SHARE PURCHASE AGREEMENT

THIS SHARE PURCHASE AGREEMENT made as of the 21st day of December, 2006

AMONG:

PARKLAND INDUSTRIES LTD., a body corporate incorporated under the laws of the Province of Alberta ("**Parkland**")

- and -

PARKLAND INCOME FUND., a trust formed under the laws of the Province of Alberta (the "**Fund**")

- and -

PARKLAND HOLDINGS LIMITED PARTNERSHIP, a limited partnership formed under the laws of the Province of Alberta ("**Holdings LP**")

- and -

ABE NEUFELD, an individual resident in the City of Grande Prairie, in the Province of Alberta ("**Abe**")

- and -

AGNES NEUFELD, an individual resident in the City of Grande Prairie, in the Province of Alberta ("**Agnes**")

(each of the last two mentioned Parties are referred to as a "**Shareholder**" and are collectively referred to as the "**Shareholders**")

- and -

NEUFELD HOLDINGS LTD., a body corporate incorporated under the laws of the Province of Alberta ("**NHL**")

- and -

NEUFELD PETROLEUM & PROPANE LTD., a body corporate incorporated under the laws of the Province of Alberta ("**NPPL**")

(NHL and NPPL are collectively referred to as the "**Corporations**")

WHEREAS:

A. the Shareholders beneficially own all of the issued and outstanding shares of the Corporations (the "**Shares**");

B. Parkland is the administrator of the Fund, a publicly traded entity, the units of which are listed and posted for trading on the Toronto Stock Exchange (the "**TSX**") under the symbol of "PKI.UN".

C. Parkland and the Shareholders, on their own behalf and in respect of Abe, on behalf of NHL, and in respect of Agnes, on behalf of NPPL, have signed a letter of intent dated September 28, 2006, as amended effective November 16, 2006 and subsequently further amended effective December 15, 2006 (collectively, the "**Letter of Intent**") setting out the proposed terms of the sale of all of the Shares by the Shareholders to Holdings LP.

D. the Shareholders agree to sell, and Holdings LP agrees to buy, the Shares upon the terms and conditions set forth herein;

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 hereto covenant and agree as follows:

ARTICLE 1
<u>DEFINITIONS</u>

1.1 Definitions

In this Agreement, unless the context otherwise requires:

(a) "**Acquisition Proposal**" means any inquiry or the making of any proposal to any of the Corporations or any Shareholder from any person which constitutes, or in a manner which may reasonably be expected to lead to (in either case whether in one transaction or a series of transactions): (i) an acquisition from the Shareholders of any of the Shares or other securities of any of the Corporations; (ii) any acquisition of any assets of any of the Corporations, expect as otherwise permitted by this Agreement; (iii) an amalgamation, arrangement, merger, or consolidation involving any of the Corporations; or (iv) any take-over bid, issuer bid, exchange offer, recapitalization, liquidation, dissolution, reorganization into a royalty trust or income fund or similar transaction involving any of the Corporations or any other transaction, the consummation of which would or could reasonably be expected to impede, interfere with, prevent or delay the transactions contemplated by this Agreement or which would or could reasonably be expected to materially reduce the benefits to Parkland, the Fund or Holdings LP under this Agreement;

(b) "**Affiliate**" of an entity means a person or entity that controls, is controlled by or is under common control with the subject entity. For the purpose of this definition, control means the ability, directly or indirectly, to direct the voting of more than fifty percent (50%) of the voting interests of an entity;

(c) "**Aggregate Purchase Price**" has the meaning ascribed thereto in Section 2.2;

(d) "**Agreement**" means this agreement, including all Schedules to this agreement, as amended or supplemented from time to time, and "hereby", "hereof", "herein", "hereunder", "herewith", "hereto" and similar terms refer to this Agreement and not to any particular provision of this Agreement;

(e) "**Assumed Debt**" means the total aggregate short and long term debt (including conditional sales contracts, shareholder loans, capital leases, etc.) outstanding of each of the Corporations as of the Effective Date, as further set forth in Schedule 1.1(e) hereof;

(f) "**Auditors**" means the auditors of the Fund, PricewaterhouseCoopers LLP of Calgary, Alberta;

(g) "**Base Purchase Price**" has the meaning ascribed to it in Section 2.2;

(h) "**Books and Records**" means all books and records of each of the Corporations, including financial, corporate, operation and sales books, records, books of account, sales and purchase records, lists of suppliers and customers, formulae, business reports, plans and projections and all other documents, files, records, correspondence, and other data and information, financial or otherwise, including without limitation, all data and information stored on computer-related media;

(i) "**business day**" means a day, other than a Saturday, Sunday or statutory holiday, when banks are generally open for the transaction of banking business in the City of Calgary;

(j) "**Claim**" means any claim, action, demand, lawsuit, proceeding, arbitration or governmental investigation;

(k) "**Closing**" means the closing of the transactions contemplated herein;

(l) "**Closing Date**" means that date not later than January 31, 2007 of which Parkland has provided not less than five days notice to the Shareholders or such later date as may be agreed to by each of the Parties in writing;

(m) "**Closing Time**" means 6:30 a.m. (Calgary time) on the Closing Date, or such other time as may be agreed upon by the Parties;

(n) "**Corporations' Assets**" means all of the assets, properties and rights of the Corporations, excluding the assets, properties and rights of the Corporations listed in Schedule 1.1(n) hereto;

(o) "**Effective Date**" means November 1, 2006 or such other date as may be agreed upon by the Parties;

(p) "**Effective Time**" means 12:01 a.m. on the Effective Date;

(q) "**Employee Plan**" means any employee benefit plan, program or arrangement sponsored, maintained or contributed to by any of the Shareholders or any of the Corporations for the benefit of employees of any of the Corporations, including, without limitation, bonus; pension; savings; profit sharing; deferred compensation; supplemental retirement income; stock option; stock purchase; and hospital, medical, dental, disability, automobile, life and accident insurance plans;

(r) "**Encumbrance**" includes, without limitation, any 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;

(s) "**Environmental Approvals**" means all permits, certificates, licences, authorizations, consents, instructions, registrations, directions or approvals issued or required by Governmental Authorities pursuant to Environmental Laws with respect to the operation of each company in the Corporations' businesses or related to the Corporations' Assets;

(t) "**Environmental Laws**" means all Laws relating in full or in part to the protection of the Environment, product liability, and employee and public health and safety, and includes, without limitation, those Environmental Laws relating to the storage, generation, use, handling, manufacture, processing, labelling, advertising, sale, display, transportation, treatment, Release and disposal of Hazardous Substances;

(u) "**Exchange Agreement**" means the exchange agreement dated the Closing Date among Holdings LP, Parkland Investment Trust, the Fund and each of the Shareholders pursuant to which, among other things, the Shareholders are granted the Exchange Right;

(v) "**Exchange Right**" means the right granted to the holders of Rollover LP Units to exchange, indirectly, all or any part of the Rollover LP Units for Units as set forth in the Exchange Agreement;

(w) "**Financial Statements**" means the audited financial statements of each of the Corporations for the fiscal years ended August 31, 2006 and 2005 as prepared by Davis, Kohlsmith and Kay, auditors of each of the Corporations, and such worksheets or working papers, including consolidating adjustments, for each of the Corporations for such periods and for such interim periods as may be requested by Parkland at any time prior to the Closing Date;

(x) "**GAAP**" has the meaning ascribed thereto in Section 1.5;

(y) "**Governmental Authorities**" means any government, regulatory authority, governmental department, agency, commission, board, tribunal, crown corporation, or court or other law, rule or regulation-making entity having or purporting to have jurisdiction on behalf of any nation, or province or state or other subdivision thereof or any municipality, district or other subdivision thereof;

(z) "**Grande Prairie North**" means **[redacted]**;

(aa) "**Grande Prairie West**" means **[redacted]**;

(bb) "**Hazardous Substance**" means any pollutant, contaminant, waste of any nature, hazardous substance, hazardous material, toxic substance, dangerous substance or dangerous good as defined, judicially interpreted or identified in any Environmental Law;

(cc) "**including**" means "including, without limiting the generality of the foregoing";

(dd) "**La Crete**" means **[redacted]**;

(ee) "**Laws**" means all applicable laws, by-laws, rules, regulations, orders, ordinances, protocols, codes, guidelines, policies, notices, directions and judgements or other requirements of any Governmental Authority and includes, without limitation all Environmental Laws;.

(ff) "**Liabilities**" means all of the liabilities (including, without limitation, whether reduced to judgement, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, unsecured, present or future and includes, without limitation, all liabilities determined in accordance with GAAP in Canada) of, against or with respect to the Corporations;

(gg) "**Losses**" means, in respect of a person and in relation to a matter, all losses, costs and damages (including all penalties and fines) which such person suffers, sustains, pays or incurs in connection with such matter and includes Taxes (other than refundable Taxes), reasonable costs of legal counsel (on a full indemnity basis) and other consultants and reasonable costs of investigating and defending Claims arising from such matter, but shall not include loss of profits, economic loss or other consequential damages suffered by such person;

(hh) "**Material Contracts**" means all contracts, including the **[redacted]** Agreements, and other written agreements to which any of the Corporations is a party or by which any of the Corporations is bound or the assets of any of the Corporations are subject, the performance of which will involve (i) consideration in excess of $250,000 per year; (ii) payments or obligations of any of the Corporations to be incurred upon a change of control; (iii) barriers on competition for a period of 12 months or greater; or (iv) cannot be terminated on notice of 60 days or less without penalty, each such Material Contract being described in Schedule 1.1(hh) hereof;

(ii) "**misrepresentation**" includes any untrue statement of a material fact, any omission to state a material fact that is required to be made and any omission to state a material fact that is necessary to be made in order for a statement not to be misleading;

(jj) "**Obligations**" means all liabilities and obligations, whether under common law, in equity, under Laws, under contract or otherwise, whether tortious, contractual, statutory or otherwise, whether absolute or contingent and whether based on fault, strict liability or otherwise;

(kk) "**Ordinary Course of Business**" means the ordinary course of business consistent with prior custom and practice (including with respect to quantity and frequency);

(ll) "**Parties**" means the parties to this Agreement and their respective permitted assigns;

(mm) "**Permitted Encumbrances**" means the Encumbrances listed in Schedule 1.1(mm) hereto;

(nn) "**person**" includes an individual, partnership, firm, trust, body corporate, government, governmental body, agency or instrumentality, unincorporated body of persons or association;

(oo) "**Parkland's Counsel**" means Bennett Jones LLP or such other legal counsel as may be designated by Parkland;

(pp) "**[Redacted] Agreements**" means, collectively, the: (i) Wholesale Marketer Agreement dated June 1, 1999 among **[redacted]**, NPPL, Abe and Agnes; and (ii) Lease (Western Region) dated June 1, 1999 among **[redacted]**, NPPL, Abe and Agnes;

(qq) "**Prime Rate**" means the rate of interest, expressed as a rate per annum, announced from time to time by the Royal Bank of Canada as its reference rate used for Canadian dollar commercial loans made in Canada and referred to by it as its "prime rate";

(rr) "**Real Property**" means all lands owned, directly or indirectly, by each of the Corporations and all plants, buildings, structures, erections, improvements, appurtenances and fixtures situate on or forming part of such lands;

(ss) "**Real Property Leases**" means leases and subleases of real property;

(tt) "**Release**" has the meaning prescribed in any Environmental Law and includes, without limitation, any release, spill, leak, pumping, pouring, emission, emptying, discharge, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, or placement;

(uu) "**Required Approvals**" means the consents, approvals and authorizations referred to in Schedule 1.1(uu) hereto and shall include, for greater certainty;

(i) with respect to the *Competition Act* (Canada), if required in the context of the transactions contemplated by this Agreement: (i) the Commissioner of Competition appointed under the Competition Act shall have issued an advance ruling certificate under section 102 of the Competition Act in respect of the transactions contemplated by the Agreement that has not been subsequently withdrawn, or (ii) (a) the applicable waiting period under Section 123 of the Competition Act shall have expired or been waived or terminated by the Commissioner of Competition; and (b) the Commissioner shall have advised Parkland that the Commissioner of Competition does not intend to make an application to the Competition Tribunal in respect of the transactions contemplated by this Agreement on terms acceptable to the Parkland, and the Commissioner of Competition shall not have rescinded or amended such advice; and

(ii) any other consent, approval or authorization from a governmental body or regulatory authority having jurisdiction and required to consummate the transactions contemplated by this Agreement;

(vv) "**Rollover LP Units**" means the Class "C" limited partnership units of Holdings LP, which units are intended to be, to the greatest extent practicable, the economic equivalent of Units and are indirectly exchangeable for Units pursuant to and as set forth in the Exchange Agreement;

(ww) "**Shareholders' Counsel**" means Lewis & Chrenek LLP or such other legal counsel as may be designated by the Shareholders;

(xx) "**Shares**" means all of the issued and outstanding shares of each of NHL and NPPL;

(yy) "**Special Distribution**" means the special distribution totaling $2.25 per Unit to be paid to holders of Units of record on December 29, 2006 on the terms publicly announced by the Fund on December 15, 2006;

(zz) "**Subsidiary**" means, with respect to a specified body corporate, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the occurrence of any event or contingency) are at the time owned directly or indirectly by such specified body corporate and shall include any body corporate in like relation to a Subsidiary;

(aaa) "**Tax Act**" means the *Income Tax Act*, R.S.C. 1985, c. 1 (5^{th} Supplement) as amended and the *Income Tax Regulations*;

(bbb) "**Tax Records**" means all Tax Returns of the Corporations, books and records and correspondence related to tax matters relevant for the determination of compliance with tax laws and exposure to tax liabilities of whatever nature;

(ccc) "**Tax Returns**" includes all returns, reports, declarations, elections, filings, information returns and statements required to be filed with any Governmental Authority in respect of Taxes of the Corporations;

(ddd) "**Tax**" or "**Taxes**" means all taxes, however denominated, including any interest, penalties, or other additions thereto that are imposed by a Governmental Authority, and shall for greater certainty include, but not be limited to, federal and provincial income and capital taxes, payroll and employee withholding taxes, employment insurance premiums, Canada pension plan contributions, goods and services tax, sales and use taxes, ad valorem taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, workers' compensation premiums, and all other amounts of the same or a similar nature to any of the foregoing, whether or not such amounts are described as taxes;

(eee) "**Units**" means trust units of the Fund; and

(fff) "**Working Capital**", as at any time, means the following amount (which may be a negative amount):

(A) the sum of cash, the non-cash amount of the Corporations' trade accounts receivable and inventory and prepaid expenses as at such time; minus

(B) the sum of the amount of the Corporations' trade accounts payable, other current liabilities or obligations (including Taxes payable) and deferred revenue as at such time;

determined in accordance with GAAP applied on a consistent basis and in each case excluding the impact of inter-Corporation related party transactions amongst any of the Corporations.

1.2 Certain Rules of Interpretation

In this Agreement and the Schedules:

(a) **Time -** time is of the essence in the performance of the Parties' respective obligations;

(b) **Currency -** unless otherwise specified, all references to money amounts are to Canadian currency;

(c) **Headings -** the descriptive headings of Articles and Sections are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections;

(d) **Singular, 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;

(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 limited, 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) **Business Day -** whenever any payment is to be made or action to be taken under this Agreement is required to be made or taken on a day other than a business day, such payment shall be made or action taken on the next business day following such day.

1.3 Knowledge

Any reference to the knowledge of the Parties shall mean to the best of the knowledge, information and belief of such Party after making all reasonable enquiries.

1.4 Statute References

A reference in this Agreement to a statute shall be a reference to the statute and the regulations made pursuant thereto, 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 reference to "GAAP" shall mean Differential GAAP as appropriate for private corporations and the principles recommended, from time to time, in the Handbook of the Canadian Institute of Chartered Accountants and all accounting terms not otherwise defined in this Agreement have the meanings assigned to them in accordance with Canadian generally accepted accounting principles as appropriate for private corporations.

1.6 Schedules

The schedules to this Agreement, as listed below, are an integral part of this Agreement:

Schedule	Description
Schedule 1.1(e)	Assumed Debt
Schedule 1.1(n)	Excluded Assets
Schedule 1.1(hh)	Material Contracts
Schedule 1.1(mm)	Permitted Encumbrances
Schedule 1.1(uu)	Required Approvals
Schedule 2.2	Form of Escrow and Unit Pledge Agreement
Schedule 3.1(e)	Shareholders
Schedule 3.2(h)	Insurance
Schedule 3.2(l)	Share Capital
Schedule 3.2(q)	Recent Transactions
Schedule 3.2(t)	Litigation
Schedule 3.2(a)	Employment Matters
Schedule 3.2(ll)	Environmental Matters
Schedule 3.2(mm)	Real Property
Schedule 3.2(nn)	Real Property Leases
Schedule 3.2(oo)	Bank Accounts
Schedule 5.1(c)	Form of Employment Agreement
Schedule 5.2(j)	Form of Option Agreement
Schedule 5.2(k)	Form of Non-Competition Agreement

1.7 Conflicts

Where any provision of any Schedule to this Agreement conflicts or is at variance with any provision in the body of this Agreement, the latter shall prevail.

ARTICLE 2
PURCHASE AND SALE

2.1 Purchase and Sale

The Shareholders hereby jointly and severally agree to sell the Shares to Holdings LP as at the Closing Time in accordance with and subject to the terms and conditions of this Agreement. Holdings LP hereby agrees to purchase the Shares from the Shareholders as at the Closing Time in accordance with and subject to the terms and conditions of this Agreement.

2.2 Base Purchase Price

As consideration for the sale of the Shares by the Shareholders pursuant hereto, Holdings LP agrees to deliver and pay to the Shareholders, on Closing, in accordance with the terms hereof, subject to the escrow provisions contained in this Agreement, the aggregate amount of $113.081326 million (the "**Base Purchase Price**"), less the amount equal to the Assumed Debt and subject to the adjustments set forth in Section 2.5 hereof (collectively, the "**Aggregate Purchase Price**"), of which:

(a) $55 million shall by payable by the issuance by Holdings LP of that number of Rollover LP Units determined by dividing $55 million by the 10-day volume weighted average trading price of the Units on the TSX for the period immediately preceding the public announcement of the transactions set forth in this Agreement, such Rollover LP Units being subject to the Exchange Right; and

(b) the remaining amount, to be calculated as the Base Purchase Price less $55 million, less the amount equal to the Assumed Debt and after the adjustments set forth in Section 2.5 hereof (the "**Cash Amount Payable**"), shall be payable by Holdings LP to the Shareholders in cash;

plus, an amount, in cash, equal to:

(c) $0.44 per Rollover LP Unit issued to the Shareholders pursuant to this Section 2.2; and

(d) an amount equivalent to the interest which would otherwise have been earned on the Cash Amount Payable for the period commencing on the Effective Date and ending on the Closing Date, calculated at the Prime Rate for such period;

plus, an amount, per Rollover LP Unit, equivalent to the Special Distribution which the Shareholders would otherwise be entitled had the Rollover LP Units been issued on or prior to December 29, 2006, such amount to be payable in Rollover LP Units.

Notwithstanding other provisions hereof, and without prejudice to any other remedies available to Parkland, Holdings LP or the Fund hereunder, an aggregate of $3.0 million of Rollover LP Units issuable pursuant to this Section 2.2 shall be subject to an Escrow and Unit Pledge Agreement in substantially the form set forth in Schedule 2.2 hereof.

The Shareholders shall provide notice to Parkland of their allocation of each of the Cash Amount Payable and the Rollover LP Units issuable pursuant to Section 2.2(a) hereof, as contemplated in this Section 2.2, on or prior to Closing, which, with the consent of Parkland, such consent not to be unreasonably withheld, shall be the agreed upon allocation.

2.3 Transfer and Delivery of the Shares

At the Closing Time, the Shareholders shall transfer and deliver to Holdings LP share certificates representing the Shares duly endorsed in blank for transfer, or accompanied by irrevocable security transfer powers of attorney duly executed in blank, in either case by the holders of record, and shall take such steps as shall be necessary to cause each of the Corporations to enter Holdings LP or its nominee(s) upon the books of each of the Corporations as the holder of the respective Shares and to issue share certificates to Holdings LP or its nominee(s) representing the Shares. At the Closing Time, the Shareholders shall also make the deliveries specified in Section 6.2.

2.4 Tender

Any payment of money may be made by wire transfer of immediately available funds to the account specified by the Party entitled to receive such payment. Any payment of Rollover LP Units may be made by delivery of certificates representing such Rollover LP Units registered in accordance with the directions provided by the Shareholders in writing to Parkland not less than two business days prior to the payment due date.

2.5 Working Capital Adjustments

The Parties hereby acknowledge that the Aggregate Purchase Price payable pursuant to Section 2.2 hereof, shall be adjusted, prior to the calculation of the Cash Amount Payable pursuant to Section 2.2(b) hereof in accordance with the following procedure:

(a) The Shareholders shall provide, at Closing, to Parkland, the Fund and Holdings LP, a good faith calculation of the Working Capital as at the Effective Date (the "**Effective Date Working Capital**") and shall prepare and deliver to Parkland, the Fund and Holdings LP, at Closing, a statement setting forth, in reasonable detail, such calculation of the Effective Date Working Capital and shall assist each of Parkland, the Fund and Holdings LP in verifying the amounts set forth in such statement (including, without limitation, providing access to any working papers in respect of the calculation of any component of the Effective Date Working Capital).

(b) If the Effective Date Working Capital, as determined by the Shareholders in good faith pursuant to Section 2.5(a) hereof:

(i) exceeds $10 million, Holdings LP shall add, at Closing, to the Cash Amount Payable, the amount in excess of $10 million; or

(ii) is less than $10 million, the Cash Amount Payable shall be reduced, at Closing, by the amount by which such Effective Date Working Capital is less than $10 million.

(c) Within 30 days following the Closing Date, Parkland shall cause the Auditors to provide a calculation of the Effective Date Working Capital (the "**Audited Effective Date Working Capital**") and prepare and deliver to the Shareholders, at such time, a statement setting forth, in reasonable detail such calculation of the Audited Effective Date Working Capital and shall assist the Shareholders in verifying the amounts set forth in such statement (including, without limitation, provide access to the Auditors and any working papers in respect of the calculations of any component of the Audited Effective Date Working Capital).

(d) Any of the Shareholders or Parkland, the Fund or Holdings LP may dispute all or any portion of the calculation of the Audited Effective Date Working Capital by written notice to the other Parties within 30 days of Closing Date setting forth, in reasonable detail, the basis for the dispute. If Parkland, the Fund and Holdings LP and the Shareholders do not agree on the calculation of the Audited Effective Date Working Capital within 30 days of any notice of dispute by the Shareholders, the dispute shall be referred to arbitration pursuant to Article 9 and if the Audited Effective Date Working Capital, as agreed to by Parkland and the Shareholders, prior to or subsequent a notice of dispute provided hereunder, or determined by arbitration, as the case may be:

(i) establish the Audited Effective Date Working Capital to exceed the Effective Date Working Capital, Holdings LP shall pay the amount by which the Audited Effective Date Working Capital exceeds the Effective Date Working Capital, in cash, together with simple interest thereon at the Prime Rate from the Closing Date until paid, to the Shareholders, to be allocated on the same basis as provided by the Shareholders under Section 2.2 hereof, or as they may otherwise direct; or

(ii) establish the Audited Effective Date Working Capital to be less than the Effective Date Working Capital, the Shareholders shall pay the amount by which the Audited Effective Date Working Capital is less than the Effective Date Working Capital, in cash, together with simple interest thereon at the Prime Rate from the Closing Date until paid to Holdings LP.

2.6 Tax Act Elections

The Shareholders shall be entitled to make an income tax election pursuant to subsection 97(2) of the Tax Act (and the analogous provisions of applicable provincial income tax law) with respect to the exchange by the Shareholders of Shares to Holdings LP for the payment of the Aggregate Purchase Price by providing two signed copies of the necessary election forms to Holdings LP within 120 days of the Closing, duly completed with the details of the number of Shares transferred, the number of Rollover LP Units and cash received as consideration and the adjusted cost base (or adjusted cost bases) within the meaning of the Tax Act of such Shares and the applicable agreed amounts for the purpose of such elections. Thereafter, the election forms will be signed by Holdings LP and one copy thereof will be forwarded by mail to such former Shareholders for filing with the applicable Governmental Authority. Holdings LP will not be responsible for the proper completion and filing of any election form and, except for the obligation of Holdings LP to so sign and return the election forms which are received by Holdings LP within 120 days of the Closing, and Holdings LP will not be responsible for any taxes, interest or penalties resulting from the failure by a former Shareholder of Shares to properly complete or file the election forms in the form and manner and within the time prescribed by the Tax Act (or any applicable provincial legislation). Furthermore, Holdings LP and any former Shareholders shall be entitled, to the extent necessary pursuant to the Tax Act or at the request of Canada Revenue Agency, to file amended or further income tax elections in the event of any subsequent adjustments to the Aggregate Purchase Price or any Audited Effective Date Adjustments.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representation and Warranties of Shareholders

Each of the Shareholders represents and warrants to each of Parkland, the Fund and Holdings LP that:

(a) each of the Shareholders has all requisite power and authority to enter into this Agreement and all documents to be delivered pursuant hereto and to perform its obligations hereunder and thereunder;

(b) this Agreement has been duly executed and delivered on behalf of each of the Shareholders and constitutes the legal, valid and binding obligation of each of the Shareholders, enforceable against each of the Shareholders in accordance with its terms;

(c) none of the Shareholders is required to give any notice to, make any filing with, or obtain any authorization, consent or approval of any Governmental Authority in order to consummate the transactions contemplated by this Agreement and except for notices, filings, authorizations, consents or approvals which (i) if not made or obtained, would not adversely affect its ability to consummate the transactions contemplated by this Agreement on the terms set forth herein, or (ii) which have been previously obtained and are currently in force, or (iii) are otherwise contemplated by this Agreement;

(d) none of the Shareholders has incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, agent's commission or other similar forms of compensation with respect to the transaction contemplated herein which will be or may become the responsibility of any of the Corporations, Parkland, the Fund or Holdings LP;

(e) all of the Shares set forth opposite the name of each of the Shareholders in Schedule 3.1(e) are owned by the respective Shareholder as the beneficial owner of record, with good and marketable title, and there are no actions, suits, proceedings or claims pending or threatened with respect to or in any manner challenging the ownership or disposition of such securities or the exercise of any rights which are derived or attached thereto;

(f) except pursuant to this Agreement, as at the Closing Time, no person will have any agreement or option or any right or privilege (whether by law, pre-emptive right, contract or otherwise) capable of becoming an agreement, option, right or privilege for the purchase or other acquisition from any of the Shareholders of any of the Shares set forth opposite the name of the respective Shareholder in Schedule 3.1(e) or any interest therein;

(g) none of the Shareholders has received notice of any Claim and is not aware of any Claim, actual or threatened, which prevents or could reasonably be expected to prevent the consummation of the transactions contemplated by this Agreement; and

(h) none of the Shareholders is a non-resident of Canada for the purposes of the Tax Act.

3.2 Representations and Warranties of each of the Corporations and the Shareholders

Each of the Corporations and the Shareholders, jointly and severally represents and warrants to each of Parkland, the Fund and Holdings LP that:

Corporations' Status

(a) each of the Corporations is duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and each has the corporate power to own or lease its property and assets and to carry on its business as now conducted by it;

(b) each of the Corporations has all requisite power and authority to enter into this Agreement and all documents to be delivered pursuant hereto and to perform its obligations hereunder and thereunder;

(c) this Agreement has been duly executed and delivered on behalf of each of the Corporations and constitutes a legal, valid and binding obligation of it, enforceable in accordance with its terms and, at the Closing, all documents required hereunder to be executed and delivered by each of the Corporations will have been duly authorized, executed and delivered by it, and will constitute legal, valid and binding obligations of each of the Corporations, enforceable in accordance with their terms;

(d) the execution and delivery of this Agreement and all documents to be delivered pursuant hereto, 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 the breach of or violate any term or provision of the charter, by-laws or governing documents of any of the Corporations; or

(ii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any material agreement, instrument, licence, permit or authority to which any of the Corporations is a party or by which it is bound or to which any of its property is subject or result in the creation of any Encumbrance upon any of the assets of any of the Corporations or the Shares or give to others any material interest or right, including any right of purchase, termination, cancellation or acceleration under any such agreement, instrument, license, permit or authority; or

(iii) violate any provision of law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to any of the Corporations or the assets of any of the Corporations;

(e) each of the Corporations is, in all material respects, in compliance with all applicable Laws;

(f) each of the Corporations holds all valid licenses, permits and similar rights and privileges, and have made all filings, applications and reports, that are required or necessary under any Laws to operate its business as currently conducted, the failure to hold which, individually or in the aggregate, would have a material adverse effect on the financial condition, results of operations or business of any of the Corporations and the present uses by any of the Corporations of its assets do not violate the terms of any such licenses, permits, rights or privileges or any such Laws, other than where such violation would not be materially adverse to any of the Corporations or its assets;

(g) none of the Corporations has incurred any obligation or liability, contingent or otherwise, for brokerage fees, finder's fees, agent's commission or other similar forms of compensation with respect to the transaction contemplated herein which will be, or may become, the responsibility of Parkland, the Fund or Holdings LP;

(h) all contracts of insurance maintained by the Corporations are listed in Schedule 3.2(h) and are 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 insurance policy and there has been no notice or advice of withdrawal of any policy or any notice of conditions for continuation of any coverage that has not been complied with; and each of the Corporations has given notice or has otherwise presented, in a timely fashion, every material claim known by it or known by any of the Shareholders to be covered by insurance under its insurance policies or contracts ;

(i) none of the Corporations has any Subsidiaries and none of the Corporations has any agreements of any nature to acquire any Subsidiary;

(j) as at the Effective Time, none of the Corporations will be a party to any agreements of any nature to acquire or dispose of any securities of any person or to acquire, capitalize or invest in any business or dispose of any business other than as contemplated by this Agreement;

(k) at the Closing Time, the minute books and share registers of each of the Corporations will be true and correct and the minute books will contain the minutes of all meetings, and all resolutions, of its directors and shareholders;

Capitalization

(l) the authorized capital of each of the Corporations and the issued and outstanding Shares of each of the Corporations are as set forth in Schedule 3.2(l) and all of the Shares set forth as issued are duly and validly issued and are fully paid and non-assessable and are registered as set forth in such Schedule;

(m) no person has any agreement or option or any right or privilege (whether by law, pre-emptive right, contract or otherwise) capable of becoming an agreement, option, right or privilege, including, without limitation, any convertible security, warrant or convertible obligation of any nature, for the purchase, subscription, allotment or issuance of any of the unissued shares of the any of the Corporations;

(n) there are no restrictions in either the constating documents or the by-laws of any of the Corporations, nor in any unanimous shareholders' agreement or voting trust agreement or other similar collateral agreement, which would affect the transferability of Shares from the Shareholders to Holdings LP and which will not have been waived or satisfied prior to Closing;

Financial Status

(o) all of the Books and Records, whether of a financial or accounting nature or otherwise, have been made available to Parkland and have been maintained in accordance with prudent business practices;

(p) at the Closing Time, the Financial Statements will have been prepared in accordance with GAAP applied on a basis consistent with that of prior periods (except as stated therein) and present fairly the financial position of each of the Corporations as of the date provided therein and the results of operations and the changes in financial position for the periods then ended. As at the date of the Financial Statements, none of the Corporations had any debt or liabilities of any kind whatsoever (whether accrued, contingent, absolute or otherwise) required to be included in the Financial Statements, including, without limitation, any Liabilities and any liabilities for Taxes or pursuant to any capital lease, except for debt or liabilities as set forth in the Financial Statements or otherwise disclosed to, and permitted by, Parkland;

(q) except as set forth in Schedule 3.2(q), as contemplated by this Agreement or as consented to in writing by Parkland, since the date of the last audited financial year of each of the Corporations, each of the Corporations has:

   (i) not incurred, assumed or become subject to any Liability, except in the Ordinary Course of Business;

   (ii) not granted, suffered or assumed any Encumbrance on or in respect of any of the its assets, other than Permitted Encumbrances;

   (iii) not amended its charter, by-laws or other governing documents;

(iv) not conducted its business other than in all material respects in the Ordinary Course of Business and, without limitation, has not entered into, assumed or become subject to any contract out of the Ordinary Course of Business or any Material Contract;

(v) not amended or terminated any Material Contract;

(vi) not directly or indirectly, declared or paid any dividends, or declared or made any other distribution of its securities, or directly or indirectly, redeemed, purchased or otherwise acquired any of its shares, or agreed to do so, or reduced its stated capital in any manner or purchased, acquired, cancelled or redeemed, or agreed to purchase, acquire, cancel or redeem, any outstanding shares;

(vii) has not forgiven any debt or otherwise triggered or permitted to be triggered any of the provisions of the Tax Act respecting debt forgiveness including, for greater certainty, Section 79 or Sections 80 to 80.04 of such act, and has not cancelled or released any debts or claims or waived any right pertaining to its assets;

(viii) not entered into or amended any employment or consulting agreements, other than in the Ordinary Course of Business;

(ix) not increased the salaries, benefits or other compensation payable to any of its directors, officers or employees, other than in the Ordinary Course of Business;

(x) not made any payment whatsoever to, or entered into any agreement with, any person not dealing at arm's length with it;

(xi) not entered into or amended any Employee Plan;

(xii) used its reasonable commercial efforts to maintain its business organization and preserve its relationships with suppliers, customers and others having business relations with it;

(xiii) not suffered any material adverse change, financial or otherwise, in its business, financial condition, assets, properties, liabilities or operations or any occurrences or circumstances which have resulted or might reasonably be expected to result in a material adverse change thereto;

(xiv) not sold any material amounts of inventory or other assets, nor increased its indebtedness other than in the Ordinary Course of Business;

(xv) maintained its assets in the Ordinary Course of Business; and

(xvi) not made any change in its accounting principles and practices as theretofore applied including, without limitation, the basis upon which its assets and liabilities are recorded on its books and its earnings, profits and losses are ascertained;

(r) as at the Effective Date, other than the Permitted Encumbrances, as set forth in Schedule 1.1(ii) hereto or as permitted pursuant to Section 4.1(e) hereof, none of the Corporations has any outstanding indebtedness to any third parties, including the Shareholders, such indebtedness to include any bank loans, shareholder loans, capital leases or long-term debt;

(s) there is no suit, action, litigation, investigation, claim, complaint, grievance or proceeding, including appeals and applications for review, in progress, or, to the knowledge of any of the Shareholders, pending or threatened against or relating to any of the Corporations before any Governmental Authority which, if determined adversely to any of the Corporations, would,

(i) materially and adversely affect the properties, business, future prospects or financial condition of any of the Corporations;

(ii) enjoin, restrict or prohibit the transfer of all or any part of the Shares as contemplated by this Agreement; or

(iii) prevent any of the Shareholders or any of the Corporations from fulfilling all of its obligations set out in this Agreement or arising from this Agreement, and none of the Shareholders or any of the Corporations has any knowledge of any existing ground on which any such action, suit, litigation or proceeding might be commenced with any reasonable likelihood of success;

(t) except as set forth in Schedule 3.2(t), (i) there are no judgments unsatisfied against any of the Corporations or any judgment, injunction, order, decree, ruling or charge of any Governmental Authority to which any of the Corporations or the assets of any of the Corporations is subject, (ii) there are no Claims in existence to which any of the Corporations is a party or the assets of any of the Corporations may be bound or threatened against any of the Corporations or the assets of any of the Corporations and (iii) there is no basis upon which a material Claim could reasonably expected to be made against any of the Corporations;

(u) each of the Corporations has duly and timely (i) filed with the appropriate Governmental Authority or agency in the manner prescribed by Law all Tax Returns required to be filed by it and such Tax Returns are true, complete and accurate in all material respects; (ii) paid all Taxes (including instalments) due and payable by it and made adequate provision in the Financial Statements and accounts thereof for all Taxes payable for the periods reflected therein for which Tax Returns are not yet required to be filed and will make adequate provision in the Books and Records of each of the Corporations (including in the materials provided to the Auditors in connection with the determination of the calculation provided for in Section 2.5 hereof) for all Taxes payable in respect of the period then ended on the assumption that each of the Corporations had a taxation year ending on that date; (iii) withheld and remitted to the appropriate Governmental Authorities all amounts required to be withheld by it in respect of the Tax liability of any other person; and (iv) withheld from any amount paid to or credited by it to or for the account or benefit of any person, including any of its officers and directors and any non-resident person, the amount of all Taxes and other deductions required by any Law to be withheld from any such amount and has duly and timely remitted the same to the appropriate taxing or other Governmental Authority. Notices of assessment of Canadian federal and provincial income tax liabilities for each of the Corporations have been issued by the applicable Governmental Authority for all taxation years ending on or prior to date of last completed financial year ended more than six months prior to this Agreement, and each of the Corporations is current with respect to its filing of returns for goods and services taxes payable pursuant to the *Excise Tax Act* (Canada). Each of the Corporations is a taxable Canadian corporation for the purposes of subsection 89(1) of the Tax Act. There are no claims, actions, suits, audits, proceedings, investigations or other actions pending or, to the knowledge of any of the Shareholders, threatened by any Governmental Authority in respect of Taxes;

(v) all filings made by any of the Shareholders or any of the Corporations under which any of the Corporations has received or is entitled to government incentives, have been made in accordance, in all material respects, with all Laws and contain no misrepresentations which could cause any amount previously paid to, or credited to, or previously accrued on the accounts of any of the Corporations to be recovered or disallowed;

(w) none of the Corporations is a party to any current agreement or other arrangement with any Governmental Authority and there are no waivers or objections extending the statutory period or providing for an extension of time with respect to the assessment or reassessment or payment of Taxes payable by any of the Corporations or Tax Returns required to be filed by any of the Corporations;

(x) none of the Corporations is engaged in any discussions or negotiations with any Governmental Authorities in respect of its Taxes;

(y) except for reserves for income taxes accruing in the current fiscal year, the reserves and accrued liabilities disclosed on or reflected in the Financial Statements and the Books and Records are sufficient in all respects to provide for the liabilities in respect of which they have been established;

(z) none of the Corporations has guaranteed, endorsed, assumed or indemnified, contingently or otherwise, the obligations or indebtedness of any other person;

Employees

(aa) except as set forth in Schedule 3.2(aa), none of the Corporations is a party to any written employment contract, consulting agreement, collective bargaining agreement or employee association agreement; none of the Corporations has conducted and is not now conducting any negotiations with any labour unions or employee associations; each of the Corporations has complied with its obligations in respect of employment insurance programs, Canada Pension Plan payments and Worker's Compensation payments;

(bb) all of the employees of the Corporations are listed in Schedule 3.2(aa);

(cc) all Employee Plans are listed in Schedule 3.2(aa) and:

(i) each of the Corporations has paid or provided for all liabilities for wages, vacation pay, salaries, bonuses, pensions and all other amounts payable under the Employee Plans; and

(ii) each of the Employee Plans complies with and has been administered in substantial compliance with the terms thereof and Laws;

(dd) except as provided for in Schedule 3.2(q), no Affiliate, director, officer or employee of any of the Corporations (past or present) or any person not dealing at "**arm's length**" (within the meaning of the Tax Act) with any such person is indebted to any of the Corporations and none of the Corporations are indebted to any such person. All transactions between any of the Corporations and any person not dealing at arm's length were undertaken for fair market value consideration;

Assets

(ee) each of the Corporations is the beneficial and (where its interests are registrable) the registered owner of its assets, with good and valid title, free and clear of all Encumbrances other than Permitted Encumbrances. In particular, without limiting the generality of the foregoing, there has been no assignment, subletting or granting of any licence (of occupation or otherwise) of or in respect of the assets of any of the Corporations or any granting of any agreement or right capable of becoming an agreement or option for the purchase of any of the assets of any of the Corporations;

(ff) the Corporations' Assets are in good working order for the prudent pursuit of the business of each of the Corporations and each of the Corporations owns all the assets necessary for the conduct of its business as now conducted by it;

(gg) the accounts receivable of each of the Corporations, in all material respects, are good and collectible at the aggregate recorded amounts, except to the extent of any reserves provided for such accounts in the Books and Records for each of the Corporations, and are not subject to any defence, counterclaim or set off;

(hh) each of the Corporations has made available to Parkland a correct and complete copy of each Material Contract (as amended to date), all of which are listed in Schedule 1.1(cc). None of the Corporations is in breach of any such Material Contracts in any material respect nor has any circumstance occurred or does any circumstance exist that with the passage of time, notice or both, constitute such a breach, and, to the knowledge of any of the Shareholders and any of the Corporations, no third party to any of such Material Contracts is in breach of any such Material Contracts;

(ii) none of the Corporations has received any notice alleging its default under any Material Contract, which default has not been rectified as of the date hereof;

(jj) none of the Corporations is a party to or bound or affected by any commitment, agreement or document containing any covenant expressly limiting its freedom to compete in any line of business, transfer or move any of its assets or operations or which materially or adversely affects the business practices, operations or conditions of any of the Corporations or the continued operation of its business after the Closing Date, other than pursuant to a Material Contract listed in Schedule 1.1(cc) and previously disclosed to Parkland;

(kk) none of the Corporations has interfered with, infringed upon, misappropriated or otherwise come into conflict with any patent, copyright, trademark, trade secret or other intellectual property rights of any person or received notice of any Claim of any person that they have done so;

Environmental

(ll) except as disclosed in Schedule 3.2(ll), as at the date hereof and at the Closing Date:

(i) all Environmental Approvals required to be held by any of the Corporations have been obtained, are listed in Schedule 3.2(ll), are valid and in full force and effect, have been and are being complied with in all material respects, and there have been and are no proceedings commenced, applications for proceedings made, nor to the knowledge of any of the Shareholders and any of the Corporations have there been any proceedings or applications for proceedings threatened to revoke or amend any Environmental Approvals;

(ii) any Release by any of the Corporations of any Hazardous Substance into the Environment complied and complies with all Environmental Laws;

(iii) none of the Corporations has entered into an agreement that may require any of them to pay, reimburse, guarantee, pledge, defer, indemnify or hold harmless any person from or against any liability or cost relating to any Release of Hazardous Substance or environmental condition or arising from any non-compliance with any Environmental Law;

(iv) none of the Corporations has been prosecuted for or convicted of any offence under Environmental Laws or found liable in any proceeding to pay any fine or judgment to any person as a result of any Release or threatened Release of any Hazardous Substance into the Environment or the breach of any Environmental Law and there are no proceedings pending or, to the knowledge of any of the Shareholders or any of the Corporations, threatened relating to the foregoing and, to the knowledge of any of the Shareholders or any of the Corporations, there is no basis for any such proceedings; and

(v) there is no above-ground or underground storage tank, urea formaldehyde foam insulation, friable asbestos, polychlorinated biphenyls or radioactive substance in, on or under the property covered by any Real Property Leases;

Real Property

(mm) Schedule 3.2(mm) sets forth a complete list of all of the Real Property and a legal description for such Real Property. NHL or NPPL is the legal and beneficial owner of the Real Property (as set forth in Schedule 3.2(mm)) in fee simple, with good and marketable title thereto, free and clear of all Encumbrances other than Permitted Encumbrances. All accounts for work and services performed or materials placed or furnished upon or in respect of the construction and completion of any of the buildings, improvements or other structures constructed on the Real Property have been fully paid and no one is entitled to claim a lien under the *Builders' Lien Act* (Alberta) or other similar legislation for such work performed by or on behalf of any of the Corporations. There are no matters affecting the right, title and interest of any of the Corporations in and to the Real Property (as set forth in Schedule 3.2(mm)), which in the aggregate, would materially and adversely affect the ability of any of the Corporations to carry on its business upon the Real Property (as set forth in Schedule 3.2(mm));

(nn) none of the Corporations is a party to any Real Property Leases other than those listed in Schedule 3.2(nn). None of the Corporations is in breach of any such Real Property Leases in any material respect nor has any circumstance occurred or does any circumstance exist that with the passage of time, notice or both, constitute such a breach, and no third party to any of such Real Property Leases is in breach of any such Real Property Leases;

Miscellaneous

(oo) Schedule 3.2(oo) sets forth a complete list of every financial institution in which each of the Corporations maintains any depository or other account or safety deposit box and the names of all persons authorized to draw on or who have access to such accounts or safety deposit box;

(pp) the information provided by or on behalf of each of the Shareholders and each of the Corporations with respect to each of the Corporations and each of the Shareholders to Parkland, the Fund or Holdings LP or any of its representatives constitutes full, plain and true disclosure of all material facts relating to each of the Corporations, its business, operations and capital, and each of the Shareholders and there are no misrepresentations in any information provided by or on behalf of any of the Shareholders or any of the Corporations to Parkland, the Fund or Holdings LP and none of the Shareholders or the Corporations have knowingly withheld from Parkland, the Fund or Holdings LP any information, documents or agreements relevant to the assets of any of the Corporations or any of the Corporations which might reasonably be expected to be material to a purchaser of the Shares or the assets of any of the Corporations; and

(qq) the **[Redacted]** Contracts are, and will be, at Closing, in good standing and in full force and effect, and none of NPPL or any of the Shareholders are, or will be, at Closing, in default thereunder provided that Parkland hereby acknowledges that the transactions contemplated hereby in respect of NPPL do not constitute a default or breach of any of the **[Redacted]** Contracts.

3.3 Representations and Warranties of Parkland, the Fund and Holdings LP

Each of Parkland, the Fund and Holdings LP jointly and severally represent and warrant to each of the Corporations and the Shareholders that:

(a) Parkland is duly organized and validly existing and in good standing under the law of the jurisdiction of its incorporation and has the corporate power to own or lease its property and assets and to carry on its business as now conducted by it and is duly licensed or qualified to carry on business in each jurisdiction as the nature of its business requires and, at the Closing Date, will have such power and be so licensed or qualified as is required by its business as proposed to be conducted;

(b) the Fund is duly organized and validly existing and in good standing under the law of the jurisdiction of its formation and has the power to own or lease its property and assets and to carry on its business as proposed to be conducted by it and is duly licensed or qualified to carry on business in each jurisdiction as the nature of its business requires;

(c) Holdings LP is duly organized and validly existing and in good standing under the law of the jurisdiction of its formation and has the power to own or lease its property and assets and to carry on its business as proposed to be conducted by it and is duly licensed or qualified to carry on business in each jurisdiction as the nature of its business requires;

(d) each of Parkland, the Fund and Holdings LP has all requisite power and authority to enter into this Agreement and all documents to be delivered pursuant hereto and to perform its obligations hereunder and thereunder;

(e) subject to the approval of the TSX, as required, being obtained and the directors of Parkland and the Parties obtaining the necessary Regulatory Approvals as contemplated hereunder, the execution and delivery of this Agreement and all documents to be delivered pursuant hereto, 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 the breach of or violate any term or provision of the charter, by-laws or governing documents of Parkland, the declaration of trust of the Fund or the limited partnership agreement of Holdings LP; or

  (ii) conflict with, result in a breach of, constitute a default under, or accelerate or permit the acceleration of the performance required by, any material agreement, instrument, licence, permit or authority to which Parkland, the Fund or Holdings LP is a party or by which it is bound or to which any of its property is subject or result in the creation of any Encumbrance upon any of the assets of Parkland, the Fund or Holdings LP or give to others any material interest or right, including any right of purchase, termination, cancellation or acceleration under any such agreement, instrument, license, permit or authority; or

  (iii) violate any provision of law or administrative regulation or any judicial or administrative order, award, judgment or decree applicable to Parkland, the Fund or Holdings LP;

(f) each of the Fund, Parkland and Holdings LP is, in all material respects, in compliance with all applicable Laws;

(g) this Agreement has been duly executed and delivered by each of Parkland, the Fund and Holdings LP and constitutes a legal, valid and binding obligation of each of Parkland, the Fund and Holdings LP, enforceable in accordance with its terms and all documents to be delivered by Parkland, the Fund or Holdings LP, as the case may be, pursuant hereto will be duly executed and delivered by Parkland and will constitute legal, valid and binding obligations of Parkland, the Fund and Holdings LP, respectively, enforceable in accordance with their respective terms;

(h) the Rollover LP Units to be issued pursuant to Section 2.2 hereof will be duly and validly issued and delivered as fully paid and non-assessable limited partnership units of Holdings LP and shall, pursuant to the Exchange Agreement, be economically equivalent to the Units, on a per unit basis, and will be subject to the Exchange Right provided thereunder; and

(i) subject to the terms of the Exchange Agreement and Escrow and Unit Pledge Agreement, all Required Approvals being obtained, including that of the TSX and upon notification to the TSX and fulfillment of the conditions of the TSX, the Units issuable upon exercise of the Exchange Rights in respect of the Rollover LP Units shall be duly and validly issued and delivered as fully paid and non-assessable Units and will be posted for trading on the TSX; and

(j) Parkland is not a "non Canadian" within the meaning of the *Investment Canada Act*.

3.4 Non-Waiver

No investigations made by or on behalf of Parkland, the Fund or Holdings LP or the Shareholders at any time shall have the effect of waiving, diminishing the scope or otherwise affecting any representation or warranty made by the Shareholders or Parkland, the Fund or Holdings LP, as the case may be, in or pursuant to this Agreement. No waiver of any condition or other provisions, in whole or in part, shall constitute as a waiver of any other condition or provision (whether or not similar) nor shall such waiver constitute a continuing waiver unless otherwise expressly provided.

ARTICLE 4
COVENANTS

4.1 Covenants of the Shareholders and the Corporations

Each of the Shareholders and each of the Corporations covenant and agree with Parkland, the Fund and Holdings LP that from the date hereof until the Closing Date or termination of this Agreement, except with the prior written consent of Parkland (such consent not to be unreasonably withheld), and except as otherwise expressly permitted or specifically contemplated by this Agreement, including, for greater certainty, the transactions contemplated and specified in Schedule 3.2(q) hereof:

(a) to permit Parkland, Parkland's Counsel and Parkland's authorized representatives to have full access to all files, premises, properties, personnel, books, records (including Tax Records), auditors, contracts and documents of or pertaining to each of the Corporations and any predecessor corporations or entities prior to Closing for purposes of performing due diligence with respect to each of the Corporations and its assets and affairs. The provisions of the Letter of Intent and the confidentiality agreement entered into between NPPL and Parkland dated June, 2006 (the "**Confidentiality Agreement**") shall continue to be applicable to any information made available by such parties pursuant to the provisions of this Agreement;

(b) upon any restructuring or reorganization of any of the Corporations resulting in any person, other than the Shareholders, acquiring any of the Shares, the Shareholders shall cause such person to execute a counterpart signature page to this Agreement whereby such person will also agree to be bound by the terms and conditions hereof as a Shareholder;

(c) the business of each of the Corporations shall be conducted only in the Ordinary Course of Business, each of the Corporations shall consult with Parkland in respect of its ongoing business and affairs and keep Parkland apprised of all material developments relating thereto and each of the Corporations shall carry out its 2007 capital spending program as set forth in its 2007 capital budget, a copy of each of which has been provided to Parkland, in a diligent and timely manner consistent with past practises;

(d) none of the Corporations shall, directly or indirectly, do or permit to occur any of the following: (i) amend its constating documents; (ii) declare, set aside or pay any dividend or other distribution or payment (whether in cash, shares or property) in respect of its outstanding shares; (iii) issue, grant, sell or pledge or agree to issue, grant, sell or pledge any of its shares or securities convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, any of its shares; (iv) redeem, purchase or otherwise acquire any of its outstanding shares or other securities, except as permitted pursuant to the terms thereof or as permitted in accordance with the terms hereunder; (v) split, combine or reclassify any of its shares; (vi) adopt a plan of liquidation or resolutions providing for the liquidation, dissolution, merger, consolidation or reorganization of it; or (vii) enter into or modify any contract, agreement, commitment or arrangement with respect to any of the foregoing;

(e) none of the Corporations will, directly or indirectly, 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 Parkland in writing or otherwise without the prior consent of Parkland, such consent not to be unreasonably withheld: (i) sell, pledge, dispose of or encumber any of its assets except in the Ordinary Course of Business, for a consideration in excess of $100,000 individually or $500,000 in the aggregate; (ii) expend or commit to expend amounts in respect of growth capital in excess of $100,000 individually or $1,000,000 per month (on a cumulative basis) in the aggregate (excluding expenditures specified in its current 2007 capital budget as disclosed to Parkland); (iii) expend or commit to expend amounts in respect of operating expenses in addition to those required in the Ordinary Course of Business as specified in its current 2007 capital budget as disclosed to Parkland; (iv) reorganize, amalgamate, merge or otherwise continue with any other person, corporation, partnership or other business organization whatsoever; (v) acquire, by merger, amalgamation, consolidation or arrangement of shares or assets, any corporation, partnership or other business organization or division thereof, or, except for investments in securities made in the Ordinary Course of Business, make any investment either by purchase of shares or securities, contributions of capital, property transfer, or, except in the Ordinary Course of Business, purchase of any property or assets of any other individual or entity, in each case having a value in excess of $100,000 individually or $500,000 in the aggregate; (vi) incur any indebtedness for borrowed money or any other material liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for, the obligation of any other individual or entity, or make any loans or advances, except in the Ordinary Course of Business or otherwise in excess of $100,000 individually or $250,000 in the aggregate; (vii) pay, discharge or satisfy any material claims, liabilities or obligations other than disclosed in writing to Parkland prior to the entering into of this Agreement or reflected or reserved against in the Financial Statements or otherwise in the Ordinary Course of Business; (viii) enter into any hedges, swaps or other financial instruments or like transactions; (ix) enter into any consulting or contract operating agreement that cannot be terminated on thirty (30) days or less notice without penalty; (x) terminate the employment of any employee; or (xi) authorize or propose any of the foregoing, or enter into or modify any contract, agreement, commitment or arrangement to do any of the foregoing;

(f) none of the Corporations shall adopt or amend or make any contribution to any bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan, agreement, trust, fund or arrangements for the benefit of its employees, except as is necessary to comply with the law or with respect to existing provisions or payment accruals of any such plans, programs, arrangements or agreements, other than pursuant to the written change of control agreements previously disclosed to Parkland;

(g) none of the Corporations shall grant any officer, director, employee or consultant an increase in compensation in any form or take any action with respect to the amendment or grant of any severance or termination pay policies or arrangements for any directors, officers, employees or consultants, nor adopt or amend or make any contribution to any bonus, profit-sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, other compensation or other similar plan from a trust fund or arrangement for the benefit of directors, officers, employees or consultants, except as is necessary to comply with the law or with respect to existing provisions or payment accruals of any such plans, programs, arrangements or agreements, other than pursuant to the written change of control agreements previously disclosed to Parkland;

(h) each of the Corporations shall use its best efforts to cause its current insurance (or re-insurance) policies not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar premiums are in full force and effect;

(i) none of the Corporations shall take any action that would render, or may reasonably be expected to render, any representation or warranty made by it in this Agreement untrue in any material respect at any time prior to the Closing Date or termination of this Agreement, whichever first occurs;

(j) each of the Corporations shall promptly notify Parkland in writing of any material change (actual, anticipated, contemplated or, to the knowledge of any of the Corporations threatened, financial or otherwise) in its business, operations, affairs, assets, capitalization, financial condition, prospects, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, of any of the Corporations or of any change in any representation or warranty provided by any of the Corporations in this Agreement which change is or may be of such a nature to render any representation or warranty misleading or untrue in any material respect and each of the Corporations shall in good faith discuss with Parkland any change in circumstances (actual, anticipated, contemplated, or to the knowledge of such of the Corporations threatened) which is of such a nature that there may be a reasonable question as to whether notice need to be given to Parkland pursuant to this provision;

(k) each of the Corporations shall use its best efforts to obtain the consent of its bankers and any other third party consents, if required for the transactions contemplated hereby and provide the same to Parkland on or prior to the Closing Date;

(l) each of the Corporations shall use its best efforts to satisfy or cause satisfaction of the conditions set forth in Section 5.2 hereof as soon as reasonably possible to the extent that the satisfaction of the same is within the control of any of the Corporations;

(m) until the Closing Date, each of the Corporations shall advise Parkland, as provided for herein, of any material change to the representations and warranties as set out in Sections 3.1 and 3.2;

(n) each of the Corporations and each of the Shareholders shall assist, in the manner requested by Parkland, acting reasonably, with the preparation of any financial statements (whether on a pro forma basis, for an interim financial period or otherwise) for any of the Corporations required by Parkland for the purpose of complying with Laws or as may be required by any stock exchange; and

(o) each of the Corporations and each of the Shareholders shall take all necessary actions to give effect to the transactions contemplated by this Agreement.

4.2 Mutual Covenants

From the date hereof until the Closing Date, each of the Parties hereto will use its best efforts 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 applicable Laws to complete the transactions contemplated by this Agreement, including using reasonable efforts:

(a) to obtain all necessary waivers, consents and approvals required to be obtained by it from other parties to loan agreements, leases and other contracts;

(b) to take all reasonable action and shall use its reasonable best efforts to obtain all necessary regulatory approvals, including, without limitation, the approval of the TSX of the transactions contemplated herein including the conditional approval of the TSX to list all of the Units to be issued upon exchange of the Rollover LP Units issued to the Shareholders pursuant to Section 2.2 hereof;

(c) to 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; and

(d) to effect all necessary registrations and filings and submissions of information requested by Governmental Authorities required to be effected by it in connection with the transactions contemplated by this Agreement, and each of the Parties hereto will use its best efforts to cooperate with the other in connection with the performance by the other of their obligations under this Section 4.2 including, without limitation, continuing to provide reasonable access to information and to maintain ongoing communications as between representatives of each of the Parties hereto.

4.3 Covenants Regarding Non-Solicitation

(a) Each of the Corporations and each of the Shareholders shall immediately cease and cause to be terminated all existing discussions and negotiations (including, without limitation, through any advisors or other parties on its behalf), if any, with any parties conducted before the date of this Agreement with respect to any Acquisition Proposal and shall immediately request the return or destruction of all information provided to any third parties which have entered into a confidentiality agreement with such party relating to an Acquisition Proposal and shall use all reasonable commercial efforts to ensure that such requests are honoured.

(b) None of the Corporations or the Shareholders shall, directly or indirectly, do or authorize or permit any of their officers, directors, employees or any financial advisor, expert or other representative retained by them to do, any of the following:

(i) solicit, facilitate, initiate or encourage any Acquisition Proposal;

(ii) enter into or participate in any negotiations or initiate any discussion regarding an Acquisition Proposal, or furnish to any other person any information with respect to its businesses, properties, operations, prospects or conditions (financial or otherwise) in connection with an Acquisition Proposal or otherwise cooperate in any way with, or assist or participate in, facilitate or encourage, any effort or attempt of any other person to do or seek to do any of the foregoing;

(iii) accept, recommend, approve or enter into an agreement to implement an Acquisition Proposal.

(c) Each of the parties hereto shall ensure that its officers, directors and employees and any investment bankers or other advisers or representatives retained by it are aware of the provisions of this Section 4.3. Each of the Corporations shall be responsible for any breach of this Section 4.3 by its officers, directors, employees, investment bankers, advisers or representatives.

4.4 Access to Information

Subject to the applicable law, upon reasonable notice, each of the Corporations and each of the Shareholders shall afford to Parkland's officers, employees, counsel, accountants and other authorized representatives and advisers access, during normal business hours from the date hereof and until the earlier of the Closing Date or the termination of this Agreement, to its properties, books, contracts and records as well as to its management personnel, and shall (and shall cause each of its subsidiaries to) furnish promptly to Parkland all information concerning its business, properties and personnel as Parkland may reasonably request.

4.5 Efforts to Satisfy Conditions

Each of the Parties shall use all reasonable commercial efforts and shall proceed diligently, honestly and in good faith to cause the conditions set forth in Section 5.1, Section 5.2 and Section 5.3 which are within its reasonable control to be satisfied. Each Party shall provide such information and cooperation to the other Party as it may reasonably request in connection with the satisfaction of such conditions.

4.6 Tax Returns

(a) The Shareholders shall cause each of the Corporations to prepare and file in a timely manner (at its cost and in consultation with the Shareholders) all Tax Returns required to be filed by any of the Corporations for any period that ends on or before the Effective Date and for which Tax Returns have not been filed as of the Closing Date. The Shareholders shall obtain the consent of Parkland with respect to the content, form and filing of any such Tax Returns to be filed in respect of any period ending on or prior to the Closing Date, which consent shall be deemed received unless Parkland advises otherwise within 10 business days following receipt of the return and request for consent. Each of the Shareholders and Parkland shall co-operate fully with each other and none of the Parties will unreasonably withhold its consent to a request made by any other Party with respect to such Tax Returns. Such Tax Returns will be prepared in accordance with reasonable business practices and each of the Corporations past practices. The Parties agree that an election shall be made by each of the Corporations in its Tax Return filed for its taxation year ending immediately before the acquisition of control by Parkland not to have subsection 256(9) of the Tax Act apply, with the result that the taxation year of each of the Corporations shall end immediately before the Closing Time.

(b) No Tax Returns shall be filed by any of the Shareholders between the date hereof and the Closing Date except with the prior written consent of Parkland, which consent shall not be unreasonably withheld.

ARTICLE 5
CONDITIONS TO CLOSING

5.1 Mutual Conditions

The obligations of Parkland, the Fund, Holdings LP and each of the Shareholders and each of the Corporations pursuant hereto are subject to the following conditions being satisfied in all respects at or prior to the Closing Time, or such earlier time as is specified below:

(a) there shall not be any suit, action or other proceeding that shall, at Closing, be pending against any of the Parties before any Governmental Authority and no law, regulation or policy shall have been proposed, enacted or applied: (i) making illegal or seeking to restrain, prohibit or obtain damages or other relief in connection with the consummation of the transactions contemplated by this Agreement; (ii) prohibiting or materially limiting the ownership or operation by Holdings LP or Parkland, as the case may be, of a material portion of the business or assets thereof or requiring Parkland or Holdings LP, as the case may be, to dispose of or hold separately any such portion of any Shares or any of the assets of any of the Corporations; or (iii) making the consummation of the transactions contemplated by this Agreement materially more costly to Holdings LP or materially reducing the value of the Shares;

(b) all Required Approvals and releases of personal guarantees of any of the Shareholders in respect of all Obligations of the Corporations, shall have been obtained on terms acceptable to the Shareholders and Parkland, acting reasonably, at or prior to the Closing Time; and

(c) Parkland and Abe shall have executed and delivered an employment agreement in substantially the form set forth in such Schedule 5.1(c).

5.2 Conditions for the Benefit of Parkland, the Fund and Holdings LP

The obligations of Holdings LP to buy the Shares from the Shareholders pursuant hereto are subject to the following conditions (which are for the exclusive benefit of Parkland, the Fund and Holdings LP) being satisfied in all respects at or prior to the Closing Time, or such earlier time as is specified below provided that any such condition may be waived in writing by Parkland, on its own behalf and on behalf of the Fund and Holdings LP, in whole or in part, at any time, without prejudice to the rights of any of Parkland, the Fund or Holding LP hereunder provided that, in the event of such waiver, Parkland, the Fund and Holdings LP shall indemnify Abe and Agnes, in writing, with respect to any Losses or Obligations which they may suffer, sustain, pay or incur, directly or indirectly, as a consequence of or in connection with such waiver:

(a) the representations and warranties of each of the Shareholders and each of the Corporations in this Agreement shall be true and correct in all material respects at the Closing Time with the same force and effect as if made at and as of such time;

(b) each of the Shareholders and each of the Corporations shall have performed or complied in all material respects with all of the terms, covenants and conditions of this Agreement to be performed or complied with by each of the Shareholders and each of the Corporations at or prior to the Closing Time pursuant hereto;

(c) there shall not have occurred any change after the date hereof or prior to the date hereof (or any condition, event or development involving a prospective change) in the business, affairs, operations, assets, capitalization, financial condition, prospects, licenses, permits, rights, privileges or liabilities, whether contractual or otherwise, of any of the Corporations and which, in the judgment of Parkland, is materially adverse to any of the Corporations;

(d) the Financial Statements shall have been delivered by the Corporations to Parkland in form and substance satisfactory to Parkland, acting reasonably;

(e) at Closing, each of the Shareholders shall have delivered all items which they are required to deliver pursuant to Section 6.2 and shall have duly executed and delivered the Escrow and Unit Pledge Agreement in substantially the form set forth in Schedule 2.2 hereof;

(f) at Closing, NPPL and the Shareholders have, pursuant to the **[Redacted]** Agreements, shall have obtained the consent of **[Redacted]** to the acquisition of the Shares in the manner contemplated by this Agreement and to the assignment or deemed assignment of the **[Redacted]** Agreements to the Fund (collectively, the "**[Redacted] Consents**");

(g) each of the Shareholders shall have delivered opinions of the Shareholders' Counsel, in form and substance satisfactory to Parkland, acting reasonably;

(h) each of the Shareholders and each of the Corporations shall have delivered, on the Closing Date, a certificate of each of the Shareholders and each of the Corporations dated the Closing Date, addressed to Parkland, the Fund and Holdings LP and signed by each of the Shareholders and in the case of each of the Corporations, by the President of each of the Corporations, certifying that to the knowledge of each of the Corporations and each of the Shareholders, as applicable, the representations and warranties of each of the Shareholders and each of the Corporations, as applicable, set forth in this Agreement are true and correct at the Closing Time, as if made at such time and each of the Corporations and each of the Shareholders, as applicable, have not breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement;

(i) Parkland, the Fund and Holdings LP shall have obtained all applicable corporate, board, shareholder, governmental, regulatory and contractual approvals to complete the transactions contemplated by this Agreement;

(j) Abe shall have executed and delivered an option agreement in the form set forth in Schedule 5.2(j) (the "**Option Agreement**") providing for, among other things, the irrevocable option for any of Parkland, Holdings LP or the Trust or any of their respective Affiliates to acquire all (but not less than all) of the issued and outstanding shares in the capital of Neufeld Petroleum (High Level) Ltd. ("**NPL**") for value equivalent to the net working capital value of NPL as of the date specified for the closing of the transactions contemplated under the Option Agreement; and

(k) Parkland, Abe and Agnes shall have executed and delivered a non-competition agreement in the form set forth in Schedule 5.2(k).

5.3 Conditions for the Benefit of the Shareholders

The Shareholders' obligations to each of Parkland, the Fund and Holdings LP pursuant hereto are subject to the following conditions (which are for the exclusive benefit of the Shareholders) being satisfied in all respects at or prior to the Closing Time or such earlier time as is specified below:

(a) the representations and warranties of Parkland, the Fund and Holdings LP in this Agreement shall be true and correct in all material respects at the Closing Time with the same force and effect as if made at and as of such time;

(b) Parkland, the Fund and Holdings LP shall have performed or complied in all material respects with all of the terms, covenants and conditions of this Agreement to be performed or complied with by Parkland at or prior to the Closing Time pursuant hereto;

(c) the Fund will have obtained the conditional approval of the TSX that the Units to be issued in exchange for such Rollover LP Units will be posted for trading on the TSX upon the release from escrow of the Rollover LP Units as provided for pursuant to the Escrow and Unit Pledge Agreement, in substantially the form set forth in Schedule 2.2 hereof, the exchange thereof pursuant to the Exchange Agreement and filing of the appropriate documentation

(d) at Closing, Parkland, the Fund and Holdings LP shall have delivered all items they are required to deliver pursuant to Section 6.3;

(e) Parkland shall have delivered, on the Closing Date, a certificate of Parkland dated the Closing Date, addressed to the Shareholders and signed on Parkland's behalf by its President or such other officer or director satisfactory to the Shareholders, on its own behalf and on behalf of the Fund, acting reasonably, certifying that the representations and warranties of Parkland and the Fund set forth in this Agreement are true and correct at the Closing Time, as if made at such time and Parkland and the Fund have not breached, or failed to comply with, in any material respect, any of their covenants or other obligations under this Agreement;

(f) Holdings LP shall have delivered, on the Closing Date, a certificate of Holdings LP dated the Closing Date, addressed to the Shareholders and signed on Holdings LP's behalf by the President of its general partner, on behalf of the general partner in its capacity as general partner of Holdings LP, certifying that the representations and warranties of Holdings LP set forth in this Agreement are true and correct at the Closing Time, as if made at such time and Holdings LP have not breached, or failed to comply with, in any material respect, any of its covenants or other obligations under this Agreement.

ARTICLE 6
CLOSING

6.1 Closing

The Closing shall take place at the Closing Time at the offices of Parkland's Counsel located at 4500, 855 – 2nd Street S.W., Calgary, Alberta T2P 4K7, or at such other place as may be agreed upon by the Shareholders and Parkland.

6.2 Deliveries by the Corporations and Shareholders at Closing

At Closing, the Corporations and Shareholders, as applicable, shall deliver to Parkland, the Fund and Holdings LP:

(a) an updated version of Schedule 3.1(e) indicating the beneficial owners of record of all of the Shares;

(b) an updated version of Schedule 3.2(l) indicating the authorized capital of each of the Corporations and the issued and outstanding shares of each of the Corporations;

(c) the certificates representing the Shares duly endorsed for transfer by the Shareholders and new share certificates issued in the name of Holdings LP in respect of the Shares;

(d) certificates of the appropriate government officials, dated the Closing Date, evidencing the existence and good standing of each of the Corporations in the jurisdictions in which it carries on a material portion of its business;

(e) the Financial Statements;

(f) the Option Agreement;

(g) the **[Redacted]** Consents;

(h) the minute books, corporate seals and all corporate records of each of the Corporations;

(i) resignations and releases of all directors, officers of the Corporations and each of the Shareholders and reciprocal releases of such directors and officers by each of the Corporations and each of the Shareholders, each in form and substance satisfactory to Parkland;

(j) certified copies of directors' resolutions of each of the Corporations confirming approval of the transfer of the Shares to Holdings LP in accordance with the terms and conditions of this Agreement; and

(k) such other documents and instruments as contemplated pursuant to this Agreement and as Parkland's Counsel may reasonably require.

6.3 Deliveries by Holdings LP at Closing

At Closing, Holdings LP shall pay the Base Purchase Price (as may be adjusted by Section 2.5 hereof) to the Shareholders, including delivering certificates to the Shareholders representing the Rollover

LP Units issuable to the Shareholders pursuant to Section 2.2(b) and shall provide to the Shareholders a certified copy of the Exchange Agreement.

ARTICLE 7
INDEMNITIES

7.1 Shareholders' Indemnity

Subject to Section 7.4, each of the Shareholders jointly and severally agrees to indemnify and save harmless each of Parkland, the Fund, Holdings LP and their Affiliates from and against all Losses and Obligations which they suffer, sustain, pay or incur, directly or indirectly:

(i) as a consequence of or in connection with a breach of a representation, warranty or covenant made by any of the Shareholders or any of the Corporations in this Agreement; or

(ii) as a consequence of, or in connection with any tax planning related transactions or corporate reorganization transactions carried out by any of the Shareholders prior to Closing not otherwise contemplated by, or carried out in accordance with the terms of, this Agreement;

The Parties agree that for the purposes of Section 7.1(i), in the case of any breach of representation or warranty of any of the Shareholders, the measure of Losses and Obligations in respect thereof will be, dollar for dollar, the difference in what would have been the position (financial and otherwise) of any of the Corporations had such representation been true or the warranty not breached and the actual position (financial and otherwise) of any of the Corporations (given such misrepresentation or breach of warranty).

7.2 Parkland Indemnity

After Closing, Parkland, the Fund and Holdings LP agree to indemnify and save harmless each of the Shareholders and their Affiliates from and against all Losses and Obligations which they suffer, sustain, pay or incur, directly or indirectly, as a consequence of or in connection with:

(i) a breach of a representation or warranty made by Parkland, the Fund or Holdings LP in this Agreement or a breach by Parkland, the Fund or Holdings LP of a covenant made by it in this Agreement; or

(ii) subject to the Shareholders' obligations in respect of the indemnity contained in Section 7.1, any matter or circumstance relating to Corporations' Assets or the operation thereof which occurs after the Effective Time or which relates to any of the Corporations and occurs after the EffectiveTime.

7.3 Environmental Indemnity

The Shareholders hereby agree and acknowledge that they shall be jointly and severally liable to and shall indemnify, defend and save harmless Parkland, the Fund, Holdings LP and the Corporations from and against any Claims by any person, including any Claims made directly by Parkland, the Fund, Holdings LP or the Corporations against the Shareholders, for any direct or indirect expense, liability, loss, costs, claims or damages, (including but not limited to the costs (which further includes all testing, consulting, expert and legal costs) of responding to or complying with any Environmental Laws or order, direction, fine, penalty or claim of any Governmental Authority having jurisdiction or any Claim made by any Person pursuant to any common law or statutory theory of liability) arising out of or resulting from Environmental Damage or costs of Remediation relating to the use, ownership, cleaning, storage, transport, handling or rental of Grande Prairie West, Grande Prairie North and La Crete (collectively, the "**Indemnification Events**") provided that:

(i) in respect of Grand Prairie West, this indemnity provided for hereunder shall only be with respect to any Indemnification Events occurring prior to the Effective Time and any Indemnification Events occurring after the Effective Time, where such Indemnification Event arose from any event, condition, circumstance, activity, practice, incidence, action or plan existing, commencing, or occurring in whole or in part prior to the Effective Time relating in any way to the Corporations, the Shareholders, or in respect of such property;

(ii) in respect of Grande Prairie North, each of Parkland, the Fund and Holdings LP waives its right of indemnity hereunder, unless, at any time during the period that is one (1) year from the Effective Date (the "**Assessment Period**"), the level of contamination at Grande Prairie North is assessed to have a sustained and non-trivial increase from the contamination level in respect of such property as set out in the report prepared by Jacques Whitford referenced as **[redacted]**, it being hereby agreed to by the Parties that the Shareholders and Parkland shall meet and consult prior to the initiation of any assessment of the level of contamination at such property at any time or times during the Assessment Period (in each instance, the "**Contamination Assessment**") and upon completion of the Contamination Assessment, Parkland shall provide notice to the Shareholders hereunder of any increase in the contamination levels along with an estimate of the expected cost of any required remedy or Remediation (a "**Remediation Notice**") and, in any event, the indemnity provided for hereunder, shall be effective only with respect to Indemnification Events occurring, prior to the Effective Time and any Indemnification Events occurring after the Effective Time, where such Indemnification Event arose from any event, condition, circumstance, activity, practice, incidence, action or plan existing, commencing, or occurring in whole or in part prior to the Effective Time relating in any way to the Corporations, the Shareholders, or in respect of such property; and

(iii) in respect of La Crete, the indemnity provided for herein shall be limited to Environmental Damage on the south-west corner of La Crete and such further area originating therefrom as may be determined as a result of further environmental examination of such south-west corner, the extent of such further examination to be agreed to by the Shareholders and Parkland, acting reasonably and any Indemnification Events thereon occurring before, on or after the Effective Time provided that each of Parkland, the Fund and Holdings LP hereby waives its rights of indemnity hereunder where any Indemnification Event arose from any event, condition, circumstance, activity, practice, incidence, action or plan existing, commencing, or occurring in whole or in part after the Effective Time relating in any way to the actions of Parkland, the Fund or Holdings LP or their respective Affiliates, directors, officers, partners, agents or employees in respect of such property. It is hereby agreed to by the Parties that the Shareholders and Parkland shall meet and consult to determine the extent of the Environmental Damage in respect of such property, if any, and the appropriate measures to take to cure such Environmental Damage and, without limiting the generality of the foregoing, the Shareholders shall thereafter be responsible for, and will use all reasonable efforts to take, such actions as may are necessary for the Remediation and curing any Environmental Damage on La Crete.

For purposes herein:

(i) "**Environmental Damage**" shall, for the purposes of La Crete, be limited to ground water damage and any incidental Environmental Damage arising directly therefrom. For all other purposes, "Environmental Damage" shall include any one or more of (i) ground water, surface water or aquifer contamination, (ii) soil contamination, (iii) corrosion or deterioration of structures, equipment, fences and other property, (iv) the presence or emission of any substance which has or may have an adverse effect on the environment, (v) death or injury to human beings resulting from (i) to (iv) above, (vi) death or injury to plants or animals resulting from (i) to (iv) above and shall include the introduction into the soil, groundwater or environment (through leak, spill, Release, discharge, escape, emission, dumping, disposal or otherwise) of any pollution including, without limitation, any contaminant, irritant or pollutant or Material of Environmental Concern (whether or not upon the property of the Corporations and whether or not such pollution constituted at the time thereof a violation of any Environmental Laws) as a result of which any of Parkland, the Fund or Holdings LP has or may become liable to any person or federal, provincial or local government or agency or by reason of which any of the Corporations' Assets may suffer or be subjected to any lien.;

(ii) "**Materials of Environmental Concern**" shall mean: (i) those substances included within any applicable Province or Canadian statutory and/or regulatory definitions or listings of "hazardous substance," "medical waste", "special waste", "hazardous waste", "extremely hazardous susbstance," "regulated substance," "hazardous materials", or "toxic substances" under any Environmental Laws; (ii) any material, waste or substance which is or contains any quantity of asbestos in any form, urea formaldehyde, PCBs, radon gas, crude oil or any fraction thereof, all forms of natural gas, petroleum products or by-products, any radioactive substance, any toxic, infectious, reactive, corrosive, ignitible or flammable chemical, chemical compound or mixture thereof; (iii) any such other substance, material or waste, whether solid, liquid or gas; and (iv) such other substances, materials, or wastes that are or become classified or regulated as hazardous or toxic under any applicable federal, provincial or local law or regulation;

(iii) "**Remediation**" means any action necessary to: (i) comply with and ensure compliance with the requirements of Environmental Laws and (ii) the taking of all reasonably necessary precautions to protect against and/or respond to, remove or remediate or monitor the release or threatened release of Materials of Environmental Concern at, on, in, about, under, within or near the air, soil, surface water, groundwater or soil vapor.

Further, the Shareholders shall be jointly and severally liable to and shall indemnify, defend, and save harmless Parkland, the Fund and Holdings LP from and against any Claims arising out of or resulting from either (i) the failure of the Shareholders to perform or properly perform in accordance with this Section 7.3 any of the items listed herein, or (ii) the Shareholders' performance or completion of performance of any of such items.

The foregoing obligation of indemnification shall be subject to the provisions of Section 7.4 and 7.5 hereof.

Each of Parkland, the Fund and Holdings LP hereby agrees and acknowledges that it has conducted a due diligence review of the Lands described in Schedule 3.2(mm) hereof and save and except as set out above and the indemnification provided for herein, agrees, at the Closing Time, to accept the Lands in their current state and condition, provided that, such agreement and acknowledgement shall not constitute a waiver of any other rights that Parkland, the Fund or Holdings LP may have pursuant to the terms of this Agreement and shall be without prejudice to the enforcement thereby of such rights.

7.4 Tax Indemnity

(a) After Closing, the Shareholders shall be jointly and severally liable to and agree to indemnify and save harmless each of the Corporations (which in this Section 7.4 includes its successors and assigns) in respect of all Losses and Obligations which any of the Corporations may suffer, sustain, pay or incur as a consequence of or in connection with any breach of any of the representations and warranties in Section 3.2(u) to (y) inclusive.

(b) Any person entitled to indemnification as herein set forth (the "**Indemnified Parties**") shall give prompt written notice to the Shareholders whenever it becomes aware that a Claim has been or may be made for which any of the Shareholders may be liable pursuant to this Section 7.4 (the "**Tax Indemnity**"). Unless each of the Shareholders notify the Indemnified Parties that it elects not to have carriage and control of a Claim, the Shareholders shall, at their own expense and employing counsel of their own choice, have full carriage and control of the contestation of any such Claim, provided that if the Claim does not relate solely to matters to which the Tax Indemnity may apply, the Indemnified Parties shall, at its own expense and employing counsel of its own choice, have full carriage and control of the contestation of the portion of the Claims relating to matters to which the Tax Indemnity does not relate; and further provided that where the Shareholders have carriage and control of a Claim neither the Indemnified Parties nor the Corporations will agree to any compromise or settlement of such Claim to which the Tax Indemnity may apply without the consent of each of the Shareholders which will not be unreasonably withheld. Notwithstanding the foregoing, the Shareholders' right to have carriage and control of the contestation of any such Claim shall only apply and continue to apply after payment of the amount of such Claim or the provision of such security as is necessary to avoid a lien being placed on the property of any of the Corporations in respect of such Claim. Where the Shareholders have carriage and control of a Claim, if the Indemnified Parties does not consent to a settlement of a Claim to which the Tax Indemnity may apply following a request from the Shareholders to do so, the obligation of the Shareholders to indemnify the Indemnified Parties for the Claim shall be limited to the amount that the Shareholders would have been required to pay pursuant hereto in respect of the Claim if the settlement had been accepted and the Shareholders shall forthwith transfer carriage of the contestation of the Claim to the Indemnified Parties or its nominee. The Indemnified Parties, the Corporations and the Shareholders shall cooperate with each other and allow each other reasonable access to documents and records in any defence of any such Claims and shall keep each other reasonably informed of the conduct thereof. If the Shareholders elect not to have carriage and control of the contestation of the Claim, the Indemnified Parties and the Corporations shall be under no obligation to contest, settle or compromise the Claim and such failure to contest, settle or compromise the Claim shall not prejudice its rights pursuant to this Indemnity.

(c) The Parties undertake to inform each other of any audit inquiries with respect to issues to which the Tax Indemnity may apply and to cooperate with each other in making any representations prior to any assessment to which those indemnities may apply.

(d) The amounts payable in respect of the Tax Indemnity shall constitute and be treated by the parties as an adjustment to the Base Purchase Price.

7.5 Limitations on Indemnities

(a) No Claim for performance of an indemnity or in respect of a breach of any covenant, representation or warranty made in this Agreement (other than pursuant to Section 7.3 or 7.4) shall be made or be enforceable, whether by legal proceedings or otherwise, unless written notice of such Claim is given by the party seeking redress to the party or parties from whom redress is sought on or before: (i) in respect of a breach of Section 3.2(ll), the expiry of the statutory period in which a Claim, assessment or reassessment may be brought or effected against any of the Corporations in respect thereof; (ii) in respect of a breach of any of Section 3.2(u) to (y) or a Claim for the performance of the indemnity contemplated in Section 7.1(ii) hereof, the expiry of ninety days after the relevant Governmental Authorities shall no longer be entitled to assess liability for tax against any of the Corporations for any particular taxation year ended on or prior to the Closing Date, having regard without limitation, to any waivers given by the Shareholders of any of the Corporations in respect of any taxation year; and (iii) otherwise, the expiry of eighteen months from the Closing Date;

(b) The maximum cumulative liability of the Shareholders in respect of indemnities and breaches of the representations, warranties and covenants made by the Shareholders in this Agreement (other than pursuant to Section 7.3 or 7.4) shall not exceed the Aggregate Purchase Price;

(c) Except as otherwise set out herein, the parties' sole remedy for a misrepresentation or breach of a warranty or other agreement contained in this Agreement is limited to the indemnities contained in Article 7 and is limited by the provisions of this Section 7.5;

(d) Notwithstanding anything to the contrary set forth in this Agreement, the Shareholders shall have no liability to Parkland, the Fund or Holdings LP for any specific matter or claim for which Parkland, the Fund or Holdings LP has received an adjustment to the Purchase Price to the extent of such adjustment;

(e) Parkland, the Fund or Holdings LP shall not be entitled to make a Claim against the Shareholders for indemnity pursuant to this Agreement unless and until the aggregate amount of all Losses and Obligations with respect to all Claims asserted by Parkland, the Fund or Holdings LP under this Agreement (other than pursuant to Section 7.4) exceeds \$250,000. Once such minimum threshold in Losses and Obligations has been sustained by Parkland, the Fund or Holdings LP, the entirety of all Losses and Obligations sustained by Parkland, the Fund or Holdings LP shall be compensable under this Section 7.5, subject to the other provisions of this Section. Claims pursuant to Section 7.3 and 7.4 shall not be included in claims for the purposes of this Section 7.5(e);

(f) Losses of Parkland, the Fund or Holdings LP hereunder shall be deemed reduced by the amount of any insurance proceeds and any tax benefits received by Parkland, the Fund or Holdings LP with respect to such Losses; and

(g) None of Parkland, the Fund or Holdings LP shall be entitled to indemnity under both Section 7.3, 7.4 and Section 7.1 for the same Loss.

7.6 Indemnification Procedure

(a) For purposes of this Section 7.6, the term "**Indemnifying Party**" when used in connection with a Claim shall mean the Person having an obligation to indemnify the other Party with respect to such Claim pursuant to this Agreement (other than under Section 7.3 and 7.4), and the term "**Indemnified Party**" when used in connection with a particular Claim shall mean the Person having the right to be indemnified with respect to such Claim by the other Party pursuant to this Agreement (other than under Section 7.3 and 7.4)

(b) To make claim for indemnification, an Indemnified Party shall notify the Indemnifying Party of its claim under this Section 7.6, including the specific details of and specific basis under this Agreement for its claim (the "**Claim Notice**"). In the event that the claim for indemnification is based upon a claim by a third party against the Indemnified Party (a "**Third Party Claim**"), the Indemnified Party shall provide its Claim Notice promptly after the Indemnified Party has actual knowledge of the Third Party Claim and shall enclose a copy of all papers (if any) served with respect to the Third Party Claim; provided that the failure of any Indemnified Party to give notice of a Third Party Claim as provided in this Section 7.6 shall not relieve the Indemnifying Party of its obligations under this Agreement except to the extent such failure results in insufficient time being available to permit the Indemnifying Party to effectively defend against the Third Party Claim or otherwise materially prejudices the Indemnifying Party's ability to defend against the Third Party Claim. In the event that the claim for indemnification is based upon an inaccuracy or breach of a representation, warranty, covenant or agreement, the Claim Notice shall specify the representation, warranty, covenant or agreement which was inaccurate or breached.

(c) In the case of a claim for indemnification based upon a Third Party Claim, the Indemnifying Party shall have 30 days from its receipt of the Claim Notice to notify the Indemnified Party whether it admits or denies its liability to defend the Indemnified Party against such Third Party Claim at the sole cost and expense of the Indemnifying Party. The Indemnified Party is authorized, prior to and during such 30-day period, to file any motion, answer or other pleading that it shall deem necessary or appropriate to protect its interests or those of the Indemnifying Party and that is not prejudicial to the Indemnifying Party.

(d) If the Indemnifying Party admits its liability, it shall have the right and obligation to diligently defend, at its sole cost and expense, the Third Party Claim. The Indemnifying Party shall have full control of such defense and proceedings, including any compromise or settlement thereof. If requested by the Indemnifying Party, the Indemnified Party agrees to cooperate, at the cost and expense of the Indemnifying Party, in contesting any Third Party Claim which the Indemnifying Party elects to contest. The Indemnified Party may participate in, but not control, any defense or settlement of any Third Party Claim controlled by the Indemnifying Party pursuant to this Section 7.6(d). An Indemnifying Party shall not, without the written consent of the Indemnified Party, (i) settle any Third Party Claim or consent to the entry of any judgment with respect thereto which does not include an unconditional written release of the Indemnified Party from all liability in respect of such Third Party Claim or (ii) settle any Third Party Claim or consent to the entry of any judgment with respect thereto in any manner that may materially and adversely affect the Indemnified Party (other than as a result of money damages covered by the indemnity).

(e) If the Indemnifying Party does not admit its liability or admits its liability but fails to diligently prosecute or settle the Third Party Claim, then the Indemnified Party shall have the right to defend against the Third Party Claim at the sole cost and expense of the Indemnifying Party, with counsel of the Indemnified Party's choosing, subject to the right of the Indemnifying Party to admit its liability and assume the defense of the Third Party Claim at any time prior to settlement or final determination thereof. If the Indemnifying Party has not yet admitted its liability for a Third Party Claim, the Indemnified Party shall send written notice to the Indemnifying Party of any proposed settlement and the Indemnifying Party shall have the option for 10 days following receipt of such notice to (i) admit in writing its liability for the Third Party Claim and (ii) if liability is so admitted, reject, in its reasonable judgment, the proposed settlement.

(f) In the case of a claim for indemnification not based upon a Third Party Claim, the Indemnifying Party shall have 30 days from its receipt of the Claim Notice to (i) cure the Losses and Obligations complained of; (ii) admit its liability for such Losses or (iii) dispute the claim for such Losses and Obligations. If the Indemnifying Party does not notify the Indemnified Party within such 30-day period that it has cured the Losses and Obligations or that it disputes the claim for such Losses and Obligations, the amount of such Losses and Obligations shall conclusively be deemed a liability of the Indemnifying Party hereunder.

7.7 Materiality

For the purposes of calculating Losses and Obligations in conjunction with any breach of a representation, warranty or covenant pursuant to Sections 7.1, 7.2, 7.3 or 7.4, any standard or threshold of materiality relating to such breached representation, warranty or covenant shall be ignored.

ARTICLE 8
TERMINATION

8.1 Termination

If this Agreement is terminated prior to the Closing occurring pursuant to Section 5.1, Section 5.2 or Section 5.3, the Parties shall be released from all obligations under this Agreement and each Party shall remain liable for breaches by it of this Agreement occurring prior to such termination. Subject to the foregoing provisions of this Section, following such termination, each Party shall be responsible for the costs and expenses incurred by it in connection with this Agreement and the transactions contemplated hereby.

8.2 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. 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 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 9
ARBITRATION

9.1 Procedure

Any controversy submitted to arbitration pursuant to this Agreement shall be subject to the following principles:

(a) Upon written demand of a Party, representatives of the Parties shall meet and attempt to appoint a single arbitrator. If such representatives are unable to agree on a single arbitrator within five (5) days of such demand, then upon written demand by any Party, any Shareholder and Parkland shall, within ten (10) days of such demand, each name an arbitrator and the two arbitrators so named shall promptly thereafter choose a third. If a Party shall fail to name an arbitrator within ten (10) days from such demand, then the arbitrator for that Party shall be appointed by any Justice of the Court of Queen's Bench of Alberta upon application by the other Party. If the two arbitrators shall fail within ten (10) days from their appointment to agree upon and appoint the third arbitrator, then such third arbitrator shall be appointed by any Justice of the Court of Queen's Bench of Alberta upon request of either Party.

(b) The arbitrator or arbitrators selected to act hereunder shall be qualified by education, experience and training to pass upon the particular question in dispute.

(c) The arbitrator or arbitrators chosen as aforesaid shall proceed immediately to hear and determine the question or questions in dispute. The decision of the single arbitrator shall be made within forty-five (45) days after his or her appointment, subject to any reasonable delay due to unforeseen circumstances. Where there are three arbitrators, the decision of the arbitrators, or a majority of them, shall be made within forty-five (45) days after the appointment of the third arbitrator, subject to any reasonable delay due to unforeseen circumstances. In the event the single arbitrator or the arbitrators, or a majority of them, fail to make a decision within the period herein prescribed, then either Party may elect to have a new single arbitrator or arbitrators chosen in the manner herein prescribed, as if none had previously been selected.

(d) The decision of the single arbitrator or the decision of the arbitrators, or a majority of them, shall be drawn up in writing and signed by the single arbitrator or by the arbitrators, or a majority of them, and shall be final and binding upon the parties hereto.

(e) The liability between the Parties hereto for the payment of the compensation and expenses of the single arbitrator or the arbitrators shall be determined by the arbitrator or arbitrators, as the case may be.

(f) Arbitration pursuant hereto shall be governed in all respects not addressed herein by the provisions of the *Arbitration Act* (Alberta) and regulations thereunder.

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 or (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) by registered mail (postage prepaid), 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, if hand delivered or delivered by facsimile transmission, be deemed to have been given and received on the date on which it was hand delivered or delivered by facsimile transmission to the address provided herein (if a business day and, if not, the next succeeding business day) and if sent by registered mail be deemed to have been given and received on the third business day at the point of delivery following the date on which it was so sent.

10.2 Address for Service

The address for service of each of the parties hereto shall be as follows:

if to Parkland, Holdings LP or the Fund*:*

Parkland Industries Ltd.
Suite 236, Riverside Office Plaza
4919 - 59th Street
Red Deer, AB
T4N 6C9

Attention: President
Facsimile: (403) 346-3015

with a copy to*:*

Bennett Jones LLP
4500, 855 – 2nd Street S.W.
Calgary, AB T2P 4K7

Attention: David A. Spencer
Facsimile: (403) 265-7219

if to the Shareholders and/or the Corporations:

14125 – 99th Street
Grande Prairie, Alberta
T8V 7G2

with a copy to:

Lewis & Chrenek LLP
Barristers & Solicitors

#108, 9824 – 97th Avenue
Grande Prairie, Alberta T8V 7K2

Attention: Gordon D. Chrenek
Facsimile: (780) 539-7975

or such other address as may be designated by notice to the other Parties.

ARTICLE 11
MISCELLANEOUS

11.1 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.

11.2 Time of the Essence

Time shall be of the essence of this Agreement.

11.3 Public Announcements

No public announcement or press release concerning the sale and purchase of the Shares shall be made by a Party or its Affiliates without the prior written consent and joint approval of the other Party, which consent and approval shall not be unreasonably withheld or delayed; provided that nothing contained herein shall prevent Parkland or the Fund at any time furnishing any information to the public if required by Laws or the rule of a stock exchange.

11.4 Amendments and Waiver

No modification of or amendment 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.

11.5 Entire Agreement

This Agreement together with the Letter of Intent, the Confidentiality Agreement and the agreements and other documents to be delivered pursuant to this Agreement, 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 but excluding the Confidentiality Agreement and, other than pursuant to the Confidentiality Agreement, 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. No supplement, modification or waiver or termination of this Agreement shall be binding unless executed in writing by the Party to be bound thereby.

11.6 Applicable 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.

11.7 Amendments

This Agreement may only be amended by a written instrument signed by the Parties.

11.8 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.

11.9 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.

11.10 Benefit of the Agreement

This Agreement shall enure to the benefit of and be binding upon the respective heirs, executors, administrators, successors and permitted assigns of the Parties. No person other than the Parties and their successors and permitted assigns shall be entitled to any rights or benefits hereunder.

11.11 Assignment

This Agreement may not be assigned by any Party without the prior consent of the other Parties, provided that: (i) Parkland, the Fund or Holdings LP may assign its rights and obligations under this agreement to an Affiliate of Parkland, the Fund or Holdings LP if, contemporaneous therewith, such Affiliate of Parkland, the Fund or Holdings LP agrees to be bound by all representations, warranties, covenants and indemnities of Parkland, the Fund or Holdings LP hereunder; and (ii) any Shareholder may assign its rights and obligations under this Agreement to a person, wholly-owned by one or more Shareholders, that has, subsequent to the date hereof, become a shareholder of any of the Corporations if, contemporaneous therewith, such person agrees to be bound by all representations, warranties, covenants and indemnities of such Shareholder, provided that, notwithstanding any such agreement, the Shareholders continue to be bound by this Agreement as though a holder of Shares and otherwise as provided for herein and such agreement shall be in form and substance satisfactory to Parkland, acting reasonably.

11.12 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.

11.13 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 party hereto.

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

PARKLAND INDUSTRIES LTD.

By: *"Michael W. Chorlton"*

By: *"John G. Schroeder"*

PARKLAND INCOME FUND, by its administrator, Parkland Industries Ltd.

By: *"Michael W. Chorlton"*

By: *"John G. Schroeder"*

PARKLAND HOLDINGS LIMITED PARTNERSHIP, by its general partner, 986408 Alberta Ltd.

By: *"Michael W. Chorlton"*

By: *"John G. Schroeder"*

"Gordon D. Chrenek"	*"Abe Neufeld"*
Witness	**ABE NEUFELD**
"Gordon D. Chrenek"	*"Agnes Neufeld"*
Witness	**AGNES NEUFELD**

NEUFELD HOLDINGS LTD.

By: *"Abe Neufeld*

NEUFELD PETROLEUM & PROPANE LTD.

By: *"Agnes Neufeld"*

SCHEDULE 1.1(e)

ASSUMED DEBT

[Redacted]

SCHEDULE 1.1(n)

EXCLUDED ASSETS

[Redacted]

SCHEDULE 1.1(hh)

MATERIAL CONTRACTS

[Redacted]

SCHEDULE 1.1(mm)

PERMITTED ENCUMBRANCES

[Redacted]

SCHEDULE 1.1(uu)

REQUIRED APPROVALS

[Redacted]

SCHEDULE 2.2

FORM OF ESCROW AND UNIT PLEDGE AGREEMENT

[Redacted]

SCHEDULE 3.1(e)

SHAREHOLDERS

[Redacted]

SCHEDULE 3.2(h)

INSURANCE

[Redacted]

SCHEDULE 3.2(l)

SHARE CAPITAL

[Redacted]

SCHEDULE 3.2(q)

RECENT TRANSACTIONS

[Redacted]

SCHEDULE 3.2(t)

LITIGATION

[Redacted]

SCHEDULE 3.2(aa)

EMPLOYMENT MATTERS

[Redacted]

SCHEDULE 3.2(ll)

ENVIRONMENTAL MATTERS

[Redacted]

SCHEDULE 3.2(mm)

REAL PROPERTY

[Redacted]

SCHEDULE 3.2(nn)

REAL PROPERTY LEASES

[Redacted]

SCHEDULE 3.2(oo)

BANK ACCOUNTS

[Redacted]

SCHEDULE 5.1(c)

FORM OF EMPLOYMENT AGREEMENT

[Redacted]

SCHEDULE 5.2(j)

FORM OF OPTION AGREEMENT

[Redacted]

SCHEDULE 5.2(k)

FORM OF NON-COMPETITION AGREEMENT

[Redacted]