AMENDED AND RESTATED ADMINISTRATION AGREEMENT

BETWEEN

PARKLAND INDUSTRIES LTD.

-and-

PARKLAND INCOME FUND

DATED JUNE 28, 2002 as
amended and restated
MAY 5, 2005

TABLE OF CONTENTS

ARTICLE 1
INTERPRETATION

ARTICLE 2
SERVICES

ARTICLE 3
EXPENSES

ARTICLE 4
FINANCIAL STATEMENTS AND RECORDS

ARTICLE 5
OBLIGATIONS AND COVENANTS OF THE FUND

ARTICLE 6
ACTIVITIES OF ADMINISTRATOR

ARTICLE 7
INDEMNIFICATION

ARTICLE 8
TERM AND TERMINATION

ARTICLE 9
FORCE MAJEURE

ARTICLE 10
MISCELLANEOUS

ADMINISTRATION AGREEMENT

THIS AGREEMENT made as of the 28th day of June, 2002 as amended and restated as of the 5th day of May, 2005

BETWEEN:

PARKLAND INDUSTRIES LTD., a corporation incorporated under the laws of the Province of Alberta

(the "Administrator")

AND:

PARKLAND INCOME FUND, an unincorporated open-ended limited purpose trust established under the laws of the Province of Alberta (the "Fund")

WHEREAS:

A. The Fund wishes to retain the Administrator to provide certain administrative and advisory services in connection with the Fund and the Units (as defined herein); and

B. The Administrator is willing to render such services on the terms and conditions hereinafter set forth.

NOW THEREFORE IN CONSIDERATION of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions

In this Agreement, the following terms have the following meanings:

"**Administrative Services**" means the services described in Section 2.1;

"**affiliate**" has the meaning attributed thereto in the *Securities Act* (Alberta);

"**Agreement**" means this administration agreement, as amended, restated or modified from time to time;

"**Applicable Laws**" means any applicable law including any statute, regulation, bylaw, treaty, guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award, decree or resolution of any Governmental Entity, whether or not having the force of law, binding on or applicable to any of the parties hereto;

"**associate**" has the meaning attributed thereto in the *Securities Act* (Alberta);

"**Business Day**" means any day other than a Saturday, Sunday or statutory holiday in the City of Calgary, Alberta;

"**Declaration of Trust**" means the declaration of trust made the 30th day of April, 2002 as amended and restated declaration of trust dated the 28th day of June, 2002 and as further amended and restated on May 5, 2005 among the Trustee and Parkland Industries Ltd., pursuant to which the Fund is governed, as amended, restated, supplemented or replaced from time to time;

"**Exchange Agreement**" means the agreement dated June 28, 2002 among the Fund, Parkland Investment Trust, Parkland Holdings Limited Partnership and holders of Class B Units of Parkland Holdings Limited Partnership, as amended, restated, supplemented or replaced from time to time;

"**Force Majeure**" means for the purposes hereof, an event, condition or circumstance (and the effect thereof) which is not within the reasonable control of the party claiming Force Majeure and which, by the exercise of due diligence the party claiming Force Majeure is unable to prevent or overcome, including, acts of God, fire, explosion, civil disturbance, war, riot, insurrection, military or guerrilla action, terrorist activity, economic sanction, blockade or embargo, sabotage, flooding, earthquake, drought and action or restraint by the order of any Governmental Entity (so long as the party claiming Force Majeure has not applied for or assisted in the application for, and has opposed where and to the extent possible, such action or restraint by such Governmental Entity); provided, however, that a party's own lack of funds shall not constitute "Force Majeure" in respect of such party;

"**Fund Expenses**" means all reasonable out-of-pocket expenses incurred by the Administrator in connection with carrying out its duties and obligations hereunder;

"**Governmental Entity**" means any:

(a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank or Tribunal,

(b) any subdivision, agent, commission, board or authority of any of the foregoing, or

(c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing;

"**GST**" has the meaning attributable thereto in Section 3.2;

"**Indemnified Party**" has the meaning attributable thereto in Section 7.3(a);

"**Indemnifying Party**" has the meaning attributable thereto in Section 7.3(a);

"**Parties**" means the Administrator and the Fund, and their respective permitted successors and assigns and "**Party**" means any one of them;

"**Person**" means any natural person, corporation, division of a corporation, partnership, trust, joint venture (which includes a co-ownership), association, company, estate, unincorporated organization, government or Governmental Entity;

"**Tax Act**" means the *Income Tax Act*, R.S.C. 1985 (5th Supp.) c. 1 and the regulations thereunder;

"**Tribunal**" means:

(a) any court (including a court of equity),

(b) any federal, provincial, state, county, municipal or other government or governmental department, ministry, commission, board, bureau, agency or instrumentality,

(c) any securities commission, stock exchange or other regulatory or self-regulatory body,

(d) any board of trade, chamber of commerce or other business or professional organization or association,

(e) any arbitrator or arbitration tribunal, and

(f) any other tribunal;

"**Trustee**" means the trustee of the Fund, Valiant Trust Company, or its permitted successor or successors;

"**Unit**" means a trust unit of the Fund, each such unit representing an equal undivided beneficial interest therein; and

"**Unitholders**" means the holders from time to time of the Units.

1.2 Additional Definitions

Unless the context otherwise requires, capitalized terms used in this Agreement without definition have the same meanings as ascribed thereto in the Declaration of Trust.

1.3 Headings for Reference Only

The division of this Agreement into Articles and Sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Interpretation

In this Agreement, unless herein otherwise expressly provided or unless the context otherwise requires, words importing the singular number include the plural, and vice versa; words importing a gender shall include the feminine, masculine and neuter genders; and words importing persons include an individual, partnership, association, body corporate, trustee, executor, administrator or legal representative. Any reference to any document shall include a reference to any schedule, amendment or supplement thereto or any agreement in replacement thereof, all as permitted under such document.

1.5 Tax Act

Any reference herein to a particular provision of the Tax Act shall include a reference to that provision as it may be renumbered or amended from time to time. Where there are proposals for amendments to the Tax Act which have been publicly announced by the Minister of Finance but which have not been enacted into law or proclaimed into force on or before the date on which such proposals are to become effective, the Administrator may take such proposals into consideration and apply the provisions hereof as if such proposals had been enacted into law and proclaimed into force.

1.6 Currency

All dollar amounts referred to in this Agreement are in lawful money of Canada.

1.7 Liability of Administrator

The Administrator shall be liable to the Fund for any loss occasioned by any breach by it of the standard of care and duty prescribed by Section 6.1.

1.8 General Limitation of Liability and Indemnification

The Parties hereto acknowledge that the Trustee is entering into this Agreement solely in its capacity as Trustee, on behalf of the Fund, and the obligations of the Fund hereunder shall not be personally binding upon the Trustee, any registered or beneficial holder of Units or any beneficiary under a plan of which a holder of Units acts as a trustee or carrier, and that resort shall not be had to, nor shall recourse be sought from, any of the foregoing or the private property of any of the foregoing in respect of any indebtedness, obligation or liability of the Fund arising hereunder or arising in connection herewith or from the matters to which this Agreement relates, and recourse shall be limited to, and satisfied only out of, the Fund Assets as defined in the Declaration of Trust.

ARTICLE 2
SERVICES

2.1 Administrative and Advisory Services

Subject to and in accordance with the terms, conditions and limitations of the Declaration of Trust, the Fund hereby delegates to the Administrator, and the Administrator hereby agrees to be responsible for, the management and general administration of the affairs of the Fund (collectively, the "**Administrative Services**"), including, without limitation, the following:

(a) undertaking any matters required by the terms of the Declaration of Trust to be performed by the Trustee, which are not otherwise delegated therein or herein;

(b) assisting the Trustee in making all determinations necessary for the discharge of the Trustee's obligations under the Declaration of Trust;

(c) retaining and monitoring, on behalf of the Trustee, a transfer agent and other persons serving the Fund;

(d) authorizing and paying on behalf of the Fund operating expenses incurred on behalf of the Fund and negotiating contracts with third party providers of services (including, but not limited to, transfer agents, legal counsel, auditors and printers);

(e) providing office space, telephone, office equipment, facilities, supplies and executive, secretarial, bookkeeping, general accounting and clerical services;

(f) dealing with banks and other institutional lenders, including in respect of maintenance of bank records and the negotiation and securing of bank financing or refinancing or one or more credit or debt facilities, hedging or swap facilities or other ancillary facilities in respect of the Fund or any entity in which the Fund holds any direct or indirect interest;

(g) preparing and providing to the Trustee and the board of directors of the Administrator for their review and approval all annual audited and interim unaudited financial statements of the Fund, income tax returns and filings in sufficient time prior to the dates upon which they must be delivered to Unitholders and/or filed so that the Trustee and the board of directors of the Administrator have a reasonable opportunity to review and approve them, execute them and return them to the Administrator, and arrange for their delivery to Unitholders and/or filing within the time required by applicable law;

(h) ensuring compliance by the Fund with all applicable securities laws, including continuous disclosure obligations and in relation to an offering of securities of the Fund;

(i) ensuring compliance by the Fund with stock exchange rules;

(j) providing all communications and related services to the Fund, including government relations services, drafting, approval and distribution of all press releases related to distributions to Unitholders, earnings and other disclosable events, in compliance with the Fund's policies on disclosure and all applicable securities laws related to disclosure of material information;

(k) preparing on behalf of the Fund any circular or other disclosure document required under applicable securities legislation with respect to an offer to acquire securities of another person or in response to an offer to purchase Units;

(l) provide investor relations services to the Fund;

(m) calling and holding all annual and/or special meetings of Unitholders pursuant to the Declaration of Trust and preparing for approval by the Trustee and arrange for the distribution of all materials (including notices of meetings, information circulars and instrument of proxy) in respect thereof;

(n) preparing and providing or cause to be provided to Unitholders on a timely basis all information to which Unitholders are entitled under the Declaration of Trust and under Applicable Laws, including quarterly and annual reports, notices, financial statements and tax information relating to the Fund;

(o) obtaining and paying for the costs of liability insurance for the protection of the Fund and its affiliates, and their respective trustees, directors and officer against such risks, to such limits and with such deductibles and such other terms as are approved by the Trustee or the Administrator from time to time;

(p) ensuring that the Fund elects in the prescribed manner and within the prescribed time under subsection 132(6.1) of the Tax Act to be a "mutual fund trust" within the meaning of that Act since inception, assuming the requirements for such election are met, ensuring that the Fund elects under the analogous provisions of any applicable provincial tax legislation, monitoring the Fund's status as a mutual fund trust and providing the Trustee with written notice when the Fund ceases or is at risk of ceasing to be such a mutual fund trust;

(q) monitoring the investments of the Fund to ensure that the aggregate cost amount of the "foreign property" of the Fund does not exceed the limits prescribed in the Tax Act and the analogous provisions of any applicable provincial tax legislation, which would result in the Units being "foreign property", and ensuring compliance with the Fund's limitations on non-resident ownership, as more particularly set out in Section 2.6;

(r) keeping and maintaining at its offices in Red Deer, Alberta all books, records and amounts outstanding with respect to all receipts, disbursements and investments relating to the Fund Assets;

(s) preparing all returns, filings and documents and making all determinations necessary for the discharge of the Trustee's obligations under Article 9 of the Declaration of Trust;

(t) determining the amount of Cash Flow of the Fund, Distributable Cash Flow, Income of the Fund, Net Realized Capital Gains and Redemption Price pursuant to the Declaration of Trust and arranging for distributions to Unitholders of distributions properly payable by the Fund pursuant to Article 5 of the Declaration of Trust;

(u) determining the timing and terms of future offerings of Units, if any;

(v) preparing and approving any prospectus or comparable documents of the Fund to qualify the sale of securities from time to time;

(w) promptly notifying the Fund of any event that might reasonably be expected to have a material adverse effect on the affairs of the Fund and providing to the Fund a report of material change that occurs in the affairs of the Parkland Investment Trust, Parkland Holdings Limited Partnership, Parkland Industries Limited Partnership or the Administrator in the form and content that the Fund would file with the applicable regulatory authorities; and

(x) ensuring that the Fund performs its obligations under the Exchange Agreement.

Notwithstanding the date hereof, the Administrator shall be deemed to have had the power and duties delegated to it hereunder from April 30, 2002. The Fund hereby ratifies any actions taken by the Administrator on behalf of the Fund prior to the date hereof, which if undertaken or completed during the term of this Agreement would have been within the scope of the authority provided to the Administrator herein.

2.2 Covenants of the Administrator

The Administrator covenants and agrees that in the performance of the Administrative Services under this Agreement it shall:

(a) perform all Administrative Services at all times in compliance with Applicable Laws;

(b) comply with all instructions of the Trustee, as applicable, in relation to the performance of its services hereunder; and

(c) observe and perform or cause to be observed and performed on behalf of the Fund in every material respect the provisions of:

  (i) the agreements from time to time entered into in connection with the activities of the Fund; and

  (ii) all Applicable Laws.

2.3 Administrator's Acknowledgment

The Administrator acknowledges that it has received a copy of the Declaration of Trust and is familiar with and understands the duties of the respective parties thereto, including those duties of the Trustee which are being delegated to the Administrator under this Agreement.

2.4 Non-Resident Unitholders

The Administrator shall use reasonable efforts to monitor the residence status of holders of Units. If, at any time, the Administrator is of the opinion that the Trustee should require declarations as to the residence status of holders of Units under Section 12.5 of the Declaration of Trust, it shall so advise the Trustee and provide the form of the declaration therefor to the Trustee. If, in the reasonable opinion of the Administrator, the beneficial owners of 49% or more of the Units then outstanding (as that term is used in the Declaration of Trust) are or may be non-residents of Canada within the meaning of the Tax Act or such a situation is imminent, it shall so advise the Trustee and provide the Trustee with an announcement thereof in a form suitable for use by the Trustee pursuant to Section 12.5 of the Declaration of Trust. If the Administrator reasonably believes that 49% or more of the Units are held by non-residents of Canada, it shall prepare and furnish to the Trustee notices to the non-resident holders of Trust Units, requiring them to sell their Trust Units, or a specified portion thereof, within a specified period of time of not less than 60 days, in accordance with Section 12.5 of the Declaration of Trust. The Trustee shall provide, or cause to be provided, to the Administrator such information regarding the residence status of holders of Units and the order of acquisition or registration thereof as the Administrator may reasonably request, from time to time, and the Trustee may have in its possession in order to assist the Administrator in fulfilling its obligations under this Section.

2.5 Initial Investments and Subsequent Investments by the Fund

The Administrator shall make investments in accordance with the provisions of the Declaration of Trust.

2.6 Authority of Administrator

Subject to Section 2.7, any direction of the Trustee from time to time and the terms of the Declaration of Trust, the Administrator shall have full right, power and authority and the Fund hereby nominates, constitutes and appoints the Administrator, with full power of substitution, as its agent and true and lawful attorney to act on its behalf with full power and authority in its name, place and stead, to: to execute and deliver all contracts, leases, licenses, and other documents and agreements to make applications and filings with Governmental Entities and to take such other actions as the Administrator considers necessary or appropriate in connection with the affairs of the Fund in the name of and on behalf of the Fund and no Person shall be required to determine the authority of the Administrator to give any undertaking or enter into any commitment on behalf of the Fund, provided that the Administrator shall not have the authority to commit to any transaction which , would require the approval of the Unitholders in accordance with the Declaration of Trust or take any action required to be taken by the Trustee under the

Declaration of Trust or take any action requiring approval of the Trustee without such approval having been given.

2.7 Powers and Authorities of the Administrator

The Administrator shall have, subject to the provisions of this Agreement and the Declaration of Trust, all requisite powers and authorities, during the term of this Agreement, to provide the Administrative Services to the Fund.

2.8 Restrictions on the Administrator's Powers and Authorities

In the exercise of its powers and authority and in the performance of its obligations, covenants and responsibilities hereunder, the Administrator shall not, without first obtaining the written approval of the Trustee, as applicable, charge or receive fees from any of the parties to this agreement other than the expense reimbursement pursuant to Section 3.1 hereunder.

2.9 Execution of Documents

(a) The Administrator may execute any document required to be executed on behalf of the Fund as follows:

PARKLAND INCOME FUND
by its Administrator,
PARKLAND INDUSTRIES LTD.

Per: ______________________________
Authorized Signatory

or

PARKLAND INDUSTRIES LTD.
as agent for and on behalf of
PARKLAND INCOME FUND

Per: ______________________________
Authorized Signatory

(b) The Administrator may execute any document required to be executed on behalf of the Fund in connection with a prospectus as follows:

PARKLAND INCOME FUND
by PARKLAND INDUSTRIES LTD., as Administrator

Per: ______________________________
Authorized Signatory

and provide for such signatures as may be required by applicable laws.

All reasonable efforts shall be made to ensure that every contract entered into on behalf of the Fund by the Administrator shall (except as the Administrator may otherwise expressly agree in writing with respect to personal liability of the Administrator) include a provision substantially to the following effect:

> "The parties hereto acknowledge that [the Administrator] is entering into this agreement solely on behalf of [the Fund] and the obligations of [the Fund] hereunder shall not be personally binding upon the [Trustee], [the Administrator], any registered or beneficial holder of Units or any beneficiary under a plan of which a holder of Units acts as a trustee or carrier, and that resort shall not be had to, nor shall recourse be sought from, any of the foregoing or the private property of any of the foregoing in respect of any indebtedness, obligation or liability of the Fund arising hereunder or arising in connection herewith or from the matters to which this Agreement relates, and recourse shall be limited to, and satisfied only out of, the "Fund Assets" as defined in the Declaration of Trust made the 30th day of April, 2002 as amended and restated the 28th day of June, 2002 and further amended and restated the 5th day of May, 2005, as amended from time to time."

This provision shall be held in trust and enforced by the Administrator for the benefit of the Unitholders and beneficiaries. The omission of such a provision from any such written agreement shall not operate to impose personal liability on the Trustee, the Administrator, any Unitholder or any beneficiary.

ARTICLE 3
EXPENSES

3.1 Expense Reimbursement

The Administrator shall be reimbursed for all Fund Expenses incurred by the Administrator in carrying out its obligations or duties under this Agreement. The Administrator shall calculate the Fund Expenses for each month and by the 15th day of the month following the end of such month shall invoice the Fund in respect thereof by setting out the details of the services provided by the Administrator and the Fund Expenses and GST incurred by the Administrator pursuant to this Agreement. Such amounts shall be payable by the Fund not later than 30 days after such month. Notwithstanding the foregoing, the Administrator will not be reimbursed for GST to the extent that such GST is recoverable by the Administrator as an input tax credit.

3.2 Payment of GST

Unless otherwise provided in this Agreement, all amounts payable to the Administrator pursuant to this Agreement shall be exclusive of any goods and services tax required to be paid thereon pursuant to the *Excise Tax Act* (Canada) or otherwise (collectively, the "GST") and the

Administrator shall be paid by the Trustee, on behalf of the Fund, in addition to such amounts, all amounts of GST collectible by the Administrator with respect thereto and such amounts shall be included and separately identified by the Administrator in the invoice described in Section 3.1 hereto.

3.3 Failure to Pay When Due

Any amount payable to the Administrator hereunder and which is not remitted to the Administrator when so due shall remain due (whether on demand or otherwise) and interest will accrue on such overdue amounts (both before and after judgment), at a rate per annum equal to the prime rate charged by the Fund's principal banker plus 1% per annum from the date payment is due until the date payment is made.

3.4 No Fee

The Administrator shall not be entitled to the payment of a fee for the Administrative Services provided by the Administrator to the Fund hereunder.

ARTICLE 4
FINANCIAL STATEMENTS AND RECORDS

4.1 Books and Records

The Administrator shall keep proper books, records and accounts in which full, true and correct entries in conformity with Canadian generally accepted accounting principles and all requirements of Applicable Laws will be made of all dealings and transactions in relation to the activities of the Fund and the performance of the Administrative Services under this Agreement at the Administrator's head office in the Province of Alberta.

4.2 Examination of Records

The Administrator shall make available to the Trustee and its authorized representatives at any time during normal business hours on a Business Day all records, documents or information related to the activities of the Fund, wherever maintained. The Administrator shall permit the Trustee and its authorized representatives at any time during normal business hours on a Business Day to examine the books, records, drawings, computer-stored data, correspondence, accounting procedures and practices, cost analyses and any other supporting financial data, including invoices, payments or claims and receipts pertaining to the activities of the Fund maintained by the Administrator at its head office. Any examination at the Administrator's head office shall be conducted in a manner which will not unduly interfere with the conduct of the Administrator's business in the ordinary course. The Administrator shall furnish to the Trustee or its authorized representatives such financial and operating data and other information with respect to the activities of the Fund as the Trustee or its authorized representatives shall from time to time reasonably request.

4.3 Compliance

The Administrator shall deliver to the Trustee within 120 days after the end of each fiscal year a certificate signed on behalf of the Administrator by the chief executive officer and the chief financial officer of the Administrator stating that a review of the activities of the Administrator and the Fund during the preceding fiscal year has been made under the supervision of such officers and that, based on that review and their best knowledge, the Administrator has fulfilled all of its obligations, and complied with all of the terms of, this Agreement and the Declaration of Trust in all material respects and that no default hereunder or thereunder (or event which, with notice or lapse of time or both, could become a default hereunder or thereunder) occurred during such fiscal year.

ARTICLE 5
OBLIGATIONS AND COVENANTS OF THE FUND

5.1 Obligations and Covenants of the Fund

The Fund shall:

(a) grant access or cause access to be granted to the Administrator to the information necessary in order for the Administrator to perform its obligations, covenants and responsibilities pursuant to the terms hereof; and

(b) provide, or cause to be provided, all information as may be reasonably requested by the Administrator, and promptly notify the Administrator of any material facts or information of which it is aware, in relation to and which may affect the performance of the obligations, covenants or responsibilities of the Administrator pursuant to this Agreement, including any known pending or threatened suits, actions, claims, proceedings or orders by or against the Fund or any of its affiliates before any court or administrative tribunal.

ARTICLE 6
ACTIVITIES OF ADMINISTRATOR

6.1 Standard of Care and Delegation

(a) In exercising its powers and discharging its duties under this Agreement, the Administrator shall exercise the powers and discharge the duties conferred hereunder honestly, in good faith and in the best interests of the Fund and the Unitholders and in connection therewith shall exercise that degree of care, diligence and skill that a reasonably prudent trustee having responsibilities of a similar nature would exercise in comparable circumstances.

(b) Subject to the prior approval of the Trustee of the delegation of any material obligations, which approval will not be unreasonably withheld, the Administrator may delegate specific aspects of its obligations hereunder to any other corporation, Person, firm or entity, provided that such delegation shall not relieve the Administrator of any of its obligations under this Agreement.

(c) Notwithstanding Section 6.1(b), the Administrator shall not in any manner, directly or indirectly, be liable or held to account for the activities or inactivity of any Person to which any such obligations may have been delegated, provided that in making such specific delegation, the Administrator acted in accordance with this Section 6.1. Where possible, the Administrator will structure any delegation in a manner that will permit the Trustee on behalf of the Fund to bring an action directly against the delegatee.

6.2 Reliance

In carrying out its duties hereunder, the Administrator and its delegates shall be entitled to rely on:

(a) statements of fact of other Persons (any of which may be Persons with whom the Administrator is affiliated or associated) who are considered by the Administrator, acting reasonably, to be knowledgeable of such facts; and

(b) statements, the opinion or advice of or information from any solicitor, auditor, valuer, engineer, surveyor, appraiser or other expert selected by the Administrator, provided that the Administrator exercised reasonable care and diligence in selecting such Person to provide such statements, opinion, advice or information; and may employ such experts as may be necessary to the proper discharge of its duties.

The Administrator may rely, and shall be protected in acting, upon any instrument or other documents reasonably believed by it to be genuine and in force.

6.3 No Liability for Advice

The Administrator shall not be liable, answerable or accountable to the Fund, the Trustee or any Unitholder for any loss or damage resulting from, incidental to or relating to the provision of services hereunder by the Administrator, including, without limitation, any exercise of or refusal to exercise its discretion, any mistake or error of judgment or any act or omission believed by the Administrator to be within the scope of authority conferred on it by this Agreement, unless such loss or damage resulted (a) from the fraud, wilful default or negligence of the Administrator in performing its obligations hereunder or (b) from the failure of the Administrator to act in accordance with the standard of care set out in Section 6.1(a) hereof.

6.4 Other Activities of the Administrator

(a) The Trustee acknowledges that the Administrator or affiliates or associates of the Administrator are engaged in or may become engaged in a variety of other businesses. The Trustee acknowledges and consents to any and all such activities and agrees that nothing herein shall prevent the Administrator or any of its affiliates or associates or any of their respective officers, directors or employees from having other business interests, even though such business interests may be similar to or competitive with the affairs of the Fund or its subsidiaries and the Administrator and its affiliates and associates shall not be obligated to offer any business opportunities to the Fund or its subsidiaries. The Administrator and its affiliates and associates and their respective directors, officers and employees shall have the right independently to engage in and receive the full benefits from business activities whether or not similar to or competitive with the affairs of the Fund or its subsidiaries, without consulting the Fund.

(b) The Administrator will only have the obligations provided for expressly in this Agreement in respect thereof and no other obligations, duties or standard of care shall be implied and no different standard shall be imposed by any law, rule or regulation or otherwise in respect of such services and the Fund agrees that it shall not seek to have any different standard imposed in respect hereof.

6.5 Additional Information

The Trustee acknowledges that conducting the activities contemplated herein may have the incidental effect of providing additional information with respect to or augmenting the value, of properties in which the Administrator or its affiliates or associates have an interest and the Trustee agrees that neither the Administrator nor its affiliates or associates shall be liable to account to the Trustee, the Fund or any Unitholder with respect to such activities or results; provided, however, that the Administrator shall not, in making any use of any such information, do so in any manner that the Administrator knew, or ought reasonably to have known, would cause or result in a breach of any confidentiality provision of agreements to which the Trustee or the Fund are parties or are bound.

6.6 Confidentiality

Subject to Section 6.5, the Administrator shall not, without the prior written consent of the Fund, disclose to any third party any information about the Fund acquired or developed pursuant to the performance of services under this Agreement except that consent shall not be required to the following disclosure:

(a) information disclosed as required by law or the regulations, rules or policies of any stock exchange on which any Units are listed or as may be required by the regulations or policies of any Governmental Entity;

(b) information disclosed as necessary for the purposes of any debt or equity financing undertaken by the Fund; or

(c) information disclosed that the Administrator acting reasonably deems to be necessary to be disclosed on a confidential basis for the proper performance of its duties and obligations under this Agreement, including without limitation, disclosure of information to consultants and other third parties engaged by or assisting the Administrator in accordance with the terms of this Agreement in order to carry out the purposes of this Agreement.

The provisions of this Section shall survive the termination of this Agreement.

ARTICLE 7
INDEMNIFICATION

7.1 Indemnification of the Administrator

The Administrator and any person who is serving or shall have served as a director, officer or employee of the Administrator shall be indemnified and saved harmless by the Fund (in relation to services provided in respect of or for the benefit of such party) from and against all losses, claims, damages, liabilities, obligations, costs and expenses (including judgments, fines, penalties, amounts paid in settlement and counsel and accountants' fees) of whatsoever kind or nature incurred by, borne by or asserted against any of such indemnified parties in any way arising from or related in any manner to this agreement or the provision of services hereunder, unless (a) such indemnified party is found liable for or guilty of fraud, wilful default or gross negligence or (b) in the case of the Administrator, it failed to act in accordance with the standard of care set out in Section 6.1 hereof. The foregoing right of indemnification shall not be exclusive of any other rights to which the Administrator or any person referred to in this Section 7.1 may be entitled as a matter of law or equity or which may be lawfully granted to such person. The Administrator will hold the benefit of this indemnity in trust and as agent for the other beneficiaries of this indemnity.

7.2 Indemnification of the Fund and the Trustee

The Fund, the Trustee and any person who is serving or shall have served as a director, officer, unitholder, shareholder or employee of the Fund or the Trustee, as applicable, shall be indemnified and saved harmless by the Administrator from and against all losses, claims, damages, liabilities, obligations, costs and expenses (including judgments, fines, penalties, amounts paid in settlement and counsel and accountants' fees) of whatsoever kind or nature incurred by, borne by or asserted against any of such indemnified parties in any way arising from or related in any manner to the material breach of this Agreement or the Declaration of Trust or the fraud, wilful default or gross negligence of the Administrator in the performance of its obligations hereunder, unless such losses, claims, damages, liabilities, obligations, costs and expenses (including judgments, fines, penalties, amounts paid in settlement and counsel and accountants' fees) arise principally and directly from the fraud, wilful default or gross negligence of such indemnified party. The foregoing right of indemnification shall not be exclusive of any other rights to which the Fund, the Trustee or any person referred to in this Section 7.2 may be entitled as a matter of law or equity or which may be lawfully granted to such person. Each of the Fund and the Trustee will hold the benefit of this indemnity in trust and as agent for the other beneficiaries of this indemnity.

7.3 Claims Process

(a) If a party entitled to indemnification pursuant to the terms hereof (the "**Indemnified Party**") intends to seek indemnification under this Article 7 from the other party (the "**Indemnifying Party**"), the Indemnified Party shall give the Indemnifying Party notice of such claim for indemnification within 30 days of the receipt of actual knowledge or information by the Indemnified Party of any possible claim or action including the commencement of any claim or action by a third party which is subject to indemnification. The Indemnifying Party shall have no liability under this Article 7 for any claim or action for which such notice is not provided to the extent that the failure to give such notice prejudices the Indemnifying Party.

(b) The Indemnifying Party shall have the right to assume the defence of any claim or action brought by a third party, at its sole cost and expense, with counsel designated by the Indemnifying Party and reasonably satisfactory to the Indemnified Party; provided however, that if the defendants in any such action include both the Indemnified Party and the Indemnifying Party, and the Indemnified Party shall have reasonably concluded that there may be legal defences available to it which are different from or additional to those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel, the reasonable costs of which shall be at the Indemnifying Party's expense, to assert such legal defences and to otherwise participate in the defence of such action on behalf of such Indemnified Party.

(c) Should any Indemnified Party be entitled to indemnification under this Article 7 as a result of a claim or action by a third party, and should the Indemnifying Party fail to assume the defence of such claim or action, the Indemnified Party may, at the expense of the Indemnifying Party, contest (or, with or without the prior consent of the Indemnifying Party, settle) such claim or action. Except to the extent expressly provided herein, no Indemnified Party shall settle any claim or action with respect to which it has sought or intends to seek indemnification pursuant to this Section without the prior written consent of the Indemnifying Party, which consent shall not be unreasonably withheld or delayed.

(d) Except to the extent expressly provided herein, no Indemnifying Party shall settle any claim or action with respect to which it may be liable to provide indemnification pursuant to this Article 7 without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld or delayed; provided, however, that if the Indemnifying Party has reached a bona fide settlement agreement with the claimant(s) or plaintiff(s) regarding any such claim or in any such action and the Indemnified Party does not consent to such settlement agreement, then the dollar amount specified in the settlement agreement shall act as an absolute maximum limit on the indemnification obligation of the Indemnifying Party.

7.4 Net Amount

In the event that an Indemnifying Party is obligated to indemnify and hold any Indemnified Party harmless under this Article 7, the amount owing to the Indemnified Party shall be the amount of such Indemnified Party's actual out-of-pocket loss, net of any insurance proceeds or other amount recovered from any other Person.

7.5 Survival of Obligation

The obligation to indemnify under this Article 7 will continue in full force and effect notwithstanding the expiration or termination of this Agreement, with respect to any loss, claim, liability, damage or other expense based on events or conditions which occurred prior to such expiration or termination.

ARTICLE 8
TERM AND TERMINATION

8.1 Term

Subject to Section 8.4, this Agreement shall continue in force for a period of 10 years from the date of this Agreement unless terminated earlier by the Fund, in its sole discretion, by notice in writing to the Administrator given at least 30 days prior to the effective date of termination which shall be stated in such notice and upon payment to the Administrator of any amounts required to be paid to it as provided for in Section 8.5.

8.2 Automatic Renewal

Subject to Section 8.4 and any earlier termination pursuant to Section 8.1, upon the expiry of the 10-year initial term of this Agreement provided pursuant to Section 8.1, the term of this Agreement shall be automatically renewed for a further term of three years subject to the Fund's right of earlier termination on the same basis as provided in Section 8.1 and subject to Section 8.4 and thereafter automatically for such additional three-year renewal terms upon the expiry of each preceding renewal term, all subject to Section 8.1 and subject to Section 8.4.

8.3 Effect of Termination

Upon the effective date of termination of this Agreement, the Administrator shall:

(a) forthwith pay to the Fund, or to the order of the Fund, all monies collected and held for the Fund pursuant to this Agreement, after deducting any reimbursement of expenses to which it is then entitled pursuant to Sections 3.1 and 8.5;

(b) so soon thereafter as is reasonably practicable, deliver to the Fund, or to the order of the Fund, a complete auditor's report including a statement showing all payments collected by it and a statement of all monies held by it during the period following the date of the last audited statement furnished to the Fund; and

(c) forthwith, to the extent that it is able, subject to any applicable legal and contractual restrictions, deliver to and, where applicable, transfer into the custody of the Trustee all property and documents of the Fund then in the custody of the Administrator.

8.4 Default

This Agreement shall be immediately terminable by written notice from the Administrator or the Trustee to the other, as the case may be, in the event that:

(a) the Fund terminates or a decision of the Unitholders is made to terminate or windup the Fund;

(b) the other Party:

(i) institutes proceedings for it to be adjudicated a voluntary bankrupt, or consents to the filing of a bankruptcy proceeding against it;

(ii) files a petition or answer or consent seeking reorganization, readjustment, arrangement, composition or similar relief under any bankruptcy law;

(iii) consents to the appointment of a receiver, liquidator, trustee or assignee in bankruptcy; or

(iv) makes an assignment for the benefit of its creditors generally;

(c) a court having jurisdiction enters a decree or order adjudging the other Party a bankrupt or insolvent or for the appointment of a receiver, trustee or assignee in bankruptcy;

(d) any proceeding with respect to the other Party is commenced under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors' Arrangement Act* (Canada) or similar legislation relating to a compromise or arrangement with creditors or claimants; or

(e) the other Party is in default of a material obligation under this Agreement which is not remedied within 30 days after notice from the first Party.

8.5 Payment

Upon a written notice to terminate this Agreement being given pursuant to Section 8.1 or 8.4, the Fund shall either pay to the Administrator, before or at the time of the termination of this Agreement, all costs and expenses incurred or required to be incurred by the Administrator in terminating contracts the Administrator has entered into with the approval of the Fund in the performance by the Administrator of its duties under this Agreement (less any amount owing by the Administrator to the Fund) or, at the election of the Fund, assume the obligations of the Administrator under such contracts or any of them. Thereafter, from and after the effective date of termination of this Agreement, the Administrator shall not be entitled to any further reimbursement of out-of-pocket expenses but shall be reimbursed for all expenses incurred by it, prior to the effective date of termination.

8.6 Continuing Obligations

Notwithstanding termination of this Agreement, the parties hereto shall not be relieved from any obligations or liabilities arising prior to such termination.

ARTICLE 9
FORCE MAJEURE

9.1 Consequences of Force Majeure

During the occurrence of an event of Force Majeure, the obligations of the party affected by such event of Force Majeure, to the extent that such obligations cannot be performed as a result of such event of Force Majeure, shall be suspended, and such party shall not be considered to be in breach or default hereunder, for the period of such occurrence, except that the occurrence of an event of Force Majeure:

(a) affecting the Fund but not affecting the performance of the Administrator's obligations hereunder, shall not relieve the Fund of its obligation to make payments of the Fund Expenses of the Administrator; or

(b) affecting the Administrator but not affecting the performance of the Fund's obligations hereunder, shall not relieve the Fund of its obligation to make payments of the Fund Expenses of the Administrator incurred before the event of Force Majeure incurred by the Administrator prior to such event of Force Majeure.

The suspension of performance shall be of no greater scope and of no longer duration than is required by the event of Force Majeure. No obligation of either party that arose prior to the event of Force Majeure causing the suspension of performance shall be excused as a result of the event of Force Majeure.

9.2 Notice

Upon the occurrence of an event of Force Majeure, the non-performing party:

(a) shall give the other party prompt written notice of the particulars of the event of Force Majeure and its expected duration; and

(b) shall use its best efforts to remedy its inability to perform.

ARTICLE 10
MISCELLANEOUS

10.1 No Partnership, Joint Venture or Trust

The Parties are not and shall not be deemed to be partners or joint venturers with one another and nothing herein shall be construed so as to impose any liability as such on any of them. The Parties agree that the Administrator shall perform its obligations under this Agreement as an independent contractor and shall not be, and shall not be deemed to be, a trustee for any Person, whether or not a Party, in connection with the discharge by the Administrator of such obligations.

10.2 Amendments

This Agreement shall not be amended or varied in its terms by oral agreement or by representations or otherwise except by instrument in writing executed by the duly authorized representatives of the Parties hereto or their respective successors or assigns.

10.3 Assignment

This Agreement may be assigned by any Party hereto only with the prior written consent of the other Party.

10.4 Severability

The provisions of this Agreement are severable. In the event of the unenforceability or invalidity of any one or more of the terms, covenants, conditions or provisions of this Agreement under Applicable Laws, such unenforceability or invalidity shall not render any of the other terms, covenants, conditions or provisions hereof unenforceable or invalid; and the Parties agree that this Agreement shall be construed as if such an unenforceable or invalid term, covenant or condition was never contained herein.

10.5 Notices

All notices required or permitted under this Agreement shall be in writing and may be given by delivering or faxing same during normal business hours to the address set forth below. Any such notice or other communication shall, if delivered, be deemed to have been given or made and received on the date delivered, and if faxed (with confirmation received), shall be deemed to have been given or made and received on the day on which it was so faxed. The Parties hereto may give from time to time written notice of change of address in the manner aforesaid.

To the Administrator:

Parkland Industries Ltd.
Suite 236, 4919 - 59 Street
Red Deer, Alberta
T4N 6C9
Attention: President
Fax No.: (403) 346 - 3015

To the Fund:

Parkland Income Fund
Suite 236, 4919 - 59 Street
Red Deer, Alberta
T4N 6C9
Attention: Administrator
Fax No.: (403) 346 - 3015

10.6 Governing Law

This Agreement shall be construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and shall be treated in all respects as an Alberta contract. The Parties hereto irrevocably submit to the exclusive jurisdiction of the Courts of Alberta.

10.7 Further Assurances

Each Party hereto agrees to execute any and all documents and to perform such other acts as may be necessary or expedient to further the purposes of this Agreement and the transactions contemplated hereby.

10.8 Time of Essence

Time shall be of the essence in respect of this Agreement.

10.9 Entire Agreement

This Agreement constitutes the entire agreement between the Parties hereto, and supersedes all prior agreements, in respect of the subject matter hereof.

10.10 Enurement

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

10.11 Liability of the Fund

The parties hereto agree that neither the holders Units of the Fund nor the Trustee of the Fund shall have personal liability for the liabilities or the obligations of the Fund under this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement by their proper officers or trustees duly authorized in that behalf as of the day and year first above written.

PARKLAND INDUSTRIES LTD.

Per: "*Andrew B. Wiswell*"

Per: "*John G. Schroeder*"

PARKLAND INCOME FUND by its trustee, Valiant Trust Company

Per: "*J. Robert Morris*"

Per: "*Janet M. Brown*"