

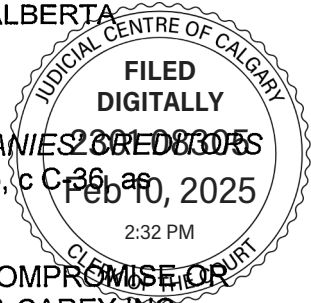
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COURT FILE NUMBER 2301 - 08305

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

APPLICANTS IN THE MATTER OF THE COMPANIES ~~2301-08305~~
ARRANGEMENT ACT, RSC 1985, c C-36, as
amended



AND IN THE MATTER OF THE COMPROMISE OR
ARRANGEMENT OF WALLACE & CAREY INC.,
LOUDON BROS LIMITED, and CAREY
MANAGEMENT INC.

DOCUMENT

AFFIDAVIT NO. 7 OF PATRICK CAREY

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS DOCUMENT

MILLER THOMSON LLP
Barristers and Solicitors
3000, 700 – 9th Avenue SW
Calgary, AB, T2P 3V4

Attention: James W. Reid / Pavin Takhar

Phone: 403-298-2418 / 403-298-2432

Email: jwreid@millerthomson.com /
ptakhar@millerthomson.com

File No.: 0221652.0006

AFFIDAVIT NO. 7 OF PATRICK CAREY

Sworn on February 10th, 2025

I, Patrick Carey, of the City of Calgary, in the Province of Alberta, **MAKE OATH AND SAY THAT:**

1. This Affidavit is made in support of the application by Wallace & Carey Inc. ("**Wallace & Carey**"), Loudon Bros. Limited ("**Loudon Bros**"), and Carey Management Inc. ("**CMI**", and together with Wallace & Carey, and Loudon Bros, the "**Applicants**" or the "**Companies**") returnable February 21, 2025 (the "**Application**") before the Court of King's Bench of Alberta (the "**Court**").

2. Wallace & Carey is a family-owned business founded in 1921. Prior to filing for creditor protection under the *Companies' Creditors Arrangement Act*, RSC 1985, c C-36 ("**CCAA**"), Wallace & Carey was servicing more than 7,000 customers across the country and had grown to become one of Canada's largest independent wholesale distribution and logistics companies.

3. Wallace & Carey has owned and operated Loudon Bros since 2011. Loudon Bros was Thunder Bay's leading foodservice wholesaler and distributor, serving convenience stores, grocery stores, restaurants, foodservice providers, not-for-profits, and various retail sector businesses throughout Northwestern Ontario. Loudon Bros. ceased operations in late 2023 and completed a wind-down in these CCAA proceedings. The Applicants' largest customer, by far, was 7-Eleven Canada Inc. ("**SEC**"), which relied on Wallace & Carey for the supply of all products to its stores throughout Canada.

4. Wallace & Carey and Loudon Bros (the "**Logistics Companies**") represent the Applicants' logistics business, while CMI is a holding company with ten subsidiaries, including Wallace & Carey.

5. CMI is the sole shareholder of Wallace & Carey. CMI provides management services to the Logistics Companies.

6. I am the sole director of CMI, Wallace & Carey and Loudon Bros.

7. I have personal knowledge of the matters described in this Affidavit, except where I state that my knowledge is based upon information and belief, in which case I believe the statements to be true.

I. NATURE OF APPLICATION AND OVERVIEW OF RELIEF SOUGHT

8. This Affidavit is sworn in support of the Application, seeking orders for the following relief:

- (a) abridging the time for service of the Application and the supporting material, if necessary, and deeming service thereof to be good and sufficient;
- (b) authorizing and approving the asset purchase agreement made as of February 7, 2025 (the "**APA**"), between the Applicants, as vendor, and 7-Eleven Distribution Canada Corp., as purchaser (the "**Purchaser**"), and authorizing and approving the transaction contemplated thereby (the "**Transaction**");
- (c) authorizing and directing the Applicants and Monitor to take all steps reasonably required to carry out the terms of the APA;
- (d) upon closing of the Transaction, vesting title to the Purchased Property (as defined in the APA) in and to the Purchaser;
- (e) releasing all claims (the "**Release**") against Patrick Carey, the present director of the Applicants (the "**Released Party**") for the period November 21, 2023 to August 20, 2025, in respect of any steps taken by the Released Party in accordance with the TSA (defined herein) and the ongoing CCAA proceedings, except in respect of claims for fraud, gross negligence, or willful misconduct, or any claims against the Released Party that is not permitted to be released pursuant to section 5.1(2) of the CCAA;
- (f) extending the stay period (the "**Stay Period**") up to and including August 20, 2025, or such other date as this Court may consider appropriate; and
- (g) granting such further and other relief as counsel may advise and this Honourable Court deems just and appropriate

(collectively, the "**Relief Sought**").

9. I understand that the Monitor, SEC, and the Purchaser each support the Relief Sought in the Application.

II. BACKGROUND

A. CCAA Proceedings

10. The Logistics Companies faced unprecedented challenges due to the COVID-19 global pandemic, the resulting supply chain disruptions and lockdowns, and the subsequent inflationary pressures and interest rate increases.

11. The Logistics Companies fell into arrears with many of their creditors, and could not meet their obligations to creditors generally as they become due.

12. On June 22, 2023, the Applicants obtained a CCAA Initial Order in these proceedings, which order was amended and restated on June 30, 2023 (the "**ARIO**"). KSV Restructuring Inc. is the monitor in these proceedings (in such capacity, the "**Monitor**").

13. Both prior to and following the ARIO, the Applicants experienced significant liquidity challenges.

14. The Logistics Companies downsized their business during the CCAA proceedings.

15. This downsizing included the discontinuation of the operations of Loudon Bros, which is completed.

16. As more fully discussed below, the Applicants also completed a transaction (the "**SEC Transaction**") with SEC that resulted in a continuation of Wallace & Carey's business and the preservation of employment for most of Wallace & Carey's employees.

B. The SEC Transaction

17. The Applicants commenced a sale and investment solicitation process ("**SISP**") due to the liquidity and cash flow challenges faced by the Applicants and in the absence of a viable restructuring plan.

18. On August 23, 2023, the Court granted an Order approving: (i) the Applicants' form of SISP; and (ii) the Applicants' engagement of Alvarez & Marsal Canada Securities ULC as financial advisor to conduct the SISP under the oversight of the Monitor.

19. Following the SISP, SEC and the Applicants entered into an asset purchase agreement (the "**SEC Sale Agreement**"). The SEC Sale Agreement was for the sale of the Applicants'

personal property and equipment assets located in Alberta and British Columbia and the intellectual property, technology, software and systems relating to the Wallace & Carey's entire business across Canada.

20. Pursuant to the SEC Sale Agreement and concurrent with the closing of that transaction, the Applicants, the Monitor, and SEC entered into a transition services agreement ("**TSA**"). Wallace & Carey continues to provide logistics and other services to SEC in connection with the business of the Applicants and in accordance with the terms and conditions contained in the TSA.

21. Pursuant to the terms of the TSA, SEC is required to fund substantially all of Wallace & Carey's and CMI's costs, including 100% of its inventory purchases, from and after the effective closing time, being 12:01 a.m. on November 19, 2023. SEC is entitled to 100% of the revenue generated from Wallace & Carey's business from and after the closing of the transaction, and is responsible to fund all costs related to the business from that date. The Purchaser also has the right to purchase the Optional Purchased Assets (as defined in the TSA).

22. On November 17, 2023, the Court granted an Order approving the SEC Sale Agreement, the TSA and the SEC Transaction which closed on November 21, 2023.

23. Further and as part of the SEC Transaction, certain subsidiaries of CMI were placed in receivership and KSV Restructuring Inc. was appointed the receiver for the purpose of completing the sale certain real property to SEC.

24. In accordance with the SEC Transaction, the directors of the Applicants were granted releases for their actions up to the date of the closing of the SEC Transaction.

C. TSA Period

25. The TSA period commenced on November 21, 2023. The term of the TSA is fifteen months from the closing date for the Wallace & Carey business in Alberta and British Columbia (the "**Western Canada Business**"), and nine months from the closing date for the Wallace & Carey business east of Alberta (the "**Eastern Canada Business**"). Each transition services period is subject to two 90-day extensions at the option of SEC.

26. The purpose of the TSA was for the Applicants to continue to provide certain services to SEC, while SEC considered if and how to operate the Wallace & Carey business.

27. The Applicants, at the cost of SEC, were to continue to employ certain warehouse, logistics, administrative, and managerial staff to operate the business and provide the services described in the TSA.

28. Pursuant to the TSA, Wallace & Carey and CMI were to continue to hold ownership of certain leases (the "**Option WH Leases**") of premises located at (i) 2226 South Service Road, Oakville, Ontario (the "**Oakville Warehouse**") (ii) 603 Park Street, Regina, Saskatchewan, (iii) Units 1-6 Bentall Street, Winnipeg, Manitoba, and (iv) 8 - 3703 Millar Avenue, Saskatoon, Saskatchewan (the "**Leased Option Premises**") until SEC could determine if they wished to take an assignment of one or more of the Option WH Leases.

29. Also pursuant to the TSA and with the approval of the Court, CMI and Wallace & Carey granted to SEC an exclusive irrevocable option to acquire any and all of the Optional Purchased Assets, which included the Option WH Leases.

30. On May 29, 2024, the Court approved a transaction assigning the lease of the Oakville Warehouse held by Wallace & Carey to SEC.

31. On May 29, 2024, the Court approved a transaction between Wallace & Carey and SEC wherein SEC purchased all tools, signs, furniture, machinery, equipment, personal or moveable property, chattels, furnishings and fixtures, trade fixtures and assigned contracts located at or related to the Oakville Warehouse.

32. With respect to the remaining Lease Option Premises and Option WH Leases, on or about January 20, 2025, Wallace & Carey, with the consent of the relevant landlords assigned its interests in each of the remaining Option WH Leases to the Purchaser.

33. As referenced above, in accordance with the TSA, SEC either directly funded the purchase of the inventory or indirectly funded the purchase of the inventory via its general financing of Wallace & Carey's operations under the TSA. Notwithstanding such financing, the Applicants hold legal title to this inventory.

34. In addition to the sale of certain assets, the Applicants during the TSA period have continued to winddown operations and move employees over to the Purchaser or SEC. At this point in time all employees have now moved from the Applicants to SEC or the Purchaser, however some of the Purchaser's employees are temporarily seconded to Wallace & Carey to conclude the transition of the business.

35. On July 9, 2024 and October 15, 2024, SEC exercised its rights to extend the TSA for the maximum 90-day periods in respect of the Eastern Business. The TSA period for the Eastern Business expires on February 17, 2025.

36. On January 9, 2025, SEC exercised its rights to extend the TSA for a period of 90-days in respect of the Western Business. The TSA period for the Western Business expires on May 22, 2025, subject to one further 90-day extension. It is my understanding that SEC intends to exercise this remaining option to extend the TSA period for the Western Business to August 20, 2025.

37. On February 7, 2025, Wallace & Carey, CMI, SEC, and the Monitor entered into an amendment to the TSA (the "TSA Amendment") to align the TSA expiration dates of the Western Business and Eastern Business. As a result of the TSA Amendment, the TSA periods for the Western Business and Eastern Business end on August 20, 2025.

D. Other Ongoing Actions During the CCAA

38. During the course of the CCAA Proceeding and since the last stay extension, the Applicants have been actively pursuing various litigation claims, the enforcement of orders against certain defendant litigation parties, and generally working to realize on any remaining assets and accounts receivable for the benefit of all stakeholders.

III. RELIEF REQUESTED

A. Approval of Transaction

39. The Applicants are seeking approval of the APA and Transaction in the form of an Approval and Vesting Order. A copy of the executed APA is attached as Exhibit "A".

40. Capitalized terms used in this section and not otherwise defined have the meanings given to them in the APA or TSA, as applicable.

41. The Transaction will allow SEC and the Purchaser to purchase the remaining furniture, fixtures and equipment located at the Leased Option Premises. The Purchaser will also assume the outstanding liability owing to SEC by Wallace & Carey for the funding that SEC provided to Wallace & Carey to purchase inventory and provide transition services in accordance with the TSA during the TSA term.

42. The key terms of the APA are as follows:

- (a) **Vendors:** Wallace & Carey Inc., Loudon Bros. Limited, Carey Management Inc.
- (b) **Purchaser:** 7- Eleven Distribution Canada Corp.
- (c) **Transaction:** the Purchaser shall purchase on an as is where is basis, all of the Purchased Property.
- (d) **Purchased Inventory:** all of the inventory used in the Business as of the Closing Effective Time for which the purchase price thereof was financed, directly or indirectly, by SEC pursuant to the TSA and for which the Vendors have legal and beneficial title.
- (e) **Eastern FF&E:** all tools, signs, furniture, machinery, equipment, personal or moveable property, chattels, furnishings and fixtures including shelves, video cameras and equipment, security systems, inventory control systems, computer systems and servers and related appurtenances, telecommunications systems and related appurtenances, electric light fixtures, elevating devices and equipment, and which are now used or intended to be used, or which were previously used, in connection with the Vendors' occupation and operations on the following leased premises: (i) 603 Park Street, Regina, Saskatchewan, (ii) Units 1-6 Bentall Street, Winnipeg, Manitoba, and (iii) 8-3703 Millar Avenue, Saskatoon, Saskatchewan.
- (f) **Purchased Property:** means, collectively, the Purchased Inventory and the Eastern FF&E.
- (g) **Purchase Price:** the aggregate purchase price for the Purchased Property (the "**Purchase Price**") shall be equal to the sum of (i) the balance sheet value of the Purchased Inventory as set forth in the most recent Wallace & Carey Financial Reporting Package prepared by the Financial Controller of W&C on or prior to the Closing Date, which shall be produced in accordance with generally accepted accounting principles, and subject to such further adjustments as may be mutually agreed upon by the Parties in writing, with approval of the Monitor (the "**Inventory Purchase Price** ") ***plus*** (ii) the midpoint between the forced liquidation value and the orderly liquidation value, as determined by an appraisal conducted by a qualified third-party appraiser mutually agreed upon by the Parties (and approved by the Monitor), it being understood that such appraisal may be conducted without

a physical inspection of such assets based on asset listings provided by the Parties in good faith, and subject to such further adjustments as may be mutually agreed upon by the Parties in writing, with approval of the Monitor (the "**Eastern FF&E Purchase Price**").

- (h) **Payment of Purchase Price:** the Purchase Price shall be satisfied by the Purchaser as follows;
 - (i) as to the Inventory Purchase Price, by the Purchaser assuming the Assumed Liabilities owed by the Vendors to SEC in respect of the Purchased Inventory; and
 - (ii) as to the Eastern FF&E Purchase Price, such amount shall be satisfied, in whole or in part, through the payment of immediately available funds to the Monitor (on behalf of the Vendors), the assumption of certain liabilities of the Vendors, including liabilities related to destroying and disposing of certain unsaleable vape product.
- (i) **Assumed Liabilities:** all liabilities owing by the Vendors to SEC in respect of the funds advanced by SEC to purchase the Purchased Inventory.
- (j) **Representation and Warranties:** The Transaction shall be on an 'as is, where is' basis with no representations or warranties.
- (k) **Closing Date:** March 17, 2025 unless otherwise agreed to by the Applicants, Purchaser and Monitor.
- (l) **Outside Date:** 11:59 pm (Calgary time) on June 30, 2025, or such other later date and times as the Applicants and the Purchaser may agree to in writing (with the prior written consent of the Monitor).
- (m) **Conditions:** Court shall have issued and entered the Approval and Vesting Order.

43. The Applicants request that the Court approve the APA and Transaction for the following reasons:

- (a) the process leading to the Transaction was reasonable and was contemplated by the SEC Transaction;

- (b) SEC is entitled to the benefit of all operations of Wallace & Carey from the date of the SEC Transaction given that it is also responsible for all costs of its operations;
- (c) the TSA and the transactions contemplated therein were negotiated in the context of the SEC Transaction, which was subject to the SEC Transaction Approval and Vesting Order;
- (d) the Transaction is in accordance with the TSA, and furthers SEC exercising its options to purchase the Optional Purchased Assets;
- (e) on the approval of the APA, the Applicants will be released from the Assumed Liabilities;
- (f) the methodology(as per paragraph 41(g)(ii)) to determine the purchase price for these fixed and other sundry assets is consistent with that used for other assets purchased by SEC as part of the SEC Transaction and subsequent transactions during these CCAA proceedings; and
- (g) the approval of the APA and Transaction is in the best interests of the stakeholders of the Applicants and employees and is in accordance with the obligations of Wallace & Carey and CMI pursuant to the TSA.

44. The Monitor supports the approval of the APA and Transaction and it will file the Monitor's Report in support of the Application.

B. Extension of Stay of Proceedings

45. The Applicants are seeking an extension of the Stay Period up to an including August 20, 2025. The requested extension of the Stay Period is necessary and appropriate in the circumstances to, among other things:

- (a) enforce a costs award against the Freshslice Group of Companies, consisting of A&M Enterprises Inc., Freshslice Holdings Ltd., and RF Franchising Inc. (**"Freshslice Group of Companies"**). Currently, Wallace & Carey has obtained a garnishment order in the Supreme Court of British Columbia and it intends to continue this enforcement against the Freshslice Group of Companies;
- (b) enforce a summary judgment award against Dakin News Systems Inc. (**"Dakin News"**). Currently, Wallace & Carey obtained a garnishment against certain

accounts thought to be held by Dakin News in the Province of Ontario and it intends to continue this enforcement;

- (c) continue to provide services to SEC and the Purchaser pursuant to the terms of the TSA, as approved by the Court;
- (d) for Wallace & Carey to obtain a material rebate for the purchase of various inventory in 2025;
- (e) to complete and close the Transaction, and assist the Purchaser with any outstanding post closing issues;
- (f) to continue to assist SEC with the integration of the Applicants' business;
- (g) to provide the Applicants, the Purchaser and the Monitor with time to negotiate and finalize an arrangement to conclude the TSA and these CCAA proceedings; and
- (h) monetize certain subsidiary shares held by CMI.

46. The Applicants have been acting and continue to act in good faith and with due diligence. Since the Stay Period was last extended by this Honourable Court on November 25, 2024, the Applicants have been working diligently to, among other things:

- (a) operate Wallace & Carey in the ordinary course, as appropriate in the circumstances of these CCAA proceedings;
- (b) prepare financial models with the assistance of the Monitor and SEC;
- (c) continue to pursue litigation for the benefit of all stakeholders, including its litigation against Megabox Inc. and 0903219 B.C. Ltd., operating as Pizza Club, which resulted in a significant settlement paid to the Monitor;
- (d) pursue collections of accounts receivable and amounts owing from vendors;
- (e) manage current operations and product flow to current customers;
- (f) assist the Monitor with monetizing certain assets and further existing assets;
- (g) provide services to SEC in accordance with the terms of the TSA; and

(h) work with SEC and the Purchaser to arrive at the APA and Transaction.

47. The proposed extension of the Stay Period will allow Wallace & Carey to operate in the normal course and carry out its obligations under the TSA, advance the ongoing enforcement of its successful litigation, continue to assist the Monitor in realizing on any further assets which may exist, including CMI's subsidiary shares for the benefit of its creditors, and assisting in discussions with the Monitor and the Purchaser to conclude the TSA and these CCAA proceedings. Further, the extension is dated to coincide with the end of the TSA period (as extended).

48. I understand that SEC will continue to fund Wallace & Carey, including the seconded staff during the transition period in accordance with the TSA.

49. I understand the Monitor supports the extension of the Stay Period as sought by the Applicants and it will file a report, which will include, among other things, a cash flow forecast demonstrating that the Applicants will have sufficient funds to continue their operations for the applicable extended Stay Period.

C. Release

50. The Applicants seek approval of the Release in favour of myself, being the Released Party for the period of November 21, 2023 to August 20, 2025.

51. Previously, I along with the other directors, employees, and officers obtained a release related to the SEC Transaction. This release was for all steps taken prior to and in relation to the SEC Transaction.

52. Since the SEC Transaction, I have made, and continue to make, material contributions to these CCAA proceedings. I have been critical since the effective date of the TSA (the "TSA Term") to manage the transition of Wallace & Carey's business to SEC and the Purchaser, including its employees, and continuing to manage the various other actions of the Applicants throughout the course of the within CCAA proceedings.

53. I have been responsible for managing all ongoing litigation which resulted in significant judgments against certain defendant corporations, monetizing assets and supporting SEC and the Purchaser throughout the TSA Term.

54. During the TSA Term, the substantial majority of Wallace & Carey's business has been to provide the transition services pursuant to the TSA, subject to SEC's funding obligations thereunder. As a result of providing the transition services during the TSA Term, the Applicants

This is **Exhibit "A"** referred to in the Affidavit of Patrick Carey sworn before me at the City of Calgary, in the Province of Alberta this 10th day of February, 2025.



Commissioner for Oaths in and for Alberta

Pavin Takhar

Registrar & Solicitor practicing in and for the Province of Alberta

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement is entered into as of the 7th day of February, 2025

AMONG:

CAREY MANAGEMENT INC., a corporation incorporated pursuant to the laws of the Province of Alberta (“**CMI**”)

– and –

WALLACE & CAREY INC., a corporation incorporated pursuant to the laws of the Province of Alberta (“**W&C**”)

– and –

LOUDON BROS. LIMITED., a corporation incorporated pursuant to the laws of the Province of Ontario (“**Loudon**” and together with CMI and W&C, collectively, the “**Vendors**”)

– and –

7-ELEVEN DISTRIBUTION CANADA CORP., a corporation incorporated pursuant to the laws of the Province of British Columbia (the “**Purchaser**”)

RECITALS:

- A. Pursuant to the Order of the Honourable Justice G.A. Campbell of the Alberta Court of King’s Bench (the “**Court**”) issued June 22, 2023 (as may be amended or amended and restated from time to time, the “**Initial Order**”), the Vendors were granted relief in proceedings commenced by the Vendors (the “**CCAA Proceedings**”) pursuant to the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c.C-36, as amended (the “**CCAA**”), and KSV Restructuring Inc. (“**KSV**”) was appointed as the Monitor of the Vendors (in such capacity, the “**Monitor**”).
- B. In connection with the CCAA Proceedings, the Court by Approval and Vesting Order dated November 17, 2023, approved, among other things, (i) the transactions contemplated by that certain Asset Purchase Agreement among the Vendors and SEC dated as of November 7, 2023 (the “**APA**”), pursuant to which SEC purchased (or took an assignment of), and the Vendors sold (or assigned), certain assets used in connection with the business of the Vendors (the “**Business**”), as more fully set forth therein, and (ii) the transactions contemplated by that certain Transition Services Agreement dated as of November 7, 2023 (the “**TSA**”), pursuant to which, among other things, the Vendors agreed to continue to provide certain services to SEC in connection with the Business, and SEC agreed to fund the Business, as more fully set forth therein.
- C. Capitalized terms used herein that are not otherwise defined shall have the meanings ascribed to them in the TSA.
- D. Pursuant to and in accordance with the TSA, SEC financed, directly or indirectly, the Vendors’ purchase of the Purchased Inventory (as hereinafter defined), and notwithstanding such financing, the Vendors hold legal title to the Purchased Inventory.
- E. The Purchaser is a wholly-owned subsidiary of SEC.
- F. As consideration for the purchase of the Purchased Inventory, the Purchaser intends to assume all liabilities owing by the Vendors to SEC in respect of the funds advanced by SEC to purchase the

Purchased Inventory (the “**Assumed Liabilities**”), and the Vendors will thereby be released from the Assumed Liabilities.

- G. The Vendors have agreed to sell, and the Purchaser has agreed to purchase, the Purchased Property, on the terms and subject to the conditions provided in this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby irrevocably acknowledged, the Parties hereby acknowledge and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

Unless something in the subject matter or context is inconsistent therewith, the terms defined herein shall have the following meanings:

“**Affiliate**” has the meaning given to the term “affiliate” in the *Business Corporations Act*, R.S.A. 2000, c.B-9.

“**Agreement**” means this asset purchase agreement, as may be amended and restated from time to time in accordance with the terms hereof, with the prior written consent of the Monitor, and “**Article**” and “**Section**” mean and refer to the specified article, section and subsection of this Agreement.

“**Applicable Law**” means, in respect of any Person, property, transaction or event, any: (i) domestic or foreign statute, law (including the common law), ordinance, rule, regulation, treaty, restriction, regulatory policy, standard, code or guideline, by-law or order; (ii) judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, orders, decisions, rulings, instruments or awards of any Governmental Authority; and (iii) policies, practices, standards, guidelines and protocols having the force of law, that applies in whole or in part to such Person, property, transaction or event.

“**Approval and Vesting Order**” means an order by the Court, in form and substance satisfactory to the Purchaser and the Monitor, acting reasonably, among other things, approving and authorizing this Agreement and the transactions contemplated herein, vesting title to the Purchased Inventory in the Purchaser on Closing, free and clear of all Encumbrances.

“**Assumed Liabilities**” has the meaning set out in the recitals hereto.

“**Authorization**” means any authorization, approval, consent, concession, exemption, license, lease, grant, permit, franchise, right, privilege or no-action letter from any Governmental Authority having jurisdiction with respect to any specified Person, property, transaction or event, or with respect to any of such Person’s property or business and affairs or from any Person in connection with any easements, contractual rights or other matters.

“**Business**” means the business conducted by the Vendors, comprising an integrated inter-provincial wholesale distribution and logistics business.

“**Business Day**” means a day on which banks are open for business in the Province of Alberta, but does not include a Saturday, Sunday or statutory holiday in the Province of Alberta.

“**CAA**” has the meaning set out in the recitals hereto.

“**CCAA Charges**” means those priority charges granted pursuant to the Initial Order, or any other order of the Court, in the CCAA Proceedings.

“**CCAA Proceedings**” has the meaning set out in the recitals hereto.

“**Claims**” means any civil, criminal, administrative, regulatory, arbitral or investigative inquiry, action, suit, investigation or proceeding and any claim of any nature or kind (including any cross-claim or counterclaim), demand, investigation, audit, chose in or cause of action, suit, default, assessment, litigation, prosecution, third party action, arbitral proceeding or proceeding, complaint or allegation, by or before any Person.

“**Closing**” means the closing and consummation of the Transaction.

“**Closing Date**” means March 17, 2025, unless otherwise agreed by the Parties hereto and the Monitor.

“**Closing Effective Time**” means 12:01 a.m. (Calgary time) on March 17, 2025, or such other time as the Parties may agree to in writing.

“**CMI**” means Carey Management Inc.

“**Court**” has the meaning set out in the recitals hereto.

“**Eastern FF&E**” all tools, signs, furniture, machinery, equipment, personal or moveable property, chattels, furnishings and fixtures including shelves, video cameras and equipment, security systems, inventory control systems, computer systems and servers and related appurtenances, telecommunications systems and related appurtenances, electric light fixtures, elevating devices and equipment, and which are now used or intended to be used, or which were previously used, in connection with the Vendors’ occupation and operations on the following leased premises: (i) 603 Park Street, Regina, Saskatchewan, (ii) Units 1-6 Bentall Street, Winnipeg, Manitoba, and (iii) 8-3703 Millar Avenue, Saskatoon, Saskatchewan.

“**Eastern FF&E Purchase Price**” means the midpoint between the forced liquidation value and the orderly liquidation value, as determined by an appraisal conducted by a qualified third-party appraiser mutually agreed upon by the Parties (and approved by the Monitor), it being understood that such appraisal may be conducted without a physical inspection of such assets based on asset listings provided by the Parties in good faith, and subject to such further adjustments as may be mutually agreed upon by the Parties in writing, with approval of the Monitor.

“**Encumbrance**” means any security interest, lien, Claim, charge, CCAA Charge, right of retention, deemed trust, judgement, writ of seizure, writ of execution, notice of seizure, notice of execution, notice of sale, hypothec, reservation of ownership, pledge, encumbrance, mortgage or right of a third party (including any contractual rights such as purchase options, rights of first refusal, rights of first offer or any other pre-emptive contractual right) or encumbrance of any nature or kind whatsoever and any agreement, option or privilege (whether by law, contract or otherwise) capable of becoming any of the foregoing, (including any conditional sale or title retention agreement, or any capital or financing lease).

“**Excise Tax Act**” means the *Excise Tax Act*, R.S.C, 1985, c. E-15.

“**General Conveyance**” means a bill of sale and general conveyance evidencing the conveyance to the Purchaser of the Vendors’ interest in and to the Purchased Property, in form and substance satisfactory to the Parties, acting reasonably.

“**Governmental Authority**” means any domestic or foreign government, whether federal, provincial, state, territorial or municipal; and any governmental agency, ministry, department, court (including the Court), tribunal, commission, stock exchange, bureau, board or other instrumentality exercising or purporting to exercise legislative, judicial, regulatory or administrative functions of, or pertaining to, government or securities market regulation.

“**GST/HST**” means all goods and services tax imposed under Part IX of the *Excise Tax Act*.

“**Income Tax Act**” means the *Income Tax Act*, R.S.C., 1985, c. 1 (5th Supp.).

“**Inventory Purchase Price**” means the balance sheet value of the Purchased Inventory as set forth in the most recent Wallace & Carey Financial Reporting Package prepared by the Financial Controller of W&C on or prior to the Closing Date, which shall be produced in accordance with generally accepted accounting principles, and subject to such further adjustments as may be mutually agreed upon by the Parties in writing, with approval of the Monitor.

“**Liability**” means, with respect to any Person, any liability or obligation of such Person of any kind, character or description, whether known or unknown, absolute or contingent, accrued or unaccrued, disputed or undisputed, liquidated or unliquidated, secured or unsecured, joint or several, due or to become due, vested or unvested, executory, determined, determinable or otherwise, and whether or not the same is required to be accrued on the financial statements of such Person.

“**Loudon**” means Loudon Bros Limited.

“**Monitor**” has the meaning set out in the recitals hereto.

“**Monitor’s Certificate**” has the meaning set out in Section 7.1(d).

“**Ordinary Course**” means when used in relation to the conduct of the Business, any transaction that constitutes an ordinary day-to-day business activity of the Business conducted in a manner consistent with the Vendors past practice, having regard for CCAA Proceedings.

“**Outside Date**” means 11:59 pm (Calgary time) on June 30, 2025, or such later date and time as the Vendors and the Purchaser may agree to in writing (with the prior written consent of the Monitor).

“**Parties**” means the Vendors and the Purchaser.

“**Party**” means either CMI, W&C, Loudon or the Purchaser.

“**Person**” means any individual, partnership, limited partnership, limited liability company, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, Governmental Authority or other entity however designated or constituted.

“**Purchase Price**” has the meaning set out in Section 3.1.

“**Purchased Inventory**” means all of the inventory used in the Business as of the Closing Effective Time for which the purchase price thereof was financed, directly or indirectly, by SEC pursuant to the TSA and for which the Vendors have legal and beneficial title.

“**Purchased Property**” means, collectively, the Purchased Inventory and the Eastern FF&E.

“**Purchaser**” means 7-Eleven Canada Distribution Canada Corp.

“**SEC**” means 7-Eleven Canada, Inc.

“**Taxes**” means, with respect to any Person, all national, federal, provincial, local or other taxes, including income taxes, capital gains taxes, value added taxes, severance taxes, ad valorem taxes, property taxes, capital taxes, net worth taxes, production taxes, sales taxes, use taxes, license taxes, excise taxes, environmental taxes, transfer taxes, withholding or similar taxes, payroll taxes, employment taxes, employer health taxes, pension plan premiums and contributions, workers’ compensation premiums, employment insurance or compensation premiums, stamp taxes, occupation taxes, premium taxes, alternative or add-on minimum taxes, GST/HST, customs duties or other taxes of any kind whatsoever imposed or charged by any Governmental Authority, together with any interest, penalties, or additions with respect thereto and any interest in respect of such additions or penalties.

“**Transaction**” means the transactions contemplated by this Agreement and the agreements and documents referred to herein and/or being delivered pursuant hereto.

“**Transfer Taxes**” means all present and future transfer taxes, sales taxes, use taxes, production taxes, value-added taxes, goods and services taxes, land transfer taxes, registration and recording fees, and any other similar or like taxes and charges imposed by a Governmental Authority in connection with the sale, transfer or registration of the transfer of the Purchased Property, including GST/HST.

“**TSA**” has the meaning set out in the recitals hereto.

“**Vendor**” means any of CMI, W&C, or Loudon and “**Vendors**” means all of them collectively.

“**W&C**” means Wallace & Carey Inc.

1.2 Interpretation Not Affected by Headings, etc.

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

1.3 General Construction

The terms “this Agreement”, “hereof”, “herein” and “hereunder” and similar expressions refer to this Agreement and not to any particular section hereof. The expression “Section” or reference to another subdivision followed by a number mean and refer to the specified Section or other subdivision of this Agreement. The language used in this Agreement is the language chosen by the Parties to express their mutual intent, and no rule of strict construction shall be applied against any Party.

1.4 Extended Meanings

Words importing the singular include the plural and vice versa and words importing gender include all genders. The term “including” means “including, without limitation,” and such terms as “includes” have similar meanings and the term “third party” means any other Person other than the Vendors or the Purchaser, or any Affiliates thereof.

1.5 Currency

All references in this Agreement to dollars, monetary amounts, or to \$, are expressed in Canadian currency unless otherwise specifically indicated.

1.6 Statutes

Except as otherwise provided in this Agreement, any reference in this Agreement to a statute refers to such statute and all rules, regulations and interpretations made under it, as it or they may have been or may from time to time be modified, amended or re-enacted.

ARTICLE 2 PURCHASE AND SALE OF PURCHASED PROPERTY

2.1 Purchase and Sale of Purchased Property

At the Closing, subject to the terms and conditions set forth in this Agreement, the Vendors shall sell, assign, transfer and convey to the Purchaser, and the Purchaser shall purchase, acquire and assume from the Vendors, each Vendor's right, title and interest in, all of the Purchased Property.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The aggregate purchase price for the Purchased Property (the "**Purchase Price**") shall be equal to the sum of (i) the Inventory Purchase Price *plus* (ii) the Eastern FF&E Purchase Price.

3.2 Payment of the Purchase Price

The Purchase Price shall be satisfied by the Purchaser as follows on the Closing:

- (a) as to the Inventory Purchase Price, by the Purchaser assuming the Assumed Liabilities owed by the Vendors to SEC in respect of the Purchased Inventory; and
- (b) as to the Eastern FF&E Purchase Price, such amount shall be satisfied, in whole or in part, through the payment of immediately available funds to the Monitor (on behalf of the Vendors), the assumption of certain liabilities of the Vendors, or such other consideration as may be mutually agreed upon by the Parties, with the approval of the Monitor.

3.3 Transfer Taxes

The Parties agree that:

- (a) The Purchase Price does not include Transfer Taxes and the Purchaser shall be liable for and shall pay any and all Transfer Taxes, if any, pertaining to the Purchaser's acquisition of the Purchased Property.
- (b) Where a Vendor is required under Applicable Law to collect or pay Transfer Taxes, the Purchaser will pay the amount of such Transfer Taxes to W&C on the Closing Date. W&C shall pay such Transfer Taxes directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due.
- (c) Except where a Vendor is required under Applicable Law to collect or pay such Transfer Taxes, the Purchaser shall pay such Transfer Taxes directly to the appropriate Governmental Authority or other entity within the required time period and shall file all necessary documentation with respect to such Transfer Taxes when due. Each Vendor will do and cause to be done such things as are reasonably requested to enable the Purchaser to

comply with such obligation in a timely manner. If a Vendor is required under Applicable Law to pay any such Transfer Taxes which are not paid by the Purchaser on the Closing Date, the Purchaser shall promptly reimburse such Vendor the full amount of such Transfer Taxes upon delivery to the Purchaser of copies of receipts showing payment of such Transfer Taxes.

- (d) The Purchaser shall indemnify the Vendors for, from and against any Transfer Taxes (including any interest or penalties imposed by a Governmental Authority) that the Vendors may pay or for which the Vendors may become liable as a result of any failure by the Purchaser to pay or remit such Transfer Taxes.
- (e) Notwithstanding the foregoing, if available, the Purchaser and the Vendors shall jointly execute an election under section 167 of the *Excise Tax Act* in connection with the transfer of the Purchased Property contemplated herein, and the Purchaser shall file such election with its applicable Tax return for the reporting period in which the sale of the Purchased Property takes place. Any GST/HST incurred in connection with the purchase and sale of the Purchased Property contemplated by this Agreement, including where an election pursuant to subsection 167(1) of the *Excise Tax Act* is not or cannot be validly made in respect of the Purchased Property, shall be borne by Purchaser.

ARTICLE 4 REPRESENTATIONS AND WARRANTIES

4.1 Representations and Warranties of the Vendors

Each Vendor hereby represents and warrants as of the date hereof and as of the Closing Date as follows, and acknowledges that the Purchaser is relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. It is a corporation incorporated and existing under the laws of the jurisdiction of its incorporation, is in good standing under such laws and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and, subject to obtaining the Approval and Vesting Order in respect of the matters approved therein, performance by each Vendor of this Agreement has been authorized by all necessary corporate action on the part of each Vendor.
- (c) Execution and Binding Obligation. This Agreement has been duly executed and delivered by each Vendor and constitutes a legal, valid and binding obligation of each Vendor, enforceable against it in accordance with its terms, subject only to obtaining the Approval and Vesting Order.
- (d) Proceedings. Other than the CCAA Proceedings, there are no proceedings pending against each Vendor or, to the knowledge of each Vendor, threatened, with respect to, or in any manner affecting, their respective titles to the Purchased Property, or which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Purchased Property or the Closing of the Transaction as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Vendor from fulfilling any of its obligations set forth in this Agreement.
- (e) No Consents or Authorizations. Subject only to obtaining the Approval and Vesting Order, each Vendor does not require any consent, approval, waiver or other Authorization from

any Governmental Authority or any other Person, as a condition to the lawful completion of the Transaction.

- (f) Residency. Each Vendor is not a non-resident of Canada for purposes of the *Income Tax Act* or the *Excise Tax Act*, as applicable.
- (g) No Other Agreements to Purchase. Except for the Purchaser's rights under this Agreement, no Person has any contractual right, option or privilege for the purchase or acquisition from each Vendor of any of the Purchased Property.

4.2 Representations and Warranties of the Purchaser

The Purchaser hereby represents and warrants to and in favour of the Vendors as of the date hereof and as of the Closing Date, and acknowledges that the Vendors are relying on such representations and warranties in connection with entering into this Agreement and performing its obligations hereunder:

- (a) Incorporation and Status. The Purchaser is a corporation incorporated and existing under the *Canada Business Corporations Act*, is in good standing under such act and has the power and authority to enter into, deliver and perform its obligations under this Agreement.
- (b) Corporate Authorization. The execution, delivery and performance by the Purchaser of this Agreement has been authorized by all necessary corporate action on the part of the Purchaser.
- (c) No Conflict. The execution, delivery and performance by the Purchaser of this Agreement do not (or would not with the giving of notice, the lapse of time, or both, or the happening of any other event or condition) result in a breach or a violation of, or conflict with, or allow any other Person to exercise any rights under, any terms or provisions of the Organizational Documents of the Purchaser.
- (d) Execution and Binding Obligation. This Agreement has been duly executed and delivered by the Purchaser and constitutes a legal, valid and binding obligation of the Purchaser, enforceable against it in accordance with its terms, subject only to the Approval and Vesting Order.
- (e) Proceedings. There are no proceedings pending, or to the knowledge of the Purchaser, threatened, against the Purchaser before any Governmental Authority, which prohibit or seek to enjoin delay, restrict or prohibit the Closing of the Transaction, as contemplated by this Agreement, or which would reasonably be expected to delay, restrict or prevent the Purchaser from fulfilling any of its obligations set forth in this Agreement.
- (f) No Consents or Authorizations. Subject only to obtaining the Approval and Vesting Order, the Purchaser does not require any consent, approval, waiver or other Authorization from any Governmental Authority or any other Person, as a condition to the lawful completion of the Transaction.
- (g) Residency. The Purchaser is not a non-resident of Canada for purposes of the *Income Tax Act*.

4.3 As is, Where is

The representations and warranties of each Vendor shall merge on Closing and shall thereafter be of no further force and effect. Despite any other provision of this Agreement, the Purchaser expressly acknowledges that the Vendors are selling the Purchased Property on an "as is, where is" basis as they shall

exist as at the Closing Effective Time. The Purchaser further acknowledges that it has entered into this Agreement on the basis that the Vendors do not guarantee title to the Purchased Property. No representation, warranty or condition is express or can be implied as to title, encumbrances, description, fitness for purpose, merchantability, condition, quantity or quality or in respect of any other matter or thing whatsoever concerning the Purchased Property or the right of the Vendors to sell or assign the same save and except as expressly represented or warranted herein. Without limiting the generality of the foregoing any and all conditions, warranties or representations expressed or implied pursuant to the *Sale of Goods Act* (Alberta) or other similar legislation do not apply hereto and have been waived by the Purchaser. The description of the Purchased Property contained in the Agreement are for purpose of identification only and, no representation, warranty or condition has or will be given by the Vendor concerning completeness or accuracy of such descriptions.

ARTICLE 5 COVENANTS

5.1 Conduct of Business Before the Closing Date

From the date of this Agreement up to and including the Closing Date, except as otherwise provided in this Agreement or consented to in writing by the Purchaser, W&C and CMI shall: (a) conduct their Business in the Ordinary Course consistent with past practice; and (b) use their reasonable best efforts to maintain and preserve intact their current Business organization, operations and franchises and to preserve the rights, franchises, goodwill and relationships of their employees, customers, lenders, suppliers, regulators and others having relationships with their Business.

5.2 Closing Date

The Parties shall cooperate with each other and shall use their commercially reasonable efforts to effect the Closing on or before the Outside Date.

5.3 Permits and Licenses

The Parties shall cooperate and work together in good faith, assist with submissions, share information and make any other efforts required to obtain any approval, Authorization, third-party consent, or permits and licences from any Governmental Authority necessary to effect the Closing.

5.4 Application for Approval and Vesting Order

As soon as practicable, the Vendors shall serve and file with the Court an application for the issuance of the Approval and Vesting Order, seeking relief that will, inter alia, approve this Agreement and the transactions contemplated herein. The Vendors shall use commercially reasonable efforts to seek the issuance and entry of the Approval and Vesting Order and the Purchaser shall use commercially reasonable efforts to cooperate with the Vendors in their efforts to obtain the issuance and entry of the Approval and Vesting Order.

**ARTICLE 6
CLOSING ARRANGEMENTS**

6.1 Closing

Closing shall take place on the Closing Date effective as of the Closing Effective Time electronically (or as otherwise determined by mutual agreement of the Parties in writing), by the exchange of deliverables (in counterparts or otherwise) by electronic transmission in PDF format.

6.2 Vendors' Closing Deliveries

At or before the Closing, the Vendors shall deliver or cause to be delivered to the Purchaser the following:

- (a) all Tax elections contemplated by Section 3.3, duly executed by the Vendors;
- (b) the General Conveyance, duly executed by the Vendors;
- (c) a true copy of the Approval and Vesting Order, issued and entered by the Court;
- (d) certificates of an officer of each Vendor dated as of the Closing Date confirming that all of the representations and warranties of such Vendor contained in this Agreement are true in all material respects as of the Closing Date, with the same effect as though made at and as of the Closing Date, and that such Vendor has performed in all material respects the covenants to be performed by it prior to the Closing Date; and
- (e) such other agreements, documents and instruments as may be reasonably required by the Purchaser to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

6.3 Purchaser's Closing Deliveries

At or before the Closing Date, the Purchaser shall deliver or cause to be delivered to the Vendors (or to the Monitor, as applicable), the following:

- (a) an assumption agreement on form and substance mutually agreeable to the Parties pursuant to which the Purchaser assumes the Assumed Liability, duly executed by the Purchaser;
- (b) payment of all Transfer Taxes payable on Closing to the Monitor (or evidence of payment by the Purchaser thereof to the relevant Governmental Authorities) in accordance with Section 3.3;
- (c) all tax elections contemplated by Section 3.3, duly executed by the Purchaser;
- (d) a certificate of an officer of the Purchaser dated as of the Closing Date confirming that all of the representations and warranties of the Purchaser contained in this Agreement are true in all material respects as of the Closing Date, with the same effect as though made at and as of the Closing Date, and that the Purchaser has performed in all material respects the covenants to be performed by it prior to the Closing Date; and
- (e) such other agreements, documents and instruments as may be reasonably required by the Vendors to complete the Transaction, all of which shall be in form and substance satisfactory to the Parties, acting reasonably.

**ARTICLE 7
CONDITIONS OF CLOSING**

7.1 Conditions Precedent in favour of the Parties

The obligation of the Parties to complete the Transaction is subject to the following joint conditions being satisfied, fulfilled or performed on or prior to the Closing Date:

- (a) Approval and Vesting Order. The Court shall have issued and entered the Approval and Vesting Order, which Approval and Vesting Order shall not have been stayed, set aside, or vacated and no application, motion or other proceeding shall have been commenced seeking the same, in each case which has not been fully dismissed, withdrawn or otherwise resolved in a manner satisfactory to the Parties, each acting reasonably.
- (b) No Order. No Applicable Law and no judgment, injunction, order or decree shall have been issued by a Governmental Authority or otherwise in effect that restrains or prohibits the completion of the Transaction; and
- (c) No Restraint. No motion, action or proceedings shall be pending by or before a Governmental Authority to restrain or prohibit the completion of the Transaction contemplated by this Agreement.
- (d) Monitor's Certificate. The Monitor shall have provided an executed certificate of the Monitor substantially in the form attached to the Approval and Vesting Order (the "**Monitor's Certificate**") confirming that all other conditions to Closing have either been satisfied or waived by both the Purchaser and the Vendors.

The foregoing conditions are for the mutual benefit of the Parties. If any condition set out in Section 7.1 is not satisfied, performed or mutually waived on or prior to the Outside Date, any Party may elect on written notice to the other Parties to terminate this Agreement, provided that any election on the part of the Vendors may only be made with the consent of the Monitor.

7.2 Conditions Precedent in favour of the Purchaser

The obligation of the Purchaser to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Vendors' Deliverables. The Vendors shall have executed and delivered or caused to have been executed and delivered to the Purchaser all the documents and payments contemplated in Section 6.2.
- (b) Deliverables. The Purchaser shall have received from the Vendors customary closing deliverables with respect to the Transaction.

The foregoing condition is for the exclusive benefit of the Purchaser. This condition may be waived by the Purchaser in whole or in part. Any such waiver shall be binding on the Purchaser only if made in writing. If the condition set out in this Section 7.2 is not satisfied or performed on or prior to the Outside Date, the Purchaser may elect on written notice to the Vendors and the Monitor to terminate this Agreement.

7.3 Conditions Precedent in favour of the Vendors

The obligation of the Vendors to complete the Transaction is subject to the following conditions being satisfied, fulfilled, or performed on or prior to the Closing Date:

- (a) Purchaser's Deliverables. The Purchaser shall have executed and delivered or caused to have been executed and delivered to the Vendors at the Closing all the documents and payments contemplated in Section 6.3.
- (b) No Breach of Representations and Warranties. Each of the representations and warranties contained in Section 4.2 shall be true and correct in all material respects: (i) as of the Closing Date as if made on and as of such date, or (ii) if made as of a date specified therein, as of such date.
- (c) No Breach of Covenants. The Purchaser shall have performed in all material respects all covenants, obligations and agreements contained in this Agreement required to be performed by the Purchaser on or before the Closing.

The foregoing conditions are for the exclusive benefit of the Vendors. Any condition in this Section 7.3 may be waived by the Vendors with the consent of the Monitor in whole or in part, without prejudice to any of its rights of termination in the event of non-fulfilment of any other condition in whole or in part. Any such waiver shall be binding on the Vendors only if made in writing. If any condition set forth in this Section 7.3 is not satisfied or performed on or prior to the Outside Date, the Vendors, with the consent of the Monitor, may elect on written notice to the Purchaser to terminate the Agreement.

7.4 Monitor's Certificate

The Parties acknowledge and agree that the Monitor shall be entitled to deliver to the Purchaser, and file with the Court, the executed Monitor's Certificate without independent investigation, upon receiving written confirmation from both Parties (or the applicable Party's counsel) that all conditions of Closing in favour of such Party have been satisfied or waived, and the Monitor shall have no Liability to the Parties in connection therewith. The Parties further acknowledge and agree that upon written confirmation from both Parties that all conditions of Closing in favour of such Party have been satisfied or waived, the Monitor may deliver the executed Monitor's Certificate to the Purchaser's counsel in escrow, with the sole condition of its release from escrow being the Monitor's written confirmation that all such funds have been received, the Monitor's Certificate will be released from escrow to the Purchaser, and the Closing shall be deemed to have occurred.

ARTICLE 8 TERMINATION

8.1 Grounds for Termination

This Agreement may be terminated on or prior to the Closing Date:

- (a) by the mutual written agreement of the Vendors (with the consent of the Monitor) and the Purchaser; or
- (b) by the Vendors (with the consent of the Monitor) or the Purchaser upon written notice to the other Party if (i) the Closing has not occurred on or prior to the Outside Date; or (ii) the Approval and Vesting Order is not obtained on or before the Outside Date (subject to availability of the Court); provided in each case that the failure to close or obtain such order, as applicable, by such deadline is not caused by a breach of this Agreement by the Party proposing to terminate the Agreement.

8.2 Effect of Termination

If this Agreement is terminated pursuant to Section 8.1, all further obligations of the Parties under this Agreement will terminate and no Party will have any Liability or further obligations hereunder.

**ARTICLE 9
GENERAL**

9.1 Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and each of the Parties irrevocably attorns to the exclusive jurisdiction of the Court, and any appellate courts of the Province of Alberta therefrom.

9.2 Notice

Any notice or other communication under this Agreement shall be in writing and may be delivered by read-receipted email, addressed:

- (a) in the case of the Purchaser, as follows:

7-Eleven Distribution Canada Corp.
13450 102 Avenue, Suite 2400
Surrey, British Columbia V3T 5X3

Attention: General Manager of Canada

with a copy to:

7-Eleven Canada, Inc.
3200 Hackberry Road
Irving, Texas
75063 USA

Attention: Legal Department

and with a copy to:

DLA Piper (Canada) LLP
Suite 1000, Livingston Place West
250 2nd St SW
Calgary, Alberta, T2P 0C1, Canada

Attention: Edmond Lamek / Carole J. Hunter
Email: edmond.lamek@ca.dlapiper.com / carole.hunter@dlapiper.com

- (b) in the case of the Vendors, as follows:

5445 8th St NE
Calgary, AB T2K 5R9 Canada

Attention: Pat Carey
Email: careyp@careymgmt.com

with a copy to:

Miller Thomson LLP
3000, 700 - 9th Avenue SW
Calgary, Alberta, T2P 3V4, Canada

Attention: James Reid / Sam Massie
Email: jwreid@millerthomson.com / smassie@millerthomson.com

(c) in each case, with a further copy to the Monitor as follows:

KSV Restructuring Inc.
220 Bay Street, 13th Floor, PO Box 20,
Toronto, Ontario, M5J 2W4

Attention: Bobby Kofman / David Sieradzki
Email: bkofman@ksvadvisory.com / dsieradzki@ksvadvisory.com

with a copy to:

Cassels Brock & Blackwell LLP
Suite 3810, Bankers Hall West, 888 3 St SW
Calgary, AB T2P 5C5 Canada

Attention: Jeffrey Oliver
Email: joliver@cassels.com

Any such notice or other communication, if transmitted by email before 5:00 p.m. (Calgary time) on a Business Day, will be deemed to have been given on such Business Day, and if transmitted by email after 5:00 p.m. (Calgary time) on a Business Day, will be deemed to have been given on the Business Day after the date of the transmission. In the case of a communication by email or other electronic means, if an autoreply is received indicating that the email is no longer monitored or in use, delivery must be followed by the dispatch of a copy of such communication pursuant to one of the other methods described above; provided however that any communication originally delivered by electronic means shall be deemed to have been given on the date stipulated above for electronic delivery.

Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party. A Person may change its address for service by notice given in accordance with the foregoing and any subsequent communication must be sent to such Person at its changed address.

9.3 Non-Disparagement

The Vendors shall not make, publish or communicate to any person or in any public forum any comments or statements (written or oral) that denigrate or disparage, discredit or cast a slur upon, or are detrimental to or likely to be injurious to, the reputation or stature of the Purchaser or its Affiliates, or its or their businesses or operations, or any of its or their employees, directors and officers.

9.4 Public Announcements

The Vendors shall be entitled to disclose this Agreement to the Court and parties in interest in the CCAA Proceedings, other than any information which the Purchaser advises the Vendors in writing as being confidential, and this Agreement may be posted on the Monitor's website maintained in connection with the CCAA Proceedings. Other than as provided in the preceding sentence or statements made in Court (or

in pleadings filed therein) or where required to meet timely disclosure obligations of the Vendors or any of its Affiliates under Applicable Laws (provided that the Purchaser shall be given prior written notice of any such disclosures), the Vendors shall not issue (prior to or after the Closing) any press release or make any public statement or public communication with respect to this Agreement or the Transactions contemplated hereby without the prior consent of the other Parties, which shall not be unreasonably withheld or delayed.

9.5 Time

Time shall, in all respects, be of the essence hereof, provided that the time for doing or completing any matter provided for herein may be extended or abridged by an agreement in writing signed by the Parties.

9.6 Survival

The representations and warranties of the Parties contained in this Agreement shall merge on Closing. The covenants of the Parties contained herein to be performed after the Closing shall survive Closing and remain in full force and effect.

9.7 Benefit of Agreement

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

9.8 Entire Agreement

This Agreement and the Exhibits and Schedules attached hereto, constitute the entire agreement between the Parties with respect to the subject matter hereof and supersede all prior negotiations, understandings and agreements. This Agreement may not be amended or modified in any respect except by written instrument executed by the Vendors and the Purchaser.

9.9 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement, and any other agreement, document or instrument executed or delivered in connection with the transactions contemplated by this Agreement, the provisions of this Agreement shall prevail to the extent of such conflict or inconsistency. Notwithstanding the foregoing, the terms of the TSA shall govern with respect to the subject matter contained therein.

9.10 Assignment

This Agreement may be assigned by the Purchaser five (5) days prior to the hearing scheduled for the issuance of the Approval and Vesting Order, in whole or in part, without the prior written consent of the Vendors or the Monitor, provided that: (i) such assignee is a related party or subsidiary of the Purchaser; (ii) the Purchaser provides prior notice of such assignment to the Vendors and the Monitor; and (iii) such assignee agrees to be bound by the terms of this Agreement to the extent of the assignment; provided, however, that any such assignment shall not relieve the Purchaser of its obligations hereunder. This Agreement may not be assigned by any of the Vendors without the consent of the Purchaser.

9.11 Further Assurances

Each of the Parties shall (including following Closing), at the request and expense of the requesting Party, take or cause to be taken such action and execute and deliver or cause to be executed and delivered to the other such conveyances, transfers, documents and further assurances as may be reasonably necessary or desirable to give effect to this Agreement and the transactions contemplated herein.

9.12 Counterparts

This Agreement may be executed electronically in any number of counterparts, each of which shall be deemed to be an original and all of which shall constitute one and the same agreement. Transmission by e-mail of an executed counterpart of this Agreement shall be deemed to constitute due and sufficient delivery of such counterpart.

9.13 Severability

Notwithstanding any provision herein, if a condition to complete the Transaction, or a covenant or an agreement herein is prohibited or unenforceable pursuant to Applicable Law, then such condition, covenant or agreement shall be ineffective to the extent of such prohibition or unenforceability without invalidating the other provisions hereof.

9.14 Monitor's Capacity

In addition to all of the protections granted to the Monitor under the CCAA or any order of the Court in this CCAA Proceedings, the Vendors and the Purchaser acknowledge and agree that the Monitor, acting in its capacity as Monitor of the Vendors and not in its personal capacity, will have no Liability, in its personal capacity or otherwise, in connection with this Agreement or the Transaction contemplated herein whatsoever as Monitor.

[Signature Page Follows]

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

CAREY MANAGEMENT INC.

Per: 

Name: _____

Title: _____

WALLACE & CAREY INC.

Per: 

Name: _____

Title: _____

LOUDON BROS. LIMITED

Per: 

Name: _____

Title: _____

**7-ELEVEN DISTRIBUTION CANADA
CORP.**

Per: _____

Name: Raghu Mahadevan

Title: Authorized Signatory

IN WITNESS WHEREOF the Parties have executed this Agreement as of the day and year first above written.

CAREY MANAGEMENT INC.

Per: _____
Name: _____
Title: _____

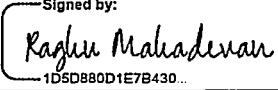
WALLACE & CAREY INC.

Per: _____
Name: _____
Title: _____

LOUDON BROS. LIMITED

Per: _____
Name: _____
Title: _____

7-ELEVEN DISTRIBUTION CANADA CORP.

Per:  _____
Name: Raghu Mahadevan
Title: Authorized Signatory