

COURT FILE NUMBER 2301 - 08305
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE COMPANIES'
CREDITORS ARRANGEMENT ACT, RSC
1985, c C-36, as amended

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

APPLICANTS WALLACE & CAREY INC, LOUDON
BROS LIMITED, and CAREY
MANAGEMENT INC.

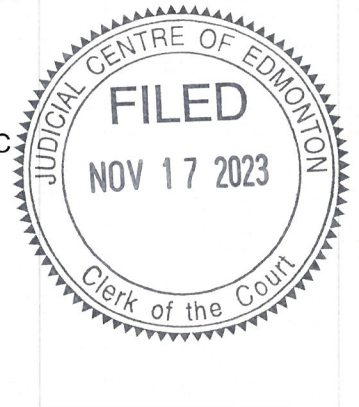
DOCUMENT APPROVAL AND VESTING ORDER

ADDRESS FOR SERVICE AND
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File No.: 0221652.0006

Clerk's Stamp



I hereby certify this to be a
true copy of the original.

for Clerk of the Court

DATE ON WHICH ORDER WAS PRONOUNCED: November 17, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Edmonton
Calgary, Alberta

NAME OF JUSTICE WHO MADE THIS ORDER: The Honourable Justice M. E. Burns

UPON THE APPLICATION by Wallace & Carey Inc. ("W&C"), Loudon Bros. Limited ("Loudon"), and Carey Management Inc. ("CMI", collectively with W&C and Loudon, the "Applicants") under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") for an order (this "Order"), *inter alia*, approving the transaction contemplated by the asset purchase agreement dated as of November 7, 2023 (the "Sale Agreement") among the Applicants and 7-Eleven Canada, Inc. (the "Purchaser") for the sale of certain undertakings, property and assets of the Applicants (the "Transaction"), a copy of the Agreement which is

attached as Exhibit A to Affidavit No. 3 of Eric Rolheiser sworn November 7, 2023 (the “**Rolheiser Affidavit**”).

AND UPON HAVING READ the Application, the Rolheiser Affidavit, the Affidavit of Service of Marica Ceko sworn November 14, 2023, and the Sixth Report of KSV Restructuring Inc. (the “**Monitor**”) in its capacity as Court-appointed Monitor and proposed receiver dated November 8, 2023 (the “**Sixth Report**”), which affixes the report of Alvarez & Marsal Canada Securities ULC (the “**Financial Advisor**”) appended thereto including the confidential exhibit (the “**Confidential Exhibit**”), the Supplement to the Sixth Report of the Monitor dated November 16, 2023, each filed;

AND UPON HEARING the submissions of counsel for the Applicants, the Purchaser, the Monitor, Canadian Imperial Bank of Commerce, Canadian Western Bank, and such other parties present;

IT IS HEREBY ORDERED AND DECLARED THAT:

SERVICE

1. Service of notice of this application and supporting materials is hereby declared to be good and sufficient, no other person is required to have been served with notice of this application and time for service of this application is abridged to that actually given.

CAPITALIZED TERMS

2. Capitalized terms used but not otherwise defined in this Order shall have the meaning given to such terms in the Sale Agreement as the context may require.

APPROVAL OF TRANSACTION

3. The Sale Agreement and Transaction are hereby approved and execution of the Sale Agreement by the Applicants is hereby authorized and approved, with such amendments to the Sale Agreement as the Applicants and the Purchaser may agree to with the consent of the Monitor. The performance by the Applicants of their obligations under the Sale Agreement are hereby authorized and approved. The Applicants are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the Transaction and conveyance of the Purchased Assets to the Purchaser.

VESTING OF PROPERTY

4. Upon delivery of a Monitor's certificate to the Purchaser (or its nominee) substantially in the form set out in **Schedule "A"** hereto (the "**Monitor's Closing Certificate**"), all of Applicants' right, title and interest in and to the Purchased Assets as such term is defined in the Sale Agreement attached as **Schedule "B"** hereto shall vest absolutely in the name of the Purchaser (or its nominee), free and clear of and from any and all caveats, security interests, hypothecs, pledges, mortgages, liens, trusts or deemed trusts, reservations of ownership, royalties, options, rights of pre-emption, privileges, interests, assignments, actions, judgements, executions, levies, taxes, writs of enforcement, charges, or other claims, whether contractual, statutory, financial, monetary or otherwise, whether or not they have attached or been perfected, registered or filed and whether secured, unsecured or otherwise (collectively, "**Claims**") including, without limiting the generality of the foregoing:
- (a) any encumbrance or charges created by the Amended and Restated Initial Order dated June 30, 2023, or any other Order granted in these proceedings;
 - (b) any charges, security interests or claims evidenced by registrations pursuant to the *Personal Property Security Act* (Alberta) or any other personal property registry system;
 - (c) any liens or claims of lien under the *Builders' Lien Act* (Alberta); and
 - (d) those Claims listed in **Schedule "C"** hereto (all of which are collectively referred to as the "Encumbrances", which term shall not include the permitted encumbrances, caveats, interests, easements, and restrictive covenants listed in **Schedule "D"** (collectively, "**Permitted Encumbrances**");

and for greater certainty, this Court orders that all Claims including Encumbrances other than Permitted Encumbrances, affecting or relating to the Purchased Assets are hereby expunged, discharged and terminated as against the Purchased Assets.

5. Upon delivery of the Monitor's Closing Certificate, and upon filing of a certified copy of this Order, together with any applicable registration fees, all governmental authorities including those referred to below in this paragraph (collectively, "**Governmental Authorities**") are hereby authorized, requested and directed to accept delivery of such Monitor's Closing Certificate and certified copy of this Order as though they were originals and to register such transfers, interest authorizations, discharges and discharge statements of conveyance as

may be required to convey to the Purchaser or its nominee clear title to the Purchased Assets subject only to Permitted Encumbrances. Without limiting the foregoing:

- (a) the Registrar of the Alberta Personal Property Registry (the “**PPR Registrar**”) shall and is hereby directed to forthwith cancel and discharge any registrations at the Alberta Personal Property Registry (whether made before or after the date of this Order) claiming security interests (other than Permitted Encumbrances) in the estate or interest of the Applicants in any of the Purchased Assets which are of a kind prescribed by applicable regulations as serial-number goods.
6. In order to effect the transfers and discharges described above, this Court directs each of the Governmental Authorities to take such steps as are necessary to give effect to the terms of this Order and the Sale Agreement. Presentment of this Order and the Monitor’s Closing Certificate shall be the sole and sufficient authority for the Governmental Authorities to make and register transfers of title or interest and cancel and discharge registrations against any of the Purchased Assets of any Claims including Encumbrances but excluding Permitted Encumbrances.
7. No authorization, approval or other action by and no notice to or filing with any governmental authority or regulatory body exercising jurisdiction over the Purchased Assets is required for the due execution, delivery and performance by the Applicants of the Sale Agreement.
8. For the purposes of determining the nature and priority of Claims, net proceeds from sale of the Purchased Assets (to be held in an interest bearing trust account by the Monitor) shall stand in the place and stead of the Purchased Assets from and after delivery of the Monitor’s Closing Certificate and all Claims including Encumbrances (but excluding Permitted Encumbrances) shall not attach to, encumber or otherwise form a charge, security interest, lien, or other Claim against the Purchased Assets and may be asserted against the net proceeds from sale of the Purchased Assets with the same priority as they had with respect to the Purchased Assets immediately prior to the sale, as if the Purchased Assets had not been sold and remained in the possession or control of the person having that possession or control immediately prior to the sale. Unless otherwise ordered (whether before or after the date of this Order), the Monitor shall not make any distributions to creditors of net proceeds from sale of the Purchased Assets without further order of this Court.
9. Except as expressly provided for in the Sale Agreement or by section 5 of the Alberta *Employment Standards Code* if and to the extent it applies, the Purchaser (or its nominee)

shall not, by completion of the Transaction, have liability of any kind whatsoever in respect of any Claims against the Applicants.

10. Upon completion of the Transaction, the Applicants and all persons who claim by, through or under the Applicants in respect of the Purchased Assets, and all persons or entities having any Claims of any kind whatsoever in respect of the Purchased Assets, save and except for persons entitled to the benefit of the Permitted Encumbrances, shall stand absolutely and forever barred, estopped and foreclosed from and permanently enjoined from pursuing, asserting or claiming any and all right, title, estate, interest, royalty, rental, equity of redemption or other Claim whatsoever in respect of or to the Purchased Assets, and to the extent that any such persons or entities remain in the possession or control of any of the Purchased Assets, or any artifacts, certificates, instruments or other indicia of title representing or evidencing any right, title, estate, or interest in and to the Purchased Assets, they shall forthwith deliver possession thereof to the Purchaser (or its nominee).
11. The Purchaser (or its nominee) shall be entitled to enter into and upon, hold and enjoy the Purchased Assets for its own use and benefit without any interference of or by the Applicants, or any person claiming by, through or against the Applicants.
12. Immediately upon closing of the Transaction, holders of Permitted Encumbrances shall have no claim whatsoever against the Applicants.
13. The Monitor is directed to file with the Court a copy of the Monitor's Closing Certificate forthwith after delivery thereof to the Applicants and Purchaser (or its nominee).
14. The Monitor may rely on written notice from the Applicants and the Purchaser or their respective counsel regarding the satisfaction of the Purchase Price and the fulfillment of the conditions to closing under the Sale Agreement and shall incur no liability with respect to the delivery of the Monitor's Closing Certificate.
15. Pursuant to clause 7(3)(c) of the *Personal Information Protection and Electronic Documents Act* (Canada) and section 20(e) of the *Alberta Personal Information Protection Act*, the Applicants are authorized and permitted to disclose and transfer to the Purchaser (or its nominee) all human resources and payroll information in Applicants' records pertaining to the Applicants' past and current employees. The Purchaser (or its nominee) shall maintain and protect the privacy of such information and shall be entitled to use the personal information provided to it in a manner which is in all material respects identical to the prior use (of such information) to which the Applicants were entitled.

APPROVAL OF TRANSITION SERVICES AGREEMENT

16. The TSA (as defined in the Sale Agreement) is hereby approved and execution of the TSA by the Applicants and the Monitor is hereby authorized and approved, with such amendments to the TSA as the Applicants and the Purchaser may agree to with the consent of the Monitor. The performance by the Applicants of their obligations under the TSA are hereby authorized and approved. The Applicants are hereby authorized and directed to take such additional steps and execute such additional documents as may be necessary or desirable for completion of the TSA.

RELEASES

17. Effective upon the filing of the Monitor's Closing Certificate: (i) the present and former directors, officers and employees of the Applicants; (ii) their respective legal counsel and advisors; (iii) the legal counsel and advisors of the Applicants and the Purchaser; and (iv) the Monitor and its legal counsel (the persons listed in (i), (ii), (iii) and (iv) being collectively, the "**Released Parties**") shall be deemed to be forever irrevocably released and discharged from any and all present and future claims (including, without limitations, claims for contribution or indemnity), liabilities, indebtedness, demands, actions, causes of action, counterclaims, suits, damages, judgments, executions, recoupments, debts, sums of money, expenses, accounts, liens, taxes, recoveries, and obligations of any nature or kind whatsoever (whether direct or indirect, known or unknown, absolute or contingent, accrued or unaccrued, liquidated or unliquidated, matured or unmatured or due or not yet due, in law or equity and whether based in statute or otherwise) based in whole or in part on any act or omission, transaction, dealing or other occurrence existing or taking place prior to the issuance of the Monitor's Closing Certificate (collectively, the "**Released Claims**"), which Released Claims are hereby fully, finally, irrevocably and forever waived, discharged, released, cancelled and barred as against the Released Parties, provided that nothing in this paragraph 17 shall waive, discharge, release, cancel or bar any claim against any of the Released Parties for fraud, gross negligence, or willful misconduct, or any claims against the directors and officers of each of the Applicants that is not permitted to be released pursuant to section 5.1(2) of the CCAA.

THE MONITOR

18. Without in any way limiting the Monitor's powers set out in the Amended and Restated Initial Order, any other Order of this Court in these CCAA proceedings, or under the CCAA or

applicable law, the Monitor is hereby authorized to undertake and perform such activities and obligations as are contemplated to be undertaken or performed by the Monitor pursuant to this Order and the Sale Agreement or any ancillary document related thereto, and shall incur no liability in connection therewith, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall affect, vary, derogate from, limit or otherwise amend any of the protections in favour of the Monitor at law or pursuant to the CCAA, the Amended and Restated Initial Order or any other Order granted in these CCAA proceedings.

19. The Monitor may rely on written notice from the Applicants and the Purchaser or their respective counsel regarding the satisfaction of the Purchase Price and the fulfillment of the conditions to closing under the Sale Agreement and shall incur no liability with respect to the delivery of the Monitor's Closing Certificate.

ASSIGNMENT OF ASSIGNED CONTRACTS

20. Upon delivery by the Monitor to the Applicants and the Purchaser of the Monitor's Closing Certificate and payment of all amounts required pursuant to section 11.3(4) of the CCAA, all of the rights and obligations of the Applicants under and to the Assigned Contracts (as defined in the Sale Agreement) (the "**Assigned Contracts**"), shall be assigned, conveyed and transferred to, and assumed by, the Purchaser pursuant to this Order. For certainty, the Purchaser is assuming all obligations and liabilities of the Applicants under the Assigned Contracts.
21. The assignment of the Assigned Contracts is declared to be valid and binding upon all of the counterparties to the Assigned Contracts notwithstanding any restriction, condition or prohibition contained to the Assigned Contracts relating to the assignment thereof, including any provision requiring the consent of any party to the assignment.
22. The assignment and transfer of the Assigned Contracts shall be subject to the provisions of this Order.
23. No counterparty under any Assigned Contract, nor any other person, upon the assignment and transfer to, and assumption by, the Purchaser of the Assigned Contracts hereunder shall make or pursue any demand, claim, action or suit or exercise any right or remedy under any Assigned Contract against the Purchaser relating to:

- (a) the Applicants having sought or obtained relief under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c.B-3, as amended (the “**BIA**”);
- (b) the insolvency of the Applicants; or
- (c) any failure by the Applicants to perform a non-monetary obligation under the Assigned Contract,

and all such counterparties and persons shall be forever barred and estopped from taking such action. For greater certainty, nothing herein shall limit or exempt the Purchaser in respect of obligations accruing, arising or continuing after the Closing Date (as defined in the Sale Agreement) under the Assigned Contracts other than in respect of items (a)-(b) above.

INTERIM DISTRIBUTION

- 24. Following delivery of the Monitors’ Closing Certificate, the Monitor, is hereby authorized, on behalf of the Applicants to hold back from the distributions authorized in paragraph 24 hereof, (i) an amount as the Monitor determines is necessary to satisfy any outstanding and anticipated professional fees and disbursements of the Applicants, the Monitor, the Monitors’ counsel and any outstanding Work Fees of A&M (the “**Admin Holdback**”); and (ii) an amount as the Monitor determines is necessary to satisfy the following post-filing incurred but unpaid amounts: employee wages and benefits, employee vacation pay, sales taxes, and trade payables, accrued, and an amount sufficient to fund operational losses of the Applicants prior to closing (collectively, the “**Operational Holdback**”, together with the Admin Holdback the “**Holdback**”). Provided further, following the creation of the Holdback, the Administration Charge shall attach only to the Holdback.
- 25. Further to the releases set out at paragraph 17 of this Order being herein granted and approved, following delivery of the Monitor’s Closing Certificate, the D&O Charge shall be released, and any holdback of funds from distribution that would have been required to secure that charge shall be distributed in accordance with paragraph 26(c) below.
- 26. Following delivery of the Monitor’s Closing Certificate, the Applicants, by way of the Monitor, are hereby authorized and directed, subject to the creation of the Holdback and receipt by the Applicants (or the Monitor on behalf of the Applicants) of sufficient funds, to:
 - (a) pay to A&M the Transaction Fee, in an amount to be determined by A&M, the Applicants and the Monitor pursuant to the Advisor Agreement dated August 13,

2023 in full and final satisfaction of all amounts secured by the Transaction Fee Charge, and following payment of such amount, the Transaction Fee Charge shall be and is hereby terminated;

- (b) pay, in one or more payments, an amount necessary to satisfy all amounts secured by the Lender Priority Charge to CIBC;
- (c) pay, in one or more payments, an aggregate amount not to exceed \$4,000,000 on account of the amount by which any claim of a provincial or territorial tobacco tax authority (the “**Tobacco Tax Authority(s)**”) claim against the Applicants for unpaid tobacco taxes as of the date of delivery of the Monitor’s Closing Certificate exceeds the amount owing as of June 22, 2023 (the “**Incremental Post-Filing Tobacco Tax Exposure**”) to such Tobacco Tax Authority. Notwithstanding the foregoing, should the aggregate Incremental Post-Filing Tobacco Tax Exposure exceed \$4,000,000, payments to each Tobacco Tax Authority with respect to such Incremental Post-Filing Tobacco Exposure shall be made on a pro rata basis;
- (d) pay, in one or more payments an amount necessary to satisfy all pre-filing obligations owing under the CIBC Credit Agreement (as defined in the Sixth Report), including for greater certainty, obligations in connection with the BCAP Loan (as defined in the Sixth Report); and

The foregoing distributions shall be made free and clear of all Claims, including for greater certainty any deemed trust claims. For greater certainty, any amounts distributed to CIBC by KSV Restructuring Inc. in its capacity of Receiver of 772921 Alberta Inc., Spruce It Up Land Corp. and Ridge Meadows Properties Ltd. shall be taken into account in calculating the amounts owed to CIBC in respect of the above distributions.

SEALING AND CONFIDENTIALITY

- 27. The Confidential Exhibit shall be sealed on the Court file, kept confidential, and not form part of the public record, notwithstanding Division 4 of Part 6 of the Alberta Rules of Court.
- 28. The Confidential Exhibit contains confidential and commercially sensitive information, which if made publicly available could be used to the detriment of the parties and these proceedings, and shall be sealed on the Court file, not form part of the public record, and not be available for public inspection until the Monitor files a certificate with this Court confirming the conclusion of these proceedings, or further order by this Court.

29. The Clerk of the Court shall file the Confidential Exhibit in a sealed envelope attached to a notice that sets out the style of cause of these proceedings and states that:

THIS ENVELOPE CONTAINS CONFIDENTIAL MATERIALS FILED IN THE COURT OF KING'S BENCH FILE NO.: 2301 - 08305. THE CONFIDENTIAL MATERIALS ARE SEALED PURSUANT TO THE SEALING ORDER GRANTED BY THE HONOURABLE JUSTICE BURNS ON NOVEMBER 17, 2023, AND ARE NOT TO BE PLACED ON THE PUBLIC RECORD OR MADE PUBLICALLY ACCESSIBLE, UNTIL THE FILING OF A CERTIFICATE SIGNIFYING THE CONCLUSION OF THESE PROCEEDINGS, OR FURTHER ORDER OF THE COURT.

30. Any person, entity or party affected by the sealing of the Confidential Exhibit may apply to have the Sealing Order vacated, substituted, modified or varied, with such application to be brought on at least seven days' notice to the Companies and any other interested party.

MISCELLANEOUS MATTERS

31. Notwithstanding:

- (a) the pendency of these proceedings and any declaration of insolvency made herein;
- (b) the pendency of any applications for a bankruptcy order now or hereafter issued pursuant to the BIA, in respect of the Applicants, and any bankruptcy order issued pursuant to any such applications;
- (c) any assignment in bankruptcy made in respect of any of the Applicants; and
- (d) the provisions of any federal or provincial statute:

the vesting of the Purchased Assets in the Purchaser (or its nominee) pursuant to this Order and the interim distribution (set out at paragraphs 24 and 25) shall be binding on any trustee in bankruptcy that may be appointed in respect of the Applicants and shall not be void or voidable by creditors of the Applicants, nor shall it constitute nor be deemed to be a transfer at undervalue, settlement, fraudulent preference, assignment, fraudulent conveyance, or other reviewable transaction under the BIA or any other applicable federal or provincial legislation, nor shall it constitute oppressive or unfairly prejudicial conduct pursuant to any applicable federal or provincial legislation.

32. The Applicants, the Monitor, the Purchaser (or its nominee) and any other interested party, shall be at liberty to apply for further advice, assistance and direction as may be necessary in order to give full force and effect to the terms of this Order and to assist and aid the parties in closing the Transaction.
33. This Honourable Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any of its provinces or territories or in any foreign jurisdiction, to act in aid of and to be complimentary to this Court in carrying out the terms of this Order, to give effect to this Order and to assist the Applicants, the Monitor and their agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such order and to provide such assistance to the Monitor, as an officer of the Court, as may be necessary or desirable to give effect to this Order or to assist the Monitor and its agents in carrying out the terms of this Order.
34. Service of this Order shall be deemed good and sufficient by:
- (a) Serving the same on:
 - (i) the persons listed on the service list created in these proceedings;
 - (ii) any other person served with notice of the application for this Order;
 - (iii) any other parties attending or represented at the application for this Order;
 - (iv) the Purchaser or the Purchaser's solicitors; and
 - (b) Posting a copy of this Order on the Monitor's website at: <https://www.ksvadvisory.com/experience/case/wallace-and-carey>
- and service on any other person is hereby dispensed with.
35. Service of this Order may be effected by facsimile, electronic mail, personal delivery or courier. Service is deemed to be effected the next business day following transmission or delivery of this Order.



Justice of the Court of King's Bench of Alberta

SCHEDULE "A"
FORM OF MONITOR'S CLOSING CERTIFICATE

COURT FILE NUMBER 2301 - 8305

COURT COURT OF KING'S BENCH OF ALBERTA

JUDICIAL CENTRE CALGARY

IN THE MATTER OF THE *COMPANIES'*
CREDITORS ARRANGEMENT ACT, rsc
1985, c C-36, as amended

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

APPLICANTS WALLACE & CAREY INC, LOUDON BROS
LIMITED, and CAREY MANAGEMENT INC.

DOCUMENT **MONITOR'S CLOSING CERTIFICATE**

Clerk's Stamp

ADDRESS FOR SERVICE AND
CONTACT INFORMATION OF
PARTY FILING THIS
DOCUMENT

RECITALS

Pursuant to an Order of the Honourable Justice Campbell of the Court of King's Bench of Alberta, Judicial District of Calgary (the "**Court**") dated June 22, 2023, KSV Restructuring Inc. was appointed as the monitor (the "**Monitor**") of the undertakings, property and assets of Wallace & Carey Inc. ("**W&C**"), Loudon Bros Limited ("**Loudon**"), and Carey Management Inc. ("**CMI**", collectively with W&C and Loudon the "**Applicants**").

Pursuant to an Order of the Court dated November 17, 2023, the Court approved the asset purchase agreement made as of November 7, 2023 (the "**Sale Agreement**") between the Applicants and 7-Eleven Canada, Inc. (the "**Purchaser**"), and approved in form and substance by the Monitor, and provided for the vesting in the Purchaser of the Applicants' right, title and interest in and to the Purchased Assets, which vesting is to be effective with respect to the Purchased Assets upon the delivery by the Monitor to the Purchaser of a certificate confirming (i) the payment by the Purchaser of the Purchase Price for the Purchased Assets; (ii) that the conditions to Closing as set out in Article

7 of the Sale Agreement have been satisfied or waived by the Monitor and the Purchaser; and (iii) the Transaction has been completed to the satisfaction of the Monitor.

Unless otherwise indicated herein, capitalized terms have the meanings set out in the Sale Agreement.

THE MONITOR CERTIFIES the following:

The Purchaser (or its nominee) has paid and the Monitor has received the Purchase Price for the Purchased Assets payable on the Closing Date pursuant to the Sale Agreement;

The conditions to Closing as set out in Article 7 of the Sale Agreement have been satisfied or waived by the Applicants and the Purchaser (or its nominee); and

The Transaction has been completed to the satisfaction of the Monitor.

This Certificate was delivered by the Monitor at **[Time]** on **[Date]**.

KSV Restructuring Inc., in its capacity as Monitor of the undertakings, property and assets of the Applicants and not in its personal capacity.

Per; _____
Name:
Title:

SCHEDULE "B"
ASSET PURCHASE AGREEMENT

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement is entered into as of the 7th day of November, 2023

BETWEEN:

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 CANADA, INC., a corporation incorporated pursuant to the federal laws of Canada, or its nominee (the “**Purchaser**”)

WHEREAS:

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. was appointed as the Monitor of the Vendors (in such capacity, the “**Monitor**”).

B. On August 23, 2023, the Vendors sought and obtained within the CCAA Proceedings an order of the Court (the “**SISP Order**”) approving, among other things, a sale and investment solicitation process to be conducted in accordance with the terms of the SISP Order (the “**SISP**”).

C. Also on August 23, 2023, the Court granted an ancillary order, among other things, approving the engagement of Alvarez & Marsal Canada Securities ULC (the “**Sales Agent**”) as financial advisor of the Vendors, and authorizing the Vendors to conduct the SISP with the assistance of the Sales Agent.

D. In connection with the SISP, Canadian Imperial Bank of Commerce (“**CIBC**”) intends to bring an application in the Court seeking, among other things: (i) the appointment of KSV Restructuring Inc. as receiver (in such capacity, the “**Receiver**”) of the assets, property and undertaking of 772921 Alberta Inc. (“**772**”), including the real properties known municipally as 1230 Industrial Road, Kelowna, British Columbia and 5415 and 5445 8th Street N.E., Calgary, Alberta (collectively, the “**772 Properties**”); and (ii) the approval of an agreement of purchase and sale dated as of November 7, 2023 (the “**772 APS**”) pursuant to which the Purchaser has agreed to purchase and the Receiver has agreed to sell the 772 Properties and assign its leasehold interests in the real properties known municipally as Unit 5B, 4386 Boban Drive Nanaimo, British Columbia and 5225 8th Street N.E. Calgary, Alberta (the “**772 Transaction**”).

E. In accordance with the terms of the SISP, the Purchaser has submitted an offer to purchase the Purchased Assets (as defined herein) from the Vendors. The Purchaser’s offer has been accepted subject to, and in accordance with, the terms and conditions set out 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:

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

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

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

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

“**Accounting Methodologies**” has the meaning set out in Section 5.7(a).

“**Advance Ruling Certificate**” means an advance ruling certificate issued by the Commissioner pursuant to section 102 of the *Competition Act* to the effect that the Commissioner is satisfied that they would not have sufficient grounds upon which to apply to the Competition Tribunal for an order under section 92 of the *Competition Act* in respect of the transactions contemplated under this Agreement.

“**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 Transaction, vesting title to the Purchased Assets in the Purchaser or its permitted designee on Closing, free and clear of all Encumbrances.

“**Assignment and Assumption Agreement**” means an assignment and assumption agreement effecting the assignment to, and assumption by, the Purchaser of the Assigned Contracts and the Assumed Liabilities, in form and substance satisfactory to the Parties, acting reasonably.

“Assignment Order” means an order of the Court, in form and substance satisfactory to the Purchaser and the Monitor, acting reasonably, assigning to the Purchaser the rights and obligations of the Vendors under the Assigned Contracts for which a consent, approval or waiver necessary for the assignment of such Assigned Contracts has not been obtained, and which will include, if necessary, a mechanism for the resolution of any disputed Cure Costs.

“Assigned Contracts” means the Contracts listed in Schedule “A”.

“Assumed Liabilities” means: (a) any Cure Costs which are not paid at Closing; and (b) Liabilities relating to the Purchased Assets and Assigned Contracts, solely in respect of the period from and after the Closing Effective Time and not relating to the period prior to the Closing Effective Time.

“Audited Designated Inventory” has the meaning set out in Section 5.7(c).

“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.

“Books and Records” means all files, documents, instruments, papers, books and records (whether stored or maintained in hard copy, digital or electronic format or otherwise), including Tax and accounting books and records used or intended for use by, or in the possession of the Vendors or any of its Affiliates including information, documents and records relating to the Assigned Contracts, customer lists, customer information and account records, sales records, computer files, data processing records, employment and personnel records, sales literature, advertising and marketing data and records, cost and pricing information, production reports and records, equipment logs, operating guides and manuals, credit records, records relating to present and former suppliers and contractors, plans and projections and all other records, data and information stored electronically, digitally or on computer-related media.

“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.

“CCAA” 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.

“CIBC” has the meaning set out in the recitals hereto.

“CIBC Facility” means the asset-based credit facility established by the credit agreement dated as of September 17, 2017 among CMI, as borrower, certain other credit parties from time to time party thereto, as guarantors, the lenders from time to time party thereto, and CIBC, as agent.

“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 November 20, 2023, unless otherwise agreed by the Parties hereto and the Monitor.

“**Closing Effective Time**” means 12:01 a.m. (Calgary time) on November 19, 2023 or such other time as the Parties may agree to in writing.

“**CMI**” means Carey Management Inc.

“**Commissioner**” means the Commissioner of Competition appointed under the *Competition Act* or any Person authorized to exercise the powers and perform the duties of the Commissioner of Competition.

“**Competition Act**” means the *Competition Act* (Canada).

“**Competition Act Approval**” means:

- (a) the Commissioner shall have issued (and not rescinded) an Advance Ruling Certificate to Purchaser; or
- (b) both of (i) the expiry or termination of the applicable waiting period (including any extension of such waiting period) under section 123 of the *Competition Act*, or the waiver of the obligation to provide a pre-merger notification in accordance with section 113(c) of the *Competition Act* and (ii) the Commissioner shall have issued (and not rescinded or amended) a No-Action Letter to Purchaser.

“**Contracts**” means all pending and executory contracts, agreements, leases, understandings and arrangements (whether oral or written) to which any of the Vendors are a party or by which such entity is bound or in which such entity has, or will at the Closing Effective Time have, any rights or by which any of its property or assets are or may be affected, including any Contracts in respect of Employees.

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

“**Cure Costs**” means, in respect of the Assigned Contracts, all amounts, costs, fees and expenses: (i) required under section 11.3(4) of the CCAA to be paid to remedy monetary defaults in relation to the Assigned Contracts, other than those arising by reason only of the Vendors’ bankruptcy, insolvency (including the commencement of the CCAA Proceedings) or failure to perform a non-monetary obligation; (ii) required to secure a counterparty’s consent to the assignment of an Assigned Contract and agreed to by the Purchaser in its sole discretion; or (iii) as may be required pursuant to the Approval and Vesting Order or the Assignment Order, as applicable, and which for greater certainty, may be an amount agreed to by the Purchaser and the counterparty to an Assigned Contract, subject to the approval of the Monitor.

“**Designated Inventory**” means inventory of the Vendors that the Purchaser designates, acting reasonably, as current, saleable Purchaser designated inventory, as confirmed by the Monitor, acting reasonably; provided that Designated Inventory shall only include inventory that is subject to the CIBC Facility and included in the borrowing base certificate.

“**Excluded Assets**” means all assets of the Vendors as of the Closing Effective Time other than the Purchased Assets.

“**Excluded Contracts**” means all Contracts other than the Assigned Contracts.

“**Excluded Liabilities**” has the meaning set out in Section 2.3.

“**Employee**” means any individual who is employed by any of the Vendors immediately prior to the Closing Effective Time.

“**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).

“**Estimated Designated Inventory**” has the meaning set out in Section 5.7(b).

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

“**Final Closing Date Designated Inventory**” has the meaning set out in Section 5.7(d).

“**General Conveyance**” means a general conveyance evidencing the conveyance to the Purchaser of the Vendors’ interest in and to the Purchased Assets, 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*.

“**Illustrative Designated Inventory and SEC A/R Schedule**” has the meaning set out in Section 5.7(a).

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

“**Intellectual Property**” means all intellectual property and industrial property used by the Vendors in the Business, whether or not registrable, patentable or otherwise formally protectable, and whether or not registered, patented, otherwise formally protected or the subject of a pending application for registration, patent or any other formal protection, including all rights, titles, interests, and benefits in and to: (i) trademarks, service marks, trade dress, corporate, partnership and business names, fictitious names and other trade names; (ii) inventions, patent rights, arts, processes, machines, manufactures, compositions of matter, utility models; (iii) works, copyrights, neighbouring rights, moral rights, software (whether source code or object code) and databases; (iv) designs and industrial designs; (v) know-how, show-how, trade secrets, proprietary information, formulae, recipes, algorithms, specifications, schematics, systems, methods and techniques and related documentation, patient, customer and supplier information and records, and

market and survey information; (vi) telephone numbers, domain names, websites and website portals and social media identities and accounts; (vii) integrative circuit topographies and mask works; and all derivatives, modifications and improvements of the foregoing, and all goodwill relating to the foregoing, and all re-examinations, reissues, continuations, extensions and divisions of any of the foregoing, and all income, royalties, damages and payments now and hereafter due or payable with respect to any of the foregoing (including damages and payments for past or future infringements, dilutions, misappropriations, misuse or unauthorized use of any of the foregoing), and all rights to sue, counterclaim and recover for past, present and future infringements, dilutions, misappropriations, misuse or unauthorized use of any of the foregoing.

“**Landed Cost**” means the total cost of Designated Inventory purchased by the Vendors, including without limitation, the purchase price, freight, shipping, handling, customs duties, insurance, and any other costs associated with the transportation of the Designated Inventory to its destination. For the avoidance of doubt, Landed Cost shall be calculated based only on the actual costs incurred and reasonably documented by the Vendors, and shall be generally consistent with the costs reflected in the Illustrative Designated Inventory and SEC A/R Schedule and Accounting Methodologies contained therein.

“**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(f).

“**No-Action Letter**” means written confirmation from the Commissioner that they do not, at that time, intend to make an application under section 92 of the *Competition Act* in respect of the transactions contemplated under this Agreement.

“**Oakville Leased Property**” means the leased real property municipally known as 2226 South Service Road, Oakville, Ontario.

“**Optional Purchased Assets**” has the meaning given to that term in the TSA.

“**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.

“**Organizational Documents**” means any trust document, charter, certificate or articles of incorporation or amalgamation, articles of amendment, articles of association, articles of organization, articles of continuance, bylaws, as amended, partnership agreement or similar formation or governing documents of a Person (excluding individuals).

“**Outside Date**” means 11:59 pm (Calgary time) on November 30, 2023, 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.

“**Permits and Licenses**” means the orders, permits, licenses, Authorizations, approvals, registrations, consents, waivers or other evidence of authority issued to, granted to, conferred upon, or otherwise created for the Vendors by any Governmental Authority related to the Business, the Purchased Assets and Assigned Contracts.

“**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.

“**Purchased Assets**” has the meaning set out in Section 2.1.

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

“**Purchaser**” means 7-Eleven Canada, Inc., or its nominee.

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

“**Sales Agent**” means Alvarez & Marsal Canada Securities ULC.

“**SEC A/R**” has the meaning set out in Section 5.8(a) .

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

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

“**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.

“**Trademark Assignment Agreement**” means an assignment of trademark agreement evidencing the assignment to the Purchaser of each Vendor’s rights, title, and interest in any and all trademarks forming part of such Vendor’s Intellectual Property.

“**Transaction**” means all of the transactions contemplated by this Agreement, the TSA and the 772 APS, including the purchase and sale transaction whereby the Purchaser will acquire the Purchased Assets.

“**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 Assets, including GST/HST.

“TSA” has the meaning set out in Section 5.6.

“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.

1.7 Schedules & Amendments to Schedules

The following exhibits and schedules are attached hereto and incorporated in and form part of this Agreement:

SCHEDULES

Schedule A	-	Assigned Contracts
Schedule B	-	Form of Transition Services Agreement
Schedule C		Illustrative Designated Inventory and SEC A/R Schedule and accompanying Accounting Methodologies

Unless the context otherwise requires, words and expressions defined in this Agreement will have the same meanings in the Exhibits and Schedules and the interpretation provisions set out in this Agreement will apply to the Exhibits and Schedules. Unless the context otherwise requires, or a contrary intention appears, references in the Exhibits and Schedules to a designated Article, Section, or other subdivision refer to the Article, Section, or other subdivision, respectively, of this Agreement.

ARTICLE 2 PURCHASE AND SALE OF PURCHASED ASSETS

2.1 Purchase and Sale of Purchased Assets

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, to and under all of the personal and tangible assets located in Alberta and British Columbia, and all of the intangible assets, whether now existing or hereafter acquired, which are used or held for use in connection with, the Business (collectively, the "**Purchased Assets**"), free and clear of all Encumbrances, including without limitation:

- (a) all furniture, fixtures, equipment, machinery and other tangible personal property owned by the Vendors and located in Alberta and British Columbia;
- (b) all Assigned Contracts as set out in Schedule "A" attached hereto;
- (c) each Vendor's rights under warranties, indemnities and all similar rights against third parties to the extent related to any Purchased Assets;
- (d) originals, or where not available, copies, of all Books and Records, including books of account, ledgers and general, financial and accounting records, machinery and equipment maintenance files, customer lists, customer purchasing histories, price lists, distribution lists, supplier lists, production data, quality control records and procedures, customer complaints and inquiry files, research and development files, records and data (including all correspondence with any Governmental Authority), sales material and records, strategic plans, internal financial statements and marketing and promotional surveys, material and research, that exclusively relate to the Purchased Assets or Assigned Contracts; and
- (e) all Intellectual Property owned by each Vendor and used in connection with the Business, including any registrations related thereto, including without limitation:
 - (i) all rights, title and interest in and to the WORCS warehouse management software platform (including all object code, source code, and documentation);
 - (ii) all rights, title and interest in and to the WOnline online ordering software portal (including all object code, source code, and documentation); and
 - (iii) all the Vendors' rights under its existing per-device licences for the LXEZ software package (including add-on library, connection server and application) that provides access to the WORCS server software.

2.2 Excluded Assets

Notwithstanding Section 2.1, the Purchased Assets shall not include the Excluded Assets.

2.3 Transfer of Purchased Assets and Assumption of Liabilities

Provided that Closing occurs and subject to the terms and conditions of this Agreement, possession, risk, legal and beneficial ownership of the Purchased Assets shall transfer from the Vendors to the Purchaser on the Closing Date, and the Purchaser agrees to assume, discharge, perform and fulfill all of the Assumed Liabilities from and after the Closing Date. For certainty, the Purchaser is not assuming any Liabilities of the Vendors other than the Assumed Liabilities (collectively, the "**Excluded Liabilities**") and shall have no liability to any Person therefor.

2.4 Assigned Contracts

- (a) Until the Closing Effective Time, the Purchaser shall be entitled to make additions, deletions and modifications to the Contracts classified as “Assigned Contracts”, in its sole discretion. For greater certainty: (i) any Assigned Contract subsequently designated by the Purchaser as an Excluded Contract after the date of this Agreement shall be deemed to no longer be an Assigned Contract, and shall be an Excluded Contract; and (ii) any Contract subsequently designated by the Purchaser as an Assigned Contract after the date of this Agreement shall be deemed an Assigned Contract for the purposes of this Agreement. Notwithstanding the foregoing, this Section 2.4 shall not apply to the lease agreement relating to the Oakville Leased Property, which shall constitute an Optional Purchased Asset and may be purchased by the Purchaser in accordance with the terms of this Agreement and the TSA.
- (b) Each of the Parties shall use reasonable commercial efforts to obtain, as may be required by the terms of such Assigned Contracts, all consents and approvals required to assign the Assigned Contracts to the Purchaser.
- (c) To the extent that any Assigned Contract is not assignable without the consent or approval of the counterparty or any other Person, and such consent or approval has not been obtained prior to the Closing: (i) any Vendor’s interest in, to and under such Assigned Contract may be conveyed to the Purchaser pursuant to an Assignment Order; (ii) any applicable Vendor will use commercially reasonable efforts to obtain an Assignment Order in respect of such Assigned Contract on or prior to the Closing; and (iii) if an Assignment Order is obtained in respect of such Assigned Contract at the request of the Purchaser, the Purchaser shall accept the assignment of such Assigned Contract on such terms.
- (d) To the extent that any Cure Costs are payable with respect to any Assigned Contract, the Purchaser shall be responsible for and shall pay such Cure Costs, which shall be paid either directly to the applicable counterparty or to the Monitor, which Cure Costs shall be in addition to the Purchase Price. Unless the Parties otherwise agree, to the extent that any Cure Cost is payable with respect to any Assigned Contract, where such Assigned Contract is assigned pursuant to an Assignment Order, the Purchaser shall pay such Cure Costs in accordance with such Assignment Order, and where such Assigned Contract is not assigned pursuant to an Assignment Order, the Purchaser shall pay such Cure Costs in the manner set out in the consent of the applicable counterparty or as otherwise may be agreed to by the Purchaser and such counterparty.
- (e) Subject at all time to their obligations under the TSA, during the CCAA Proceedings the Vendors shall be entitled to disclaim or seek to disclaim any Excluded Contracts pursuant to the CCAA.
- (f) It shall be the sole obligation of the Purchaser, at the Purchaser’s sole cost and expense, to provide any and all financial assurances, deposits or security, including without limitation any Cure Costs that may be required by Governmental Authorities or any third parties to permit the transfer of the Purchased Assets, including the Assigned Contracts, to the Purchaser.

ARTICLE 3 PURCHASE PRICE

3.1 Purchase Price

The aggregate purchase price for the Purchased Assets shall be CAD\$4,500,000.00 (the “**Purchase Price**”). The Purchase Price shall be paid on the Closing Date, in full, by wire transfer of immediately available funds to an account designated by the Monitor.

3.2 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 Assets.
- (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 Assets 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 Assets takes place. Any GST/HST incurred in connection with the purchase and sale of the Purchased Assets 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 Assets, 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 to be 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. 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 Assets, or which would reasonably be expected to enjoin, delay, restrict or prohibit the transfer of all or any part of the Purchased Assets 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 and the Competition Act Approval, and any consents, approvals or waivers required in connection with the assignment of the Assigned Contracts, 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 and the SISP Order, no Person has any contractual right, option or privilege for the purchase or acquisition from each Vendor of any of the Purchased Assets.

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 (i) obtaining the Approval and Vesting Order, (ii) obtaining the Competition Act Approval, (iii) filing a notification pursuant to the *Investment Canada Act* (Canada), and (iv) obtaining any consents, approvals or waivers required in connection with the assignment of the Assigned Contracts, 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 Vendor is selling the Purchased Assets 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 Vendor does not guarantee title to the Purchased Assets. 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 Assets or the right of the Vendor 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 Assets 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 and, if applicable, the Assignment Order, seeking relief that will, inter alia, approve this Agreement and the Transaction, and release the officers and directors of the Vendors, their advisors, the Monitor, the Monitor's counsel and the Sales Agent. The Vendors shall use commercially reasonable efforts to seek the issuance and entry of the Approval and Vesting Order and Assignment 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 and Assignment Order which will include supporting the full and final release of directors and officers of each Vendor (but shall not be a condition of the making of the balance of the order if rejected by the Court for any reason) in the Approval and Vesting Order.

5.5 Insurance Matters

Until Closing, the Vendor shall keep in full force and effect all existing insurance policies and give any notice or present any Claim under any such insurance policies consistent with past practice in the ordinary course of business.

5.6 Transition Services Agreement

Contemporaneous with the Closing contemplated herein the Vendors and the Purchaser shall enter into a transition services agreement substantially in the form attached hereto as Schedule "B" ("TSA") setting out the terms and conditions pursuant to which, among other things, (i) the Vendors will continue to provide logistics services to the Purchaser on a revenue neutral basis, (ii) the Vendors will continue to have access to the Purchased Assets for the purposes set out in the TSA, and (iii) realization may be made upon Excluded Assets in connection with the winding down of the Vendors.

5.7 Inventory

- (a) In addition to the Purchased Assets, the Purchaser shall acquire at the Closing, all of the Vendors' rights, titles and interests in and to the Designated Inventory, on the terms and conditions set forth in this Section 5.7. Schedule C attached hereto (the "**Illustrative Designated Inventory and SEC A/R Schedule**") contains an illustrative example of the determination of Designated Inventory as of October 28, 2023, including accompanying methodologies (the "**Accounting Methodologies**").
- (b) On or before November 14th, 2023, the Vendors shall prepare and deliver to Purchaser an estimate of Designated Inventory as of November 4, 2023. Such estimate of Designated Inventory shall be prepared consistently with the Illustrative Designated Inventory and SEC A/R Schedule and the Accounting Methodologies contained therein. The Purchaser shall provide any comments to such estimated Designated Inventory as promptly as practicable following their receipt. The Vendors and the Purchaser shall work in good faith (in consultation with the Monitor) to resolve any disputes among the Parties and agree upon a final estimated Designated Inventory as of November 4, 2023 (the "**Estimated Designated Inventory**").
- (c) On November 18th, 2023, the Vendors shall conduct a physical inventory count to determine the actual Designated Inventory on hand with the Vendors as of the Closing Effective Time, which shall be supervised and audited by an independent inventory valuation service acceptable to the Monitor, the Purchaser, the Vendors and CIBC, acting reasonably (the "**Auditor**"). The Purchaser shall be permitted and afforded every opportunity to participate in all aspects of such inventory count. The results of such inventory count, as verified by the Auditor, shall be referred to herein as the "**Audited Designated Inventory**". Such determination, and allocation of Audited Designated Inventory as Designated Inventory, shall be prepared consistently with the Illustrative Designated Inventory and SEC A/R Schedule and the Accounting Methodologies contained therein.
- (d) The Purchaser shall provide any comments they have on the calculation of Audited Designated Inventory as promptly as possible following their receipt of same. The Vendors and the Purchaser shall work in good faith (in consultation with the Monitor and the Auditor, if necessary) to resolve any disputes among the Parties and agree upon a final determination of the Designated Inventory as of the Closing Effective Time (such determination, as mutually agreed upon by the Parties, being referred to herein as the "**Final Closing Date Designated Inventory**").
- (e) Payment for the Designated Inventory shall be made as follows:
 - (i) On the Closing Date, the Purchaser shall pay a cash deposit to the Monitor in an amount equal to the lesser of (i) twelve million dollars (\$12,000,000), and (ii) seventy-five percent (75%) of the value of the Estimated Designated Inventory (the "**Designated Inventory Deposit**"). The Designated Inventory Deposit shall be held by the Monitor, in escrow, pending the determination of the Final Closing Date Designated Inventory in accordance with Section 5.7(d) above. For the avoidance of doubt, the Illustrative Designated Inventory and SEC A/R Schedule and the Accounting Methodologies contained therein shall reflect, and the Purchaser shall only be required to pay in accordance with this Section 5.7, a value for the Designated Inventory equal to the Vendors' Landed Cost for such Designated Inventory.

- (ii) Within two (2) Business Days following the determination of the Final Closing Date Designated Inventory in accordance with Section 5.7(c) above, the Purchaser shall pay to the Monitor an amount equal to (i) one-hundred percent (100%) of the value of the Final Closing Date Designated Inventory *minus* (ii) the Designated Inventory Deposit; provided that, if such amount is a negative number (the “**Deficit**”), then the Monitor shall reimburse the Purchaser an amount equal to the Deficit. The net proceeds from the Final Closing Date Designated Inventory shall be applied to reduce the secured debt obligations of the Vendors. For the avoidance of doubt, the Purchaser shall only be required to pay in accordance with this Section 5.7, a value for the Designated Inventory equal to the Vendors’ Landed Cost for such Designated Inventory.

5.8 Accounts Receivable

- (a) For purposes of this Agreement, “**SEC A/R**” means all validated accounts receivable of the Vendors that pertain to purchases by the Purchaser. An illustrative example of SEC A/R as of October 28, 2023, including accompanying Accounting Methodologies, is included in the Illustrative Designated Inventory and SEC A/R Schedule.
- (b) At Closing, the Purchaser shall determine in good faith (and subject to the consent and approval of the Monitor) and pay to the Monitor an amount equal to the SEC A/R outstanding as of two (2) Business Days prior to the Closing Date (the “**SEC A/R Deposit**”). The calculation of such SEC A/R shall be consistent with the Illustrative Designated Inventory and SEC A/R Schedule and accompanying Accounting Methodologies.
- (c) Within seven (7) days following the Closing Date, the Purchaser will determine, acting reasonably and in consultation with the Monitor, the actual amount of SEC A/R outstanding at the Closing Effective Time. The calculation of such SEC A/R shall be consistent with the Illustrative Designated Inventory and SEC A/R Schedule and accompanying Accounting Methodologies. In accordance with this determination, the Purchaser shall then, within two (2) Business Days, make such further and additional payment to the Monitor of SEC A/R that had not already been paid as of the Closing Date. The net proceeds from the SEC A/R shall be applied to reduce the secured debt obligations of the Vendors.

5.9 Carey Management Inc. Subsidiaries

Each Vendor covenants and agrees to work with the Monitor and any receiver of a CMI subsidiary to monetize any and all Excluded Assets and CMI subsidiary company assets, as necessary, to satisfy the CCAA Charges. CMI represents and warrants that, to the best of its knowledge, the balance sheets of Ridge Meadows Properties Ltd. and Spruce It Up Land Corp. dated as of October 30, 2023, as provided to the Monitor and the Purchaser, are true and accurate in all material respects.

5.10 Wind-Down

Following the Purchaser’s purchase of Designated Inventory contemplated in Section 5.7, and each Vendor’s sale of all of its other inventory which is not Designated Inventory after Closing, the Vendors shall commence an immediate orderly wind-down and termination of third party customer business of the Vendors under the supervision of the Monitor such that as soon as possible following Closing, other than residual wind-down activities, the Purchaser will be the only go-forward customer of the Vendors, all as contemplated by the TSA.

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) a true copy of the Approval and Vesting Order, as issued and entered by the Court;
- (b) a true copy of the Assignment Order, if applicable, as issued and entered by the Court;
- (c) all Tax elections contemplated by Section 3.2, duly executed by the Vendors;
- (d) the General Conveyance, duly executed by the Vendors;
- (e) the Assignment and Assumption Agreement, duly executed by the Vendors;
- (f) the Trademark Assignment Agreement, duly executed by the Vendors;
- (g) the complete source code, object code, and documentation for the WORCS warehouse management software platform (including all previous versions, code branches, developer notes, designs, specifications, and other documents in the Vendors' possession or control);
- (h) the complete source code, object code, and documentation for the WOnline online ordering software portal (including all previous versions, code branches, developer notes, designs, specifications, and other documents in the Vendors' possession or control);
- (i) 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;
- (j) the Books and Records that relate to the Purchased Assets and Assigned Contracts; and
- (k) 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) payment of the Purchase Price;
- (b) payment of the Designated Inventory Deposit and SEC A/R Deposit;

- (c) 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 3.2;
- (d) payment of the Cure Costs to be paid by the Purchaser pursuant to Section 2.4 to the Monitor, or evidence that such Cure Costs have been or will be paid directly to the applicable counterparty;
- (e) all tax elections contemplated by Section 3.2, duly executed by the Purchaser;
- (f) the Assignment and Assumption Agreement, duly executed by the Purchaser;
- (g) 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
- (h) 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. The Approval and Vesting Order may contain provisions which include full and final releases of the directors and officers of the Vendors, however the refusal or failure of the Court to grant such relief is not a condition to the balance of the Approval and Vesting Order, including for purpose of this section.
- (b) Competition Act Approval. The Competition Act Approval shall have been obtained and not been rescinded.
- (c) Assignment Order. The Court shall have issued and entered the Assignment Order, if applicable, which Assignment 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.
- (d) 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

- (e) 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.
- (f) 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) Transition Services Agreement. The Purchaser and the Vendors shall have entered into the TSA, which TSA shall have been approved by an Order of the Court and such 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.
- (c) Purchase and Sale of Real Property. The 772 Transaction shall have closed such that the Purchaser is the owner of the 772 Properties.
- (d) 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 Canada, Inc.
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 / Jane Dietrich
Email: joliver@cassels.com / jdietrich@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 Paramourtycy

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: Patrick Carey
Title: President


WALLACE & CAREY INC.

Per: 
Name: Patrick Carey
Title: Chief Executive Officer

LOUDON BROS. LIMITED

Per: 
Name: Patrick Carey
Title: President

7-ELEVEN CANADA, INC.

Per: 
Name: David Seltzer
Title: Treasurer

**SCHEDULE “A”
ASSIGNED CONTRACTS**

- Lease Agreement dated as of June, 2021 entered into between Tariff Developments Inc., as landlord, and Wallace & Carey Inc., as tenant, with respect to the property municipally known as Units 120 and 130, 7350 Wilson Avenue, Delta, British Columbia.
- Lease Agreement dated as of April 16, 2013 (as amended by an amending agreement dated as of April 2, 2014, and further amended by an amending agreement dated as of November 17, 2015) entered into between Hoop Realty Inc., as landlord, and Wallace & Carey Inc., as tenant, with respect to the property municipally known as 14430-14494 157th Avenue NW, Edmonton, Alberta.
- All existing per-device licences for the LXEZ software package (including add-on library, connection server and application) that provides access to the WORCS server software.

SCHEDULE "B"
FORM OF TRANSITION SERVICES AGREEMENT

See attached.

TRANSITION SERVICES AGREEMENT

THIS TRANSITION SERVICES AGREEMENT (this “TSA”) is made effective as of the 20th day of November, 2023 (the “**Effective Date**”),

AMONG:

**WALLACE & CAREY INC. (“W&C”) AND CAREY
MANAGEMENT INC. (“CMI”)**

(collectively, the “**Debtors**”)

- and -

7-ELEVEN CANADA, INC.

(the “**Purchaser**”)

- and -

**KSV RESTRUCTURING INC., in its capacity as CCAA Monitor of
the Debtors and not in its personal or corporate capacity**

(“**KSV**”)

BACKGROUND:

- A. On June 22, 2023, upon application by the Debtors, the Court of the King’s Bench of Alberta (the “**Court**”) granted an initial order (the “**Initial Order**”) in respect of the Debtors under the *Companies Creditors’ Arrangement Act* (Canada) (“**CCAA**”, and the proceedings thereunder being the “**CCAA Proceedings**”);
- B. KSV is the monitor (the “**Monitor**”) of the Debtors in the CCAA Proceedings, and on November _____, 2023 was appointed by the Court as receiver (the “**Receiver**”) in respect of, *inter alia*, the real properties and associated personal property and assets of 772921 Alberta Inc. (“**772921**”), in particular the real properties known municipally as 1230 Industrial Road, Kelowna, British Columbia and 5415 and 5445 8th Street N.E., Calgary, Alberta (together, the “**Acquired Properties**”);
- C. The Debtors and the Purchaser are parties to an asset purchase agreement dated as of November 7, 2023 (the “**APA**”) pursuant to which the Purchaser has agreed to purchase (or take an assignment of), and the Debtors have agreed to sell or assign certain assets currently used in connection with the business (the “**Business**”) of the Debtors (the “**Purchased Assets**”), subject to Court approval, which Purchased Assets include the leases (the “**Assumed Leases**”) of the Debtor’s warehouse premises known municipally as (i) 7350 Wilson Avenue, Delta, British Columbia and (ii) 14430 - 14434 157 Avenue, Edmonton, Alberta, and 772921’s warehouse premises known municipally as (iii) 5225 8th Street N.E., Calgary, Alberta and (iv) Unit 5B, 4386 Boban Drive, Nanaimo, British Columbia (together, the “**Assumed Lease Premises**”);
- D. The Purchaser and the Receiver are parties to an agreement of purchase and sale dated as of November 7, 2023 (the “**Warehouse APS**”) pursuant to which the Purchaser has agreed to purchase, and the Receiver has agreed to sell the Acquired Properties, subject to Court approval;

- E. The Debtors shall continue to own and shall preserve its ownership (including any real or personal property leasehold interests, as the case may be) of all assets utilized by the Debtors in respect of the Debtor's services provided to the Purchaser prior to the Effective Date, and to be provided to the Purchaser or its designee in accordance with this TSA following the Effective Date, that are not Purchased Assets, including, without limitation, the 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**");
- F. In order to enable the Debtors to continue providing the Purchaser with the ongoing services as set out in **Schedule A** hereto (the "**Ongoing Services**") and the transition services as set out in **Schedule B** hereto (the "**Transition Services**", and together with the Ongoing Services, the "**Services**") in accordance with this TSA, following the Effective Date, the Debtors shall continue to employ a certain level of warehouse, logistics, administrative, and managerial employees of the Debtors as may be adjusted from time to time during the Term in accordance with this TSA (the "**Transition Employees**");
- G. The Purchaser requires the Debtors to maintain and preserve (i) certain contracts required for the operation of the Debtors' Business which are not part of the Purchased Assets (the "**Transition Contracts**", as set out in **Schedule C** hereto), as may be adjusted from time to time during the Term in accordance with this TSA, and (ii) the equipment leases and vehicle leases included in the Optional Purchased Assets (the "**Option Equipment Leases**", as set out in **Schedule D** hereto, and together with the Option WH Leases, the "**Optional Purchased Assets**"), as may be adjusted from time to time during the Term in accordance with this TSA;
- H. The Purchaser requires the Debtors to maintain and preserve certain licences and permits required for the operation of the Debtors' Business which are not part of the Purchased Assets (the "**Transition Permits**", as set out in **Schedule E** hereto), as may be adjusted from time to time during the Term in accordance with this TSA;
- I. The APA and the Warehouse APS were both approved by Orders of the Court dated November 17, 2023) (the "**APA AVO**" and the "**Warehouse APS AVO**" respectively); and
- J. The entry into this TSA was approved pursuant to the APA AVO and is a closing condition under the APA and the Warehouse APS.

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Provision of the Services.** Subject to and strictly in accordance with the terms of this TSA and the APA AVO, the Debtors shall provide the Services to the Purchaser using the Purchased Assets and the Optional Purchased Assets.
2. **Occupation.** The Debtors shall remain in occupation of each of the Acquired Properties, the Assumed Lease Premises, and Leased Option Premises (together, the "**Premises**" and each, a "**Premise**") during the period (the "**Occupation Period**") from 12:01 a.m. (prevailing Calgary, Alberta time) on November 19, 2023 (the "**Effective Time**") until the earlier of (i) not less than 10 days following receipt of notice of termination from the Purchaser in respect of the Services being performed at a specified Premise (other than a Leased Option Premise), (ii) not less than 35 days following receipt of notice of termination from the Purchaser in respect of the Services being performed at a Leased Option Premise, or (iii) the date upon

which the Term of this TSA expires or is otherwise terminated in accordance with its terms and conditions (the “**Termination Date**”).

3. **Services of Transition Employees.**

- (a) The Debtors shall provide the Purchaser with the Services utilizing the Transition Employees during the period (the “**Services Period**”) from the Effective Date until the Termination Date. Except as provided in section 3(b) and section 21(b), during the Services Period, the Transition Employees shall remain employees of the Debtors. Except as provided in section 3(b), nothing in this TSA or the APA shall create a relationship of employer and employee between the Purchaser and any of the Transition Employees. During the Services Period, the Debtors shall perform all obligations and discharge all liabilities that may be imposed on them by applicable law as employers of the Transition Employees. The Debtors shall be responsible for the day to day supervision and management of the Transition Employees during the Services Period.
- (b) From time to time during the Services Period, the Purchaser may elect to offer employment to one or more Transition Employee(s) on such terms as the Purchaser may deem appropriate (each employee who accepts such offer being, a “**Hired Employee**”). A Hired Employee will thereafter be subject to control and direction from the Purchaser, and the Debtors will provide (i) all assistance reasonably requested by the Purchaser in facilitating the resignation of such Hired Employee(s) from the employ of the Debtors and their subsequent engagement by the Purchaser, and (ii) such Hired Employee(s) with continued access to the Premises and information in the same way as if they had remained employed by the Debtors for provision of the Services. For clarity, nothing in this TSA requires the Purchaser to hire any of the Transition Employees.

4. **Access.** The Debtors will allow all Purchaser personnel (including Hired Employees), the Monitor, any party appointed by Canadian Imperial Bank of Commerce, as agent for the secured lenders to the Debtor, and third parties designated by the Purchaser to access the Premises from time to time during the Services Period, including, without limitation, for the purpose of realizing upon any Excluded Assets that are not Optional Purchased Assets and to proceed with the wind down of the Debtors and their Affiliates, and will ensure that the Transition Employees cooperate with all reasonable requests made by such individuals.

5. **Optional Purchased Assets.**

- (a) During the Term, the Debtors shall remain party to or retain their ownership, and provide the Purchaser with the operational benefit, of the Optional Purchased Assets, including, without limitation, the Option WH Leases.
- (b) The Debtors hereby grant the Purchaser an exclusive and irrevocable option to acquire any or all of the Optional Purchased Assets on terms to be agreed upon between the Purchaser and the Monitor, each acting reasonably, and subject to approval of the Court if required (the “**Option**”). The Option in respect of all of the Optional Purchased Assets *other than the Oakville Warehouse lease* will be available for exercise by the Purchaser, in the Purchaser’s sole discretion, during the entirety of the Term. The Option in respect of the Oakville Warehouse lease will be available for exercise by the Purchaser, in the Purchaser’s sole discretion, until the later of four (4) months after the Effective Date or such date that the Monitor decides to market the Oakville Warehouse lease, unless otherwise agreed by the Purchaser and Monitor, acting reasonably, in writing.

- (c) The Purchaser may exercise the Option (from time to time during the Term) by providing the Debtors with 10 days' written notice detailing which Optional Purchased Asset(s) the Purchaser would like to purchase (the "**Option Notice**"). Upon receipt of such Option Notice, and upon the Purchaser reaching agreement with the Monitor on the purchase price in respect of the Optional Purchased Asset(s), the Debtors agree to sell (subject to the approval of the Court if required) the corresponding Optional Purchased Asset(s) to the Purchaser on an "as is, where is" basis, free and clear of all claims and encumbrances, and to otherwise cooperate with the Purchaser in effecting such purchase and transfer of title. The purchase price for Optional Purchased Assets shall be limited to CAD\$1.00 for all Option Equipment Leases and Option WH Leases (with the sole exception of the Oakville Warehouse lease which may have a purchase price in excess of CAD\$1.00¹).
- (d) If the Purchaser exercises its Option in respect of the Oakville Warehouse lease, the Monitor and the Debtors will use commercially reasonable efforts to obtain a lease assignment order in respect of same upon the Purchaser's request.
- (e) From time to time during the Services Period, if the Purchaser determines that it will not be exercising the Option in respect of a particular Optional Purchased Asset, the Purchaser may, in the Purchaser's sole discretion, provide the Debtors and the Monitor with 35 days' prior written notice (an "**Exclusion Notice**") detailing which Optional Purchased Asset(s) the Purchaser would like to exclude from the Option, and the Purchaser's responsibility for funding any costs of the Debtor's obligations in respect of such Excluded Asset pursuant to section 10 of this TSA shall cease upon the effective date of the Exclusion Notice.
- (f) Any Optional Purchased Assets remaining in the Debtor's possession and control on the Termination Date shall thereupon be deemed to be Excluded Assets.

6. **Provision of Transition Contracts.** The Debtors shall remain party to the Transition Contracts during the period (the "**Contract Period**") from the Effective Time until the earlier of: (i) expiration of the Transition Contract in accordance with its terms, unless arrangements reasonably satisfactory to the Debtors and the Purchaser are made to extend or renew such Transition Contract; (ii) 35 days following receipt of notice of termination from the Purchaser in respect of the Services which are reliant on a Transition Contract; (iii) the assignment of a Transition Contract to the Purchaser by the Debtors; or (iv) the Termination Date.

7. **Provision of Transition Permits.** The Debtors shall remain party to the Transition Permits during the period (the "**Permit Period**") from the Effective Time until the earlier of: (i) expiration of the Transition Permit in accordance with its terms, unless arrangements reasonably satisfactory to the Debtors and the Purchaser are made to extend or renew such Transition Permit; (ii) 35 days following receipt of notice of termination from the Purchaser in respect of the Services which are reliant on a Transition Permit; (ii) the assignment of the Transition Permit to the Purchaser by the Debtors; or (iii) the Termination Date.

8. **Licence.** The Purchaser hereby grants the Debtors a limited, revocable, non-exclusive, non-transferable, non-sublicensable, non-assignable licence to use any information technology systems that were included in the Purchased Assets during the Services Period, provided that the Debtors may only use such systems to the extent such use is necessary to provide the Purchaser with the Services or to realize

¹ The purchase price for the Oakville Warehouse lease shall be calculated as of the date that the Oakville Warehouse lease is assigned to Purchaser. It will be determined by taking 50% of the present value of the difference between the payments set out in the Oakville lease and market rent, as determined by Colliers International, using a discount rate equal to CIBC's prime rate as of the Effective Date.

upon the Excluded Assets and proceed with the wind down of the Debtors and their Affiliates. The foregoing licence is also granted to any receiver of the Debtors, or the Monitor, if so appointed to realize upon the Excluded Assets.

9. Trademarks.

- (a) The Purchased Assets included certain trademarks that the Debtors used in association with their Business, as set out in more detail in the APA (the “**Trademarks**”). The Purchaser hereby grants the Debtors a limited, non-exclusive, non-transferable and non-sublicensable right and licence, during the Services Period, to use the Trademarks for the sole purpose of performing the Services or to realize upon the Excluded Assets and proceed with the wind down of the Debtors and their Affiliates, all in accordance with this section 9. The Debtors shall not use the Trademarks in any way not expressly permitted by this TSA or by the Purchaser in writing. The foregoing licence is also granted to any receiver of the Debtors, or the Monitor, if so appointed to realize upon the Excluded Assets.
- (b) The Debtors shall: (i) use, reproduce and display the Trademarks in a manner consistent with the operation of their Business immediately before the Effective Date, and in accordance with the policies, specifications, regulations and standards authorized or stipulated by the Purchaser from time to time relating to the form and manner in which the Trademarks are to be used; (ii) upon written notice from the Purchaser, immediately modify or discontinue any use of any of the Trademarks that the Purchaser determines might adversely affect the Purchaser’s rights or interests in the Trademarks, except as necessary to realize upon the Excluded Assets and proceed with the wind down of the Debtors and their Affiliates; (iii) not use, display or reproduce or apply to register any of the Trademarks, or any trademarks, domain names, business names, corporate names, words, designs, characters, symbols or other identifiers that are identical to or confusing with or derived from or based on any of the Trademarks, except as expressly authorized by the Purchaser in writing; (iv) not oppose or otherwise challenge the validity of any of the Trademarks or the Purchaser’s interest in any of the Trademarks; and (v) cooperate with the Purchaser for the purpose of protecting, preserving and enhancing the Trademarks and the Purchaser’s interest in the Trademarks as the Purchaser may reasonably request from time to time, at the cost of the Purchaser.
- (c) Except as may be authorized by this TSA or by the Purchaser, the Debtors shall not directly or indirectly through any number of intermediaries: (i) use, reproduce, display or take the benefit of any of the Trademarks; (ii) do anything or omit to do anything, that might impair, jeopardize, violate, infringe, dilute, depreciate, prejudice, derogate from, tarnish or disparage the Trademarks, the goodwill associated with the Trademarks, or the Purchaser’s interest in the Trademarks; (iii) use any of the Trademarks, or any trademarks, domain names, business names, corporate names, words, designs, characters, symbols or other identifiers that, in whole or in part, reproduce or resemble any of the Trademarks, or is confusing with any of the Trademarks, or is derived from or based on any of the Trademarks, in a manner that defames, slanders, libels, criticizes, or ridicules the Purchaser or any of Purchaser’s business, products, services or activities; or (iv) assist, permit, or encourage any other person or entity to do any of the foregoing.
- (d) The Debtors acknowledge and agree that: (i) the Purchaser will have no liability to any of the Debtors for anyone who may claim prior use of any of the Trademarks; (ii) as between the Purchaser and the Debtors, the Purchaser exclusively owns the Trademarks and all goodwill associated with or appurtenant to the Trademarks; and (iii) all the benefit and

goodwill associated with the Debtors' use of the Trademarks will at all times enure entirely to the Purchaser.

- (e) The Debtors shall permit and assist the Purchaser and its designees to observe and inspect the Debtors' activities relating to the Trademarks in order to confirm compliance with this TSA. This will include permitting and assisting the Purchaser or its designees to enter premises where the Debtors exercises any of their rights under this TSA.
- (f) This trademark licence commences on the Effective Date and will automatically terminate when the Services Period ends, except as necessary to realize upon the Excluded Assets and proceed with the wind down of the Debtors and their Affiliates. When this trademark licence ends, the Debtors will immediately stop using and reproducing the Trademarks, except as necessary to realize upon the Excluded Assets and proceed with the wind down of the Debtors and their Affiliates.

10. Purchaser's Funding Obligations.

- (a) The Purchaser's funding under this TSA will be based on a not less than six week rolling budget (the "**Budget**") to be prepared (or updated) by the Debtors, in consultation with the Monitor, by 5:00 pm (Central Time) on Tuesday of each week during the Term for the period commencing the subsequent Monday. The Budget will be approved by the Purchaser in its sole discretion. The initial Budget ("**Initial Budget**") shall be prepared by the Debtors, in consultation with the Monitor and the Purchaser, not less than ten (10) days prior to the Effective Date, for approval by the Purchaser in its sole discretion (a Purchaser-approved Budget or Initial Budget, an "**Approved Budget**").
- (b) Notwithstanding anything in this TSA to the contrary, the parties acknowledge that all weeks in the then-current Approved Budget, with the sole exception of the first two weeks in the corresponding Approved Budget period, remain subject to ongoing review and adjustment by the Purchaser as may be necessary to reflect changes in circumstances. The Purchaser will endeavour in good faith to provide reasonable advance notice of a change in circumstance requiring a material adjustment to an Approved Budget.
- (c) Budgeted costs and expenses ("**Approved Budget Expenses**") shall include all costs and expenses reasonably incurred by the Debtors to provide the Transition Services, consistent with the Approved Budget, including (but not limited to): (i) (a) costs directly related to the Leased Option Premises during the Occupation Period, including, without limitation, rents, utility charges (including phone bills), maintenance costs, and property taxes payable by the Debtors under the Option WH Leases, and (b) all utility charges (including phone bills) and maintenance costs, associated with the Debtors' occupation of the Assumed Lease Premises and the Acquired Properties, to the extent payable under the Assumed Leases or in respect of the Acquired Properties (collectively, the "**Premises Costs**")²; (ii) all amounts owing by the Debtors under Option Equipment Leases until the effective date of a corresponding Option Notice or Exclusion Notice; (iii) the costs incurred by the Debtors in relation to the Debtors' employment of the Transition Employees (which costs shall not include any unpaid or banked overtime pay accrued before the Effective Date, unpaid vacation pay or other vacation-related entitlements accrued before the Effective Date, retention, or other bonuses, severance or termination pay at the end of the Services

² It is presumed Purchaser will pay rents and property taxes related to Assumed Lease Premises, as well as property taxes related to the Acquired Properties, directly (and not through Debtor).

Period for any Transition Employee) and the provisions of the Services during the Services Period in accordance with existing employment contracts (“**Services Costs**”); (iv) costs related to the Transition Contracts during the Contract Period in accordance with the terms thereof (the “**Contract Costs**”); (v) all applicable goods and services, harmonized sales, value added, sales, use, transfer and other similar taxes (collectively, “**Sales Taxes**”) in relation to the Premises Costs, Services Costs, Contract Costs, and other amounts payable by the Debtors in connection with the provision of the Services under this TSA; (vi) professional fees and disbursements of the Monitor and its counsel (other than in respect of Excluded Assets) incurred during the Term, and an amount not exceeding: (x) \$7,500 per week, on a non-cumulative basis, for the first eight (8) weeks following the Effective Date, and (y) \$4,000 per week on a non-cumulative basis thereafter, unless otherwise agreed to by the Purchaser, in respect of the fees and disbursement of any lawyers or other professional advisor to the Debtors relating to the Services and this TSA or otherwise in connection with the CCAA Proceedings; and (vii) any such amounts that the Purchaser chooses to fund, in its sole discretion. The Debtors shall be responsible for all other professional fees and out-of-pocket disbursements, costs and expenses incurred by the Debtors from and after the Effective Date, including costs incurred solely for the sale of Excluded Assets, unless otherwise agreed to by the Purchaser.

- (d) To the extent that the Debtors do not generate sufficient revenue from sales of inventory acquired after the Effective Date to the Purchaser or the provision of Services to the Purchaser after the Effective Date, the Purchaser shall be responsible to fund the Debtors by deposit to the bank account to be designated by the Monitor prior to the Effective Date (the “**Funding Account**”) such shortfall amounts set out in the Budget (“**Approved Budget Shortfalls**”), no later than the Friday of a given week for the subsequent work week during the Term or as otherwise agreed among the Purchaser, the Debtors, and the Monitor. In no event shall the Debtors have any obligation to fund the fees and/or costs of any Transition Services from the proceeds of sale of Excluded Assets or otherwise, except as otherwise set forth herein. In no event shall the Monitor have any funding obligations under this Agreement.

11. **Withholding Obligations.** If any Applicable Law requires the deduction or withholding of any Tax from any payment to the Debtors, then Purchaser shall be entitled to make such deduction or withholding and shall timely pay the full amount deducted or withheld to the relevant Governmental Authority in accordance with Applicable Law, and, with the exception of any amounts required by Applicable Law to be deducted or withheld in relation to Employees, the amount payable to the Debtors shall be increased as necessary for such amount deducted or withheld to the relevant Governmental Entity so that after such deduction or withholding has been made, the Debtors receive an amount equal to the amount it would have received had no such deduction or withholding been made.

12. **Initial Budget Funding.** On or before the Effective Date, the Purchaser shall fund the Funding Account with the amount reflected in the Approved Initial Budget.

13. **Revenue.**

- (a) Subject to Section 13(b), all revenue generated by the Debtors during the Term, regardless of the source of such revenue, will be solely for the Purchaser’s account. For greater certainty, in the event that an Approved Budget reflects a material surplus of revenue, the Purchaser may require that the Debtors refund to the Purchaser the amount of any prior advances made to the Funding Account from time to time. On the Termination Date, all

net revenue amounts remaining in the possession of the Debtors arising from and after the Effective Date shall be remitted to the Purchaser.

- (b) All revenue generated from any Excluded Assets for which the Debtors paid prior to the Effective Time, including any inventory that was paid for by the Debtors prior to the Effective Time which was not Designated Inventory or SEC A/R, shall be solely for the Debtors' account to be distributed to the Debtors' creditors in accordance with their respective priorities. For the avoidance of doubt, this section shall only apply to Excluded Assets for which the Debtors paid prior to the Effective Time, and all revenue generated from any assets of the Debtors which are paid for after the Effective Time shall be for the account of the Purchaser.

14. **Winding-Down of Non-Purchaser Operations.** The Debtors and the Monitor shall use their best commercial efforts to wind-down all business activities of the Debtors involving customers other than the Purchaser within the 60 day period following the Effective Date, subject to any extensions as may be consented to by the Purchaser in its sole discretion, on a customer specific basis.

15. **Limitation of Liability.** In no event will the Purchaser, its Affiliates, and its designee(s), and each of its and their respective employees, officers, directors, contractors, representatives, and agents (the "**Purchaser Released Parties**"), be liable to the Debtors for any direct, consequential, indirect, incidental, exemplary, special, or punitive damages whatsoever, whether arising out of breach of contract, tort (including negligence), or any other theory of liability, or otherwise (the "**Claims or Damages**"), regardless of whether such Claims or Damages were foreseeable and whether or not the Purchaser Released Parties were advised of the possibility of such Claims or Damages, other than the payment obligations of the Purchaser under this TSA, provided that the foregoing limitation of liability will not be applicable to the extent any such Claims or Damages are caused by or contributed to by the negligence, fraud, or willful misconduct of the Purchaser's, or the Purchaser's Affiliates', officers or directors. In no event will the Debtor, the Monitor, their Affiliates, and their designee(s), and each of their respective employees, officers, directors, contractors, representatives, and agents (the "**Debtor and Monitor Released Parties**"), be liable to the Purchaser for any Claims or Damages, regardless of whether such Claims or Damages were foreseeable and whether or not the Debtor and Monitor Released Parties were advised of the possibility of such Claims or Damages, provided that the foregoing limitation of liability will not be applicable to the extent any such Claims or Damages are caused by or contributed to by the negligence, fraud, or willful misconduct of the Debtors', or the Debtors' Affiliates', officers or directors.

16. **Representations.** The Debtors shall perform the Services: (a) in accordance with all Applicable Laws and regulatory requirements; and (b) in a good, workman-like manner and in accordance with a reasonable standard of effort, care, prudence, skill and quality. Other than the foregoing, the Debtors make no representations or warranties hereunder with respect to any Services.

17. **Insurance.** The Debtors shall maintain comprehensive general liability insurance coverage and such other insurance coverage as is typically maintained by the Debtors, including, without limitation, with respect to the Leased Option Premises during the Occupation Period and such insurance costs shall be a Lease Cost. The Debtors will ensure that all of the Debtors' insurance policies include the Purchaser and all of the Purchaser's Affiliates as additional named insureds during the Term, and the Purchaser shall be responsible for the pro-rata cost of such insurance from and after the Effective Time.

18. **Term; Termination.**

- (a) The term (the "**Term**") of this TSA will commence on the Effective Date and will terminate:

- (i) in respect of the Business conducted, and Services provided, by the Debtors east of Alberta (the “**Eastern Business**”), on the date that is nine months following the Effective Date; and
- (ii) in respect of Business conducted, and Services provided, by the Debtors in and west of Alberta (the “**Western Business**”), on the date that is 15 months following the Effective Date;

provided that the Purchaser shall have the right to elect to extend the Term for each of the Eastern Business and the Western Business two (2) times by 90 days each time, provided that such election notice is provided to the Debtors and the Monitor in writing at least 35 days (or such lesser number of days as may be agreed to by the Monitor) prior to the expiry of the then-current Term.

- (b) The Purchaser may terminate this TSA or suspend performance of its obligations hereunder upon notice to the Debtors if the Debtors materially breach this TSA and fail to cure such breach within five Business Days after the Purchaser provides the Debtors and the Monitor with notice of such breach. Upon termination by the Purchaser under this section 18(b) or section 23, the Debtors will undertake to wind down the remaining business as expeditiously as reasonably possible and the Purchaser remains liable for its funding obligations hereunder during such wind down.
- (c) The Debtors, with prior written consent of the Monitor, may terminate this TSA or suspend performance of their obligations hereunder upon notice to the Purchaser if the Purchaser materially breaches this TSA and fails to cure such breach within five Business Days after the Debtors provide the Purchaser with notice of such breach.
- (d) Notwithstanding the termination of this TSA in accordance with this section 18, sections 10, 11, 12 and 15 hereof shall survive such termination.

19. **Disclaimer of Leases.** Subject to the terms hereof, the Debtors shall not surrender possession of or disclaim, or otherwise terminate any interest the Debtors may have in, any of the Option WH Leases or Option Equipment Leases with effect prior to 35 days before the Termination Date even if such Optional Purchased Assets are subject to an Exclusion Notice, unless otherwise agreed by the Purchaser.

20. **Disclaimer of Contracts.** Subject to the terms hereof, the Debtors shall not surrender possession or disclaim, or otherwise terminate any interest the Debtors may have in, any of the Transition Contracts prior to the termination of the Contract Period with respect to such Transition Contract without the prior written consent of the Purchaser, provided however that the Purchaser acknowledges and agrees that the Debtors shall be entitled, in their sole discretion and without further notice to or consent of the Purchaser, to disclaim, or otherwise terminate any interest they may have in, any Transition Contract following the termination of the Contract Period in respect of such Transition Contract and may deliver a notice of disclaimer up to 30 days prior to the termination of the Contract Period in respect of such Transition Contract.

21. **General Limitations.**

- (a) Nothing contained in this TSA shall require the Debtors to provide (or cause the provision of) any services: (i) that would constitute the provision of any legal, financial, accounting or tax advice or regulated activity; (ii) that are in support of any business or operations other than the Business as conducted immediately prior to the date hereof; (iii) at a level of

quantity or volume in excess of the levels provided by the Debtors to the Business immediately prior to the date hereof; (iv) that exceed the scope of the services provided by the Debtors to the Business immediately prior to the date hereof; or (v) for the benefit of any Person other than the Purchaser, its Affiliates, or its designee(s).

- (b) In addition to the limitations in section 21(a), in no event shall the Debtors be: (i) obligated to provide (or cause the provision of) any Services if the provision of such Services violate any law, order (including the Initial Order or any related orders), contract (including any Transition Contract), licence or permit to which the Debtors are subject; (ii) obligated to provide any Services that, in the Debtors' reasonable determination after consultation with the Monitor, will create deficiencies in the Debtors' controls over financial information or adversely affect the maintenance of the Debtors' financial books and records; (iii) obligated to hire any additional employees to perform the Services unless the Purchaser agrees to bear all related costs and expenses thereof that the Debtors are unable to pay; (iv) obligated to hire replacements for Transition Employees who resign, retire, or are terminated; (v) obligated to maintain the employment of any specific Transition Employee who tenders their resignation, enter into retention agreements with Transition Employees, or otherwise provide any incentive beyond payment of regular salary and benefits; (vi) prevented from determining, in its sole discretion, the individual Transition Employees who will provide Services; (vii) obligated to purchase, lease or license any additional equipment or software or licences for provision of the Services; (viii) obligated to create or supply any documentation or information not currently existing or reasonably available (subject to any requirements or obligations hereunder to provide any documentation or information); or (ix) obligated to enter into new or additional contracts with third parties or change the scope of current contracts (including the Transition Contracts) with third parties or take any actions that would result in the breach of any contracts of the Debtors with third parties. The Debtors shall use commercially reasonable efforts to notify the Purchaser as promptly as practicable if the Debtors are unable to provide the Services due to circumstances arising under this section 21(b).
- (c) The Debtors shall not destroy or remove the books and records of the Business from their usual and ordinary location, and shall continue to maintain such books and records for a period of 7 years. The Purchaser and the Debtors shall make any books and records of the Business in their possession available to each other as required for the delivery of Services under this TSA.
- (d) In connection with the receipt and use of the Services and as applicable, Purchaser shall, and shall cause its Affiliates and representatives to, comply with the Debtors' then-current work processes, policies and procedures of which Purchaser has been made aware, and Purchaser acknowledges that the Debtors' ability to provide the Services is dependent on such compliance by the Purchaser and its Affiliates and representatives.

22. Indemnity.

- (a) The Purchaser shall indemnify, hold harmless, and defend the Monitor, its affiliates, and their designee(s), and each of their respective employees, officers, directors, contractors, representatives, and agents (the "**Monitor Indemnified Parties**") and, Debtors' directors, officers, and Transition Employees (the "**Debtor Indemnified Parties**") against any and all third party claims against any of the Monitor Indemnified Parties and Debtor Indemnified Parties to the extent directly arising out of or related to:

- (i) material breach or non-fulfilment of any provision of this TSA by the Purchaser or its Affiliates, representatives or agents, including the Hired Employees (collectively, “**Purchaser Personnel**”);
- (ii) any gross negligence, wilful misconduct or more culpable act or omission of the Purchaser or Purchaser Personnel (including reckless misconduct) in connection with the performance of its obligations under this TSA;
- (iii) any bodily injury, death of any person, or damage to real or tangible personal property caused by the gross negligence, wilful misconduct or more culpable acts or omissions of Purchaser or Purchaser Personnel (including any reckless misconduct); or
- (iv) any failure by Purchaser or Purchaser Personnel to comply with any material applicable federal, provincial, or territorial laws, regulations or codes in the performance of its obligations under this TSA;

(collectively, “**Indemnifiable Claims**”)

provided that the foregoing indemnification obligations will not be applicable to the extent any such Indemnifiable Claims are caused by or contributed to by a Debtor Indemnified Party.

- (b) The Purchaser shall indemnify, hold harmless, and defend the Debtors’ directors and officers (the “**Debtors’ D&Os**”) against any third party claims brought against the Debtors’ D&Os in their personal capacity, but solely to the extent that such claims: (i) strictly relate to statutory liabilities arising after the Effective Date; and (b) are a direct result of any such Debtors’ D&Os acting as directors or officers of the Debtors during the Term. The foregoing indemnification obligations will not be applicable to the extent any indemnifiable claims arise due to fraud or gross negligence on the part of the Debtor’s D&Os. In addition, the Purchaser will have no indemnification obligations for any claims pertaining to the period prior to the Effective Date, regardless of when such claims are brought against the Debtors’ D&Os.

23. **Force Majeure.** If the Debtors or any third-party provider of the Debtors is wholly or partially prevented from, or delayed or restricted in, providing one or more Services, or one or more Services are interrupted or suspended, by reason of events beyond the Debtors’ or third party providers’ reasonable control (including failure by Purchaser or its Affiliates or representatives to comply with the terms and conditions of this TSA, failure by any third party to comply with the terms and conditions of any contract with the Debtors or its Affiliates (including any Transition Contract), acts of God, acts of nature, acts, decrees or orders of governmental, regulatory or military authorities, fire, explosion, lack of utilities, accident, embargoes, disruption or delay in transportation, epidemics, pandemics, war, acts of terrorism, infrastructure failure, IT systems or software failure, nuclear disaster, labour strikes, work stoppages or slowdowns, changes in law (or changes in the interpretation or enforcement thereof) or legal or regulatory actions, including restraining orders and injunctions, civil unrest and/or riots or disruption of internet access (including access disruptions as a result of any virus, worm, Trojan horse, etc.), or any other type of similar event), the Debtors shall: (i) give notice of suspension of Services as soon as reasonably practicable to the Purchaser stating the date and extent of such suspension and its cause; (ii) not be obligated to deliver, or cause to be delivered, the affected Services during such period provided it remains in strict compliance with this section 23; and (iii) resume the performance of their obligations as soon as reasonably practicable after the removal of the cause, provided that following receipt by the Purchaser of a notice pursuant to (i),

Purchaser shall have the right in its sole discretion to immediately terminate this TSA, provided the Purchaser pays all amounts owing to the date of termination.

24. **Services.** Subject to the terms hereof, the Debtors may terminate the employment of any Transition Employees prior to termination of the applicable Services Period for each Transition Employee, provided that the Services obligations hereunder continue to be met by the Debtors and the then-current Approved Budget is complied with. The Purchaser acknowledges and agrees that the Debtors shall be entitled, in their sole discretion and without further notice to or consent of the Purchaser, to terminate the employment of any Transition Employees following the termination of the Services Period for such Transition Employee.

25. **No Assignment of Lease.** The Debtors and the Purchaser each hereby acknowledge and agree that nothing in this TSA is intended to, or shall be construed to, create a lease, sublease or assignment of lease in favour of the Purchaser or otherwise impose on the Purchaser any obligations as a lessee, sublessee or assignee of any of the Leased Option Premises.

26. **Independent Contractors; No Employer Relationship.** The relationship between the Debtors, on the one hand, and the Purchaser, on the other hand, is that of independent contractors, not partners or joint venturers. The Debtors and the Purchaser each hereby acknowledge and agree that nothing in this TSA is intended to, or shall be construed to, create or deem the Purchaser to be the employer of the Transition Employees. For greater certainty, except as provided expressly herein with regards to Hired Employees, nothing in this TSA shall deem or cause the Purchaser to become the employer of the Transition Employees and nothing herein modifies in any way the protections provided to the Debtors pursuant to the Order. For the avoidance of doubt, the Transition Employees will at all times remain under the control or direction of the Debtors and will not be, nor deemed to be, under the common control or direction of the Purchaser, nor will such Transition Employees have any entitlement to receive payment of compensation or severance from the Purchaser or otherwise participate in, or accrue or receive benefits in respect of, any retirement, employee benefit or incentive plan sponsored or maintained by the Purchaser or its Affiliates.

27. **Confidential Information.** Each party hereto shall, in its performance of this TSA, be bound by the confidentiality provisions set out in the APA.

28. **Access.** If either party has access (either on-site or remotely) to any of the computer systems and/or information stores of the other party in connection with the Services to be provided under this TSA, it shall limit such access solely to the use of such systems and information stores as required to so perform or receive the Services and shall not access or attempt to access any computer systems, information stores, files, software or services other than those required to perform or receive the Services. Each party shall limit such access to those of its personnel with a bona fide need to have such access and who have agreed to maintain the confidentiality of the other party's Confidential Information. Each party shall, and shall cause its personnel to, follow all applicable security rules and procedures communicated to it for restricting access to any computer systems and information stores of the other party to which it is provided access.

29. **Security.** The Debtors shall perform the Services using at least the same level of security practices and procedures as used in the provision of analogous or similar services by the Debtors in the twelve (12) months prior to Closing, but in any event, no less than commercially reasonable security measures. The Debtors shall promptly notify the Purchaser of any known security breaches potentially giving unauthorized third parties access to the Purchaser's data.

30. **Interpretation.** Capitalized terms used but not defined in this TSA have the meanings ascribed to such terms in the APA.

31. **Designee(s).** From time to time, upon providing the Debtors with prior written notice, the Purchaser may require that any or all Services, as well as any or all rights granted to the Purchaser hereunder, be provided to, or exercised by, one or more designee(s) of the Purchaser.

32. **Successors and Assigns.** This TSA shall be binding upon and enure to the benefit of the parties hereto and their respective successors and permitted assigns.

33. **Governing Law.** This TSA shall be governed by, construed and enforced in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.

34. **Further Assurances.** Each of the parties will, from time to time, execute and deliver all such further documents, and instruments and do all acts and things as any other party may reasonably require to effectively carry out or better evidence or perfect the full intent and meaning of this TSA.

35. **Counterparts.** This TSA may be executed by the parties in counterparts and may be executed and delivered by facsimile or other electronic means and all such counterparts and facsimiles (or other electronic deliveries) shall together constitute one and the same agreement.

36. **Amendment.** This TSA may be amended or supplemented only by a written agreement signed by each party.

37. **Assignment.** This TSA may be assigned by the Debtors only with the prior written consent of the Purchaser, which consent may be unreasonably withheld. The TSA may be assigned by the Purchaser only with the prior written consent of the Debtors and the Monitor, which consent may not be unreasonably withheld.

38. **Severability.** If any provision of this TSA is determined by an arbitrator or any court of competent jurisdiction to be illegal, invalid or unenforceable, that provision will be severed from this TSA and the remaining provisions shall continue in full force and effect.

39. **Entire Agreement.** This TSA, together with the APA, and all exhibits and schedules hereto and thereto, contain the entire understanding of the parties with respect to the subject matter hereof and thereof and supersede all prior agreements and understandings, oral or written, with respect to such matters.

[Signature page follows]

IN WITNESS WHEREOF the parties have duly executed this TSA as of the Effective Date.

WALLACE & CAREY INC.

By: _____
Name: Patrick Carey
Title: Chief Executive Officer

CAREY MANAGEMENT INC.

By: _____
Name: Patrick Carey
Title: President

7-ELEVEN CANADA, INC.

By: _____
Name: David Seltzer
Title: Treasurer

**KSV RESTRUCTURING INC., in its capacity as
CCAA Monitor of the Debtors and not in its personal
or corporate capacity**

By: _____
Name:
Title:

SCHEDULE "C"
ILLUSTRATIVE DESIGNATED INVENTORY AND SEC A/R SCHEDULE, INCLUDING
ACCOMPANYING ACCOUNTING METHODOLOGIES

See attached.

DATA AS OF OCTOBER 28

LINE ITEM	7-Eleven	BBC (W&C)	Basis/Notes	SOURCE	VALIDATION	APX. DAYS FOR VALIDATION POST-CLOSING/AUDIT
7-ELEVEN INVENTORY						
SELLABLE WAREHOUSE INVENTORY	\$22,931,706	\$22,931,706	All items with active 7-Eleven SLIN# *	W&C WMS REPORT AND 7-ELEVEN ITEM MASTER	CLOSING AUDIT *	4
W&C PAID PO's, NOT RECEIVED YET	\$3,185,047	\$3,185,047	PO's W&C paid to suppliers but inventory hasn't yet been received in warehouse. **	W&C WMS REPORT	CONFIRMATION OF PAYMENT AND SHIPMENT WITH SUPPLIERS **	7
7-ELEVEN PICKED ORDERS NOT YET INVOICED (IN STAGING/TRANSIT TO STORES)	\$809,629	\$809,629	Plan to manage this to ~\$0 as of closing	WMS REPORT	CONFIRMATION OF DELIVERY TO STORES - 7-ELEVEN LOGISTICS	3
* AUDIT SHORTAGE @5%	(\$1,146,585)	(not included)	Missing / damaged / expired / out of code, per audit	ASSUMPTION	CLOSING AUDIT	4
** RISK ON UNRECEIVED PO's @ 25%	(\$796,262)	(not included)	Not shipped by time of true-ups	ASSUMPTION	CONFIRMATION WITH SUPPLIERS	7
OTHER ADJUSTMENTS			TBD, if any			TBD up to 7
ESTIMATED NET PAYABLE INVENTORY	\$24,983,535	\$26,926,382				

RECEIVABLE FROM 7-ELEVEN

CURRENT AND PRIOR WEEK A/R	\$9,350,000	\$9,624,179	Valid store invoices for current and immediately prior weekly cycles (e.g. October 16-28, inclusive)	W&C ACCOUNTING	7-ELEVEN ACCOUNTING/LOGISTICS	7
OLDER A/R	\$7,744	\$10,067	Residual from prior cycles is small and likely to be errors by drivers or in store check-in (not valid A/R). Apply 50% of 3 weeks prior to the above, zero thereafter.	W&C ACCOUNTING	7-ELEVEN ACCOUNTING/LOGISTICS	7
7-ELEVEN PRE-BUY FUNDS W&C USED TO PROCURE INVENTORY ***	(\$4,628,176)	(\$4,628,176)	Expected to be zero at closing	7-ELEVEN ACCOUNTING/LOGISTICS	W&C	2
INVENTORY RECEIVED BUT NOT PAID FOR			TBD, if any	W&C PROCUREMENT	CONFIRMATION WITH SUPPLIERS	TBD up to 7
ESTIMATED NET RECEIVABLES AMOUNT	\$4,729,568	\$5,006,070				
<i>Excluding Pre-Buy Offsets</i>	<i>\$9,357,744</i>	<i>\$9,634,246</i>				
TOTAL ESTIMATED INVENTORY + A/R	\$29,713,103	\$31,932,452				
<i>Excluding Pre-Buy Offsets</i>	<i>\$34,341,279</i>	<i>\$36,560,628</i>				

CLOSING DEPOSITS (based on estimates above):

Inventory

75% of Inventory	\$18,737,651	\$20,194,787
Maximum per 7-Eleven APA	\$12,000,000	

A/R (estimated)

Current and prior week A/R 2 days before Closing	\$6,233,333	\$6,416,119	Assumes 2/3 of total will be invoiced in APA timeframe
Aged A/R	\$0	\$0	
TOTAL A/R	\$6,233,333	\$6,416,119	
Total Deposits at Closing	\$18,233,333	\$18,416,119	

POST-CLOSING TRUE-UPS (estimated)

Inventory	\$12,983,535	\$14,926,382	Most of difference due to 7-Eleven assumed shortages
A/R	\$3,124,410	\$3,218,126	
TOTAL True Ups	\$16,107,945	\$18,144,508	

**SCHEDULE "C"
ENCUMBRANCES
TO BE COMPLETED**

Debtors	Secured Parties	Original Registration No.	Date of Registration (MM/DD/YYYY)	Expiry Date (MM/DD/YYYY)	Type of Registration	Collateral Description

SCHEDULE "D"
PERMITTED ENCUMBRANCES

Nil.