

FORT CHICAGO ENERGY PARTNERS L.P.

LIMITED PARTNERSHIP AGREEMENT

Amended and Restated as of May 13, 2003
(and further amended on May 25, 2005 to replace Section 2.2)

among

FORT CHICAGO ENERGY MANAGEMENT LTD.

and

**EACH PERSON WHO IS ADMITTED TO THE
PARTNERSHIP AS A LIMITED PARTNER IN ACCORDANCE
WITH THE TERMS HEREOF**

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LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT made as of the 13th day of May, 2003 among FORT CHICAGO ENERGY MANAGEMENT LTD., a corporation continued under the laws of the Province of Alberta, as General Partner, and each Person who is admitted to the Partnership as a Limited Partner in accordance with the terms hereof.

WHEREAS the Partnership was organized in accordance with the terms and subject to the conditions of a Limited Partnership Agreement dated October 9, 1997, as amended and restated on November 21, 1997 and as further amended on March 7, 2001 (the "**Initial Limited Partnership Agreement**");

AND WHEREAS the General Partner and the Limited Partners wish to amend and restate the Initial Limited Partnership Agreement governing the Partnership effective as of the date hereof;

NOW THEREFORE THIS AGREEMENT WITNESSES THAT IN CONSIDERATION of the covenants and agreements contained in this Agreement, the Partners agree with each other as follows:

ARTICLE 1 **INTERPRETATION**

1.1 Definitions

In this Agreement, except where otherwise specifically provided, the following words have the following meanings:

"**Act**" means the *Partnership Act* (Alberta), as amended or replaced from time to time;

"**Affected Holder**" has the meaning set forth in Section 2.8;

"**Affected Units**" has the meaning set forth in Section 2.8;

"**Affiliate**" when used to indicate a relationship with a specified Person, means another Person that directly, or indirectly through one or more intermediaries or otherwise, controls, or is controlled by, or is under common control with, such specified Person. A corporation shall be deemed to be an Affiliate of another corporation if one of them is the Subsidiary of the other or if both are Subsidiaries of the same Person or if each of them is directly or indirectly controlled by the same Person;

"**Agreement**" means this Limited Partnership Agreement as amended and restated on May 13, 2003 among Fort Chicago Energy Management Ltd., as General Partner of the Partnership, and those parties referred to as Limited Partners herein, as from time to time amended, supplemented or restated;

"**Associate**" of a specified Person shall mean any Person to whom such specified Person is married or with whom such specified Person is living in a conjugal relationship outside marriage, or any relative of such specified Person, said spouse or other Person who has the same home as such specified Person;

"Auditor" means PricewaterhouseCoopers LLP, or such other member in good standing of the Canadian Institute of Chartered Accountants who is appointed from time to time as auditor of the Partnership by the General Partner;

"Capital Contribution" of a Limited Partner means the total amount of money or property paid by such Limited Partner or a predecessor Limited Partner to the Partnership in respect of Units or rights to acquire Units held by such Limited Partner and the Capital Contribution applicable to Units shall be reduced from time to time in accordance with Section 7.2;

"Certificate" means the certificate of limited partnership for the Partnership filed under the Act and all amendments thereto and renewals, replacements or restatements thereof;

"Class A Units" means Class A limited partnership units of the Partnership as authorized in Article 3;

"Class B Units" means units of any series of Class B limited partnership units of the Partnership as authorized in Article 3;

"Clearing Agency" has the meaning set forth in Section 2.6;

"controlled": a Person is "controlled" by another Person or two or more other Persons acting jointly or in concert if:

- (a) in the case of a body corporate, securities entitled to vote in the election of directors of such body corporate carrying more than 50% of the votes for the election of directors are held, directly or indirectly, by or for the benefit of the other Person or Persons, and the votes carried by such securities are entitled, if exercised, to elect a majority of the board of directors of such body corporate; or
- (b) in the case of a Person which is not a body corporate, more than 50% of the voting or equity interests of such entity are held, directly or indirectly, by or for the benefit of the other Person or Persons;

and "controls", "controlling" and "under common control with" shall be interpreted accordingly;

"Convertible Acquisition Right" means at any time:

- (a) any right (contractual or otherwise and regardless of whether such right constitutes a security) to acquire Units; and
- (b) any securities issued by the Partnership from time to time carrying any exercise, conversion or exchange right;

pursuant to which the holder thereof may acquire Units or other securities which are convertible into or exercisable or exchangeable for Units;

"Convertible Securities" means at any time:

- (a) any right (contractual or otherwise and regardless of whether such right constitutes a security) to acquire Units; and

- (b) any securities issued by the Partnership from time to time carrying any exercise, conversion or exchange right;

"Departing Partner" has the meaning set forth in Section 8.7;

"Distributable Cash" means with respect to a particular period, the amount by which the Partnership's cash on hand at the end of such period (including any amounts borrowed by the General Partner on behalf of the Partnership and net proceeds received by the Partnership from the issuance of Units and any other securities of the Partnership) exceeds: (i) unpaid administration expenses of the Partnership for that and any previous period; (ii) amounts required for the business and operations of the Partnership during such period including anticipated repayments of amounts borrowed and payments of interest and fees related to amounts borrowed or available credit; and (iii) any cash reserve which the board of directors of the General Partner in its discretion determines is necessary to satisfy the Partnership's current and anticipated obligations or to normalize quarterly or monthly distributions, as the case may be, of cash to Limited Partners;

"Extraordinary Resolution" means:

- (a) a resolution approved by not less than 66 2/3% of the votes cast in person or by proxy by the Limited Partners who voted in respect of that resolution; or
- (b) a written resolution in one or more counterparts signed by Limited Partners holding in the aggregate not less than 66 2/3% of the votes entitled to vote on that resolution;

"Fiscal Year" has the meaning set forth in Section 2.5;

"General Partner" means the general partner of the Partnership, currently Fort Chicago Energy Management Ltd., or any other Person who may become the general partner of the Partnership in place of or in substitution for Fort Chicago Energy Management Ltd., from time to time, in each case until such general partner ceases to be the general partner of the Partnership under the terms of this Agreement;

"Indemnitee" has the meaning set forth in Section 8.7;

"Initial Limited Partnership Agreement" has the meaning set forth in the recitals hereto;

"Limited Partner" means any Person who is or shall become a limited partner of the Partnership;

"Non-Qualifying Assets" has the meaning set forth in Section 2.2(b);

"Non-Qualifying Business" has the meaning set forth in Section 2.2(b);

"Offer to Acquire" shall include:

- (a) an offer to purchase, or a solicitation of an offer to sell; and
- (b) an acceptance of an offer to sell, whether or not such offer to sell has been solicited;

or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an offer to acquire to the Person that made the offer to sell;

"Ordinary Resolution" means:

- (a) a resolution approved by more than 50% of the votes cast in person or by proxy by the Limited Partners who voted in respect of that resolution; or
- (b) a written resolution in one or more counterparts signed by Limited Partners holding in the aggregate more than 50% of the votes entitled to vote on that resolution;

"Partners" means the General Partner and the Limited Partners and **"Partner"** means any one of them;

"Partnership" means Fort Chicago Energy Partners L.P., formed under the laws of the Province of Alberta as a limited partnership by the filing of the Certificate under the Act on October 9, 1997;

"Person" means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;

"Register" means the register indicating the names and addresses of the Limited Partners and the number of Units held by them, to be kept by the Registrar and Transfer Agent;

"Registrar and Transfer Agent" means the registrar and transfer agent of the Units appointed from time to time by the General Partner;

"Requisitioning Partners" has the meaning set forth in Section 10.1;

"Securities Act" means the *Securities Act* (Alberta);

"Sell Notice" has the meaning set forth in Section 2.8;

"Subscription Form" means a subscription agreement and power of attorney in such form as approved from time to time by the General Partner;

"Subsidiary" means any Person which another Person controls;

"Super Resolution" means:

- (a) a resolution approved by not less than 90% of the votes cast in person or by proxy by the Limited Partners who voted in respect of that resolution; or
- (b) a written resolution in one or more counterparts signed by Limited Partners holding in the aggregate not less than 90% of the votes entitled to vote on that resolution;

"Tax Act" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

"Transfer Form" means a transfer and power of attorney in the form or substantially in the form set forth in Schedule A or such other form as approved from time to time by the General Partner;

"Unit" means a limited partnership unit of the Partnership and includes a Class A Unit and/or a Class B Unit as the context requires;

"Unit Certificate" means a certificate for Units issued in accordance with Section 3.20 in such form or forms as approved by the General Partner from time to time; and

"Unitholder" means the holder of a Unit as indicated on the Register.

1.2 Headings

In this Agreement, the headings are for convenience of reference only, do not form a part of this Agreement and are not to be considered in the interpretation of this Agreement.

1.3 Interpretation

In this Agreement,

- (a) words importing the masculine gender include the feminine and neuter genders, corporations, partnerships and other Persons, and words in the singular include the plural, and vice versa, wherever the context requires;
- (b) all references to designated Articles, Sections and other subdivisions are to be designated Articles, Sections and other subdivisions of this Agreement;
- (c) all accounting terms not otherwise defined will have the meanings assigned to them by, and all computations to be made will be made in accordance with, generally accepted accounting principles in Canada from time to time;
- (d) any reference to a statute will include and will be deemed to be a reference to the regulations made pursuant to it, and to all amendments made to the statute and regulations in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute referred to or the relevant regulation;
- (e) any reference to a Person will include and will be deemed to be a reference to any Person that is a successor to that Person;
- (f) any reference to a business day will be deemed to be a reference to any day which is not a Saturday, Sunday or a day which is generally observed as a holiday in Alberta; and
- (g) "hereof", "hereto", "herein", and "hereunder" mean and refer to this Agreement and not to any particular Article, Section or other subdivision.

1.4 Currency

All references to currency herein are references to lawful money of Canada.

1.5 Acting Jointly or in Concert

For purposes of this Agreement, it is a question of fact as to whether a Person is acting jointly or in concert with another Person and, without limiting the generality of the foregoing, a Person shall be deemed to be acting jointly or in concert with another Person if such Person has any agreement,

arrangement or understanding (whether formal or informal and whether or not in writing) with such other Person for the purpose of acquiring, or Offering to Acquire any Units (other than customary agreements with and between underwriters and banking group or selling group members with respect to a public offering of securities or pursuant to a pledge of securities in the ordinary course of business).

ARTICLE 2

RELATIONSHIP BETWEEN PARTNERS

2.1 Formation and Name of Partnership

The General Partner and the Limited Partners agree to and do hereby form a limited partnership in accordance with the laws of the Province of Alberta and the provisions of this Agreement to carry on business in common with a view to profit under the firm name and style of "FORT CHICAGO ENERGY PARTNERS L.P." or any other name or names as the General Partner may determine from time to time. The General Partner shall have the right to change the name of the Partnership and to file an amendment to the Certificate recording the change of name of the Partnership. The Partnership shall be effective as a limited partnership from the date on which the Certificate is registered under the Act.

2.2 Business of the Partnership

- (a) The business of the Partnership shall consist of (i) activities relating directly or indirectly to the generation, transportation, storage, marketing, processing or production of energy, minerals or chemicals (including hydrocarbons, byproducts of hydrocarbons, electricity and products produced or derived from minerals or chemicals), (ii) activities relating directly or indirectly to the investment or management of investments in other Persons who are engaged primarily in the generation, transportation, storage, marketing, processing or production of energy, minerals or chemicals (including hydrocarbons, byproducts of hydrocarbons, electricity and products produced or derived from minerals or chemicals) or (iii) carrying on business of a financial intermediary. The Partnership may also engage in such other necessary or related activities as the General Partner deems advisable in order to carry on the business of the Partnership as aforesaid.
- (b) The Partnership may also acquire and hold ownership interests (i) in another Person where that other Person engages in a business other than as described in Section 2.2(a) (a "**Non-Qualifying Business**"), provided that the majority of the value of the assets of such Person are utilized in the conduct of a business which is not a Non-Qualifying Business, and (ii) in assets used in a business other than as described in Section 2.2(a) ("**Non-Qualifying Assets**"), provided that such Non-Qualifying Assets are acquired in a transaction or series of related transactions involving the acquisition of assets, the majority of the value of which are utilized in the conduct of a business which is not a Non-Qualifying Business. If the Partnership acquires a Non-Qualifying Business or Non-Qualifying Assets, the Partnership will use reasonable efforts to dispose of such Non-Qualifying Business or Non-Qualifying Assets, as the case may be, within a reasonable period of time having regard to such considerations as the General Partner may, in its discretion, consider relevant including, without limitation, current and anticipated market conditions for such business or assets.
- (c) The Partnership shall not carry on any business other than as described in this Section 2.2.

2.3 Business in Other Jurisdictions

- (a) The Partnership shall not carry on business in any jurisdiction unless the General Partner has taken all steps which may be required by the laws of that jurisdiction for the Limited Partners to benefit from limited liability substantially to the same extent that such Limited Partners enjoy limited liability under the Act. The Partnership shall not carry on business in any jurisdiction in which the laws do not recognize the liability of the Limited Partners to be limited unless, in the opinion of the General Partner, the risks associated with the possible absence of limited liability in such jurisdiction are not significant considering the relevant circumstances.
- (b) The Partnership shall carry on business in such a manner as to ensure, to the greatest extent commercially reasonable, the limited liability of the Limited Partners, and the General Partner shall register the Partnership in other jurisdictions where the General Partner considers it appropriate to do so.

2.4 Office of the Partnership

The principal place of business of the Partnership shall be Suite 2400, Ernst & Young Tower, 440 - 2nd Avenue S.W., Calgary, Alberta, T2P 5E9 or such other address in Alberta as the General Partner may designate in writing from time to time to the Limited Partners provided that the Partnership shall at all times maintain a principal office in Alberta.

2.5 Fiscal Year

Each fiscal period of the Partnership shall commence on January 1 in each year and shall end on the earlier of December 31 in that year or on the date of dissolution or other termination of the Partnership. Each such fiscal period is herein referred to as a "**Fiscal Year**".

2.6 Status of Partners

- (a) The General Partner represents, warrants, covenants and agrees with each Limited Partner that:
 - (i) it is a corporation continued under the laws of the Province of Saskatchewan and is validly subsisting under such laws;
 - (ii) it is not a "non-resident" of Canada for the purposes of the Tax Act or a Person an interest in which would be a "tax shelter investment" as defined in the Tax Act;
 - (iii) it has the capacity and the necessary corporate authority to act as the general partner of the Partnership and to enter into and perform its obligations under this Agreement, and such obligations do not conflict with nor do they result in a breach of any of its constating documents or by-laws or any agreement by which it is bound;
 - (iv) it will hold and continue to hold at least one Class A Unit while it is the general partner of the Partnership;

- (v) it will act in good faith in the best interests of the Partnership, subject to the provisions of this Agreement;
 - (vi) it holds and shall maintain the registrations necessary for the conduct of its business and has and shall continue to have all licences and permits necessary to carry on its business as the General Partner of the Partnership in all jurisdictions where the activities of the Partnership require such licensing or other form of registration of the General Partner;
 - (vii) it will devote as much time as is reasonably necessary for the conduct and prudent management of the business and affairs of the Partnership ; and
 - (viii) for so long as it is the general partner of the Partnership, its board of directors shall be comprised of not less than five directors.
- (b) Each of the Limited Partners severally represents, warrants, covenants and agrees with each other Partner that:
- (i) such Limited Partner has the capacity and competence and, if other than a natural person, the necessary corporate or other authority, to enter into this Agreement;
 - (ii) such Limited Partner and any beneficial owner of Units registered in such Limited Partner's name is not a "non-resident" of Canada for the purposes of the Tax Act, is not a Person an interest in which would be a "tax shelter investment" as defined in the Tax Act and, if a partnership, is a "Canadian partnership" under the Tax Act; and
 - (iii) such Limited Partner shall ensure that its status and the status of any beneficial owner of Units registered in such Limited Partner's name shall not be modified (except as permitted by the Partnership) such that it shall not at any time and from time to time be able to represent and warrant as set forth in clause (ii) above and such Limited Partner shall not transfer such Units, or any interest therein, in whole or in part to a Person who is not able to make these representations, warranties and covenants.

Notwithstanding the foregoing, in the event that The Canadian Depository for Securities Limited, or any other clearing agency (a "**Clearing Agency**"), is or proposes to become a Unitholder on behalf of a beneficial owner of Units, such Clearing Agency need not make such representations, warranties and covenants in Section 2.6(b) with respect to any such beneficial owner of Units registered in the name of the Clearing Agency, and the same shall be deemed to be made by the beneficial owner from time to time of the Units held by the Clearing Agency as Unitholder.

2.7 Survival of Representations, Warranties, Covenants and Agreements

The representations, warranties, covenants and agreements made pursuant to Section 2.6 above shall survive execution of this Agreement and each Partner covenants and agrees to ensure that each representation, warranty, covenant and agreement made pursuant to Section 2.6 remains true so long as such Partner remains a Partner.

2.8 Evidence of Status and Sale of Affected Units

Each Limited Partner (including a Clearing Agency) covenants and agrees that it will, upon request, promptly provide evidence to the General Partner that the representations and warranties set forth in Section 2.6(b) are true and correct. In the event that a Limited Partner fails to comply with such a request or in the event that reasonably satisfactory evidence is not provided, or in the event that the General Partner otherwise determines that a Person has become a holder or a beneficial owner of Units in contravention of any of the restrictions contained in Section 2.6(b), the General Partner, by written notice (a "**Sell Notice**") to the holder or holders of such Units (the "**Affected Holder**"), will where any restriction set forth in Section 2.6(b)(ii) has been contravened, require the Affected Holder to sell within the period prescribed in the Sell Notice to a Person who does not contravene any of the restrictions contained in Section 2.6(b) the total number of Units held by the Affected Holder. The Units required to be sold are, in each case, referred to herein as the "**Affected Units**".

Any such Sell Notice to be delivered to an Affected Holder shall be given by prepaid mail or delivered directly to the Affected Holder and shall specify a date, which shall be not less than ten days later, by which the Affected Units held by such Affected Holder must be sold on a basis that does not contravene any of the restrictions contained in Section 2.6(b). The Sell Notice shall also require the Affected Holder to notify the General Partner of the sale or disposition requested when completed.

In the event that the Affected Units have not been sold by the Affected Holder on or prior to the date stipulated in the Sell Notice, the General Partner may, subject to compliance with applicable securities laws, elect to sell the Affected Units on behalf of the Affected Holder without further notice on and subject to the terms herein contained. The General Partner may sell Affected Units on any stock exchange or organized market on which the Affected Units are then listed or traded as the General Partner shall determine or, if the Affected Units are not then listed on any stock exchange or traded on any organized market, in such other manner as the General Partner shall determine, including purchasing the Affected Units on behalf of the Partnership at their fair market value as determined by the General Partner. For all purposes of such sale, the General Partner shall be deemed to be the agent and lawful attorney of the Affected Holder, the beneficial owner of the Affected Units and any other Person with an ownership interest in the Affected Units. The net proceeds of any such sale of Affected Units shall be the net proceeds after deduction of any commissions, taxes or other costs of sale.

In the event of any such sale an Affected Holder shall have the right only to receive the net proceeds of such sale. The Partnership shall deposit an amount equal to such net proceeds in an account of the Partnership. The amount of such deposit shall be payable to the Affected Holder upon presentation of evidence acceptable to the General Partner of such Person's interest in the Affected Units, including the Unit Certificate or Certificates therefor, if any. Any interest earned on any amount so deposited, net of any applicable taxes, shall accrue to the benefit of the Affected Holder.

From and after the date of such deposit, the Affected Holder shall not be entitled to any of the rights hereunder in respect of the Affected Units, other than the right to receive the funds so deposited as provided herein and any Person who was a beneficial owner of such Affected Units or had any other ownership interest in such Affected Units shall not be entitled to any interest in such Affected Units.

The General Partner shall, as soon as reasonably practical, and in any event, not later than 30 days after making a deposit pursuant to the terms of this Section 2.8, send a notice to the Affected Holder stating that the Affected Units have been sold, the amount of the net proceeds to which the Affected Holder is entitled, the name and address of the bank or trust company at which the Partnership has made the deposit (which account may also contain funds of the Partnership) and all other relevant particulars of the sale.

For greater certainty, the General Partner may sell Affected Units in accordance with the terms hereof despite the fact that the Partnership does not possess the Unit Certificate or Certificates representing the Affected Units at the time of the sale. Where, in accordance with this Section 2.8, Affected Units are sold by the General Partner without possession of the Unit Certificate or Certificates (if any), representing the same and, after the sale, a Person establishes that it is a bona fide purchaser of the Affected Units from the Affected Holder, then, subject to applicable law:

- (a) the Partnership shall be entitled to treat the Units so purchased by the bona fide purchaser as validly issued and outstanding Units in addition to the Affected Units sold by the General Partner; and
- (b) notwithstanding anything herein contained, the Partnership is entitled to the deposit made with respect to the sale of Affected Units, together with any accrued interest thereon, and shall consider such amount a Capital Contribution applicable to the Units acquired by the bona fide purchaser.

The General Partner shall have the sole right and authority to make any determination required or contemplated under this Section 2.8. The General Partner shall make on a timely basis all determinations necessary for the administration of the provisions of this Section 2.8 and, without limiting the generality of the foregoing, if the General Partner considers that there are reasonable grounds for believing that a contravention of the ownership restrictions contained herein has occurred or will occur, the General Partner shall make a determination with respect to the matter. Any such determination shall be conclusive, final and binding except to the extent modified by any subsequent determination by the General Partner.

Notwithstanding anything contained herein, in the event that the General Partner determines that a Person has become a holder or a beneficial owner of Units in contravention of any of the restrictions contained in Section 2.6(b), the holder of the subject Units shall be deemed to have ceased to be a Limited Partner in respect of its holding of such Units effective immediately prior to the date of contravention and shall not be entitled to any distributions of Distributable Cash and such Units shall be deemed not to be outstanding until acquired by a new holder or beneficial owner; provided that holders of other Units (and beneficial owners thereof and any other Persons with an ownership interest therein) shall not be entitled to any portion of Distributable Cash paid in respect of Units that have been so deemed not to be outstanding.

2.9 Limitation on Authority of Limited Partners

No Limited Partner shall, except in his or her capacity as an officer, director, agent or employee of the General Partner or an Affiliate thereof (and then only in connection with Sections 2.9(a) through (d)):

- (a) take part in the administration, control, management or operation of the business of the Partnership or exercise any power in connection therewith or transact business on behalf of the Partnership;
- (b) execute any document which binds or purports to bind any other Partner or the Partnership;
- (c) hold itself out as having the power or authority to bind any other Partner or the Partnership;

- (d) have any authority or power to act for or undertake any obligation or responsibility on behalf of any other Partner or the Partnership;
- (e) bring any action for partition or sale or otherwise in connection with the Partnership, any interest in any property of the Partnership, whether real or personal, tangible or intangible, or file or register or permit to be filed, registered or remain undischarged any lien or charge in respect of any property of the Partnership; or
- (f) compel or seek a partition, judicial or otherwise, of any of the assets of the Partnership distributed or to be distributed to the Partners in kind in accordance with this Agreement.

Notwithstanding the foregoing, the General Partner, in respect of its ownership of Units, shall not be subject to the restrictions that otherwise apply to Limited Partners.

2.10 Power of Attorney

Each Limited Partner hereby irrevocably nominates, constitutes and appoints the General Partner, with full power of substitution, as its agent and true and lawful attorney to act on its behalf with full power and authority in his or her name, place and stead to execute and record or file as and where required:

- (a) this Agreement, any amendment to this Agreement and any other instruments or documents required to continue and keep in good standing the Partnership as a limited partnership under the Act, or otherwise to comply with the laws of any jurisdiction in which the Partnership may carry on business or own or lease property or any jurisdiction where the General Partner considers it prudent to be registered in order to maintain the limited liability of the Limited Partners and to comply with the applicable laws of such jurisdiction (including such amendments to the Certificate or the Register as may be necessary to reflect the admission to the Partnership of subscribers for or transferees of Units as contemplated by this Agreement);
- (b) all instruments and any amendments to or renewals, replacements or restatements of the Certificate necessary to reflect any amendment to this Agreement;
- (c) any instrument required or desired in connection with the dissolution and termination of the Partnership in accordance with the provisions of this Agreement, including any elections, determinations or designations under the Tax Act and under any similar legislation;
- (d) the documents necessary to be filed with the appropriate governmental body or authority in connection with the business, property, assets and undertaking of the Partnership;
- (e) such documents as may be necessary to give effect to the business of the Partnership as described in Section 2.2;
- (f) the documents on its behalf and in its name as may be necessary to give effect to the sale or assignment of a Unit (including a sale of Units pursuant to Section 2.8 or Section 4.7) or to give effect to the admission of a subscriber for or transferee of Units to the Partnership;

- (g) any election, determination, designation, information return or similar document or instrument as may be required at any time under the Tax Act, the Excise Tax Act (Canada) or under any other taxation legislation or laws of like import of Canada or of any province, territory or foreign jurisdiction which relates to the affairs of the Partnership or the interest of any Person in the Partnership;
- (h) documents required to transfer Units of a Limited Partner who is a Dissenting Offeree, as provided in Section 3.21(g); and
- (i) all other instruments and documents on its behalf and in its name or in the name of the Partnership as may be deemed necessary by the General Partner to carry out fully this Agreement in accordance with its terms.

To evidence the foregoing, each Subscription Form and Transfer Form shall contain a power of attorney incorporating by reference, ratifying and confirming some or all of the powers set forth above.

The power of attorney granted herein is irrevocable, is a power coupled with an interest, shall continue despite the mental incompetence of the Limited Partner, shall survive the death or disability of a Limited Partner and shall survive the transfer or assignment by the Limited Partner, to the extent of the obligations of a Limited Partner hereunder, of the whole or any part of the interest of the Limited Partner in the Partnership, extends to the heirs, executors, administrators, other legal representatives and successors, transferees and assigns of the Limited Partner, and may be exercised by the General Partner on behalf of each Limited Partner in executing any instrument by a facsimile signature or by listing all the Limited Partners and executing such instrument with a single signature as attorney and agent for all of them. Each Limited Partner agrees to be bound by any representations or actions made or taken by the General Partner pursuant to this power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under this power of attorney. In accordance with the *Powers of Attorney Act* (Alberta), the *Powers of Attorney Act* (Ontario), the *Power of Attorney Act* (British Columbia), *The Powers of Attorney Act, 1996* (Saskatchewan), *The Powers of Attorney and Mental Health Amendment Act* (Manitoba), the *Powers of Attorney Act* (Nova Scotia), the *Powers of Attorney Act* (Prince Edward Island) and the *Enduring Powers of Attorney Act* (Newfoundland), in each case as amended or replaced from time to time, each Limited Partner declares that these powers of attorney may be exercised during any legal incapacity or mental infirmity on its, his or her part. The General Partner may require, in connection with the subscription for, or any transfer of, Units, that the Subscription Form or Transfer Form be accompanied by the explanatory notes set out in the *Powers of Attorney Act* (Alberta) and a certificate of legal advice signed by a lawyer who is not the attorney or the attorney's spouse or that the execution of the Subscription Form or Transfer Form be witnessed as required by *The Powers of Attorney and Mental Health Amendment Act* (Manitoba).

This power of attorney shall continue in respect of the General Partner so long as it is the general partner of the Partnership, and shall terminate thereafter, but shall continue in respect of a new General Partner as if the new General Partner were the original attorney.

A transferee of a Unit shall, upon becoming a Limited Partner, be conclusively deemed to have acknowledged and agreed to be bound by the provisions of this Agreement as a Limited Partner and shall be conclusively deemed to have provided the General Partner with the power of attorney described in this Section 2.10.

2.11 Limited Liability of Limited Partners

Subject to the provisions of the Act and of similar legislation in other jurisdictions, the liability of each Limited Partner for the debts, liabilities and obligations of the Partnership shall be limited to its Capital Contribution, plus its share of any undistributed income of the Partnership. Where Limited Partners have received the return of all or part of their Capital Contribution, except where the Capital Contribution is reduced in accordance with Section 7.2 hereof, or where the Partnership is dissolved, the Limited Partners shall be liable to the Partnership's creditors for any amount, not in excess of the amount returned with interest, necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before the return of the Capital Contribution. Following payment of its Capital Contribution with interest, a Limited Partner shall not be liable for any further claims or assessments or be required to make further contributions to the Partnership.

2.12 Indemnity of Limited Partners

The General Partner will indemnify and hold harmless each Limited Partner (including former Limited Partners) for all costs, expenses, damages or liabilities suffered or incurred by the Limited Partner if the limited liability of such Limited Partner is lost for or by reason of the negligence or willful misconduct of the General Partner in performing its duties and obligations hereunder.

2.13 Compliance with Laws

Each Limited Partner will, on the request of the General Partner from time to time, immediately execute any documents considered by the General Partner to be necessary to comply with any applicable law or regulation of any jurisdiction, for the continuation, operation or good standing of the Partnership.

2.14 Other Activities of General Partner

The General Partner shall not carry on any business other than its activities as General Partner of the Partnership or as the general partner of any Affiliate of the Partnership.

2.15 General Partner May Hold Units

The General Partner may subscribe for and acquire Units or purchase Units by private contract or in the market and shall be shown on the Register as a Limited Partner in respect of the number of Units held by the General Partner from time to time.

2.16 General Partner as a Limited Partner

If the General Partner holds any Units, it shall be deemed in its capacity as the holder of such Units to be a Limited Partner with the same rights and powers as each other Limited Partner.

ARTICLE 3

UNITS

3.1 Authorized Units

- (a) The Partnership is authorized to issue (i) one class of units, to be designated as "Class A Units", in an unlimited number, and (ii) one class of units, to be designated as "Class B

Units", issuable in series, in an unlimited number, such units having attached thereto the rights, privileges, restrictions and conditions set forth in this Section 3.1.

- (b) The Class A Units shall have attached thereto the following rights, privileges, restrictions and conditions: (i) the right to one vote at all meetings of Limited Partners, except meetings at which only holders of a specified class or series of units are entitled to vote; (ii) subject to the prior rights and privileges attaching to any other class or series of units of the Partnership, the right to receive any distributions by the Partnership; and (iii) subject to the prior rights and privileges attaching to any other class or series of units of the Partnership, the right to receive the remaining property and assets of the Partnership upon dissolution.
- (c) The Class B Units shall have attached thereto the following rights, privileges, restrictions and conditions: (i) the Class B Units may at any time and from time to time be issued in one or more series, each series to consist of such number of units as may, before the issue thereof, be determined by the General Partner; (ii) subject to the provisions of the Act, the General Partner may fix from time to time before the issue thereof the designation, rights, privileges, restrictions and conditions attaching to each series of the Class B Units; and (iii) the class provisions attaching to the Class B Units may be amended only with the prior approval of the holders of the Class B Units by Extraordinary Resolution. Upon the designation by the General Partner of the rights, privileges, restrictions and conditions of any series of Class B Units, the General Partner shall file an amendment to the Certificate in accordance with Section 3.15 evidencing such designation and setting out such rights, privileges, restrictions and conditions.

3.2 Terms of Offering(s)

The General Partner may, in its discretion, determine the terms and conditions of the offering and sale of Units or Convertible Acquisition Rights from time to time and may do all things in that regard including, without limitation, preparing and filing prospectuses, offering memoranda, private placement documents and other offering or sale documents, issuing the Units, paying the expenses of issue and entering into agreements with any Person providing for a commission or fee.

3.3 Subscription for Units

Subscription for Units may be made for a fraction of a Unit, such fraction being expressed to a maximum of four decimal points. Each subscribing Person (who may be underwriters who have agreed to underwrite the offering) shall, unless the General Partner otherwise agrees, complete and execute the applicable Subscription Form setting forth, among other things, the total subscription price agreed to be contributed by such Person.

3.4 Acceptance of Subscription Form by General Partner

The General Partner shall have the right, in its sole discretion, to reject Subscription Forms submitted by a subscriber who is, or acts on behalf of, the Person who is to be the beneficial owner of the Units being subscribed for if such Person:

- (a) is a "non-resident" of Canada for the purposes of the Tax Act;
- (b) is a Person an interest in which would be a "tax shelter investment" as defined in the Tax Act; or

- (c) is a partnership which is not a "Canadian partnership" under the Tax Act;

and the General Partner may require subscribers to provide evidence reasonably satisfactory to it that such subscribers, or Persons who will have a beneficial ownership interest in Units being subscribed for, are not within such categories. If, for any reason, a Subscription Form is not accepted, the General Partner shall forthwith redeliver to the subscriber the Subscription Form and any subscription monies or cheques representing subscription monies for such Units without interest or deduction.

3.5 Admittance as Limited Partner

Upon acceptance by the General Partner of any subscription for Units, all Partners will be deemed to consent to the admission of the subscriber as a Limited Partner, the General Partner will execute this Agreement on behalf of the subscriber and will cause the Register and the Certificate to be amended, and such other documents as may be required by the Act or under legislation similar to the Act in other provinces or the territories to be filed or amended, specifying the prescribed information and will cause the foregoing information in respect of the new Limited Partner to be included in Partnership books and records.

3.6 Payment of Expenses

The Partnership will pay, to the extent contemplated by any prospectus or other offering document, all costs, disbursements and other fees and expenses incurred in connection with the offering of Units or rights to acquire Units pursuant to such prospectus or other offering document, the organization of the Partnership and the registration of the Partnership under the Act and under similar legislation of other jurisdictions.

3.7 Effective Date

The rights and obligations of a subscriber for, or a transferee of, Units, as a Limited Partner under this Agreement, commence and are enforceable by and upon the Limited Partner as between the Limited Partner and the other Partners from the date on which both the Register and the Certificate have been amended; as it is necessary that the Certificate be amended under the Act adding such Limited Partner as a Limited Partner of the Partnership, a subscriber or a transferee will not become a Limited Partner until the Certificate is amended.

3.8 Register of Limited Partners

The Registrar and Transfer Agent shall maintain at each office at which transfers of Units may be recorded the Register listing all names and addresses of Limited Partners and the number of Units held by them.

3.9 Changes in Membership of Partnership

Subject to Section 3.16 no change of name or address of a Limited Partner, no transfer of a Unit and no admission of a substituted Limited Partner in the Partnership shall be effective for the purposes of this Agreement until all reasonable requirements as determined by the General Partner with respect thereto have been met, including the requirements set out in this Article, and until such change, transfer, substitution or addition is duly reflected in an amendment to the Register and in an amendment to the Certificate as may be required by the Act. The names and addresses of the Limited Partners as reflected from time to time in the Certificate, as from time to time amended, shall be conclusive as to such facts for all purposes of the Partnership.

3.10 Notice of Change to Registrar and Transfer Agent

No name or address of a Limited Partner shall be changed and no transfer of a Unit or substitution or addition of a Limited Partner in the Partnership shall be recorded on the Register or reflected in an amendment to the Certificate, except pursuant to a notice in writing received by the General Partner or the Registrar and Transfer Agent.

3.11 Inspection of Register

A Limited Partner, or an agent of a Limited Partner duly authorized in writing, has the right, upon not less than 10 days notice in writing to the General Partner, to inspect and make copies from the Register at the cost of the Limited Partner during normal business hours.

3.12 Transfer of Units

Subject to the provisions of this Section and Sections 2.6(b), 3.9, 3.10, 3.13, 3.14, 3.15, 3.16, 3.17, 3.18, and 3.19, and compliance with applicable securities laws and the payment by the transferee of an administration fee, if any, of up to \$100, Units may be transferred by a Limited Partner or his agent duly authorized in writing to any Person, but such Person shall not be recorded on the Register as the holder of Units nor, if such Person is not a Limited Partner, be entitled to become a Limited Partner and thereby reflected in an amendment to the Certificate, unless such Person has delivered to the General Partner or to the Registrar and Transfer Agent a Transfer Form completed and executed in a manner reasonably acceptable to the General Partner.

The General Partner has the right to deny the transfer of Units in respect of which there has been default in payment of the subscription price until all amounts required to be paid on account of the subscription price, including any interest thereon, have been paid in full. The General Partner will deny the transfer of the Units to a holder who is, or acts on behalf of, the Person who is to be the beneficial owner of the Units being transferred if such Person:

- (a) is a "non-resident" of Canada for the purposes of the Tax Act;
- (b) is a Person an interest in which would be a "tax shelter investment" as defined in the Tax Act; or
- (c) is a partnership which is not a "Canadian partnership" under the Tax Act.

Subject to Section 3.16, no transferee will become a Limited Partner until all filings and recordings required by the Act and this Agreement have been duly made. Where the transferee complies with the provisions aforesaid and is entitled to become a Limited Partner pursuant to the provisions hereof, subject to Section 3.9, the General Partner shall be authorized to admit the transferee to the Partnership as a Limited Partner and the Limited Partners hereby consent to the admission of, and will admit, the transferee to the Partnership as a Limited Partner, without further act of the Limited Partners (other than as may be required by law).

3.13 Transfer Form

The Transfer Form shall be in the form of Schedule A or such other form approved by the General Partner and shall be signed by the transferor (whose endorsement thereon shall be guaranteed by a Canadian chartered bank, a trust company qualified to carry on business in a Province of Canada, a member of The Investment Dealers Association of Canada or a member of the Toronto Stock Exchange

or TSX Venture Exchange) and by the transferee (whose endorsement shall also be guaranteed) and shall be accompanied by the Unit Certificate(s), if any, issued by the Partnership representing the Units to be transferred.

3.14 Additional Documentation on Transfer

If a transferor of Units is a firm or a corporation, or purports to assign such Units in any representative capacity, or if an assignment results from the death, mental incapacity or bankruptcy of a Limited Partner or is otherwise involuntary, the transferor or his or her legal representative shall furnish to the General Partner (or to the Registrar and Transfer Agent on its behalf) such documents, certificates, assurances, court orders and other instruments as the General Partner or the Registrar and Transfer Agent, as applicable, may reasonably require to effect the said transfer and assignment.

3.15 Amendment of Certificate and Register

The General Partner, on behalf of the Partnership, shall or shall cause the Registrar and Transfer Agent, as applicable, to from time to time promptly effect filings, recordings, registrations and amendments to the Register and the Certificate and to such other documents and at such places as in the opinion of counsel to the Partnership are necessary or advisable to reflect changes in the membership of the Partnership, transfers of Units, the creation of a series of Class B Units and dissolution of the Partnership as herein provided and to constitute a transferee as a Limited Partner. The General Partner shall file amendments to the Certificate required by the Act as at the close of business on the last day of each calendar quarter referred to in Section 5.3, and at such other times as provided in this Agreement.

3.16 Non-Recognition of Trusts or Beneficial Interests

Except as provided herein, as required by law or as recognized by the General Partner in its sole discretion, no Person will be recognized by the Partnership or a Limited Partner as holding any Unit in trust, or on behalf of another Person beneficially entitled thereto, and the Partnership and Limited Partners will not be bound or compelled in any way to recognize (even when having actual notice) any equitable, contingent, future or partial interest in any Unit or any other rights in respect of any Unit except an absolute right to the entirety of the Unit in the Limited Partner shown on the Certificate as holder of such Unit.

3.17 Incapacity, Death, Insolvency or Bankruptcy

Where a Person becomes entitled to Units on the incapacity, death, insolvency, or bankruptcy of a Limited Partner, or otherwise by operation of law, in addition to the requirements of Sections 2.6(b), 3.9, 3.10, 3.12, 3.13 and 3.14 such entitlement will not be recognized or entered into the Register or recorded in the Certificate until such Person:

- (a) has produced evidence satisfactory to the General Partner (or the Registrar and Transfer Agent on its behalf) of such entitlement;
- (b) has agreed in writing to be bound by the terms of this Agreement and to assume the obligations of a Limited Partner under this Agreement; and
- (c) has delivered such other evidence, approvals and consents in respect to such entitlement as the General Partner (or the Registrar and Transfer Agent on its behalf) may require and as may be required by law or by this Agreement.

3.18 Transfer of Fractional Units

Transfers of a fraction of a Unit may be made and will be recognized or entered into the Register or recorded in the Certificate.

3.19 No Transfer upon Dissolution

No transfer of Units may be made or will be recognized or entered into the Register or recorded in the Certificate after the filing of the notice of dissolution prescribed by the Act pursuant to Section 12.4(e).

3.20 Unit Certificates

The General Partner shall issue to each Limited Partner, upon request, one or more Unit Certificates indicating that the holder thereof is the owner of the number of Units set out thereon. Every Unit Certificate must be signed by at least one officer or director of the General Partner, and by at least one authorized signing officer of the Registrar and Transfer Agent, but any signature other than that of the authorized signing officer of the Registrar and Transfer Agent appearing thereon may be mechanically reproduced, and the validity of a Unit Certificate will not be affected by the circumstance that a person whose signature is so reproduced is deceased or no longer holds the office which he or she held when the reproduction of his or her signature in that office was authorized. A Unit Certificate may be sent through the mail by registered prepaid mail or delivered to a dealer acting on behalf of the Limited Partner and none of the General Partner, the Partnership or the Registrar and Transfer Agent will be liable for any loss by a Limited Partner that results from the loss of a Unit Certificate by reason that it is so sent. If any Unit Certificate is lost, mutilated, stolen or destroyed, the Registrar and Transfer Agent shall, upon request by a Limited Partner, issue a replacement Unit Certificate to the Limited Partner upon receipt of evidence satisfactory to the Registrar and Transfer Agent of such loss, mutilation or destruction, and upon receiving such indemnification (including an indemnity bond provided at the expense of the Limited Partner) as it deems appropriate in the circumstances. The General Partner upon request by the transferee shall issue a new Unit Certificate for any Units transferred. In the case of a transfer of less than all of the Units represented by a Unit Certificate, the General Partner, upon request by the transferor, shall issue a new Unit Certificate for the balance of the Units retained by the transferor.

3.21 Offers for Units

- (a) In this Section 3.21 (and notwithstanding any definition set forth in Section 1.1):
 - (i) "**Dissenting Offeree**" means a holder of Units who does not accept an Offer referred to in Section 3.21(b);
 - (ii) "**Offer**" means an offer to acquire made by an Offeror to holders of Units to acquire all the Units of any class or series of Units not including any Offeror's Securities;
 - (iii) "**offer to acquire**" includes an acceptance of an offer to sell;
 - (iv) "**Offeree**" means a Person to whom an Offer is made;
 - (v) "**Offeror**" means a Person, or two or more Persons acting jointly or in concert, who make an Offer;

- (vi) **"Offeror's Notice"** means the notice described in Section 3.21(c);
 - (vii) **"Offeror's Securities"** means Units owned beneficially on the date of an Offer by the Offeror and any Affiliate or Associate of the Offeror; and
 - (viii) **"Unit"** means a unit of the Partnership with or without voting rights and includes
 - (A) a security currently convertible into such a unit, and
 - (B) currently exercisable options and rights to acquire such a unit or such a convertible security.
- (b) If an Offer is made and:
- (i) within the time provided in the Offer for its acceptance or within 60 days after the date the Offer is made, whichever period is the shorter, the Offer is accepted by Offerees representing at least 90% of the outstanding Units which are the subject of such offer other than the Offeror's Securities;
 - (ii) the Offeror is bound to take up and pay for, or has taken up and paid for, the Units of the Offerees who accepted the Offer; and
 - (iii) the Offeror complies with Sections 3.21(c) and (e);
- the Offeror is entitled to acquire, and the Dissenting Offerees are required to sell to the Offeror, the Units which are the subject of such Offer held by the Dissenting Offerees for the same consideration per Unit payable or paid, as the case may be, under the Offer.
- (c) Where an Offeror is entitled to acquire Units held by Dissenting Offerees pursuant to Section 3.21(b), and the Offeror wishes to exercise such right, the Offeror shall send by registered mail within 30 days after the date of expiry of the Offer a notice (the **"Offeror's Notice"**) to each Dissenting Offeree stating that:
- (i) Offerees holding at least 90% of the Units of all Offerees, other than Offeror's Securities, have accepted the Offer;
 - (ii) the Offeror is bound to take up and pay for, or has taken up and paid for, the Units of the Offerees who accepted the Offer;
 - (iii) Dissenting Offerees must transfer their respective Units to the Offeror on the terms on which the Offeror acquired the Units of the Offerees who accepted the Offer within 21 days after the date of the sending of the Offeror's Notice; and
 - (iv) Dissenting Offerees must send their respective Unit Certificate(s) representing Units to the General Partner within 21 days after the date of the sending of the Offeror's Notice.
- (d) A Dissenting Offeree to whom an Offeror's Notice is sent pursuant to Section 3.21(c) shall, within 21 days after the sending of the Offeror's Notice, send his or her Unit Certificate(s) representing Units to the General Partner, duly endorsed for transfer with signature guaranteed as provided in Section 3.13.

- (e) Within 21 days after the Offeror sends an Offeror's Notice pursuant to Section 3.21(c), the Offeror shall pay or transfer to the General Partner, or to such other Person as the General Partner may direct, the cash or other consideration that is payable to Dissenting Offerees pursuant to Section 3.21(b).
 - (f) The General Partner, or the Person directed by the General Partner, shall hold in trust for the Dissenting Offerees the cash or other consideration it receives under Section 3.21(e). The General Partner, or such Person, shall deposit cash in a separate account in a Canadian chartered bank, and shall place other consideration in the custody of a Canadian chartered bank or similar institution for safekeeping.
 - (g) Within 30 days after the date of the sending of an Offeror's Notice pursuant to Section 3.21(c), the General Partner, if the Offeror has complied with Section 3.21(e), shall:
 - (i) do all acts and things and execute and cause to be executed all instruments as in the General Partner's opinion may be necessary or desirable to cause the transfer of the Units of the Dissenting Offerees to the Offeror;
 - (ii) send to each Dissenting Offeree who has complied with Section 3.21(d) the consideration to which such Dissenting Offeree is entitled under this Section 3.21; and
 - (iii) send to each Dissenting Offeree who has not complied with Section 3.21(d) a notice stating that:
 - (A) his or her Units have been transferred to the Offeror;
 - (B) the General Partner or some other Person designated in such notice are holding in trust the consideration for the transfer of such Units to the Offeror; and
 - (C) the General Partner, or such other Person, will send the consideration to such Dissenting Offeree as soon as practicable after receiving Unit Certificate(s) from such Dissenting Offerees or such other documents as the General Partner, or such other Person may require in lieu thereof;
- and the General Partner is hereby appointed the agent and attorney of the Dissenting Offerees for the purposes of giving effect to the foregoing provisions.
- (h) An Offeror cannot make an Offer for Units unless, concurrent with the communication of the Offer to any holder of Units, a copy of the Offer is provided to the General Partner.

ARTICLE 4

CAPITAL CONTRIBUTIONS AND ACCOUNTS

4.1 Capital

The capital of the Partnership consists of the aggregate of all sums of money or other property contributed by the Partners as Capital Contributions and not withdrawn or returned to them.

4.2 General Partner Contribution

The General Partner has contributed the sum of \$1.00 as a Capital Contribution to the Partnership in exchange for one Class A Unit. The General Partner shall not transfer any Units held by it to any Person other than a new General Partner pursuant to Section 8.20.

4.3 Limited Partner Contributions

The Capital Contribution of each Limited Partner is the total amount of money or property paid by such Limited Partner or a predecessor Limited Partner to the Partnership in respect of Units or rights to acquire Units held by such Limited Partner, subject to reduction from time to time in accordance with Section 7.2.

4.4 Separate Capital Accounts

The General Partner will maintain a separate capital account for each Partner and will, on receipt of an amount in respect of a Capital Contribution, credit the account of the applicable Partner with such Capital Contribution and will debit the account with the amount of any Capital Contribution actually returned from time to time by the Partnership to the Partner.

The interest of a Partner will not terminate by reason of there being a negative or nil balance in the Partner's capital account. No Limited Partner shall be responsible for any losses of any other Limited Partner, nor share in the allocation of income or loss attributable to the Units of any other Limited Partner.

4.5 No Interest on Capital Account

The Partnership will not pay interest on any credit balance of the capital account or Capital Contribution of a Partner. Except as provided in this Agreement or the Act or similar applicable legislation in Canada, no Limited Partner is required to pay interest to the Partnership on any Capital Contribution returned to the Limited Partner or on any negative balance in his capital account.

4.6 Unpaid Capital Contributions

If any portion of the Capital Contribution for a Unit or Units is unpaid when due and owing, the General Partner will give 15 days' notice or such other notice as required by applicable law to the holder of the Unit or Units to pay such amount as remains unpaid on account of the Capital Contribution and if such amount is not paid within such notice period, the unpaid portion of the Capital Contribution of such Unit and of every other Unit registered in the name of the holder will be immediately due and owing and the General Partner may commence foreclosure proceedings in compliance with applicable laws in respect of the Units registered in the name of the holder or the General Partner may sell such Units in accordance with this Article 4 and applicable laws. Notwithstanding Article 11 hereof, notice given under this Section 4.6 shall be given by registered mail and shall be deemed to be received and shall be effective on the third business day following deposit of such notice in the mail.

4.7 Sale of Units in Default

Subject to compliance with applicable laws, the General Partner may, on behalf of the Partnership, sell on such terms and conditions as the General Partner deems appropriate, any Unit in respect of which payment of the Capital Contribution is in default and in respect of which 15 days have elapsed since such payment was first due and apply the proceeds of sale:

- (a) first, toward the costs of sale (including commissions, if any);
- (b) second, toward payment of interest on the unpaid portion of the Capital Contribution; and
- (c) third, toward payment of the unpaid portion of the Capital Contribution.

Any surplus will be payable to the Limited Partner.

4.8 Failure to Give Notice

Any failure to give, or delay in giving, notice of default to the holder of a Unit will not affect the liability of such holder for payment of the Capital Contribution of the Unit in default or for payment of the Capital Contribution for any other Unit.

4.9 Restriction on Transfer

If a holder of a Unit is in default in payment of the Capital Contribution, the Unit in respect of which payment is in default and any other Unit registered in the name of such holder may not thereafter be transferred by such holder (except pursuant to Sections 4.6 and 4.7) until the portion of the Capital Contribution which is due and owing and any interest accrued in respect of that Unit has been paid in full.

4.10 Interest on Capital Contribution in Default

A Limited Partner liable for a portion of the Capital Contribution for Units which is not paid when due and owing is liable in addition to pay interest on so much of the Capital Contribution as from time to time remains unpaid, accruing from the due date to the date of payment at an annual rate of interest equal to the rate announced from time to time by a Canadian chartered bank selected by the Partnership as its reference rate for determining the interest rates charged by it on Canadian dollar commercial loans made in Canada prevailing from time to time while the Capital Contribution is unpaid, plus 6%, calculated and compounded monthly. All payments on account of a Capital Contribution which is due and owing or interest thereon, however directed, will be applied first towards the costs of the General Partner in collecting such amounts or selling the Units, secondly towards interest and thirdly towards satisfaction of the unpaid portion of the Capital Contribution.

4.11 Set-Off

The Partnership may set-off against and withhold from any amount that would otherwise be distributed to a Limited Partner, any amount that may be due and owing to the Partnership on account of any unpaid portion of the Capital Contribution of such Limited Partner and interest accrued thereon.

4.12 Liability for Deficiency

The sale of a Unit pursuant to Section 4.7 and the application of the proceeds as therein provided will not, if a deficiency remains after the sale, extinguish the liability of the former Limited Partner for any amount that may remain unsatisfied or for the interest which will continue to accrue thereon.

ARTICLE 5
PARTICIPATION IN PROFITS AND LOSSES

5.1 Allocation of Net Income and Losses

The net income or loss for accounting purposes for a given Fiscal Year of the Partnership will be allocated to each Limited Partner in the same proportion as net income or loss is allocated for tax purposes to each Limited Partner as provided in Section 5.2.

All income allocated to a Limited Partner will be added to the capital account maintained for the Limited Partner and any losses allocated to the Limited Partner or any amounts distributed to the Limited Partner will be deducted from such capital account.

5.2 Allocation of Net Income and Losses for Tax Purposes

The net income or loss, as the case may be, for tax purposes of the Partnership for any given Fiscal Year will be allocated on a quarterly basis to each Limited Partner that holds Units that are entitled to receive distributions from the Partnership at the end of each calendar quarter ending in such Fiscal Year by multiplying one quarter of such income or loss by a fraction, the numerator of which is the sum of the cash distributions receivable by such Limited Partner with respect to the applicable calendar quarter (or, in the event that there have been adjustments of cash distributions made among the Limited Partners pursuant to Section 5.3 to reflect differences in the actual rate of United States taxes withheld on distributions made to the Partnership, the sum of the cash distributions such Limited Partner would have otherwise received had such adjustments not been made) and the denominator of which is the aggregate amount of the Distributable Cash payable by the Partnership with respect to such calendar quarter; provided that if, with respect to a given calendar quarter in such Fiscal Year, no Distributable Cash is paid by the Partnership to its Partners, the quarterly allocation of income or loss with respect to such quarter will be allocated to the Limited Partners included in the Register at the end of such calendar quarter that hold Units that are entitled to receive distributions from the Partnership in accordance with the respective rights of such Units.

Any other amounts allocable for purposes of the Tax Act or otherwise will be allocated to each Limited Partner included in the Register as at the end of each quarter that holds Units that are entitled to receive distributions from the Partnership in accordance with the respective rights of such Units; provided that the General Partner may, to the extent applicable and reasonably practicable, allocate any items relating to foreign tax credits in respect of United States taxes withheld on distributions made, directly or indirectly, to the Partnership in such a way so as to reflect any differences in the actual rates of such United States taxes withheld which are attributable to the status of the holders of Units.

5.3 Distributable Cash

In respect of the quarters ending March, June, September and December in each year (each a “calendar quarter”), the General Partner shall distribute to Limited Partners included in the Register on the last day of the applicable calendar quarter that hold Units that are entitled to receive distributions from the Partnership, in accordance with the respective rights of such Units, the Distributable Cash determined in respect of that calendar quarter; provided that the General Partner shall, to the extent applicable and reasonably practicable, adjust any such distribution among the holders of Units to reflect any differences in the actual rates of taxes withheld or to be withheld pursuant to applicable laws on distributions made, directly or indirectly, to the Partnership which are attributable to the status of the holders of Units. Such Distributable Cash will only be distributed to the extent that the Partnership has cash available for such payment. The payment date for Distributable Cash to be distributed in respect of a calendar quarter shall

be determined by the General Partner provided that such payment date shall not be later than 60 days after the end of such calendar quarter.

5.4 Monthly Distributions and Allocations

The General Partner may, in its sole discretion, choose to make distributions of Distributable Cash on a monthly basis based on the Distributable Cash determined in respect of each calendar month. In the event that the General Partner chooses to make distributions on a monthly basis, the provisions of this Agreement (including the provisions of this Article 5) shall be deemed to be amended so that any references to distributions of Distributable Cash and allocations of income or loss or other amounts being made on a quarterly basis shall become references to distributions and allocations on a monthly basis.

5.5 Repayments

If, as determined by the General Partner, it appears that any Limited Partner has received an amount under this Article 5 which is in excess of that Partner's entitlement, the Limited Partner will, forthwith upon notice from the General Partner, reimburse the Partnership to the extent of the excess, and failing immediate reimbursement, the General Partner may withhold the amount of the excess (with interest at the rate referred to in Section 4.10 from time to time calculated and compounded monthly) from further distributions otherwise due the Limited Partner.

ARTICLE 6 **REIMBURSEMENT OF EXPENSES**

6.1 Expenses of the Partnership

The Partnership will reimburse the General Partner for all direct and indirect operating, general and administrative and other costs and expenses incurred by the General Partner on behalf of the Partnership or in the performance of its duties hereunder (all of which costs and expenses shall be the Partnership's responsibility). For greater certainty, such costs and expenses for which the General Partner is to be reimbursed include the Partnership's direct and indirect operating, general and administrative and other costs and expenses, including legal and audit fees, stock exchange listings fees, fees of the Registrar and Transfer Agent, Unitholder information costs, consulting and advisory fees incurred in connection with the Partnership's business or the evaluation of investment opportunities by the Partnership, fees paid to third parties for services rendered to the General Partner or the Partnership, expenses associated with the issuance of Units and costs incurred by the directors of the General Partner in evaluating matters relating to the Partnership.

The Partnership will be responsible for the payment of any goods and services tax, if any, with respect to the costs and expenses to be reimbursed by the Partnership pursuant to this Section 6.1.

ARTICLE 7 **WITHDRAWAL OF CAPITAL CONTRIBUTIONS**

7.1 Withdrawal

No Limited Partner has the right to withdraw any of his or her Capital Contribution or other amount or to receive any cash or other distribution from the Partnership except as provided for in this Agreement and except as permitted by law.

7.2 Return of Capital Contribution

Subject to compliance with the Act, all Distributable Cash and other cash distributed to Unitholders shall be and shall be deemed to be withdrawals of or returns of Capital Contributions to the applicable Limited Partners until the Limited Partners have received 99.9% of the original Capital Contribution applicable to each Unit, after which no further withdrawals or returns of capital shall be made until dissolution of the Partnership. Coincident with each withdrawal or return of Capital Contribution, the Certificate shall be amended to set forth such withdrawal or return. The General Partner and each of the Limited Partners hereby consents to the withdrawal or return of Capital Contributions contemplated in this Section 7.2.

ARTICLE 8

POWERS, DUTIES AND OBLIGATIONS OF GENERAL PARTNER

8.1 Powers, Duties and Obligations

The General Partner has:

- (a) unlimited liability for the debts, liabilities and obligations of the Partnership;
- (b) subject to the terms of this Agreement, and to any applicable limitations set forth in the Act and applicable similar legislation, the full and exclusive right, power and authority to manage, control, administer and operate the business and affairs and to make decisions regarding the undertaking and business of the Partnership; and
- (c) the full and exclusive right, power and authority to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying out the business of the Partnership.

An action taken by the General Partner on behalf of the Partnership is deemed to be the act of the Partnership and binds the Partnership.

8.2 Specific Powers and Duties

Without limiting the generality of Section 8.1, the General Partner will have full power and authority for and on behalf of and in the name of the Partnership to:

- (a) negotiate, execute and perform all agreements which require execution by or on behalf of the Partnership involving matters or transactions with respect to the Partnership's activities (and such agreements may limit the liability of the Partnership to the assets of the Partnership, with the other party to have no recourse to the assets of the General Partner, even if the same results in the terms of the agreement being less favourable to the Partnership);
- (b) open and manage bank accounts in the name of the Partnership and lend funds of the Partnership to any Person on such terms as the General Partner considers appropriate and otherwise spend the capital of the Partnership in the exercise of any right or power exercisable by the General Partner hereunder;

- (c) borrow funds or otherwise obtain credit in the name of the Partnership from time to time from the General Partner or its Affiliates or from any other Person including, without limitation, financial institutions and such other financing sources as the General Partner may determine, without limitation with regard to amount, use, cost or repayment of such borrowing or credit; provide in the name of the Partnership from time to time guarantees, indemnities, credit support or other forms of financial assistance to or for the benefit of any Person in respect of the indebtedness, liabilities or obligations of any Person as the General Partner may determine;
- (d) mortgage, charge, assign, hypothecate, pledge or otherwise create a security interest in all or any property of the Partnership now owned or hereafter acquired, to secure any present and future indebtedness, liabilities or obligations and related expenses of the Partnership or any other Person including, without limitation, any guarantees, indemnities, credit support or other forms of financial assistance provided to or for the benefit of any Person in respect of the indebtedness, liabilities or obligations of any Person;
- (e) see to the sound management of the Partnership, and to manage, control and develop all the activities of the Partnership and take all measures necessary or appropriate for the activities of the Partnership or ancillary thereto;
- (f) acquire securities of entities engaged primarily in activities which are permitted activities for the Partnership as provided in Section 2.2;
- (g) maintain, improve, expand, extend, upgrade or change the assets of the Partnership from time to time subject to the limitations provided under Section 2.2;
- (h) incur all costs and expenses in connection with the Partnership;
- (i) employ, retain, engage or dismiss from employment, personnel, agents, representatives or professionals with the powers and duties upon the terms and for the compensation as in the discretion of the General Partner may be necessary or advisable in the carrying on of the activities of the Partnership;
- (j) engage agents or subcontract administrative functions to assist the General Partner in carrying out its management obligations to the Partnership;
- (k) invest cash assets of the Partnership that are not immediately required for the activities of the Partnership in investments which the General Partner considers appropriate;
- (l) act as attorney in fact or agent of the Partnership in disbursing and collecting moneys for the Partnership, paying debts and fulfilling the liabilities and obligations of the Partnership and handling and settling any claims of the Partnership;
- (m) commence or defend any action or proceeding in connection with the Partnership;
- (n) file returns or other documents required by any governmental or like authority;
- (o) retain legal counsel, experts, advisors or consultants as the General Partner considers appropriate and rely upon the advice of such Persons;

- (p) do anything that is in furtherance of or incidental to the activities of the Partnership or that is provided for in this Agreement;
- (q) execute, acknowledge and deliver the documents necessary to effectuate any or all of the foregoing or otherwise in connection with the activities of the Partnership;
- (r) obtain any insurance coverage;
- (s) appoint the Registrar and Transfer Agent;
- (t) implement practices and procedures to monitor and control compliance with the restrictions contained in Section 2.6(b) including, without limitation, requirements with respect to the registration of Units, the eligibility of Clearing Agencies to hold Units and the periodic furnishing of declarations;
- (u) acquire or, subject to Section 10.17(d), dispose of the assets of the Partnership;
- (v) designate one or more series of Class B Units as contemplated in Section 3.1, issue further Class A Units and Class B Units and determine the terms and conditions of the offering of Units from time to time and to do all things in this regard in accordance with Section 3.2; and
- (w) generally carry out the objects, purposes and activities of the Partnership.

No Persons dealing with the Partnership will be required to enquire into the authority of the General Partner to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Partnership.

8.3 Loans from General Partner

The General Partner or its Affiliates may advance or loan to the Partnership funds which may be necessary for the payment of operating expenses of the Partnership. The rate of interest and any other expenses relative to such advances or borrowings shall not exceed that which the Partnership could reasonably expect to obtain from a Canadian chartered bank with respect to similar borrowings.

8.4 Title to Property

The General Partner may hold legal title to any of the assets or property of the Partnership in its name for the benefit of the Partnership.

8.5 Exercise of Duties

The General Partner covenants that it will exercise the powers and discharge its duties under this Agreement honestly, in good faith, and in the best interests of the Partnership, and that it will exercise the degree of care, diligence and skill that a reasonably prudent Person would exercise in comparable circumstances. Furthermore, the General Partner covenants that it will maintain the confidentiality of financial and other information and data which it may obtain through or on behalf of the Partnership, the disclosure of which may adversely affect the interests of the Partnership or a Limited Partner, except to the extent that disclosure is permitted as provided herein, is required by law or is in the best interests of the Partnership.

8.6 Limitation of Liability

The General Partner is not personally liable for the return of any Capital Contribution made by a Limited Partner to the Partnership. Moreover, notwithstanding anything else contained in this Agreement, but subject to Sections 2.12 and 8.11, neither the General Partner nor any Affiliates thereof nor their respective officers, directors, shareholders, employees or agents are liable, responsible for or accountable in damages or otherwise to the Partnership or a Limited Partner for an action taken or failure to act on behalf of the Partnership within the scope of the authority conferred on the General Partner by this Agreement or by law provided the General Partner has acted in good faith, in a manner which the General Partner believed to be in the best interests of the Partnership.

8.7 Indemnity of General Partner

- (a) To the fullest extent permitted by law but subject to the limitations expressly provided in this Agreement, each General Partner, any former General Partner (a "**Departing Partner**"), any Person who is or was an Affiliate of the General Partner or any Departing Partner, any Person who is or was an officer, director, employee, partner, agent or trustee of the General Partner or any Departing Partner or any such Affiliate, or any Person who is or was serving at the request of the General Partner or any Departing Partner or any such Affiliate as a director, officer, employee, partner, agent or trustee of another Person (collectively, an "**Indemnitee**") shall be indemnified and held harmless by the Partnership from and against any and all losses, claims, damages, liabilities (joint or several), expenses (including, without limitation, legal fees and expenses), judgments, fines, settlements and other amounts arising from any and all claims, demands, actions, suits or proceedings, whether civil, criminal, administrative or investigative, in which any Indemnitee may be involved, or is threatened to be involved, as a party or otherwise, by reason of its status as: (i) the General Partner, a Departing Partner or any of their Affiliates; (ii) an officer, director, employee, partner, agent or trustee of the General Partner, any Departing Partner or any of their Affiliates; or (iii) a Person serving at the request of the General Partner, any Departing Partner or any of their Affiliates as a director, officer, employee, agent or trustee of another Person; provided, that in each case the Indemnitee acted in good faith, in a manner which such Indemnitee believed to be in the best interests of the Partnership and, with respect to any criminal proceeding, had no reasonable cause to believe its conduct was unlawful. The foregoing indemnification may indemnify an Indemnitee for negligence. The termination of any action, suit or proceeding by judgment, order, settlement or conviction shall not create a presumption that the Indemnitee acted in a manner contrary to that specified above. Any indemnification pursuant to this Section 8.7 shall be made only out of the assets of the Partnership.
- (b) To the fullest extent permitted by law, expenses (including, without limitation, legal fees and expenses) incurred by an Indemnitee in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Section 8.7.
- (c) The indemnification provided by this Section 8.7 shall be in addition to any other rights to which an Indemnitee may be entitled under any agreement, pursuant to any vote of the Partners, as a matter of law or otherwise, both as to actions in the Indemnitee's capacity

as: (i) the General Partner, a Departing Partner or an Affiliate thereof; (ii) an officer, director, employee, partner, agent or trustee of the General Partner, any Departing Partner or an Affiliate thereof; or (iii) a Person serving at the request of the General Partner, any Departing Partner or any of their Affiliates as a director, officer, employee, agent or trustee of another Person, and shall continue as to an Indemnitee who has ceased to serve in such capacity and as to actions in any other capacity.

- (d) The Partnership may purchase and maintain (or reimburse the General Partner or its Affiliates for the cost of) insurance, on behalf of the General Partner and such other Persons as the General Partner shall determine, against any liability that may be asserted against or expense that may be incurred by such Person in connection with the Partnership's activities, whether or not the Partnership would have the power to indemnify such Person against such liabilities under the provisions of this Agreement.

8.8 Liability of Indemnitees

- (a) Notwithstanding anything to the contrary set forth in this Agreement, no Indemnitee shall be liable for monetary damages to the Partnership or the Limited Partners for losses sustained or liabilities incurred as a result of any act or omission if such Indemnitee acted in good faith, in a manner which the Indemnitee believed to be in the best interests of the Partnership.
- (b) The General Partner may exercise any of the powers or authority granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or through its agents (as contemplated in Section 8.2(i)), and the General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner in good faith.

8.9 Resolution of Conflicts of Interest

Unless otherwise expressly provided in this Agreement, whenever a potential conflict of interest exists or arises between the General Partner or any of its Affiliates, on the one hand, and the Partnership, or any Limited Partner on the other hand, any resolution or course of action in respect of such conflict of interest shall be permitted and deemed approved by all Limited Partners, and shall not constitute a breach of this Agreement, or of any standard of care or duty stated or implied by law, if the resolution or course of action is fair and reasonable to the Partnership and such resolution is approved by the board of directors of the General Partner. The General Partner shall be authorized in connection with its resolution of any conflict of interest to consider: (i) the relative interests of any party to such conflict, agreement, transaction or situation and the benefits and burdens relating to such interests; (ii) any customary or accepted industry practices; (iii) any applicable generally accepted accounting practices or principles; and (iv) such additional factors as the General Partner determines in its sole discretion to be relevant, reasonable or appropriate under the circumstances. Nothing contained in this Agreement, however, is intended to nor shall it be construed to require the General Partner to consider the interests of any Person other than the Partnership. In the absence of bad faith by the General Partner, the resolution, action or terms so made, taken or provided by the General Partner with respect to such matter shall be deemed to be fair and reasonable, shall be deemed to be in, or not opposed to, the best interests of the Partnership, and shall not constitute a breach of this Agreement or a breach of any standard of care or duty imposed herein or stated or implied under the Act or by law.

8.10 Other Matters Concerning the General Partner

- (a) The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.
- (b) The General Partner may consult with legal counsel, accountants, appraisers, management consultants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted in reliance upon the opinion (including, without limitation, an opinion of counsel) of such Persons as to matters that the General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.
- (c) The General Partner shall have the right, in respect of any of its power, authority or obligations hereunder, to act through any of its duly authorized officers.

8.11 Indemnity of Partnership

Subject to Section 2.12, the General Partner hereby indemnifies and holds harmless the Partnership and each Limited Partner from and against all costs, expenses, damages or liabilities suffered or incurred by the Partnership or such Limited Partners by reason of an act of willful misconduct or gross negligence by the General Partner or of any act or omission not believed by the General Partner in good faith to be within the scope of the authority conferred on the General Partner by this Agreement.

8.12 Restrictions upon the General Partner

The General Partner's power and authority does not extend to any powers, actions or authority not enumerated in Sections 8.1 and 8.2 unless and until the requisite Extraordinary Resolution is passed by the Partners. Further, the General Partner will not:

- (a) commingle the funds of the Partnership with the funds of the General Partner or any of its Affiliates or with the funds of any other Person;
- (b) dissolve the affairs of the Partnership except in accordance with the provisions of Article 12 hereof;
- (c) except in accordance with Section 10.17 effect a sale of all or substantially all of the assets of the Partnership; or
- (d) withdraw as General Partner except in accordance with the provisions of Section 8.15 hereof.

8.13 Employment of an Affiliate

The General Partner may employ or retain Affiliates of the General Partner or the Limited Partners on behalf of the Partnership to provide goods or services to the Partnership provided that, if the Partnership is to reimburse the General Partner for the costs and expenses of such goods or services, the costs of such goods or services must be reasonable and competitive with the costs of similar goods and services provided by independent third parties.

8.14 Removal of General Partner

- (a) Upon the passing of any resolution of the directors or shareholders of the General Partner requiring or relating to the bankruptcy, dissolution, liquidation or winding-up or the making of any assignment for the benefit of creditors of the General Partner, or upon the appointment of a receiver of the assets and undertaking of the General Partner, or upon the General Partner failing to maintain its status under Section 2.6(a) (i) through (iii) hereof, the General Partner shall cease to be qualified to act as General Partner hereunder and shall be deemed to have been removed thereupon as the General Partner of the Partnership effective upon the appointment of a new general partner and the acceptance of such appointment. A new general partner shall, in such instances, be appointed by the Limited Partners by an Ordinary Resolution after receipt of written notice of such event (which written notice shall be provided by the General Partner forthwith upon the occurrence of such event). Such Ordinary Resolution shall provide for the shares of the new general partner to be held in trust in a manner similar to the trust relationship established with respect to the shares of Fort Chicago Energy Management Ltd.
- (b) The General Partner may also be removed if the General Partner has committed a material breach of the Partnership Agreement, which subsists for a period of 60 days after notice, and if such removal is approved by the Limited Partners by an Ordinary Resolution excluding for this purpose Units held by the General Partner and its Affiliates for its or their own account. Any such action by the Limited Partners for removal of the General Partner under this Section 8.14(b) must also provide for the election and succession of a new general partner and for the shares of the new general partner to be held in trust in a manner similar to the trust relationship established with respect to the shares of Fort Chicago Energy Management Ltd. Such removal shall be effective immediately following the admission of the successor general partner to the Partnership.

8.15 Voluntary Withdrawal of General Partner

The General Partner has agreed not to voluntarily withdraw as general partner, provided that: (a) the General Partner may withdraw if such withdrawal is approved by an Extraordinary Resolution excluding for this purpose Units held by the General Partner and its affiliates for its or their own account, after which time the General Partner may withdraw as such by giving 90 days' notice; or (b) the General Partner may withdraw without Limited Partner approval upon 90 days' notice to the Limited Partners if the percentage of Units entitled to vote in respect of Extraordinary Resolutions beneficially owned by any one Person and its Affiliates, other than the withdrawing General Partner and its Affiliates for its or their own account, exceeds 66 2/3%.

8.16 Condition Precedent

As a condition precedent to the resignation or removal of the General Partner, the Partnership shall pay all amounts payable by the Partnership to the General Partner pursuant to this Agreement accrued to the date of resignation or removal subject to any claims or liabilities of the General Partner to the Partnership.

8.17 Transfer to New General Partner

On the admission of a new general partner to the Partnership on the resignation or removal of the General Partner, the resigning or retiring General Partner will do all things and take all steps to transfer the administration, management, control and operation of the business of the Partnership and the books,

records and accounts of the Partnership to the new general partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer in a timely fashion.

8.18 Transfer of Title to New General Partner

On the resignation or removal of the General Partner and the admission of a new general partner, the resigning or retiring General Partner will, at the cost of the Partnership, transfer title to the Partnership's property to such new general partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer in a timely fashion.

8.19 Release by Partnership

On the resignation or removal of the General Partner, the Partnership will release and hold harmless the General Partner resigning or being removed, from any costs, expenses, damages or liabilities suffered or incurred by the General Partner as a result of or arising out of events which occur in relation to the Partnership after such resignation or removal.

8.20 New General Partner

A new general partner shall not be a "non-resident" of Canada within the meaning of the Tax Act or a Person an interest in which would be a "tax shelter investment" as defined in the Tax Act and will become a party to this Agreement by signing a counterpart hereof and will agree to be bound by all of the provisions hereof and to assume the obligations, duties and liabilities of the General Partner hereunder as from the date the new general partner becomes a party to this Agreement. The General Partner shall transfer all of the Units owned by it to the new General Partner who must hold, at all times while it is the General Partner of the Partnership, at least one Unit.

ARTICLE 9 **FINANCIAL INFORMATION**

9.1 Books and Records

The General Partner shall keep or cause to be kept at the principal office of the Partnership appropriate books and records with respect to the Partnership's business (other than the Register, which shall be maintained by the Registrar and Transfer Agent). Any books and records maintained by or on behalf of the Partnership in the regular course of its business, including, without limitation, books of account and records of Partnership proceedings, may be kept on, or be in the form of, computer disks, hard disks, magnetic tape, or any other information storage device, provided that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial reporting purposes, on an accrual basis in accordance with generally accepted accounting principles.

9.2 Reports

- (a) As soon as practicable, but in no event later than 120 days after the end of each Fiscal Year, the General Partner shall cause to be mailed to each holder of a Unit as indicated on the Certificate as of a date selected by the General Partner in its sole discretion, an annual report containing audited consolidated financial statements prepared in accordance with

generally accepted accounting principles, such statements to be reported upon by the Auditor.

- (b) As soon as practicable, but in no event later than 60 days after the end of each calendar quarter (except the last calendar quarter of each year), the General Partner shall cause to be mailed to each holder of a Unit as indicated on the Certificate as of a date selected by the General Partner in its sole discretion, a report containing unaudited consolidated financial statements of the Partnership and such other information as may be required by applicable securities laws, or the rules of any stock exchange on which any of the Units are listed for trading, or as the General Partner determines to be necessary or appropriate.

9.3 Income Tax Information

The General Partner will use reasonable efforts to send or cause to be sent to each Person who is a Limited Partner during the previous Fiscal Year, or at the date of dissolution of the Partnership, within 90 days after the end of each Fiscal Year or within 60 days of dissolution, as the case may be, or within such other shorter period of time as may be required by applicable law, all information, in suitable form, relating to the Partnership necessary for such Person to prepare their Canadian federal and provincial income tax returns and their U.S. income tax returns, if any. The General Partner shall file, on behalf of itself and the Limited Partners, annual Partnership information returns and any other information returns required to be filed under the Tax Act and any other applicable tax legislation in respect of the Partnership.

9.4 Right to Inspect Partnership Books and Records

- (a) In addition to other rights provided by this Agreement or by applicable law, and except as limited by Section 9.4(b), each Limited Partner shall have the right, for a purpose reasonably related to such Limited Partner's interest as a limited partner in the Partnership, upon reasonable demand and upon not less than 10 days notice in writing to the General Partner, and at such Limited Partner's own expense, to have furnished to it:
 - (i) a current list of the name and last known address of each Limited Partner and the General Partner;
 - (ii) copies of this Agreement, the Certificate, and amendments thereto; and
 - (iii) such other information regarding the affairs of the Partnership as is just and reasonable.
- (b) Notwithstanding Section 9.4(a), the General Partner may keep confidential from the Limited Partners for such period of time as the General Partner deems reasonable, any information that the General Partner reasonably believes to be in the nature of trade secrets or other information the disclosure of which the General Partner in good faith believes is not in the best interests of the Partnership or could damage the Partnership or that the Partnership is required by law or by agreements with third parties to keep confidential.

9.5 Accounting Policies

The General Partner is authorized to establish from time to time accounting policies with respect to the financial statements of the Partnership and to change from time to time any policy that has been so

established so long as such policies are consistent with the provisions of this Agreement and with generally accepted accounting principles in Canada.

9.6 Appointment of Auditor

The General Partner will, on behalf of the Partnership, select the Auditor on behalf of the Partnership to review and report to the Partners upon the financial statements of the Partnership for and as at the end of each Fiscal Year, and to advise upon and make determinations with regard to financial questions relating to the Partnership or required by this Agreement to be determined by the Auditor.

ARTICLE 10 **MEETINGS OF THE LIMITED PARTNERS**

10.1 Requisitions of Meetings

- (a) The General Partner may call a general meeting of Limited Partners entitled to vote in respect of Ordinary Resolutions at such time and place as it deems appropriate in its absolute discretion for the purpose of considering any matter set forth in the notice of meeting provided, however, that the General Partner shall call an annual meeting of Limited Partners entitled to vote in respect of Ordinary Resolutions to be held not later than 15 months after holding the last preceding annual meeting. The business at each annual meeting shall include the selection of persons for consideration by the holder of the shares of the General Partner for election as directors of the General Partner.
- (b) In addition, where Limited Partners holding not less than 10% of the aggregate votes attached to the outstanding Units entitled to vote in respect of Ordinary Resolutions (the "**Requisitioning Partners**") give notice signed by each of them to the General Partner, requesting a meeting of the Limited Partners and stating the purpose of such meeting, the General Partner shall, within 60 days of receipt of such notice, convene such meeting, and if it fails to do so, any Requisitioning Partner may convene such meeting by giving notice in accordance with this Agreement.
- (c) Every meeting of Limited Partners, however convened, will be conducted in accordance with this Agreement.

10.2 Place of Meeting

Every meeting of Limited Partners shall be held in the City of Calgary, Alberta or at such other place in Canada as the General Partner (or Requisitioning Partners, if the General Partner fails to call such meeting in accordance with Section 10.1) may designate.

10.3 Notice of Meeting

Notice of any meeting of Limited Partners will be given to each Limited Partner entitled to receive such notice not less than 21 days (but not more than 60 days) prior to such meeting, and will state:

- (a) the time, date and place of such meeting; and
- (b) in general terms, the nature of the business to be transacted at the meeting in sufficient detail to permit a Limited Partner to make a reasoned decision thereon.

Notice of an adjourned meeting of Limited Partners need not be given if the adjourned meeting is held within 14 days of the original meeting. Otherwise, but subject to Section 10.13, notice of adjourned meetings shall be given not less than 10 days in advance of the adjourned meeting and otherwise in accordance with this section, except that the notice need not specify the nature of the business to be transacted if unchanged from the original meeting.

10.4 Record Dates

For the purpose of determining the Limited Partners who are entitled to vote or act at any meeting of Limited Partners or any adjournment thereof, or for the purpose of any other action, the General Partner may fix a date not more than 60 days prior to the date of any meeting of Limited Partners or other action as a record date for the determination of Limited Partners entitled to vote at such meeting or any adjournment thereof or to be treated as Limited Partners of record for purposes of such other action, and any Limited Partner who was a Limited Partner holding voting Units at the time so fixed shall be entitled to vote at such meeting or any adjournment thereof even though he or she has since that date disposed of his or her Units, and no Limited Partner becoming such after that date shall be a Limited Partner of record for purposes of such action. A Person shall be a Limited Partner of record at the relevant time if the Person's name appears in the Certificate as amended and supplemented at such time. The General Partner shall file an amendment to the Certificate required by the Act no later than the close of business on the day immediately preceding the record date established in respect of any meeting of Limited Partners.

10.5 Information Circular

If proxies are solicited from Limited Partners in connection with a meeting of Partners, the Person or Persons soliciting such proxies shall prepare an information circular which shall contain, to the extent that it is relevant and applicable, the information prescribed for information circulars by the Securities Act.

10.6 Proxies

Any Limited Partner entitled to vote at a meeting of Limited Partners may vote by proxy if a form of proxy has been received by the General Partner or the chairman of the meeting for verification prior to the commencement of the meeting.

10.7 Validity of Proxies

A proxy purporting to be executed by or on behalf of a Limited Partner will be considered to be valid unless challenged at the time of or prior to its exercise. The Person challenging the proxy will have the burden of proving to the satisfaction of the chairman of the meeting that the proxy is invalid and any decision of the chairman concerning the validity of a proxy will be final. Proxies shall be valid only at the meeting with respect to which they were solicited, or any adjournment thereof, but in any event shall cease to be valid one year from their date. A proxy given on behalf of joint holders must be executed by all of them and may be revoked by any of them, and if more than one of several joint holders is present at a meeting and they do not agree which of them is to exercise any vote to which they are jointly entitled, they will for the purposes of voting be deemed not to be present. A proxy holder need not be a holder of a Unit.

10.8 Form of Proxy

Every proxy will be substantially in the form as may be approved by the General Partner or as may be satisfactory to the chairman of the meeting at which it is sought to be exercised.

10.9 Revocation of Proxy

A vote cast in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death, incapacity, insolvency or bankruptcy of the Limited Partner giving the proxy or the revocation of the proxy unless written notice of such death, incapacity, insolvency, bankruptcy or revocation shall have been received by the chairman of the meeting prior to the commencement of the meeting.

10.10 Corporations

A Limited Partner which is a corporation may appoint an officer, director or other authorized person as its representative to attend, vote and act on its behalf at a meeting of Limited Partners.

10.11 Attendance of Others

Any officer or director of the General Partner, legal counsel for the General Partner and the Partnership and representatives of the Auditor will be entitled to attend any meeting of Limited Partners. The General Partner has the right to authorize the presence of any Person at a meeting regardless of whether the Person is a Limited Partner. With the approval of the General Partner, that Person is entitled to address the meeting.

10.12 Chairman

The General Partner may nominate a Person, including, without limitation, an officer or director of the General Partner (who need not be a Limited Partner), to be chairman of a meeting of Limited Partners and the person nominated by the General Partner will be chairman of such meeting unless the Limited Partners elect another chairman by Extraordinary Resolution.

10.13 Quorum

A quorum at any meeting of Limited Partners will consist of one or more Limited Partners present in person or by proxy holding at least 10% of the aggregate votes attached to the outstanding Units entitled to be voted at the meeting. If, within half an hour after the time fixed for the holding of such meeting, a quorum for the meeting is not present, the meeting:

- (a) if called by or on the requisition of Limited Partners, will be terminated; and
- (b) if called by the General Partner, will be held at the same time and place on the day which is 14 days later (or if that date is not a business day, the first business day after that date). The General Partner will give three days' notice to all Limited Partners of the date of the reconvening of the adjourned meeting and at such meeting the quorum will consist of the Limited Partners then present in person or represented by proxy.

10.14 Voting

Every question submitted to a meeting of Limited Partners:

- (a) which requires an Extraordinary Resolution or Super Resolution under this Agreement will be decided by a poll; and

- (b) which does not require an Extraordinary Resolution or Super Resolution will be decided by an Ordinary Resolution on a show of hands unless otherwise required by this Agreement or a poll is demanded by a Limited Partner, in which case a poll will be taken;

and in the case of an equality of votes, the chairman will not have a casting vote and the resolution will be deemed to be defeated. The chairman will be entitled to vote in respect of any Units held by him or for which he may be a proxyholder. On any vote at a meeting of Limited Partners, a declaration of the chairman concerning the result of the vote will be conclusive.

On a poll, each Person present at the meeting will have that number of votes provided for in this Agreement and in the rights, privileges, restrictions and conditions attaching to each Unit in respect of which he is shown on the Register as the Unitholder at the record date and for each Unit in respect of which he is the proxyholder. Each Limited Partner present at the meeting and entitled to vote thereat will have one vote on a show of hands. If Units are held jointly by two or more Persons and only one of them is present or represented by proxy at a meeting of Limited Partners, such Limited Partner may, in the absence of the other or others, vote with respect thereto, but if more than one of them is present or represented by proxy, they shall vote together on the whole Units held jointly.

The General Partner, as such for its own account, shall not be entitled to vote on any poll or on a show of hands at any meeting of Limited Partners. Any Limited Partner who is in default of payment of the subscription price for his Units shall not be entitled to vote in respect of any of his Units.

10.15 Poll

A poll requested or required will be taken at the meeting of Limited Partners or an adjournment of the meeting in such manner as the chairman directs.

10.16 Powers of Limited Partners; Resolutions Binding

The Limited Partners shall have only the powers set forth in this Agreement and any additional powers provided by law or in the rights, privileges, restrictions and conditions attaching to his or her Units. Subject to the foregoing sentence, any resolution passed in accordance with this Agreement will be binding on all the Partners and their respective heirs, executors, administrators, successors and assigns, whether or not any such Partner was present in person or voted against any resolution so passed.

10.17 Powers Exercisable by Extraordinary Resolution

The following powers shall only be exercisable by Extraordinary Resolution passed by the Limited Partners entitled to vote thereon:

- (a) approval of the withdrawal of the General Partner as provided in Section 8.15(a);
- (b) dissolving the Partnership, except as otherwise provided for under Section 12.1(b) to (d);
- (c) the sale, exchange or other disposition of all or substantially all of the property of the Partnership in a single transaction or series of related transactions;
- (d) waiving any default on the part of the General Partner on such terms as the Limited Partners may determine;

- (e) amending, modifying, altering or repealing any Extraordinary Resolution previously passed by such Limited Partners;
- (f) amending this Agreement pursuant to Section 13.1;
- (g) requiring the General Partner on behalf of the Partnership to enforce any obligation or covenant on the part of any Limited Partner;
- (h) electing the chairman of a meeting of Limited Partners as provided in Section 10.12;
- (i) determining to reconstitute the Partnership under Section 12.3; and
- (j) removing the General Partner other than pursuant to Section 8.14 provided that for this purpose such Extraordinary Resolution shall exclude Units held by the General Partner and its Affiliates for its or their own account;

provided that for the purpose of the approval required for matters referred to in Sections 10.17(a), (d) and (e) (if the General Partner and its Affiliates were not permitted to vote on the original Extraordinary Resolution), Units owned by the General Partner and its Affiliates for their own account shall not be permitted to vote on any resolutions and shall be deemed to not be outstanding.

10.18 Powers Exercisable by Super Resolution

The Limited Partners entitled to vote thereon may by Super Resolution amend or delete any of the provisions of Section 2.6(b) or 2.8.

10.19 Conditions to Actions by Limited Partners

The right of the Limited Partners to vote to amend this Agreement, to dissolve the Partnership or to remove the General Partner and to admit a replacement therefor or to exercise any of the powers set forth in Section 10.17 or 10.18 or to approve or initiate the taking of, or take, any other action at any meeting of Limited Partners shall not come into existence or be effective in any manner unless and until, prior to the exercise of any such right or the taking of any such action, the Partnership has received an opinion of counsel advising the Limited Partners as to the effect that the exercise of such rights or the taking of such actions may have on the limited liability of any Limited Partners other than those Limited Partners who have initiated such action, each of whom expressly acknowledges that the exercise of such right or the taking of such action may subject each of such Limited Partners to liability as a general partner under the Act or applicable similar legislation.

10.20 Minutes

The General Partner will cause minutes to be kept of all proceedings and resolutions at every meeting and will cause all such minutes and all resolutions of the Limited Partners consented to in writing to be made and entered into books to be kept for that purpose. Any minutes of a meeting signed by the chairman of the meeting will be deemed evidence of the matters stated in them and such meeting will be deemed to have been duly convened and held and all resolutions and proceedings shown in them will be deemed to have been duly passed and taken.

10.21 Additional Rules and Procedures

To the extent that the rules and procedures for the conduct of a meeting of the Limited Partners are not prescribed in this Agreement, the rules and procedures will be determined by the General Partner.

ARTICLE 11 NOTICES

11.1 Address

Any notice or other written communication which must be given or sent under this Agreement shall be given by first-class mail or personal delivery to the address of the General Partner and the Limited Partners as follows: in the case of the General Partner, to Suite 2400, Ernst & Young Tower, 440 - 2nd Avenue S.W., Calgary, Alberta T2P 5E9; and in the case of Limited Partners, to the postal address inscribed in the Register maintained by the Registrar and Transfer Agent, or any other new address following a change of address in conformity with Section 11.2.

11.2 Change of Address

A Limited Partner may, at any time, change his address for the purpose of service by written notice to the General Partner which shall forthwith notify the Registrar and Transfer Agent. The General Partner may change its address for the purpose of service by written notice to all the Limited Partners.

11.3 Accidental Failure

An accidental omission in the giving of, or failure to give, a notice required by this Agreement will not invalidate or affect in any way the legality of any meeting or other proceeding in respect of which such notice was or was intended to be given.

11.4 Disruption in Mail

In the event of any disruption, strike or interruption in the Canadian postal service after mailing and before receipt or deemed receipt of a document, it will be deemed to have been received on the sixth business day following full resumption of the Canadian postal service.

11.5 Receipt of Notice

Subject to Section 11.4, notices given by first-class mail shall be deemed to have been received on the third business day following the deposit of such notice in the mail and notices given by delivery shall be deemed to have been received on the date of their delivery.

11.6 Undelivered Notices

If the General Partner sends a notice or document to a Unitholder in accordance with Section 11.1 and the notice or document is returned on three consecutive occasions because the Unitholder cannot be found, the General Partner is not required to send any further notices or documents to the Unitholder until the Unitholder informs the General Partner in writing of the Unitholder's new address.

ARTICLE 12
DISSOLUTION AND LIQUIDATION

12.1 Events of Dissolution

The Partnership shall follow the procedure for dissolution established in Section 12.4 upon the occurrence of any of the following events or dates:

- (a) the election of the General Partner to dissolve the Partnership, if approved by the passage of an Extraordinary Resolution;
- (b) the sale, exchange or other disposition of all or substantially all of the property of the Partnership, if approved by an Extraordinary Resolution;
- (c) the removal or resignation of the General Partner unless the General Partner is replaced as provided in Section 8.14 or 8.15 or in an Extraordinary Resolution removing the General Partner; or
- (d) December 31, 2096.

12.2 No Dissolution

The Partnership shall not come to an end by reason of the death, bankruptcy, assignment of property for the benefit of creditors, insolvency, mental incompetency or other disability of any Limited Partner or upon transfer of any Units or upon the issue or conversion of Units.

12.3 Continuation After Event of Dissolution

Upon the occurrence of an event described in Section 12.1(c), if within 90 days thereafter, holders of Units entitled to vote thereon, by an Extraordinary Resolution so elect, the Limited Partners shall reconstitute the Partnership and continue its business on the same terms and conditions set forth in this Agreement by forming a new limited partnership on terms identical to those set forth in this Agreement and having as a general partner a Person approved by the holders pursuant to the Extraordinary Resolution. Upon any such election by Extraordinary Resolution, all Partners shall be bound thereby and shall be deemed to have approved thereof. Unless such an election is made within the applicable time period as set forth above, the Partnership shall conduct only activities necessary to wind up its affairs. If such an election is so made, then:

- (a) the reconstituted Partnership shall continue until the end of the term set forth in Section 12.1(d) unless earlier dissolved in accordance with this Article 12; and
- (b) all necessary steps shall be taken to cancel this Agreement and the Certificate and to enter into and, as necessary, to file a new partnership agreement and certificate of limited partnership, and the successor general partner may for this purpose exercise the powers of attorney granted the General Partner pursuant to Section 2.10.

12.4 Procedure on Dissolution

Upon the occurrence of any of the events set forth in Section 12.1, the General Partner (or in the event of an occurrence specified in Section 12.1(c), such other Person as may be appointed by Ordinary

Resolution of the Limited Partners entitled to vote thereon) shall act as a receiver and liquidator of the assets of the Partnership and shall:

- (a) sell or otherwise dispose of such part of the Partnership's assets as the receiver shall consider appropriate;
- (b) pay or provide for the payment of the debts and liabilities of the Partnership and liquidation expenses;
- (c) if there are any assets of the Partnership remaining, distribute to the Unitholders indicated on the Certificate on the date of dissolution holding Units entitled to receive such distribution from the Partnership, subject to Sections 3.19 and 4.11, any Distributable Cash then unpaid to Unitholders in accordance with the provisions of Section 5.3 as if the date of dissolution was the last day of the calendar quarter;
- (d) if there are any assets of the Partnership remaining, distribute such remaining assets to the Unitholders indicated on the Certificate on the date of dissolution who are holding Units entitled to receive assets of the Partnership on the dissolution of the Partnership, subject to Sections 3.19 and 4.11, in accordance with the respective rights of such Units;
- (e) file the notice of dissolution prescribed by the Act and satisfy all applicable formalities in such circumstances as may be prescribed by the laws of other jurisdictions where the Partnership is registered. In addition, the General Partner shall give prior notice of the dissolution of the Partnership by mailing to each Limited Partner and to the Registrar and Transfer Agent such notice at least 21 days prior to the filing of the declaration of dissolution prescribed by the Act; and
- (f) file any elections, determinations or designations under the Tax Act or under any similar legislation which may be necessary or desirable.

12.5 Dissolution

The Partnership shall be dissolved upon the completion of all matters set forth in Section 12.4.

12.6 No Right to Dissolve

Except as provided for in Section 12.1, no Limited Partner shall have the right to ask for the dissolution of the Partnership, the winding-up of its affairs or the distribution of its assets.

12.7 Agreement Continues

Notwithstanding the dissolution of the Partnership, this Agreement shall not terminate until the provisions of Sections 12.4 and 12.5 shall have been satisfied.

ARTICLE 13 **AMENDMENT**

13.1 Amendment Procedures

Except as provided in Section 13.3, all amendments to this Agreement shall be made in accordance with the following requirements. Amendments to this Agreement may be proposed solely by

the General Partner or by Requisitioning Partners pursuant to Section 10.1(b). Each such proposal shall contain the text of the proposed amendment. Subject to Section 10.18, if an amendment is proposed, the General Partner shall seek the approval of the Limited Partners entitled to vote thereon by an Extraordinary Resolution.

13.2 Amendment Requirements

Notwithstanding the provisions of Sections 13.1 and 13.3, no amendment to this Agreement may: (i) give any Person the right to dissolve the Partnership, other than the General Partner's right to dissolve the Partnership with the approval of the Limited Partners entitled to vote thereon by an Extraordinary Resolution; or (ii) modify the amendment provisions in this Article 13.

13.3 Amendment by General Partner

Each Limited Partner agrees that the General Partner (pursuant to its powers of attorney from the Limited Partners or as expressly provided herein), without the approval of any Limited Partner may amend any provision of this Agreement, and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

- (a) a change in the name of the Partnership or the location of the principal place of business of the Partnership;
- (b) admission, substitution, withdrawal or removal of Limited Partners in accordance with this Agreement;
- (c) subject to Section 3.1, and except as otherwise provided in any series provisions of any series of Class B Units, a change that, in the sole discretion of the General Partner, is reasonable and necessary or appropriate to qualify or continue the qualification of the Partnership as a limited partnership in which the Limited Partners have limited liability under the applicable laws;
- (d) subject to Section 3.1, and except as otherwise provided in any series provisions of any series of Class B Units, a change that, in the sole discretion of the General Partner, is reasonable and necessary or appropriate to enable Partners to take advantage of, or not be detrimentally affected by, changes in the Tax Act or other taxation laws; or
- (e) subject to Section 3.1, and except as otherwise provided in any series provisions of any series of Class B Units, a change that, in the sole discretion of the General Partner, does not materially adversely affect the Limited Partners.

13.4 Notice of Amendments

The General Partner shall notify the Limited Partners in writing of the full details of any amendment to this Agreement within 30 days of the effective date of the amendment.

ARTICLE 14
MISCELLANEOUS

14.1 Binding Agreement

Subject to the restrictions on assignment and transfer herein contained, this Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and other legal representatives, successors and permitted assigns.

14.2 Time

Time shall be of the essence hereof.

14.3 Counterparts

This Agreement, or any amendment to it, may be executed in multiple counterparts, each of which will be deemed an original agreement. This Agreement may also be executed and adopted in any Subscription Form, Transfer Form or similar instrument signed by a Limited Partner with the same effect as if such Limited Partner had executed a counterpart of this Agreement. All counterparts and adopting instruments shall be construed together and shall constitute one and the same agreement.

14.4 Governing Law

This Agreement and the Schedule hereto shall be governed and construed exclusively according to the laws of the Province of Alberta and the laws of Canada applicable thereto and the parties hereto irrevocably attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta.

14.5 Severability

If any part of this Agreement is declared invalid or unenforceable, then such part shall be deemed to be severable from this Agreement and will not affect the remainder of this Agreement.

14.6 Further Acts

The parties will perform and cause to be performed such further and other acts and things and execute and deliver or cause to be executed and delivered such further and other documents as counsel to the Partnership considers necessary or desirable to carry out the terms and intent of this Agreement.

14.7 Entire Agreement

This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof.

14.8 Limited Partner Not a General Partner

If any provision of this Agreement has the effect of imposing upon any Limited Partner (other than the General Partner) any of the liabilities or obligations of a general partner under the Act, such provision shall be of no force and effect to the extent of such specific imposition.

14.9 Amendment and Restatement

The Initial Limited Partnership Agreement (as defined in the first recital of this Agreement) is hereby amended and restated as set forth herein and is, as so amended, ratified and confirmed by each of the parties hereto.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the date set out above.

**FORT CHICAGO ENERGY
MANAGEMENT LTD.,**
as General Partner

By: (signed) "Stephen H. White"
Stephen H. White
President and Chief Executive Officer

**FORT CHICAGO ENERGY
MANAGEMENT LTD.,**
as agent and attorney for the Limited Partners
whose subscriptions for Units have been or are
accepted from time to time

By: (signed) "Stephen H. White"
Stephen H. White
President and Chief Executive Officer

Schedule A

Transfer and Power of Attorney Form

I, the undersigned, a Limited Partner of Fort Chicago Energy Partners L.P. (the "Partnership") hereby transfer, assign and sell to:

(Name of Transferee)

Address

_____ (Series ____) Class ____ limited partnership units ("Units") in the Partnership registered in my name and constitute the above-named transferee as a substitute Limited Partner to the extent of the said number of Units and I agree to execute and deliver to the General Partner any documents required to effect a valid transfer of the said Units or which are necessary or advisable, in the opinion of the General Partner, to preserve the status of the Partnership as a limited partnership. I agree that the power of attorney previously granted to the General Partner will be effective for the purpose of executing and filing all certificates, amendments and other instruments necessary to give effect to this transfer.

DATED at _____, Province/Territory of _____, this _____ day of _____, 20____.

(Guarantor)

(Signature of Limited Partner)

(Surname) (Given Name) (Please Print)

(Address—No Post Office Box)

(City, Province, Postal Code)

Note:

The signature of the Limited Partner must be guaranteed by a Canadian chartered bank, a trust company qualified to carry on business in a Province of Canada, a member of The Investment Dealers Association of Canada or a member of the Toronto Stock Exchange or TSX Venture Exchange.

The above-named transferee accepts this transfer and agrees to be bound, as a party to and as a Limited Partner in the Partnership, by the terms of the Agreement, as from time to time amended as if he himself, or she herself, had personally executed the Agreement, and hereby ratifies, for all legal purposes, execution of the Agreement on his/her behalf and all actions taken on his/her behalf pursuant thereto. The transferee declares that he/she is not, and does not act on behalf of, a Person who is to be the beneficial owner of the Units being transferred who:

- (a) is a "non-resident" of Canada for the purposes of the Tax Act;

- (b) is a Person an interest in which would be a "tax shelter investment" as defined in the Tax Act; or
- (c) is a partnership which is not a "Canadian partnership" under the Tax Act;

and he/she has the capacity and competence and, if a corporation, it has the necessary corporate authority, to execute this transfer and to enter into the Agreement.

In consideration of the General Partner accepting this transfer and conditional thereon:

- (a) the transferee agrees to be bound as a Limited Partner in the Partnership by the terms of the Agreement as from time to time amended and in effect and the transferee hereby expressly ratifies and confirms the power of attorney given to the General Partner in Section 2.10 therein; and
- (b) the transferee hereby irrevocably constitutes and appoints the General Partner, with full power of substitution, as his/her true and lawful attorney and agent, with full power and authority in his/her name, place and stead to execute and deliver, for an on his/her behalf the Agreement, the Certificate and any amendments thereto.

The power of attorney granted herein and in the Agreement is irrevocable, is a power coupled with an interest, shall continue despite the mental incompetence of the transferee, shall survive the death or disability of the transferee and shall survive the transfer or assignment by the transferee, to the extent of the obligations of the transferee under the Agreement, of the whole or any part of the interest of the transferee in the Partnership, extends to the heirs, executors, administrators, other legal representatives and successors, transferees and assigns of the transferee, and may be exercised by the General Partner on behalf of each Limited Partner in executing any instrument by a facsimile signature or by listing all the Limited Partners and executing such instrument with a single signature as attorney and agent for all of them. The transferee agrees to be bound by any representations or actions made or taken by the General Partner pursuant to such power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under such power of attorney. In accordance with the *Powers of Attorney Act* (Alberta), the *Powers of Attorney Act* (Ontario), the *Power of Attorney Act* (British Columbia), *The Powers of Attorney Act, 1996* (Saskatchewan), *The Powers of Attorney and Mental Health Amendment Act* (Manitoba), the *Powers of Attorney Act* (Nova Scotia), the *Powers of Attorney Act* (Prince Edward Island) and the *Enduring Powers of Attorney Act* (Newfoundland), in each case as amended or replaced from time to time, the transferee declares that these powers of attorney may be exercised during any legal incapacity or mental infirmity on his or her part.

Under the *Powers of Attorney Act* (Alberta), an enduring power of attorney granted by an Alberta resident must incorporate the explanatory notes set out in such Act and must be accompanied by a certificate of legal advice signed by a lawyer who is not the attorney or the attorney's spouse.

Unless otherwise indicated, capitalized terms used herein shall have the meaning ascribed thereto in the Limited Partnership Agreement, amended and restated as of May 13, 2003 (the "Agreement") relating to the Partnership.

The transferee accepts that this transfer form and power of attorney, the Agreement and related documents be in the English language only. Le cessionnaire accept que ce formulaire de transfert et cette procuration, ainsi que toute communication afférente à son intérêt dans la société ne soient rédigés qu'en anglais.

DATED at _____, Province/Territory of _____, this
_____ day of _____, 20 ____.

(Guarantor)

(Signature of Transferee)

(Surname) (Given Name) (Please Print)

(Address—No Post Office Box)

(City, Province, Postal Code)

Direction

(To be used where the Limited Partner wishes Units he/she is entitled to receive to be registered in the name of his/her dealer or broker firm or the firm's nominees. Please consult with your dealer or broker to confirm the appropriate name and address to be inserted below.)

To: _____
(Insert name of dealer or broker firm or the firm's nominees)

(Insert address of dealer or broker firm or the firm's nominees)

Re: Fort Chicago Energy Partners L.P. (the "Partnership")

Enclosed is a Transfer and Power of Attorney Form in respect of (Series ____) Class ____ limited partnership units (the "Units") which I have acquired. The Transfer and Power of Attorney Form has been signed by me, with signature guaranteed, but with the name and address of the transferee left blank. I have directed the Partnership to deliver to you the Units to be issued to me so that you may seek the re-registration of such Units in your name or in the name of your nominee (including The Canadian Depository for Securities Limited).

You are hereby directed to insert your name and address or the name and address of your nominee on the Transfer and Power of Attorney Form in the section to be completed by the transferor, to complete the section to be completed by the transferee and to deliver the properly completed Transfer and Power of Attorney Form to the registrar and transfer agent of the Units in order to re-register my Units in your name (or that of your nominee) so that you (or your nominee) will hold such Units on my behalf on the basis that I remain the beneficial owner thereof.

DATED at _____ in the Province/Territory of _____, this
_____ day of _____, 20_____.

(Signature Guarantee)
(Canadian chartered bank, trust company
qualified to carry on business in a Province
of Canada, member of The Investment
Dealers Association of Canada or member
of the Toronto Stock Exchange or
TSX Venture Exchange)

(Signature of Depositing Limited Partner)

(Given Name)

(Social Insurance Number)

(Mailing Address—No Post Office Box)

(City, Province, Postal Code)