 8.2. Notwithstanding any other provision of this Agreement, no limitation in respect of the survival of any provision of this Agreement or the period in respect of which any Claims or other recourse may be made shall apply insofar as the breach of the provision or the matter in respect of which recourse is sought involves wilful misconduct, intentional misrepresentation or fraud on the part of the Party or Parties against whom the provision is sought to be enforced or from whom such recourse is sought. If any document executed at or after Closing pursuant hereto is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail unless the Parties expressly and explicitly agree to the contrary.

ARTICLE 10 **NOTICES**

10.1 Notices

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party to any other Party shall be in writing and shall be delivered by hand delivery, facsimile transmission, registered mail (postage prepaid) (provided that the mailing Party does not know and should not reasonably have known of any disruption or anticipated disruption of postal service which might affect delivery of the mail) or by electronic mail, addressed to the Party to whom the notice is to be given, at its address for service herein. Any notice, consent, waiver, direction or other communication aforesaid shall: (i) if hand delivered, on the day of delivery if that day is a Business Day and it was received before 5:00 p.m. local time in the place of receipt and otherwise on the next Business Day, (ii) if sent by fax, on the day of transmission if that day is a Business Day and the fax transmission was made before 5:00 p.m. local time in the place of receipt and otherwise on the next Business Day, (iii) if sent by registered mail, on the fourth Business Day following the day on which it is mailed, except that if at any time between the date of mailing and the fourth Business Day thereafter there is a disruption of postal service then notice must be given by means other than mail, or (iv) if sent by electronic mail, on the day the sender receives confirmation of receipt by return electronic mail from the recipient if that day

is a Business Day and if that confirmation was received before 5:00 p.m. local time in the place of receipt, and otherwise on the next Business Day.

10.2 Address for Service

The address for service of each of the Parties hereto shall be as follows:

- (a) if to the Vendors:

c/o Pioneer Energy LP
1122 International Boulevard, Suite 700
Burlington, ON L7L 6Z8
Attention: [REDACTED – Personal Information]
Facsimile: [REDACTED – Personal Information]
Email: [REDACTED – Personal Information]

with a copy to:

Cassels Brock & Blackwell LLP
40 King Street West
2000 Scotia Plaza
Toronto, ON M5H 3C2

Attention: [REDACTED – Personal Information]
Facsimile: [REDACTED – Personal Information]
Email: [REDACTED – Personal Information]

- (b) if to the Purchasing Parties:

Parkland Industries Ltd.
5101, 333 - 96th Avenue NE
Calgary AB T3K 0S3

Attention: [REDACTED – Personal Information]
Facsimile: [REDACTED – Personal Information]
Email: [REDACTED – Personal Information]

with a copy to:

Bennett Jones LLP
4500 Bankers Hall East
855 - 2nd Street SW
Calgary AB T2P 4K7

Attention: [REDACTED – Personal Information]
Facsimile: [REDACTED – Personal Information]
Email: [REDACTED – Personal Information]

or such other address as may be designated by notice to the other Parties.

ARTICLE 11
MISCELLANEOUS

11.1 Retention of Records and Confidential Information

The Purchaser acknowledges and agrees that the Vendors will be permitted to retain copies of the Books and Records for such period after the Closing Date as is required by any applicable Law. Both before and after the Closing Date, the Vendors will, and will cause each of their advisors and other representatives to:

- (a) promptly provide to the Purchaser all information in their possession or under their control relating to the Purchased Assets;
- (b) keep strictly confidential all information relating to the Purchased Assets unless: (i) such information (other than Transferred Information) is or becomes generally available to the public other than as a result of a disclosure by the Vendors in violation of this Agreement; (ii) the disclosure of such information is expressly permitted, in writing, by the Purchaser; or (iii) the disclosure of such information is required by applicable Law or by a Governmental Authority (provided that the Vendors shall provide the Purchaser with prompt written notice of same so that the Purchasing Parties may either seek a protective Order or other appropriate remedy, and the Vendors shall furnish only the disclosure that is required); and
- (c) not use or permit any other Person to use any information relating to any of the Purchased Assets for any purpose whatsoever, unless such information (other than Transferred Information) is or becomes generally available to the public, other than as a result of a disclosure by the Vendors in violation of this Agreement, or the use of such information is expressly permitted, in writing, by the Purchaser.

11.2 Privacy

- (a) The Vendors covenant and agree to advise the Purchaser of all purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates and all additional purposes where the Vendors have notified the individual of such additional purpose, and where required by Law, obtained the consent of such individual to use or disclose.
- (b) The Purchaser covenants and agrees: (i) prior to the completion of the transactions contemplated herein, to collect, use and disclose the Transferred Information solely for the purpose of reviewing and completing the transactions contemplated herein, including determining to complete such transactions; (ii) after the completion of the transactions contemplated herein, to collect, use and disclose the Transferred Information only for those purposes for which the Transferred Information was initially collected from, or in respect of, the individual to which such Transferred Information relates or for the completion of the transactions contemplated herein, unless (A) the Vendors or the Purchaser has first notified such individual of such additional purpose, and where required by all applicable Laws, obtained the consent of such individual to such additional purpose, or (B) such use or disclosure is permitted or authorized by Law, without notice to, or consent from, such individual; (iii) where required by Law, promptly notify the individuals to whom the Transferred Information relates that the transactions contemplated herein have taken place and that the Transferred Information has been disclosed to the Purchaser; (iv) to return or destroy the Transferred Information, at the

option of the Vendors, should the transactions contemplated herein not be completed; and (v) use all reasonable efforts to protect and safeguard the Transferred Information including to protect the Transferred Information from loss or theft, or unauthorized access disclosure, copying, use, modification, disposal or destruction and promptly advise the Vendors should any such loss, theft or unauthorized activity occur prior to the completion of the transactions contemplated herein.

11.3 Further Assurances

Each Party shall, from time to time, and at all times hereafter, at the request of another Party, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably required in order to fully perform and carry out the terms and intent hereof.

11.4 Time of the Essence

Time shall be of the essence of this Agreement.

11.5 Public Announcements

No public announcement, press release or any other public filing which references or concerns the sale and purchase of the Purchased Assets shall be made by a Party or its Affiliates without the prior written consent and joint approval of the other Parties, which consent and approval shall not be unreasonably withheld or delayed; provided that nothing contained herein shall prevent Parkland or the Purchaser or any of their respective Affiliates at any time furnishing any information to the public if required by Laws or the rules of an applicable stock exchange. Without limiting the foregoing, the Vendors acknowledge that Parkland will be required by applicable Law and/or the rules of the TSX: (a) to issue a news release and file a material change report with the applicable securities regulatory authorities providing the disclosure required by applicable Law with respect to this Agreement and the transactions contemplated hereby; and (b) file a copy of this Agreement with the applicable securities regulatory authorities redacted to exclude any sensitive business or personal information, which redacted copy shall be provided to the Vendors for their review and comment not later than 48 hours prior to the intended public filing thereof and Parkland shall, subject to ensuring that it will meet its obligations under applicable securities Laws, as determined in its sole discretion, accept any reasonable comments received thereon from the Vendors.

11.6 Amendments and Waiver

No modification of or amendment or supplement to this Agreement shall be valid or binding unless set forth in writing and duly executed by all of the Parties hereto and no waiver of any breach of any term or provisions of this Agreement shall be effective or binding unless made in writing and signed by the Party purporting to give the same and, unless otherwise provided, shall be limited to the specific breach waived. No failure on the part of any Party in exercising any right or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy in law or in equity or by statute or otherwise conferred.

11.7 Entire Agreement

This Agreement together with the agreements and other documents to be delivered pursuant to this Agreement (including the Transaction Documents) constitute the entire agreement between the Parties pertaining to the subject matter of this Agreement and supersede all prior agreements,

understandings, negotiations and discussions, whether oral or written, of the Parties, including the Letter of Intent. There are no warranties, representations or other agreements between the Parties in connection with the subject matter of this Agreement except as specifically set forth in this Agreement and any document delivered pursuant to this Agreement.

11.8 Applicable Law

This Agreement shall be construed and enforced in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable therein. The Parties irrevocably and unconditionally attorn and submit to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Ontario in respect of any action, application, reference or other proceeding arising out of or related to this Agreement and agree that all Claims in respect of any such action, application, reference or other proceeding shall be heard and determined in such Ontario courts. Each of the Parties irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action, application, reference or proceeding.

11.9 Severability

If any one or more of the provisions or parts thereof contained in this Agreement should be or become invalid, illegal or unenforceable in any respect in any jurisdiction, the remaining provisions or parts thereof contained herein shall be and shall be conclusively deemed to be, as to such jurisdiction, severable therefrom and:

- (a) the validity, legality or enforceability of such remaining provisions or parts thereof shall not in any way be affected or impaired by the severance of the provisions or parts thereof severed; and
- (b) the invalidity, illegality or unenforceability of any provision or part thereof contained in this Agreement in any jurisdiction shall not affect or impair such provision or part thereof or any other provisions of this Agreement in any other jurisdiction.

11.10 Execution in Counterpart

This Agreement may be executed in any number of counterparts with the same effect as if all signatories to the counterparts had signed one document, all such counterparts shall together constitute, and be construed as, one instrument and each of such counterparts shall, notwithstanding the date of its execution, be deemed to bear the date first above written. Delivery of counterparts may be effected by facsimile transmission or scanned emails.

11.11 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the respective successors and permitted assigns of the Parties. No Person other than the Parties and their respective successors and permitted assigns shall be entitled to any rights or benefits hereunder.

11.12 Assignment

This Agreement may not be assigned by any Party without the prior consent of the other Parties provided that the Purchaser may assign its rights and obligations under this Agreement to an Affiliate of the Purchaser (without novation) if, contemporaneous therewith, such Affiliate of the Purchaser agrees to be bound by all representations, warranties, covenants and indemnities of the Purchaser, provided that,

notwithstanding any such agreement, the Purchaser continues to be bound by this Agreement and such agreement shall be in form and substance satisfactory to the Vendors, acting reasonably.

11.13 Costs

Except as otherwise provided in this Agreement, each Party shall be responsible for all costs and expenses (including the fees and disbursements of legal counsel and other advisors) incurred by it in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated hereby.

11.14 No Partnership

It is not the intent or purpose of the Agreement to create, and this Agreement shall not be construed as creating, any association, partnership or syndicate.

11.15 Waiver of Bulk Sales Compliance

The Purchaser hereby waives compliance with the provisions of bulk sales legislation in the jurisdictions in which any of the Purchased Assets are located, and including the *Bulk Sales Act* (Ontario).

11.16 Reliance

The Parties acknowledge and agree that they have entered into this Agreement in reliance upon each of the representations, warranties, covenants and agreements herein of the other Parties.

(signature page follows)

IN WITNESS WHEREOF the Parties hereto have executed this Asset Purchase Agreement as of the date first above written.

PARKLAND FUEL CORPORATION

Per: <signed> Robert B. Espey
 Name: Robert B. Espey
 Title: President and Chief Executive Officer

Per: <signed> Irfhan A. Rawji
 Name: Irfhan A. Rawji
 Title: Vice President and Strategy and Corporate Development

**PIONEER PETROLEUMS HOLDING LIMITED PARTNERSHIP,
 by its general partner,
 PIONEER PETROLEUMS HOLDING INC.**

Per: <signed> Timothy W. Hogarth
 Name: Timothy W. Hogarth
 Title: President

PIONEER PETROLEUMS TRANSPORT INC.

Per: <signed> Timothy W. Hogarth
 Name: Timothy W. Hogarth
 Title: President

PIONEER FUELS INC.

Per: <signed> Timothy W. Hogarth
 Name: Timothy W. Hogarth
 Title: President

3269344 NOVA SCOTIA LIMITED

Per: <signed> Timothy W. Hogarth
 Name: Timothy W. Hogarth
 Title: President

PIONEER PETROLEUMS HOLDING INC.

Per: <signed> Timothy W. Hogarth
 Name: Timothy W. Hogarth
 Title: President

PARKLAND INDUSTRIES LTD.

Per: <signed> Robert B. Espey
 Name: Robert B. Espey
 Title: President and Chief Executive Officer

Per: <signed> Irfhan A. Rawji
 Name: Irfhan A. Rawji
 Title: Vice President and Strategy and Corporate Development

**PIONEER ENERGY LP,
 by its general partner,
 PIONEER ENERGY MANAGEMENT INC.**

Per: <signed> Timothy W. Hogarth
 Name: Timothy W. Hogarth
 Title: President

PIONEER ENERGY INC.

Per: <signed> Timothy W. Hogarth
 Name: Timothy W. Hogarth
 Title: President

668086 N.B. LIMITED

Per: <signed> Timothy W. Hogarth
 Name: Timothy W. Hogarth
 Title: President

1796745 ONTARIO LTD.

Per: <signed> Timothy W. Hogarth
 Name: Timothy W. Hogarth
 Title: President

PIONEER ENERGY MANAGEMENT INC.

Per: <signed> Timothy W. Hogarth
 Name: Timothy W. Hogarth
 Title: President

TAB E

A handwritten signature in blue ink, appearing to read "Alex N. Mc Nabb", is written over a horizontal line.

**This is Exhibit E to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

TAB F

A handwritten signature in blue ink, appearing to read "Alex N. Mc Nabb", is written over a horizontal line.

**This is Exhibit F to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

TAB G



**This is Exhibit G to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

Please complete the following fields; they will be used to auto-generate duplicate fields in the AFE.

Station #:

Station Operating Name:

Fuel Brand:

Station **Street** Address:

Town/City:

Province:

Postal Code:

Station **Mailing** Address:

Town/City:

Province:

Postal Code:

**Proposal for Approval
(AFE)
Dealer Operations**

Type of Project:
PKI Contract Renewal

Location Information:
51287

Hanover
Ontario

October, 2012



===== AFE -- Proposal for Approval =====

Prepared by: Richard Lavoie

Signature: _____

Project Type: PKI Contract Renewal

Station #: 51287

Town/City: Hanover

Province: Ontario

Contents:

- Approval Sheet
- Executive Summary
- Deal Evaluation
- AFE Budget
- Letter of Intent
- Site Photos
- Maps/Demographics
- Competitive Breakdown
- P&L Statement
- Legal Info Form
- Approved Credit Application
- Form 120
- 12 Month Look-back

Approvals:

Date:

Manager, Dealer Operations-East

Legal

Credit

Controller

Director, Retail Operations

VP/COO/CEO

EXECUTIVE SUMMARY

Station Name: **MacTavish Fuels**
 Location/Town: **Hanover**
 Province: **Ontario**
 New or renewal: **Renewal**
 Previous Brand:
 Proposed Brand: **Esso**
 Projected Year one volume: [REDACTED] Litres
Actual Date: January 1, 2013 - Proposed date November 6, 2012
as Dealer requires [REDACTED] this year to cover expense of [REDACTED]
 Commencement Date: [REDACTED]
 Length Of term: **6 Years - End date December 31, 2018**
 Credit approved: **Existing location**
 Rebranding costs: [REDACTED]

Payback (# of year and % of term): Payback = [REDACTED]
 % of Term = [REDACTED]

Financial Terms (dealer payment amount, forgivable loans, etc): **Dealer payment currently not in effect as this Esso account was originally set up with [REDACTED]. New Dealer payment = 1.00 CPL (processing fee [REDACTED] CPL), [REDACTED] Forgivable loan to be used towards EMV Pump upgrades - Collateral mortgage required to secure. FL written off @ [REDACTED] CPL**

Special terms (pre-paid, volume clauses, etc): **Parkland also supplying [REDACTED] originally purchased by [REDACTED] for [REDACTED] which is now closed. System purchased for [REDACTED]. Any upgrades to the system along with installation costs & maintenance will be the responsibility of the Dealer. This system does not include the [REDACTED]**

Other:

Site and Pricing Detail

	Prior 12 Months	Proposed Deal
Location	51287	51287
Brand	Esso	Esso
Annual Volume (litres)		
Term of Deal (Years)		6
Rack Forward (Zone) Margin (\$/L)		
Supply Margin (\$/L)		
Gross Margin (\$/L)		
Gross Margin (\$'s)		
Annual Allowances		
Allowances CPL		
Dealer Payment (\$/L)		
Litre Log		
Contribution Margin (\$/L)		
Annual Contribution Margin (\$'s)		

Contract Offer

Total Cash Cost to Sign		

Payback (% of term)	
Payback Term on Cash Cost to Sign (Years)	

*Note: payback term reduced if Up-front \$'s repayable, see Cash Flow

Max. Payback Yrs.	
Max. Payback Yrs.	

Cost of Capital	
Cash Value Added (CVA)* yr 1	

*CVA represents cash flow, after financing cost of capital is included.

*Negative CVA means Parkland lost cash flow in year 1 to make the deal.

TM COMMENTS:

Hanover
6 year term
Written off @ cpl. New Dealer payment cpl. (processing fee increased cpl)
Parkland supplying originally purchased Originally purchased for .

Summary

Full Term Gross Margin (\$'s)	\$	
Cash Cost to Sign	-\$	
Full Term Dealer Payments	-\$	
Full Term Allowances	\$	
Pre-Paid Dp recovered	\$	Upfront repaid in (years)
Full Term Offer Package (\$'s)	-\$	
Litre Log	\$	
Full Term Contribution Margin (\$'s)	\$	
Net Present Value - Contrib Margin (\$'s)	\$	
Return on Investment (ROI)		

Year	Cumulative Cash Flow	In-Year Cash Flow
Start		
1		
2	\$	\$
3	\$	\$
4	\$	\$
5	\$	\$
6	\$	\$
7	\$	\$
8	\$	\$
9	\$	\$
10	\$	\$
11	\$	\$
12	\$	\$
13	\$	\$
14	\$	\$
15	\$	\$
16	\$	\$
17	\$	\$
18	\$	\$
19	\$	\$
20	\$	\$



Parkland Industries Ltd.
Suite 100, 1001 Champlain Ave.
Burlington, ON.
L7L 5Z4

Richard Lavoie
Territory Manger

August 16, 2012

PRIVATE AND CONFIDENTIAL

C.E. MacTavish Limited
Attention: [REDACTED]
594 10th Street.
Hanover, Ontario N4N 1R7

Re: Letter of Intent for the Esso @ 594 10th Street Hanover. ("your site")

Dear [REDACTED]

This letter of intent ("Letter of Intent") confirms our mutual intent to complete our current negotiations with respect to the operation of an Esso branded service station at your site. Your confirmation of the proposed principle terms set out in this Letter of Intent is required before we can proceed further.

It is our understanding that you, C.E. MacTavish Limited (the "Dealer"), plan to operate your site at 594 10th Street, Hanover, Ontario as a dealer carrying on business as MacTavish Fuels, and that you intend to enter into an Esso-Branded Motor Fuel Supply Agreement (the "Agreement") to operate this site as an Esso branded service station.

This Letter of Intent is not binding upon Parkland Industries Ltd. until it or subsequent document has been executed in Parkland's Head Office in Alberta. This Letter of Intent is binding upon the Dealer once he has reviewed it and signed it. The Dealer agrees to execute the follow-up Esso standard brand agreement which will follow if this deal is approved by Parkland management.

The following are certain proposed principle terms:

INTENT

Parkland Industries, contingent on the satisfaction of the conditions set out above, would be pleased to enter into an Esso Branded Dealer Sales Agreement. An example of a standard form Agreement is enclosed for your review and to assist in the interpretation of the key terms described in this Letter of Intent. The Agreement provided to you for execution may differ from the attached example of the Agreement. Capitalized terms in this Letter of Intent, unless the context otherwise requires, have the same meaning as in the attached Agreement.

TERM AND COMMENCEMENT DATE

The term of the Agreement will be for 6 years, commencing on January 1, 2013.

DEALER PAYMENT

Parkland will pay to the Dealer a Dealer Payment in the amount of [REDACTED] per litre (plus applicable taxes) multiplied by the volume of Motor Fuels purchased by the Dealer from Parkland pursuant to the terms and conditions of the Agreement. The Dealer Payment will be paid monthly in arrears by way of cheque or electronically deposited to your bank account, as determined from time to time by Parkland. [REDACTED] will be added to your current fuel pricing to reflect this Dealer Payment option.

PROPOSED VOLUME

The Minimum Purchase Obligation is [REDACTED] of Motor Fuels during every consecutive twelve (12) month period of the Agreement. Failure to meet eighty percent (80%) of the Minimum Purchase Obligation may result in termination of the Agreement.

PRODUCT PRICING (MOTOR FUELS)

Wholesale pricing for Motor Fuels will be at Parkland's Esso Dealer Price prevailing in the Dealer's market area. Wholesale prices are determined at time of load. The retail pump price is set by the Dealer. Retail margins vary with local conditions.

DELIVERIES OF MOTOR FUELS AND PETROLEUM PRODUCTS AND PAYMENT TERMS

Motor Fuels will be delivered from a supply point to be determined by Parkland. Payment terms for the Motor Fuels are C.O.D. (cash on delivery and the funds must be immediately available). Payment for Motor Fuels may be collected by Parkland via pre-authorized debit or as determined by Parkland from time to time. Deliveries to your site will not be less than [REDACTED] litres and quantities are determined by Parkland. Delivery surcharges may apply for "part-load" orders, product returns or demurrage.

The daily pre-authorized debit limit for all monies owing to Parkland by the Dealer will be unlimited.

RETAIL CREDIT AND DEBIT SYSTEM & PROMOTIONS

The equipment and transmission facility monthly rental and maintenance fees are as follows:

- G-site: transmission fee at \$█/month,
- eN-touch: 1 unit(s) at \$█/month
- Manual Imprinter: Yes at \$█/month
- VSAT Satellite: 1 unit at \$█/month
- Speedpass "inside pay" pad : 1 unit at \$█/month

The Esso credit card system will be made available to you. All cards accepted currently attract a █% to █% credit card charge. Debit card transactions currently attract a █ charge. All charges and fees are subject to change from time to time.

The Dealer shall participate fully in all: (i) promotions of the Motor Fuels; and (ii) customer loyalty programs that Esso may implement from time to time, and shall pay all fees in respect of same. Currently the Win & Earn (customer loyalty program) fees are set at \$█ per point issued at your site.

ESSO BRAND SIGNS

Parkland will loan to the Dealer for the term of the Agreement signage to identify the Esso brand. Loaned signs include:

The existing
MID sign and Inserts.
Canopy Inserts.
Led Price Sign

The Dealer shall provide electrical feed to the signs bases and permits.

SITE IMAGE AND MERCHANDISING

Parkland Supplies Option

Parkland will supply the dealer with the following item:

- One Passport Combo with Scanner - currently in storage at NEE - Any upgrades to the system along with installation costs will be the responsibility of the Dealer. This system does not include EMV retrofit kits.

Dealer Orders Option

Parkland will contribute up to [REDACTED] for general site image upgrades and merchandising to be completed by the Dealer at the commencement of the Agreement. Such items may include, but are not limited to, the following:

- pump island merchandising equipment; and
- Uniforms for the Dealer's staff.

This Amount may be secured by way of a bank letter of credit in a form acceptable to Parkland or a collateral mortgage on your site. Agreements in addition to the Agreement may be registered against title. The funds will be issued to the Dealer after the upgrades have been completed along with receipts supporting the upgrades.

RIGHT OF FIRST REFUSAL

The Dealer will grant to Parkland a right of first refusal to purchase your site with an option period of not less than sixty (60) days upon the Dealer's receipt from a third party of a bona fide offer to purchase, lease, sublease assign or in any other way transfer possession of your site, which offer the Dealer is prepared to accept. The Dealer shall execute Parkland's standard form of right of first refusal to give effect to this right, a copy of which is attached hereto.

PROPOSED AGREEMENT

The Agreement and related documentation will be in the standard form specified by Parkland and will be without deletions or revisions.

APPLICABLE LAW AND ENVIRONMENTAL MATTERS

The Dealer will be required to verify compliance with all applicable statutory requirements. The Dealer will comply with all applicable laws, regulations, rules, by-laws, orders and ordinances applicable to the Dealer's business and the site and will maintain all necessary permits to conduct business.

Notwithstanding the statutory requirements, Parkland requires the Dealer to have in place, at a minimum, on all underground Motor Fuels storage tanks the following:

- Spill containment boxes; and
- Overfill prevention valves.
- A tank and line test before the commencement of supply.

CONDITIONS

This letter of intent is conditional upon:

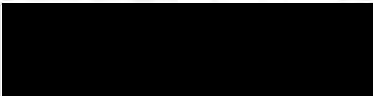
- 1) Parkland's senior management approval of terms and conditions.

CONFIRMATION

This Letter of Intent represents Parkland's understanding of our mutual intent in respect of our negotiations and does not expire.

Please sign the enclosed copies of this Letter of Intent and return two signed copies to me to confirm the status of our negotiations. Upon receipt of your confirmation, I will proceed with soliciting Parkland's senior management approval.

Yours truly,



Richard Lavoie
Territory Manager
Parkland Industries Ltd.

Confirmed on this 14 day of Aug, 2012.

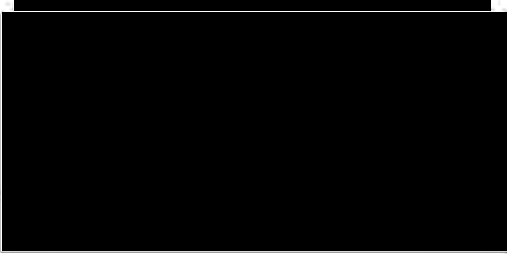
For: C.E. MacTavish Limited



Authorized Signator 2



Witnessed



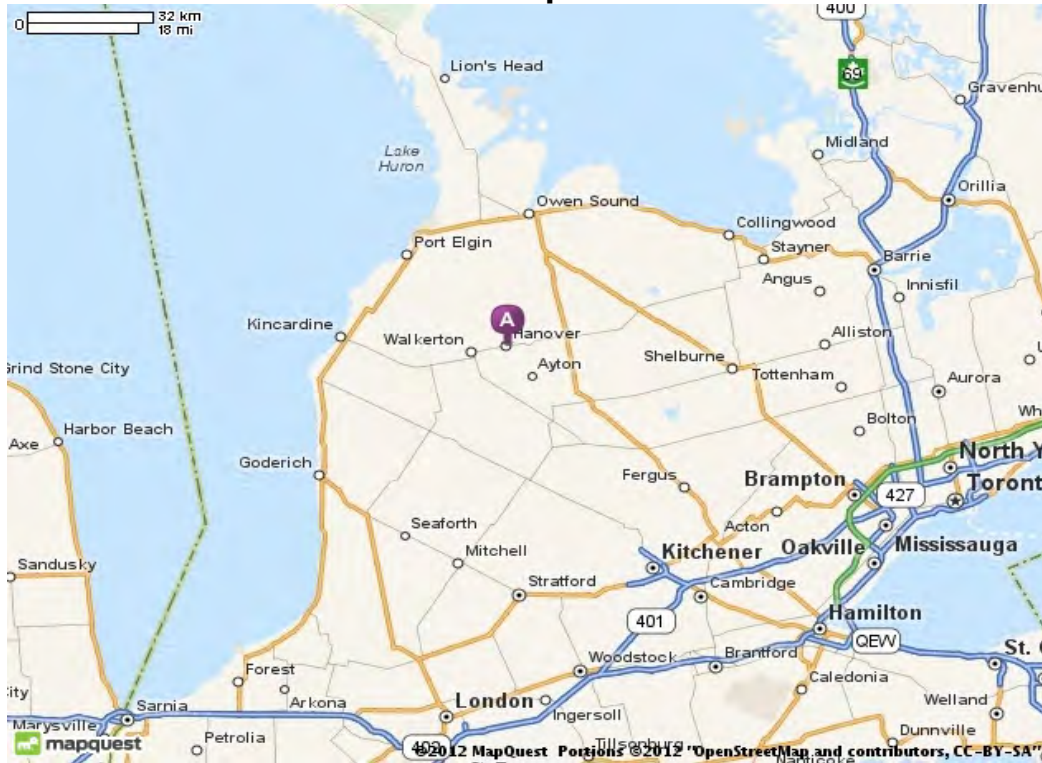
Witnessed

Station Photos



Note: missing panel on MID is being replaced by Dealer with ATM

Maps



Population: 7,000 - 2012 **Primary Economy:** Commercial & Industrial in surrounding area
Banks: All Major Banks **Road/Zone changes:**



Competitors

Name:
Brand: FS
Volume: 1,600,000 Kent Rprt
Op. Model:
Image:
Outlook:



Name:
Brand: Pioneer
Volume: 9,000,000 Kent Rprt
Op. Model:
Image:
Outlook:



Competitors

Name:
Brand: Canadian Tire
Volume: 8,000,000 Kent Rprt
Op. Model: [REDACTED]
Image: [REDACTED]
Outlook: [REDACTED]



Name:
Brand:
Volume:
Op. Model:
Image:
Outlook:

Parkland Fuel Corp.
Income Statement - 12 Month Trended - ACTUALS

Retail Operations - Business Unit(s) - [REDACTED]

TOTAL

A + W LEDGERS COMBINED



Description	JAN - 2012 Month Actual	FEB - 2012 Month Actual	MAR - 2012 Month Actual	APR - 2012 Month Actual	MAY - 2012 Month Actual	JUN - 2012 Month Actual	JUL - 2012 Month Actual	AUG - 2012 Month Actual	SEP - 2012 Month Actual	OCT - 2011 Month Actual	NOV - 2011 Month Actual	DEC - 2011 Month Actual	YTD TOTAL	CPL
Gasoline Volumes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Distillates Volumes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Fuel Volume	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-Fuel Vol (Propane)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Propane Margin CPL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Revenue	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fuel Margin	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Fuel Margin CPL	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Merchandise GP	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Merchandise %	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-Fuel Margin & Other	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
250 Propane Margin	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
270 Lottery Profit	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
280 Percentage Rent	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
282 Other Non-Petroleum Reven	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
283 Car Wash Licensing Fee	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
284 Lottery rental income	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
290 Rental Revenue	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
291 Interest Income	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
293 Other Non-Operating Reven	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Non-Fuel Margin & Other	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Gross Margin	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Expenses:	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Operating Expense	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
400 Labour Costs	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
401 Payroll Burdens	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
420 Fuel & Oil	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
430 Dealer Incentives	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
441 Rent	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
450 Advertising	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
451 Meals & Entertainment	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
452 Promotions	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
480 Repairs & Maintenance	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
470 Environmental	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
480 Telephones & Internet	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
481 Utilities	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
490 Credit Card Costs	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
491 Exchange Gain/Loss	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
510 Travel	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
520 Courier/Freight	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
521 Donations Dues & Subscrip	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
522 Miscellaneous Store Expens	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
523 Supplies	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
524 Uniforms	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
530 Bad Merchandise	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
531 Cash over/short	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
532 Crime/Casualty	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
533 Driveaways	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
535 Merchandise Shortage	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
550 Insurance	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
552 Property Taxes	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
553 Permits	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
552 Management Fees *	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
563 Third Party Freight	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
570 Computer Expense	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
580 Bad Debts (Recovery)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Operating Expense	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
SITE CONTRIBUTION MARGIN *	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
EBITDA	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
MEASURES	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net Costs	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NUOC	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Net Costs (Site Level)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
NUOC (Site Level)	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

LEGAL INFORMATION FORM--RETAIL OPERATIONS		
Reason for Request: Contract Extension/Renewal	Date Submitted: October-19-12	
SITE INFORMATION	OUTGOING DEALER INFORMATION	
Parkland BU #:	51287	Dealer Corporate Name:
Retail Brand:	Esso	Dealer Legal Name:
Territory Manager:	Richard Lavoie	Address:
Dealer Changeover Date:		Town/City:
Site Address:	594 10th Street	Province:
Town/City:	Hanover	Postal Code:
Province:	Ontario	Guarantor Name:
Postal code:	N4N 1R7	
Same Mailing Address (y/n):	No	
Legal Land Description:		
CONTRACT INFORMATON	OUTGOING DEALER LAWYER INFORMATION	
AFE and LOI Required (y/n):	Yes	Lawyer Name:
New dealer assuming existing agreement (y/n):		Address:
Contract commencement date:	November-06-12	Town/City:
Contract expiry date:	December-31-18	Province:
Right of First Refusal (y/n):	Yes	Postal Code:
Contract Extension with changeover (y/n):		Phone number:
-If so, how many additional years?		Email Address:
Minimum Annual Volume (Litres):	[REDACTED]	Send agreement to Lawyer? (y/n)
Dealer Payment (0.00 cpl):	[REDACTED]	
Forgivable Loan (y/n):	[REDACTED]	
Dealer Advance Payment amount:	[REDACTED]	
Load Size (ROS in litres):	[REDACTED]	
POS Transmission fee:	[REDACTED]	
Asset or Share Purchase:	[REDACTED]	
Legal Changeover Fee to be charged (y/n):	[REDACTED]	
Legal Changeover Fee amount (\$)	[REDACTED]	
ON-LOAN EQUIPMENT	<u>Quantity</u>	INCOMING DEALER INFORMATION
MID - Single post 3D image	[REDACTED]	Dealer Corporate Name:
Canopy Inserts (1 per side)	[REDACTED]	Dealer Legal Name:
Price Panel	[REDACTED]	Amount of Security Collected (\$):
VSAT	[REDACTED]	Type of Security on file:
Speedpass Pad	[REDACTED]	Address:
Manual Imprinter	[REDACTED]	Town/City:
eN-Touch POS device	[REDACTED]	Province:
G-site/Passport POS device	[REDACTED]	Postal Code:
Parkland POS device	[REDACTED]	Guarantors Name:
Hurricane Sign Frame	[REDACTED]	Guarantors Address same as above? (y/n):
Pump Topper Sign Frames	[REDACTED]	<u>if different than above:</u>
List Additional Item	[REDACTED]	Address:
List Additional Item	[REDACTED]	Town/City:
Dealer responsible for maintenance of above equipment? (y/n)	[REDACTED]	Province:
		Postal Code:
		Lawyer Name:
		Address:
		Town/City:
		Province:
		Postal Code:
		Phone number:
		Email Address:
		Send agreement to Lawyer? (y/n)

**INSERT CURRENT
FORM 120 HERE**

12 Month Dealer Ops AFE Look-back

Stn #: 51287

Date of AFE Approval: _____

Fuel Brand: Esso

Date of First Delivery: _____

Station Name: MacTavish Fuels

Town/City: Hanover

Province: Ontario

Volume to Date: [REDACTED]

Fuel Margin (cpl): [REDACTED]

Site contribution Margin \$: [REDACTED]

AFE Volume Estimate: [REDACTED]

AFE Fuel Margin Estimate (cpl): [REDACTED]

AFE Contribution Margin Estimate: [REDACTED]

Variance Comments:

Signage/Branding to AFE Deficiencies:

Credit Issues to Date:

Outstanding Items from AFE:

TM Signature:

Date:

DOM Signature:

Date:

TAB H

A handwritten signature in blue ink, appearing to read "Alex Mc Nabb", is written over a horizontal line.

**This is Exhibit H to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

**Proposal for Approval
(AFE)
Dealer Operations**

Type of Project:

PKI Contract Renewal

Location Information:

Mike's Gas Bar and Auto Sales

50936 /

Azilda /

Ontario

September 29, 2014



===== AFE -- Proposal for Approval =====

Prepared by: [Redacted]

Signature: [Redacted]

Project Type: PKI Contract Renewal

Station #: 50936

Town/City: Azilda

Province: Ontario

Contents:

- Approval Sheet
- Executive Summary
- Deal Evaluation
- AFE Budget
- Letter of Intent
- Site Photos
- Maps/Demographics
- Competitive Breakdown
- P&L Statement
- Legal Info Form
- Approved Credit Application
- Form 120
- 12 Month Look-back

Approvals:

Date:

[Redacted Signature]

 Manager, Retail Operations (ROM)

 Sept 29 / 2014

 Legal

Cred [Redacted Signature]

 Controller

 Oct 3, 2014

 Director, Retail Operations

 VP/COO/CEO

 Strategy & Business Development

EXECUTIVE SUMMARY

Station Name: Mike's Gas Bar and Auto Sales
Location/Town: Azilda
Province: Ontario ✓
New or renewal: Renewal ✓
Previous Brand: Esso
Proposed Brand: Esso
Projected Year one volume: [REDACTED] ✓
Projected Commencement Date: 01-Nov-14 ✓
Length Of term: 10 years ✓
Credit approved: [REDACTED] ✓
Rebranding costs: [REDACTED] ✓
Financial Terms (dealer payment amount, forgivable loans, etc): [REDACTED] forgivable loan toward [REDACTED] to be forgiven at rate of [REDACTED] and secured via collateral mortgage on title. Plus additional [REDACTED] payment to dealer to reimburse cost of purchasing a Bullock POS system. ✓
Dealer payment of [REDACTED] cpl. ✓
Processing fee to be increased from \$ [REDACTED] to \$ [REDACTED] for Sudbury Zone Price to reflect market conditions. ✓

Special terms (pre-paid, volume clauses, etc):

[REDACTED] ✓
Payback (# of year and % of term): [REDACTED] ✓
Competitive factors: [REDACTED] ✓

Arne Lazzarotto

From: Arne Lazzarotto
Sent: October-03-14 1:00 PM
To: Rob B. Croft
Subject: RE: Emailing: AFE - Silverdale, Mission-Sept 29.14

On the contingency piece, I'll chat with the Projects team here. My preference is to have enough set up in the AFE amount the first time, so we hit the target and avoid a supplemental.

Arne Lazzarotto | Controller, Retail Fuels Parkland Fuel Corporation #236, 4919-59th Street, Red Deer, AB T4N 6C9 O – 403
[REDACTED]

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-----Original Message-----

From: [REDACTED]
Sent: October-03-14 12:54 PM
To: [REDACTED]
Cc: [REDACTED]
Subject: [REDACTED]

Hi Arne;

1. Rick/Jennifer - let's make sure the supply agreement reflects - [REDACTED]
2. Tough to answer the contingency question Arne - in some cases, we are under the budget set, and other times over - which requires a supplementary AFE (have completed a number of these in the past).

We could look at having a standard (ex: [REDACTED] contingency for all AFE budgets moving forward)?

Thanks.

Rob Croft | Dealer Operations Manager - West Parkland Retail Fuels A division of Parkland Fuel Corporation #236, 4919-59th Street, Red Deer, AB T4N 6C9 [REDACTED]
[REDACTED]

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-----Original Message-----

From: Cheryl A. Sten x2600
Sent: October 3, 2014 11:28 AM
To: Rob B. Croft
Subject: RE: Emailing: AFE - Silverdale, Mission-Sept 29.14

Hey Rob!!

The LOI is a picture of the first page ... it's not embedded object. Can this be sent under separate cover at your earliest.

Thanks.

Cheryl Sten | Administrative Assistant, Company Operations Parkland Retail Fuels A division of Parkland Fuel Corporation
100, 4919 59 Street, Red Deer, AB T4N 6C9 [REDACTED]

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-----Original Message-----

From: Rob B. Croft
Sent: Friday, October 03, 2014 10:45 AM
To: Cheryl A. Sten x2600
Subject: RE: Emailing: AFE - Silverdale, Mission-Sept 29.14

Hi Cheryl;

Did this one get straightened out?

Thanks.

Rob Croft | Dealer Operations Manager - West Parkland Retail Fuels A division of Parkland Fuel Corporation #236, 4919-59th Street, Red Deer, AB T4N 6C9 [REDACTED]

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PUBLIC

813

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-----Original Message-----

From: Cheryl A. Sten x2600
Sent: October 1, 2014 2:30 PM
To: Rob B. Croft
Subject: RE: Emailing: AFE - Silverdale, Mission-Sept 29.14

Hi,

Arne only saw the first page of the LOI. Could you please provide the other pages at your earliest.

Thanks.

Cheryl Sten | Administrative Assistant, Company Operations Parkland Retail Fuels A division of Parkland Fuel Corporation
100, 4919 59 Street, Red Deer, AB T4N 6C9 [REDACTED]

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-----Original Message-----

From: Rob B. Croft
Sent: Wednesday, October 01, 2014 10:21 AM
To: Cheryl A. Sten x2600
Cc: Arne Lazzarotto; Scott McKelvie x6502
Subject: FW: Emailing: AFE - Silverdale, Mission-Sept 29.14
Importance: High

Hi Cheryl;

As mentioned, this one is [REDACTED], with the potential of being [REDACTED] in BC.

Please stay close to this one - hoping for a quick approval so we can get contracts in the dealer's hands within 10 days.

Thanks.

Rob Croft | Dealer Operations Manager - West Parkland Retail Fuels A division of Parkland Fuel Corporation #236, 4919-59th Street, Red Deer, AB T4N 6C9 [REDACTED]

AFE attached for Silverdale Mission - Chevron green-build.

Hoping you can expedite this one please.

Jennifer- Similar to the Qualicum Chevron opportunity - could you please prepare the Supply agreement in advance of your vacation (Rick and I can then forward on after the AFE is approved).

Thanks.

Rob Croft | Dealer Operations Manager - West Parkland Retail Fuels A division of Parkland Fuel Corporation #236, 4919-59th Street, Red Deer, AB T4N 6C9 [REDACTED]
[REDACTED]

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-----Original Message-----

From: Rick Sandhu
Sent: September 29, 2014 10:21 AM
To: Rob B. Croft
Subject: Emailing: AFE - Silverdale, Mission-Sept 29.14

Your message is ready to be sent with the following file or link attachments:

AFE - Silverdale, Mission-Sept 29.14

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

Site and Pricing Detail

	Prior 12 Months	Proposed Deal
Location	50936	50936
Brand	Esso	Esso
Annual Volume (litres)	[REDACTED]	[REDACTED]
Term of Deal (Years)	1	10
Rack Forward (Zone) Margin (\$/L)	[REDACTED]	[REDACTED]
Supply Margin (\$/L)	[REDACTED]	[REDACTED]
Gross Margin (\$/L)	[REDACTED]	[REDACTED]
Gross Margin (\$'s)	[REDACTED]	[REDACTED]
Annual Allowances	[REDACTED]	[REDACTED]
Allowances CPL	[REDACTED]	[REDACTED]
Dealer Payment (\$/L)	[REDACTED]	[REDACTED]
Litre Log	[REDACTED]	[REDACTED]
Contribution Margin (\$/L)	0.0275	0.0240
Annual Contribution Margin (\$'s)	\$61,593	\$50,562

Contract Offer

[REDACTED]	[REDACTED]
Total Cash Cost to Sign	[REDACTED]
Payback (% of term)	[REDACTED]
Payback Term on Cash Cost to Sign (Years)	[REDACTED]
*Note: payback term reduced if Up-front \$'s repayable, see Cash Flow	
Max. Payback Yrs.	[REDACTED]
Max. Payback Yrs.	[REDACTED]
Cost of Capital	[REDACTED]
Cash Value Added (CVA)* yr 1	[REDACTED]

*CVA represents cash flow, after financing cost of capital is included.
 *Negative CVA means Parkland lost cash flow in year 1 to make the deal.

Summary

Full Term Gross Margin (\$' \$)	[REDACTED]
Cash Cost to Sign	[REDACTED]
Full Term Dealer Payments	[REDACTED]
Full Term Allowances	[REDACTED]
Pre-Paid Dp recovered	[REDACTED]
Full Term Offer Package (\$ - \$)	[REDACTED]
Litre Log	[REDACTED]
Full Term Contribution Margin (\$'s)	[REDACTED]
Net Present Value - Contrib Margin (\$'s)	[REDACTED]
Return on Investment (ROI)	[REDACTED]

Year	Cumulative Cash Flow	In-Year Cash Flow
Start		\$
1	-\$	\$
2	-\$	\$
3	-\$	\$
4	-\$	\$
5	-\$	\$
6	-\$	\$
7	-\$	\$
8	-\$	\$
9	-\$	\$
10	-\$	\$
11	-\$	\$
12	-\$	\$
13	-\$	\$
14	-\$	\$
15	-\$	\$
16	-\$	\$
17	-\$	\$
18	-\$	\$
19	-\$	\$
20	-\$	\$

TM COMMENTS:

Prior 12 Months volume is 2013 Annual Volume.
 Proposed deal volume is rolling 12 to August 2014
 Planned processing fee increase of \$ [REDACTED] from \$ [REDACTED] to \$ [REDACTED]
 [REDACTED]

AFE BUDGET				
Station #		50936		
Town/City:		Azilda		Province: Ontario
	Description	Item Cost	Approved AFE budget	Supplier
ENGINEERING				
	Engineering Total:			
Building-Exterior				
Building-Interior	Scope of Work:			
	Building Total:			
Interior Equipment				
Interior Building - Fixturing				
	Interior Total:			
INFONET				
	Infonet Total:			
LAND IMPROVEMENTS				
	Land Improvement Total:			
SITE SERVICES				
Site painting				
	Site Services Total:			
CANOPY / FORECOURT				
3D "Esso" canopy fascia				
	Canopy/Forecourt Total:			
PETROLEUM SYSTEMS				
	Petroleum Systems Total:			
DISPENSERS				
Decals for dispensers				
	Dispensers Total:			
SIGNAGE				
MID Sign and lenses				
LED Price Panel				
	Signage Total:			
OTHER				
	Other Total:			
PROVINCIAL SALES TAX	(where applicable)			
	PST Total:			
CONTINGENCY				
	TOTAL:			



Parkland Industries Ltd.
#236, 4919 - 59 Street
Red Deer, Alberta
T4N 6C9

Leon Chabot
Territory Manager
ESSO Branded Operations

21/11/14
August 13, 2014

PRIVATE AND CONFIDENTIAL

1141435 Ontario Limited
51 Notre Dame Street West
Azilda, Ontario
P0M 1B0

Attention:

Re: Letter of Intent for 51 Notre Dame Street West, Azilda, Ontario ("your site")

Dear

This letter ("Letter of Intent") confirms our mutual intent to complete our current negotiations with respect to the operation of an Esso-branded service station at your site. You must confirm the proposed principal terms set out in this Letter of Intent before Parkland Industries Limited ("Parkland") can proceed.

We understand that you, 1141435 Ontario Limited (the "Dealer"), plan to operate your site at 51 Notre Dame Street West in Azilda as a dealer carrying on business as Mike's Gas Bar and Auto Sales, and that you wish to enter into an Esso Branded Motor Fuel Supply Agreement (the "Agreement") to operate this site as an Esso branded service station.

This Letter of Intent does not bind Parkland until it has been executed in Parkland's Head Office in Alberta. This Letter of Intent does bind the Dealer once the Dealer signs it. If this Letter of Intent is approved by Parkland senior management, the Dealer must execute the standard Agreement which will follow.

The following are certain proposed principal terms:

INTENT

If the Dealer signs this Letter of Intent, and if it is approved by Parkland senior management, Parkland will be pleased to enter into an Agreement, which identifies Parkland as "Distributor".

TERM & COMMENCEMENT DATE

The term of the Agreement will be for [redacted] commencing on or about **October 1, 2014** and terminating **September 30, 2024**.

DEALER PAYMENT

Parkland will pay a Dealer Payment of [redacted] cents (plus applicable taxes) for each litre of Motor Fuels purchased by the Dealer from Parkland. The Dealer Payment will be paid monthly in arrears by cheque or electronic bank deposit, as determined by Parkland.

Esso LOI/September 2013

FORGIVABLE LOAN

Parkland will provide a forgivable loan up to a maximum of [REDACTED] (the "Loan") to be used towards site improvements at your site. Such improvements include, but are not limited to: ^^

- the replacement of underground petroleum tanks and lines.

Planning, design and construction of the improvements are the sole responsibility of the Dealer, but are subject to Parkland's approval. [REDACTED]

Parkland will advance the Loan only if the improvements are completed and receipts submitted on time. Improvements must be completed within [REDACTED] months of the commencement date of the Agreement. The Dealer must submit receipts and request the Loan within 15 months of the commencement date of the Agreement.

Parkland may secure the Loan by a letter of credit in a form acceptable to Parkland, or a collateral mortgage. The security may be registered as an encumbrance on title.

The Loan will be forgiven at the rate of [REDACTED] for each litre of Esso Branded motor fuels purchased by the Dealer under the Agreement, starting with the first load purchased after the Loan is advanced.

MINIMUM ANNUAL VOLUME

The Minimum Purchase Obligation for every consecutive twelve (12) month period of the Agreement is [REDACTED] litres of Motor Fuels. If the Dealer fails to meet eighty percent (80%) of the Minimum Purchase Obligation, Parkland may terminate the Agreement immediately on notice.

PRODUCT PRICING (MOTOR FUELS)

Wholesale pricing for Motor Fuels will be at Parkland's prevailing Esso Dealer Price in the Dealer's market area. Wholesale prices are determined at time of load. The retail pump price is set by the Dealer. Retail margins vary with local conditions.

DELIVERIES & PAYMENT TERMS

Motor Fuels are delivered from a supply point determined by Parkland. Payment terms for the Motor Fuels are [REDACTED] and funds must be immediately available. Parkland may collect payment for Motor Fuels via pre-authorized debit or as determined by Parkland from time to time. The daily pre-authorized debit limit for all monies owing to Parkland by the Dealer must be unlimited. Orders and deliveries of Motor Fuels must be full loads [REDACTED] litres). Delivery quantities for Petroleum Products are determined by Parkland. Delivery surcharges may apply for "part-load" orders, product returns or demurrage.

CREDIT AND DEBIT SYSTEM & PROMOTIONS

Parkland will provide (via Imperial Oil) point of sale (POS) equipment and electronic transmission facilities for credit and debit cards, and the Esso promotional program application for the Dealer's use.

The Dealer will pay a flat monthly fee for transmission and maintenance and repair of equipment, currently set at [REDACTED].

The Esso credit card system will be made available to you. Currently, all credit card transactions bear a [REDACTED] fee, except Esso Fleet cards which bear a [REDACTED] fee. A [REDACTED] fee currently applies to each debit card transaction. All fees are subject to change from time to time.

The Dealer must participate fully in and pay any applicable fees for: (i) promotions of the Motor Fuels; and (ii) customer loyalty programs that Esso may implement from time to time. Currently the Win & Earn (customer loyalty program) fees are set at [REDACTED] per point. ✓

SECURITY DEPOSIT

If required by Parkland the Dealer will provide a security deposit not to exceed \$ [REDACTED] ✓

ESSO BRAND SIGNS & IDENTIFICATION

Parkland will loan to the Dealer signage to identify the Esso brand during the term of the Agreement. Loaned signs include:

- 1 Set Major Identification Sign Inserts (EXISTING) [REDACTED] ✓
- 1 Set Illuminated Canopy flex fascia and frames (EXISTING)

Parkland will supply and install all such signs. The Dealer will provide electrical feed to the signs, electrical hook up, concrete bases, and obtain any required permits.

SITE IMAGE AND MERCHANDISING

Parkland will reimburse up to \$ [REDACTED] for general site image upgrades and merchandising to be completed by the Dealer at the commencement of the Agreement. The Dealer must purchase the upgrade and merchandising items from Parkland's recommended suppliers. Such items may include, but are not limited to, the following:

- Toward the purchase of a Bullock POS/pump controller system ✓
- Toward re-decaling dispensers.
- Uniforms

The Dealer must provide satisfactory evidence of payment for the purchase of upgrades or merchandising.

APPLICABLE LAW & ENVIRONMENTAL MATTERS

The Dealer must verify compliance with all applicable statutory requirements. The Dealer must provide a satisfactory report from a tank and line test before the commencement of supply.

The Dealer will comply with all applicable laws, regulations, and by-laws applicable to the Dealer's business, and must maintain all permits necessary to conduct business.

Notwithstanding the statutory requirements, Parkland requires the Dealer to have in place on all underground Motor Fuels storage tanks at a minimum, the following:

- Spill containment boxes; and
- Overfill prevention valves.

RIGHT OF FIRST REFUSAL

The Dealer will grant to Parkland a right of first refusal to purchase or lease the site if the Dealer receives a bona fide third party offer to purchase, lease, sublease, assign, or in any other way transfer possession of the site, which offer the Dealer is prepared to accept. The Dealer must immediately provide Parkland with a copy of the offer, and Parkland will have sixty (60) days from receipt to exercise its right of first refusal.

ASSIGNMENT

The Dealer may not assign the Agreement or part with any interest in it, unless the Dealer obtains Parkland's consent, which will not be unreasonably withheld or delayed. ✓

GUARANTORS

All directors of the Dealer are required to guarantee the obligations of the Dealer and must execute personal guarantees.

CONFIDENTIALITY

The Dealer acknowledges that this letter of intent contains confidential commercial information, and the Dealer will not disclose the contents of this letter to anyone other than the Dealer's legal and financial advisors.

PROPOSED AGREEMENT

The Agreement and related documentation will be in Parkland's standard form and may not be revised.

CONDITIONS

This letter of intent is conditional upon:

- 1) Satisfactory credit review by Parkland's Credit department;
- 2) Satisfactory site review by Parkland's distribution department; and
- 3) Parkland's senior management approval of terms and conditions.

CONFIRMATION

This Letter of Intent represents Parkland's understanding of our mutual intent in respect of our negotiations, and will remain in effect until June 30, 2015.

Please sign and date the both copies of this Letter of Intent and return one to me to confirm the status of our negotiations. Once I receive it, I will start the process to obtain Parkland's senior management approval.

Yours truly,
Parkland Industries Ltd



Leon Chabot
Territory Manager
North Central Ontario

Confirmed on this 19 day of Sept, 2014.

1141435 Ontario Limited

Per:

Per:

Station Photos





Population: 16,000 (Azilda/Chelmsford) Primary Economy: Mining
Banks: Road/Zone changes:



Competitors

Name: Byrnes Gulf Station
Brand: Unbranded
Volume: [REDACTED]
Op. Model: [REDACTED]
Image: [REDACTED]
Outlook: [REDACTED]



Name: Chelmsford Pioneer
Brand: Pioneer
Volume: [REDACTED]
Op. Model: [REDACTED]
Image: [REDACTED]
Outlook: [REDACTED]



Name: Berthiaume Service Centre (Chelmsford)
Brand: Esso
Volume: [REDACTED]
Op. Model: [REDACTED]
Image: [REDACTED]
Outlook: [REDACTED]





Name: Chelmsford Canadian Tire
Brand: Canadian Tire
Volume: [REDACTED]
Op. Model: [REDACTED]
Image: [REDACTED]
Outlook: [REDACTED]



Name: Ducarmen Petro Canada
Brand: Petro-Canada
Volume: [REDACTED]
Op. Model: [REDACTED]
Image: [REDACTED]
Outlook: [REDACTED]



Parkland Fuel Corporation Income Statement (Pub.) Retail Operations - Business Unit(s) 2039 - AZULDA ESSO		Year to Date - DEC - 2013	
Actual	Budget	Actual	Budget
chf.	chf.	chf.	chf.
Current Month - DEC - 2013		Year to Date - DEC - 2013	
Actual	Budget	Actual	Budget
chf.	chf.	chf.	chf.
Price Year	Price Year	Price Year	Price Year
chf.	chf.	chf.	chf.
Description Volume (Litres)			
Gasoline & Diesel Retail Gasoline & Diesel Programs Total Fuel Volume			
Fuel Revenue / (Discounts) Gasoline & Diesel Fuel Discounts Fuel Revenue Amortization - Forgivable Loan Dealer Payment Leasehold Intangible Leasehold Intangible Net Gasoline & Diesel Programs Total Fuel Revenue			
Cost of Goods Sold Shrinkage (Over/Short) Programs Total Fuel COGS			
Gross Profit Gasoline & Diesel Programs Total Fuel Gross Profit			
Other Non-Fuel Gross Profit ATM Transaction Fees Car Wash & Rent Car Wash & Rent Laundry & Rent Phonecard & Rent Facility Rent Other Vendor Rebates Non-Compliance Charges Interest - Paid Due Accounts Company E-OP Total Other Non-Fuel Gross Profit			
Total Gross Profit			
Operating Expenses: Retailer Commissions Retailer Bonus Salary Advertising Meals & Entertainment Promotions Fire Log Transaction Fees Fire Log Transaction Fees Environmental Environmental Telephones & Internet Utilities Utilities Miscellaneous Store Expense Supplies Uniforms Insurance Insurance Permits Permits Computer & Software Computer & Software Computer & Software Company E-OP Total Operating Expenses			
EBITDA EBITDA Allocation EBITDA			
NET UNIT Operating Costs (NUOC) Company Loan Sales Allowance (Excludes AQAA allocation) Shrinkage (Over/Short - Litres) Gasoline Diesel			

LEGAL INFORMATION FORM--RETAIL OPERATIONS

Reason for Request: PKI Contract Renewal

Date Submitted: September-22-14

SITE INFORMATION

Parkland BU #: 50936
 Retail Brand: Esso
 Territory Manager: Leon Chabot
 Dealer Changeover Date: 51, Notre Dame Street West
 Site Address: Azilda
 Town/City: Ontario
 Province: P0M 1B0
 Postal code: Y
 Same Mailing Address (y/n): PCL 27529 SEC SWS; PT LT 5 CON 2 Rayside
 Legal Land Description: PT 253f9334; Greater Sudbury

DEALER INFORMATION

Dealer Corporate Name: 1141435 Ontario Limited
 Dealer Legal Name: [Redacted]
 Address: [Redacted] (same as station)
 Town/City: [Redacted]
 Province: [Redacted]
 Postal Code: [Redacted]
 Guarantor Name: [Redacted]

DEALER-LAWYER INFORMATION

Lawyer Name: Information to come.

Address: [Redacted]
 Town/City: [Redacted]
 Province: [Redacted]
 Postal Code: [Redacted]
 Phone number: [Redacted]
 Email Address: [Redacted]
 Send agreement to Lawyer? (y/n)

INCOMING DEALER INFORMATION (if changed)

Dealer Corporate Name: [Redacted]
 Dealer Legal Name: [Redacted]
 Amount of Security Collected (\$): [Redacted]
 Type of Security on file: [Redacted]
 Address: [Redacted]
 Town/City: [Redacted]
 Province: [Redacted]
 Postal Code: [Redacted]
 Guarantors Name: [Redacted]
 Guarantors Address same as above? (y/n): [Redacted]

If different than above:

Address: [Redacted]
 Town/City: [Redacted]
 Province: [Redacted]
 Postal Code: [Redacted]

INCOMING DEALER-LAWYER INFORMATION

Lawyer Name: [Redacted]
 Address: [Redacted]
 Town/City: [Redacted]
 Province: [Redacted]
 Postal Code: [Redacted]
 Phone number: [Redacted]
 Email Address: [Redacted]
 Send agreement to Lawyer? (y/n)

CONTRACT INFORMATION (for changeover and AFE)

AFE and LOI Required (y/n): Y
 New dealer assuming existing agreement (y/n): N
 Contract commencement date: November-01-14
 Contract expiry date: October-31-24
 Right of First Refusal (y/n): Y
 Contract Extension (y/n): N
 -if so, how many additional years? [Redacted]
 Minimum Annual Volume (Litres): [Redacted]
 Dealer Payment (0.00 cpl): [Redacted]
 Forgivable Loan (y/n): [Redacted]
 Forgivable Loan amount: [Redacted]
 Forgivable Loan write down amount (\$0,000/litre): [Redacted]
 Load Size (ROS in litres): [Redacted]
 POS Transmission fee/month: [Redacted]
 Legal Changeover Fee to be charged (y/n): [Redacted]
 Legal Changeover Fee amount (\$): [Redacted]

ON-LOAN EQUIPMENT

	Quantity
MID Inserts (1 per side)	[Redacted]
Canopy Inserts & boxes (1 per side)	[Redacted]
Price Panel	[Redacted]
VSAT	[Redacted]
Speedpass Pad	[Redacted]
Manual Imprinter	[Redacted]
eN-Touch POS device	[Redacted]
G-site/Passport POS device	[Redacted]
Parkland POS device	[Redacted]
Hurricane Sign Frame	[Redacted]
Pump Topper Sign Frames	[Redacted]
List Additional Item	[Redacted]
List Additional Item	[Redacted]
Dealer responsible for maintenance of above equipment? (y/n)	[Redacted]

Leon P. Chabot

From: Marvella S. Lambert x6587
Sent: September-22-14 10:22 AM
To: Leon P. Chabot
Subject: RE: 50936 - Azilda Dealer credit inquiry

This site is on [REDACTED] terms as is a [REDACTED] ✓

Thank you,

Marvella Lambert | Retail Credit Representative
Parkland Fuel Corporation
#236, 4919 – 59 Street, Red Deer, AB T4N 6C9

From: Leon P. Chabot
Sent: 22-Sep-14 7:38 AM
To: Marvella S. Lambert x6587; Angelita Iliscupidez x6599
Subject: 50936 - Azilda Dealer credit inquiry

Hello Marvella and Angelita,

Azilda dealer is renewing his supply agreement. For purposes of AFE, please can you provide your comments regarding his credit and payment history.

Thanks,

Leon Chabot | Territory Manager (North Central Ontario)
Parkland Fuel Corporation
Retail Operations East
#236, 4919-59th Street, Red Deer, AB T4N 6C9

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Parklar FUEL CORPORAT

Form 120 - Station Information Form

To Enter New Data: Complete fields as shown. If mandatory data is missing, the form may be returned to you

****Please remember to submit a FULL pump tank/layout form to Service Desk for any new stations, station re-openings, or pump/tank replacements****

Form Details

Today's Date Form Effective Date
 Address Book # Or New Account
 Operating Model
 Renewal Closure / Sold* Conversion General Update New Site Greenbuild
*Fill out Section 3.0

Comments

Note: Special instructions shown as (D) Dealer or (C) Commission in red text. When shown, this information is mandatory for Dealer or Commission. Any Forms with incomplete information or missing mandatory information will be returned. If the field is not applicable please enter NA.

Table of Contents (Check each box where changes have been made)

- Store Information: (Section 1.0)
- Business Unit Information: (Section 1.1)
- Description of Fuel Business : (Section 1.2)
- Commission and Dealer Information: (Section 2.0)
- Regulatory Numbers: (Section 2.1)
- Invoices, Statements & Billing Information: (Section 2.2)
- Rate Information: (Section 2.3)
- Other Pricing Considerations: (Section 2.4)
- Category Codes: (Section 2.5)
- Outgoing Operators: (Section 2.6)
- Landlord Contact Information: (Section 2.7)
- Site Closure / Sold: (Section 3.0)

Office Use Only	
Business Unit Number	Supplier Rack Cross Reference
<input type="text" value="50936"/>	<input type="text" value="Esso Toronto"/>
Address Book Number	Landed Cost Rule
<input type="text" value="405810"/>	<input type="text" value="FED, FEG"/>

Store Information: (Section 1.0) d,c

Site Number Alternate Site number

Open Date Close Date

Store Name

Street Address

Mailing Address

Legal Land Desc

City Province Postal

Phone Number Fax number

E-mail Address

Hours of Operations AM - PM or 24 hours

Weekend Hours if different: AM - PM

Business Unit Information: (Section 1.1) d,c

All category codes should be the future operation of the site.

Cat Code 1 Division <input type="text" value="Retail"/>	Cat Code 2 Operating Group <input type="text" value="DEA Dealer"/>	Cat Code 3 Operating Type <input type="text" value="[REDACTED]"/>	Cat Code 4 Fuel Brand <input type="text" value="IOL Esso"/>
Cat Code 5 Director <input type="text" value="Scott McKelvie"/>	Cat Code 6 Regional Manager <input type="text" value="Rob W"/>	Cat Code 7 Territory Manager <input type="text" value="Leon Chabot"/>	Cat Code 8 C-Store Brand <input type="text" value="UNB Unbranded"/>
Cat Code 10 Province <input type="text" value="ON"/>	Cat Code 11 C-Store Size <input type="text" value="001 0 - 500 Ft"/>	Cat Code 13 Need to POS Type <input type="checkbox"/> Order POS <input type="checkbox"/> Yes <input type="text" value="Moneris termi"/>	Cat Code 18 Current State <input type="text" value="SS Same Store"/>
Cat Code 19 Transition <input type="text" value="0"/>	Cat Code 20 Agreement <input type="text" value="0"/>	Cat Code 21 Region <input type="text" value="CON Central ON"/>	

Description of Fuel Business : (Section 1.2) d,c

Product	Tank #	# of Pumps	# of Hoses	AST/UST	Size	Type	Manufacturer
Regular	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	ST	Unknown
Premium	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	ST	Unknown
Diesel	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	ST	Unknown
Midgrade	[REDACTED]						

Carrier	[Redacted]	Local Rack	[Redacted]	2
ROS	[Redacted]	Pump Island Config	H Style	
Cathodic	No	# of Piezos	5	
Tank Permit #	Unknown	Tank Permits	Unknown	
Tank Upgrades	Unknown	Environmental Report	Unavailable	

Service Full

Supply Agreement Expiry Date

Supply Agreement Renewal Date

Delivery Instructions

[Redacted]

Note: Special instructions shown as (D) Dealer or (C) Commission in red text. When shown, this information is mandatory for Dealer or Commission. Any Forms with incomplete information or missing mandatory information will be returned. If the field is not applicable please enter NA.

Commission and Dealer Information: (Section 2.0) D,C

Legal Name Contract End Date

Operating As Renewal Options

First Name Last

Residential Mailing Address Address same as Business Unit

Address 1

Address 2

Address 3

City Province Postal

Business E-mail Address

Customer Phone

Cell Phone

Fax

Drivers License # Other

Date of Birth

Emergency Contact Name

Phone Number

Name of Insurance Company C

Address Phone # C

City Province Postal

Alarm Company Phone # C

Regulatory Numbers: (Section 2.1) D,C

GST # HST #

PST # WCB #

Tax Exempt Certificate # Expiry Date

Describe any special Tax considerations

Tax Rate Area:

Invoices, Statements & Billing Information: (Section 2.2)

Send Price Sheets via: E-mail or Fax numbers

Send Invoices via:

Send Statements via:

Send EFT notification via:

Indicate Special requirements

Payment Terms Credit Limit Requested

Credit application Attached Credit Approved

AR / AP Netting

Security Deposit Letter of Credit

Deposit Requirements

Rate Information: (Section 2.3)

Performance Rents

In Store % Tobacco % Phone Card %

Car Wash % Lottery Rent* * \$ or %

Commission Rates

Gas Commission Rate Diesel Commission Rate

Propane Commission Rate

Freight Rates

Freight Rate Gas Freight Rate Diesel

Fuel Surcharge

Gas Diesel

Processing Fees

Zone Rate Adjustment Schedule

Regular Rate Diesel Rate

Premium Rate Add'l Product Rate

Cross Lease

Gas Rate / Litre Diesel Rate / Litre

Paid to:

**If Paid to Landlord, please fill in section 2.7 at the end of this document

***Fuel rates noted above are cents per litre (1.5 CPL should be displayed as .015)

Credit Card Re-bill Rates

Visa % Master Card % Amex % Debit

Fleet Card % Third Party%

Monthly Rentals / Allowance

POS Rent / Month
 Maintenance Re-Bill
 Maintenance Allowance
 Promotional Allowance

b,c

Store Rent (monthly)
 Daily Rent
 Uniform Allowance
 Other Allowance

Utility Re-bills

Power %
 Gas %
 Taxes %
 Other %

c

Water / Sewer %
 Garbage %
 BU License
 Comments:

None	

Other Pricing Considerations: (Section 2.4) b

Long Term Receivables (Describe)

CPL Deduction

--

none

Forgivable Loans (Describe)

CPL Deduction

--

N/A

On Loan form Complete

Yes

Describe

See agreement asset list

Category Codes: (Section 2.5) bc

01. Price Sheets

--

02. Provincial Fuel Tax

ON Ontario PFT

03. Transit Tax

NA

04. Geographic Region

ON

05. Zone Rebate

NA

06. Tax Rebates

NA

08. AR Reporting

S Esso RBD

10. Dealer or RBD

RBD

12. Industry Classification

Dealer

Outgoing Operators: (Section 2.6) bc

Operators Name

0

Account #

0

Legal Name

0

Address 2

0

City

0

Province

0

Postal

0

E-mail Address

0

Home Phone

0

Cell Phone

Comment

Landlord Contact Information: (Section 2.7)

**Use this section if the Cross Lease needs to be paid to the Landlord, Address Book Setup as special payee

Company Name

Address Book #

Address 2

Address 3

City Province Postal

E-mail Address

Office Phone

Cell Phone

Fax

EFT notification

Site Closure / Sold: (Section 3.0)

Please identify how the utilities and other property related expenses should be handled after the closure

<input type="text" value="0"/>		Effective	<input type="text" value="0"/>		
Utility	Disconnect	Effective	Utility	Disconnect	Effective
Power	<input type="text" value="0"/>	<input type="text" value="0"/>	Water / Sewer	<input type="text" value="0"/>	<input type="text" value="0"/>
Gas	<input type="text" value="0"/>	<input type="text" value="0"/>	Garbage	<input type="text" value="0"/>	<input type="text" value="0"/>
Insurance	<input type="text" value="0"/>	<input type="text" value="0"/>	Property Taxes	<input type="text" value="0"/>	<input type="text" value="0"/>
De-Branding	<input type="text" value="0"/>	<input type="text" value="0"/>	Other	<input type="text" value="0"/>	<input type="text" value="0"/>

Equipment to be removed	<input type="text" value="0"/>	(Describe)	Equipment to remain	(describe)
<input type="text" value="0"/>				

12 Month Dealer Ops AFE Look-back

Stn #: 50936
 Fuel Brand: Esso
 Station Name: Mike's Gas Bar and Auto Sales
 Town/City: Azilda
 Province: Ontario
 Volume to Date: _____
 Fuel Margin (cpl): _____
 EBITDA: _____

Date of AFE Approval: _____
 Date of First Delivery: _____

	Variance	Comments:
AFE Volume Estimate: _____	0	_____
AFE Fuel Margin Estimate (cpl): _____	0	_____
AFE EBITDA Estimate: _____	0	_____

Signage/Branding to AFE Deficiencies:

Credit Issues to Date:

Outstanding Items from AFE:

TM Signature: _____

Date: _____

ROM Signature: _____

Date: _____

TAB I

A handwritten signature in blue ink, appearing to read "Anthony D. Williams", is written over a horizontal line.

**This is Exhibit I to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

CANADA
PROVINCE OF ONTARIO
PROVINCE DE L'ONTARIO

Court File No.

12-0420

**IN THE SUPERIOR COURT OF ONTARIO
COUR SUPERIEURE DE L'ONTARIO
(EAST REGION/EST RÉGION)**

**BETWEEN:
ENTRE:**

**HER MAJESTY THE QUEEN
SA MAJESTE LA REINE**

-and-
-et-

PIONEER ENERGY LP

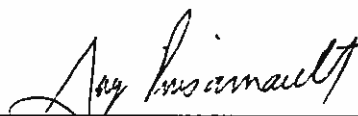
**INDICTMENT
ACTE D'ACCUSATION**

PIONEER ENERGY LP

STANDS CHARGED THAT IT/ EST ACCUSÉ

(1) Between the 30th day of May, 2007 and the 14th day of November, 2007 at the Cities of Brockville and Kingston did unlawfully conspire, combine, agree or arrange with Mr. Gas Limited, Canadian Tire Corporation and others to prevent or lessen unduly competition in the sale or supply, in the Brockville - Kingston market, of retail gasoline sold at branded retail gasoline stations contrary to paragraph 45(1)(c) of the *Competition Act*, and did thereby commit an indictable offence contrary to that paragraph of the *Competition Act*.

DATED THIS 20th DAY OF MARCH, 2012,
FAIT LE 20^{ième} JOUR DE MARS 2012,
AT/À BROCKVILLE, ONTARIO



Guy Pinsonnault
Counsel for the Director of Public Prosecutions
of Canada / Procureur pour le Directeur des
poursuites pénales du Canada

FILED IN COURT
MAR 20 2012

Arraigned:

Plea: Guilty

Verdict: Guilty

Sentence:

Fine \$985,000.00 - 60 DAYS TO PAY

PROHIBITION ORDER - S 34(1) ^{#1} + ~~S 35(1)~~ ^{#2} "Competition Act"
- 10 years. Competition Act.



FILED IN COURT
MAR 20 2012

ONTARIO SUPERIOR COURT OF JUSTICE
(EAST REGION)

Her Majesty the Queen

v.

Pioneer Energy LP

AGREED STATEMENT OF ADMISSIONS BY ACCUSED
PURSUANT TO SECTION 655 OF THE CRIMINAL CODE

THE ACCUSED:

1. Pioneer Energy LP ("Pioneer") is a Limited Partnership that during the relevant time period engaged in the sale of retail gasoline and other petroleum products through Pioneer branded gasoline stations in Ontario.

THE PRODUCT: RETAIL GASOLINE

2. The relevant product is retail gasoline used primarily in automobiles, sold at branded retail gasoline stations. Gasoline supplied at the retail level is a light petroleum product with a mixture of complex volatile hydrocarbons to which other additives are sometimes added. There is virtually no viable substitute for retail gasoline sold at gasoline stations and it is virtually the same product at each gasoline station.

THE OFFENCE:

3. Between May 30, 2007 and November 14, 2007 (the "relevant time period"), Pioneer's pricing strategy was to follow major branded gasoline retailers with respect to pricing. This meant that Pioneer would rarely lead price changes (up or down), but would rather only follow branded major retailers' initiated price increases ("price restorations").
4. During the relevant time period, in response to the price restorations initiated by branded-major retailers, the Pioneer Regional Territory Manager ("RTM") engaged in communications with the RTMs of Canadian Tire and Mr. Gas concerning Brockville and with the TRMs of Canadian Tire concerning Kingston, and others (collectively the "Co-

conspirators") during which they exchanged information on price restorations and on pricing strategies (the "Communications"). The RTMs discussed the prices that their respective branded-sites intended to charge and the timing for implementation of these prices with the understanding and expectation that they would increase the price as agreed upon.

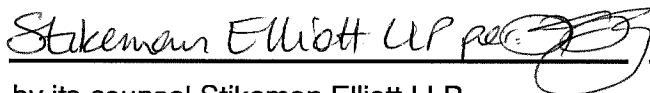
5. Timely and co-ordinated support of any major branded initiated restoration by retailers such as Pioneer and the other Co-conspirators raised the likelihood the restoration would succeed, stabilizing the market at sustainable higher retail gasoline prices.
6. Pioneer's total volume of commerce in the Brockville-Kingston regional market for retail gasoline during the relevant time period was approximately \$7.5M.

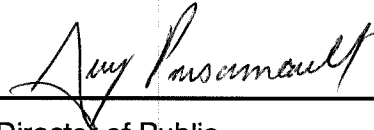
CONCLUSION:

7. Pioneer admits the above facts, except where otherwise indicated, pursuant to section 655 of the *Criminal Code*, solely for the purpose of dispensing with their proof at trial on this proceeding and for no other purpose.
8. Pioneer acknowledges, on the basis of its admission of the facts set out here, that with respect to the agreement alleged in the indictment, all the constituent elements of an indictable offence under sub-paragraph 45(1)(c) of the *Competition Act* as it was during the relevant period have been established.
9. The parties agree that this document may be executed by facsimile or in counterparts.

Pioneer Energy LP

Her Majesty the Queen





by its counsel Stikeman Elliott LLP

For the Director of Public

Prosecutions of Canada

March 20, 2012

March 20, 2012

**ONTARIO
SUPERIOR COURT OF JUSTICE
(EAST REGION)**

BETWEEN:

HER MAJESTY THE QUEEN

- and -

PIONEER ENERGY LP

Accused

**SENTENCING SUBMISSIONS
OF HER MAJESTY THE QUEEN**

Guy Pinonnault
Public Prosecution Service of Canada
Competition Law Section
2200 - 50 Victoria Street
Gatineau QC, K1A 0C9
Tel: 819.953.3892
Fax: 819.997.5747

STATEMENT OF FACTS

1. Pioneer Energy LP (“Pioneer”) has filed a Statement of Admissions pursuant to section 655 of the *Criminal Code* (“Code”), which includes an acknowledgement and admission for the purposes of these proceedings of the facts constituting an offence under the former paragraph 45(1)(c) of the *Competition Act* (“Act”), for conduct between May 30, 2007 and November 14, 2007.
2. The Crown and Pioneer submit to this Court that a fine in the amount of nine hundred and eighty five thousand dollars (\$985,000.00) and a Prohibition Order pursuant to s.34 of the Act should be imposed on Pioneer. It is submitted that this sentence appropriately fits the circumstances of Pioneer and serves the public interest by reflecting the relevant sentencing factors.
3. Pursuant to sections 723 and 724 of the Code, the Court is entitled to accept the Statement of Admissions as proof of the offence, the circumstances comprising the offence and as relevant evidence with respect to the fixing of a sentence.
4. It is generally accepted that a sentencing judge should only deviate from the recommendations of a joint submission if there is good reason for doing so. Such reasons include where accepting the recommendation would either be contrary to the public interest or bring the administration of justice into disrepute. The Crown does not believe that there are good reasons to deviate from the joint submission.

R. v. Cerasuolo, [2001], OJ No 359 at para 8 (Ont CA);

R v Sinclair, [2004] MJ No 144 at paras 4-11 (MBCA);

R v Downey, [2006] OJ No 1289 at para 3 (Ont CA);

R. v. Haufe, [2007] OJ No 2644 at para 4 (Ont CA);

R v Oake, [2010] NJ No 94 at paras 20-22 (NLCA);

R v Steeves, [2010] NBJ No 265 at paras 30-32 (NBCA).

RELEVANT STATUTORY PROVISIONS

5. The former section 45 as it then was at the time of the offence reads as follows:

45(1) *Every one who conspires, combines, agrees or arranges with another person*

...

(c) to prevent or lessen, unduly, competition in the production, manufacture, purchase, barter, sale, storage, rental, transportation or supply of a product,

...

is guilty of an indictable offence and liable to imprisonment for a term not exceeding five years or to a fine not exceeding ten million dollars or to both.

6. The Supreme Court of Canada, in *R. v. Nova Scotia Pharmaceutical Society*, identified section 45 as the core of the criminal part of the Act. It is a central feature of Canadian economic regulation that supports a free market system in a democratic society:

At the outset, it must be noted that the Act is central to Canadian public policy in the economic sector, and that s.32 [now s.45] is itself one of the pillars of the Act...

...The Act can thus be seen as a central and established feature of Canadian economic policy.

Section 32(1)(c) [45(1)(c)] of the Act moreover is its oldest provision. Even today, it remains at the core of the criminal part of the Act. The prohibition of conspiracies in restraint of trade is the epitome of competition law, finding its place in every competition law.

...

Section 32(1)(c) of the Act is not just another regulatory provision. It definitely rests on a substratum of values.

R. v. Nova Scotia Pharmaceutical Society, [1992] 2 SCJ No 67 at paras 83-87.

GENERAL SENTENCING CONSIDERATIONS

7. Section 718 of the *Criminal Code* RSC 1985, c C-46 describes the general purpose and principles of sentencing as follows:

718. The fundamental purpose of sentencing is to contribute, along with crime prevention initiatives, to respect for the law and the maintenance of a just, peaceful and safe society by imposing just sanctions that have one or more of the following objectives:

- (a) to denounce unlawful conduct;*
- (b) to deter the offender and other persons from committing offences;*
- (c) to separate offenders from society, where necessary;*
- (d) to assist in rehabilitating offenders;*
- (e) to provide reparations for harm done to victims or to the community; and*
- (f) to promote a sense of responsibility in offenders, and acknowledgment of the harm done to victims and to the community.*

8. In particular, with respect to the sentencing of organizations, section 718.21 of the Code directs that the Court shall take into consideration the following factors:

a) Any advantage realized by the organization as a result of the offence;

It is a difficult exercise to accurately determine the exact overcharge if any in a price fixing case. Doing so would require an analysis of what the price of the respective products would have been but for the price-fixing conduct, which, even if possible, would require an evidentiary inquiry beyond the scope of these proceedings.

b) The degree of planning involved in carrying out the offence and the duration and complexity of the offence;

The mechanics of the offence involved price information being exchanged by telephone among the parties to the offence. The price-fixing conduct and sharing of information among the parties to the offence occurred periodically throughout the period of May 30 to November 14, 2007.

c) Whether the organization has attempted to conceal its assets, or convert them, in order to show that it is not able to pay a fine or make restitution;

There is no evidence that Pioneer attempted to conceal or convert assets in order to show that it is not able to pay a fine or make restitution.

d) The impact that the sentence would have on the economic viability of the organization and the continued employment of its employees;

There is no evidence that the sentence will have an impact on the economic viability of Pioneer.

e) The cost to public authorities of the investigation and prosecution of the offence;

Pioneer's guilty plea has mitigated the prospect of further costs to the Competition Bureau in its investigation and to the Crown in regard to the prosecution of the offence.

f) Any regulatory penalty imposed on the organization or one of its representatives in respect of the conduct that formed the basis of the offence;

There is no evidence of any other regulatory penalties imposed on Pioneer or on any of its representatives in respect of the conduct that formed the basis of the offence.

g) Whether the organization was – or any of its representatives who were involved in the commission of the offence were – convicted of a similar offence;

There is no evidence that Pioneer or any of its representatives have been convicted of a similar offence.

h) Any penalty imposed by the organization on a representative for their role in the commission of the offence;

There is no evidence that any penalty has been imposed by Pioneer on any of its representatives for their roles in the offence.

i) Any restitution that the organization is ordered to make or any amount that the organization has paid to a victim of the offence;

There is no evidence that Pioneer has paid any restitution in relation to the offence.

j) Any measures that the organization has taken to reduce the likelihood of it committing a subsequent offence;

After Pioneer learned of the Bureau's investigation, Pioneer implemented an enhanced corporate compliance program to reduce the likelihood of an offence being committed.

SPECIFIC SENTENCING FACTORS

9. Pursuant to section 718.2(b) of the Code, the Court is to be guided by the general principles of sentencing in criminal matters as varied by sentences imposed on similar offenders for similar offences committed in similar circumstances. It is submitted that precedents established by Canadian competition law jurisprudence with respect to criminal price-fixing conspiracy offences under the Act should be considered.
10. Canadian competition law jurisprudence with respect to criminal price-fixing conspiracy offences under the Act suggests that both specific and general deterrence are key factors in determining an appropriate sentence. To this end, the sentence must specifically deter the party being sentenced and, more generally, other companies who might be tempted to

engage in similar anti-competitive. The courts have repeatedly emphasized that a fine in criminal price-fixing conspiracy cases must not become a mere license fee or a cost of doing business or of doing business illegally.

R. v. Ocean Construction Supplies Ltd. (1974), 15 CPR (2d) 224 at 230, aff'd (1974) 18 CPR (2d) 166 (BCCA);

R. v. Armco Can Ltd. (1975), 19 CPR (2d) 273 at 276, aff'd in part (1976), 24 CPR (2d) 145 (Ont CA);

R. v. Canadian General Electric Co. et al. (1977) OJ No 509 at para 4 (Ont HCJ);

R. v. McNamara et al (No.2) [1981] OJ No 3260 at paras 3, 26 (Ont CA);

R. v. Mitsubishi Corp, [2005] OJ No 2394 at paras 20, 22 (Ont Sup Ct).

11. Other specific and well-accepted sentencing factors that have been outlined in previous criminal price-fixing cases under the Act, include:
 - a. the size and influence of the accused, both specifically in the conspiracy and, more generally, in terms of market share, sales and volume of commerce;
 - b. the role of the accused in the offence;
 - c. the duration of the conspiracy: the longer the conspiracy, the greater the profit and the greater the economic harm. This factor has been deemed very significant;
 - d. the geographic scope of the market;
 - e. the nature of the product;
 - f. consciousness of illegal conduct: deliberate or willful criminal conduct and efforts to conceal that conduct has been deemed a serious aggravating factor;

- g. mitigating factors include the extent of cooperation with the Crown, restitution, the timeliness of cooperation, ability to pay, and proportionality with other contemporary sentences.

R. v. St. Lawrence Corp. Ltd. et al., [1969] OJ No 1326 at para 37 (Ont CA);

R. v. Ocean Construction Supplies Ltd. (1974), 15 CPR (2d) 224 at 229, 231, aff'd (1974) 18 CPR (2d) 166 (BCCA);

R. v. Armco Can Ltd. (1975), 19 CPR (2d) 273 at 276, aff'd in part (1976), 24 CPR (2d) 145 (Ont CA);

R. v. Canadian General Electric Co. et al. (1977) OJ No 509 at para 7 (Ont HCJ);

R. v. McNamara et al (No.2) [1981] OJ No 3260 at paras 21-23 (Ont CA);

R. v. Mitsubishi Corp., [2005] OJ No 2394 at paras 9-19 (Ont Sup Ct J).

12. The applicability of the above-mentioned factors have been considered with respect to the facts at hand:

a) Size and Influence

The first consideration is the size and influence of the accused company. This is not simply an indicator of the commercial success of the company, but of the ability of the company, if it had not joined in the illegal conduct, to inhibit the co-conspirators' conduct by virtue of its countervailing market share, economic strength and resilience.

Pioneer was not one of the major players in the market. Nonetheless, its participation was considered important to the success of the restorations.

b) Role of the Accused

The principle of proportionality and tailoring the sentence to the accused warrants an analysis of the accused's role in the conspiracy.

Based upon admitted facts, Pioneer was a co-conspirator with the other parties to the offence, directly communicating, and making agreements with the other parties.

c) Duration

Based on the admitted facts, the incidents constituting the offence occurred from May 30, 2007 to November 14, 2007.

d) Geographic Scope

Based on admitted facts, the geographic market is the regional market of Brockville-Kingston.

e) Affected Volume of Commerce

Pioneer's overall volume of commerce in the Brockville-Kingston regional market during the relevant period of the offence was approximately \$7.5 million.

f) Mitigating Factors

The Court must also take into consideration any mitigating circumstances.

Pioneer has agreed to cooperate with the investigation going forward and with any subsequent prosecution of the other parties to the offence.

g) Proportionality

Sentencing is a discretionary exercise, governed by judicial principles. The exercise of the discretion of the Court and the assessment of the proper fine is not a mere mathematical calculation. In addition to proportionality with respect to the degree of responsibility of the particular accused, comparability with sentences imposed in other

cases is an important element of sentence determination. The Crown submits that based on the trend of the fines imposed in the section 45 cases, that the fine recommended by the parties in this case is within the range of the relevant sentencing precedents.

In similar prosecutions in the province of Québec corporations have been sentenced for a similar conduct to fines varying from \$90,000.00 to \$1.850 million. The fines imposed represented between 10 and 15 percent of the affected volume of commerce.

APPLICATION OF GENERAL AND SPECIFIC SENTENCING FACTORS

13. Consistent with the above general and specific sentencing factors, the Bureau has published a Leniency Bulletin, which provides a framework and outlines the factors and principles that the Bureau considers when making a sentencing recommendation to the Director of Public Prosecutions for parties accused of criminal cartel offences under the Act who are willing to plead guilty and cooperate with the Bureau and Crown. Under this framework absent compelling evidence to the contrary, which is present in this case, the starting point for a fine should be 20 percent of the cartel participant's affected volume of commerce in Canada throughout the duration of the offence. The 20 percent includes two components, a proxy of 10 percent to account for the overcharge and other types of economic harm and a proxy of 10 percent for deterrence.
14. This 20 percent figure is consistent with past sentences imposed by the Courts in Canada for such conduct.

R. c. Assoc. Québécois des Pharmaciens Propriétaires (A.Q.P.P.),
[1995] J.Q. 2241 at paras 44-58 (CS);

R. c. Ueno Fine Chemicals Industry Ltd., [2001] J.Q. no 3424 at para 7 (CS).

15. This 20 percent figure also reflects international standards in sentencing for anti-competitive price fixing conspiracies.

16. However, the overcharge proxy in this present case is 5 percent meaning that the base number for the fine should be 15 percent of the affected volume of commerce instead of the usual 20 percent figure. This figure is adjusted up or down depending on relevant aggravating or mitigating factors. Finally, the Bureau will recommend an overall discount to the fine depending on the level and timeliness of cooperation that the accused party provides.

**Competition Bureau, Bulletin, Leniency Program (Sept 2010) at para 12;
See also Competition Bureau, Bulletin, Leniency Program – Frequently
Asked Questions (Sept 2010) at para 19.**

17. A transparent and predictable approach to sentencing recommendations, for those companies and individuals who wish to cooperate with the Bureau and Crown, supports the effective and efficient enforcement of the Act. Individuals and business organizations are more likely to come forward, cooperate, and plead guilty, rather than litigate, when they are aware of the relevant considerations.

Competition Bureau, Bulletin, Leniency Program (Sept 2010) at preface.

18. The Commissioner and the DPP have both publicly recognized the significant public policy value of encouraging companies that have broken the law to accept responsibility and to voluntarily cooperate with the Bureau and the Crown. The Commissioner and DPP have also both publicly recognized that a consistent and transparent approach to sentencing encourages companies that have broken the law to accept responsibility and cooperate.

**Memorandum of Understanding between the Commissioner of Competition
and the Director of Public Prosecutions (May 2010) at paras 3.2 to 3.4**

19. The offence at hand involves criminal price fixing conspiracies occurred over a five month period during which Pioneer's volume of commerce was approximately \$7.5 million.

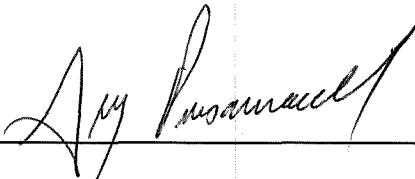
20. Based on the cooperation Pioneer has agreed to provide going forward and its acceptance of responsibility, the Crown is recommending a fine of approximately 13 percent of the affected volume of commerce. It is accordingly submitted that Pioneer be **fined a total of \$985,000.00** for its conduct in the price-fixing offence.
21. The Crown submits that the recommended fine reflects Pioneer's degree of responsibility with respect to the offence, applicable aggravating and mitigating factors, cooperation and acceptance of responsibility and is within the range of the relevant sentencing precedents for section 45 cases under the Act.

PAYMENT OF THE FINE

22. If the Court accepts the sentencing submissions of the Crown and Pioneer, the parties acknowledge that the fine is to be paid within 60 days of disposition.

DATED at Gatineau, Quebec, this 20th day of March, 2012.

ALL OF WHICH is respectfully submitted.



Guy Pinsonnault

Court File No:

ONTARIO
SUPERIOR COURT OF JUSTICE
(EAST REGION)

BETWEEN:

HER MAJESTY THE QUEEN

- and -

PIONEER ENERGY LP

Accused

SENTENCING SUBMISSIONS
OF HER MAJESTY THE QUEEN

Guy Pinonnault
Public Prosecution Service of Canada
Competition Law Section
2200 - 50 Victoria Street
Gatineau QC, K1A 0C9

Tel: 819.953.3892

Fax: 819.997.5747

FINE ORDER/VICTIM SURCHARGE*
ORDONNANCE DE PAIEMENT D'AMENDE/SURAMENDE COMPENSATOIRE*

CANADA
PROVINCE OF ONTARIO
PROVINCE DE L'ONTARIO

Sections / Articles 734.1 and / et 737
of the Criminal Code / du Code criminel

EAST
(Region / Région)

12 0420

Case/File No. / N° du cas/dossier

Her Majesty the Queen vs. PIONEER ENERGY LP
Sa Majesté la Reine c. (name of offender / nom du délinquant)

(date of birth / date de naissance)

Address / adresse

On MARCH 20, yr. 2012, you were found guilty of the following offence(s) and the court found
Le MARCH 20, an 2012, vous avez été déclaré(e) coupable de l'infraction (des infractions) ci-dessous
that you had the ability to pay the following fine(s) and in accordance with s.737(1) are now ordered to pay the following amount(s):
et le tribunal a décidé que vous étiez en mesure de payer l'amende (les amendes) ci-après et, conformément au paragraphe 737(1), vous êtes
maintenant ordonné(e) de payer le(s) montant(s) suivant(s):

Table with 5 columns: Count Number and Brief Description of Offence, Section Article, Fine Amende, Victim Surcharge Suramende compensatoire, Total of Fine, and Surcharge Total de l'amende et de la suramende compensatoire. Row 1: CONSPIRE TO PRICE FIX, PARAGRAPH 45(1)(c) COMPETITION ACT., \$985,000.00, \$985,000.00.

You shall pay the total amount of \$985,000.00 Nine Hundred - Eighty - five Thousand Dollars to the Clerk of the Court in person
Vous devez payer le montant total de \$985,000.00 au greffier du tribunal en personne
at or by mail to the address noted below. Cheques or money orders are payable to the Minister of Finance.
ou par courrier, à l'adresse indiquée ci-dessous. Les chèques ou mandats doivent être libellés à l'ordre du ministre des Finances.

You shall comply with the following terms of payment:
Vous devez vous conformer aux conditions de paiement suivantes:

- (a) the entire amount within 66 DAYS.
(b) at the rate of \$ per month, on the day of each month, starting on the day of
(c)

The following formula is used to calculate the term of imprisonment which may be imposed if you do not pay the fine/victim surcharge:
La méthode de calcul suivante est utilisée pour déterminer la période d'emprisonnement pouvant être imposée si vous ne payez pas l'amende:

unpaid amount + any costs and charges created by regulation = number of days in default (rounded down to nearest whole number of days)
montant impayé + les coûts et frais réglementés = nombre de jours en défaut (arrondi au chiffre inférieur de nombre de jours entiers)

The term of imprisonment cannot exceed the maximum sentence for the original offence or if the offence does not include a term of
imprisonment, five (5) years for indictable offences or six (6) months for summary conviction offences.
La période d'emprisonnement ne peut dépasser la peine maximale imposée pour l'infraction initiale ou si l'infraction n'est pas assortie d'une
peine maximale d'emprisonnement, cinq ans pour un acte criminel ou six mois pour des infractions poursuivies en procédure sommaire.

As the costs and minimum wage may change between now and the time of default, the following default time is an estimate only.
Comme les frais et le salaire minimum peuvent changer entre la date d'aujourd'hui et la date de défaut de paiement, le délai de défaut suivant
est donné à titre approximatif seulement.

The actual term of imprisonment will be calculated when your fine/victim surcharge goes into default.
La période d'emprisonnement réelle sera calculée à la date de défaut de paiement de l'amende.

Estimated length of incarceration if you fail to pay this fine/victim surcharge is days.
La période d'incarcération approximative si vous ne payez pas l'amende est jours.

Any default term of imprisonment is to be served
Toute période d'emprisonnement pour défaut de paiement sera purgée

(State whether the default term of imprisonment is consecutive or concurrent, and specify consecutive or concurrent to/with what other sentence - s.718.3(4). /
Indiquer si la période d'emprisonnement doit être purgée concurremment ou consécutivement à une autre peine clairement désignée - art. 718.3(4).)

DATED at CITY OF BRCKVILLE, in the Province of Ontario, this 26 day of MARCH, yr. 2012.
FAIT à (au) dans la province de l'Ontario ce jour de an

COURT ADDRESS: / ADRESSE DE LA COUR:

Judge/Local Registrar/Clerk of the Court / Juge/Greffier local/Greffier de la cour
M. QUIGLEY S.C.J.

ACKNOWLEDGEMENT / RECONNAISSANCE

I, KATHERINE KAY FOR PIONEER ENERGY LP, hereby acknowledge that I have received a copy of
Je soussigné(e), (name of offender / nom du délinquant) reconnais par les présentes que j'ai reçu une copie
this Fine/Victim Surcharge Order and that I understand its terms and conditions. I have been given an explanation of the substance of sections 734 to
734.8 and section 736 of the Criminal Code and I understand those explanations which are provided on the back of this form. I understand that I may
apply for a change in the terms of this order by filling out an "Application for Change of Terms and Conditions of Fine Order" form at the Court Office.
de l'Ordonnance de paiement d'amende/de suramende compensatoire, que je comprends ses conditions, que j'ai été informé(e) de la substance des
articles 734 à 734.8 et de l'article 736 du Code criminel et que je comprends les explications qui sont fournies au verso de la présente formule. Je
comprends que je peux présenter une demande de modification des conditions de cette ordonnance en remplissant une « Requête pour modifier les
conditions d'une ordonnance de paiement d'amende » au greffe.

L. TEDFORD C.R.C.
(name and title of Witness / nom et titre du témoin)

Signature of Offender / Signature du délinquant
Signature of Witness / Signature du témoin

(name of Interpreter / nom de l'interprète)

Signature of Interpreter / Signature de l'interprète

IMPORTANT NOTICE AND EXPLANATIONS

IF YOU FAIL TO PAY THIS FINE/VICTIM SURCHARGE, YOU MAY FACE SERIOUS CONSEQUENCES, INCLUDING ANY OF THE FOLLOWING ACTIONS:

LICENCES, PERMITS OR SIMILAR INSTRUMENTS (Sec. 734.5)

The government to whom you owe the money may refuse to issue or renew or may suspend the licence, permit or other instrument until the fine/victim surcharge is paid in full.

CIVIL ENFORCEMENT (Sec. 734.6)

Upon default of the order to pay the fine this order may be sent to a collection agency for collection. This order may be filed as a judgment in civil court. This means that your property could be seized or your wages garnished to satisfy payment of this fine. A failure to pay this fine may affect your credit rating.

IMPRISONMENT (Sec. 734(4) – 734(7) and Sec. 734.7 and 734.8)

If you do not pay the fine/victim surcharge, in full, within the time set out in this order, a summons or arrest warrant may be issued to bring you before a judge to determine whether you should be jailed for not paying the fine/victim surcharge. You may be jailed if that judge determines that refusal of licences or civil enforcement are inappropriate or that you, without reasonable excuse, refused to pay the fine/victim surcharge.

The length of imprisonment is determined by the following formula:

$$\frac{\text{Unpaid amount} + \text{any costs and any charges created by regulation}}{8 \times \text{minimum wage in Ontario (at time of default)}}$$

This jail time cannot exceed the maximum sentence for the original offence or if the offence does not include a term of imprisonment, five (5) years for indictable offences or six (6) months for summary conviction offences. Because the minimum wage at the time of default may have been changed since the fine was imposed, the estimated default time on this Order is an estimated time only. (Sec. 734(5)).

If you are imprisoned for a fine default, civil enforcement and licence suspension should be revoked (sec. 734.7(4)). Money seized from you at the time of arrest may be used as payment towards the fine (Sec. 734(6)).

If you are in custody and you wish to make a payment you may advise staff who will make arrangements to accept payment. (Sec. 734.8(4)).

If you pay part of the fine/victim surcharge, your term of imprisonment will be reduced proportionately as long as the payment is sufficient to secure a reduction of at least one day. (Sec. 734.8(2),(3)).

Payments are applied firstly to the payment of any applicable costs and charges, secondly to the payment of any victim surcharge and then to the remainder of the fine. (Sec. 734.8(5)).

CHANGING THE FINE ORDER (Sec. 734.3)

You may apply to the Court for a change in any term of this order except the amount of the fine/victim surcharge. The Court cannot change the amount of the fine/victim surcharge, but it can change your payment schedule. This application may be made in writing by filling in an "Application for Change of Terms and Conditions of Fine Order" form which is available at the Court. The same enforcement proceedings apply to any modified order.

FINE OPTION PROGRAM (Sec. 736)

No fine option program is available in Ontario.

CORPORATIONS CHARGED WITH AN OFFENCE

A fine imposed upon a Corporation may be enforced through the Civil Courts (see Sec. 734.6) if it is not paid.

NOTE: Imprisonment for default does not apply.

HOW TO PAY

Payments are to be made to the address noted on the front of this order. Payments can be made:

In person – by cheque, money order, credit card (Visa or MasterCard), cash or debit

By mail – by cheque or money order

Make cheque/money order payable to "Minister of Finance" and write the file number on the front of the cheque/money order.

MORE INFORMATION

The sections referred to above are sections of the *Criminal Code of Canada*. The *Criminal Code* is widely available at libraries and through bookstores. If you wish to see the actual sections referred to above you may also ask at the Court Office for a copy of sections 734 to 737 of the *Criminal Code*.

CSD-734-1 (rev 01/10) CSD

AVIS IMPORTANT ET EXPLICATIONS

SI VOUS NE PAYEZ PAS CETTE AMENDE/SURAMENDE COMPENSATOIRE, VOUS RISQUEZ DE FAIRE FACE À DES CONSÉQUENCES GRAVES, Y COMPRIS L'UNE DES MESURES SUIVANTES :

LICENCES, PERMIS, ETC. (art. 734.5)

Le gouvernement à qui vous devez l'argent peut refuser de délivrer ou de renouveler une licence ou un permis ou peut suspendre une licence ou un permis, jusqu'au paiement intégral de l'amende/de la suramende compensatoire.

EXÉCUTION CIVILE (art. 734.6)

Sur défaut de l'ordonnance de paiement de l'amende, cette ordonnance peut être envoyée à une agence de recouvrement. Cette ordonnance peut être inscrite à titre de jugement dans un tribunal civil. Cela signifie que vos biens ou votre salaire peuvent être saisis pour acquitter le paiement de l'amende. Le défaut de payer l'amende peut nuire à votre cote de crédit.

EMPRISONNEMENT (par. 734(4) – 734(7) et art. 734.7 et 734.8)

Si vous ne payez pas le montant intégral de l'amende/de la suramende compensatoire dans le délai prescrit dans l'ordonnance, une sommation ou un mandat d'arrêt peut être délivré pour vous faire comparaître en cour. Le juge déterminera si vous devez être emprisonné(e) pour défaut de paiement de l'amende/de la suramende compensatoire. Vous pouvez être emprisonné(e) si le juge constate que le refus de délivrance de licences ou les mesures d'exécution civile ne sont pas appropriés ou si vous refusez, sans motif raisonnable, de payer l'amende/la suramende compensatoire.

La période d'emprisonnement est déterminée en suivant la méthode de calcul suivante :

$$\frac{\text{montant impayé} + \text{frais et frais réglementés}}{8 \times \text{salaire minimum en Ontario (à la date du défaut de paiement)}}$$

La période d'emprisonnement ne peut dépasser la peine maximale imposée pour l'infraction initiale ou si l'infraction n'est pas assortie d'une peine maximale d'emprisonnement, cinq ans pour un acte criminel ou six mois pour des infractions poursuivies en procédure sommaire. Comme le salaire minimum peut avoir changé depuis la date d'imposition de l'amende, le délai de défaut indiqué dans l'ordonnance est donné à titre approximatif seulement. (Par. 734(5)).

Si vous êtes emprisonné(e) pour défaut de paiement d'une amende, votre emprisonnement mettra fin aux mesures d'exécution civile et à la suspension de licences. (Par. 734.7(4)). Toute somme trouvée sur vous au moment de votre arrestation peut être affectée au paiement de l'amende (Par. 734.(6)).

Si vous êtes en détention et si vous désirez effectuer un paiement, vous pouvez en informer le personnel qui prendra les mesures nécessaires pour accepter le paiement. (Par. 734.8(4)).

Si vous payez une partie de l'amende/de la suramende compensatoire, votre période d'emprisonnement sera réduite en conséquence pourvu que le paiement soit suffisant pour assurer une réduction d'au moins une journée. (Par. 734.8(2),(3)).

Les paiements sont d'abord effectués au paiement des frais et dépens applicables, ensuite au paiement de la suramende compensatoire et enfin à toute partie de l'amende demeurant non acquittée. (Par. 734.8(5)).

MODIFICATION DE L'ORDONNANCE DE PAIEMENT DE L'AMENDE (art. 734.3)

Vous pouvez présenter au tribunal une requête pour modifier une condition de l'ordonnance sauf le montant de l'amende/de la suramende compensatoire. Le tribunal ne peut modifier le montant de l'amende/de la suramende compensatoire mais il peut modifier votre calendrier de paiement. Cette requête peut être faite par écrit en déposant une « Requête pour modifier les conditions de l'ordonnance de paiement d'amende » que vous trouverez au greffe. Les mêmes mesures d'exécution s'appliquent à toute ordonnance modifiée.

MODE FACULTATIF DE PAIEMENT D'UNE AMENDE (par. 736)

L'Ontario ne prévoit pas de mode facultatif de paiement d'une amende.

AMENDES INFLIGÉES AUX PERSONNES MORALES

Une amende infligée à une personne morale peut être exécutée dans un tribunal civil (voir art. 734.6) si elle n'est pas acquittée.

REMARQUE : L'emprisonnement pour défaut de paiement ne s'applique pas.

COMMENT PAYER L'AMENDE

Les paiements doivent être effectués à l'adresse indiquée au recto de cette ordonnance. Les paiements peuvent être effectués :

En personne – par chèque, mandat, carte de crédit (Visa ou MasterCard), carte de débit ou en espèces

Par courrier – par chèque ou mandat

Les chèques ou mandats doivent être libellés à l'ordre du « ministre des Finances ». Veuillez indiquer le numéro du dossier au recto du chèque ou du mandat.

RENSEIGNEMENTS SUPPLÉMENTAIRES

Les articles auxquels il est fait référence ci-dessus sont des articles du Code criminel qu'on peut trouver facilement dans les bibliothèques et les librairies. Si vous désirez voir les articles effectivement mentionnés ci-dessus, vous pouvez demander au greffe de vous remettre une copie des articles 734 à 737 du Code criminel.

TAB J

A handwritten signature in blue ink, appearing to read "Alex N. Mc Nabb", is written over a horizontal line.

**This is Exhibit J to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

To: [REDACTED]
From: [REDACTED]
Sent: Wed 16/07/2014 10:52:58 AM
Importance: Normal
Subject: Timmins - Mac's Shell Pricing
MAIL_RECEIVED: Wed 16/07/2014 10:52:58 AM

Hi Haydn,

Hope your meetings are going well.

I wanted to brief you on the Timmins market. We had a restoration yesterday morning to 145.9. Mac's Shell across from our Esso site #248 was out of fuel for much of the day. Once fuel was delivered they went a penny below to 144.9

Now the fun starts. This morning they went to 143.9 we matched, we then dropped 1cpl below at 142.9 and they immediately matched. Since then they keep dropping a penny everytime we adjust to match. Currently they are now at 137.9 as of 10:15 a.m. (7 cpl as of last night). CTC and Petro Canada have went to 141.9.

I foresee this back and forth continuing. I am not sure what message they are trying to send other than they are trying to position a Shell branded site 1cpl below other majors in the market.

What are your thoughts about dropping 5cpl? This would put us 13cpl below Tuesday's restoration price of 145.9 and obviously get our Esso BW dealers excited.

It should be noted our Esso site in North Bay missed a message to initiate a restoration in North Bay on Tuesday morning and although we went up at 9:00 a.m. no one reacted so we moved back down at noon. North Bay is currently at 137.9 which coincidentally is the price Macs moved their Shell site in Timmins.

Troy

Troy Richter

Director of Retail Operations

Pioneer Energy LP

1122 International Blvd, Suite 700

Burlington, Ontario L7L 6Z8



TAB K

A handwritten signature in blue ink, appearing to read "Alexander N. Mc Nabb", is written over a horizontal line.

**This is Exhibit K to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

To: [REDACTED]
Cc: [REDACTED]
From: [REDACTED]
Sent: Tue 22/07/2014 10:36:34 AM
Importance: Normal
Subject: pricing
MAIL_RECEIVED: Tue 22/07/2014 10:36:31 AM

Hi Johni-mae,

All the locations are on [REDACTED].....if the price is going [REDACTED], they all move between [REDACTED] .and [REDACTED]if the price is going [REDACTED], they move down [REDACTED]

Hamilton Mountain:

=====

(West Mountain)

* loc. # [REDACTED] in [REDACTED] will move [REDACTED] after [REDACTED] to follow the [REDACTED] and [REDACTED] ...who price [REDACTED] cents above [REDACTED]Note: there is a Husky just down the road on Mohawk and Upper Paradise who will [REDACTED] price after 11am with the Esso and Shell in Ancaster.....when they move down, [REDACTED] and [REDACTED] ...only.....Please note loc #246 is closed for the summer (complete renovations).....

(East Mountain)

* Loc. # [REDACTED] moves [REDACTED] @ [REDACTED] to follow [REDACTED]Note: at 3 p.m. #184 calls Loc #7 to [REDACTED]

* loc.# [REDACTED] will follow the [REDACTED] only on Upper Ottawa St. after [REDACTED]

* Loc. # [REDACTED] and # [REDACTED] will [REDACTED] when Global on Upper Sherman and Mohawk [REDACTED] or [REDACTED]

Lower Hamilton:

=====

(Stoney Creek and East end)

* Loc. # [redacted] and # [redacted] will [redacted] at [redacted] to follow the [redacted] on Hwy #8.....

* Loc. # [redacted].. # [redacted] price [redacted], however ,if [redacted] in there area we [redacted] #41 and #44..

* loc # [redacted] will follow [redacted] on Rymal Rd. and Hwy .#20..and the [redacted] at the bottom of Hwy #20

*+Loc # [redacted] will [redacted] to follow [redacted]I do not price any other [redacted] with him.....

(Center City)

* Loc. # [redacted]will [redacted] with [redacted]e.i [redacted] , [redacted] and [redacted]

* Loc.# [redacted] ..# [redacted] (Dealer)....# [redacted]# [redacted] and # [redacted] all [redacted]Esso and Husky are the ones to watch.....

Hwy #6 NorthFlamboro

=====

* Loc # [REDACTED] ([REDACTED]).....# [REDACTED] and # [REDACTED] on [REDACTED]Note:
On weekends, Global does not always open up until 8am.....

Waterdown.....Hwy #5

=====

.

*loc. # [REDACTED]does not price with [REDACTED], however drops [REDACTED] off there [REDACTED]
at 5 p.m. ever evening..

P.S. ...I will also send you a list of site Retailers names and phone numbers.....

Andy Landry
Regional Business Manager
Greater Hamilton Area
Pioneer Energy LP
1122 International Blvd.
Suite 700
Burlington,Ont.
L7L 6Z8
Cell [REDACTED]

TAB L

A handwritten signature in blue ink, appearing to read "Ante N. Nabb", written over a horizontal line.

**This is Exhibit L to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

To: Haydn Northey [REDACTED]
Cc: Brian Kitchen [REDACTED]
[REDACTED]
From: [REDACTED]
Sent: Tue 12/08/2014 5:06:29 PM
Importance: Normal
Subject: Re: Urgent, Shell on Portage flashing 126.9
MAIL_RECEIVED: Tue 12/08/2014 5:06:29 PM

Nothing has moved. Shell still at 126.9 all of our Esso sites 116-118

Kelly Nelson

Director of Sales Operations

Pioneer Energy

[REDACTED]
[REDACTED]
[REDACTED]

On Aug 12, 2014, at 3:37 PM, "Haydn Northey" [REDACTED] wrote:

Sounds good. Tks Brian.

Brian Kitchen---12/08/2014 04:35 PM EDT---Yes I agree, volumes in Winnipeg suck. Our dealers are down also. Time for some robust price market

From: Brian Kitchen
To: Haydn Northey
Cc: John Evans; Kelly Nelson
Date: 12/08/2014 04:35 PM EDT
Subject: Re: Urgent, Shell on Portage flashing 126.9

Yes I agree, volumes in Winnipeg suck. Our dealers are down also. Time for some robust price marketing games. ie back to cheating [REDACTED] in selected market areas?? [REDACTED]
Otherwise we sit for another extended period. Thanks Haydn.

Brian Kitchen

VP Dealer & Reseller Sales

Pioneer Energy LP

1122 International Blvd. Suite 700

Burlington, Ontario L7L 6Z8

[REDACTED]

[REDACTED]

Haydn Northey---12/08/2014 04:23:37 PM---Only concern is our volumes are down at most of our sites YTD. As a team player though, we will move

From: Haydn Northey/PioneerCA

To: Brian Kitchen/PioneerCA@PioneerCA

Cc: John Evans/PioneerCA@PioneerCA, kelly Nelson/PioneerCA@PioneerCA

Date: 12/08/2014 04:23 PM

Subject: Re: Urgent, Shell on Portage flashing 126.9

Only concern is our volumes are down at most of our sites YTD. As a team player though, we will move now. Tks. Haydn.

Brian Kitchen---12/08/2014 04:11 PM EDT---Suggest we move on Shell now. We will miss the opportunity. Brian Kitchen

From: Brian Kitchen
To: Haydn Northey
Cc: John Evans; kelly Nelson
Date: 12/08/2014 04:11 PM EDT
Subject: Re: Urgent, Shell on Portage flashing 126.9

Suggest we move on Shell now. We will miss the opportunity.

Brian Kitchen

VP Dealer & Reseller Sales

Pioneer Energy LP

1122 International Blvd. Suite 700

Burlington, Ontario L7L 6Z8

[REDACTED]

[REDACTED]

Haydn Northey---12/08/2014 03:45:00 PM---John. Let's restore all of our sites after drive-time today. Tks. ----- Original Message -----

From: Haydn Northey/PioneerCA

To: kelly Nelson/PioneerCA@PioneerCA

Cc: John Evans/PioneerCA@PioneerCA, Brian Kitchen/PioneerCA@PioneerCA

Date: 12/08/2014 03:45 PM

Subject: Re: Urgent, Shell on Portage flashing 126.9

John. Let's restore all of our sites after drive-time today. Tks.

From: kelly Nelson

Sent: 12/08/2014 03:38 PM EDT

To: Haydn Northey

Cc: John Evans; Brian Kitchen

Subject: Re: Urgent, Shell on Portage flashing 126.9

Every shell

Kelly Nelson

Director of Sales Operations

Pioneer Energy

[REDACTED]

[REDACTED]

[REDACTED]

On Aug 12, 2014, at 2:35 PM, "Haydn Northey"
[REDACTED] wrote:

Has anyone else moved?

kelly Nelson---12/08/2014 03:30 PM EDT---All of our Esso's are 118.4 Kelly Nelson

From: kelly Nelson
To: John Evans; Haydn Northey; Brian Kitchen

Cc:

Date: 12/08/2014 03:30 PM EDT

Subject: Urgent, Shell on Portage flashing 126.9

All of our Esso's are 118.4

Kelly Nelson

Director of Sales Operations

Pioneer Energy

[REDACTED]

[REDACTED]

[REDACTED]

TAB M

A handwritten signature in blue ink, appearing to read "Alex N. Mc Nabb", is written over a horizontal line.

**This is Exhibit M to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

To: ppDispatch[ppdispatch@pioneer.ca]
Cc: [REDACTED]
From: [REDACTED]
Sent: Wed 03/09/2014 5:20:33 PM
Importance: Normal
Subject: 10 cent drop at 210 until 4:00am
MAIL_RECEIVED: Wed 03/09/2014 5:20:33 PM

Hi Guys

In order to counter act the antics of [REDACTED] not restoring we are going to drop the price from [REDACTED] current price of 120.8 to 110.8. We plan to keep this until 4:00 am at which point we flash a new restoration price of 130.6. This will be held until 10am to see where the rest of town is at.

Don has said a delivery was just made so fuel should be good for a while.

Thanks

Eric

Sent from my BlackBerry 10 smartphone on the Rogers network.

TAB N

A handwritten signature in blue ink, appearing to read "Ante Hillman", written over a horizontal line.

**This is Exhibit N to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**



Retail Operations Review

Fiscal 2014



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- **Objective**
- **Pricing Strategy**
- **RBM Onboarding**
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- **Reference Adjustments**
- **RFB Program**
- **Retailer Recruiting / Renewal Process**
- **Carwash Stewardship**
- **Retailer Council**
- **Lease Agreement Amendments**
- **Retailer Rankings**
- **Enhanced KPI's**
- **RBM Territory Meetings**
- **Rain Guarantee**
- **POS Roll Consumption**
- **Fuel Grade Spreads**



[Redacted text block]



Price Strategy



Pricing Strategy

[REDACTED]

[REDACTED]



Pricing Process

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

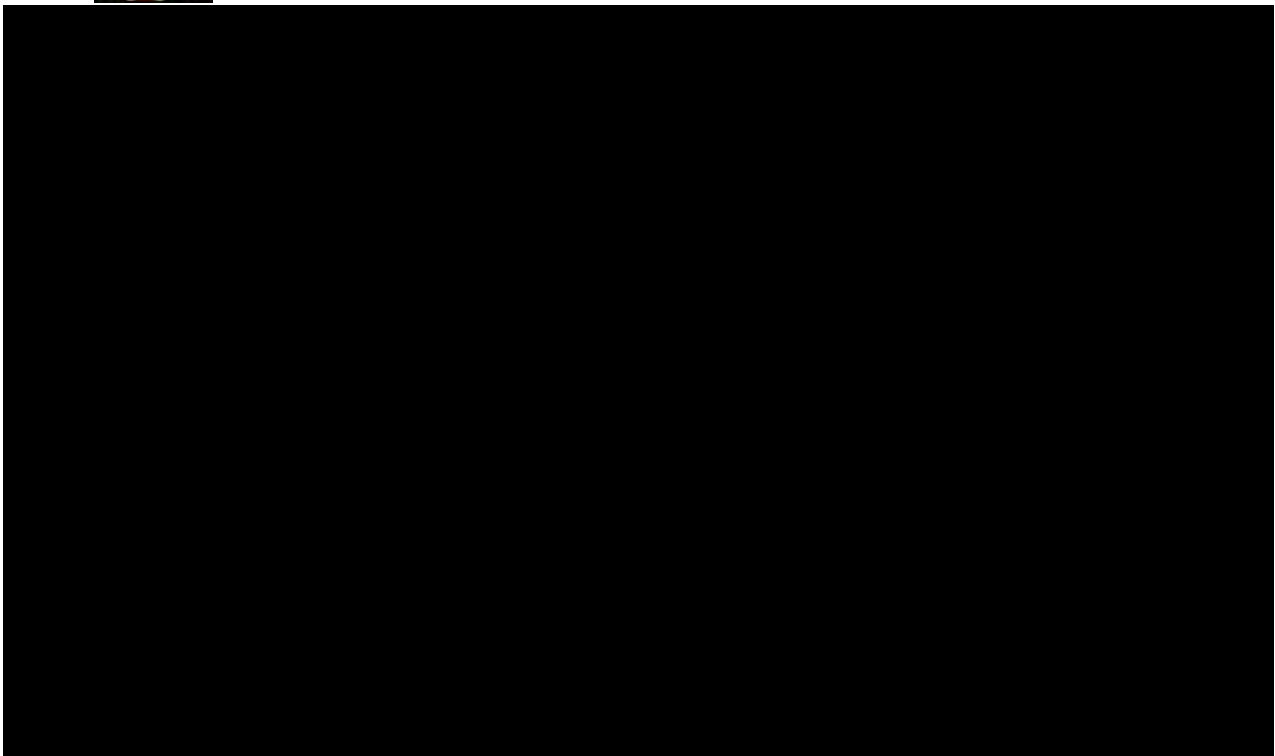
[REDACTED]

[REDACTED]



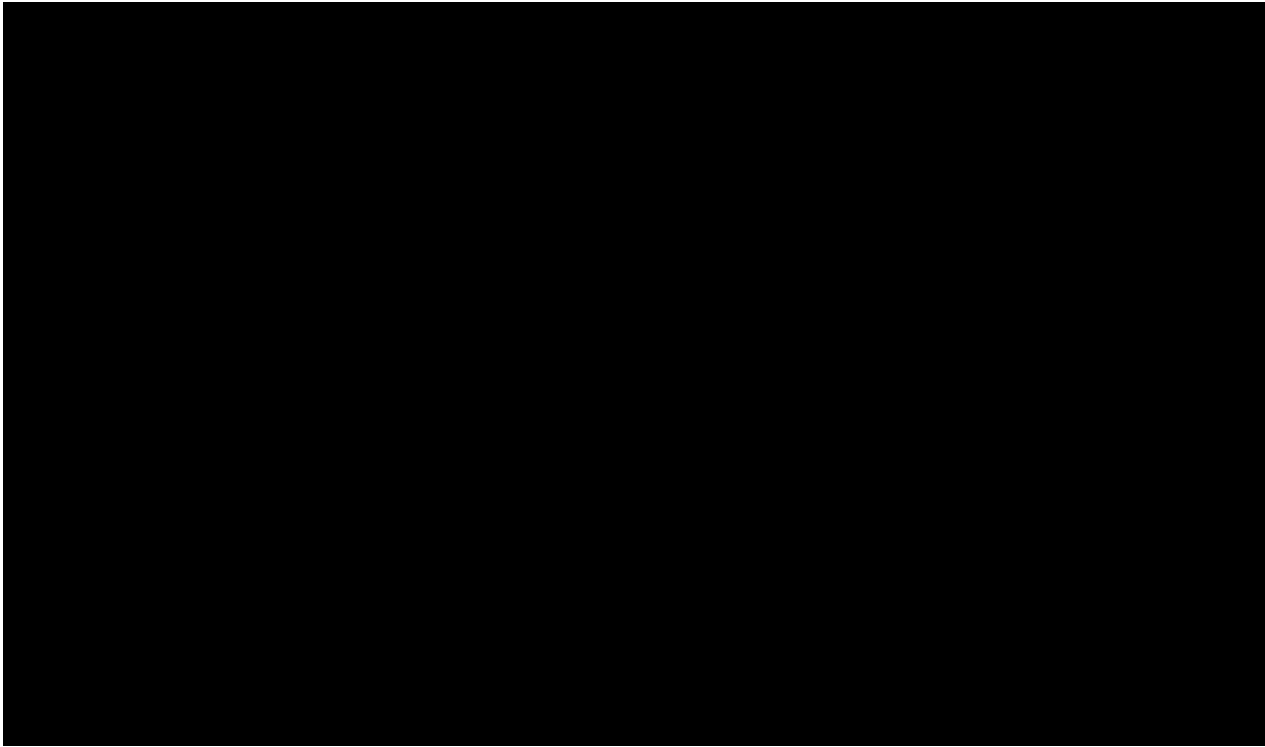
PIONEER
Energy for Life







Fuel Strategy





Regional Business Manager

On-Boarding Training



- [Redacted text block]



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[REDACTED]

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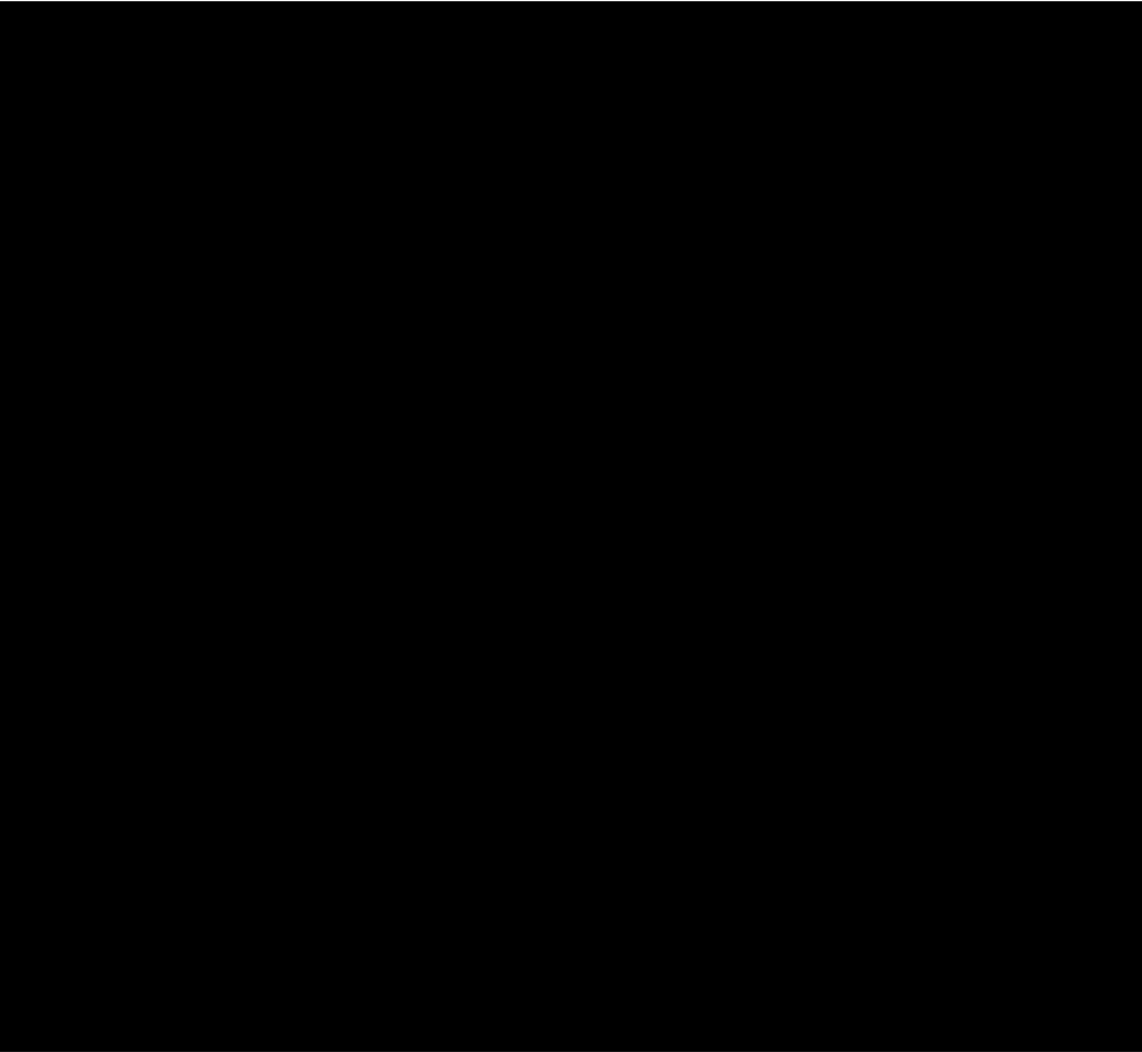
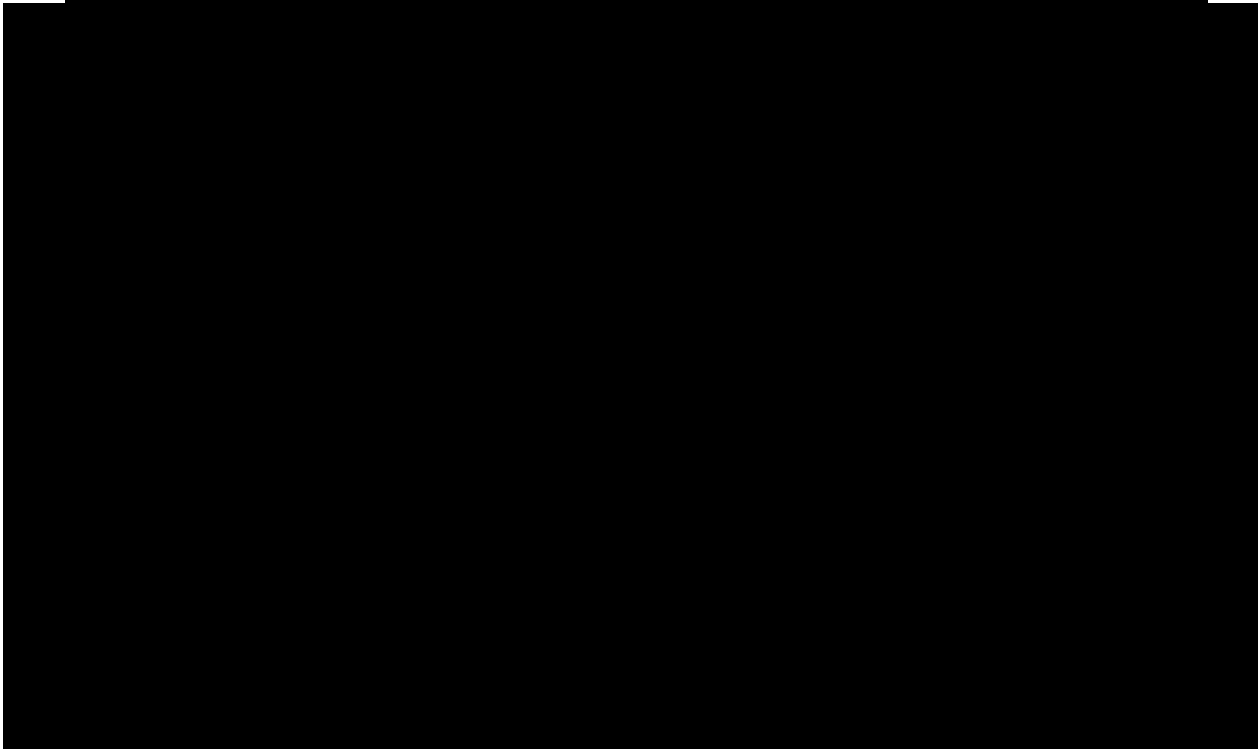
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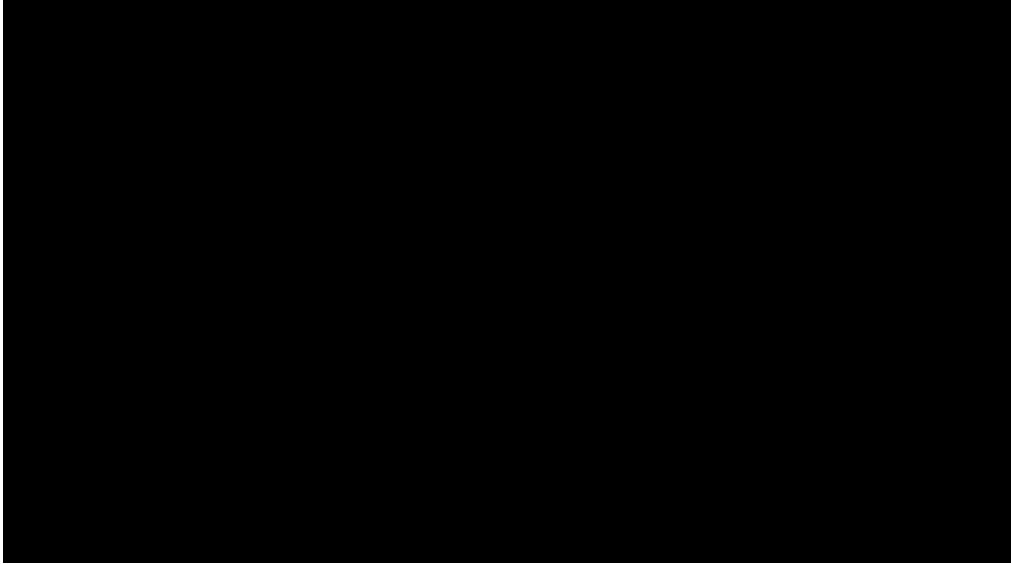


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Tasks to complete during RBM Tours





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Retailer Business Plan

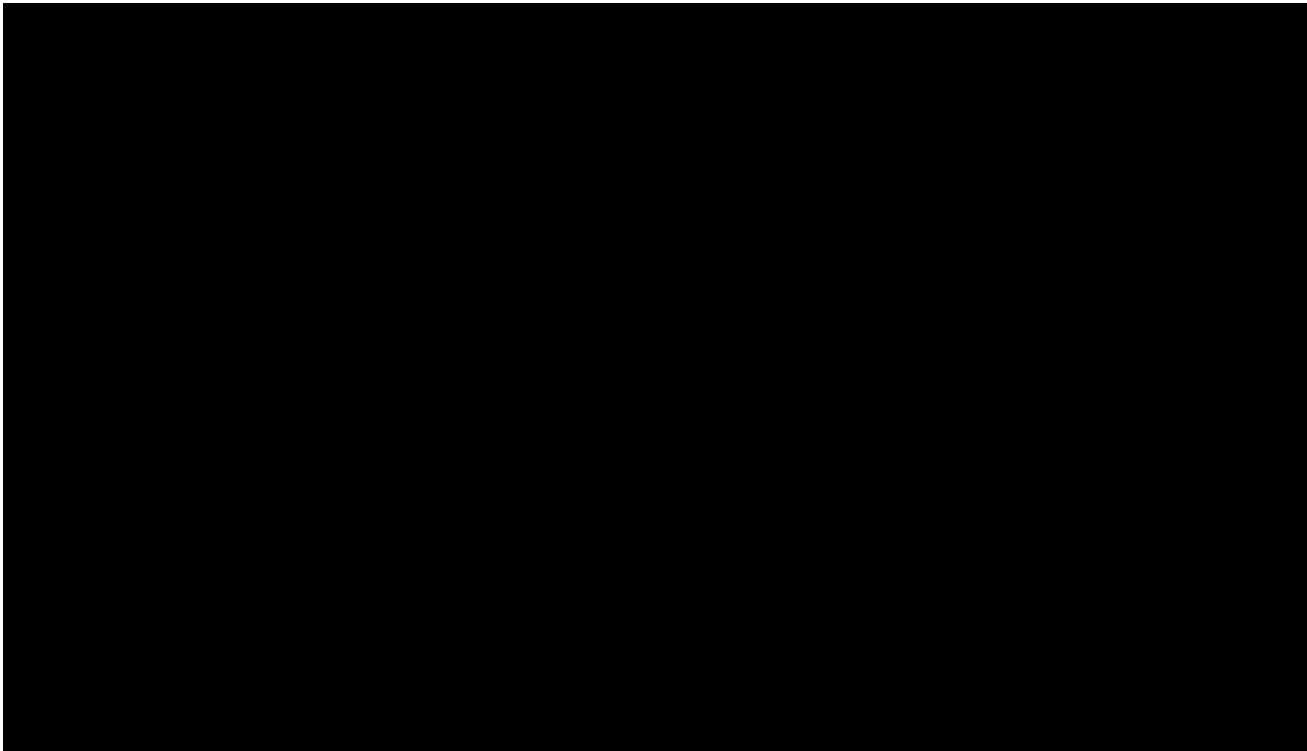


 **Retail Business Plan**

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Existing Business Plan – Fuel/Store





Existing Business Plan - Wash



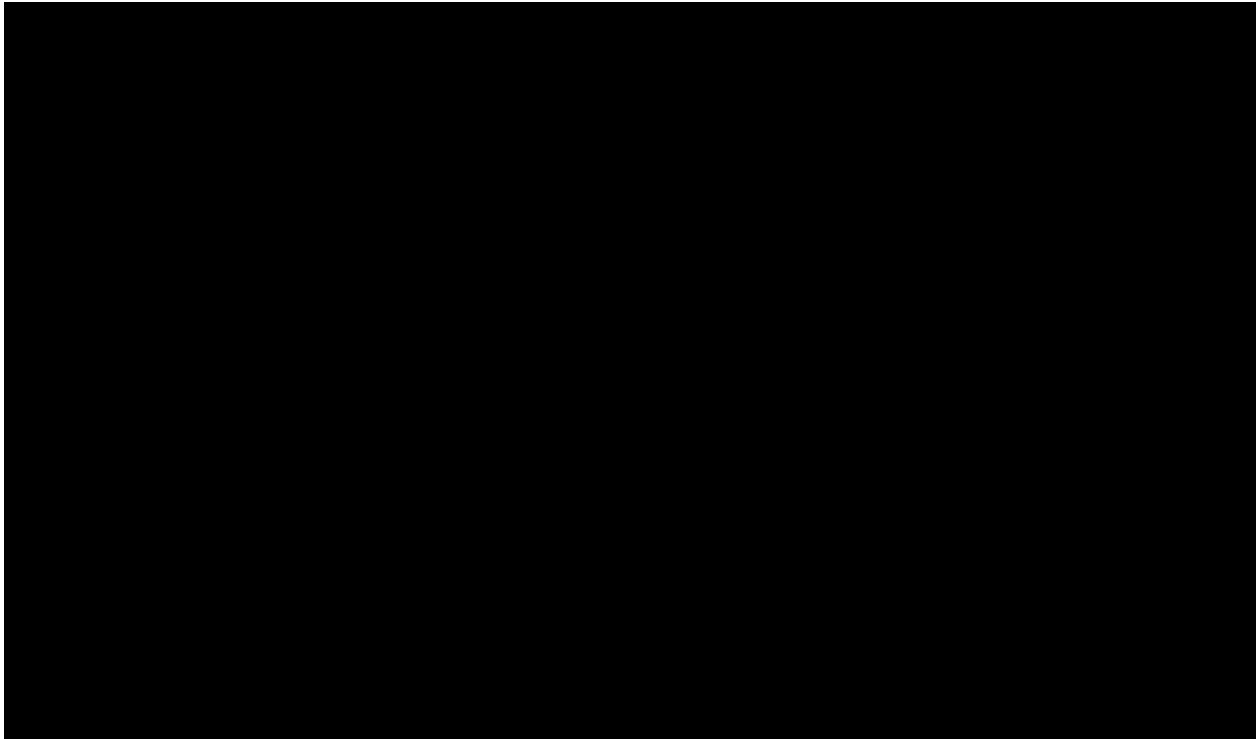


Existing Business Plan - Coffee



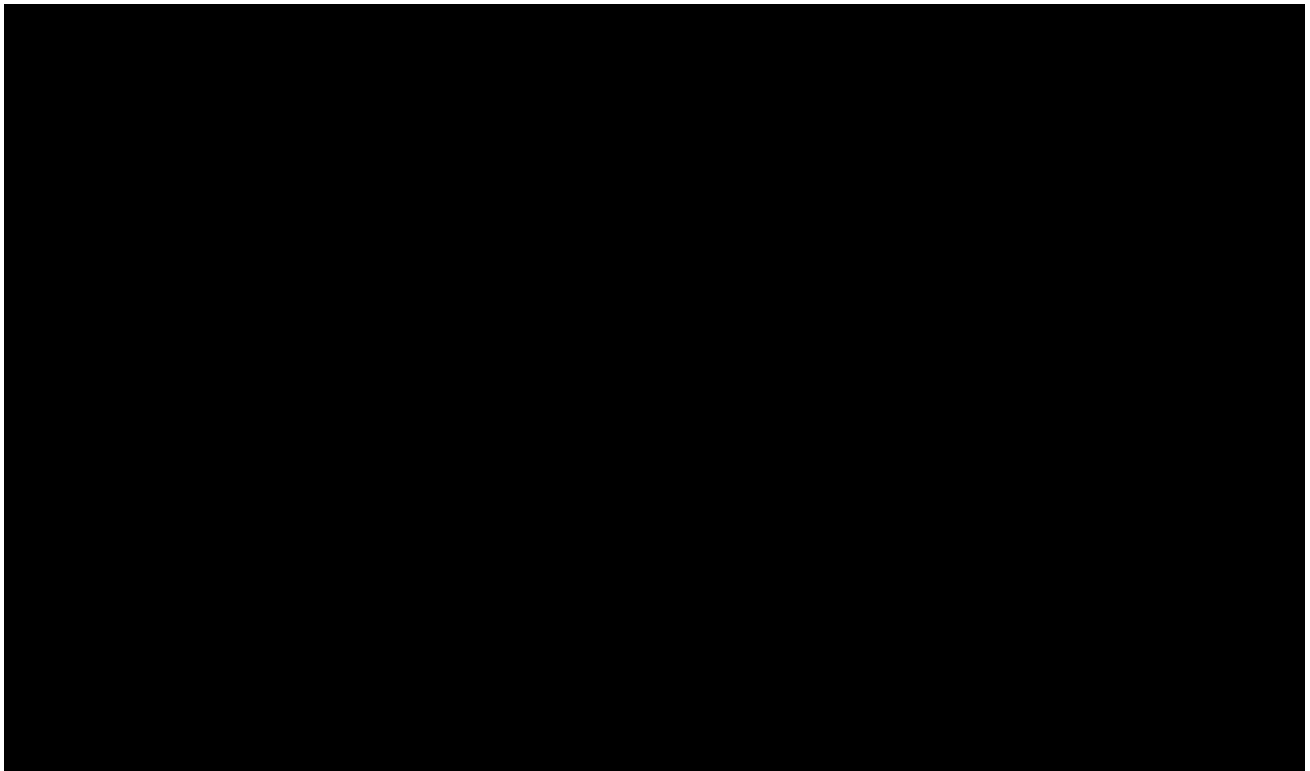


Existing Business Plan - Propane



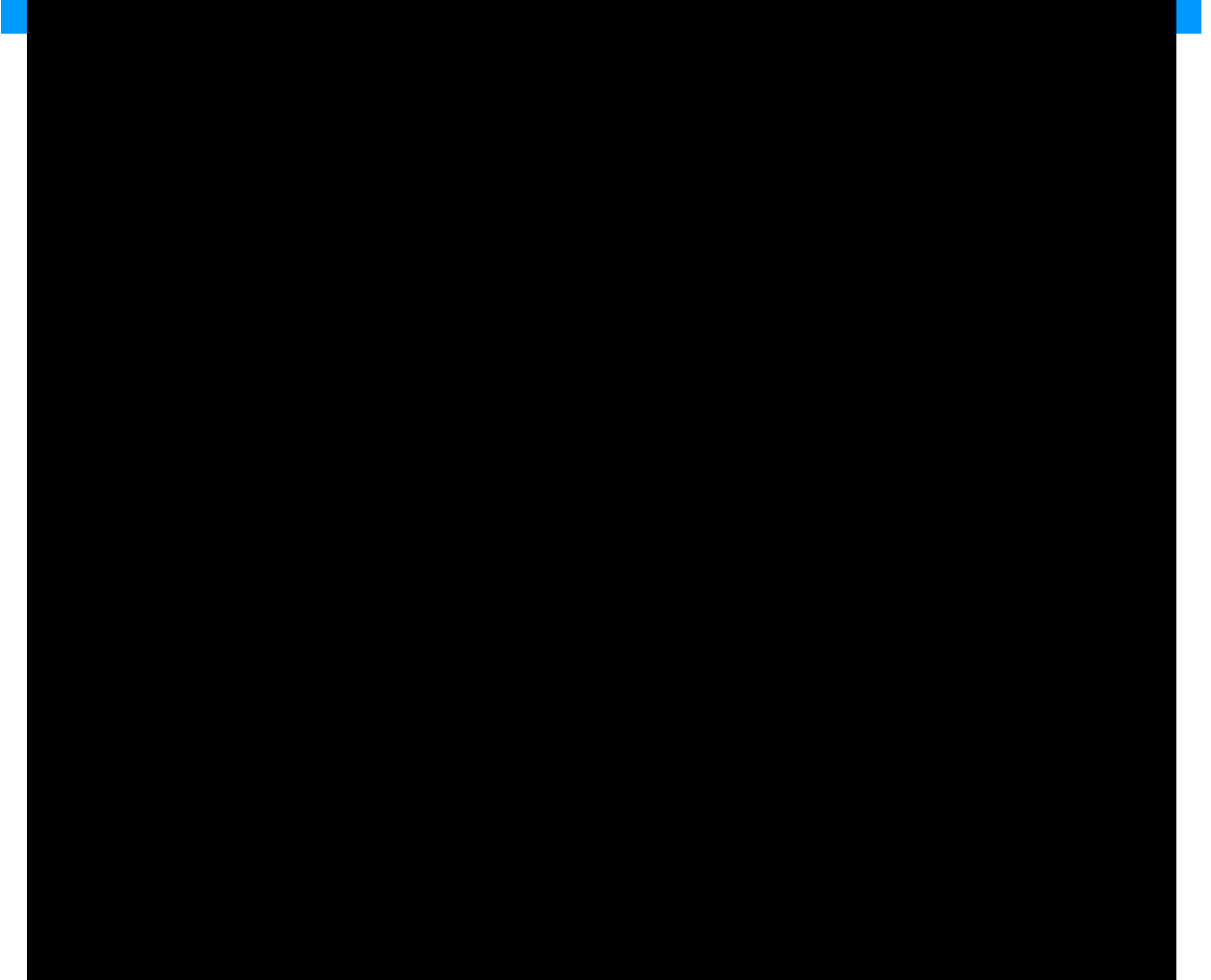
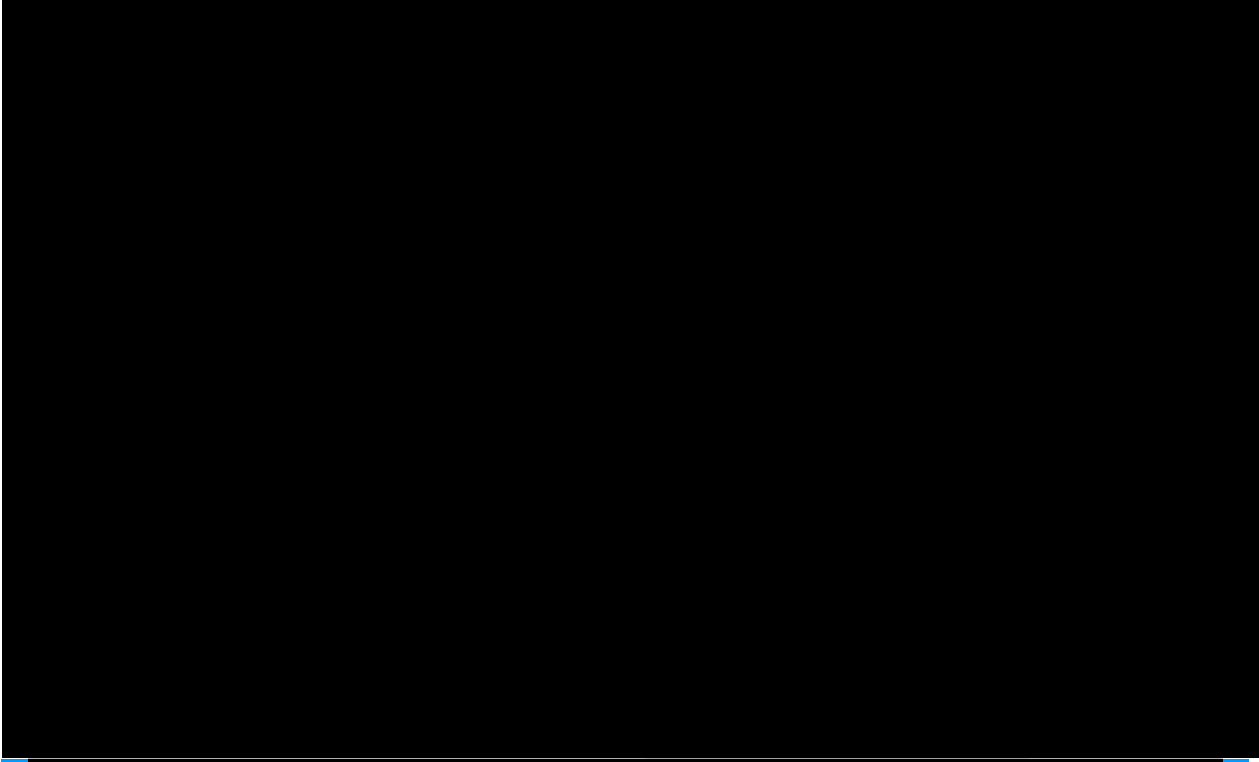
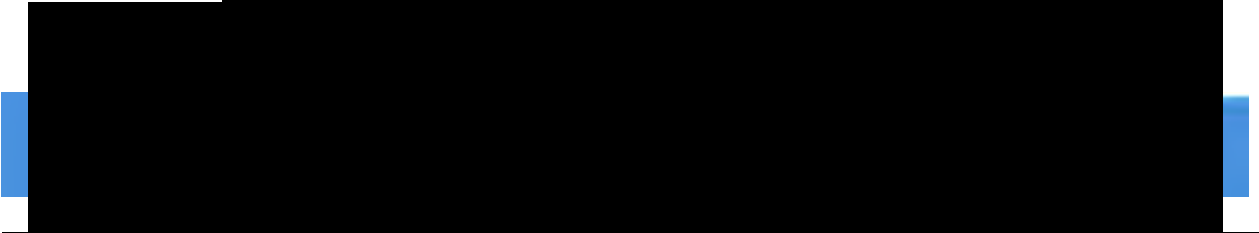


New Business Plan – Site variables



[REDACTED]

[REDACTED]





R&M Call Centre



[Redacted text block]



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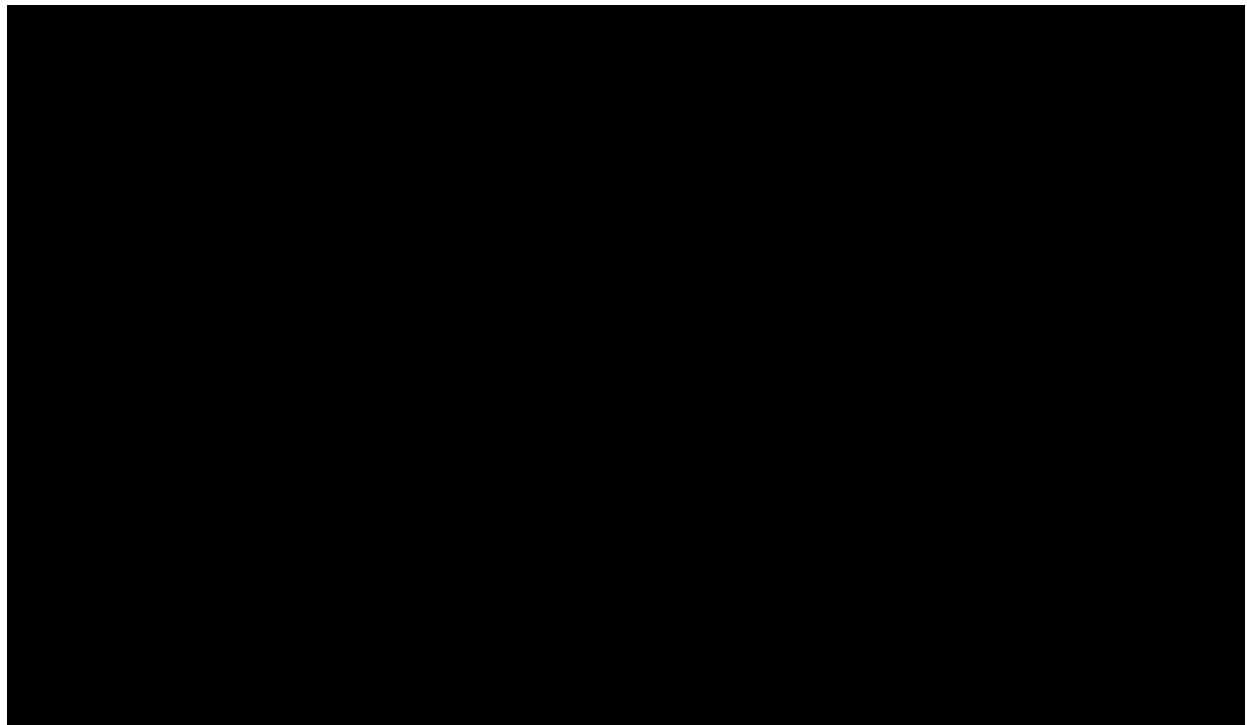


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Call Centre



Energy for Life



Propane Cylinder Review

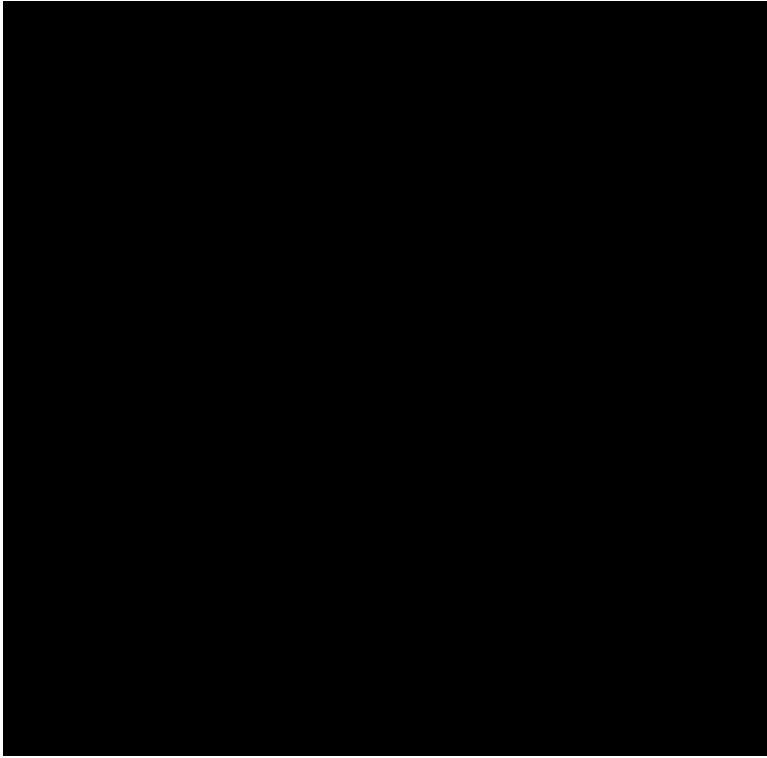


Propane Cylinder Price Increase

[REDACTED]

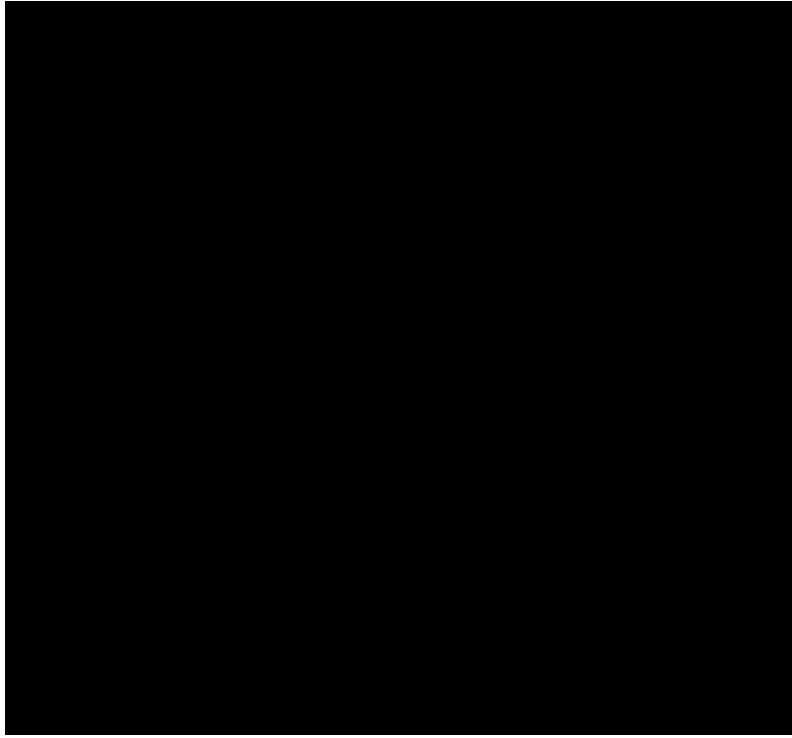


Propane Results Period 9 & 10



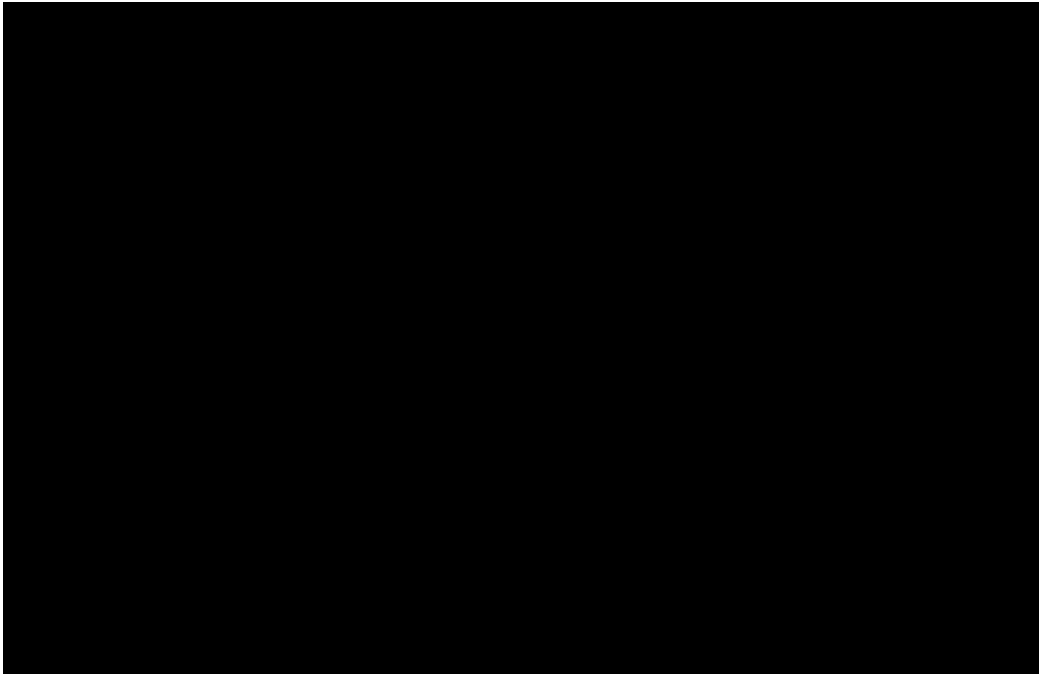


Propane Results Period 11 & 12





Propane Results for Period 13





Reference Adjustment Review



Reference adjustments

[Redacted text block consisting of five horizontal black bars]

 Reference Adjustments – **Approved items**

[Redacted content]



Reference Adjustments

[Redacted]

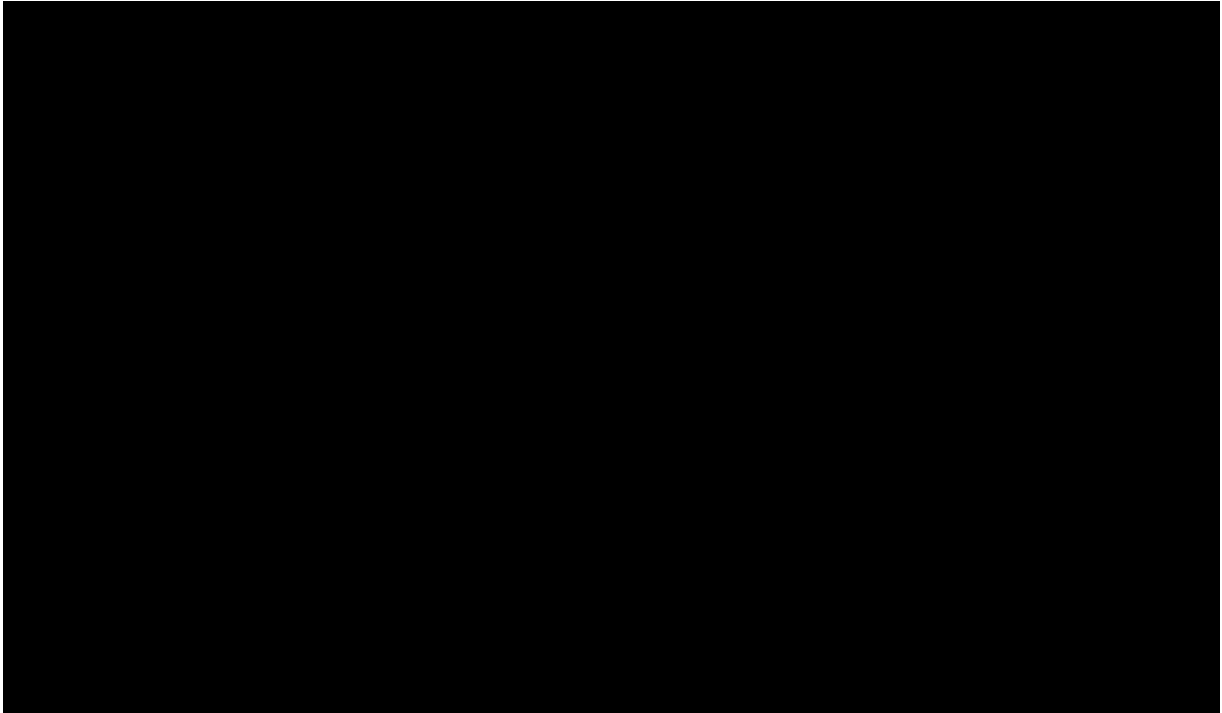
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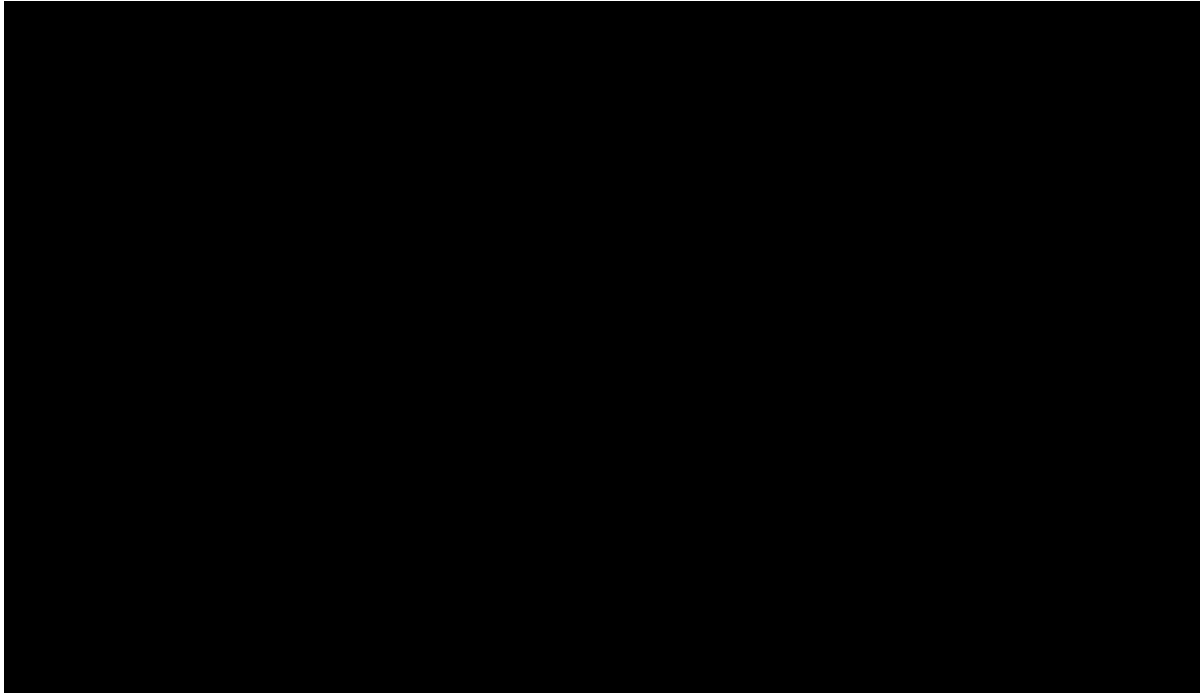


Reference Adjustments – Period 13, 2013





Reference Adjustments – Period 13, 2014





Warehouse Review



Pioneer Warehouse Review

[Redacted]

[Redacted]



[Redacted]

[Redacted]



Warehouse Review

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]



Warehouse Review

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]



RFB Program Review



[REDACTED]



Retailer Recruiting/Renewal Review



Retailer Recruiting/Renewal

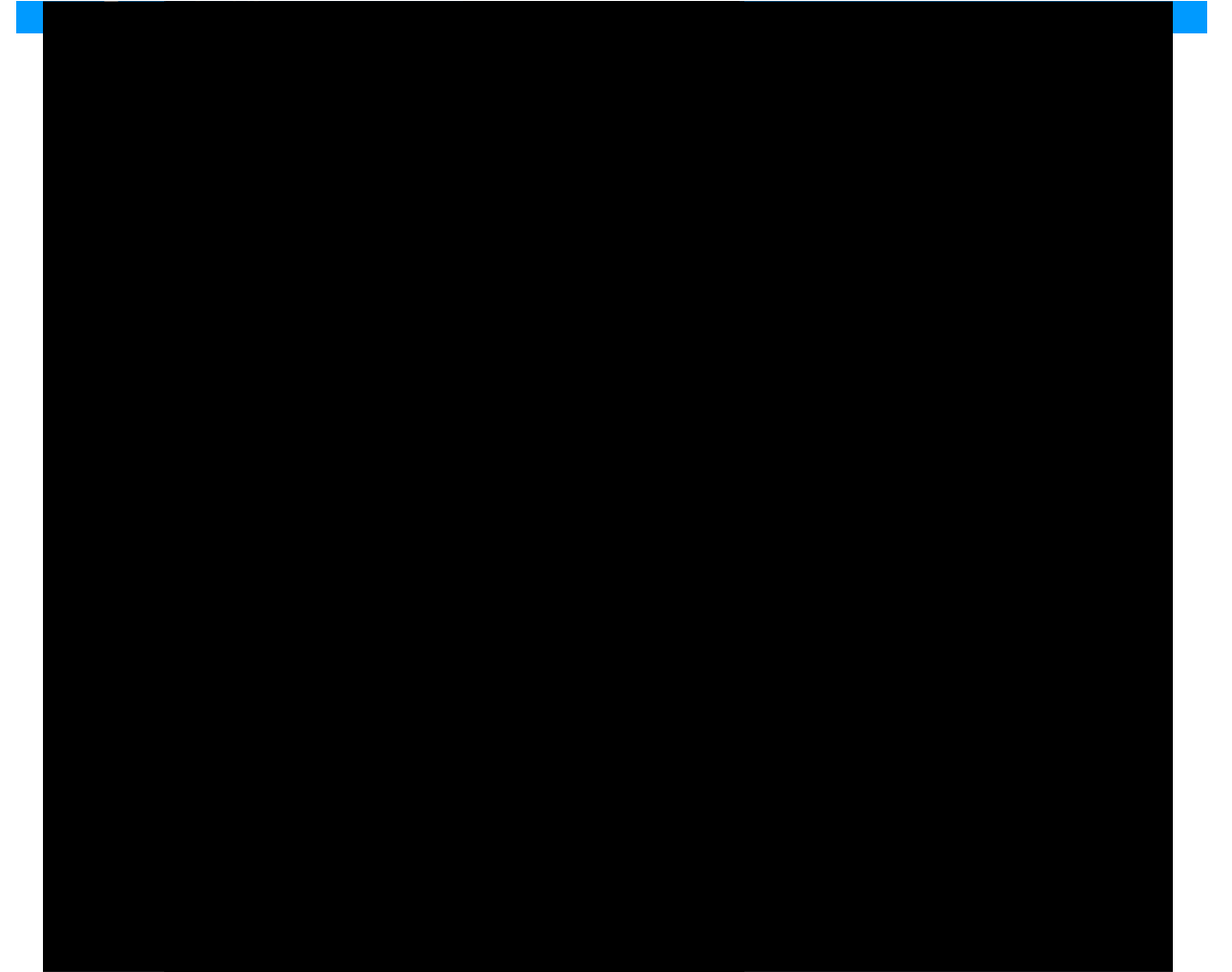
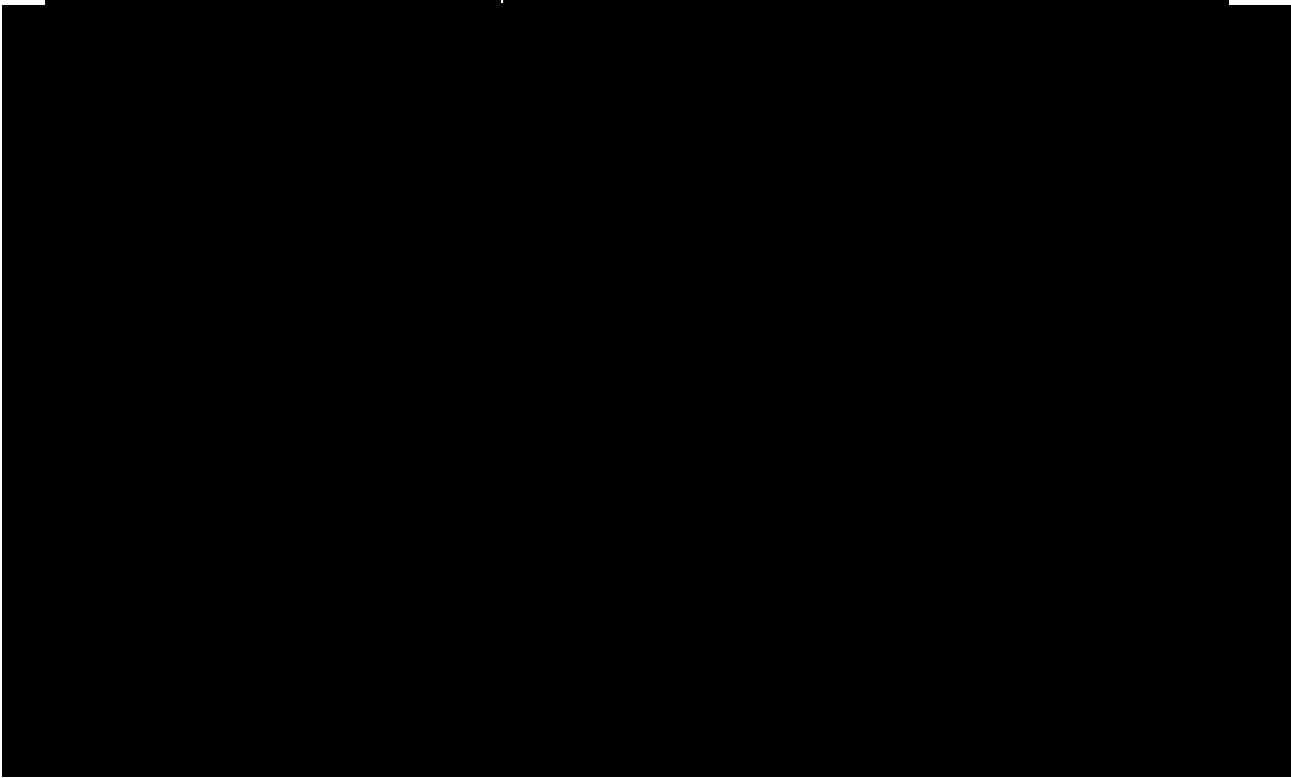
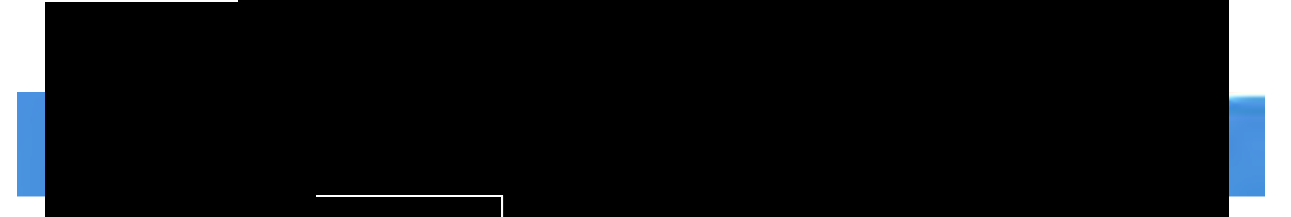
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Carwash Stewardship Review

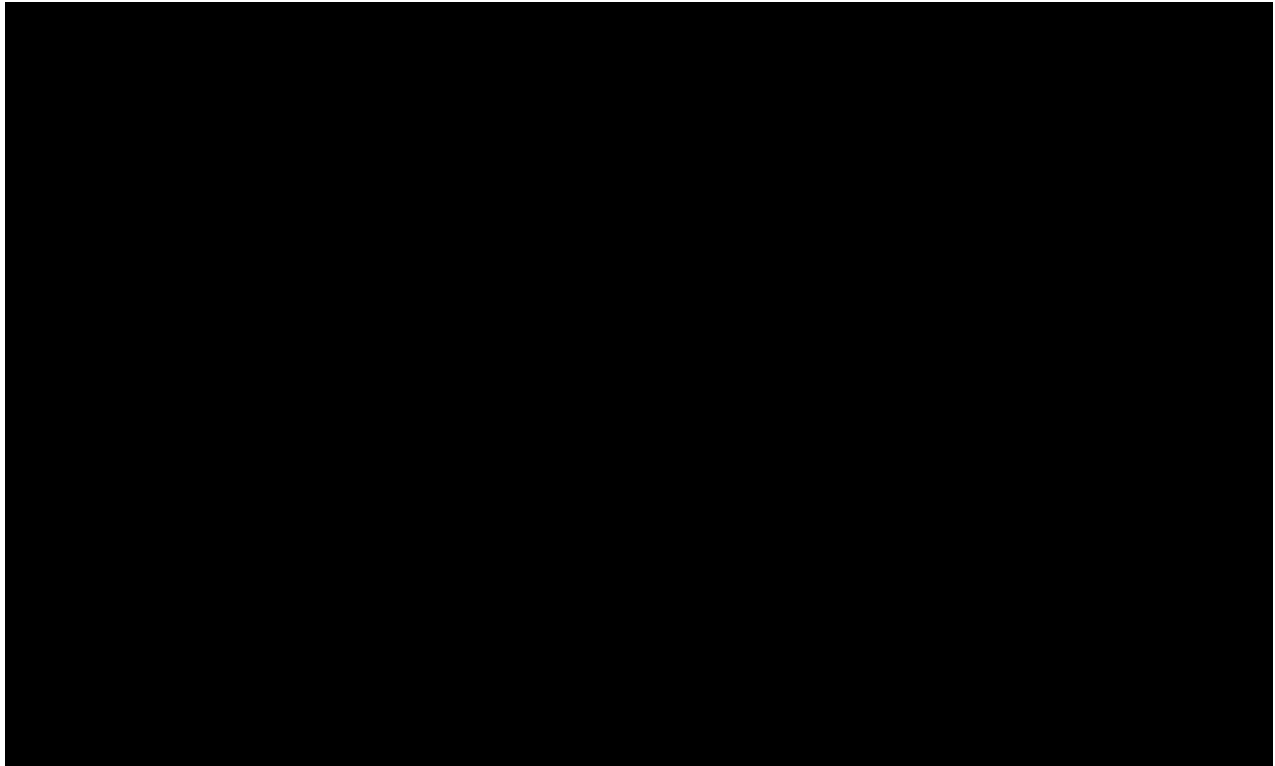


[Redacted text block consisting of three blacked-out lines]



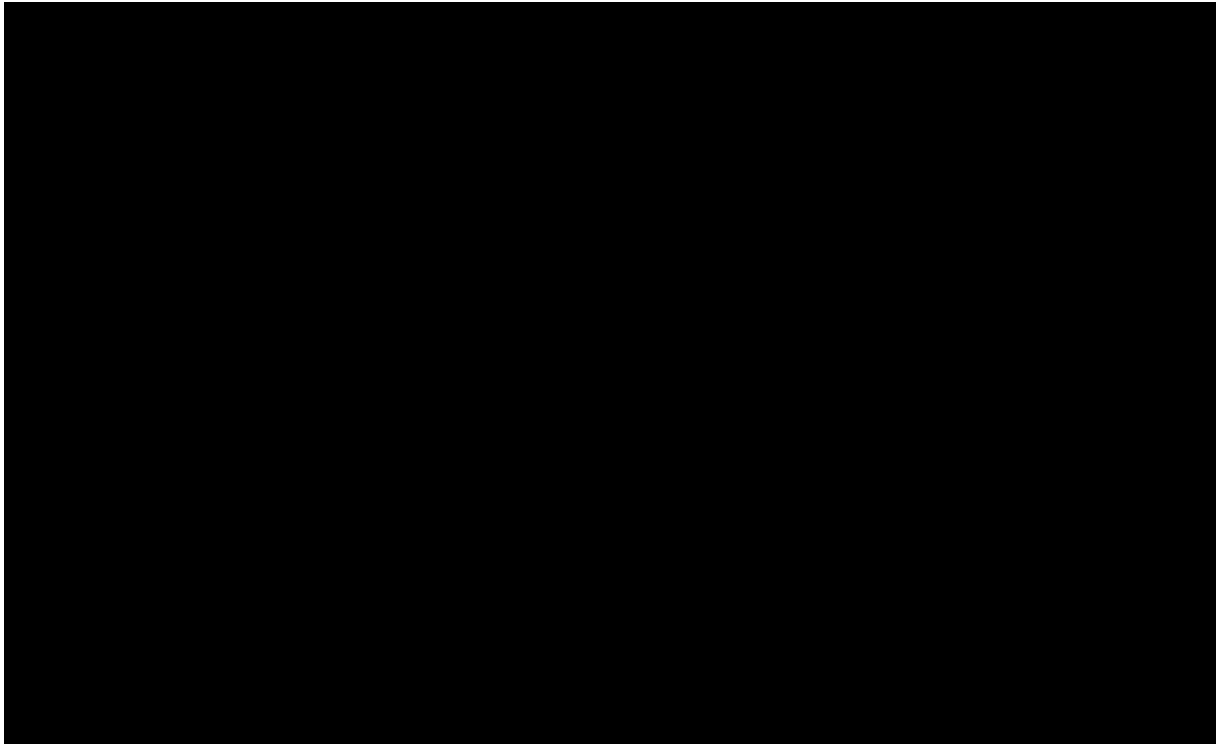


Carwash – RBM Overview





Carwash – YTD Performance





Carwash – YTD Expenses/Contributions

[Redacted content]

[REDACTED]

[REDACTED]

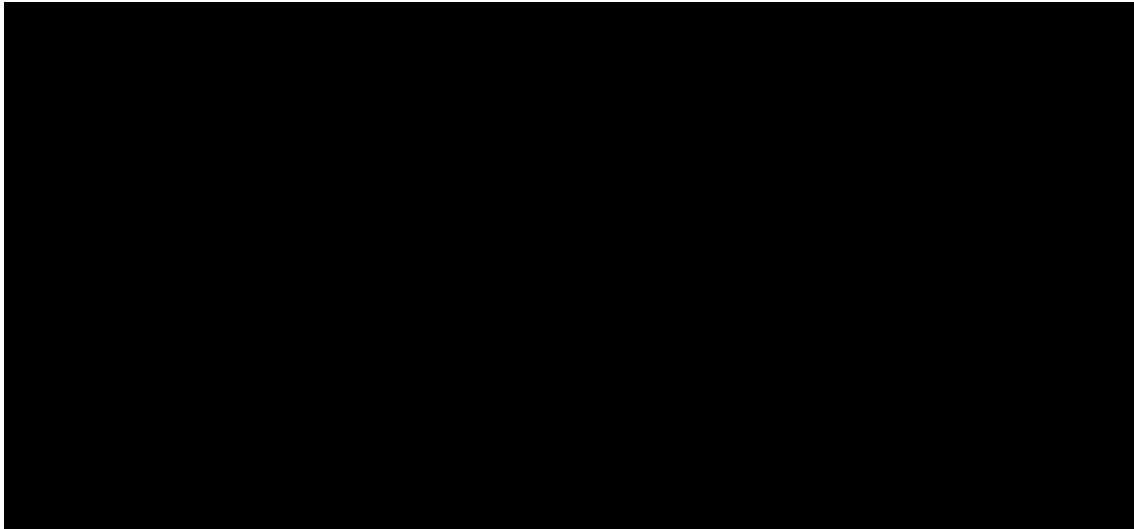


Carwash - Upsell



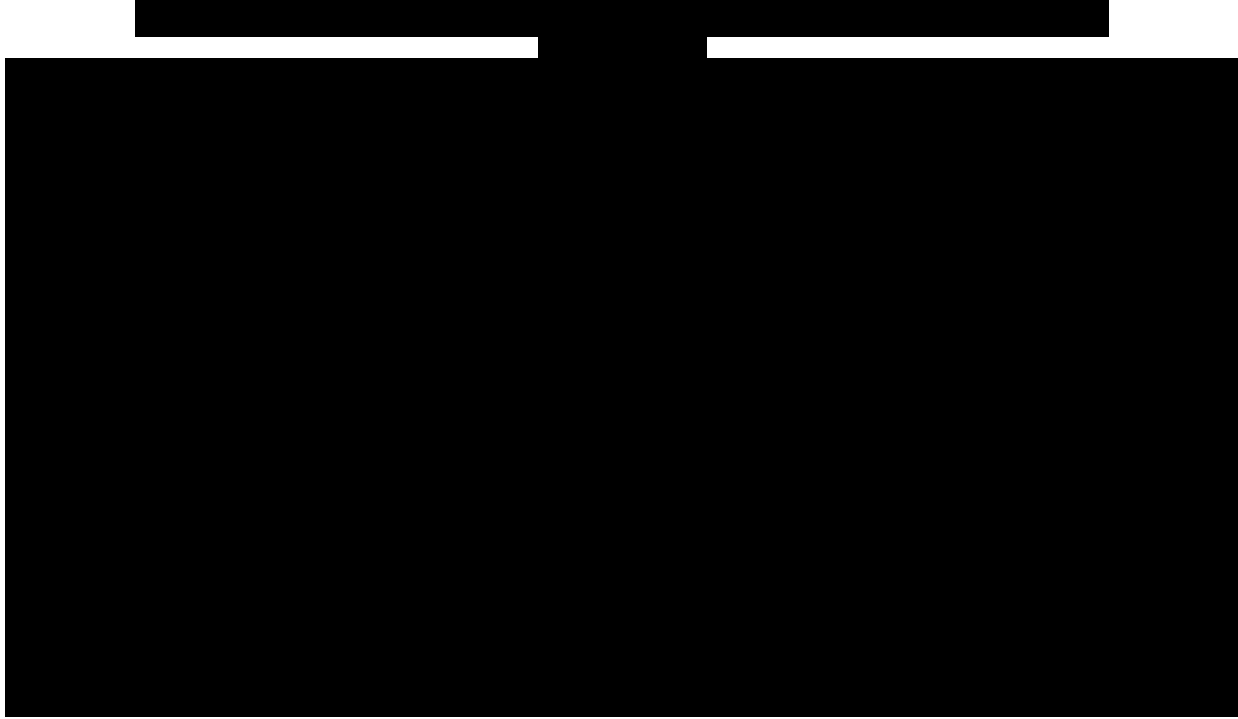


Carwash - Graphs



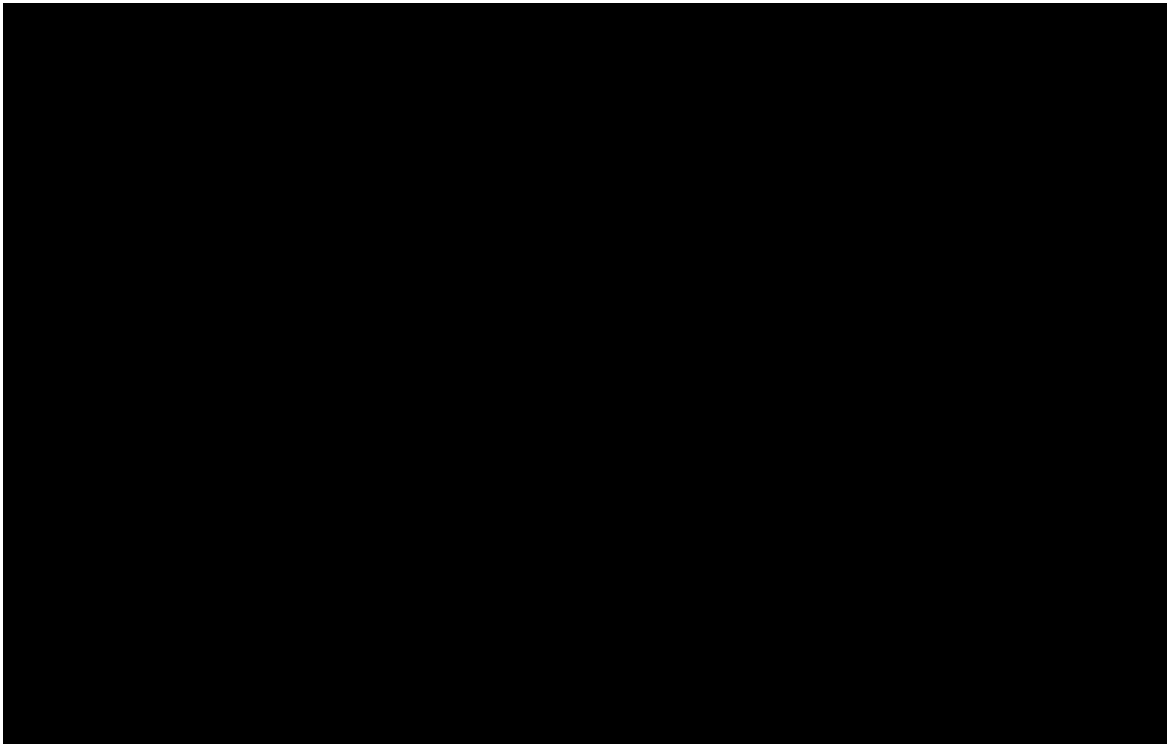


Carwash - Benchmarks



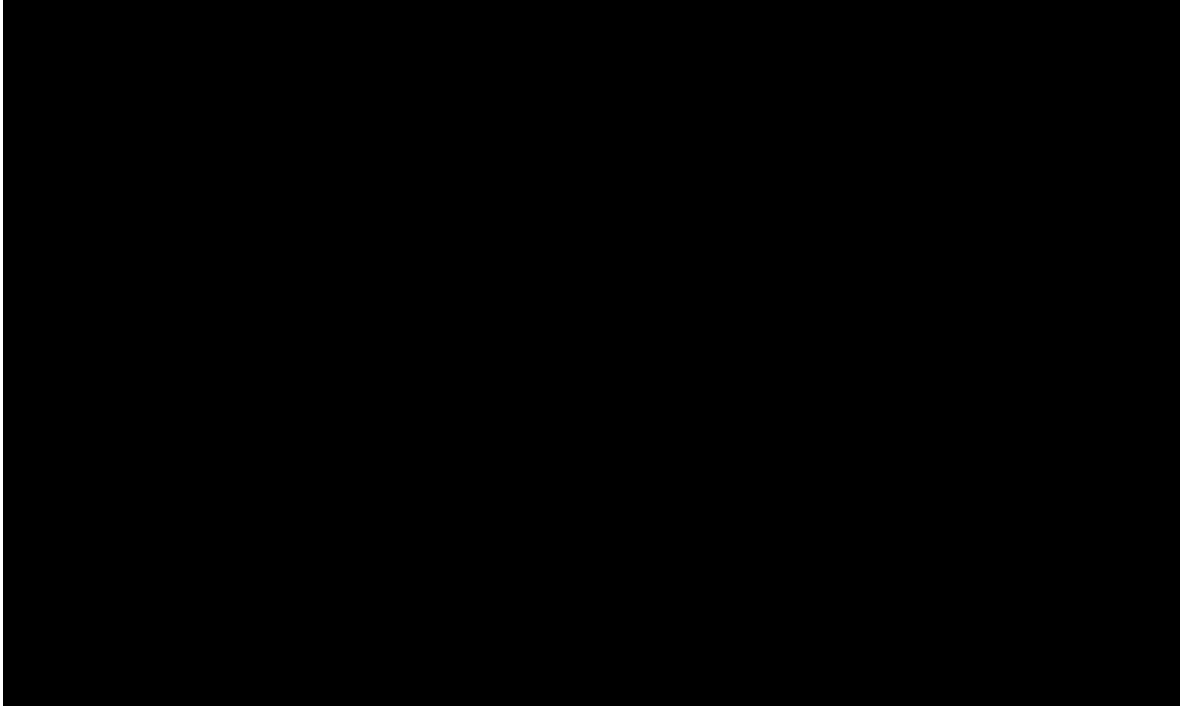


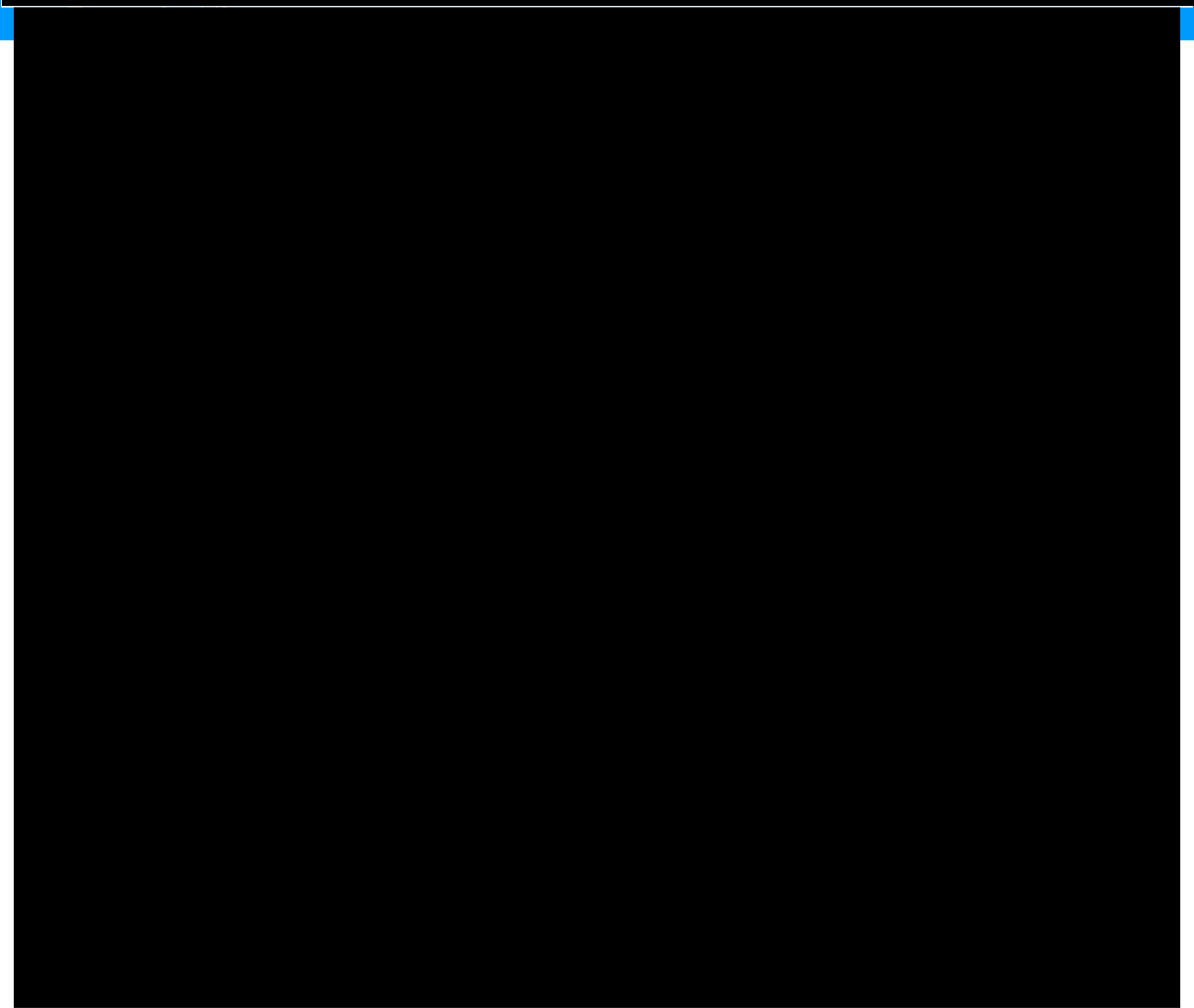
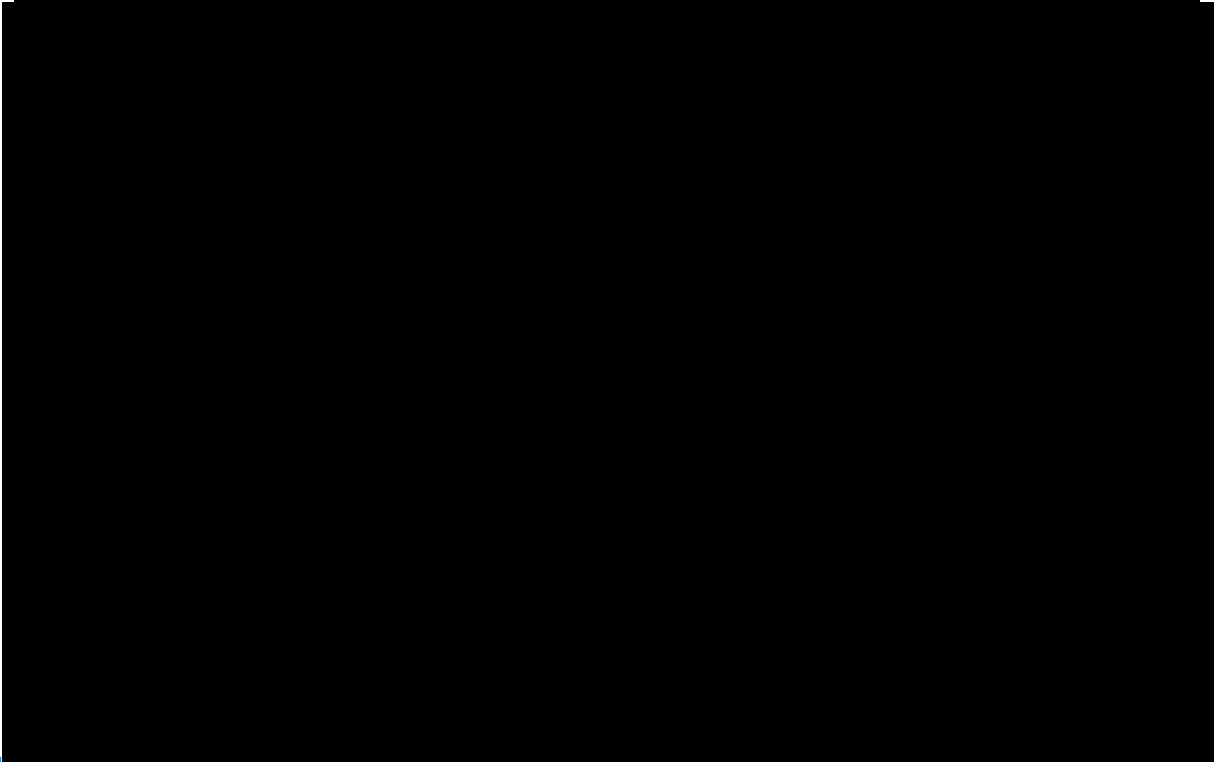
Carwash - Rewashes





Carwash - Revenue







Retail Council Review



[REDACTED]



Lease Agreement Review



Lease Agreement

[REDACTED]



Retailer Ranking Review

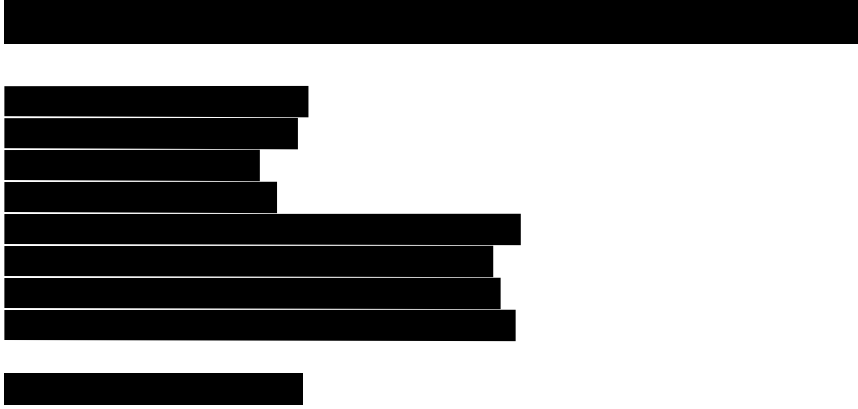


Retailer Ranking

[Redacted Table Content]



Retailer Ranking





Enhanced KPI Review



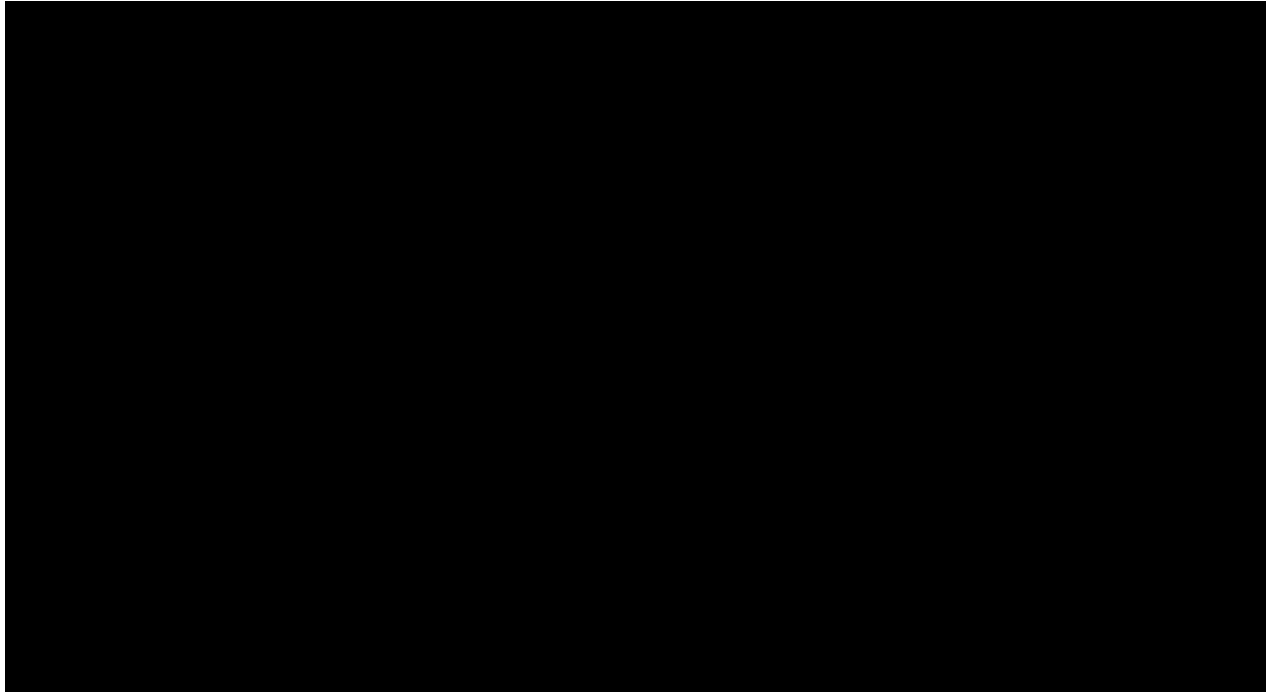
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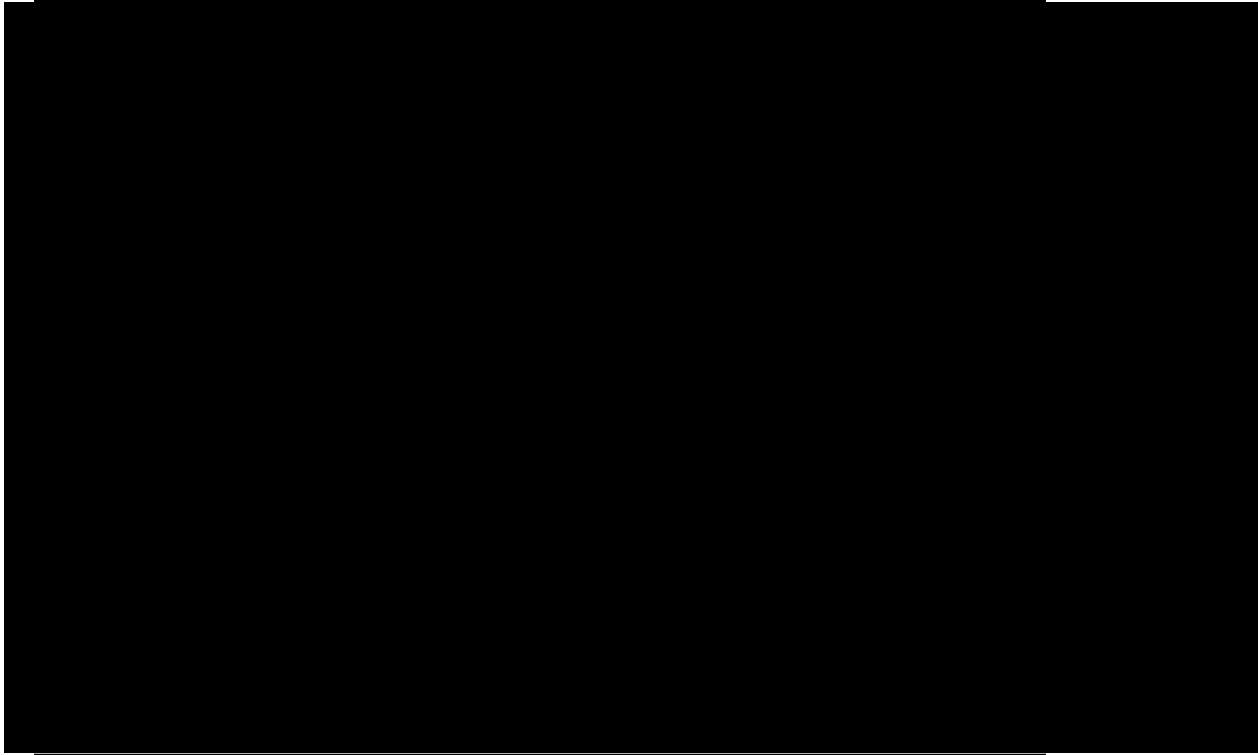
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Fuel Volume (Operations)

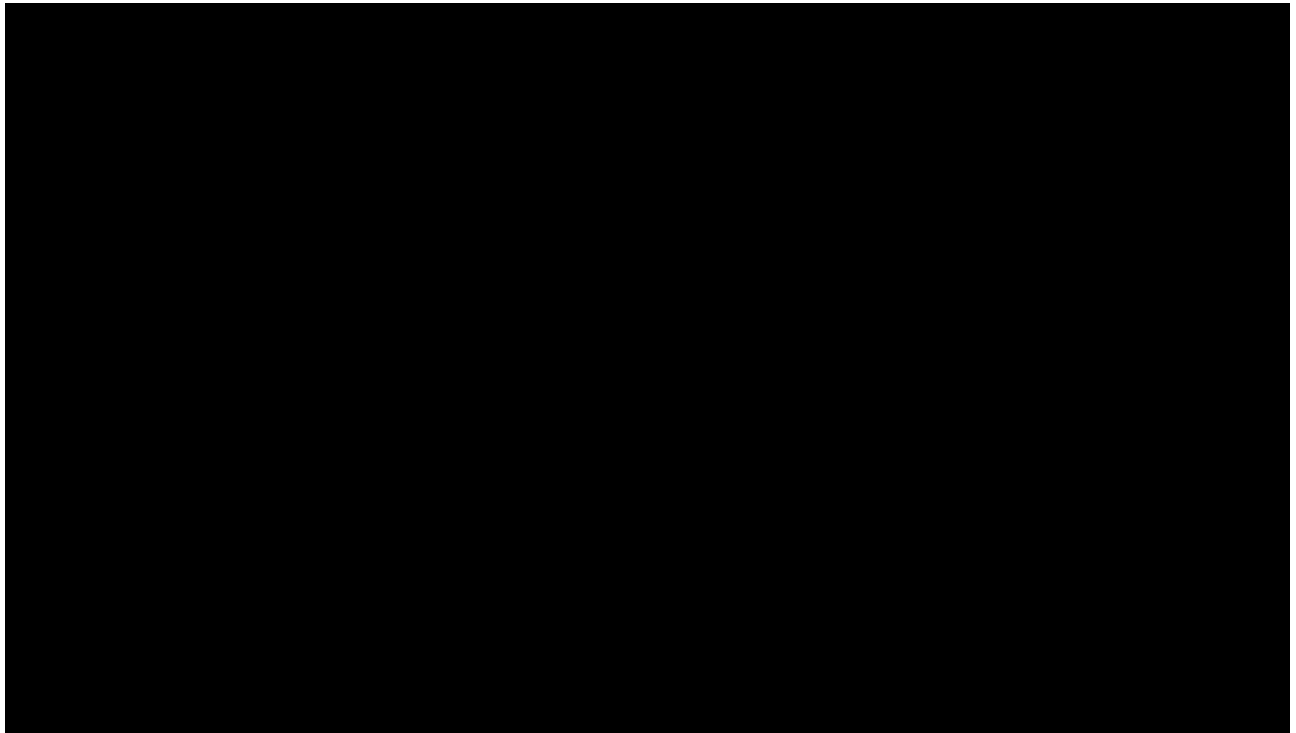


(RBM)





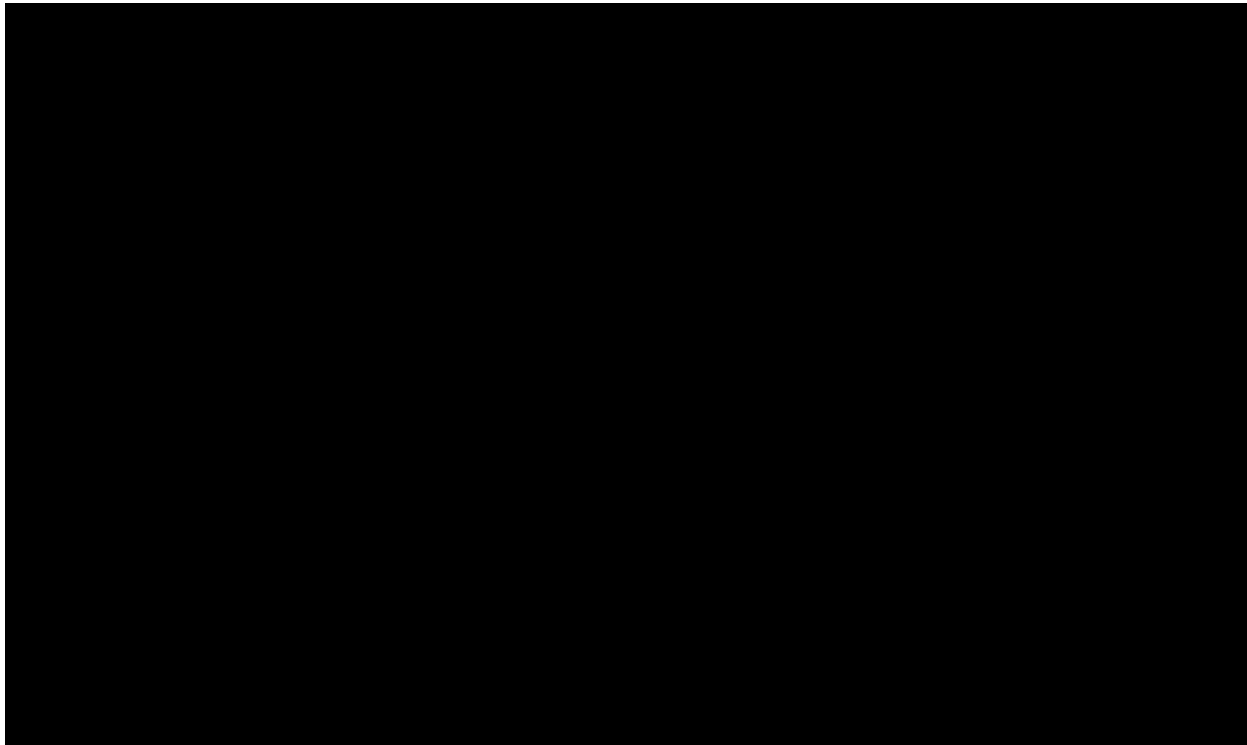
Fuel Margins (Operations)



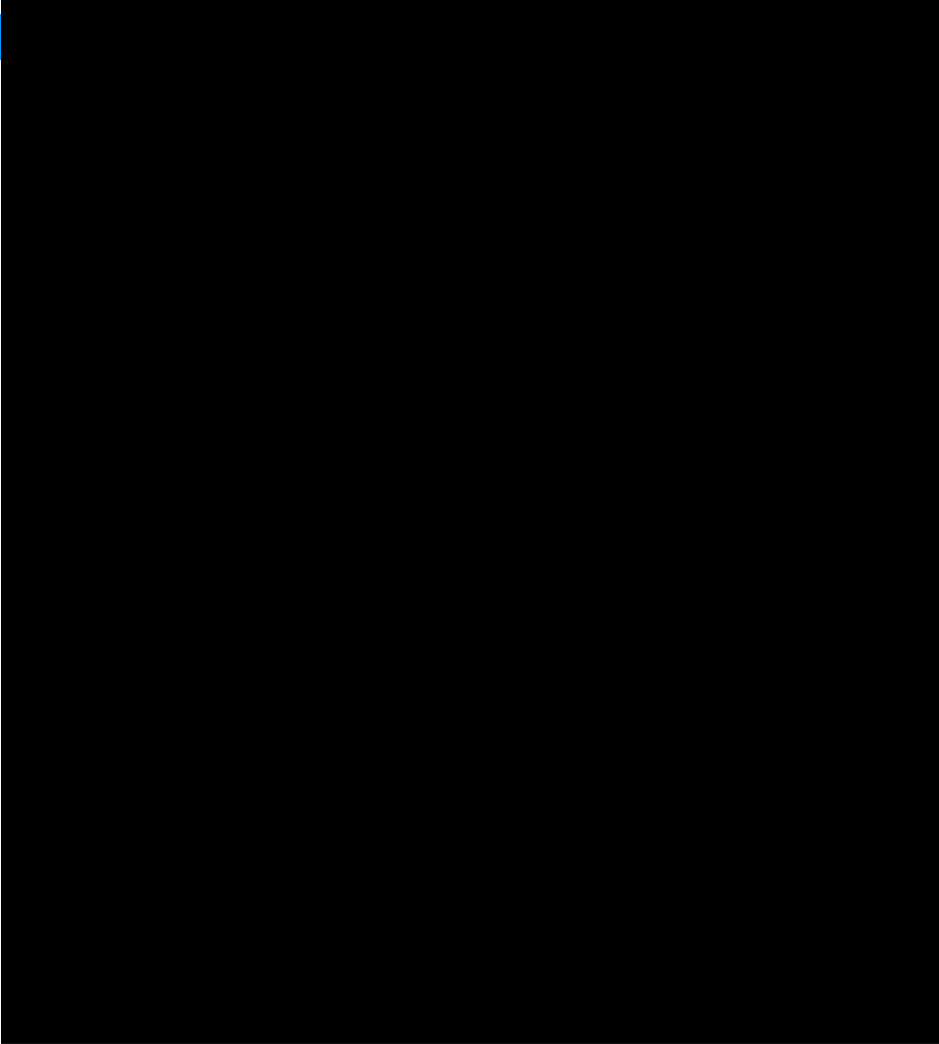
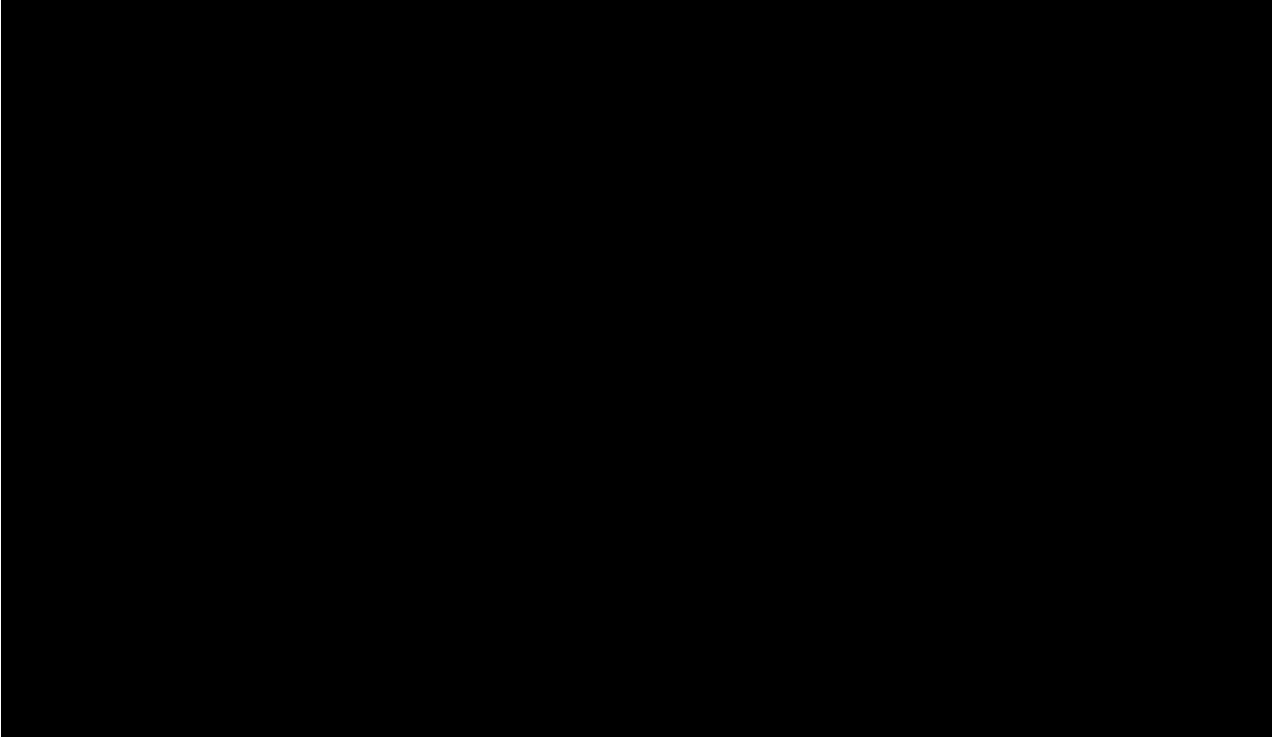
ins (RBM)



Kiosk Rent (Operations)



ent (RBM)

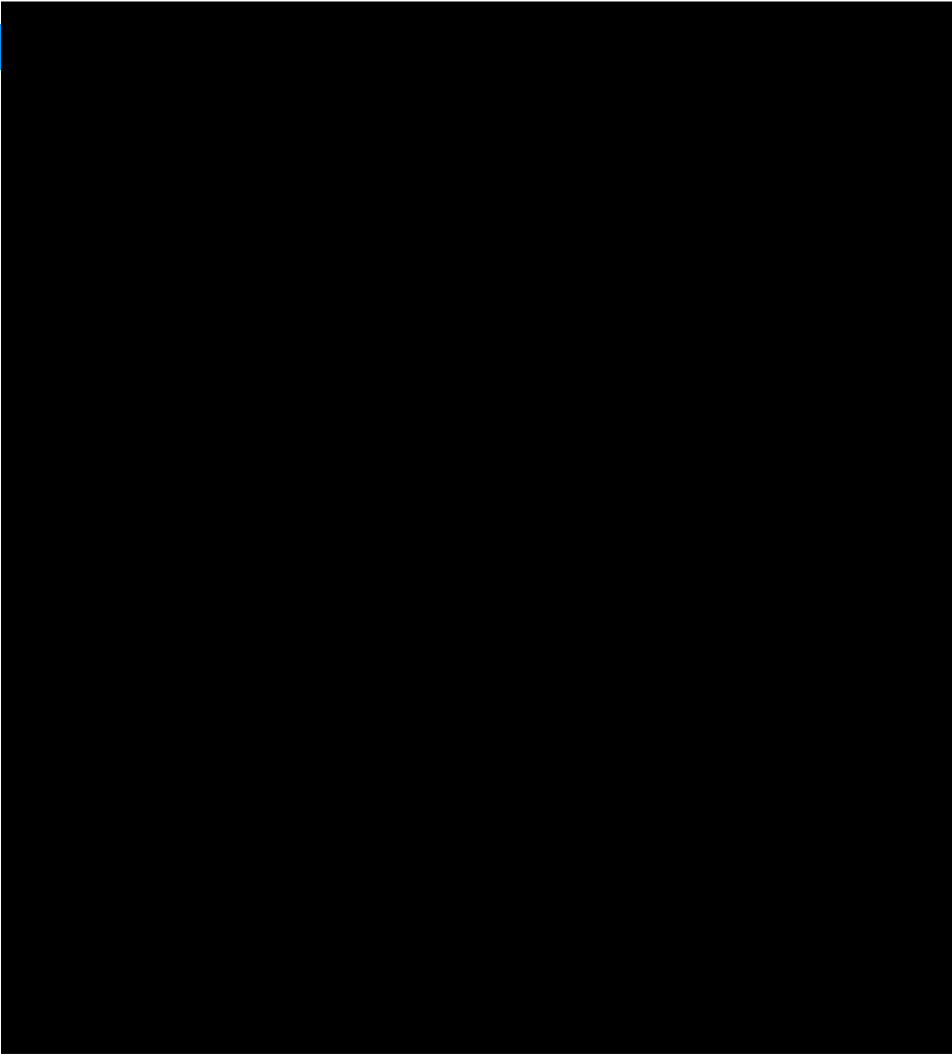
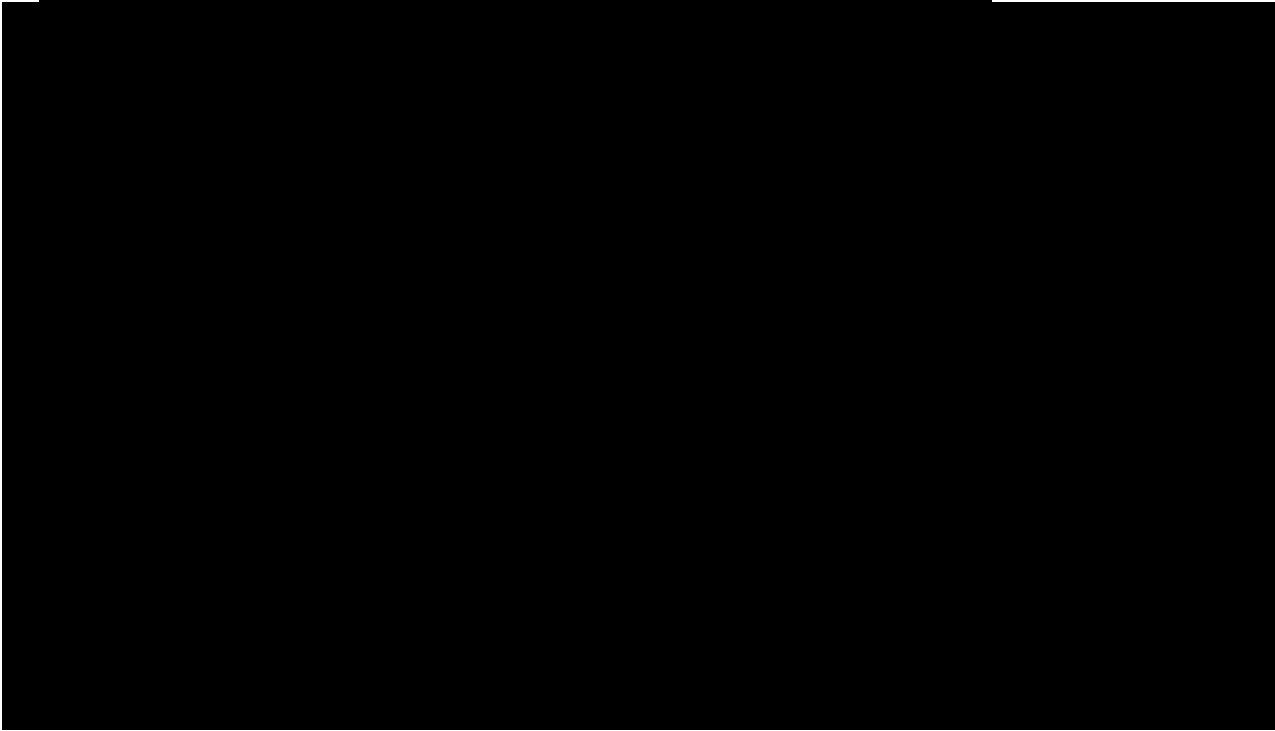




Cig Packs (Operations)

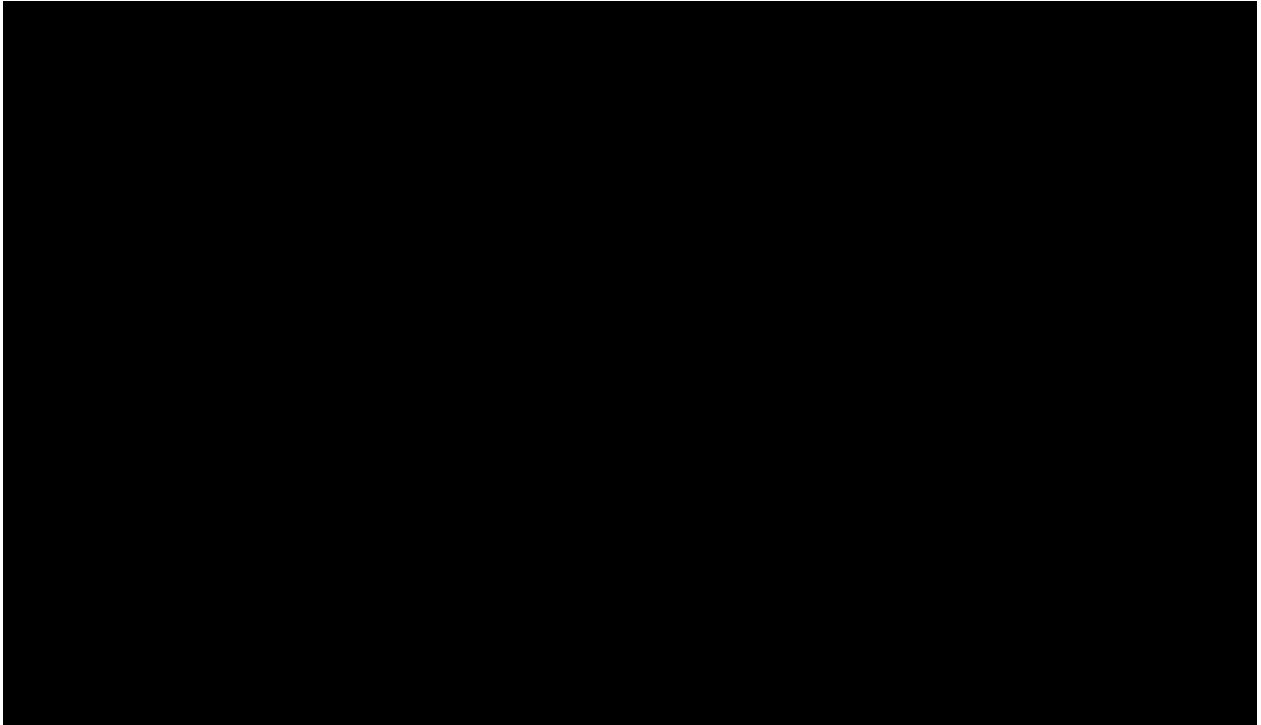


ks (RBM)





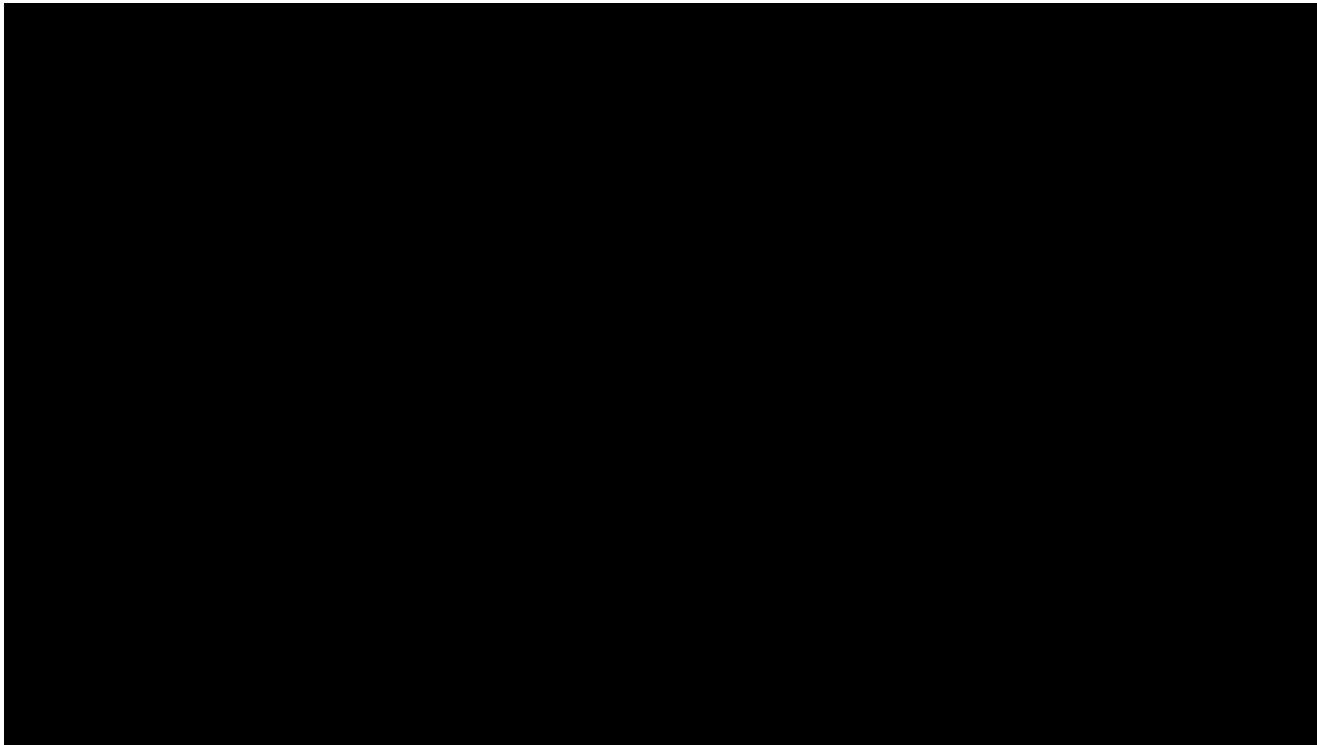
Cig Profit (Operations)



fit (RBM)



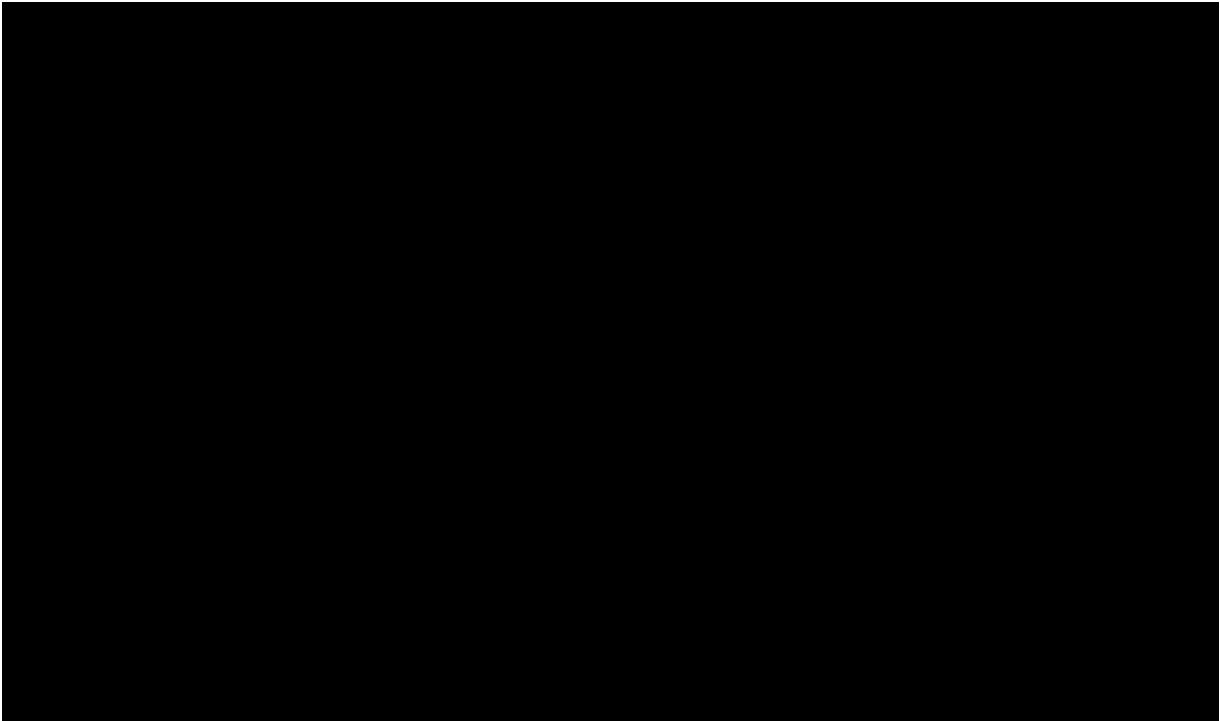
Site Profit (Operations)



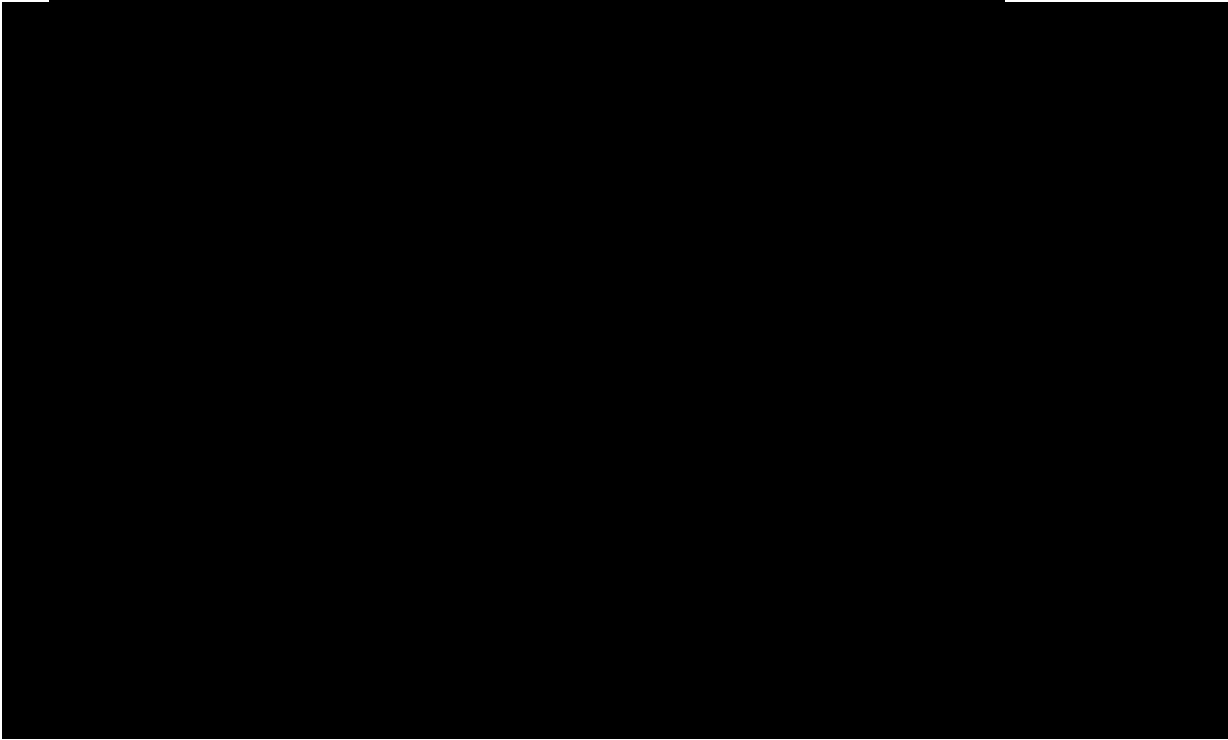
fit (RBM)



Commissions (Operations)

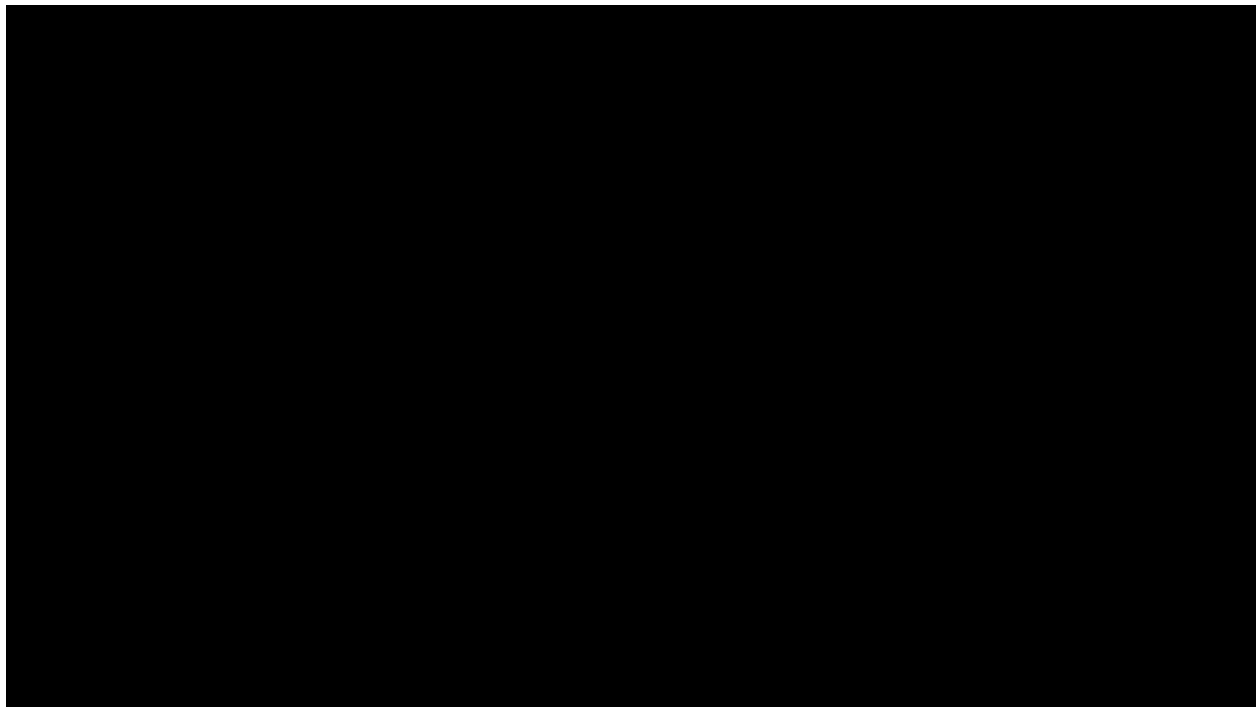


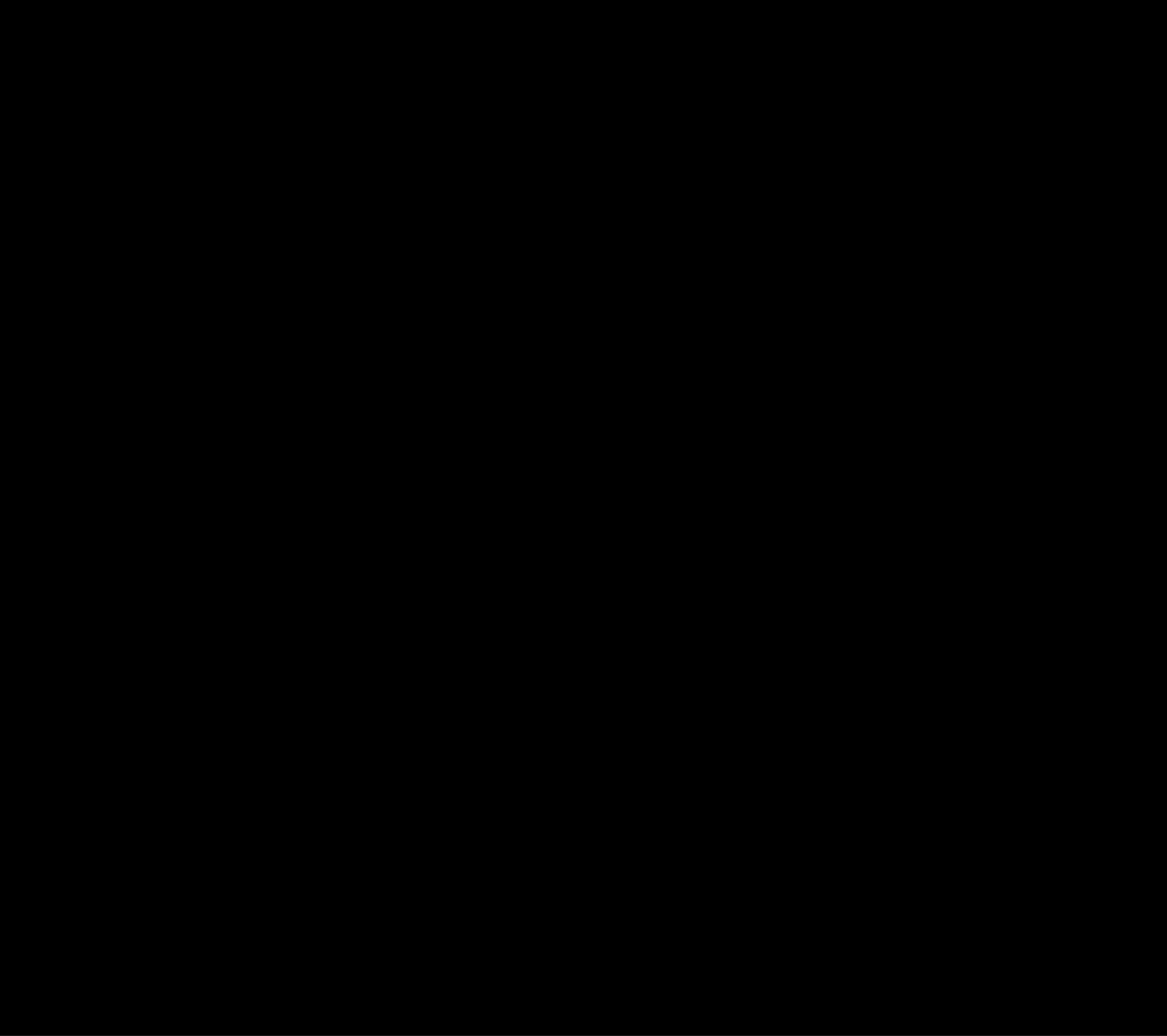
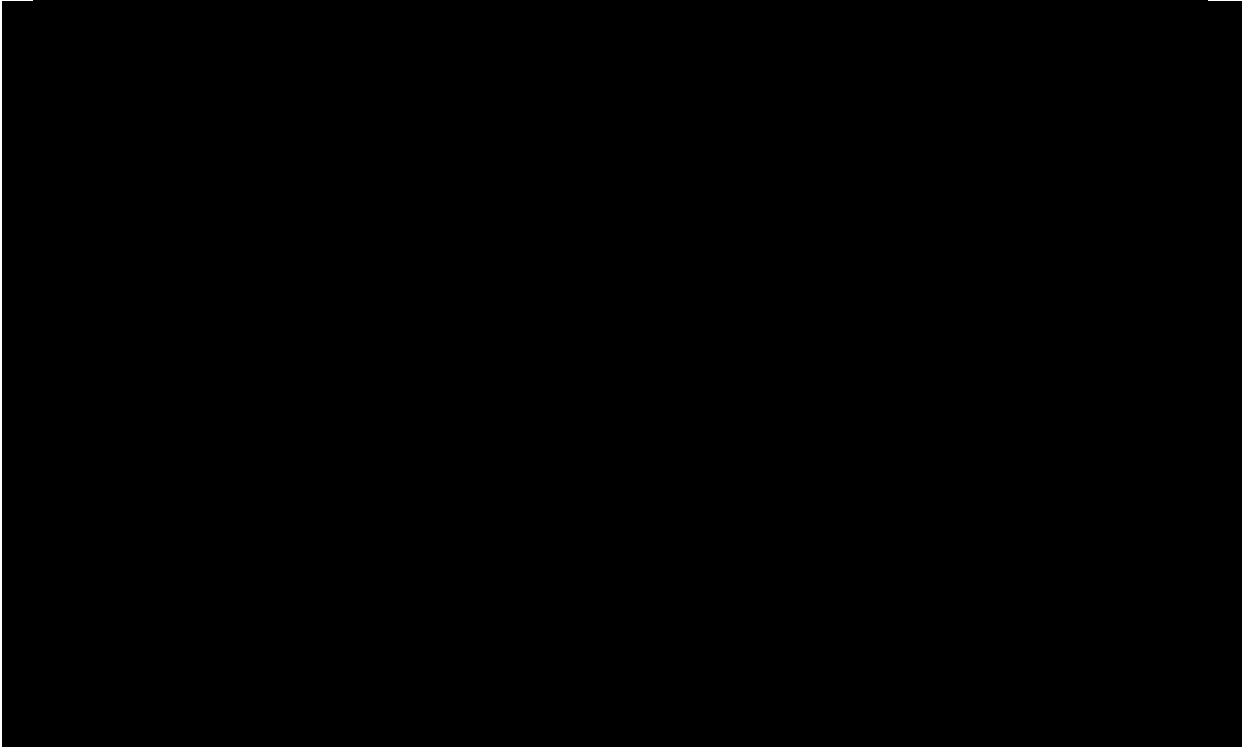
...s (RBM)





Mystery Shops (Operations)







RBM Territory Review



RBM Territory Meetings

[Redacted text block]

[Redacted text block]

[Redacted text block]

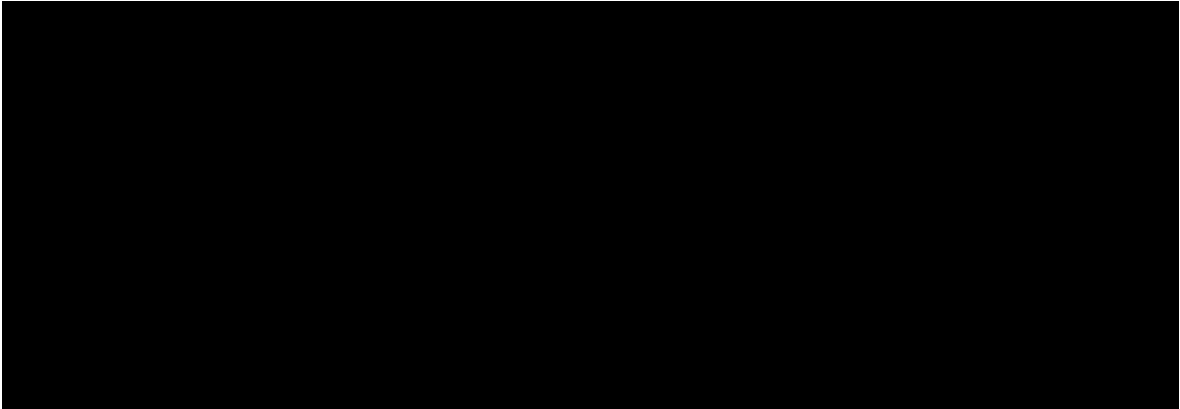


Fuel Grade Spread Review



Fuel Grade Spreads

[REDACTED]









Hydro Review



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[Large redacted text block consisting of a solid black rectangle covering the majority of the page content]



Rain Guarantee Review



[Redacted text block]

[Redacted text block]



P.O.S. Roll Consumption Review



POS Roll Consumption





Current Reviews in progress

[Redacted text block]

[Redacted text block]



Overall Recap

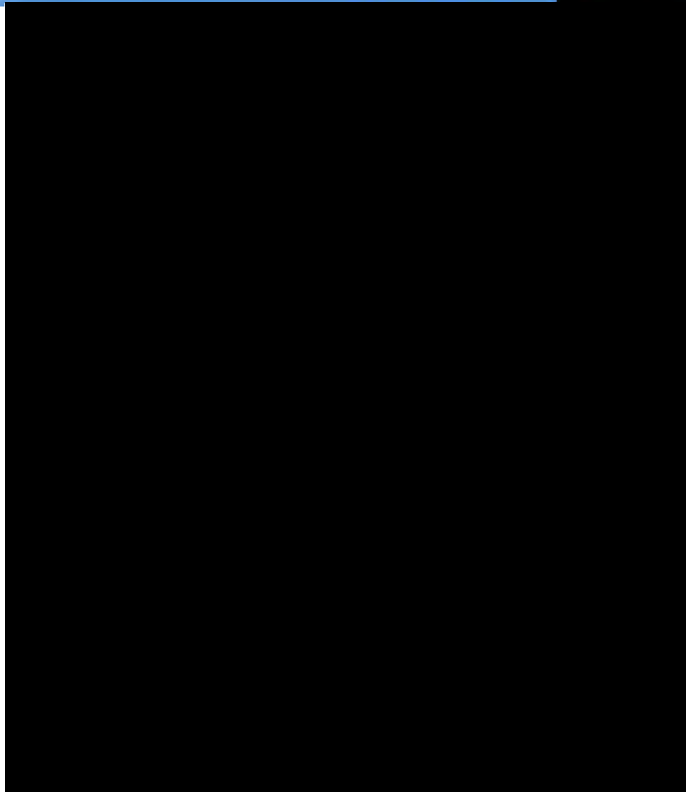
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[Redacted text block]



2014 Budget



To: [REDACTED]
From: [REDACTED]
Sent: Tue 24/06/2014 7:54:06 AM
Importance: Normal
Subject: Pricing Tactics
MAIL_RECEIVED: Tue 24/06/2014 7:54:06 AM

Andy,

Can you please contact me to discuss.

- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Troy Richter
Director of Retail Operations
Pioneer Energy LP
1122 International Blvd, Suite 700

Burlington, Ontario L7L 6Z8



TAB O

A handwritten signature in blue ink, appearing to read "Anthony D. DiMasi", is written over a horizontal line.

**This is Exhibit O to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

To: [REDACTED]
From: [REDACTED]
Sent: Thur 30/01/2014 4:26:58 PM
Importance: Normal
Subject: Re: Ecos for [REDACTED] and [REDACTED] (573) - lets get creative
MAIL_RECEIVED: Thur 30/01/2014 4:26:58 PM

[_jpeg](#)
[_gif](#)
[_gif](#)
[_gif](#)
[_gif](#)

[REDACTED] - Darren has sent Pioneer offer. Best alternative as opposed to competing with Global and their BS offer and pissing off Parkland by trying to match a low ball offer.

[REDACTED] - Using [REDACTED] as leverage. Sign the Pioneer deal for [REDACTED] and we will improve your [REDACTED] - buy price and \$ and we get some time too.

Todd

kelly Nelson---30/01/2014 04:15:05 PM---I am diligently working through emails and as this one is from January 21st... I know we had a phone

From: kelly Nelson/PioneerCA

To: Todd Hickman/PioneerCA,

Date: 30/01/2014 04:15 PM

Subject: Re: Ecos for [REDACTED] and [REDACTED] (573) - lets get creative

I am diligently working through emails and as this one is from January 21st... I know we had a phone conversation on it, but wanted to reply anyway

So option one the margin would be:

Full margin, 2.6

less branding fee of 0.5 : 2.1

2.1 plus 1.9 = margin of 4.0 cents

Option one is definitely do-able, cpl site profit is 1.20 cpl (cell L26) - and payback is under two years

And yes I am fine with changing his [REDACTED], absolutely.

Thanks!

Kelly Nelson

Pioneer Energy


Director of Sales Operations

[REDACTED]

[REDACTED]

1122 International Blvd. Suite 700. Burlington, ON L7L 6Z8



 Please support Pioneer's green commitments and consider the environment before printing this email.

Todd Hickman---21/01/2014 04:03:54 PM---Kelly, As per our conversation, 2 sets of ecos attached.

From: Todd Hickman/PioneerCA

To: Kelly Nelson/PioneerCA

Date: 21/01/2014 04:03 PM

Subject: Ecos for [REDACTED] and [REDACTED] (573) - lets get creative

Kelly,

As per our conversation, 2 sets of ecos attached.

1) [REDACTED]

Provide a LOI based upon a set of reasonable ecos.

[attachment "ECOS - site in [REDACTED].xls" deleted by kelly Nelson/PioneerCA]

2) [REDACTED] (573)

Modify our existing offer at 573 based upon the dealer accepting the above offer for [REDACTED].

His current agreement expires 27 Feb 2018.

I propose a \$50k AMC plus reduce his buy price by 50 points.

Besides the [REDACTED] arrangement, I would want the dealer to extend this site by 2 years.

[attachment "ECOS - site 573 [REDACTED].xls" deleted by kelly Nelson/PioneerCA]

Thoughts?

Todd

TAB P

A handwritten signature in blue ink, appearing to read "Andrew Hillman", is written over a horizontal line.

**This is Exhibit P to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

To: Scott McKelvie x6502 [REDACTED]
From: Rob M. Wilston
Sent: Mon 15/04/2013 12:48:02 PM
Importance: Normal
Subject: Fw: Esso OtR supplied by Pioneer
MAIL_RECEIVED: Mon 15/04/2013 12:48:03 PM

FYI
R.M. (Rob) Wilston
Dealer Operations Manager-East
Manitoba, Ontario + Maritimes
Parkland Fuel Corporation
[REDACTED]

----- Original Message -----

From: Rob M. Wilston
Sent: Monday, April 15, 2013 10:20 AM
To: Richard D. Lavoie
Subject: Re: Esso OtR supplied by Pioneer

I am comfortable doing new projects with the dealer as aggressively as we need to be in any geography but I do not wish to take an existing Esso OTR off Pioneer as that becomes a problem that I think could get out of control.

These Finch dealers need to realize that they cannot keep switching Esso distributors all the time as they were attempting to do in Niagara Falls.

R.M. (Rob) Wilston
Dealer Operations Manager-East
Manitoba, Ontario + Maritimes
Parkland Fuel Corporation
[REDACTED]

----- Original Message -----

From: Richard D. Lavoie
Sent: Monday, April 15, 2013 09:45 AM
To: Rob M. Wilston
Subject: Re: Esso OtR supplied by Pioneer

He's only interested in a major brand and he may go to another BW if we turn him down.

I understand the politics but I'm also concerned on securing other opportunities with this family such as Niagara Falls and another project they are working on in Oakville.

Also concerned that complications can arise from the Competition Bureau that we are refusing to do business. This comment has been made to me in the past by the Pioneer Esso in Brantford and Forest.

Richard Lavoie
Territory Manager
Esso On the Run Business Development
Parkland Fuel Corporation
#236, 4919 59 Street, Red Deer, AB T4N 6C9
[REDACTED]

[REDACTED]

[REDACTED]

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----- Original Message -----

From: Rob M. Wilston
Sent: Monday, April 15, 2013 09:13 AM
To: Richard D. Lavoie
Subject: RE: Esso OtR supplied by Pioneer

We can consider if leaving Esso brand.

R.M. (Rob) Wilston | Dealer Operations Manager-East
Manitoba, Ontario + Maritimes
Parkland Fuel Corporation

-----Original Message-----

From: Richard D. Lavoie
Sent: April 15, 2013 11:00 AM
To: Rob M. Wilston
Subject: Esso OtR supplied by Pioneer

Rob,

I received a call from the Esso OtR in Flamborough on Hwy 6.

[REDACTED]

Imesh Patel is related to our Dealers at our OtR on Finch Ave. [REDACTED]

[REDACTED] There are 2 Pioneer branded sites in his aggressively priced area. He also tells me that he [REDACTED]

I've scheduled a meeting with Imesh this Friday to further discuss. I suggest we move on this opportunity.

Please advise.

Richard Lavoie
Territory Manager
Esso On the Run Business Development
Parkland Fuel Corporation
#236, 4919 59 Street, Red Deer, AB T4N 6C9

[REDACTED]



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TAB Q

A handwritten signature in blue ink, appearing to read "Alex N. Mc Nabb", is written over a horizontal line.

**This is Exhibit Q to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

To: Rob M. Wilston [REDACTED]
From: Scott McKelvie x6502
Sent: Thur 12/06/2014 8:30:50 AM
Importance: Normal
Subject: Re: Rockwood negotiation- and Global
MAIL_RECEIVED: Thur 12/06/2014 8:30:50 AM

Thanks

Scott McKelvie | Director of Retail Operations, Canada
Parkland Fuel Corporation
#100, 4919-59th Street, Red Deer, AB T4N 6C9
[REDACTED]

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[REDACTED]

Sent her the info same time as yours.

R.M. (Rob) Wilston
Dealer Operations Manager-East
Manitoba, Ontario + Maritimes
Parkland Fuel Corporation
[REDACTED]

From: Scott McKelvie x6502
Sent: Wednesday, June 11, 2014 11:46 PM
To: Rob M. Wilston
Subject: RE: Rockwood negotiation- and Global

Had a chance to review again tonite. Very helpful and much appreciated. Thanks

I believe Melissa was looking for some additional info. If you could forward at some point Thursday/Friday that would be great.

Thanks again and good luck Thursday

Scott McKelvie | Director of Retail Operations, Canada

Parkland Fuel Corporation

#100, 4919-59th Street, Red Deer, AB T4N 6C9

[REDACTED]

[REDACTED]

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From: Rob M. Wilston
Sent: June 11, 2014 5:50 PM
To: Scott McKelvie x6502
Subject: RE: Rockwood negotiation- and Global

- 1) They have the TM's in position and carrier capacity to service all of Southern Ontario.
- 2) In the next 12 months, there are 31 sites. See list below.
- 3) The volume of the 31 sites is 101.0 ml with an ebitda of \$2.00 million. (Full year 2013) See list below.
- 4) We have been aggressively trying to renew all sites early. Global has visited most, many were going slow due to market price issues, some lingering delivery runout anger, and when you are not doing so well, you are often not eager to renew early. Many sites have been renewed. Some have stated they want commission deals or PC price support. Some have indicated that they have better Esso brand pricing from particularly Global and sometimes Pioneer that saves them money. Our forgivable loan cash while useful is often not sufficient to bridge these gaps even when we are very generous. Many of our resigns this year have considerably pushed past our normal DET parameters but still falls short.

5) We wish to keep the vast majority so a plan is needed.

1) You can see we are making [REDACTED] cents per litre. Esso's old model in their heads called for 1 cent. To meet Global, we might have to operate in the [REDACTED] range which would be about [REDACTED] of what we enjoy now. This is just working off what we have seen this year with what they are taking and trying to take.

2) The cash is always a useful tool, but in these areas of limited margin, they want margin and they are quick to figure it out with a calculator. We must remember that in addition to the low margin on regular, they do not have the [REDACTED] cent upcharge on premium which is also quite a draw when combined with the regular saving.

Expiry	Location	BU	VOL	EB	
8/31/1	Smithville	51243	[REDACTED]	[REDACTED]	
8/31/14	Nairn Centre	50615	[REDACTED]	[REDACTED]	
9/14/14	Wellesley	51289	[REDACTED]	[REDACTED]	
9/30/14	St. Agatha	51264	[REDACTED]	[REDACTED]	
10/1/14	St. George	51295	[REDACTED]	[REDACTED]	
10/31/14	Bancroft-62N	51021	[REDACTED]	[REDACTED]	
10/31/14	New Dundee	51262	[REDACTED]	[REDACTED]	
10/31/14	Rockwood	51281	[REDACTED]	[REDACTED]	
10/31/14	Durham	51305	[REDACTED]	[REDACTED]	
10/31/14	Hwy 9, Caledon	51258	[REDACTED]	[REDACTED]	
12/31/14	Atwood	51278	[REDACTED]	[REDACTED]	LOI signed
12/31/14	Kipling, TOR to Parkland.	51017	[REDACTED]	[REDACTED]	Worked with Anthony at Global previous
1/17/15	Milwood, TOR	51020	[REDACTED]	[REDACTED]	Worked with Anthony at Global previous to

Parkland.

1/18/15	Port Colborne	51307	█	█	
1/31/15	Tottenham	50992	█	█	
2/28/15	Bancroft-62S	51025	█	█	Pricing was about █ cents █ his cost for about 4-6 weeks this spring. Dealer █.
2/28/15	Niagara Falls	51277	█	█	Many months of pricing █ his buy price.
2/28/15	Leakdale	51283	█	█	
3/31/15	Roseneath	50607	█	█	
3/31/15	Huntsville	51312	█	█	
4/30/15	Brampton	50883	█	█	
4/30/15	Kincardine	51290	█	█	
4/30/15	Tiverton	51255	█	█	
5/4/15	Penetang	50604	█	█	
5/31/15	Wainfleet	51247	█	█	
5/31/15	St.Catharines	51311	█	█	Despite many good meetings including myself, dealer █ and to go █ for the █.
5/31/15	Sharbot Lake	50616	█	█	Ultramar has slowly hammered this site down from over █ ml.
6/1/15	Bethany	50993	█	█	
6/30/15	Trethewey, TOR	50923	█	█	
6/30/15	Orillia	51245	█	█	
6/30/15	Steeles, TOR	50899	█	█	

█

Rob Wilston | Regional Operations Manager--East

Parkland Fuel Corporation

Retail Operations East

#236, 4919 59 Street, Red Deer, AB T4N 6C9

[REDACTED]

[REDACTED]

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From: Scott McKelvie x6502
Sent: Wednesday, June 11, 2014 9:40 AM
To: Rob M. Wilston
Subject: RE: Rockwood negotiation- and Global

Confidential. **Here's a start In red.** Can you come up with corresponding #'s. Give me a shout ASAP as I'm leaving the office in about an hour. Thanks

Scott McKelvie | Director of Retail Operations, Canada

Parkland Fuel Corporation

#100, 4919-59th Street, Red Deer, AB T4N 6C9

[REDACTED]

[REDACTED]

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From: Bob Espey
Sent: June 11, 2014 7:21 AM
To: Peter Kilty
Cc: Scott McKelvie x6502; Irfhan A. Rawji
Subject: RE: Rockwood negotiation- and Global

Hi Pete

Per discussion at F1 with IOL let's see if they are successful at stopping this. In the mean time we need to start developing our options.

It would be helpful to get a better understanding of the potential magnitude of this threat. Can you please provide the following information:

1. How many of our sites can Global actually service. Is there a service radius where the threat is particularly high? **Consider Toronto out 100(?) miles as sites they have/are approaching (x#/volume)**
2. How many sites / accounts are coming up for renewal in the next 12 and 24 months in the impacted areas? **(?)**
3. What is the EBITDA and volume for the impacted area? **above**
4. How many of these sites have we visited and tried to extend the contracts? **all**
5. From a network perspective are these "C sites" which we ultimately do not care about? **A few are but not all (#'s??)**

We should also develop our competitive response options:

1. How much would it cost us to “drop our shorts” to save the affected area? i.e. meet global’s offer.
2. Is there an alternative to throw more front end capital at the problem. **No. Majority of dealers are looking for better buy price as 1A,1B,1C concern with the upfront cash at 4.**
3. Where are Armstrong’s other territories and should we go after his sites directly? **New Brunswick/Quebec**

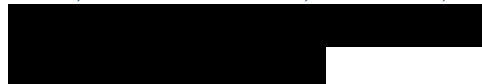
Let’s get an understanding of this quickly so that we can react to the next site loss if it happens.

Also let me know of additional solicitation of our sites and I will feed back to IOL.

Bob

From: Peter Kilty
Sent: Friday, June 06, 2014 4:28 PM
To: Bob Espey
Subject: Fw: Rockwood negotiation- and Global

Peter Kilty | VP of Retail Operations, Canada
Parkland Fuel Corporation
#100, 4919 59th Street, Red Deer, AB T4N 6C9



Sent from my BlackBerry 10 smartphone on the TELUS network.

From: Scott McKelvie x6502

Sent: Thursday, June 5, 2014 7:49 PM

To: Peter Kilty

Subject: Fw: Rockwood negotiation- and Global

Some more Global info. Not good

Scott McKelvie | Director of Retail Operations, Canada
Parkland Fuel Corporation
#100, 4919-59th Street, Red Deer, AB T4N 6C9

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From: Rob M. Wilston

Sent: Thursday, June 5, 2014 7:52 AM

To: Scott McKelvie x6502

Subject: Fw: Rockwood negotiation- and Global

Starting to impact most renewals.
R.M. (Rob) Wilston
Dealer Operations Manager-East
Manitoba, Ontario + Maritimes
Parkland Fuel Corporation

From: Kevin M Berkes

Sent: Thursday, June 05, 2014 08:21 AM

To: Rob M. Wilston

Cc: John H. Beson; Matthew P. Brayman; Leon P. Chabot; Greg F. Coyle; Richard D. Lavoie
Subject: Rockwood negotiation- and Global

G'Day Rob:

I was at [REDACTED] yesterday discussing new contract. This visit, the Dealer had a copy of the Global LOI with him. I did not get a copy but the Dealer allowed me all the time I needed to copy the relevant information. This Dealer has been visited by Anthony twice and once from Dave Armstrong.

Pricing- Rack less [REDACTED] An [REDACTED] Esso Brand charge. net price of rack less [REDACTED].

Premium to Regular spread was only [REDACTED]

Quoted a delivery rate of 90 pts. – for half load deliveries

Contract term was 5 + 5 yrs with a minimum volume clause of [REDACTED]

Loi included a replacement pylon sign, canopy inserts, and all the usual forecourt equipment.

\$ [REDACTED] /year uniform allowance

Security requested was \$ [REDACTED]

No forgivable loan.

As expected Global was bragging about the taking of our two sites last week- and using as proof

that they were in fact authorized by Esso to bid on Rockwood contract.

When do we start our New Brunswick visits?

Kevin Berkes

Territory Manager, Ontario

Parkland Fuel Corporation

Suite 236, 4919-59th St., Red Deer, AB, T4N 6C9

[REDACTED]

[REDACTED]

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TAB R

A handwritten signature in blue ink, appearing to read "Alex N. Mc Nabb", is written over a horizontal line.

**This is Exhibit R to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

Welcome to Parkland Fuel Corp. Dealer Ops Competitor Offer Comparison Workbook

Please select the region you would like to view

East

West

Atlantic

Notes: Please do not manually 'hide' any tabs/workbooks
Click region to show/hide competitor information
Last Update: **June 20, 2014**
Last Updated by : **Matt Brayman**

Comparison Variables Snapshot--Atlantic

Updated: May 20, 2014

Contract	Parkland Race Trac		Petro Canada		Shell		Sobey's Shell		Michaud Fuels Shell		Global Esso		Wilson's Esso		Irving		Co-op Sonic		Ultramar		Wilson's		Michaud Fuels		XTR	
	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary	Primary	Secondary
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[Yellow Box] =verbally verified

TAB S

A handwritten signature in blue ink, appearing to read "Anthony D. Hoover", is written over a horizontal line.

**This is Exhibit S to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

To: Peter Kilty [REDACTED]
From: Scott McKelvie x6502
Sent: Fri 05/09/2014 10:54:43 AM
Importance: Normal
Subject: RE: Rockwood Resign meeting yesterday-RESEND
MAIL_RECEIVED: Fri 05/09/2014 10:54:00 AM

I'm beginning to think they may not be telling us everything....

I know, I'm brilliant! F!!!

Scott McKelvie | Director of Retail Operations, Canada
Parkland Fuel Corporation
#100, 4919-59th Street, Red Deer, AB T4N 6C9
[REDACTED]

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From: Peter Kilty
Sent: Friday, September 05, 2014 8:46 AM
To: Scott McKelvie x6502
Subject: Re: Rockwood Resign meeting yesterday-RESEND

Un f'n believable

Sent from my BlackBerry 10 smartphone on the TELUS network.

From: Scott McKelvie x6502

Sent: Friday, September 5, 2014 10:36 AM

To: Peter Kilty

Subject: FW: Rockwood Resign meeting yesterday-RESEND

Re: Andrew/Global visit!!!! WTF!!!!

Scott McKelvie | Director of Retail Operations, Canada
Parkland Fuel Corporation
#100, 4919-59th Street, Red Deer, AB T4N 6C9

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From: Rob M. Wilston
Sent: Friday, September 05, 2014 8:33 AM
To: Scott McKelvie x6502
Subject: FW: Rockwood Resign meeting yesterday-RESEND

This is the one about Andrew- scroll down to the bottom of Kevin Berke's comments.

Rob Wilston | Regional Operations Manager--East

Parkland Fuel Corporation

Retail Operations East

#236, 4919 59 Street, Red Deer, AB T4N 6C9

[REDACTED]

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From: Rob M. Wilston
Sent: Friday, August 29, 2014 1:21 PM
To: Peter Kilty; Scott McKelvie x6502; Ian J. White
Subject: Re: Rockwood Resign meeting yesterday

Will do- have to re poll TM's as it happens on the fly and dealers usually do not share this with us all the time.

Very frustrated with Pioneer this transfer at the end of the week obviously speaks for itself. Surprised Andrew in a Parkland dealer site under those circumstances.

R.M. (Rob) Wilston
Dealer Operations Manager-East
Manitoba, Ontario + Maritimes
Parkland Fuel Corporation

[REDACTED]

From: Peter Kilty
Sent: Friday, August 29, 2014 11:09 AM
To: Rob M. Wilston; Scott McKelvie x6502; Ian J. White
Subject: Re: Rockwood Resign meeting yesterday

Thanks Rob,

Can you give me a list of sites that pioneer and McDougal have approached. I am quite surprised by the pioneer action and will speak with them directly on it - and for McDougal - I spoke with Darren on Monday and he assured me that he has been clear to his team and would veto any deals that came to him - so details and examples would be very helpful for my follow-up call.

Scott - can we check with Shane on the Sept 1 price moves - my recollection is that there was nothing for Ontario - if this is not the case, we must ensure no price increases are passed through - if necessary,

[REDACTED]

Thanks

Petet

Sent from my BlackBerry 10 smartphone on the TELUS network.

From: Rob M. Wilston

Sent: Friday, August 29, 2014 9:41 AM

To: Scott McKelvie x6502; Ian J. White

Cc: Peter Kilty

Subject: Fw: Rockwood Resign meeting yesterday

Interesting, that one of the original four current resigns that Global was going all out for had that combination of visitors.

They have been working our last year's distribution problems to their maximum. I am nervous that Distribution is tweaking rates up again on Sept 1st by a small amount. These dealers have base line reference points and will view it as a slight ebitda grab.

I am not really moved by their need to be a cost centre. I understand it has made their balance sheet tidy but it is sending the wrong message out when we are trying to get past last year's distribution disasters.

I find it interesting that Global tells our dealers we low balled RST, then grabbed the savings. Probably picked that up from drivers.

I have always said too much playing around with freight while it looks like a win in their department can lead to low service levels and reduced confidence among dealers. In the West with a higher margin structure for both the dealer and the company, it is not tracked the same. It does not appear in any way, shape or form that Imperial is interested in going back to old protocols. We have renewal offers from Global, Pioneer and McDougal in our sites.

Our TM's would like the opportunity to return the favour. I was opposed to the "Wild West" approach and the long term ramifications but would really like to hit [REDACTED] before the convention. One of the troubles with the business is the largest pool of dealers left is that of the Esso distributors and they are canibalizing each other.

R.M. (Rob) Wilston
Dealer Operations Manager-East
Manitoba, Ontario + Maritimes
Parkland Fuel Corporation

From: Kevin M Berkes
Sent: Friday, August 29, 2014 09:20 AM
To: Rob M. Wilston
Subject: Rockwood Resign meeting yesterday

G'Day Rob:

I had a 2+ hour meeting with our Rockwood BU51281 Dealer yesterday. Global is phoning him very often and I would say to the extent of Dealer anxiety. Global has verbally increased their offer to include \$ [REDACTED] cash and a further price reduction of [REDACTED] pts. I believe the Dealer's word is creditable.

To quickly summarize Global offer including this verbal increase: [REDACTED]

[REDACTED] Global continues to bad-mouth Parkland as a high priced, deceitful, uncaring company.

After our long discussion I have defended our reputation and disputed enough of Global's claims that the Dealer does not know what the on earth to do and suggested we do a **one** year "let's see what happens" Agreement- no investment, but we match Global's pricing of rack less [REDACTED] cpl. See attached Deal Evaluation of what that 1 year looks like.

2 points of "INTEREST" that came out of this conversation.

Dealer told me he was visited several weeks ago by Dave Armstrong and two other men. Dealer spoke briefly with Dave Armstrong but the visitors came at a very busy time and he did not get to have a conversation with the other 2 people. The visitors looked around and when it became obvious he was too busy to talk bid farewell, the one visitor left his card- Andrew Mackay- Retail Fuels Manager Imperial Oil. Dealer showed me the card.

Global fuels have told the Dealer that Parkland created RST problems by demanding too low of rates and then taking royalties from the saved costs. Where on earth would they get that idea from!?

Kevin Berkes

Territory Manager, Ontario

Parkland Fuel Corporation

Suite 236, 4919-59th St., Red Deer, AB, T4N 6C9

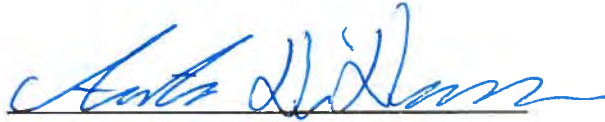
[REDACTED]

[REDACTED]

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TAB T

A handwritten signature in blue ink, appearing to read "Alex N. Mc Nabb", written over a horizontal line.

**This is Exhibit T to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

To: Jen Draude [REDACTED]
From: Peter Kilty
Sent: Sun 28/09/2014 6:29:30 PM
Importance: Normal
Subject: FW: Code of Conduct Materials
MAIL_RECEIVED: Sun 28/09/2014 6:29:00 PM

Can you find 30 minutes sometime over the next few days for Ian, Scott and I to catch up on this.

thanks

Peter Kilty | VP of Retail Operations, Canada
Parkland Fuel Corporation
#236, 4919-59th Street, Red Deer, AB T4N 6C9

From: Ian J. White
Sent: Saturday, September 27, 2014 8:42 PM
To: Peter Kilty
Subject: Re: Code of Conduct Materials

Drove Scott back to the airport yesterday and got a download on the meeting on our drive.

From my perspective, given our current market share and what it will become after the Pioneer deal, this could work in our favour. I asked Scott how many legitimate NTI's we compete for every year and he thought [REDACTED]. With that in mind, I would sign up for a process that keeps competitors out of our existing sites and has us compete freely for NTI's.

I would want to better understand enforcement and penalties but in principle feel like this could be good for us.

We (you, me, Scott) should grab a few mins to discuss this week.

From: Peter Kilty

Sent: Saturday, September 27, 2014 5:01 PM

To: Ian J. White

Subject: FW: Code of Conduct Materials

Hey lad – forgot to copy you on this – not sure if you’ve had the time to catch up with Scott – might be worthwhile sending along a copy to Rob Wilston.

Hope the weekend is going well.

Peter

Peter Kilty | VP of Retail Operations, Canada

Parkland Fuel Corporation

#236, 4919-59th Street, Red Deer, AB T4N 6C9

From: Peter Kilty

Sent: Saturday, September 27, 2014 3:01 PM

To: Bob Espey; Irfhan A. Rawji; Jane Savage; Bob Fink; Kendall W. Waiting

Subject: FW: Code of Conduct Materials

Hello everyone and I hope your weekend is going well. Attached please find the BW Code of Conduct presented by IOL yesterday after their conference. Scott McKelvie attended on our behalf along with the other Canadian RBD’s. While I am not sure of how enforceable the document will be, I was pleasantly surprised at their attempt to address a number of our concerns we have expressed to them during the past 6 months. Would appreciate you having a look at the document and passing along your thoughts – it may be useful to bring this to the SLT on Monday for a discussion if there is time on the agenda.

Peter

Peter Kilty | VP of Retail Operations, Canada
Parkland Fuel Corporation
#236, 4919-59th Street, Red Deer, AB T4N 6C9

[REDACTED]

From: Scott McKelvie x6502
Sent: Friday, September 26, 2014 4:01 PM
To: Peter Kilty
Subject: Fw: Code of Conduct Materials

For u to review so we can chat later. I've also responded to him re chatting shortly

Scott McKelvie | Director of Retail Operations, Canada
Parkland Fuel Corporation
#100, 4919-59th Street, Red Deer, AB T4N 6C9

[REDACTED]

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From: Brum, Peter A

Sent: Friday, September 26, 2014 12:52 PM

To: Scott McKelvie x6502

Subject: Code of Conduct Materials

Scott,

Thanks for attending the meeting today...and thanks for attending the conference...hope you enjoyed the week.

Sorry we didn't have more time together during the conference.

Attached are the materials I presented today at the BW meeting.

Have a safe trip home

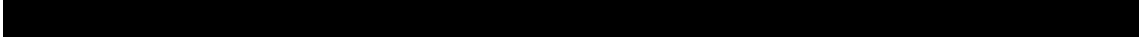
Peter A. Brum

Imperial / Fuels and Lubricants / Retail Fuels / Branded Wholesale Project Manager

1235 Fairview St. Suite 356

Burlington, ON

L7S 2K9



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TAB U

A handwritten signature in blue ink, appearing to read "Alex N. Mc Nabb", is written over a horizontal line.

**This is Exhibit U to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

To: Troy Richter [REDACTED]
From: [REDACTED]
Sent: Thur 30/01/2014 6:36:38 AM
Importance: Normal
Subject: re: Rack - Site #25 pricing
MAIL_RECEIVED: Thur 30/01/2014 6:36:37 AM

Good morning Troy -

I spoke to the site 5 minutes ago. I believe retailer has conducted a proper survey since and is moving the price up. This will be noted in an email to her.

Best Regards,

Maria Litvak

Regional Business Manager

Pioneer Energy LP

1122 International Blvd, Suite 700

Burlington, Ontario L7L 6Z8

[REDACTED]

Troy Richter --- re: Rack - Site #25 pricing ---

F
r
o
m
:

"Maria Litvak" [REDACTED]

T
o

D Thu, Jan 30, 2014 6:31 AM

a
t
e
:

S

u re: Rack - Site #25 pricing

b
j
e
c
t

Hi Maria

I noticed on the fuel pricing App, site #25 is showing competitors at 127.1 not the 127.8 expected restoration value. The survey was submitted at 5:15 a.m. Can you please confirm pricing is correct or was there an error and [REDACTED]

Thanks,

Troy Richter

Director of Retail Operations

Pioneer Energy LP

1122 International Blvd, Suite 700

Burlington, Ontario L7L 6Z8



TAB V

A handwritten signature in blue ink, appearing to read "Alex Hillman", is written over a horizontal line.

**This is Exhibit V to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

To: [REDACTED]
Cc: [REDACTED]
From: [REDACTED]
Sent: Thur 01/03/2012 12:17:55 PM
Importance: Normal
Subject: 769 Virden Mb
MAIL_RECEIVED: Thur 01/03/2012 12:18:20 PM

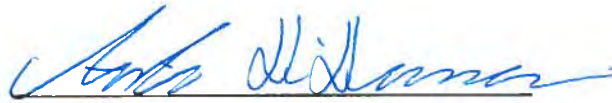
Brian, I had a meeting with our [REDACTED] dealer yesterday. He also operates the [REDACTED] in [REDACTED]. He raised the issue of rack pricing [REDACTED] vs Esso, and how [REDACTED] is on average [REDACTED] cents per litre less than Esso on average, and at times even greater. He provided me with a copy of an invoice from Feb 15th, he happened to receive a load at his [REDACTED] and at [REDACTED]. The difference on that day was [REDACTED] on RUL and [REDACTED] on diesel. I will fax you the invoices for your review. I have contacted Trimac who delivers to both sites and the delivery rate is a little less to his the dealer's [REDACTED] site as the site takes [REDACTED] than the [REDACTED]. The [REDACTED] loads are also picked up via Regina Coop Terminal which is [REDACTED] as well. I spoke with Jason and he emailed me the [REDACTED] rack price on that day vs the [REDACTED] rack price and the difference is huge, [REDACTED] [REDACTED] and [REDACTED] (cpl) How is that possible? I will forward you all of the info from [REDACTED] and Jason for your records as well. We can discuss later....

Regards,

Mike Schmidt
Manitoba District Manager, Esso RBD
Pioneer Energy LP

[REDACTED]

TAB W

A handwritten signature in blue ink, appearing to read "Alex Mc Nabb", is written over a horizontal line.

**This is Exhibit W to the Affidavit of
Alexander N. Mc Nabb
Affirmed 30 April 2015**

To: [REDACTED]
From: [REDACTED]
Sent: Thur 01/03/2012 12:21:02 PM
Importance: Normal
Subject: Fw: Virden Frieght Rate
MAIL_RECEIVED: Thur 01/03/2012 12:21:07 PM

Regards,

Mike Schmidt
Manitoba District Manager, Esso RBD
Pioneer Energy LP

[REDACTED]

----- Forwarded by Mike Schmidt/PioneerCA on 01/03/2012 11:20 AM -----

From: [REDACTED]

To: [REDACTED]

Date: 29/02/2012 03:21 PM

Subject: RE: Virden Frieght Rate

The [REDACTED] we deliver to it...hauled out of regina.....side note..you never heard this from me....all [REDACTED] n deliveries do not include fuel surcharge in the rates....it is all billed at month end and separate.

The site would also be cheaper as a full load location....compared to the smaller deliveries to Virden

Virden rate is [REDACTED] with Pioneer.

You have always been good to me...the [REDACTED] rate is... [REDACTED] ...plus fuel on this one.

Please don't share it.

-----Original Message-----

From: [REDACTED]
Sent: Wednesday, February 29, 2012 2:55 PM
To: [REDACTED]
Subject: Re: Virden Frieght Rate

No big deal, I just met with the dealer and he also operates the [REDACTED] Virden. Esso's price is way higher than [REDACTED]s so I'm trying to break it all down to better understand why....

----- Original Message -----

From: [REDACTED]
Sent: 29/02/2012 08:52 PM GMT
To: Mike Schmidt
Subject: RE: Virden Frieght Rate

Can I ask why?

I will provide don't get me wrong.

-----Original Message-----

From: [REDACTED]
Sent: Wednesday, February 29, 2012 2:45 PM
To: [REDACTED]
Subject: Virden Frieght Rate

Can you please send me our current rate for the Hwy #1 location in Virden.

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TAB 3

CT-

THE COMPETITION TRIBUNAL

IN THE MATTER OF the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

AND IN THE MATTER OF the proposed acquisition by Parkland Industries Ltd., a wholly-owned subsidiary of Parkland Fuel Corporation, of substantially all of the assets of Pioneer Petroleums Holding Limited Partnership, Pioneer Energy LP, Pioneer Petroleums Transport Inc., Pioneer Energy Inc., Pioneer Fuels Inc., Pioneer Petroleums Holding Inc., Pioneer Energy Management Inc., 668086 N.B. Limited, 3269344 Nova Scotia Limited and 1796745 Ontario Ltd.;

AND IN THE MATTER OF an Application by the Commissioner of Competition for one or more orders pursuant to section 92 of the *Competition Act*;

AND IN THE MATTER OF an Application for an Interim Order pursuant to section 104 of the *Competition Act*.

BETWEEN:

COMMISSIONER OF COMPETITION

Applicant

- and -

PARKLAND INDUSTRIES LTD., PARKLAND FUEL CORPORATION, PIONEER PETROLEUMS HOLDING LIMITED PARTNERSHIP, PIONEER ENERGY LP, PIONEER PETROLEUMS TRANSPORT INC., PIONEER ENERGY INC., PIONEER FUELS INC., PIONEER PETROLEUMS HOLDING INC., PIONEER ENERGY MANAGEMENT INC., 668086 N.B. LIMITED, 3269344 NOVA SCOTIA LIMITED AND 1796745 ONTARIO LTD.

Respondents

AFFIDAVIT OF MARCEL BOYER
(Sworn 30 April 2015)

I, Dr. Marcel Boyer, of the City of Montréal, in the Province of Québec, **MAKE OATH AND SAY AS FOLLOWS:**

1. I am a Emeritus Professor of Economics at the Université de Montréal.
2. I have been retained by the Competition Bureau to provide expert analysis on the competition implications of Parkland Industries Ltd. and Parkland Fuel Corporation's proposed acquisition from Pioneer (defined below) of certain Pioneer corporate stations and supply agreements between Pioneer and non-corporate stations in the provinces of Ontario and Manitoba (the "**Proposed Merger**"). "Pioneer" collectively encompasses Pioneer Petroleums Holding Limited Partnership, Pioneer Energy LP, Pioneer Petroleums Transport Inc., Pioneer Energy Inc., Pioneer Fuels Inc., Pioneer Petroleums Holding Inc., Pioneer Energy Management Inc., 668086 N.B. Limited, 3269344 Nova Scotia Limited and 1796745 Ontario Ltd.
3. Attached and marked as Exhibit "A" to my affidavit is a copy of my curriculum vitae.
4. Attached and marked as Exhibit "B" to my affidavit is a copy of my expert opinion in connection with the Proposed Merger.

Affirmed before me at the City of Montréal in the Province of Québec on 30 April 2015.



Commissioner for Taking Affidavits



DR. MARCEL BOYER

CT-

THE COMPETITION TRIBUNAL

IN THE MATTER OF the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

AND IN THE MATTER OF the proposed acquisition by Parkland Industries Ltd., a wholly-owned subsidiary of Parkland Fuel Corporation, of substantially all of the assets of Pioneer Petroleum Holding Limited Partnership, Pioneer Energy LP, Pioneer Petroleum Transport Inc., Pioneer Energy Inc., Pioneer Fuels Inc., Pioneer Petroleum Holding Inc., Pioneer Energy Management Inc., 668086 N.B. Limited, 3269344 Nova Scotia Limited and 1796745 Ontario Ltd.;

AND IN THE MATTER OF an Application by the Commissioner of Competition for one or more orders pursuant to section 92 of the *Competition Act*.

BETWEEN:

THE COMMISSIONER OF COMPETITION

Applicant

- and -

PARKLAND INDUSTRIES LTD., PARKLAND FUEL CORPORATION, PIONEER PETROLEUMS HOLDING LIMITED PARTNERSHIP, PIONEER ENERGY LP, PIONEER PETROLEUMS TRANSPORT INC., PIONEER ENERGY INC., PIONEER FUELS INC., PIONEER PETROLEUMS HOLDING INC., PIONEER ENERGY MANAGEMENT INC., 668086 N.B. LIMITED, 3269344 NOVA SCOTIA LIMITED AND 1796745 ONTARIO LTD.

Respondents

AFFIDAVIT OF MARCEL BOYER

DEPARTMENT OF JUSTICE CANADA
COMPETITION BUREAU LEGAL SERVICES
Place du Portage, Phase I
50 Victoria Street, 22nd Floor
Gatineau QC K1A 0C9

John Syme (LSUC#: 29333H)
Antonio Di Domenico (LSUC#: 52508V)
Tara DiBenedetto (LSUC#: 56517R)

Tel: 819-997-2837
Fax: 819-953-9267

Counsel to the Commissioner of Competition

TAB A



Antonietta Tenore
Commissioner for Taking Affidavits

This is exhibit A to the Affidavits to Dr. Marcel Boyer, affirmed April 30th, 2015.

2015-04-30**MARCEL BOYER**
CURRICULUM VITAE

marcel.boyer@umontreal.ca
<http://www.cirano.qc.ca/~boyerm>

Professeur émérite de sciences économiques
Emeritus Professor of Economics
Université de Montréal, Montréal

Membre associé / *Associate Member*
Toulouse School of Economics, Toulouse

Fellow
Centre Interuniversitaire de Recherche et ANalyse des Organisations (CIRANO) /
Center for Interuniversity Research and ANalysis of Organizations (CIRANO)
1130 Sherbrooke Ouest, # 1400
Montréal (QC) H3A 2M8
Tel.: (514) 985-4000 ext 4002

Membre, Société Royale du Canada (Académies des arts, des lettres et des sciences du Canada)
Fellow, Royal Society of Canada (Academies of Arts, Humanities and Sciences of Canada)

Membre honoraire, Association canadienne d'économie
Honorary Fellow, Canadian Economic Association
<http://economics.ca/en/fellows.php>

Membre honoraire, FAERE (Association française des économistes de l'environnement et des ressources)
Honorary Fellow, FAERE (French Association of Environmental and Resource Economists)
<http://faere.fr/members/honorary-members/>

Research Fellow, C.D. Howe Institute, Toronto

Affilié universitaire / *Academic Affiliate and External Expert*
Groupe d'analyse / *Analysis Group*, Boston & Montréal

Affilié universitaire
Academic Affiliate and External Expert
TERA Consultants, Paris

NOTES BIOGRAPHIQUES : MARCEL BOYER

(<http://www.cirano.qc.ca/~boverm>)

Marcel Boyer (M.Sc. et Ph.D. en économie, Carnegie-Mellon University; M.A. en économie, Université de Montréal) est présentement Professeur émérite de sciences économiques à l'Université de Montréal, Membre associé, Toulouse School of Economics, Fellow du CIRANO (Montréal) et du C.D. Howe Institute (Toronto), Affilié universitaire du Groupe d'analyse (Boston, Montréal) et de TERA Consultants (Paris), Président de la Society for Economic Research on Copyright Issues (SERCI), Directeur du Groupe sur la politique de la concurrence au CIRANO, Membre du Comité d'orientation scientifique des Chaires en « Finance Durable et Investissement Responsable » de l'Association française de gestion financière à l'École Polytechnique de Paris et à l'Université de Toulouse, Membre du jury du Prix Donner pour le meilleur ouvrage sur les politiques publiques rédigé par un auteur canadien, et Membre du Comité sur la politique de la concurrence du C.D. Howe Institute.

Il a été professeur d'économie à l'Université York (1971-1973), à L'UQAM (1973-74) et à l'Université de Montréal (1974-2008). Il a été titulaire de la Chaire Bell Canada en économie industrielle au Département de sciences économiques de l'Université de Montréal (2003-2008) et titulaire de la Chaire Jarislowsky-CRSH-CRSNG en technologie et concurrence internationale au Département de mathématique et génie industriel de l'École Polytechnique de Montréal (juin 1993 – mai 2000). Il a été Membre du Panel d'experts du Conseil des académies canadiennes sur la R&D industrielle au Canada, Membre du comité d'évaluation SHS1 (Sociétés, espaces, organisations et marchés) de l'Agence Nationale de la Recherche de France, Chercheur associé au département d'économie de l'École Polytechnique de Paris, Vice-président et économiste en chef de l'Institut économique de Montréal, Président de l'Association canadienne d'économique (Canadian Economic Association), Président de la Société canadienne de science économique, PDG du CIRANO, Membre du Board of Directors du National Bureau of Economic Research (NBER), du Conseil National de la Statistique du Canada, du Comité de gestion des Laboratoires universitaires Bell, du CA du Conseil de recherches en sciences humaines du Canada (CRSH), du CA de l'Institut de finance mathématique de Montréal (IFM₂), du Comité exécutif de l'Association canadienne droit-économie (CLEA), du Conseil d'administration de l'Agence des partenariats public-privé du Québec, Président du Conseil du Réseau de Calcul et de Modélisation Mathématique (RCM₂), Conseiller principal en matière de recherche du directeur général pour l'économie industrielle d'Industrie Canada, Membre du Comité aviseur sur les stratégies d'affaires et l'innovation à Industrie Canada, Membre du comité éditorial de la Revue canadienne de d'économique et du Journal of Economic Behavior and Organization, et Président du Conseil de la Caisse Populaire de St-Jérôme.

Marcel Boyer a reçu les prix d'excellence suivants: l'Alexander-Henderson Award (Université Carnegie-Mellon 1971), le Prix Marcel-Dagenais (Société canadienne de science économique 1985), le Endowment-for-the-Future Distinguished Scholar Award (Université d'Alberta 1988), le Distinguished Guest Professor Award (Wuhan University of Technology 1995), Fellow de l'International Journal of Industrial Organization 1997, Fellow of the World Academy of Productivity Science 2001, le Prix Marcel-Vincent (Association francophone pour le savoir ACFAS 2002), la Médaille Guillaume-Budé (Collège de France 2005). Son récent article «The determination of optimal fines in cartel cases: Theory and practice» (avec ML Allain et JP Ponsard), *Concurrences – Competition Law Journal*, 2011, a été choisi comme *Best Academic Economics Article - 2012 Antitrust Writing Awards* (Institute of Competition Law et George Washington University Law School). Son récent article “Alleviating Coordination Problems and Regulatory Constraints through Financial Risk Management” (avec Martin Boyer et René Garcia), *Quarterly Journal of Finance* 3(2) a été choisi comme le meilleur article publié dans le *QJF* en 2013 (Board of the Midwest Finance Association and Board of Editors of *QJF*). Son récent ouvrage *Réinventer le Québec: Douze Chantiers à Entreprendre* (avec Nathalie Elgrably; Stanké 2014, 176 pages) était parmi les quatre finalistes au Prix Donner pour le meilleur ouvrage de 2014 sur les politiques publiques écrit par un canadien.

Selon le prestigieux classement RePEc (Research Papers in Economics, Federal Reserve Bank of St. Louis, mars 2015) des économistes à travers le monde selon la production et le rayonnement scientifiques, Marcel Boyer fait partie des premiers 3% (plus de 43 000 économistes inscrits et répertoriés, dont tous les grands noms de la profession) et des premiers 2.2% pour les téléchargements sur Social Science Research Network (SSRN, 271 000 chercheurs inscrits, janvier 2015)

Il a été élu en 1992 à la Société Royale du Canada (Académies des arts, des lettres et des sciences du Canada), élu en 2013 Membre Honoraire de l'Association canadienne d'économique, et élu en 2014 Membre honoraire de l'Association française des économistes de l'environnement et des ressources (FAERE).

Auteur ou coauteur de plus de 275 articles et cahiers scientifiques et rapports publics et privés, ses recherches portent sur l'évaluation des investissements (flexibilité et options réelles); les organisations efficaces, l'innovation et la concurrence (social-démocratie concurrentielle); les politiques publiques; le partage des coûts et des valeurs; l'économie du droit (cartels, pratiques anti-concurrentielles, environnement, droits de propriété intellectuelle). Il a agi comme économiste expert auprès de nombreuses associations d'auteurs-compositeurs, interprètes et producteurs dans la défense et la valorisation de leurs droits d'auteur, de nombreuses entreprises et plusieurs organismes gouvernementaux, tant au Canada qu'à l'étranger, et a été appelé à témoigner à plusieurs reprises comme témoin expert devant divers comités, commissions, régies et tribunaux (tribunaux d'arbitrage, Commission du droit d'auteur, Cour Supérieure y compris la chambre criminelle).

BIOGRAPHICAL NOTES: MARCEL BOYER

(<http://www.cirano.qc.ca/~boverm>)

Marcel Boyer (M. Sc. and Ph.D. economics, Carnegie-Mellon University; M.A. economics, Université de Montréal) is presently Emeritus Professor of Economics at the Université de Montréal; Associate Member, Toulouse School of Economics; Fellow of CIRANO and of the C.D. Howe Institute; University Affiliate of The Analysis Group (Montréal, Boston) and of TERA Consultants (Paris); President of the international Society for Economic Research on Copyright Issues (SERCI); Director of the Competition Policy Group at CIRANO, Member of the Governance Committee of the “Sustainable Finance and Responsible Investment” AFG Chair at École Polytechnique de Paris and Université de Toulouse; Member of the jury of the Donner Prize for the best book on public policy by a Canadian; and Member of the C.D. Howe Institute Competition Policy Council.

He taught economics at York University (1971-1973), UQÀM (1973-1974) and at Université de Montréal (1974-2008). He held the Bell Canada Chair in Industrial Economics in the Department of Economics of the University of Montreal (2003-2008) and the Jarislowsky-SSHRC-NSERC Chair in Technology and International Competition of École Polytechnique de Montréal (1993-2000). He was Research Associate, Department of Economics, École Polytechnique de Paris; Member of the Expert Panel of the Council of Canadian Academies on the State of Industrial Research and Development; Member of the SHS1 (Society, spaces, organizations, markets) of the French National Research Agency; Vice-President and Chief Economist of the Montreal Economic Institute (2007-2010); President of the Canadian Economics Association (CEA 1990-91); President of the Société Canadienne de Science Économique (SCSE 1995-96); CEO of CIRANO (1998-2002, founding VP and Scientific Director 1993-98); Member of the Board of Directors of the National Bureau of Economic Research (NBER, USA 1992-2000); Member of the National Statistics Council of Canada (1992-98); Member of the Management Committee of Bell-University Labs; Member of the Board of the Montreal Mathematical Finance Institute; Member of the Board of Directors of the Social Science and Humanities Research Council of Canada; Chairman of the Board of the Network for Computing and Mathematical Modelling; Visiting Senior Research Advisor for industrial economics at Industry Canada; Member of Industry Canada advisory committee on business strategies and innovation; Member of the Executive Committee of the Canadian Law and Economics Association; Member of the Board of the Agency for Public-Private Partnerships of Québec; Member of the Editorial Board of the Canadian Journal of Economics and the Journal of Economic Behavior and Organization; and Chairman of the Board of the Caisse Populaire de St-Jérôme.

Marcel Boyer received numerous prizes for excellence in research: Alexander-Henderson Award (Carnegie-Mellon University 1971), Prix Marcel-Dagenais (Société canadienne de science économique 1985), Endowment-for-the-future Distinguished Scholar Award (University of Alberta 1988), Distinguished Guest Professor Award (Wuhan University of Technology 1995), Fellow of The International Journal of Industrial Organization (1997), Fellow of the World Academy of Productivity Science (2001), Prix Marcel-Vincent (Association francophone pour le savoir ACFAS 2002), and Médaille Guillaume-Budé (Collège de France 2005). His recent article « The determination of optimal fines in cartel cases: Theory and practice” (with ML Allain and JP Ponsard), *Concurrences – Competition Law Journal* 2011, was chosen as *Best Academic Economics Article - 2012 Antitrust Writing Awards* (Institute of Competition Law and George Washington University Law School). His recent article “Alleviating Coordination Problems and Regulatory Constraints through Financial Risk Management” (with Martin Boyer and René Garcia), *Quarterly Journal of Finance* 3(2) has been elected as the Best Paper published in the QJF in 2013 (Board of the Midwest Finance Association and Board of Editors of *QJF*). His recent book *Réinventer le Québec: Douze Chantiers à Entreprendre* (with Nathalie Elgrably; Stanké 2014, 176 pages) was among the four finalists for the 2014-15 Donner Foundation Prize for the best book on public policy written by a Canadian.

According to the prestigious RePEc (Research Papers in Economics, Federal Reserve Bank of St. Louis, January 2015) worldwide ranking of economists in terms of scientific production and recognition, Marcel Boyer is among the top 3% (over 43 000 economists registered and ranked, including all the major names of the profession), while he is among the top 2.2% for total downloads on Social Science Research Network (SSRN 271,000 registered authors, January 2015).

He was elected in 1992 Fellow of the Royal Society of Canada (Academies of Arts, Humanities and Sciences of Canada), elected in 2013 Honorary Fellow of the Canadian Economics Association, and elected in 2014 Honorary Fellow of the French Association of Environmental and Resources Economists (FAERE).

Author or coauthor of over 275 scientific articles and papers and public and private reports, Professor Boyer currently conducts research in the areas of investment valuation (risk, flexibility and real options); efficient organizations, innovation and competition (competitive social-democracy); public policy; value and cost sharing; and law and economics (cartels, anti-competitive practices, environmental issues, intellectual property rights). Marcel Boyer has acted as expert economist on behalf of several national and international corporations and government organisations, and has testified as expert witness before various organizations and tribunals (arbitration tribunals, Copyright Board of Canada, superior court, and criminal court).

DIPLÔMES / *DIPLOMAS*

- Ph.D. Economics, Graduate School of Industrial Administration, Carnegie–Mellon University, 1973.
- M.Sc. Economics, Graduate School of Industrial Administration, Carnegie–Mellon University, 1971.
- M.A. Sciences économiques, Université de Montréal, 1968.
- B.Sc. Sciences économiques, Université de Montréal, 1966.
- B.A. Lettres–Maths, Université de Montréal, 1964.

POSTES ACADÉMIQUES / *UNIVERSITY POSITIONS*

- Professeur émérite de sciences économiques / *Emeritus Professor of Economics*, Université de Montréal.
- Membre associé / *Associate Member*, Toulouse School of Economics.
- Directeur / Director, Groupe Concurrence / Competition Group, CIRANO.
- Fellow, CIRANO.
- C.D. Howe Fellow, C.D.Howe Institute, Toronto.
- Chercheur associé / *Research Associate*, département d'économie, École Polytechnique de Paris.
- Professeur (1974 – 2008) et Titulaire de la Chaire Bell Canada en économie industrielle / *Bell Canada Professor of Industrial Economics* (2003 – 2008), Département de sciences économiques, Université de Montréal.
- Président–directeur général, Centre Interuniversitaire de Recherche en ANalyse des Organisations (CIRANO) / *President and CEO, Center for Interuniversity Research and Analysis of Organizations (CIRANO)*, juin 1998 à décembre 2002 [Vice–président et Directeur scientifique / *Vice–president and Scientific Director*, 1993 to 1998].
- Titulaire de la Chaire Jarislowsky–CRSH–CRSNG en technologie et concurrence internationale / *Jarislowsky–SSHRC–NSERC Professor of technology and international competition*, Département de mathématiques et de génie industriel, École Polytechnique de Montréal, 1993–2000.
- Directeur, département de sciences économiques / *Chairman, Department of Economics*, Université de Montréal, 1983–89.
- Professeur / *Professor*, Département d'économie, UQAM, 1973–74.
- *Assistant Professor*, Department of Economics, York University, 1971–1973.
- *Invited Professor* : University of Pennsylvania, Northwestern University, CORE, (Université de Louvain), University of Alberta, Université de Toulouse.

- Rédacteur–adjoint / *Associate Editor*, Canadian Journal of Economics / Revue canadienne d'économie, 1982–84.

**NOMINATIONS, PRIX & DISTINCTIONS /
NOMINATIONS, AWARDS & DISTINCTIONS**

- President, SERCI - *Society of Economic Research on Copyright Issues*, 2014-2016 (Vice-President 2010-2014)
- Membre Honoraire / *Honorary Fellow* (2014) FAERE - *French Association of Environmental and Resource Economists*.
- Membre Honoraire (2013) de l'Association canadienne d'économie / *Honorary Fellow (2013) of the Canadian Economics Association*.
- The Quarterly Journal of Finance and the Midwest Finance Association Award for Best Paper published in 2013 for “Alleviating Coordination Problems and Regulatory Constraints through Financial Risk Management” (with Martin Boyer and René Garcia), *Quarterly Journal of Finance* 3(2), June 2013.
- *Best Academic Economics Article - 2012 Antitrust Writing Awards* (Institute of Competition Law and George Washington University Law School) for « The determination of optimal fines in cartel cases: Theory and practice” (with ML Allain and JP Ponssard) published in *Concurrences – Competition Law Journal* in December 2011.
- Membre du Comité d'orientation des Chaires « Développement durable et investissement socialement responsable » (École polytechnique de Paris et Université de Toulouse), 2009--
- Membre du Panel d'experts du Conseil des académies canadiennes sur la R&D industrielle au Canada / *Member of the Expert Panel of the Council of Canadian Academies on the State of Industrial Research and Development in Canada*
- Membre du jury du Prix Donner pour le meilleur ouvrage sur les politiques publiques rédigé par un auteur canadien / *Member of the jury of the Donner Prize for the best book on public policy by a Canadian* 2010-2014
- Membre du comité d'évaluation SHS1 (Sociétés, espaces, organisations et marchés) des programmes BLANCS et JEUNES CHERCHEURS de l'Agence Nationale de la Recherche de France / *Member of the SHS1 (Society, spaces, organizations, markets) of the French National Research Agency*
- Membre du CA, Agence des PPP du Québec 2005-2009
- Vice-président et économiste en chef / *Vice president and Chief economist*, 2007-2009 et Économiste principal / *Senior Economist*, 2009-2010, Institut économique de Montréal / *Montreal Economic Institute*.
- Member of the Editorial Board of the *Journal of Economic Behavior and Organization*
- Médaille Guillaume-Budé, Collège de France, 2005.

- Conférencier invité, Forum économique mondial, Davos, Suisse (janvier 2003) / *Invited speaker, World Economic Forum, Davos, Switzerland (January 2003).*
- Prix Marcel–Vincent 2002 de l’Association francophone pour le savoir (ACFAS) pour contribution exceptionnelle à la recherche en sciences sociales / *2002 Marcel–Vincent Prize (ACFAS) for research excellence in social sciences.*
- Membre du CA, Conseil de Recherche en Sciences Sociales du Canada (CRSH) / *Member of the Board, Social Sciences and Humanities Research Council of Canada (SSHRC), [membre du comité permanent du soutien à la recherche ; membre du comité consultatif de l’initiative sur la nouvelle économie (INÉ) / member of the Standing Committee on Research Support ; member of the INE Advisory Committee].*
- Fellow, *World Academy of Productivity Science.*
- Membre du Collège d’examineurs, Chaires de recherche du Canada / *Member of the College of Reviewers, Canada Research Chair.*
- Président du comité scientifique du Congrès nord–américain de l’Econometric Society / *Chairman of the Scientific Committee, North–American Meeting of the Econometric Society, June 1998.*
- Président du CA, Réseau de calcul et de modélisation mathématique (RCM2) / *Chairman of the Board, Network for Computing and Mathematical Modelling (NCM2), 1998–2002.*
- Membre du CA, Institut de finance mathématique de Montréal (IFM2) / *Member of the Board, Montreal Mathematical Finance Institute, 1998–2002.*
- Membre du Comité de gestion, Laboratoires universitaires Bell (LUB, Québec) / *Member of the Management Committee, Bell – University Laboratories, 1998–2002.*
- Membre du Comité consultatif de l’Observatoire de développement économique du Gouvernement du Canada / *Member of the Advisory Board, Economic Development Observatory of the Government of Canada, 1998–*
- Fellow, *International Journal of Industrial Organization, 1997–*
- Président, Société Canadienne de Science Économique, 1995–96
- *Distinguished Guest Professor, Wuhan University of Technology, China, 1995*
- Membre élu, Société royale du Canada (Académies des arts, des lettres et des sciences du Canada) / *Elected Member, Royal Society of Canada (Academies of Arts, Humanities and Sciences of Canada), 1992–*
- Membre du Conseil national de la Statistique du Canada / *Member of the National Statistics Council of Canada, 1992–98.*
- Membre du Conseil d’administration / *Member, Board of Directors, U.S. National Bureau of Economic Research (NBER), 1992–2000.*
- Président du premier jury du prix “John-Rae” / *President of the first “John Rae Prize” Committee, Canadian Economics Association, 1994.*
- Président, Association canadienne d’économique / *President, Canadian Economics Association, 1990–91.*

- Membre du Comité scientifique / *Member of the Scientific Committee*, Centre d'Études Stratégiques de Rabat (Maroc), 1990–94.
 - *Endowment–For–The–Future Distinguished Visiting Scholar*, University of Alberta, 1987.
 - Prix triennal d'excellence scientifique (Prix Marcel–Dagenais) / *Triennial Prize for Scientific Excellence (Marcel–Dagenais Prize)*, Société Canadienne de Science Économique, 1985.
 - Président du CA, Caisse Populaire de St-Jérôme
 - Président du Comité d'adaptation de la main d'oeuvre (CAMO) du grand St-Jérôme, Chambre de Commerce-CSN-FTQ, 1976.
 - *The “Alexander Henderson Award for Excellence in Economic Theory”*, Carnegie–Mellon University, 1971.
-
- *Ian Wilson Memorial Award* for team spirit and devotion to activities for the young and the community, Town of Mount–Royal, 1982.

PUBLICATIONS / PUBLICATIONS

1. BOYER, M., *Essays in Optimal Growth Theory : A Dynamic Programming Approach*, University Microfilms, Ann Arbor, Michigan, 1973, 181 pages.
2. BOYER, M., “An Optimal Growth Model with Stationary Non–Additive Utilities”, *Canadian Journal of Economics / Revue canadienne d'économique*, May 1975, 216–237.
3. BOYER, M., STOROY, S., THORE, S., “Equilibrium in Linear Capital Markets Networks” *Journal of Finance*, December 1975, 1197–1211.
4. BOYER, M., PAQUETTE, L., “An Algorithm to Decide if the Intersection of Convex Polyhedral Cones has a Non–Empty Interior” *B.I.T.*, Vol. 16, no 4, 1976, 459–461.
5. BOYER, M., GARCIA, R., “L'effet redistributif de l'inflation de 1969 à 1975 sur les ménages canadiens”, *Canadian Public Policy / Analyse de politiques*, printemps 1978, 193–212.
6. BOYER, M., “A Habit Forming Optimal Growth Model”, *International Economic Review*, Vol. 19, no 3, October 1978, 585–609.
7. BOYER, M., MARTIN, F., “Le coût de l'électricité au Québec : 1976–1990”, *Actualité économique / Revue d'analyse économique*, Vol. 54, no 4, 1978, 431–462.
8. BOYER, M., “Le rôle du gouvernement dans la formation de capital”, dans C. Montmarquette (ed.), *Économie du Québec et choix politiques*, P.U.Q., 1979, 189–210.
9. BOYER, M., KIHLSSTROM, R.E., LAFFONT, J.J., “Le calcul économique de la publicité frauduleuse”, *Actualité économique / Revue d'analyse économique*, Vol. 55, no 1, 1979, 46–67.
10. BOYER, M., “Les effets de la réglementation”, *Canadian Public Policy / Analyse de politique*, automne 1979, 469–474.

11. BOYER, M., DAGENAIS, M.G., MARTIN, F., “Identification de grappes industrielles pour la génération de projets d’investissements”, *Revue canadienne de science régionale*, Vol. IV, no 1, 1981, 47–71.
12. BOYER, M., DAGENAIS, M.G., DOWNS, A., SAURIOL, G., “Mise à jour de la matrice des coefficients de capital pour l’économie québécoise”, *Actualité économique / Revue d’analyse économique*, Vol. 52, no 1, 1981, 5–32.
13. BOYER, M., MOREAUX, M., “Conjectures, Rationality and Duopoly Theory”, *International Journal of Industrial Organization*, Vol. 1, 1983, 23–41.
14. BOYER, M., MOREAUX, M., “Théorie de l’oligopole, conjectures autoréalisantes et contraintes de rationalité”, *Économie appliquée*, 36(1), 1983, 99–127.
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TAB B



Antonietta Tenore
Commissioner for Taking Affidavits

This is exhibit B to the Affidavits to Dr. Marcel Boyer, affirmed April 30th, 2015.

2015-04-30 16:30 ET

**A REVIEW OF THE PROPOSED ACQUISITION BY PARKLAND INDUSTRIES OF
SUBSTANTIALLY ALL RETAIL GAZOLINE ASSETS OF PIONEER COMPANIES**

MARCEL BOYER Ph.D., FRSC

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I. MANDATE

1. I was asked by the Competition Bureau (“Bureau”), with respect to the proposed acquisition by Parkland Industries Ltd. ("Parkland") of substantially all of retail gasoline assets of Pioneer Petroleums Holding Limited Partnership, Pioneer Energy LP, Pioneer Petroleums Transport Inc., Pioneer Energy Inc., Pioneer Fuels Inc., Pioneer Petroleums Holding Inc., Pioneer Energy Management Inc., 668086 N.B. Limited, 3269344 Nova Scotia Limited and 1796745 Ontario Ltd. ("Pioneer"), to provide an analysis relating to the review of the proposed transaction, more specifically in assessing the competitive implications of the above-mentioned matter and any competition issues that may be raised by the proposed transaction.

II. SUMMARY OF CONCLUSIONS

2. On the basis of the information I have reviewed in relation to the markets the Bureau asked me to analyse, it is my opinion that the concentration levels created by the transaction in these markets pose serious risks to competition through both unilateral effects and coordinated effects. However, my opinions expressed in this report remain subject to review upon new information, data, and evidence that may be disclosed and/or become available in the future.
3. The proposed transaction will bring the merged entity market share above the 35% market share safe harbour level and even a much higher market share in many of the 14 markets (see Table 1). Hence, the proposed transaction raises possible concern regarding unilateral effects in those markets and a closer look is warranted.
4. The literature on coordinated conduct has established structural and behavioural factors that are conducive to a risk of coordinated conduct.¹ According to Ivaldi et al. (2003),² the

¹ It is important to clarify the meaning of an increase in risk of coordinated conduct. At any time, across the economy, we observe coordinated conduct emerging in some markets, but not in others. In markets where coordinated conduct occurs, we observe more often the structural characteristics favourable to coordinated conduct, but not always. In some cases, coordinated price increases are not observed sometimes in markets with the favourable characteristics, but less frequently in markets without the favourable characteristics. In some markets, the dynamics of competition give rise to episodes of coordinated conduct followed by a breakdown in coordination, followed again by a new episode of coordinated conduct. Those favourable characteristics that make

following non exhaustive list of factors can indeed increase the likelihood of observing coordinated conduct: fewer competitors, important entry barriers, frequent interactions among firms, transparency (knowledge of prices and output) in the market, a relatively growing and predictable demand, a low rate of innovation, similar costs across firms, and similar production capacity between firms. None of these factors is by itself necessary or sufficient, but the conjunction of factors plays an important role.

5. The literature has also established that coordinated conduct has some or all of the following effects on markets, thereby hurting customers: higher prices, lower quality products or services, lower quantities available, less diversity in product or service offering, and lower product differentiation.
6. Indeed, coordinated conduct or tacit collusion has the potential of having the same effects on markets as actual collusion or explicit cartel conduct. It is a central result of repeated game theory that tacit collusion can mimic actual collusion to a high degree.
7. I studied previously the impacts of actual collusion in retail gasoline markets in Canada. Such collusion is capable of imposing significant costs on customers. Insofar as tacit collusion or coordinated conduct can generate impacts that are similar to actual collusion, there are reasons for concern when a merger is likely to increase the risk of such coordinated conduct.
8. Regarding the proposed Parkland-Pioneer transaction, my analysis indicates that the 14 geographic markets the Bureau asked me to study would be highly or quite concentrated following the proposed transaction. In fact, virtually all of the structural and behavioral factors that are known to be conducive to coordinated conduct are present in those 14 markets. I conclude therefore that there will be incentives for the gas station parties in those markets to engage into coordinated conduct. Hence, given the characteristics of those markets, in particular the presence of virtually all the factors conducive to coordinated

coordinated conduct more likely would make coordinated conduct episodes more likely or frequent without ruling out the possibility at times of a breakdown in coordination.

² Ivaldi, M., Jullien, B., Rey, P., Seabright, P., Tirole, J., 2003. The Economics of Tacit Collusion, Report DG Competition, European Commission.

http://ec.europa.eu/competition/mergers/studies_reports/the_economics_of_tacit_collusion_en.pdf

conduct, I expect that price overcharges will result from the proposed transaction, through its unilateral or coordinated effects on competition or both.

9. After evaluating different sources of potentially competitive supply in the markets the Bureau asked me to study, I consider that these sources are unlikely to change my analysis and conclusion, based on my assessment that they would be unlikely to change concentration levels enough to alleviate the concerns I raise.
10. The Bureau provided me with the CRA documents dated February 23 and March 26, 2015 (“CRA Report”). I disagree with the main elements of the analysis and conclusions of the CRA Report for a number of reasons. CRA tends to define markets very broadly, on the basis in particular of data on loyalty card customers buying gas in some smaller area/town, which is among the markets the Bureau asked me to study, but residing in another area/town, which is not among those markets. CRA deduces from those purchases that the two areas/towns must be included in the same market. CRA has not provided the necessary analysis of who is constraining who in these markets. Therefore CRA’s analysis does not support the conclusion that such areas/towns are in the same market. For instance, if the smaller area/town currently experiences lower prices than the larger area/town, it may very well be that traveling customers, when crossing the smaller area/town, will profit of the lower prices and fill up their tank. They would do so even if prices in the smaller area/town increased by some amount, following the development of coordinated conduct. Regarding price cycles in gasoline markets, CRA mixes up two phenomena: the existence of a cycle and the level of the cycle. Even though an Edgeworth price cycle existed and remained similar (same correlation with some other competitive benchmark market) in some market under study, one cannot rule out that coordinated conduct might increase the level of the whole cycle.
11. Even if I were to accept the market definitions of CRA, I remain of the opinion, based on my understanding of the dynamics of the retail gasoline markets I previously studied, that the risk of coordinated conduct capable of mimicking and replicating actual collusion price increases would be significantly higher following the proposed transaction in the 14 markets I reviewed.
12. There is reasonable certainty that coordinated price increases will emerge when a transaction, such as this one, enhances or causes more of the structural characteristics favourable to

coordinated conduct to be present in the affected markets. The present transaction substantially raises the chances of coordinated price increases emerging. It also raises the likelihood of unilateral effects.

III. THE PROPOSED MERGER

13. On September 17 2014, Parkland Industries Ltd., a distributor of fuels and lubricants, announced that it had entered into an agreement to acquire the assets of Pioneer for \$378 million.

A. Acquirer: Parkland

14. Parkland is a marketer and distributor of refined petroleum products, with operations serving retail, commercial and wholesale customers. Parkland is a public company listed on the Toronto Stock Exchange.
15. The majority of Parkland's operations involve the sale and delivery of fuels; gasoline, diesel, heating oil, lubricants and propane. These operations span:
- Wholesale supply and distribution of fuel within the company's "Parkland Wholesale Supply, and Distribution," division;
 - retail distribution through its network of 696 gas station sites under the "Parkland Retail Fuels" division; and
 - bulk supply and delivery of petroleum products to commercial and residential customers within the "Parkland Commercial Fuels" division.³
16. Each of Parkland's divisions operates throughout Canada, although its retail operations may be more extensive in western Canada.⁴

³ Letter from Beth Riley to Mr. John Pecman and Mr. Daniel Campagna re "Proposed Acquisition by Parkland Industries Ltd., a wholly-owned subsidiary of Parkland Fuel Corporation, of substantially all of the assets of Pioneer Petroleum Holding Limited Partnership, Pioneer Energy LP, Pioneer Petroleum Transport Inc., Pioneer Energy Inc., Pioneer Fuels Inc., Pioneer Petroleum Holding Inc., Pioneer Energy Management Inc., 668086 N.B. Limited, 3269344 Nova Scotia Limited and 1796745 Ontario Ltd." Submitted October 3, 2014 (hereafter "Parties' October 3, 2014 submission"), pp. 4-5.

B. Target: Pioneer

17. Pioneer is a marketer and distributor of refined petroleum products, with operations serving retail, commercial, industrial and residential customers. Pioneer is a privately held company under a joint partnership between The Pioneer Group Inc. and Suncor Energy Products Inc.
18. The majority of Pioneer's operations involve the sale and delivery of fuels; gasoline, diesel, heating oil, lubricants and propane. These operations span:
 - retail distribution through its network of 393 gas station sites within the "Pioneer Energy LP" (PELP) and "Pioneer Energy Inc." (PEI) divisions
 - bulk supply and delivery of petroleum products to commercial, industrial and residential customers within the "Pioneer Fuels Inc." (PFI) division.⁵
19. PELP and PEI operate in the provinces of Manitoba and Ontario. PFI operates in Ontario, New Brunswick and Nova Scotia. Pioneer's retail operations are concentrated more in Ontario.⁶

C. The transaction

20. Parkland proposes to acquire from Pioneer 319 gas stations in Ontario and 74 gas stations in Manitoba, increasing Parkland's national footprint to more than 1,000 gas stations.⁷ Following the transaction, Parkland will supply roughly 9 percent of the Canadian retail fuel market.⁸

⁴ See Parties' October 3, 2014 submission, p.11 ("Pioneer has a network of 393 retail stations, of which 319 are in Ontario and 74 are in Manitoba.")

⁵ Parties' October 3, 2014 submission, pp. 4-5.

⁶ See Parties' October 3, 2014 submission, p.11 ("Parkland has a network of approximately 696 retail gas station sites across Canada, of which 148 stations are located in Ontario and 23 stations are located in Manitoba.")

⁷ Parties' October 3, 2014 submission, p.11.

⁸ The Globe and Mail, "Parkland buying Pioneer assets to anchor Ontario expansion", Jeffrey Jones, September 17, 2014.

21. The acquired gas stations include 147 Pioneer-branded and 224 Esso-branded sites, many of which are in prime locations.⁹ Parkland's existing network of 696 gas stations includes 29 Fas Gas, 178 Fas Gas Plus, 101 Race Trac and 370 Esso-branded sites.¹⁰
22. Integration of Pioneer operations is expected to occur over the course of 24 months.¹¹

IV. INDUSTRY BACKGROUND

23. The Canadian petroleum-based fuel industry includes every stage of production; exploration and extraction, production (and importation), wholesale, distribution and retail. The stages of production that are relevant to this matter are the wholesale supply and retail distribution of petroleum-based fuels.
24. Petrol and diesel sold in Canada is either refined from crude oil at local refineries or imported from foreign countries.¹² There are currently fourteen petroleum refineries in Canada with only a subset of these fourteen refineries operating on a national basis.¹³

D. Wholesale supply

25. Wholesale supply of petroleum-based fuels in Canada is provided in part by refiner-marketers such as Shell and Imperial Oil. These vertically integrated firms refine petroleum products and distribute wholesale petrol and diesel to their own retailers and third party customers.¹⁴

⁹ The Kent Group, "National Retail Petroleum Site Census 2013," Appendix C, May 16, 2014, p. 8.

¹⁰ The Kent Group, "National Retail Petroleum Site Census 2013," Appendix C, May 16, 2014, p. 8.

¹¹ Press Release Reuters, "Parkland Fuel Corporation Enters Agreement to Acquire Pioneer Energy, Canada's Largest Private Independent Fuel Marketer". September 17, 2014.

¹² "Frequently Asked Questions (FAQs) Concerning Federally-Regulated Petroleum Pipelines in Canada." <https://www.nrcan.gc.ca/energy/infrastructure/5893>

¹³ "Energy Markets Fact Book." http://www.nrcan.gc.ca/sites/www.nrcan.gc.ca/files/energy/files/pdf/2014/14-0173EnergyMarketFacts_e.pdf. p. 35.

"Canadian Refineries." <https://www.nrcan.gc.ca/energy/infrastructure/5895>

¹⁴ The Kent Group, "National Retail Petroleum Site Census 2013," p.9, included at "Schedule B" of Parties' October 3, 2014 submission.

26. Independent marketers, such as Parkland and Pioneer, obtain supply from the integrated refiner-marketers at “arm’s length.”¹⁵ Independent marketers may provide distribution and wholesale supply to retailers, or also retail themselves through their own networks of retail sites.¹⁶

A. Retail supply

27. Gasoline is a standardized good by itself, although some differentiation is possible through location and ancillary service. Nevertheless, demand elasticity¹⁷ for gasoline is usually low in the short term, varying between -0.04 and -0.40, but it is higher in the long term, varying between -0.23 to -1.37. Gasoline demand elasticity refers to a uniform increase of pump prices, but it is the demand elasticity per retailer which provides information concerning a single retailer station’s ability to move alone in increasing price, without losing his clientele. The single retailer location’s own price elasticity is high¹⁸ and so it becomes difficult for a single retailer location to be the only one to increase price.
28. In such a context, the only way for a single retailer location in a market with other gas stations present to profitably increase its price above the market equilibrium price is to engage in coordinated conduct, with the price increase being applied somewhat simultaneously across a sizable share of the relevant market. However, this price increase would then provide each single retailer location with the incentive to deviate from the agreement and to unilaterally decrease its price, in order to profit from the significant elasticity of demand. This is one of the reasons why cohesion in coordination is difficult to maintain, unless all retailers play the game and exert sustained willingness to abide by the implicit agreement.

¹⁵ The Kent Group, “National Retail Petroleum Site Census 2013,” p.9, included at “Schedule B” of Parties’ October 3, 2014 submission.

¹⁶ The Kent Group, “National Retail Petroleum Site Census 2013,” p.9, included at “Schedule B” of Parties’ October 3, 2014 submission.

¹⁷ “MTBE Phase Out in California” Consultant Report. *California Energy Commission*. Publication 600-02-008CR. March 14, 2002 www.energy.ca.gov/reports/2002-03-14_600-02-008CR.PDF.

¹⁸ The elasticity per retailer that can reach values of -18, according to Wang, “Station-level Gasoline Demand in a Market with Price Cycles”. Northeastern University mimeo. 2005. Clark and Houde (2013) report an estimated store-level price elasticity of demand for gasoline of -30.

29. Another important factor which can affect the viability of an implicit agreement is the ease with which retailers can enter or exit the market, so as to profit from the artificial price increase resulting from the coordinated conduct. It is generally understood that entry and exit in gasoline markets are quite costly and could take a long time, thereby seriously limiting the threat that coordinated conduct resulting in high prices and profits will induce newcomers to enter the market is rather slim, even non-existent.
30. Moreover there are reasons why oil refiners and brand retailers (Imperial, Shell, Petro-Canada, Ultramar...) and independent retailers (Entrepreneurs, Couche-Tard, Olco, Canadian Tire...) are the two distinct groups dominating the marketing and selling of gasoline in Canada.¹⁹ High fixed costs generating economies of scale characterize the gasoline retail industry. Furthermore, economies of scope, such as the possibility to sell ancillary products and services,²⁰ should not be overlooked.
31. For the past few years, some supermarkets (Wal-Mart, Costco, Loblaws, etc.) have become more visible competitors on the gasoline retail market. Those newcomers have generally sold gasoline at a low price, selling significant amount of gasoline without necessarily generating profits comparable to those obtained by the other types of gas stations, because their involvement in selling gasoline is intended not mainly to generate profits but rather to stimulate traffic in their stores to increase sales of their other products. But these supermarket chains typically do not show much interest in smaller markets such as those I was asked to look at.
32. On a global scale, it therefore seems that the gasoline retail market is not very favorable to the quick arrival of new players, when the “high” price of gas offers cost effective investment opportunities. The trend over the past 15 years has rather been a rationalization and reduction in the number of gas stations.

¹⁹ In Canada, the three main refiners operating gas stations are Imperial Oil with approximately 2,000 gas stations, Shell Canada with 1,681 stations and Petro-Canada with over 1,500 retail and wholesale outlets. Source: refiners' website.

²⁰ Wolf, Bernard. “How Gasoline Gets Its Price,” (translation of the article « Comment s'établit le prix de l'essence ») Imperial Oil Review, Spring 2001, pp. 20-25.

33. We therefore have market dynamics with all the characteristics required to accommodate potentially viable and efficient coordinated conduct. Moreover, other favourable factors would include quick and accurate observation of any deviant behaviour.
34. In the gasoline market, the relevant geographical distribution of sellers and buyers is practically the same, and so gas stations tend to be near groups of consumers and near the main roads used by buyers. In general, the relevant geographic markets are relatively well defined by the service stations within their borders, with all other service stations being far enough and hard to get to, so as to not really represent a significant form of competitive intensity.
35. In large or medium size markets, individual gas stations have no market power, it may not be the case in smaller markets. However, the market power of gas stations participating in some form of coordinated conduct may be impressive, in particular in smaller markets. It is not uncommon that a dozen gas stations or even more would jointly reach a market share of over 80% and hence find it profitable, because of the joint market share and low elasticity of demand, to engage in coordinated conduct to increase prices.

V. ANALYTICAL FRAMEWORK

36. The merger of two or more firms can substantially dampen the degree of competition, which in turn often results in price increases. The Merger Enforcement Guidelines (MEG) recognize two channels through which competition can be harmed: *unilateral effects*, i.e. an increased incentive and/or ability of the merged firm to increase prices independently of the competitors' behavior, and *coordinated effects*, i.e. a price increase through tacit or explicit agreements amongst the competing firms.
37. Unilateral effects arise when a single firm has sufficient market power to profitably increase prices, independently of the reaction of its rivals. Coordinated effects arise when it is profitable for firms to compete less aggressively than they would in a perfectly competitive market, recognizing implicitly that it is a mutually beneficial behavior for all firms involved.

A. Unilateral Effects

38. Unilateral effects refer to a situation in which a merger would allow the merged entity to exploit its new market power to increase prices and profits, independently of the reactions of competitors, that is, without demand reductions that would be sufficient to offset the benefit from the price increase. The characteristic feature of unilateral effects is that the firm does not need its rivals to cooperate on the price increase. From an economic point of view, there are four circumstances that make unilateral effects more likely to occur:²¹ (1) The market share of the merged firm is large, (2) Competitors have limited excess capacity, (3) important barriers to entry, and (4) the merging firms were previously each other's best or significant substitutes.
39. The MEG comprise a "safe harbour" policy by which mergers causing a market share below a certain threshold are considered unlikely to give rise to unilateral market power. For mergers suspected to bring about unilateral effects, a safe harbour is imposed when the merged entity has a market share of less than 35% post-merger.
40. As shown below (Table 1), the proposed merger will allow the merged entity to capture a significant market share in many of the local markets of concern here. When this factor is combined with the other factors identified above (limited capacity, important barriers to entry, and the fact that the merging firms were previously significant competitors), unilateral effects are likely becoming an important issue in the analysis of the proposed transaction.

B. Coordinated Effects

41. The concept of coordinated effects of a merger refers to the future dynamics of the industry or market. It centers on the potential for implicit coordination among competitors following the merger. As stated by R. C. Marshall and L. M. Marx, "The unilateral effects associated with a merger are of social interest, but the coordinated effects of a merger are perhaps a more substantial concern because adverse outcomes with respect to coordinated effects in the

²¹ See:

http://www.sauder.ubc.ca/Faculty/Research_Centres/%20Phelps_Centre_for_the_Study_of_Government_and_Business/~media/Files/Faculty%20Research/Phelps%20Centre/Working%20Papers/2006_10_ross.ashx, p.27. Retrieved April 13, 2015.

industry can potentially have a greater effect – eliminate competition among a subset of firms in the industry beyond just the firms involved in the merger.”²²

42. Before going into more detail about the conditions under which coordinated effects are more likely to occur, it is worthwhile to consider what the Australian Competition and Consumer Commission (ACCC) identifies as the relevant question when evaluating the effects of a merger on competition: It is “What effect will the merger have on the likelihood of coordinated conduct?” rather than “Is coordinated conduct likely in this market?”²³
43. This is an important distinction. While it may be impossible to determine the actual likelihood of coordinated conduct, which can be facilitated as well as mitigated by many factors and whose nature differs from market to market, it is more realistic (and equally constructive) to aim at identifying changes in the degree of potential coordination brought about by a merger. As the U.S. 2010 Horizontal Merger Guidelines put it: “The Agencies regard coordinated interaction as more likely, the more the participants stand to gain from successful coordination. Coordination generally is more profitable, the lower is the market elasticity of demand.” (§ 7.2)
44. In the language of W. E. Kovacic et al.²⁴ “[F]irms respond to incentives. Payoffs drive behavior. The larger are the payoffs from coordinated behavior, the more likely are firms to incur the costs and risks associated with coordinating their behavior” (page 402).
45. It is therefore highly conducive to bear that distinction in mind when reviewing the framework of coordinated conduct.
46. Classic economic theory of static non-cooperative homogenous product oligopolies stipulates that when firms compete on price, the (Bertrand) equilibrium price will equal the competitive price (marginal cost). Although less drastic with some differentiation in products or services, the (differentiated Bertrand) equilibrium conditions tend to produce relatively low prices, as not all dimensions of differentiation have the same weight. Even though it would be

²² In *The Economics of Collusion*, MIT Press 2012, pp. 258-259.

²³ <http://www.internationalcompetitionnetwork.org/uploads/library/doc824.pdf>, p.8. Retrieved April 13, 2015.

²⁴ W.E. Kovacic, R.C. Marshall, L.M. Marx and S.P. Schulenberg. Quantitative analysis of coordinated effects. *Antitrust Law Journal* 2 (2009), 397-430.

beneficial for all firms to agree on setting a higher, even the monopoly price, thereby generating higher profits, this is not an equilibrium because a firm that undercuts the agreed-upon price ever-so-slightly would serve the entire market. In a static or single-period framework, rivals have no means of punishing a deviating firm since there are no future periods.

47. The essential difference between coordinated conduct and cartel behaviour is the explicit communication between the parties. Aubert et al. (2006) see the role of communication as drawing the frontier between tacit coordinated conduct and explicit cartel conduct. Ivaldi et al. (2003) define coordinated conduct as follows: “Tacit collusion need not involve any ‘collusion’ in the legal sense, and in particular need involve no communication between parties. It is referred to as tacit collusion only because the outcome (in terms of prices set or quantities produced, for example) may well resemble that of explicit collusion or even an official cartel.”
48. Special attention should be given to situations in which, due to the characteristics of the industry and markets, firms may sustain long term equilibrium through coordinated conduct. According to Ivaldi et al. (2003), the following industry characteristics (not exhaustive) can indeed influence the likelihood of observing non cooperative equilibrium that mimics collusive outcomes. Such likelihood is higher
 1. when there are fewer competitors;
 2. when entry barriers are important;
 3. when firms interact frequently;
 4. when the market is transparent (knowledge of prices and output);
 5. when demand growth is important;
 6. when demand is more predictable;
 7. when innovation in markets is low;
 8. when costs are similar between firms;
 9. when production capacities are similar between firms.

It is neither necessary nor sufficient that all of these characteristics be present in a market to conclude that firms may sustain long term equilibrium through coordinated conduct. In the

present case, all of the characteristics above may be considered as present to different but significant degrees, except possibly #5 in most markets and #9 in some markets.

49. It is well known that industry structure may itself be determined by the strategies of the firms. This has become a fundamental element of modern industrial organization (Tirole 1988). The consequence of this link between firms' strategies and market structure is that when assessing competitive intensity in markets it may be necessary to revisit some basic structural factors underlying the industry situation.
50. It is the exchange of information that creates the infringement to competition laws and regulations. If firms wanted to reach profitable agreements that cover several periods without communicating, they could engage into coordinated conduct in order to reduce the risk of detection. Competitive conditions which are conducive to coordinated conduct raise the same concerns as unilateral effects and the effects of explicit cartel conduct.
51. Coordinated conduct can emerge as a non-cooperative equilibrium and yield supra-competitive prices and profits. Many of the structural factors that facilitate or hinder the emergence of cartel equilibria are likely to affect the emergence of coordinated conduct equilibria. My understanding of the important damages to consumers that cartel equilibria can represent and the fact that coordinated conduct equilibria can mimic full cartel equilibria leads me to conclude that the increased likelihood of coordinated conduct is a cause for concern.
52. Although Competition Authorities do not treat coordinated conduct as an infringement (related to Section 45 of the Competition Act), which would follow from the existence of illicit information exchange, the same market effects may result from coordinated conduct as from outright cartel behaviour. Hence the importance of verifying if a merger is likely to facilitate or increase significantly the likelihood of coordinated conduct.
53. The crucial market feature when examining coordinated conduct in oligopolies is hence the repeated interaction between firms and the resulting dynamics. Modern oligopoly theory takes into account these dynamics and identifies three criteria for implicit agreements to arise and persist, through coordinated conduct: firms need to be able (1) to establish terms of

coordination, (2) to detect deviation or cheating by a rival, and (3) to react to or punish such deviating behavior.

54. In its report on merger guidelines, the International Competition Network (ICN) gives a rather comprehensive analysis of factors facilitating or mitigating coordinated effects along the lines of the three criteria mentioned above.²⁵

(1) Ability to establish terms of coordination

55. *Highly concentrated market.* The MEG state that “other things being equal, the likelihood that a number of firms may be able to bring about a price increase through interdependent behavior increases as the level of concentration in a market rises and as the number of firms declines.” (MEG, § 4.21). This is because coordination is easier the fewer firms are involved. While a high market concentration does not necessarily imply a high likelihood of collusion, the MEG establish a safe harbour for mergers suspected to bring about coordinated effects when the four largest companies have a combined market share of less than 65%, or when the share of the merged firm is less than 10% (MEG, § 5.9). This brings out the critical issue of market definition.
56. *Homogeneity of products.* The more homogenous the products are, the less product features need to be defined in a collusive agreement and the easier it is therefore for its firms to establish terms of coordination
57. *Homogeneity of firms.* The more alike competing firms are with respect to capacity, cost structure, distribution channel and more, the higher is the probability that their incentives to coordinate prices are aligned.
58. *Stable demand.* The more stable demand is on the product market, the more likely it is that firms can make the forecasts necessary for successful coordination.
59. *Entry and exit or opening and closing conditions.* Coordination is more likely to persist if the likelihood that new firms enter the market and challenge the coordinated behavior is small.

²⁵ <http://www.internationalcompetitionnetwork.org/uploads/library/doc560.pdf> . Retrieved April 13, 2015.

60. *History of coordination to dampen competition.* The MEG guidelines state that collusive behavior in the past is considered an indicator of an increased probability of future coordinated behavior, as "previous and sustained collusive or coordinated behaviour indicates that firms have successfully overcome the hurdles to effective coordinated behaviour in the past." (§ 6.34).

(2) *Ability to monitor*

61. *Availability of market information.* As the authors of the ICN report point out, "Firms engaged in tacit collusion are continually choosing between maintaining the terms of collusion by keeping prices high and limiting their opportunities with certain buyers, or deviating from the terms of collusion by lowering prices or increasing capacity in order to increase their sales." It is therefore crucial for the establishment and persistence of a coordination agreement that the firms can monitor each other's behavior (e.g. prices) and detect deviations in a timely manner.
62. *Presence of demand fluctuations.* Stable economic conditions are important for firms trying to infer deviating behavior from observable parameters. For example, if economic conditions are unstable, a firm may not be able to identify whether a negative demand shock is due to an overall economic development or because a competitor undercut the agreed-upon price. The more stable the market, the easier is monitoring and thus more likely is coordinated behavior.
63. *Presence of downstream affiliates.* A further factor facilitating coordination is the presence of downstream affiliates. Consider two firms, X and Y, who compete in producing a product. In addition, firm Y owns a distribution facility. If firm X purchases firm Y's distribution facility, it is much easier for the firms to collude on the production level. This is because firm X can observe quantities produced and prices set by firm Y by means of the acquired distribution facility. Thus, merger can facilitate collusion - even though the market concentration did not change.

(3) *Ability to punish and deter deviations*

64. *Credibility of threatened retaliation.* Finally, firms need to be able to punish defecting behavior in order to deter deviations. Retaliation is targeted at making deviations from coordinated behavior less profitable, thereby reducing the incentive to engage in deviating

behavior. If the threat of retaliation is not credible, it is much less likely to deter firms from deviating.

65. *Nature and distribution of excess capacities.* One factor that increases the ability of colluding firms to punish deviations is their excess capacity which can be used to increase their supply or cut prices and thus serve a higher market share, thereby reducing the deviating firm's profits. If the colluding firms have no such excess capacity, or if they can only access them at substantial cost or with a certain time lag, the threat to punish deviations may not be fully credible and thus not powerful enough to sustain cooperated behavior.
66. *Multi-market contacts.* Another factor facilitating the maintenance of coordinated behavior is multi-market contact between firms as the punishing firm(s) may have more leverage over the deviating firm, which in turn has more to lose than if the firms only interacted on a single market.

VI. AFFECTED MARKETS

67. There is a substantial number of geographic areas for which the markets served by Parkland and Pioneer overlap. The geographic markets that the Bureau asked me to review are in the provinces of Ontario and Manitoba.²⁶
68. The geographic scope of the relevant markets depends upon the extent of pricing constraint imposed by alternative supply.²⁷ Where possible such economic substitution should be identified empirically. For the present analysis it is possible to make the following preliminary observations regarding the markets the Bureau asked me to look at from the perspective of potential coordinated conduct emerging post-merger.

²⁶ *Parkland Fuel Corporation Investor Presentation, October 2014, slide 16.*

²⁷ This may be evaluated using the Hypothetical Monopolist Test ("HMT"), in which a small but significant non-transitory increase in price ("SSNIP") (normally 5 percent) is applied to the current prices set by the merger, and then likely substitution to other products is considered. If sufficient substitution would render the SNIPP unprofitable, then this indicates the market should be broader than the merger parties products. The HMT is then re-applied successively until the SNIPP would be profitable, at which point the market is properly defined because all sources of alternative supply have been identified. See, for example, 2011 Canadian Merger Enforcement Guidelines (MEG).

69. First, a natural limit exists on the distance that the majority of consumers are willing to travel in response to a substantial price increase. This distance may vary for rural and non-rural areas, and may be influenced by consumers' incomes and the prevalence of commuting for work. In addition, the position of gas stations relative to major commuter paths has been shown to affect the degree to which gas stations compete with one another.²⁸
70. At the simplest level, a trade-off exists between the time spent and expense incurred driving to and from and between retail sites with different prices, and the likely savings that will result. Clearly, customers are not going to drive long distances to save a cent or two, even more per liter. At a consumption rate of 10 liters per 100km, it would pay a consumer driving an average car to travel 10 km to fill up only if the price difference is 5 cpl, a significant difference. Adding the utility cost of time spent driving makes a market defined by a 10 km radius a relatively large market.

Anti-competitive effects

71. The proposed transaction leads to increases in market share to greater than 35 percent in all local retail markets that the Bureau asked me to review. After review, for the reasons discussed above, it is my opinion that at those times when coordination breaks down, post-merger Parkland will be able to exert market power in the relevant markets and, as a profit maximizing firm, it is likely to raise prices.
72. This possibility follows the likelihood of the development of coordinated conduct, which would likely end up to raise prices given the diminished sources of alternative supply. Profit-seeking firms can be expected to understand this possibility to raise prices under these circumstances, unless some other barriers exist preventing the realization of greater profits.
73. We saw above a list of factors that are generally believed to facilitate coordinated conduct or tacit collusion: few competitors; important entry barriers; frequent interactions among firms; transparency (knowledge of prices and output) in the market; a relatively growing and predictable demand; a low rate of innovation; similar costs across firms; similar production

²⁸ Houde, Jean-Francois (2012) "Spatial Differentiation and Vertical Mergers in Retail Markets for Gasoline" *American Economic Review*, Vol. 102(5).

capacity between firms. I indicated that none of the factors is by itself necessary or sufficient, but the conjunction of factors plays an important role. Those factors are present in most if not all of the 14 markets in Table 1, except for the growing demand factor and possibly the similar capacity factor in some markets. As we noted above, if coordinated conduct can generate a notable profit increase, one can expect that firms will find out and try to implement it, possibly by trial and error, with episodes of success and episodes of failures over a certain time period, but with a clear likelihood of more and more episodes of success.

74. The following subsection describe the information I have reviewed in relation to the 14 markets the Competition Bureau asked me to look at in order more specifically to assess the competitive implications of the proposed Parkland-Pioneer transaction and any competition issues that may be raised by it.²⁹

²⁹ Sources that were used to estimate market shares include:

“Ontario2013yesites.xlsx.” Email from Beth Riley, Partner Bennett Jones LLP (Oct. 3, 2014 19:55). Subject: “Parkland/Pioneer - Notification (Email No. 4) (Final E-mail) [BJ-L.FID3332472].”

“PKL Sites SIR.xlsx.” Email from Tara DiBenedetto, Counsel Competition Bureau (Apr. 15, 2014 13:58). Subject: “Privileged and Confidential.”

“PIO Sites SIR.xlsx.” Email from Tara DiBenedetto, Counsel Competition Bureau (Apr. 15, 2014 13:58). Subject: “Privileged and Confidential.”

Email from Ken Wootton, President XTR Energy Company Limited (Feb. 24, 2015 9:27). Subject: “URGENT - Competition Bureau - Parkland/Pioneer merger review.”

Email from Corey Dreveny, Sr. Legal Counsel Antitrust Shell Canada Limited (Feb. 23, 2015 13:53). Subject: “RE: URGENT - Competition Bureau - Parkland/Pioneer merger review.”

“Volumes for Competition Bureau.xlsx.” Email from George Fraser (Feb. 17, 2014 18:14). Subject: “Volumes for Competition Bureau.xlsx.”

Email from Brian Magdee, Auto Fuel BU Loblaw Companies Limited (Feb. 25, 2015 21:50). Subject: “RE: Competition Bureau- Parkland/Pioneer merger review.”

Email from Brian Magdee, Auto Fuel BU Loblaw Companies Limited (Feb. 26, 2015 15:43). Subject: “RE: Competition Bureau- Parkland/Pioneer merger review.”

Email from Brian Magdee, Auto Fuel BU Loblaw Companies Limited (Feb. 26, 2015 15:43). Subject: “FW: Volume Information - Grimsby Superstore.”

Email from Carl Fichter, Vice President Energy Federated Co-operatives Limited (Feb. 22, 2015 16:22). Subject: “Competition Bureau Parkland/Pioneer MergerDerby.”

Email from Ashok, Controller at ECONO PETROLEUM & GAS (Feb. 18, 2015 9:53). Subject: “RE: URGENT - Competition Bureau - Parkland/Pioneer merger review.”

Email from Ashok, Controller at ECONO PETROLEUM & GAS (Feb. 24, 2015 15:29). Subject: “RE: URGENT - Competition Bureau - Parkland/Pioneer merger review.”

“Lundar Volumes 2013 - 2014.xlsx.” Email from Ed Braun, Controller at Domo Gasoline (Feb. 17, 2015 8:15). Subject: “RE: URGENT - Competition Bureau - Parkland/Pioneer merger review.”

“W1105 Ancaster Volume FY13 & 14.pdf.” Email from Patricia Harrison Corporate Counsel Costco Wholesale (Apr. 1, 2015 13:41). Subject: “Parkland/Pioneer Merger.”

“Site List for Data.xlsx.” Email from Tara DiBenedetto, Counsel Competition Bureau (Apr. 15, 2014 13:11). Subject: “Privileged and Confidential- Third Part Data - Canadian Tire 1.”

“CTP Daily Volume by Grade-Comp Bureau- March 2015.xlsx.” Email from Tara DiBenedetto, Counsel Competition Bureau (Apr. 15, 2014 13:11). Subject: “Privileged and Confidential- Third Part Data - Canadian Tire 1.”

“Ontario.xlsx.” Email from Tara DiBenedetto, Counsel Competition Bureau (Apr. 17, 2014 12:32). Subject: “FW: Confidential – Volume Data”

75. On the basis of the information I received, it is my opinion that the concentration levels created by the transaction in the 14 markets poses serious risks to competition as I expect the transaction to increase the likelihood of coordinated conduct and therefore of price increases. This conclusion is based, in part, on my assessment that further information required to determine a more precise market definition is unlikely to change concentration levels enough to alleviate these concerns.

**TABLE 1:
Market Shares in Relevant Markets (2013 Volume Data)**

<u>Relevant Markets</u>	<u>Estimated Market Shares</u>	
	Merged Entity market share	CR4 post-merger
Warren, Manitoba	100%	100%
Allanburg, Ontario	100%	100%
Lundar, Manitoba	█	100%
Tillsonburg, Ontario	74%	100%
Innisfil, Ontario	63%	100%
Kapuskasing, Ontario	█	100%
Hanover, Ontario	51%	100%
Bancroft, Ontario	49%	100%
Gananoque, Ontario	47%	100%
Aberfoyle, Ontario	43%	100%
Neepawa, Manitoba	█	100%
Port Perry, Ontario	41%	100%
Welland, Ontario	39%	80%
Chelmsford / Azilda (Sudbury, Ontario)	37%	90%

"Manitoba.xlsx." Email from Tara DiBenedetto, Counsel Competition Bureau (Apr. 17, 2014 12:32). Subject: "FW: Confidential – Volume Data"

Warren, Manitoba

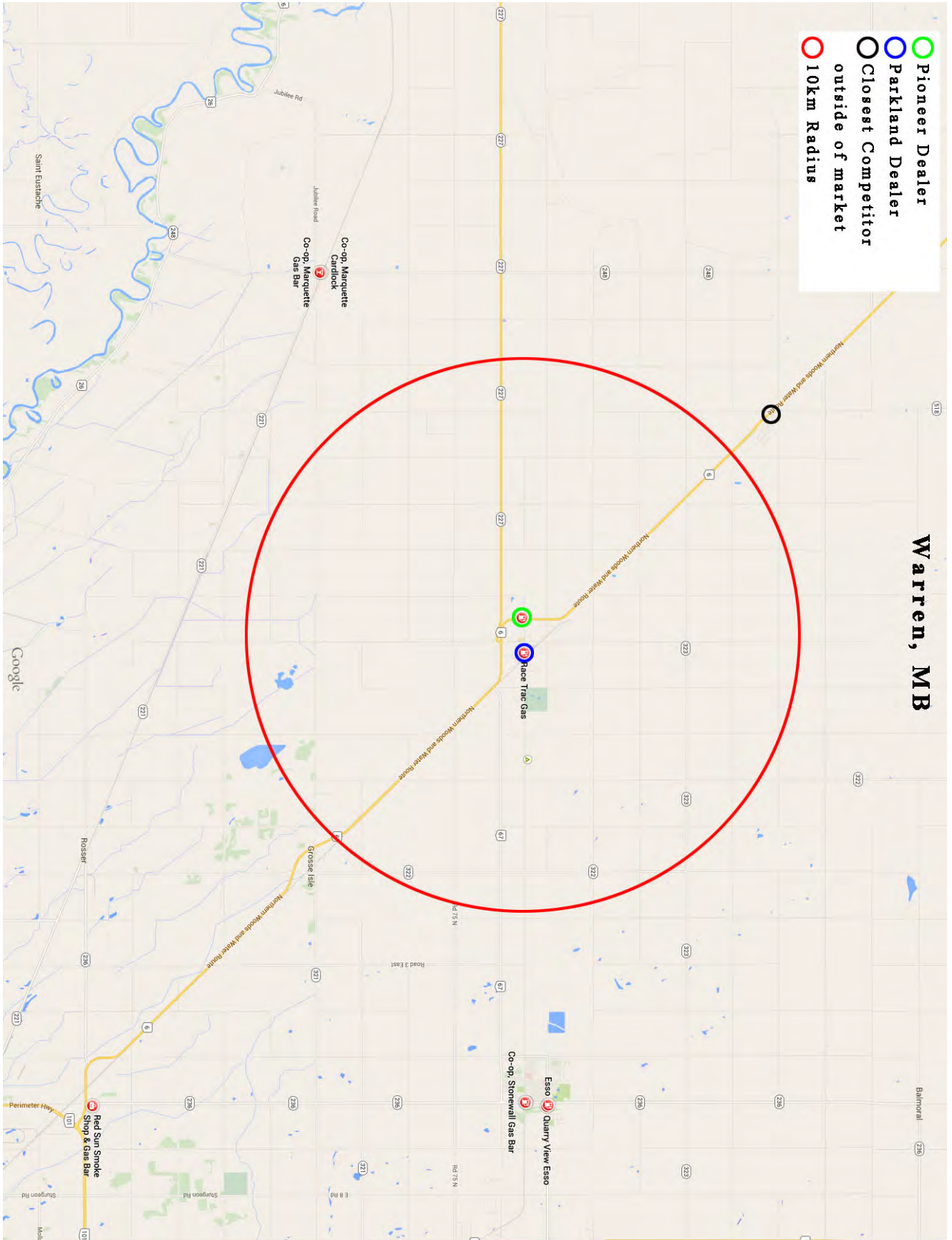
77. Warren has a population of approximately 800³⁰ and it is located at 19km west of Stonewall and 46km north-west of Winnipeg.³¹
78. Pioneer has one independent retailer, and Parkland has one independent retailer.³² Post-merger combined market share equals 100 percent, and CR4 equals 100 percent. The closest competitor outside of the market is a Shell gas station located approximately 11km northwest of Warren on highway 6 in the community of Woodlands.³³

³⁰ <http://www.city-data.com/canada/Warren.html>

³¹ Based on a search using <https://www.google.ca/maps>.

³² Parkland Data, and Pioneer Data.

³³ Parties' October 3, 2014 submission, p. 124.



Allanburg, Ontario

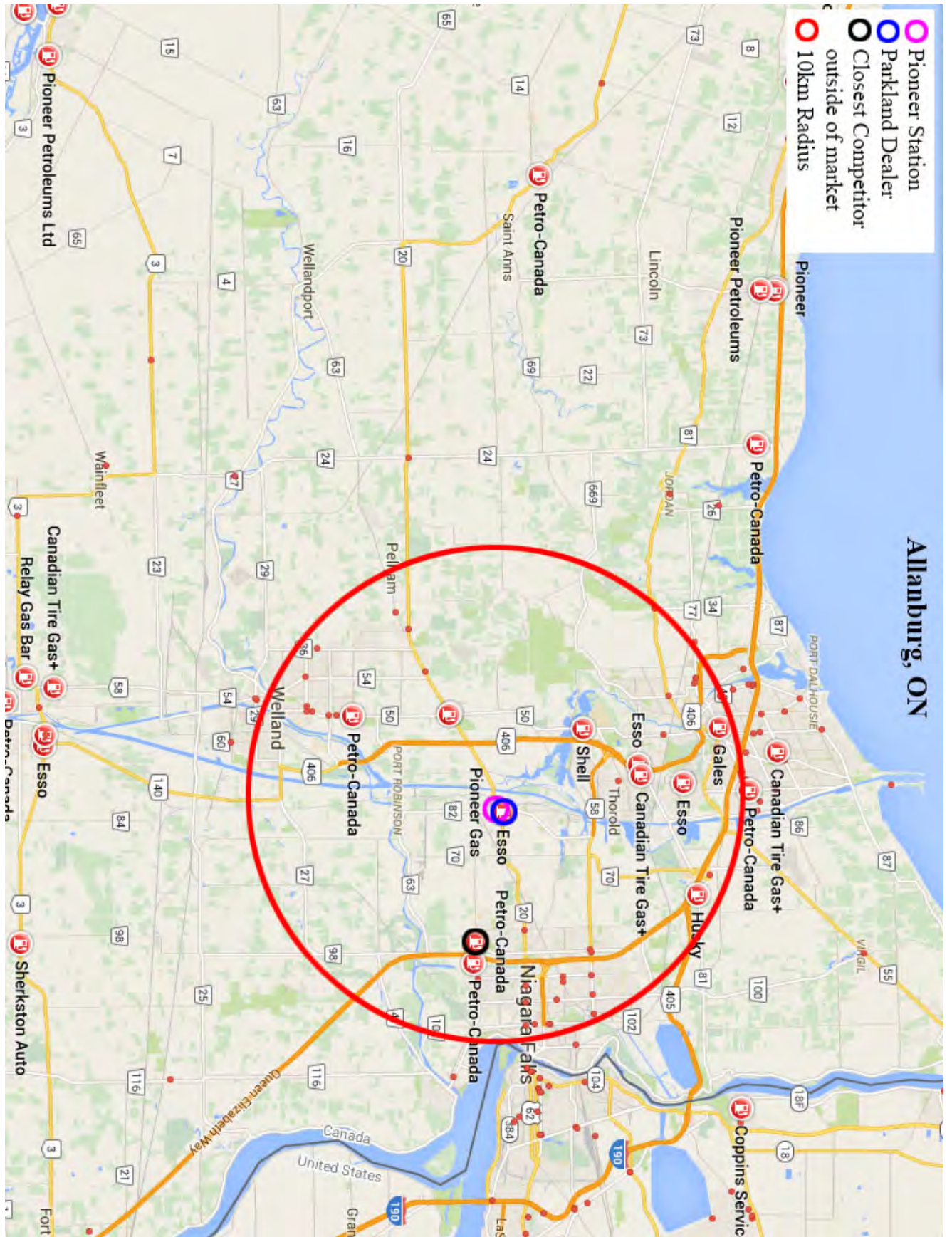
79. Allanburg is located in the City of Thorold, which has a population of 18,000.³⁴ Allanburg is approximately 14km south of St. Catharines, 11km west of Niagara Falls, and 12km north of Welland.³⁵
80. Pioneer has one controlled station in Allanburg, and Parkland has one independent retailer in Allanburg.³⁶ Post-merger combined market share equals 100 percent, and CR4 equals 100 percent. The closest competitor outside of the market is a Petro-Canada gas station located 5.4km east of the Pioneer and Parkland stations in Allanburg.³⁷

³⁴ <http://www.city-data.com/canada/Thorold-City.html>

³⁵ Based on a search using <https://www.google.ca/maps>

³⁶ Parkland Data, and Pioneer Data.

³⁷ Parties' October 3, 2014 submission, p. 118. See also <https://www.google.ca/maps>.



Lundar, Manitoba

81. Lundar is part of the Rural Municipality of Coldwell and has a population of 500.³⁸ It is located at 122km northwest of Winnipeg.³⁹
82. Pioneer has one independent dealer, and Parkland has one independent dealer.⁴⁰ Post-merger combined market share equals ■ percent, and CR4 equals 100 percent. The closest competitor outside of the market is a Shell gas station 50km southeast of Lundar.⁴¹

³⁸ <http://www.city-data.com/canada/Lundar.html>.

³⁹ Based on a search using <https://www.google.ca/maps>

⁴⁰ Parkland Data, and Pioneer Data.

⁴¹ Based on a search using <https://www.google.ca/maps>

Tillsonburg, Ontario

83. Tillsonburg has a population of 15,000⁴² and is located at 60km southeast of London, ON.⁴³
84. Pioneer has two stations, and Parkland has one independent dealer.⁴⁴ Post-merger combined market share equals 74 percent, and CR4 equals 100 percent. The closest competitor outside the market is the New England Variety & Gas Bar 6.8km southwest of Tillsonburg.⁴⁵ Even though there are a few competitors in the market, the parties' combined market share is well above the 35% threshold, and a number of competitors right outside of the market are Pioneer dealers.⁴⁶

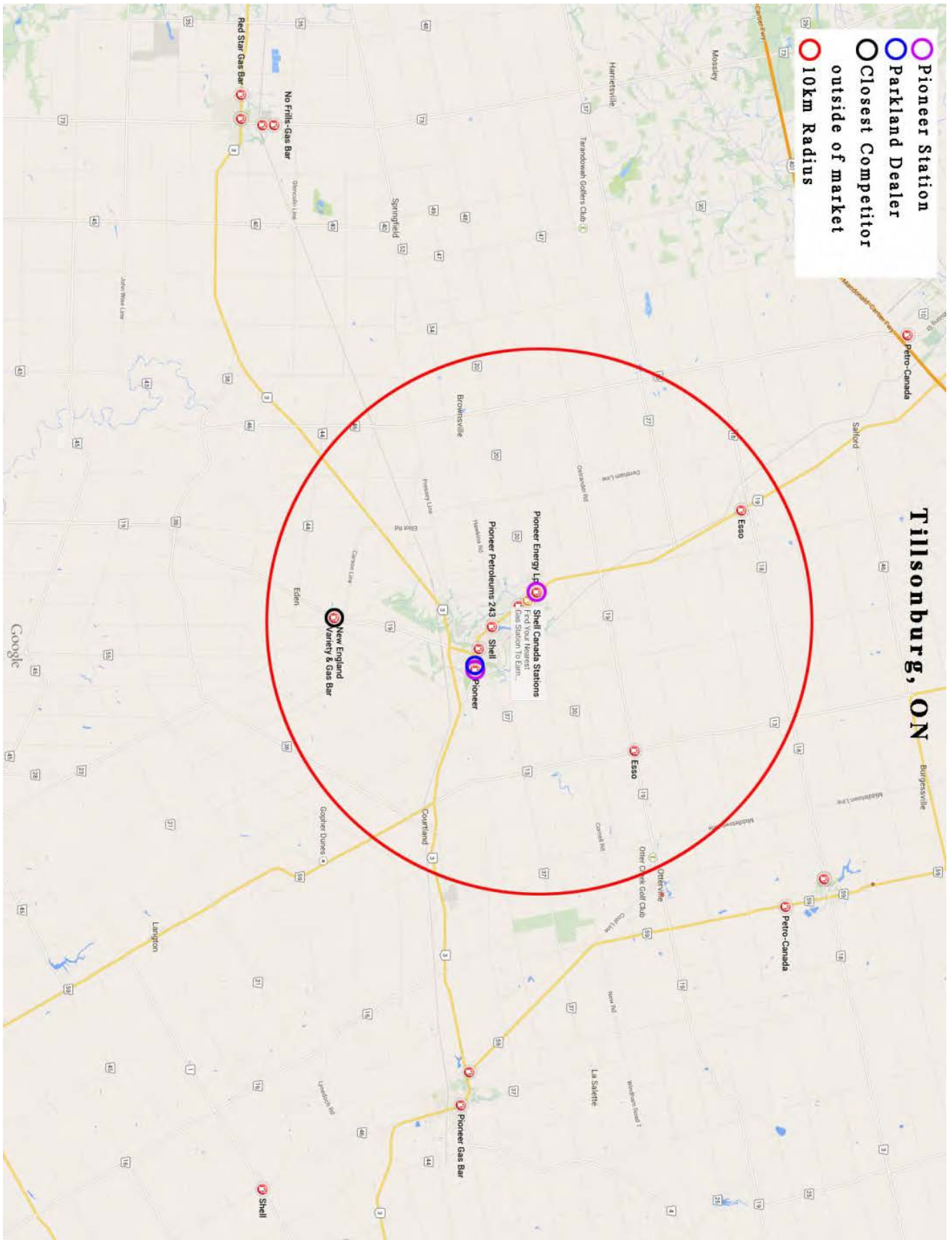
⁴² <http://www.city-data.com/canada/Tillsonburg.html>.

⁴³ Based on a search using <https://www.google.ca/maps>

⁴⁴ Parkland Data, and Pioneer Data.

⁴⁵ Based on a search using <https://www.google.ca/maps>

⁴⁶ Based on a search using <https://www.google.ca/maps>



Innisfil, Ontario

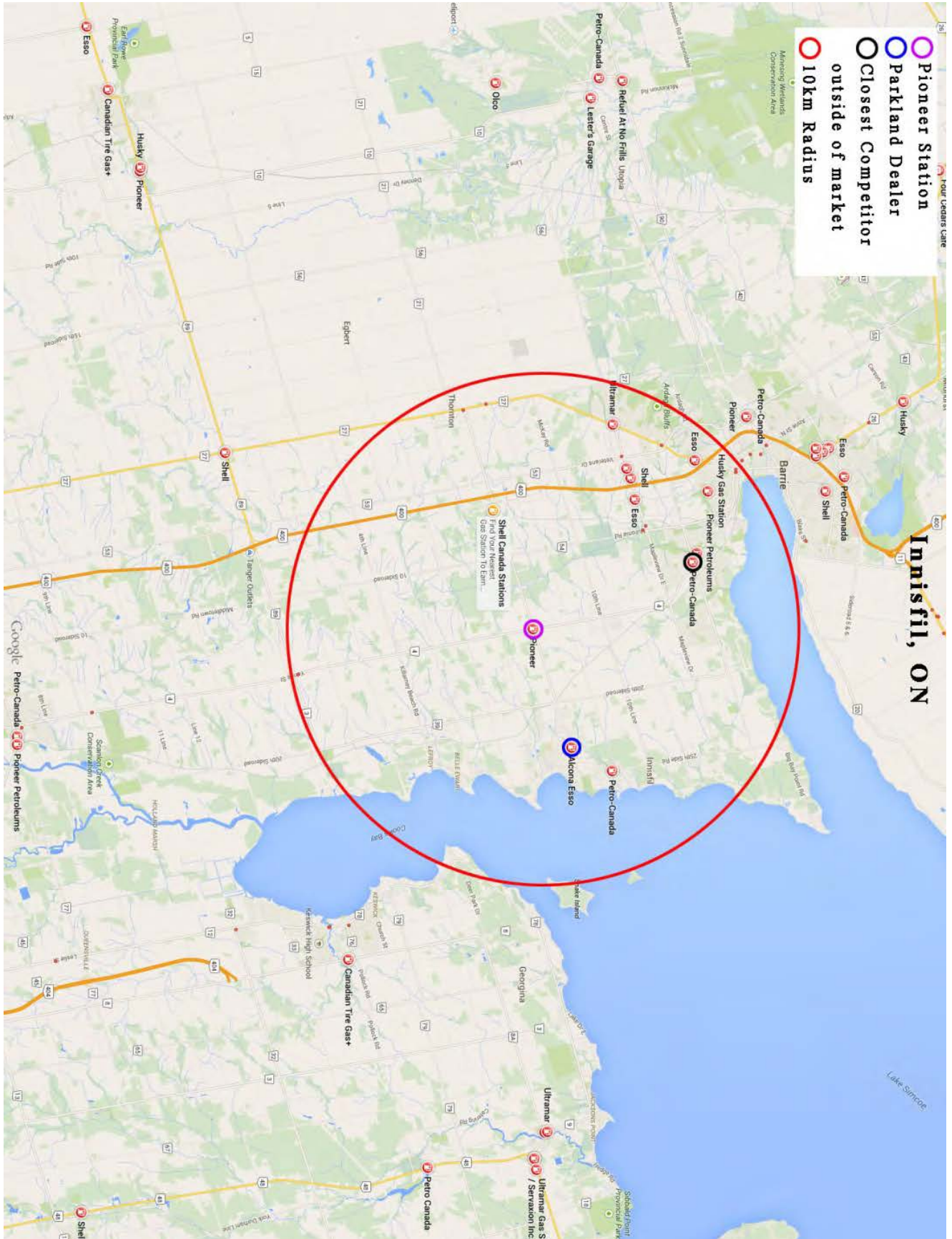
85. Innisfil has a population of approximately 33,000⁴⁷ and is located at 13km south of Barrie.⁴⁸
86. Pioneer has one controlled station, and Parkland has one independent dealer.⁴⁹ Post-merger combined market share equals 63 percent, and CR4 equals 100 percent. The closest competitor outside of the market is a Petro-Canada gas station approximately 7km north of the Pioneer station.⁵⁰

⁴⁷ <http://www.city-data.com/canada/Innisfil-Town.html>.

⁴⁸ Based on a search using <https://www.google.ca/maps>

⁴⁹ Parkland Data, and Pioneer Data.

⁵⁰ Based on search using <https://www.google.ca/maps>



Kapuskasing, Ontario

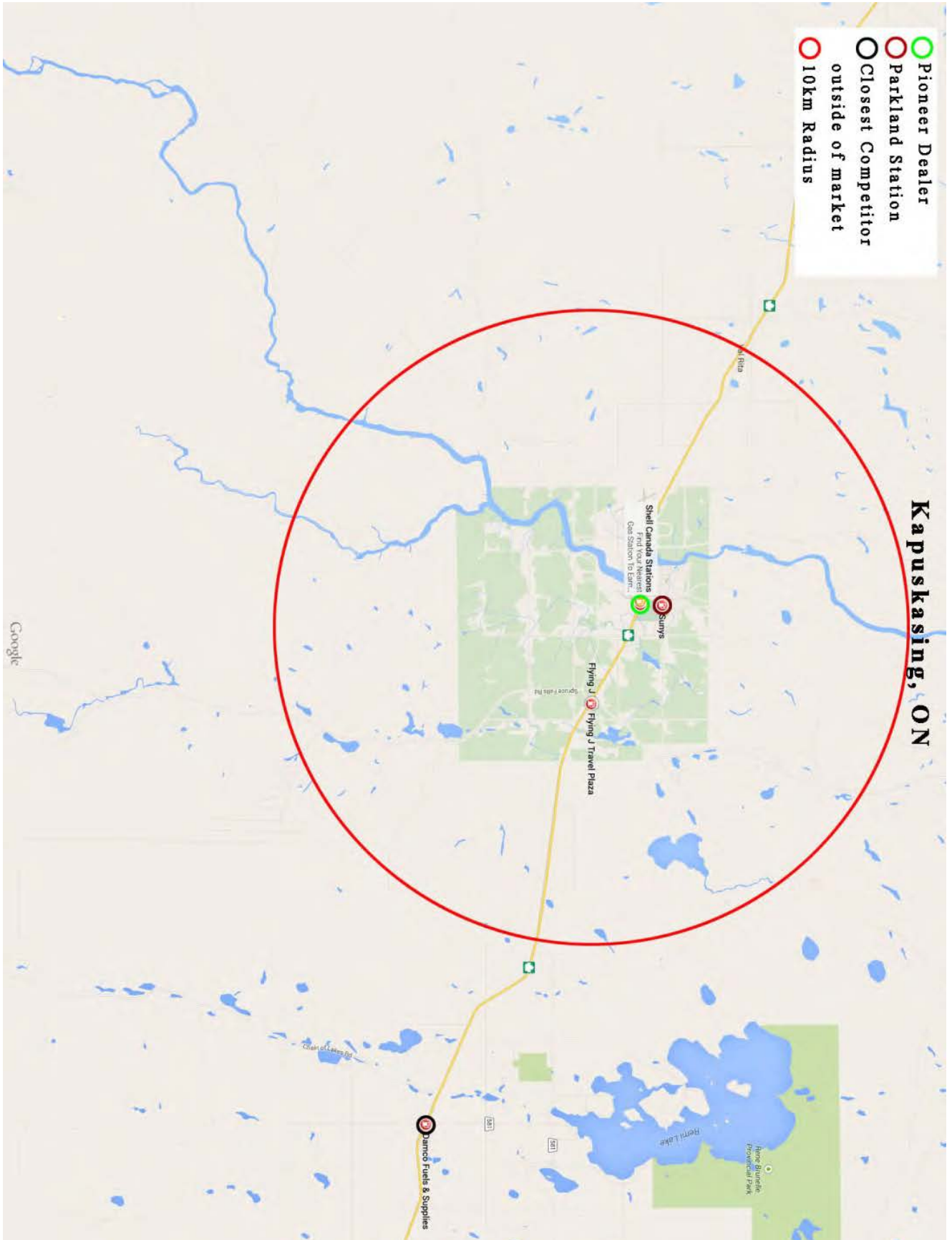
87. Kapuskasing has a population of approximately 8,200⁵¹ and is located at 97km southeast of Hearst.⁵²
88. Pioneer has one dealer, and Parkland has one controlled station.⁵³ Post-merger combined market share equals ■ percent, and CR4 equals 100 percent. The closest competitor is the Damco Fuels & Supplies gas station 21km southeast of Kapuskasing. There are no likely alternative sources of supply for consumers in this area.⁵⁴

⁵¹ <http://www.city-data.com/canada/Kapuskasing-Town.html>.

⁵² Based on search using <https://www.google.ca/maps>.

⁵³ Parkland Data, and Pioneer Data.

⁵⁴ Based on search using <https://www.google.ca/maps>.



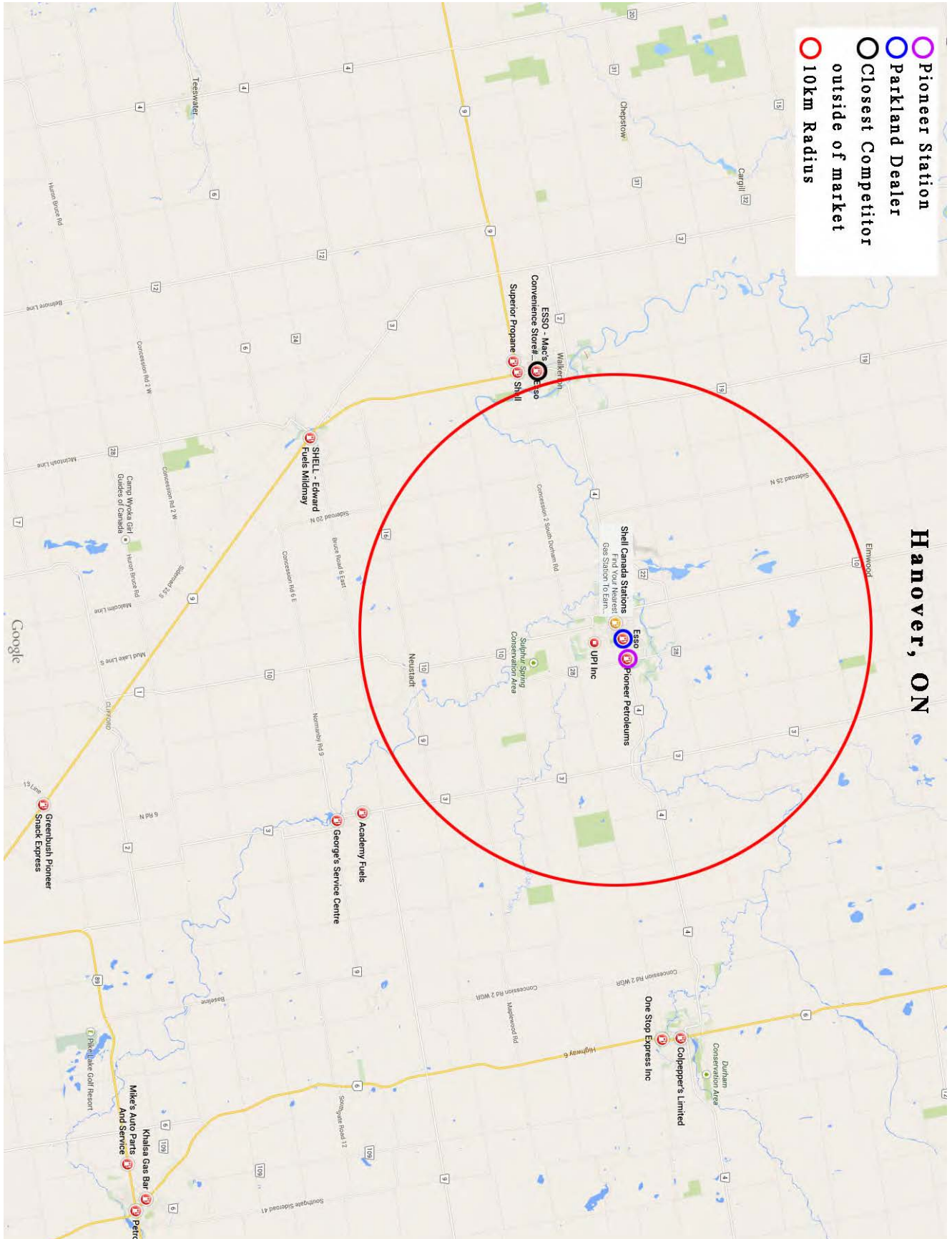
Hanover, Ontario

89. Hanover has a population of approximately 7,500⁵⁵ and is located at 11 km south of Elmwood, 11 km east of Walkerton, and 18km west of Durham.⁵⁶
90. Pioneer has one controlled station, and Parkland has one independent dealer.⁵⁷ The post-merger combined market share equals 51 percent, and CR4 equals 100 percent. The closest competitor outside of the market is an Esso station located 13km west of Hanover.

⁵⁵ <http://www.city-data.com/canada/Hanover-Town.html>.

⁵⁶ Based on a search using <https://www.google.ca/maps>.

⁵⁷ Kent Data.



Bancroft, Ontario

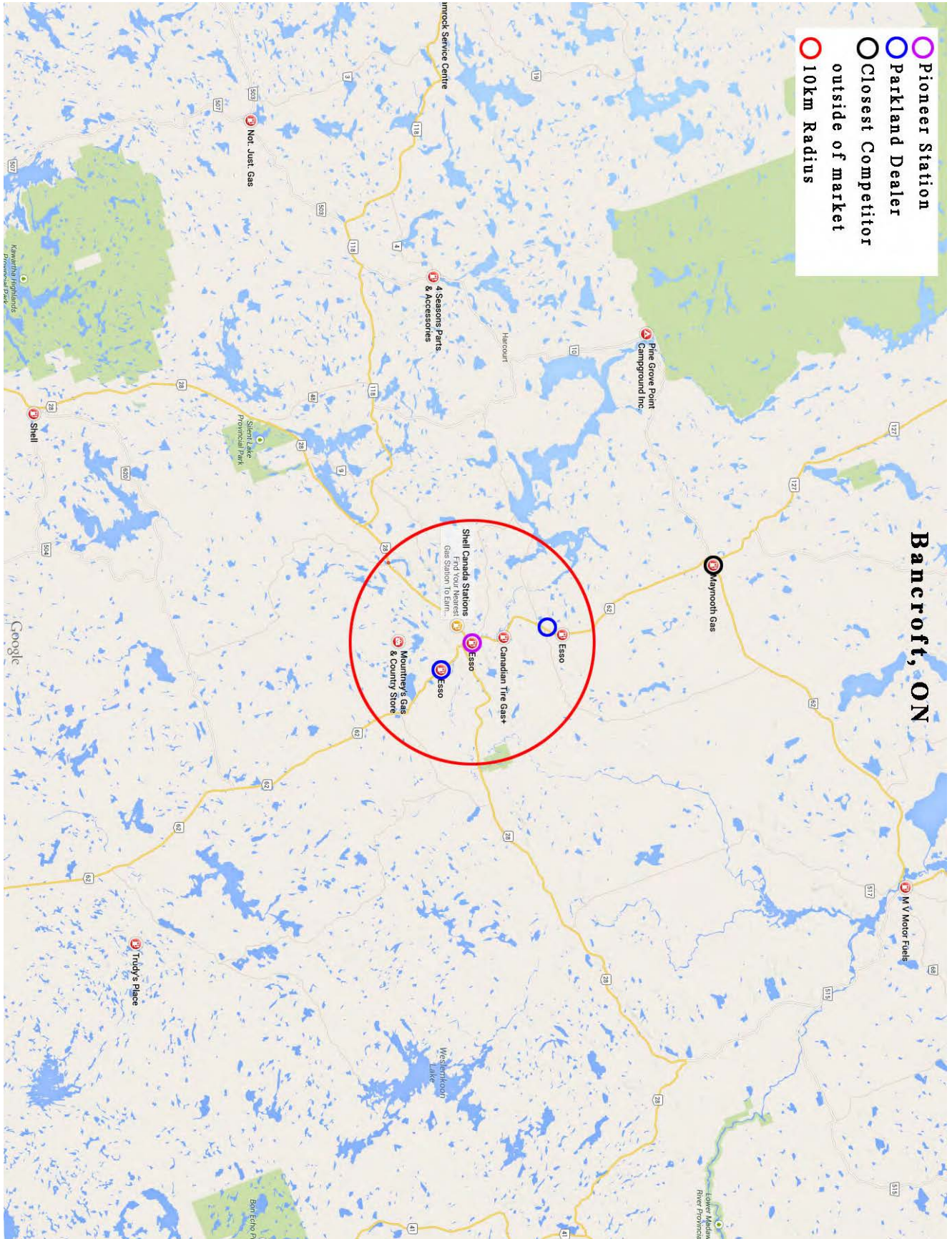
91. Bancroft has a population of approximately 4,000⁵⁸ and is located at 24km east of Cardiff, 30km north of Wollaston, and 70km east of Haliburton.⁵⁹
92. Pioneer has one station, and Parkland has two independent dealers.⁶⁰ Post-merger combined market share equals 49 percent, and CR4 equals 100 percent. Additionally, these estimates are conservative since an additional Pioneer station in Bancroft is not included in the calculations. The closest competitor is a Maynooth Gas located 14km north of the closest Parkland dealer.⁶¹

⁵⁸ <http://www.city-data.com/canada/Bancroft-Town.html>.

⁵⁹ Based on a search using <https://www.google.ca/maps>.

⁶⁰ Parkland Data, and Pioneer Data.

⁶¹ Based on a search using <https://www.google.ca/maps>.



Gananoque, Ontario

93. Gananoque has a population of approximately 5,200⁶² and is located 34km northeast of Kingston and 51km southwest of Brockville.⁶³
94. Pioneer has one controlled station, and Parkland has one independent dealer.⁶⁴ Post-merger combined market share equals 47 percent, and CR4 equals 100 percent. The closest competitor is a Stop & Save gas station located approximately 14km west of Gananoque.⁶⁵

⁶² <http://www.city-data.com/canada/Gananoque-Town.html>

⁶³ Based on a search using <https://www.google.ca/maps>.

⁶⁴ Kent Data.

⁶⁵ Based on a search using <https://www.google.ca/maps>.

Aberfoyle, Ontario

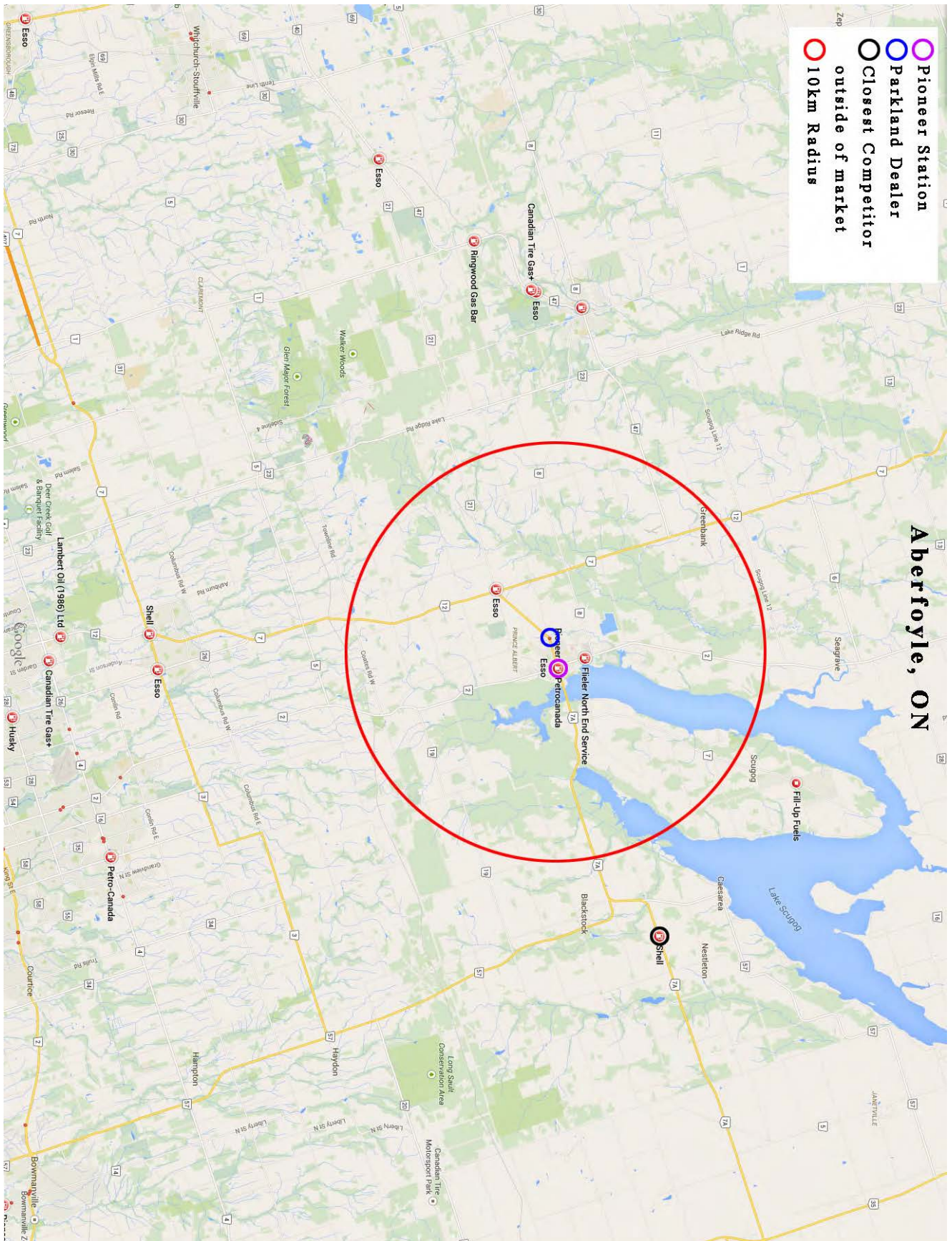
95. Aberfoyle is a community within the township of Puslinch, and the township has a population of 7000.⁶⁶ Aberfoyle is located 17km southeast of Guelph.⁶⁷
96. In this area Pioneer has one controlled station, and Parkland has one independent dealer.⁶⁸ Post-merger combined market share is 43 percent, and CR4 equals 100 percent. The closest competitor outside the market is a Shell station located 10km north of Aberfoyle.⁶⁹

⁶⁶ <http://www.city-data.com/canada/Puslinch-Town.html>

⁶⁷ Based on a search using <https://www.google.ca/maps>.

⁶⁸ Kent Data.

⁶⁹ Based on a search using <https://www.google.ca/maps>.



Neepawa, Manitoba

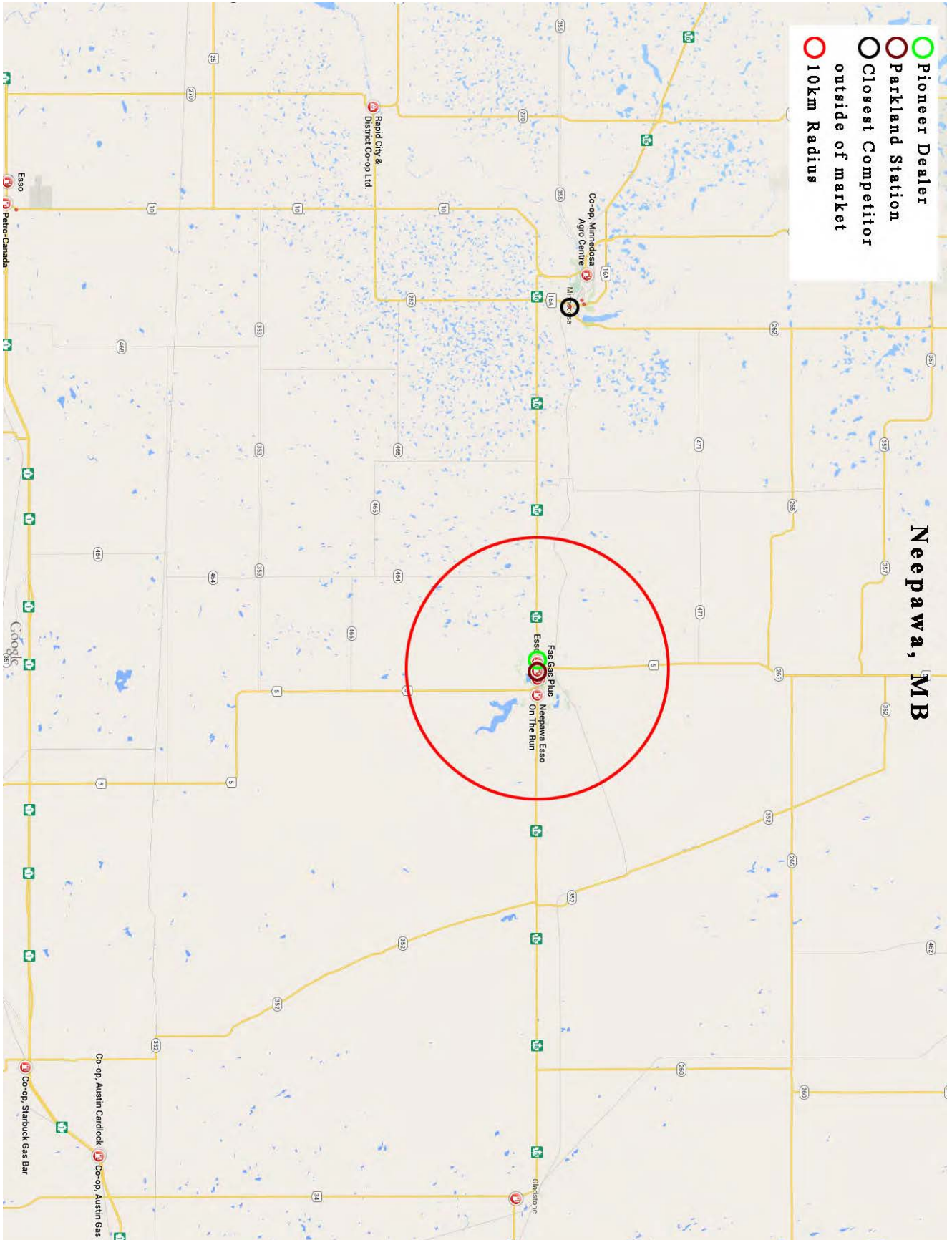
97. Neepawa has a population of 3,600⁷⁰ and is 18km south of Eden, 28km east of Minnedosa, 29km north of Brookdale, and 81km southeast of Riding Mountain.⁷¹
98. Pioneer has one dealer station, and Parkland has one station.⁷² Post-merger combined market share equals ■ percent, and CR4 equals 100 percent. The closest competitor is the Co-op Gas Bar located 28km west of Neepawa.⁷³

⁷⁰ <http://www.city-data.com/canada/Neepawa-Town.html>

⁷¹ Based on a search using <https://www.google.ca/maps>.

⁷² Parkland Data, and Pioneer Data.

⁷³ Based on a search using <https://www.google.ca/maps>.



Port Perry, Ontario

99. Port Perry has a population of 9,000⁷⁴ and is approximately 26km north of Oshawa and Whitby.⁷⁵
100. In this area Pioneer has one controlled station, and Parkland has two independent dealer.⁷⁶ Post-merger combined market share is 41 percent, and CR4 equals 100 percent. The closest competitor outside the market is a Shell gas station located 13km northeast of Port Perry.
101. Currently the parties have a combined market share of 37 percent in Port Perry (31 percent for Pioneer and 6 percent for Parkland).⁷⁷ After the merger, the combined market share of the parties is likely to remain at 37% or higher,⁷⁸ which is above the 35% threshold.

⁷⁴ <http://www.city-data.com/canada/Port-Perry.html>

⁷⁵ Based on a search using <https://www.google.ca/maps>.

⁷⁶ Kent Data. Based on Parkland Data, there were two Parkland stations missing from the Kent Data. These stations were added into the market based on their distances from the existing stations.

⁷⁷ Parties' October 3, 2014 submission, p. 109.

Welland, Ontario

102. Welland has a population of 51,000⁷⁹ and is approximately 23km south of St. Catharines and 25km southwest of Niagara Falls.⁸⁰
103. In this area, Pioneer has two controlled stations, and Parkland has two independent dealers.⁸¹ Post-merger combined market share equals 39 percent, and CR4 equals 80 percent. The closest competitor outside the market is a Target Food Stores & Gas located 5 km north of the closest Pioneer station.⁸²

⁷⁹ <http://www.city-data.com/canada/Welland-City.html>.

⁸⁰ Based on a search using <https://www.google.ca/maps>.

⁸¹ Kent Data.

⁸² Based on a search using <https://www.google.ca/maps>.

Chelmsford / Azilda (Sudbury, Ontario)

104. Chelmsford and Azilda have populations of approximately 6,600 and 3,800, respectively.⁸³ The two areas are 8km apart and are both neighborhoods of the City of Greater Sudbury. They are also 126km west of the City of North Bay.⁸⁴
105. Pioneer has one independent dealer and one station in Chelmsford, and Parkland has one independent dealer in Azilda.⁸⁵ Post-merger combined market share equals 37 percent, and CR4 equals 90 percent. The closest competitor outside the market is the Ducarmen Petro Canada gas station located 4km west of the closest Pioneer station.⁸⁶

⁸³ <http://www.greatersudbury.ca/?linkServID=EDFADD8E-C5AD-9F77-B98EAA2FA3AFF8F4>.

⁸⁴ Based on a search using <https://www.google.ca/maps>.

⁸⁵ Kent Data.

⁸⁶ Based on a search using <https://www.google.ca/maps>.



THE COMPETITION TRIBUNAL

IN THE MATTER OF the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

AND IN THE MATTER OF the proposed acquisition by Parkland Industries Ltd., a wholly-owned subsidiary of Parkland Fuel Corporation, of substantially all of the assets of Pioneer Petroleum Holding Limited Partnership, Pioneer Energy LP, Pioneer Petroleum Transport Inc., Pioneer Energy Inc., Pioneer Fuels Inc., Pioneer Petroleum Holding Inc., Pioneer Energy Management Inc., 668086 N.B. Limited, 3269344 Nova Scotia Limited and 1796745 Ontario Ltd.;

AND IN THE MATTER OF an Application by the Commissioner of Competition for one or more orders pursuant to section 92 of the *Competition Act*.

AND IN THE MATTER OF an Application for an Interim Order pursuant to section 104 of the *Competition Act*.

BETWEEN:

COMMISSIONER OF COMPETITION

Applicant

- and -

PARKLAND INDUSTRIES LTD., PARKLAND FUEL CORPORATION, PIONEER PETROLEUMS HOLDING LIMITED PARTNERSHIP, PIONEER ENERGY LP, PIONEER PETROLEUMS TRANSPORT INC., PIONEER ENERGY INC., PIONEER FUELS INC., PIONEER PETROLEUMS HOLDING INC., PIONEER ENERGY MANAGEMENT INC., 668086 N.B. LIMITED, 3269344 NOVA SCOTIA LIMITED AND 1796745 ONTARIO LTD.

Respondents

APPLICATION RECORD

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