



**SUBSCRIPTION AGREEMENT**

**TO:** Kootenay Global Energy Absolute Return Fund Limited Partnership (the "Partnership"), and Kootenay Energy RSP Fund (the "Trust") and, together with the Partnership, the "Funds"

**AND TO:** Kootenay Capital Management Corp. (the "Manager")

The undersigned (the "Subscriber") hereby irrevocably subscribes for and agrees to purchase that number of limited partnership units of the Partnership and/or units of the Trust (collectively "Units") for the aggregate subscription price set forth below, representing a subscription price of: (i) in the case of limited partnership units of the Partnership: (A) net asset value per Unit for each class A limited partnership unit and class F limited partnership unit; and (B) initially, \$1,000 per class I unit and net asset value thereafter; and (ii) in the case of trust units of the Trust: (A) net asset value per Unit for each class A unit and class F unit; and (B) initially, \$10 per class I unit and net asset value thereafter, upon and subject to the terms and conditions set forth herein, including the schedules attached hereto. The Subscriber represents and warrants that the information herein provided by the Subscriber is true, correct, and in effect as of the date set forth below. This page plus the Terms and Conditions and Exhibits and Schedules attached hereto are collectively referred to as the "Subscription Agreement".

Section 1 – Purchase Amount and Class					
	Class A	Class F	Class I	Amount (\$)	
Kootenay Global Energy Absolute Return Fund LP	<input type="checkbox"/> LP Class A	<input type="checkbox"/> LP Class F	<input type="checkbox"/> LP Class I	C\$:	
Kootenay Energy RSP Fund	<input type="checkbox"/> KCM 100	<input type="checkbox"/> KCM 101	<input type="checkbox"/> Trust Class I	C\$:	
Section 2 – Subscriber Information for all Accounts					
<b>Non-Registered</b> <input type="checkbox"/> Individual <input type="checkbox"/> Joint <input type="checkbox"/> Corporation/Trust/Other			<b>Registered (Only for Kootenay Energy RSP Fund)</b> <input type="checkbox"/> RSP <input type="checkbox"/> RSP (Spousal) <input type="checkbox"/> LIRA <input type="checkbox"/> RIF <input type="checkbox"/> (RIF Spousal) <input type="checkbox"/> LIF <input type="checkbox"/> TFSA <input type="checkbox"/> RESP		
Name of Subscriber (or entity name, if applicable)			Main Telephone Number	SIN / BIN	
Name of Joint Subscriber (or Primary Contact if Subscriber is a non-individual)			E-mail Address		
Address for Mailing (Street, City, Province, Postal Code)					
Section 3 – Dealer Information (for Trust purchases through broker only)					
Dealer Name		Representative Name		Rep. Telephone Number	Rep. E-Mail Address
Dealer Number	Rep. Number	Account Number		Dealer Authorized Signature	
Section 4 – Registration Instructions (if left blank, the Units will be registered in the name of the Subscriber as above)					
Name		Account Number (if applicable)		Address	
Section 5 – Qualification for Securities Exemption: the Subscriber hereby certifies that the Subscriber is (check one):					
<input type="checkbox"/>	I. is resident in one of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario or Quebec and is an "Accredited Investor" pursuant to paragraph _____ of section 2.1 of Exhibit 1 (indicate applicable paragraph) and has completed Schedule A				
<input type="checkbox"/>	II. is resident in one of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario or Quebec and is purchasing either Limited Partnership Units or Trust Units based on a minimum investment of C\$150,000				
<input type="checkbox"/>	III. is resident in one of British Columbia, Alberta, Saskatchewan or Manitoba, is purchasing Units based on the offering memorandum exemption, is an "Eligible Investor" pursuant to paragraph _____ of section 1.1 of Exhibit 1 (indicate applicable paragraph) and has completed the Risk Acknowledgment Form in Schedule B				
Section 6 – Subscriber Signatures					
By executing this Subscription Agreement, you are consenting (on your own behalf and, if applicable, on behalf of the beneficial purchaser for whom you are contracting), to the collection, use and disclosure of personal information in the manner described in Paragraph 12 of this Subscription Agreement					
Subscriber Signature			Joint Subscriber Signature (if applicable)		
Date:			Witness Signature		
<b>Manager Acceptance:</b> Kootenay Capital Management Corp. hereby accepts the above subscription for Trust Units (as defined herein) on the terms and conditions contained in this Subscription Agreement on behalf of the Trustee for the Trust			<b>General Partner Acceptance:</b> Kootenay GenPar Ltd. hereby accepts the above subscription for Limited Partnership Units (as defined herein) on the terms and conditions contained in this Subscription Agreement on behalf of the Partnership		
By:	Date:	No:	By:	Date:	No:

**Please make sure that your subscription includes:**

1. One (1) signed copy of this Subscription Agreement.
2. If an "accredited investor", a Representation Letter in the form attached to this Subscription Agreement as **Schedule A**.
3. If acquiring the Units under the offering memorandum exemption pursuant to Section 3(v) of this Subscription Agreement, one (1) signed copy of the Risk Acknowledgement in the form attached as **Schedule B** (please keep one executed copy for your records).
4. Provide payment in an amount equal to the Aggregate Subscription Amount by:

<b>Payment Method</b>	<b>Kootenay Global Energy Absolute Return Fund LP</b>	<b>Kootenay Energy RSP Fund</b>
A. Funds transfer via FundSERV from your brokerage account at a securities dealer:	Not applicable	Instruct your broker to purchase applicable units of KCM 100 (Class A Units) or KCM 101 (Class F Units)
B. a certified cheque or bank draft sent to:	Payable to: CIBC World Markets ITF a/c 515-00334-12  Sent to: CIBC World Markets Inc. 161 Bay Street, 5 <sup>th</sup> Floor Toronto, Ontario, M5J 2S8 Attention: Mike Sikorski	Payable to: CIBC World Markets ITF a/c 515-00427-10  Sent to: CIBC World Markets Inc. 161 Bay Street, 5 <sup>th</sup> Floor Toronto, Ontario, M5J 2S8 Attention: Mike Sikorski
C. Wire transfer to:	Wire instructions:  Canadian Imperial Bank of Commerce Global Securities, Toronto, Ontario Swift Code: CIBCCATT For Credit to: CIBC World Markets Inc. Branch Transit: 03202 Account: 11-68614 For Further Credit to: The Kootenay Global Energy Absolute Return Fund Limited Partnership Account: 515-00334-12	Wire instructions:  Canadian Imperial Bank of Commerce Global Securities, Toronto, Ontario Swift Code: CIBCCATT For Credit to: CIBC World Markets Inc. Branch Transit: 03202 Account: 11-68614 For Further Credit to: The Kootenay Energy RSP Fund Account: 515-00427-10

**and, please deliver your subscription to:**

Kootenay Global Energy Absolute Return Fund Limited Partnership and Kootenay Energy RSP Fund  
 c/o Kootenay Capital Management Corp.  
 1920, 215 – 9th Avenue S.W.  
 Calgary, Alberta T2P 1K3

Attn: Chris Theal  
 Telephone: (403) 258-2555  
 Fax: (403) 258-2559

**SCHEDULE A**

---

**REPRESENTATION LETTER (FOR ACCREDITED INVESTORS)**

- TO: Kootenay Energy RSP Fund (the "Trust")**
- AND TO: Kootenay Global Energy Absolute Return Fund LP (the "Partnership")**
- AND TO: Kootenay GenPar Ltd. (the "General Partner")**
- AND TO: Kootenay Capital Management Corp. (the "Manager")**
- AND TO: Valiant Trust Company (the "Trustee")**

In connection with the purchase of trust units of the Trust ("**Trust Units**") and/or limited partnership units of the Partnership ("**Limited Partnership Units**" and, together with the Trust Units, the "**Units**") by the undersigned subscriber or, if applicable, the principal on whose behalf the undersigned is purchasing as agent (the "**Subscriber**" for the purposes of this Schedule A), the Subscriber hereby represents, warrants, covenants and certifies to the Trust and the Manager, in the case of a subscription for Trust Units, and to the General Partner and the Partnership, in the case of a subscription for Limited Partnership Units, that:

1. The Subscriber is resident in the jurisdiction set out on the face page of the Subscription Agreement;
2. The Subscriber is purchasing the Units as principal for its own account or is purchasing the Units pursuant to subparagraphs (p) or (q) of the definition of accredited investor and has so indicated on the face page of this Subscription Agreement under the heading "Qualification for Securities Exemptions", provided that it is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada;
3. The Subscriber is an "accredited investor" within the meaning of National Instrument 45-106 - *Prospectus and Registration Exemptions* ("**NI 45-106**") by virtue of satisfying the indicated criterion as set out on face page of this Subscription Agreement under the heading "Qualification for Securities Exemptions";
4. The Subscriber was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106; and
5. Upon execution of this Schedule A by the Subscriber, this Schedule A shall be incorporated into and form a part of the Subscription Agreement.

Date: \_\_\_\_\_

\_\_\_\_\_  
Print name of Subscriber

By: \_\_\_\_\_  
Signature

\_\_\_\_\_  
Print name of Signatory (if different from Subscriber)

\_\_\_\_\_  
Title

SCHEDULE B

RISK ACKNOWLEDGEMENT FORM

This Schedule must be completed by all subscribers resident in **British Columbia, Alberta, Saskatchewan or Manitoba**, who are **not** Accredited Investors and are purchasing **less** than C\$150,000 in either the Partnership or the Trust

<h2>Risk Acknowledgement</h2>	WARNING
<ul style="list-style-type: none"> <li>▪ I acknowledge that this is a risky investment.</li> <li>▪ I am investing entirely at my own risk.</li> <li>▪ No securities regulatory authority has evaluated or endorsed the merits of these securities or the disclosure in the offering memorandum.</li> <li>▪ I will not be able to sell these securities except in very limited circumstances. I may never be able to sell these securities.</li> <li>▪ I could lose all the money I invest.</li> </ul> <p>I am investing \$_____ [total consideration] in total; this includes any amount I am obliged to pay in future. Kootenay Capital Management will pay \$ <u>not applicable</u> [amount of fee or commission] of this to _____ [name of person selling the securities] as a fee or commission.</p> <p><b>I acknowledge that this is a risky investment and that I could lose all the money I invest.</b></p> <p>Date: _____</p> <p style="text-align: right;">_____ Signature of Purchaser</p> <p style="text-align: right;">_____ Print Name of Purchaser</p> <p style="text-align: right;">_____ Signature of Co-Purchaser (Joint Account Only)</p> <p style="text-align: right;">_____ Print Name of Co-Purchaser (Joint Account Only)</p> <p>Sign 2 copies of this document. Keep one copy for your records.</p>	

**You have 2 business days to cancel your purchase.**

To do so, send a notice to the Manager stating that you want to cancel your purchase. You must send the notice before midnight on the 2<sup>nd</sup> business day after you sign the agreement to purchase the securities. You can send the notice by fax or email or deliver it in person to the Manager at its business address. Keep a copy of the notice for your records.

Issuer Name and Address:

Kootenay Global Energy Absolute Return Fund LP and Kootenay Energy RSP Fund	Telephone: (403) 258-2552
c/o Kootenay Capital Management	Fax: (403) 258-2559
Suite 1920, 215 – 9 <sup>th</sup> Avenue S.W.	Email: info@kootenaycapital.com
Calgary, AB T2P 1K3	

### **You are buying Exempt Market Securities**

They are called *exempt market securities* because two parts of securities law do not apply to them. If an issuer wants to sell *exempt market securities* to you:

- the issuer does not have to give you a prospectus (a document that describes the investment in detail and gives you some legal protections), and
- the securities do not have to be sold by an investment dealer registered with a securities regulatory authority.

There are restrictions on your ability to resell *exempt market securities*. *Exempt market securities* are more risky than other securities.

**You will receive an offering memorandum.** Read the offering memorandum carefully because it has important information about the issuer and its securities. Keep the offering memorandum because you have rights based on it. Talk to a lawyer for details about these rights.

**The securities you are buying are not listed.** The securities you are buying are not listed on any stock exchange, and they may never be listed. You may never be able to sell these securities.

**The issuer of your securities is a non-reporting issuer.** A *non-reporting issuer* does not have to publish financial information or notify the public of changes in its business. You may not receive ongoing information about this issuer.

For more information on the exempt market, call your local securities regulatory authority.

#### **Alberta Securities Commission**

Suite 600, 250 – 5<sup>th</sup> Street S.W.  
Calgary, Alberta T2P 0R4  
Telephone: (403) 297-6454  
Facsimile: (403) 297-6156  
<http://www.albertasecurities.com>

#### **British Columbia Securities Commission**

P.O. Box 10142, Pacific Centre  
701 West Georgia Street  
Vancouver, British Columbia V7Y 1L2  
Telephone: (604) 899-6500  
Facsimile: (604) 899-6506  
<http://www.bcsc.bc.ca>

#### **Autorité des marchés financiers**

800, Square Victoria, 22e étage  
C.P. 246, Tour de la Bourse  
Montréal, Québec H4Z 1G3  
Telephone: (514) 395-0337  
Facsimile: (514) 873-6155 (For  
filing purposes only)  
Facsimile: (514) 864-6381 (For  
privacy requests only)  
<http://www.lautorite.qc.ca>

#### **Saskatchewan Financial Services Commission**

Suite 601-1919 Saskatchewan Drive  
Regina, Saskatchewan S4P 4H2  
Telephone: (306) 787-5879  
Facsimile: (306) 787-5899  
<http://www.sfsc.gov.sk.ca>

#### **The Manitoba Securities Commission**

500 - 400 St. Mary Avenue  
Winnipeg, Manitoba R3C 4K5  
Telephone: (204) 945-2548  
Toll free in Manitoba 1-800-655-5244  
Facsimile: (204) 945-0330

**TERMS AND CONDITIONS OF SUBSCRIPTION FOR UNITS OF  
THE KOOTENAY GLOBAL ENERGY ABSOLUTE RETURN FUND LP  
THE KOOTENAY ENERGY RSP FUND**

1. **Interpretation.**

(a) In this Subscription Agreement:

- (i) "**Agreements**" means the Fund Agreement and the Partnership Agreement;
- (ii) "**Closing**" means the completion of the subscription for any Units pursuant to this Subscription Agreement;
- (iii) "**Closing Date**" means the date of the Closing;
- (iv) "**Closing Time**" means 10 a.m. (Calgary time) or such other time, on the applicable Closing Date;
- (v) "**Disclosed Principal**" means any principal on whose behalf the Subscriber is subscribing for Units pursuant to the Offering;
- (vi) "**Fund Agreement**" means the Amended and Restated deed of trust of the Fund dated January 17, 2013;
- (vii) "**General Partner**" means Kootenay GenPar Ltd.;
- (viii) "**Limited Partner**" means a holder of Limited Partnership Units;
- (ix) "**Limited Partnership Units**" means limited partnership units of the Partnership;
- (x) "**Manager**" means Kootenay Capital Management Corp.;
- (xi) "**NI 45-106**" means National Instrument 45-106 – *Prospectus and Registration Exemptions*;
- (xii) "**Offering**" means the continuous issuance and sale of Units;
- (xiii) "**Offering Memorandum**" means the Offering Memorandum of the Funds dated May 30, 2013 relating to the sale of Units, as may be amended or supplemented from time to time;
- (xiv) "**Partnership Agreement**" means the limited partnership agreement between the General Partner and the initial limited partner originally dated as of May 11, 2011, as amended;
- (xv) "**Risk Acknowledgement**" means the Risk Acknowledgement (Form 45-106F4) attached hereto as **Schedule B**;
- (xvi) "**Tax Act**" means the *Income Tax Act* (Canada), together with any and all regulations promulgated thereunder, as amended from time to time;
- (xvii) "**Trust Unitholder**" means a holder of Trust Units;
- (xviii) "**Trust Units**" means trust units of the Trust;
- (xix) "**Trustee**" means Valiant Trust Company;
- (xx) "**Unitholder**" means, collectively, Limited Partners and Trust Unitholders; and
- (xxi) "**Units**" means Limited Partnership Units and/or Trust Units.

2. **Acknowledgements of the Subscriber.** The Subscriber acknowledges on its own behalf and, if applicable, on behalf of each Disclosed Principal that:

- (a) the Units subscribed for hereunder form part of a larger and ongoing continuous issuance and sale;

- (b) this subscription is subject to rejection or acceptance by the Manager, in the case of the Trust, and by the General Partner, in the case of the Partnership, in whole or in part, and the Manager and the General Partner, as applicable, reserve the right to close the Offering in multiple tranches and the Funds shall be entitled to use the subscription proceeds at the discretion of the Manager, in the case of the Trust, or the General Partner, in the case of the Partnership, any time after the time of closing on the Closing Date;
- (c) it is responsible for obtaining such legal and financial advice as it considers appropriate in connection with the execution, delivery and performance by it of this Subscription Agreement, the suitability of the Units as an investment for the Subscriber, the tax consequences of purchasing, holding and disposing of the Units, and the resale restrictions and "hold periods" to which the Units are subject under applicable securities legislation;
- (d) participation in the Trust is subject to acceptance of the Subscription Agreement by the Manager and to certain other considerations set forth in the Fund Agreement, and that acceptance of this Subscription Agreement shall be effective upon the amendment of the register of holders of units of the Trust (the "**Register**") designating the Subscriber as a Trust Unitholder;
- (e) participation in the Partnership is subject to acceptance of the subscription agreement by the General Partner and to certain other considerations set forth in the Partnership Agreement, and that acceptance of this Subscription Agreement shall be effective upon the amendment of the certificate of the Partnership (the "**Certificate**") in accordance with the *Partnership Act* (Alberta), as amended, replaced, restated or re-enacted from time to time, designating the Subscriber as a Limited Partner;
- (f) the Funds have limited operating history and the Manager, in the case of the Trust, and the General Partner, in the case of the Partnership, may depend on other parties for certain services and that certain of the parties that will be providing managerial, administrative and custodial services to the Manager, the General Partner and the Funds may be associates and affiliates of the Manager and General Partner;
- (g) there is a possibility that the Subscriber, if investing in the Partnership may, in its capacity as a Limited Partner, lose its limited liability (i) if such Subscriber participates in the management or control of the Partnership, or (ii) to the extent that principles of law recognizing the limitation of liability of limited partners of a limited partnership have not been authoritatively established with respect to limited partnerships formed under the laws of one jurisdiction but operating, owning property or incurring obligations in another jurisdiction;
- (h) unless acting contrary to any of the following, no Trust Unitholder shall incur or be subject to any liability, direct or indirect, absolute or contingent, in contract or in tort or of any other kind to any person in connection with: (i) the Trust's assets; (ii) the obligations or the activities or affairs of the Trust; (iii) any actual or alleged act or omission of the Trustee or by any other person in respect of the activities or affairs of the Trust; (iv) any act or omission of the Trustee or any other person in the performance or exercise, or purported or attempted performance or exercise, of any obligation, power, discretion or authority conferred upon the Trustee or such other person in respect of the activities or affairs of the Trust; (v) any transaction entered into by the Trustee or by any other person in respect of the activities or affairs of the Trust; (vi) except as provided for in the Fund Agreement, any taxes, levies, imposts or charges or fines, penalties or interest in respect thereof or in addition thereto payable by the Trust or by the Trustee or by any other person on behalf of or in connection with the activities or affairs of the Trust;
- (i) the terms and conditions of the Limited Partnership Units are set forth in the Partnership Agreement, which will be provided to the Subscriber prior to the Closing Date if the Subscriber is subscribing for Limited Partnership Units;
- (j) the terms and conditions of the Trust Units are set forth in the Fund Agreement, which will be provided to the Subscriber prior to the Closing Date if the Subscriber is subscribing for Trust Units;
- (k) if the Subscriber is subscribing for Trust Units, it will have carefully reviewed the Fund Agreement and acknowledges that it will become a party to the Fund Agreement upon the Manager's acceptance of this Subscription Agreement and the corresponding amendment to the Register in relation thereto;
- (l) if the Subscriber is subscribing for Limited Partnership Units, it will have carefully reviewed the Partnership Agreement and acknowledges that it will become a party to the Partnership Agreement upon the General Partner's acceptance of this Subscription Agreement and the corresponding amendment to the Certificate in relation thereto;
- (m) information relating to the Fund, the Trustee, the Manager, the General Partner and the investments are confidential information of the Funds and the Subscriber agrees that such confidential information will be kept confidential by the Subscriber (or if applicable, any Disclosed Principal) and will not be disclosed to third parties;

- (n) the power of attorney granted in the Fund Agreement will give the Manager power to amend the terms of the Fund Agreement without obtaining the consent of the Trust Unitholders at the time of such changes or amendments;
- (o) the power of attorney granted in the Partnership Agreement will give the General Partner power to amend the terms of the Partnership Agreement without obtaining the consent of the Limited Partners at the time of such changes or amendments;
- (p) the Trust is an unincorporated, open-ended mutual fund trust formed under the laws of the Province of Alberta. Recourse under this Subscription Agreement shall be limited to the assets of the Trust and no action shall be taken against the Manager or the Trust Unitholders to recover any amount in excess of the assets of the Trust;
- (q) the Manager is entering into this Subscription Agreement solely in its capacity as Manager on behalf of the Trust and not in any other capacity and the obligations of the Trust hereunder shall not be directly binding upon the Manager or any registered or beneficial holder of trust units of the Trust or any beneficiary under a plan of which a holder of trust units acts as a trustee, and that resort shall not be had to, nor shall recourse be sought from, any of the foregoing or the private property of any of the foregoing in respect of any indebtedness, obligation or liability of the Trust arising hereunder or arising in connection herewith or from the matters to which this agreement relates, if any, including, without limitation, claims based on negligence or otherwise tortious behaviour, and recourse shall be limited to, and satisfied only out of, the "Fund Assets" as defined in the Fund Agreement; and
- (r) the Partnership is a limited partnership formed under the *Partnership Act* (Alberta), a Limited Partner of which is only liable for any of its liabilities or any of its losses to the extent of the amount that he has already contributed to its capital. Recourse under this agreement shall be limited to the assets of the Partnership and no action shall be taken against the Manager or the Limited Partners to recover any amount in excess of the assets of the Partnership.

3. **Representations, Warranties and Covenants of the Subscriber.** By executing this Subscription Agreement, the Subscriber represents, warrants and covenants (on its own behalf and, if applicable, on behalf of each Disclosed Principal) to the Manager, the General Partner and the Funds (and acknowledges that such parties and their counsel are relying thereon) that:

Authorization Matters

- (a) if the Subscriber or Disclosed Principal is an individual, it is of the full age of majority in the jurisdiction in which this Subscription Agreement is executed and is legally competent to execute and deliver this Subscription Agreement, the Agreements and all other agreements, instruments and other documents contemplated hereby and thereby and that it will perform all of its obligations hereunder and thereunder, and undertake all actions required of the Subscriber hereunder and thereunder;
- (b) if the Subscriber or Disclosed Principal is not an individual:
  - (i) it has the requisite power, authority, legal capacity and competence to execute and deliver this Subscription Agreement, the Agreements and all other agreements, instruments and other documents contemplated hereby and thereby and to perform all of its obligations hereunder and thereunder, and to undertake all actions required of it hereunder and thereunder, and all necessary approvals of its directors, partners, shareholders, trustees or otherwise with respect to such matters that have been given or obtained;
  - (ii) it pre-existed the Offering and has a *bona fide* business other than the investment in the Units and was not created, formed or established solely or primarily to acquire securities without a prospectus in reliance on an exemption from the prospectus requirements provided for in applicable securities legislation;
  - (iii) it has not been created and is not being used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in Section 1.1 of NI 45-106 and reproduced at Exhibit 1;
  - (iv) if the Subscriber or Disclosed Principal, as appropriate, is a body corporate, it is duly incorporated and validly subsisting under the laws of its jurisdiction of incorporation;
- (c) this Subscription Agreement and the Fund Agreement, if the Subscriber is investing in the Trust, and/or the Partnership Agreement if the Subscriber is investing in the Partnership, have been duly and validly authorized, executed and delivered by, and constitute a legal, valid, binding and enforceable obligation of the Subscriber or Disclosed Principal, as appropriate;
- (d) the execution, delivery and performance by the Subscriber of this Subscription Agreement and the Agreements and the completion of the transactions contemplated hereby and thereby do not and will not result in a violation of any law, regulation, order or ruling applicable to the Subscriber or any Disclosed Principal, and do not and will not constitute a



breach of or default under any of its constituting documents (if it is not an individual) or any agreement to which it is a party or by which it is bound;

Investment Risk Matters

- (e) the Subscriber confirms that it (and, if applicable, any Disclosed Principal):
  - (i) has such knowledge in financial and business affairs as to be capable of evaluating the merits and risks of its investment in the Units;
  - (ii) is capable of assessing the proposed investment in the Units as a result of the Subscriber's own experience or as a result of advice received from a person registered under applicable securities legislation;
  - (iii) is aware of the characteristics of the Units and the risks relating to an investment therein;
  - (iv) is aware that it may not be able to resell the Units except in accordance with limited exemptions available under applicable securities legislation, regulatory policy and stock exchange rules and it is the sole responsibility of the Subscriber to find out what those restrictions are, and to comply with them;
  - (v) is able to bear the economic risk of loss of its investment in the Units; and
  - (vi) is aware that there is no government or other insurance covering the Units;
- (f) it understands that no securities commission, stock exchange, governmental agency, regulatory body or similar authority has made any finding or determination or expressed any opinion with respect to the merits of investing in the Units;
- (g) it acknowledges that no prospectus has been filed by the Funds with any securities commission or similar regulatory authority in any jurisdiction in connection with the Offering and the Offering is exempted from the prospectus requirements available under the provisions of applicable securities laws and that as a result:
  - (i) the Subscriber (and, if applicable, any Disclosed Principal) is restricted from using most of the civil remedies available under applicable securities laws, and that statutory rights of rescission or damages will not be available to the Subscriber except as otherwise required under applicable securities laws relating to the delivery of an Offering Memorandum, as applicable;
  - (ii) the Subscriber (and, if applicable, any Disclosed Principal) may not receive information that would otherwise be required to be provided to it under applicable securities laws;
  - (iii) the common law may not provide the Subscriber (and, if applicable, any Disclosed Principal) with an adequate remedy in the event that it suffers investment losses in connection with the Units acquired pursuant to the Offering; and
  - (iv) the Manager, the General Partner and the Funds are relieved from certain obligations that would otherwise apply under applicable securities laws;
- (h) it confirms that neither the Manager, the General Partner, the Funds nor any of their respective representative directors, employees, officers or affiliates, has made any representations (written or oral) to the Subscriber or any Disclosed Principal:
  - (i) regarding the future value of the Units;
  - (ii) that any person will resell or repurchase the Units;
  - (iii) that any person will refund the purchase price of the Units; or
  - (iv) that the Units will be listed and posted for trading on a stock exchange or that application has been made to list and post the Units for trading on a stock exchange;
- (i) it acknowledges that there is no market for the Units and there is no assurance that a market will develop in the future and that no representation has been made to it by or on behalf of the Fund with respect thereto;

- (j) the Offering is conditional upon such sale being exempt from the prospectus filing or registration requirements in connection with the distribution of the Units under applicable securities legislation or upon the issuance of such orders, consents or approvals as may be required to permit such sale without the requirement of filing a prospectus;
- (k) if less than a complete copy of this Subscription Agreement is delivered to the Manager or the General Partner, the Manager and the General Partner shall be entitled to assume that the Subscriber accepts and agrees to all terms and conditions of this Subscription Agreement on the pages not delivered at the Closing Time;
- (l) it understands and acknowledges that the Funds are not reporting issuers in any jurisdiction of Canada and that the applicable hold period under applicable securities laws of each jurisdiction of Canada where a Subscriber may reside or may be deemed to reside will not commence until the Funds become reporting issuers in such province. **It further acknowledges that the Funds have no plans to become reporting issuers, and therefore, the hold period or restricted period may never expire and that it has been advised to consult legal counsel in the jurisdiction in which it resides or is deemed to reside for full particulars of resale restrictions and hold periods which the Units are subject to under applicable securities laws;**
- (m) it understands that the interests of the Trust Unitholders will be set out in the Register of the Fund and any amendments thereto and that the Manager intends that no Trust Unitholder (including the Subscriber, if investing in Trust Units) will receive a certificate representing its Trust Units; however should any certificate representing Trust Units subsequently be issued, such certificate shall bear the following legend:

"Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is 4 months and a day after the later of (i) the date of issuance and (ii) the date the issuer became a reporting issuer in any province or territory."
- (n) it understands that the interests of the Limited Partners will be set out in the Certificate of Limited Partnership of the Partnership and any amendments thereto and that the General Partner intends that no Limited Partner (including the Subscriber, if investing in Limited Partnership Units) will receive a certificate representing its Limited Partnership Units; however should any certificate representing Limited Partnership Units subsequently be issued, such certificate shall bear the following legend:

"Unless permitted under securities legislation, the holder of this security must not trade the security before the date that is 4 months and a day after the later of (i) the date of issuance and (ii) the date the issuer became a reporting issuer in any province or territory."
- (o) it will not resell or transfer any of the Units, except in accordance with the provisions of applicable securities legislation and regulatory policy and the Agreements;
- (p) it has relied solely upon publicly available information relating to the Funds and not upon any verbal or written representation as to any fact or otherwise made by or on behalf of the Funds;
- (q) except in the case of a Subscriber who has initialed exclusively item III on the face page of this Subscription Agreement under the heading "Qualification for Securities Exemption" (and neither of items I and II) (an "**OM Subscriber**"), it has not received or been provided with, nor has it requested, nor does it have any need to receive, any offering memorandum, any prospectus, sales or advertising literature, or any other document describing or purporting to describe the business and affairs of the Funds which has been prepared for delivery to, and review by, prospective purchasers in order to assist it in making an investment decision in respect of the Units and, in the case of an OM Subscriber, it has received only the Offering Memorandum and the Agreements in this regard;
- (r) it has not become aware of any advertisement in printed media of general and regular paid circulation (or other printed public media), radio, television or telecommunications or other form of advertisement (including electronic display) with respect to the Offering;
- (s) it acknowledges that the Funds' counsel, Bennett Jones LLP, acts as counsel to the Manager, the General Partner and the Funds and not as counsel to the Subscriber;

Exemption Matters

- (t) if the Subscriber is resident in the Province of Ontario, it is not a "market intermediary" as such term is defined in Ontario Securities Commission Rule 14-501 "Definitions";

- (u) if the Subscriber is not acting for a Disclosed Principal, the Subscriber was offered the Units in, and is resident in or otherwise subject to applicable laws of the jurisdiction set out as the "Subscriber's Address" on the face page of this Subscription Agreement;
- (v) if the Subscriber is acting for a Disclosed Principal, both the Subscriber and the Disclosed Principal were offered the Units in, and the Disclosed Principal is resident in or is otherwise subject to the applicable laws of, the jurisdiction set out as the "Subscriber's Address" on the face page of this Subscription Agreement;
- (w) either:
  - (i) the Subscriber is purchasing the Units as principal for its own account and not for the benefit of any other person, for investment only and not with a view to the resale or distribution of all or any of the Units; or
  - (ii) if the Subscriber is acting as agent or trustee for a Disclosed Principal, it has duly completed the face page of this Subscription Agreement in respect of each Disclosed Principal, each of whom is purchasing as principal for its own account and not for the benefit of any other person, for investment only and not with a view to the resale or distribution of all or any of the Units, each of whom acknowledges that the Funds are required by law to disclose to certain regulatory authorities the identity of each Disclosed Principal for whom it may be acting, and each Disclosed Principal complies with either subparagraph 3(x), (y) or (z) below;
- (x) unless it is purchasing under subparagraphs 3(y) or (z), it is resident or otherwise subject to applicable securities laws of Alberta, British Columbia, Saskatchewan or Manitoba and it fully complies with the following:
  - (i) it was not created, and is not used solely, to purchase or hold securities in reliance on the exemption from the prospectus requirement set out in Section 2.9(2) of NI 45-106;
  - (ii) it:
    - (A) is an "eligible investor", as such term is defined in NI 45-106 entitled "Prospectus and Registration Exemptions" (which definition is reproduced in Section 1.1 of Exhibit 1 attached hereto) and has filled in the appropriate paragraph reference on the face page hereof under the heading "Qualification for Securities Exemptions" indicating that the Subscriber satisfies one of the categories of "eligible investor" set forth in such definition; and
    - (B) it has concurrently executed and delivered a Risk Acknowledgement in the form attached as Schedule B to this Subscription Agreement;
- (y) unless it is purchasing under subparagraphs 3(x) or (z), it is resident or otherwise subject to applicable securities laws of Ontario, Alberta, British Columbia, Saskatchewan, Manitoba or Quebec and it fully complies with the following:
  - (i) it is an "accredited investor", as such term is defined in NI 45-106 and substantially reproduced in Exhibit 1 hereto;
  - (ii) if it is a trust company or trust corporation described in paragraph (p) of the definition of "accredited investor" in section 1.1 of NI 45-106, it is not a trust company or trust corporation registered under the laws of Prince Edward Island that is not registered under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in another jurisdiction of Canada;
  - (iii) it was not created or used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in NI 45-106; and
  - (iv) it has concurrently executed and delivered a Representation Letter in the form attached as Schedule A to this Subscription Agreement and has filled in the appropriate paragraph reference on the face page hereof under the heading "Qualification for Securities Exemptions" indicating that the Subscriber satisfies one of the categories of "accredited investor" set forth in such definition;
- (z) unless it is purchasing under subparagraphs 3(x) or (y), it is resident or otherwise subject to applicable securities laws of Ontario, Alberta, British Columbia, Saskatchewan, Manitoba or Quebec and it fully complies with the following:
  - (i) it is an individual and will have an aggregate acquisition cost of purchasing either the Limited Partnership Units or Trust Units of not less than \$150,000 paid in cash at the time of the distribution, or

- (ii) it is not an individual and is a corporation, syndicate, partnership or other form of unincorporated organization, and it will have an aggregate acquisition cost of purchasing either the Limited Partnership Units or Trust Units of not less than \$150,000 paid in cash at the time of the distribution, and it was not created solely to purchase or hold securities in reliance on this exemption,

and in the case of paragraph (i) or (ii) has indicated as such on the face page of this Subscription Agreement under the heading "Qualification for Securities Exemptions";

#### U.S. Matters

- (aa) it is aware that the Units have not been and will not be registered under the *United States Securities Act of 1933* (the "**U.S. Securities Act**") or the securities laws of any state of the United States and may not be offered or sold, directly or indirectly, in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable laws of all applicable states or an exemption from such registration requirements is available and it acknowledges that the Funds have no present intention of filing a registration statement under the U.S. Securities Act in respect of any Units;
- (bb) it is not a "**U.S. Person**" (as that term is defined in Regulation S under the U.S. Securities Act, which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not acquiring the Units for the account or benefit of a U.S. Person or a person in the United States;
- (cc) the Units have not been offered to the Subscriber in the United States, and the individuals making the order to purchase the Units and executing and delivering this Subscription Agreement on behalf of the Subscriber were not in the United States when the order was placed and this Subscription Agreement was executed and delivered;
- (dd) the Subscriber undertakes and agrees that it will not offer to sell any of the Units in the United States unless such securities are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, or an exemption from such registration requirements is available and have been complied with;

#### Tax Matters

- (ee) it is not and if subscribing for Limited Partnership Units, will not during the term of the Funds become a "**non-resident**" of Canada for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**") and if the Subscriber is a partnership, the Subscriber is and if subscribing for Limited Partnership Units will remain a "**Canadian partnership**" for the purposes of the Tax Act;
- (ff) it is not a "**tax shelter investment**" within the meaning of the Tax Act;
- (gg) it is not a "**Financial Institution**" within the meaning of the Tax Act;
- (hh) if subscribing for Limited Partnership Units, it has not financed its acquisition of Limited Partnership Units with a financing for which recourse is or is deemed to be limited within the Tax Act and for the purposes hereof, limited recourse amount means the unpaid principal amount of any indebtedness for which recourse is limited, either immediately or in the future and either absolutely or contingently, and also includes any borrowing which is deemed to be a limited recourse amount. A borrowing will not be deemed to be a limited recourse amount if:
  - (i) *bona fide* arrangements, evidenced in writing, are made at the time the debt arose for the repayment by the borrower of the principal and interest on the debt within a reasonable period of time, not greater than 10 years;
  - (ii) the debt is not a part of a series of loans and repayments that ends more than 10 years after it begins; and
  - (iii) interest on the debt is payable at least annually, and is actually paid no later than 60 days after the end of the borrower's taxation year, at a rate equal to or greater than the lesser of:
    - (A) the prescribed interest rate for purposes of the Tax Act in effect at the time when the debt arose; and
    - (B) the prescribed interest rate for purposes of the Tax Act applicable from time to time during the term of the debt.

General Status Matters

- (ii) it is not a "non-Canadian" within the meaning of the *Investment Canada Act* (Canada), as amended, replaced, restated or re-enacted from time to time; and
  - (jj) it will ensure that its status as described above in paragraphs 3(ee), (ff), (gg) or (hh) will not be modified.
4. **Timeliness of Representations, etc.** The Subscriber agrees on its own behalf, and if applicable, on behalf of any Disclosed Principal that the representations, warranties and covenants of the Subscriber herein will be true and correct both as of the execution of this Subscription Agreement and as of the Closing Date, and will survive the completion of the distribution of the Units and any subsequent disposition by the Subscriber (or Disclosed Principal, if applicable) of the Units.
5. **Indemnity.** The Subscriber acknowledges on its own behalf, and if applicable, on behalf of any Disclosed Principal that the Trustee, the Manager, the General Partner, the Funds and their counsel are relying upon the representations, warranties and covenants of the Subscriber set forth herein in determining the eligibility of the Subscriber (or Disclosed Principal, if applicable) to purchase Units under the Offering, and hereby agrees to indemnify and hold harmless the Trustee, the Manager, the General Partner and the Funds and their respective directors, officers, partners, employees, affiliates and legal counsel against all losses, claims, costs, expenses, damages or liabilities that either of them may suffer or incur as a result of or in connection with its reliance on such representations, warranties and covenants. The Subscriber undertakes on its own behalf, and if applicable, on behalf of any Disclosed Principal to immediately notify the Trustee and/or the Manager c/o at Kootenay Capital Management Corp., Suite 1920, 215 – 9<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 1K3, Attention: Chris Theal, and its legal counsel at Bennett Jones LLP at 4500 Bankers Hall East, 855 – 2<sup>nd</sup> Street S.W., Calgary, Alberta, T2P 4K7, Attention: Bruce Hibbard, of any change in any statement or other information relating to the Subscriber (or Disclosed Principal, if applicable) set forth herein that occurs prior to the Closing Date.
6. **Fund Agreement.** In consideration for the Manager, on behalf of the Trustee, accepting, on behalf of the Trust, this Subscription Agreement, the Subscriber (or Disclosed Principal, if applicable) shall be bound by all of the terms of, the Fund Agreement, as the same may be amended from time to time and the Subscriber hereby expressly ratifies and confirms, on its own behalf and on behalf of any Disclosed Principal, if applicable, the Fund Agreement and the power of attorney given to the Trustee in the Fund Agreement.
7. **Partnership Agreement.** In consideration for the General Partner accepting, on behalf of the Partnership, this Subscription Agreement, the Subscriber (or Disclosed Principal, if applicable) shall be a party to, and bound by all of the terms of, the Partnership Agreement, as the same may be amended from time to time and the Subscriber hereby expressly ratifies and confirms, on its own behalf and on behalf of any Disclosed Principal, if applicable, the Partnership Agreement and the power of attorney given to the General Partner in the Partnership Agreement.
8. **Power of Attorney.** The Subscriber irrevocably constitutes and appoints, if investing in the Trust, the Trustee and the Manager or, if investing in the Partnership, the General Partner, with full power of substitution, as the undersigned's true and lawful attorney and agent, with full power and authority in the name place and stead to execute, under seal or otherwise, swear to, acknowledge, deliver, make or file or record when, as and where required:
- (a) the Fund Agreement, any amendment or supplement to the Fund Agreement and any other instrument required or desirable to qualify, continue and keep in good standing the Trust as a mutual fund trust;
  - (b) the Partnership Agreement, any amendment or supplement to the Partnership Agreement and any other instrument required or desirable to qualify, continue and keep in good standing the Partnership;
  - (c) any instrument, deed, agreement or document in connection with carrying on the activities and affairs of the Trust and/or Partnership, as applicable, as authorized in the Agreements, including all conveyances, transfers and other documents required to facilitate any sale or disposition of Units required therein;
  - (d) all conveyances and other documents required in connection with the dissolution or liquidation of the Funds in accordance with the terms of the Agreements;
  - (e) any and all elections, determinations or designations, whether jointly with third parties or otherwise, under the Tax Act or any other taxation or other legislation or similar laws of Canada or of any other jurisdiction in respect of the affairs of the Funds or of the Subscriber's interest in the Funds; and
  - (f) any instrument, certificate and other documents necessary or appropriate to reflect and give effect to any amendment to the Agreements which is authorized from time to time as contemplated by the Agreements.

The power of attorney granted herein is irrevocable, is a power coupled with an interest, and will survive the death, mental incompetency, incapacity, disability or bankruptcy of the Subscriber or the assignment by the Subscriber or of all or part of its interest

in the Trust and/or the Partnership and will extend to and bind the heirs, executors, administrators and other legal representatives and successors and assigns of the Subscriber. This power of attorney may be exercised, in the case of the Trust, by the Manager or Trustee on behalf of each Trust Unitholder or, in the case of the Partnership, by the General Partner on behalf of each Limited Partner, in executing any instrument by a facsimile signature or by listing all of the Unitholders and executing such instrument with a single signature as attorney and agent for all of them. Each Subscriber agrees to be bound by any representations or actions made or taken by the Manager, Trustee and General Partner pursuant to this power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm any actions taken by the Manager, Trustee or General Partner in good faith under this power of attorney. The Manager, Trustee or General Partner may require in connection with any transfer of Units that the transfer form be accompanied by a certificate of legal advice signed by a lawyer or that the execution of the subscription form or transfer form be witnessed as may be required by applicable laws. This power of attorney shall continue in respect of the Manager, Trustee and General Partner, as applicable, so long as the Manager is the manager of the Fund, the Trustee is the trustee of the Fund and the General Partner is the general partner of the Partnership, and shall also continue in respect of any new manager, trustee or general partner as if the new manager, trustee or general partner were the manager, trustee or general partner at the time of executing this Subscription Agreement.

9. **Deliveries by Subscriber.** The Subscriber agrees to deliver to Kootenay Capital Management Corp., Suite 1920, 215 – 9<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 1K3 Attention: Chris Theal on or before the Closing Date:
- (a) one copy of this duly completed and executed Subscription Agreement;
  - (b) if the Subscriber (or Disclosed Principal, if applicable) is an accredited investor, one manually signed and duly completed Schedule A;
  - (c) if the Subscriber is acquiring the Units pursuant to Section 3(x), one manually signed and duly completed Risk Acknowledgment Form attached as Schedule B; and
  - (d) such other documents as may be requested by the Manager or Trustee as contemplated by this Subscription Agreement.

The Subscriber further agrees to deliver to Kootenay Capital Management Corp., Suite 1920, 215 – 9<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 1K3 Attention: Chris Theal within two (2) Business Days prior to the Closing Date, a certified cheque, bank draft or wire transfer in the amount specified in this Subscription Agreement on the Closing Date to be made payable in accordance with the instructions set out on page 2 of this Subscription Agreement.

10. **Partial Acceptance or Rejection of Subscription.** The Manager, on behalf of the Trustee, and the General Partner, on behalf of the Partnership, may, in its absolute discretion, accept or reject the Subscriber's subscription for Units as set forth in this Subscription Agreement, in whole or in part, and the Manager, in the case of the Trust, and the General Partner, in the case of the Partnership, reserves the right to accept a subscription from the Subscriber in an amount less than the aggregate subscription amount set forth on the face page of this Subscription Agreement. If this Subscription Agreement is rejected in whole, any cheque(s), bank draft(s) or funds delivered by the Subscriber for the Units subscribed for will be promptly returned to the Subscriber without interest.
11. **Time and Place of Closing.** The sale of the Units will be completed at the offices of Bennett Jones LLP, counsel to the Manager, the General Partner and the Funds, or at the offices of the Manager, in Calgary, Alberta on the Closing Date. The Manager, in the case of the Trust, and the General Partner, in the case of the Partnership, reserves the right to close the Offering in multiple tranches, so that one or more closings may occur after the Closing Date.
12. **Further Assurances.** If required by applicable securities legislation or regulatory policy or by any securities commission, stock exchange or other regulatory authority, the Subscriber will, in a timely manner, execute, deliver, file and otherwise assist the Funds in filing such reports, undertakings and other documents with respect to the issue of the Units as may be required.
13. **Privacy.** This Subscription Agreement and Schedules A and B hereto require the Subscriber to provide certain personal information (respecting the Subscriber and, if applicable, any Disclosed Principal) to the Funds, the Trustee, the Manager and the General Partner. Such information is being collected by the Funds, the Trustee, the Manager and the General Partner for the purposes of completing the Offering, which includes, without limitation, determining the eligibility of the Subscriber (or, if applicable, any Disclosed Principal), to purchase the Units under applicable law, preparing and registering certificates representing the Units to be issued hereunder, if any, and completing filings required under applicable securities legislation, regulations, rules, policies or orders or by any stock exchange or securities regulatory authority or taxation authority.

In addition, such personal information may be used or disclosed by the Funds, the Trustee, the Manager and the General Partner for the purpose of administering the Funds' relationship with the Subscriber (or, if applicable, any Disclosed Principal). For example, such personal information may be used by the Funds, the Trustee, the Manager or the General Partner to communicate with the Subscriber or, if applicable, any Disclosed Principal, such as by providing annual or semi-annual reports, to prepare tax filings and forms or to comply with its obligations under taxation, securities and other laws (such as maintaining a list of holders of Units).

Certain securities commissions have been granted the authority to indirectly collect this personal information pursuant to applicable securities legislation and this personal information is also being collected for the purpose of administration and enforcement of applicable securities legislation. In Ontario, the Administrative Assistant to the Director of Corporate Finance, 19<sup>th</sup> Floor, Box 55, 20 Queen Street West, Toronto, Ontario, M5H 3S8, telephone (416) 593-3682, facsimile: (416) 593-8252 is the public official who can answer questions about the indirect collection of personal information.

In connection with the foregoing, the personal information of the Subscriber (or, if applicable, any Disclosed Principal), may be disclosed by the Funds, the Trustee, the Manager and the General Partner to: (i) stock exchanges or securities regulatory or taxation authorities; (ii) the Funds' registrar and transfer agent; (iii) taxation authorities; (iv) any of the other parties involved in the Offering, including legal counsel; and (v) be included in record books prepared in respect of the Offering.

By executing this Subscription Agreement, the Subscriber (on its own behalf and, if applicable, on behalf of any Disclosed Principal) hereby consents to the collection, use and disclosure of such personal information. The Subscriber (on its own behalf and, if applicable, on behalf of any Disclosed Principal) also consents to the filing of copies or originals of any of the documents provided to the Funds, the Manager and the General Partner by or on behalf of the Subscriber as may be required to be filed with any stock exchange, securities regulatory authority or taxation authority in relation to the transactions contemplated by this Subscription Agreement.

The Subscriber (and, if applicable, any Disclosed Principal) further acknowledges that it has been notified by the Funds and has authorized: (a) the delivery to the Ontario Securities Commission (the "**OSC**") of the full name, residential address and telephone number of the Subscriber (and, if applicable, any Disclosed Principal), the number and type of securities purchased hereunder, the total purchase price, any exemptions relied upon and the date of distribution; (b) that this information is being collected indirectly by the OSC under the authority granted to it in securities legislation; (c) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and (d) that the Administrative Assistant to the Director of Corporate Finance can be contacted at Ontario Securities Commission, Suite 1903, Box 5520 Queen Street West, Toronto, Ontario M5H 3S8, or at (416) 593-9086, regarding any questions about the OSC's indirect collection of this information.

14. **Money Laundering.** The Subscriber represents and warrants on its own behalf and on behalf of any Disclosed Principal that the funds representing the aggregate subscription amount which will be advanced by the Subscriber (or if applicable, any Disclosed Principal) to the Fund from time to time in accordance with the terms of the Fund Agreement will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**PCMLTFA**") and the Subscriber acknowledges that the Fund may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's (or if applicable, the Disclosed Principal's) subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of the Subscriber's knowledge (a) none of the subscription funds to be provided by the Subscriber (or if applicable, any Disclosed Principal) (i) have been or will be derived from or related to any activity that is deemed criminal under the laws of Canada, the United States of America, or any other jurisdiction, or (ii) are being tendered on behalf of a person or entity who has not been identified to the Subscriber, and (b) it shall promptly notify the Manager, the General Partner and the Funds if the Subscriber discovers that any of such representations ceases to be true, and to provide the Manager, the General Partner and the Fund with appropriate information in connection therewith.
15. **Conflict with Agreement.** In the event of any conflict in the terms and conditions contained in this Subscription Agreement, or any other document delivered to the Subscriber in connection with the Offering, and the terms of the Agreements, the Agreements will govern.
16. **Expenses.** The Subscriber acknowledges and agrees that all costs incurred by the Subscriber (or if applicable, any Disclosed Principal), including any fees and disbursements of any counsel retained by the Subscriber, relating to the sale of the Units to the Subscriber shall be borne by the Subscriber (or, if applicable, any Disclosed Principal).
17. **Governing Law.** The contract arising out of acceptance of this Subscription Agreement by the Manager (for the Trustee), on behalf of the Fund, and by the General Partner, on behalf of the Partnership, shall be governed by and construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, without reference to conflict of laws principles. The parties irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Alberta.
18. **Time of Essence.** Time shall be of the essence of this Subscription Agreement.
19. **Entire Agreement.** This Subscription Agreement, taken together with the Agreements and any other agreement or side letter contemplated therein, represents the entire agreement of the parties hereto relating to the subject matter hereof, and there are no representations, covenants or other agreements relating to the subject matter hereof except as stated or referred to herein.
20. **Schedules.** Schedules A and B attached hereto are incorporated by reference and deemed to be part of this Subscription Agreement.
21. **Electronic Copies.** The Manager, the General Partner and the Funds shall be entitled to rely on delivery of a facsimile or portable document format copy of an executed copy of this Subscription Agreement, and acceptance by the Manager, on behalf of the Trust,

and by the General Partner, on behalf of the Partnership, of such facsimile or portable document format subscriptions shall be legally effective to create a valid and binding agreement between the Subscriber and the Manager, on behalf of the Trust, and between the Subscriber and the General Partner, on behalf of the Partnership, in accordance with the terms hereof.

22. **Counterpart.** This Subscription Agreement may be executed in one or more counterparts each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement.
23. **Severability.** The invalidity, illegality or unenforceability of any provision of this Subscription Agreement shall not affect the validity, legality or enforceability of any other provision hereof.
24. **Survival.** The covenants, representations and warranties contained in this Subscription Agreement shall survive the closing of the transactions contemplated hereby, and shall be binding upon and enure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and permitted assigns.
25. **Interpretation.** The headings used in this Subscription Agreement have been inserted for convenience of reference only and shall not affect the meaning or interpretation of this Subscription Agreement or any provision hereof.
26. **Currency.** In this Subscription Agreement, all references to money amounts are to Canadian dollars.
27. **Amendments and Waivers.** No amendment to this Subscription Agreement will be valid or binding unless set forth in writing and duly executed by the parties hereto. No waiver of any breach of any provision of this Subscription Agreement will be effective or binding unless made in writing and signed by the party purporting to give the same, and unless otherwise provided, will be limited to the specific breach waived.
28. **Assignment.** Neither party may assign all or part of its interest in or to this Subscription Agreement without the prior written consent of the other party.
29. **Withdrawal.** The Subscriber, (on its own behalf and, if applicable, on behalf of any Disclosed Principal), agrees that this subscription is made for valuable consideration and may not be withdrawn, cancelled, terminated or revoked by the Subscriber (or, if applicable, any Disclosed Principal).
30. **Enurement.** This Subscription Agreement shall be binding upon and enure to the benefit of the Subscriber and the Fund and their respective heirs, executors, administrators, successors and assigns.



## EXHIBIT 1

### 1. Meaning of "eligible investor"

- 1.1 "Eligible investor" is defined in National Instrument 45-106 to mean any person who fits within any of the following categories at the time of the sale of securities to that person:
- (a) a person whose:
    - (i) net assets, alone or with a spouse, in the case of an individual, exceed \$400,000;
    - (ii) net income before taxes exceeded \$75,000 in each of the 2 most recent calendar years and who reasonably expects to exceed that income level in the current calendar year; or
    - (iii) net income before taxes, alone or with a spouse, in the case of an individual, exceeded \$125,000 in each of the 2 most recent calendar years and who reasonably expects to exceed that income level in the current calendar year;
  - (b) a person of which a majority of the voting securities are beneficially owned by eligible investors or a majority of the directors are eligible investors;
  - (c) a general partnership of which all of the partners are eligible investors;
  - (d) a limited partnership of which the majority of the general partners are eligible investors;
  - (e) a trust or estate in which all of the beneficiaries or a majority of the trustees or executors are eligible investors;
  - (f) an accredited investor;
  - (g) a person described in section 2.5 of National Instrument 45-106, that section being entitled "Family, friends and business associates"; or
  - (h) a person that has obtained advice regarding the suitability of the investment and, if the person is resident in a jurisdiction of Canada, that advice has been obtained from an eligibility adviser.

### 2. Meaning of "accredited investor"

- 2.1 "accredited investor" is defined in National Instrument 45-106 to mean any person who fits within any of the following categories at the time of the sale of securities to that person:
- (a) a Canadian financial institution, or a Schedule III bank;
  - (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);
  - (c) a subsidiary of any person or company referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;
  - (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);
  - (e) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);
  - (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;
  - (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;
  - (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;
  - (i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada;
  - (j) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds \$1,000,000;
  - (k) an individual whose net income before taxes exceeded \$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded \$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;
  - (l) an individual who, either alone or with a spouse, has net assets of at least \$5,000,000;
  - (m) a person other than an individual or investment fund, that has net assets of at least \$5,000,000, as shown on its most recently prepared financial statements;
  - (n) an investment fund that distributes or has distributed its securities only to:
    - (i) a person that is or was an accredited investor at the time of the distribution;

- (ii) a person that acquires or acquired securities in the minimum circumstances referred to in sections 2.10 and 2.19 of National Instrument 45-106; or
- (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 of National Instrument 45-106;
- (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction in Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;
- (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;
- (q) a person acting on behalf of a fully managed account managed by that person, if that person:
  - (i) is registered or authorized to carry on business under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction; and
  - (ii) in Ontario, is purchasing a security that is not a security of an investment fund;
- (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;
- (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;
- (t) a person in respect of which all of the owners of interests, direct, indirect, or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;
- (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an advisor; or
- (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator, as:
  - (i) an accredited investor; or
  - (ii) an exempt purchaser in Alberta or British Columbia after National Instrument 45-106 comes into force.

**For the purposes hereof:**

- (a) "**Canadian financial institution**" means:
  - (i) an association governed by the Cooperative Credit Associations Act (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or
  - (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;
- (b) "**director**" means:
  - (i) a member of the board of directors of a company or an individual who performs similar functions for a company, and
  - (ii) with respect to a person that is not a company, an individual who performs functions similar to those of a director of a company;
- (c) "**eligibility adviser**" means:
  - (i) a person that is registered as an investment dealer and authorized to give advice with respect to the type of security being distributed, and
  - (ii) in Saskatchewan or Manitoba, also means a lawyer who is a practising member in good standing with a law society of a jurisdiction of Canada or a public accountant who is a member in good standing of an institute or association of chartered accountants, certified general accountants or certified management accountants in a jurisdiction of Canada provided that the lawyer or public accountant must not:
    - (A) have a professional, business or personal relationship with the issuer, or any of its directors, executive officers, founders or control persons, and
    - (B) have acted for or been retained personally or otherwise as an employee, executive officer, director, associate or partner of a person that has acted for or been retained by the issuer or any of its directors, executive officers, founders or control persons within the previous 12 months;
- (d) "**person**" includes
  - (i) an individual,
  - (ii) a corporation,

- (iii) a partnership, trust, fund and an association, syndicate, organization or other organized group of persons, whether incorporated or not, and
- (iv) an individual or other person in that person's capacity as a trustee, executor, administrator or personal or other legal representative;
- (e) "**spouse**" means, an individual who,
  - (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual,
  - (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or
  - (iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta).