

LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT dated for reference the ___ day of _____, 2018.

BETWEEN:

VILLAGE OF VALEMOUNT, a local government under the laws of British Columbia and having an office at Box 168, 735 Cranberry Lake Road, Valemount, British Columbia, V0E 2Z0

(hereinafter called "**Valemount**")

OF THE FIRST PART

AND:

VALEMOUNT ECONOMIC DEVELOPMENT CORPORATION
(INC. NO. *), a corporation incorporated under the laws of British Columbia, having an office at 3790 Sawyer Road, Valemount, British Columbia, V0E 2Z0

(hereinafter called the "**General Partner**")

OF THE SECOND PART

WHEREAS:

- A. Valemount has agreed to be the Limited Partner of the Valemount Economic Development Limited Partnership (the "**Limited Partnership**");
- B. Valemount Economic Development Corporation has agreed to be the General Partner of the Limited Partnership;
- C. The parties hereto are desirous of entering into this Agreement in order to record their respective rights and obligations.

NOW THEREFORE THIS AGREEMENT WITNESSES THAT in consideration of the premises, covenants, agreements, representations, undertakings and warranties hereinafter set out and other good and valuable consideration (the receipt and sufficiency of which is acknowledged by each of the parties hereto) the parties hereby covenant, agree, represent, undertake and warrant as follows:

ARTICLE 1 - DEFINITIONS AND INTERPRETATIONS

1.1 **Definitions** – In this Agreement, unless the context otherwise requires, the following words or expressions shall have the following meanings:

- (a) “**Act**” means the *Partnership Act*, R.S.B.C. 1996, c.348 of British Columbia, as it may be amended or re-enacted from time to time;
- (b) “**Affiliate**” of a Partner shall mean an affiliate of the Partner, as that term is defined in the *Business Corporations Act* (British Columbia);
- (c) “**Auditors**” means the firm of Chartered Professional Accountants as appointed in accordance with this Agreement, whose partners are members in good standing with the Chartered Professional Accountants;
- (d) “**Contribution**” means the amount contributed in cash or otherwise to the capital of the Limited Partnership by a Limited Partner;
- (e) “**Council**” means the elected municipal council of Valemount;
- (f) “**Distributable Funds**” means, the amount of any by which:
 - (i) aggregate of:
 - (1) cash receipts of the Limited Partnership during such period (excluding contributions of capital);
 - (2) loans to the Limited Partnership during such period; and
 - (3) amounts set aside as working capital or other reserves at the commencement of such period;exceeds:
 - (ii) the aggregate of:
 - (1) expenditures of the Limited Partnership during such period (including operating expenses, capital expenditures and other expenses);
 - (2) payments during such period in respect of loans to the Limited Partnership; and
 - (3) amounts set aside acting in a commercially reasonable manner, as working capital or other reserves at the end of such period;all calculated without duplication;
- (g) “**Fair Market Price**” means the price for the item in question that a knowledgeable, willing and unpressured buyer would pay and a knowledgeable, willing and unpressured seller would accept for the item in question taking into consideration all relevant factors that would customarily be considered in making such determination;

- (h) "**GAAP**" means generally accepted accounting principles in Canada from time to time and, where applicable, any set of accounting principles specifically applicable to the business of the Limited Partnership;
- (i) "**General Partner**" means Valemount Economic Development Corporation (Inc. No. *), a British Columbia company, or any successor in law or permitted assignee;
- (j) "**Limited Partner**" means any person or entity, including Valemount who subscribes for Class B Units, or who acquires Class B Units on a subsequent transfer from a Limited Partner in accordance with the terms of this Agreement and whose name has been entered in the register of Limited Partners maintained at the registered office of the Limited Partnership;
- (k) "**Limited Partnership**" means the Valemount Economic Development Limited Partnership;
- (l) "**Net Income**" or "**Net Loss**" means, respectively, the net income or loss of the Limited Partnership for a fiscal year determined in accordance with GAAP and shall include provisions for such reserves as in the opinion of the General Partner are required for the Partnership Business;
- (m) "**Ordinary Resolution**" means a resolution approved by more than 50% of the votes cast by those Limited Partners who vote, and who are entitled to vote, in person or by proxy at a duly convened meeting of Limited Partners, or at any adjournment thereof, called in accordance with this Agreement or a written resolution signed by all the Limited Partners
- (n) "**Partner**" means a Limited Partner or General Partner and "**Partners**" means all of the Limited Partners and the General Partner;
- (o) "**Partnership Assets**" means all property, both including realty and personalty, legally and beneficially owned by the Limited Partnership;
- (p) "**Partnership Business**" means the business of the Limited Partnership as described in section 2.6 of this Agreement;
- (q) "**Principles**" has the meaning described in section 2.4 of this Agreement;
- (r) "**Registrar and Transfer Agent**" means the General Partner or an agent appointed thereby to keep a register of Limited Partners and a register of the transfer of Units;
- (s) "**Special Resolution**" means a resolution approved by not less than 75% of the votes cast by those Limited Partners who vote, and are entitled to vote, in person or by proxy at a duly convened meeting of Limited Partners, or at any adjournment thereof, called in accordance with this Agreement or a written resolution in one or more counterparts, signed by all the Limited Partners;

- (t) “**Subscription**” means the subscription form and power of attorney, the form to be determined by the General Partner, which shall be executed by a Limited Partner;
- (u) “**Tax Act**” means the *Income Tax Act* (Canada), together with all regulations made pursuant thereto, as it may be amended and re-enacted from time to time;
- (v) “**Taxable Income**” or “**Taxable Loss**” means, respectively, the amount of income or loss of the Limited Partnership for a fiscal year determined by the General Partner pursuant to the provisions of the Tax Act;
- (w) “**Unanimous Resolution**” means a resolution approved by all the Limited Partners; and those Limited Partners must be present, in person or by proxy at a duly convened meeting of Limited Partners, or at an adjournment thereof, called in accordance with this Agreement or a written resolution in one or more counterparts, signed by all of the Limited Partners;
- (x) “**Unit**” means one of the units of the Limited Partnership described in section 6.1;
- (y) “**Unit Certificate**” means the form of certificate to be issued by the General Partner, evidencing the number of Units owned by the Partners;
- (z) “**Withdrawal Notice**” has the meaning set out in section 13.1.

1.2 **Interpretation** – In this Agreement, unless the context otherwise requires:

- (a) “this Agreement” means this limited partnership agreement as it may be further supplemented, amended or restated from time to time and all references to sections, subsections and schedules are to the respective sections, subsections and schedules in this Agreement unless stated to be otherwise;
- (b) the headings are for convenience only and do not form a part of this Agreement nor are they intended to interpret, define or limit the scope, extent or intent of this Agreement or any provision thereof;
- (c) unless otherwise provided in this Agreement, all accounting terms will be interpreted and all computations will be made in accordance with GAAP;
- (d) any reference to a statute will include such statute and regulations made pursuant to it, with all amendments made and 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 so referred to or the regulations made pursuant to it;
- (e) any reference to an entity includes and is deemed to be a reference to any entity that is a successor to such entity;
- (f) words importing the masculine gender include the feminine or neuter genders, corporations and partnerships, and words in the singular include the plural, and vice-versa, wherever the context requires; and

- (g) all references to currency are references to Canadian currency.

ARTICLE 2 - THE LIMITED PARTNERSHIP

2.1 **Formation and Status of Limited Partnership** – The parties hereto hereby form, in accordance with this Agreement and the Act, a limited partnership under the name and style of “Valemount Economic Development Limited Partnership”. Subject to all applicable laws, the Limited Partnership shall carry on business under the name “Valemount Economic Development Limited Partnership” or such other name or names as the General Partner may determine from time to time, provided that if a name other than “Valemount Economic Development Limited Partnership” is used, the General Partner must first file a new declaration or certificate under the Act as required.

2.2 **Purpose of the Limited Partnership** – The purposes of the Limited Partnership are to:

- (a) undertake any business venture that the directors determine would benefit the Village of Valemount;
- (b) market and promote the Village of Valemount as a place to live, work, invest and start up and expand businesses;
- (c) enter into partnerships, joint ventures and other business relationships with other parties to further economic development in the Village of Valemount;
- (d) buy and sell land and other assets;
- (e) provide for communications and interface with the business community and the Village of Valemount;
- (f) raise capital both through successful grant applications, borrowing and other means;
- (g) develop, facilitate and encourage economic, social, environmental and financial sustainability in the Village of Valemount; and
- (h) all business and activities that are ancillary to any of the above.

2.3 **Management Principles** – The Limited Partnership will be managed in accordance with the following principles:

- (a) the Limited Partnership will be operated to show a profit;
- (b) business operations will be conducted to maximize long-term security of employment and contracting opportunities in preference for Valemount and local residents;
- (c) business operations will follow best model sustainable environmental practices; and
- (d) decisions will be made by consensus where possible, recognizing both economic and sustainability interests of the Partners.

(collectively, the “**Principles**”).

2.4 **Maintaining Status of Limited Partnership** – The General Partner shall be the general partner of the Limited Partnership, shall do all things and shall cause to be executed and filed such certificates, declarations, instruments and documents as may be required under the laws of the Province of British Columbia or other relevant laws to reflect the constitution of the Limited Partnership. The General Partner and each Limited Partner shall execute and deliver as promptly as possible any documents that may be necessary or desirable to accomplish the purposes of this Agreement or to give effect to the formation of the Limited Partnership under any and all applicable laws. The General Partner shall take all necessary actions on the basis of information available to it in order to maintain the status of the Limited Partnership as a limited partnership under the Act.

2.5 **Fiscal Period** – The fiscal period of the Limited Partnership shall end on the 31st day of December in each and every year or such other date as the Limited Partners may determine by Special Resolution.

2.6 **Business and Powers of the Limited Partnership**- The Limited Partnership will carry on any lawful business and activity as may be desirable and permitted under applicable enactments. The Limited Partnership shall have the power to do any and every act and thing necessary, proper, convenient or incidental to the accomplishment of its business and purposes. The Limited Partnership may carry on any other business if approved by the Unanimous Resolution of the Partners, and the filing, if necessary or advisable, of any certificates, declarations, instruments or documents required under the laws of British Columbia or other relevant laws.

2.7 **Title** – The Partnership Assets shall be held in the name of the Limited Partnership. The Partnership Assets of the Limited Partnership may be held in the name of the General Partner, as nominee and bare trustee for the Limited Partnership, and for the use and benefit of the Partners in accordance with the terms and provisions hereof, until such time as the General Partner determines that it is appropriate or advisable for the assets to be held or registered in the name of the Limited Partnership, another nominee or otherwise. Such holding of the Partnership Assets will not prevent the vesting of the legal and beneficial title thereto in the Limited Partnership in the manner and at the time as otherwise herein provided. Each Partner will have an interest in the Partnership Assets held by the Limited Partnership in proportion to the number of Units held by it.

2.8 **Principal Place of Business** – The principal place of business of the Limited Partnership in the Province of British Columbia, and the registered office delivery and mailing addresses of the General Partner in the Province of British Columbia, shall be 3790 Sawyer Road, Valemount, British Columbia, V0E 2Z0, and the records office shall be *. The General Partner may change the principal place of business or the mailing address of the Limited Partnership and the registered and records office and mailing address of the General Partner from time to time by giving notice to that effect to all Limited Partners, pursuant to the notice provisions contained in this Agreement.

2.9 **Term** – The Limited Partnership will become a limited partnership upon the filing and recording of the requisite certificate under the Act and shall continue until terminated by any of the following:

- (a) the passage of a Unanimous Resolution approving the dissolution of the Limited Partnership;

- (b) on the date specified in a notice in writing provided by a Limited Partner or Limited Partners holding at least 50% of the issued and outstanding Class B Units to the other Limited Partner(s) and the Company, provided such notice is given at least one (1) year prior to the date of termination or such other period as may be agreed unanimously by the Partners; and
- (c) by operation of law and, in any case, after the completion of the liquidation of the Limited Partnership and distribution of all funds remaining after payment of all of the debts, liabilities and obligations of the Limited Partnership to its creditors, in accordance with the provisions of this Agreement.

2.10 **Compliance with Laws** – Each Limited Partner shall, on request by the General Partner, immediately execute all certificates, declarations, instruments and documents necessary to comply with any law or regulation of any jurisdiction in regard to the formation, continuance, operation or dissolution of the Limited Partnership.

2.11 **Limitation on Authority of Limited Partners** – A Limited Partner may from time to time examine the state and progress of the business of the Limited Partnership; however, no Limited Partner in his or its capacity as a Limited Partner shall:

- (a) take part in the control or management of the business of the Limited Partnership or exercise any power in connection therewith;
- (b) execute any document which binds or purports to bind the Limited Partnership, the General Partner or any other Limited Partner as such;
- (c) hold himself, herself or itself out as having the power or authority to bind the Limited Partnership, the General Partner or any other Limited Partner as such; or
- (d) bring any action for partition or sale in connection with the Partnership Assets, whether real or personal, or register or permit any lien or charge in respect of the Units of such Limited Partner to be filed or registered or remain undischarged against the Partnership Assets in respect of such Limited Partner's interest in the Limited Partnership;

except that the General Partner may do the foregoing on behalf of the Limited Partnership in its capacity as the General Partner, notwithstanding that it or any shareholder, director or officer of the General Partner may also be a Limited Partner or a shareholder, director or officer of a Limited Partner, or be otherwise Affiliated with a Limited Partner.

2.12 **Compliance with the Act** – The Partners shall comply with the provisions of the Act in force or in effect from time to time and shall not take any action which will jeopardize or eliminate the status of the Limited Partnership as a limited partnership.

2.13 **Number of Partners** – The Limited Partnership shall at all times have at least one General Partner and one or more Limited Partners.

2.14 **Decisions of Partners** – For greater certainty, each of the parties hereto acknowledge that, subject to the terms of this Agreement, any decision made by a Limited Partner is made in its own right and capacity and such decisions shall not be binding upon nor fetter the discretion of any other Limited Partner to make their own independent decisions respecting any manner, including matters relating to Limited Partnership.

ARTICLE 3 - THE GENERAL PARTNER

3.1 **Authority of the General Partner** – Subject to those matters which in accordance with this Agreement require an Unanimous Resolution, and subject to the Act, the General Partner shall carry on the business on behalf of the Limited Partnership with full power and authority to administer, manage, control and operate the business of the Limited Partnership, and to do or cause to be done any act, take or cause to be taken any proceeding, make or cause to be made any decision and execute and deliver or cause to be executed and delivered any instrument, deed, agreement or document necessary, appropriate or incidental to the carrying on of the business of the Limited Partnership. No person dealing with the Limited Partnership is 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 Limited Partnership.

3.2 **Specific Powers of the General Partner** – Without limiting the generality of section 3.1 hereof, it is acknowledged and agreed that the General Partner is authorized, at all appropriate times and from time to time, on behalf of and without further authority from the Limited Partners, to do all things which in its sole judgment are necessary, proper or desirable to carry on the business and purposes of the Limited Partnership including but not limited to the following:

- (a) to act as the Registrar and Transfer Agent for the Limited Partnership, or retain another person to so act;
- (b) to cause the Limited Partnership to engage such counsel and other professional advisors or consultants as the General Partner considers advisable in order to perform its duties hereunder;
- (c) to open and operate, either in its own name or in the name of the Limited Partnership, a separate bank account in order to deposit and to distribute funds with respect to the Limited Partnership;
- (d) to execute, deliver and carry out all other agreements, documents and instruments which from time to time require execution by or on behalf of the Limited Partnership including without limitation any agreement, deed, transfer, covenant, indenture, mortgage, guarantee, postponement agreement or other security document, lease, easement, plan, restrictive covenant, release or surrender;
- (e) on behalf of the Limited Partnership, to cause the Limited Partnership to pay all taxes, fees and other expenses relating to the orderly maintenance, repair, and management of the Partnership Assets;

- (f) to act on behalf of the Limited Partnership with respect to any and all actions and other proceedings pertaining to the Limited Partnership or the Partnership Assets, brought by or against the Limited Partnership;
- (g) to determine the amount and type of insurance coverage to be maintained in order to protect the Partnership Assets and the Limited Partnership from all usual perils of the type covered in respect of comparable properties and businesses and in order to comply with the requirements of the lenders of funds to the Limited Partnership;
- (h) to negotiate and to cause the Limited Partnership to enter into agreements for the acquisition, maintenance and operation of Partnership Assets and to hold the Partnership Assets in the name of the General Partner, or the Limited Partnership;
- (i) on behalf of the Limited Partnership and in the name of the Limited Partnership, to cause the Limited Partnership to invest funds not immediately required for the business of the Limited Partnership in short term securities of, or guaranteed by, the Government of Canada, the government of any Canadian province, or certificates of deposit or interest-bearing accounts of Canadian chartered banks, or trust companies, or in prime commercial paper;
- (j) to cause the Limited Partnership to make distributions of Distributable Funds of the Limited Partnership less reasonable reserves as determined by the General Partner;
- (k) to grant and execute mortgages, security agreements, assignments of rent, covenants, documents and instruments and to do all acts relating thereto as may be necessary to finance or refinance the Partnership Assets;
- (l) to borrow money for and on behalf of the Limited Partnership and to give security therefor, in the name of the Limited Partnership or the General Partner, for the purpose of financing and refinancing the business and operation of the Limited Partnership, but not for any other purpose;
- (m) to appoint the Auditors and to employ or engage employees, managers, contractors or consultants for the Partnership Business;
- (n) to let or lease all or any portion of the Partnership Assets, on behalf of the Limited Partnership;
- (o) to execute any and all other deeds, documents and instruments and to do or cause to be done all acts and things as may be necessary or desirable to carry out the intent and purpose of this Agreement, including, without limitation, retaining qualified agents to carry out any of the foregoing; and
- (p) to cause the Limited Partnership to pay costs and expenditures reasonably incurred by the Limited Partnership.

3.3 **Reimbursement of General Partner** – The General Partner is entitled to reimbursement by the Limited Partnership for all reasonable third party costs and expenses actually incurred by it

on behalf of the Limited Partnership in the ordinary course of business or other costs and expenses incidental to acting as General Partner to the Limited Partnership which are incurred in connection with such costs and expenses.

3.4 **Amendment of Agreement** – Unless otherwise provided for herein, this Agreement may be amended in writing on the initiative of the General Partner with the unanimous written consent of all of the Limited Partners.

3.5 **Power of Attorney** – Each Limited Partner hereby irrevocably nominates, constitutes and appoints the General Partner with full power of substitution as their true and lawful attorney and agent, with full power and authority in their name, place and stead and for their use and benefit to do the following, namely:

- (a) execute, swear to, acknowledge, deliver and file as and where required any and all of the following:
 - (i) all declarations and declarations of change or certificates required under the Act and other instruments necessary to form, qualify or continue and keep in good standing the Limited Partnership as a limited partnership;
 - (ii) all instruments, declarations and certificates necessary to reflect any amendment to this Agreement with any governmental body or instrumentality of the Government of Canada or a Province;
 - (iii) any certificates of business or trade names; and
 - (iv) all conveyances, agreements and other instruments or documents deemed necessary or desirable by the General Partner to reflect the dissolution and termination of the Limited Partnership including cancellation of any certificates or declarations and the execution of any elections under the Tax Act, or any analogous legislation;
- (b) execute and file with any governmental body or instrumentality thereof of the Government of Canada or a Province any documents necessary to be filed in connection with the business, property, assets and undertaking of the Limited Partnership; and
- (c) execute and deliver all such other documents or instruments on behalf of and in the name of the Limited Partnership and for the Limited Partners as may be deemed necessary or desirable by the General Partner to carry out fully the provisions of this Agreement in accordance with its respective terms.

3.6 **Power of Attorney Irrevocable** – To evidence the provisions of section 3.5 hereof, each Limited Partner, in executing a Subscription or in executing the form of assignment of a Unit, will by such act have executed a power of attorney containing substantially the powers set forth above. The power of attorney granted herein is irrevocable, is coupled with an interest, shall survive the death, disability, incapacity, insolvency or other legal incapacity of a Limited Partner and shall survive the assignment, to the extent of the obligations of the Limited Partner hereunder, by the

Limited Partner of the whole or any part of the interest of the Limited Partner in the Limited Partnership and extends to the heirs, executors, administrators, successors and assigns of the Limited Partner, and may be exercised by the General Partner executing on behalf of each Limited Partner any instruments by listing all of the Limited Partners to be bound by such instrument with a single signature as attorney and agent for all of them. Each Limited Partner agrees to be bound by any representation and actions made or taken in good faith by the General Partner pursuant to such power of attorney in accordance with the terms hereof 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.

3.7 **Duties of the General Partner**

- (a) The General Partner covenants that it will exercise its powers and discharge its duties under this Agreement honestly, in good faith, and in the best interests of the Limited Partners, and that it will exercise the care, diligence and skill of a reasonably prudent person, and will maintain the confidentiality of financial and other information and data which it may obtain through or on behalf of the Limited Partnership, the disclosure of which may adversely affect the interests of the Limited Partnership or a Limited Partner, except to the extent that disclosure is required by law or is in the best interests of the Limited Partnership, and it will utilize the information and data only for the business of the Limited Partnership.
- (b) Without limiting the foregoing, the General Partner will:
 - (i) develop, approve and maintain a five year business plan to guide revenue and expenses that will outline costs and operational expenses, any capital required and the sources thereof, and the approach to any losses on an annual basis; and
 - (ii) publish an annual report and hold at least one public open house to inform and engage the public in the Village of Valemount annually.

3.8 **Status of the General Partner** – The General Partner represents and warrants to each Limited Partner that:

- (a) it is a corporation duly incorporated under the laws of the Province of British Columbia and that so long as it remains a General Partner, it shall maintain its valid corporate existence and remain in good standing with the Registrar of Companies of the Province of British Columbia;
- (b) it has and shall continue to have the requisite capacity and corporate authority to act as general partner of the Limited Partnership and to perform its obligations under this Agreement, and such obligations do not and shall not conflict with or breach its notice of articles, articles of incorporation or any agreement by which it is bound;
- (c) it shall not, nor shall any Affiliate of it, borrow from the Limited Partnership;

- (d) it shall carry out its powers and authorities and manage and operate the Limited Partnership and the undertaking, property and assets thereof in a reasonable and prudent manner and will act honestly, in good faith and in the best interests of the Limited Partners;
- (e) it shall act in utmost fairness and good faith towards the Limited Partners in the business of the Limited Partnership;
- (f) it shall not carry on any business other than for the purposes set forth herein;
- (g) there is no action, proceeding or investigation whether or not purportedly on behalf of the General Partner, pending or, to the knowledge of the General Partner, threatened against or affecting the General Partner at law or in equity, or before or by any federal, provincial or municipal or other governmental department, commission, board or agency, domestic or foreign, which in any way materially adversely affects the General Partner, or which questions the validity of any action taken or to be taken by the General Partner pursuant to or contemplated by the Agreement;
- (h) the performance by the General Partner of its obligations under this Agreement will not result in any breach of, or be in conflict with or constitute a default under, or create a state of facts which after notice or lapse of time, or both, would constitute a default under, any term or provisions of its constating documents, or resolutions, or any mortgage, note, indenture, contract, joint venture or partnership arrangement or agreement, instrument or lease or other documents or agreements to which the General Partner is a party, or by which it is bound, or any judgment, decree, statute, rule or regulation applicable to it which in any way materially adversely affects it or its condition (financial or otherwise) or which would have any material effect upon the ability of the General Partner to perform its obligations arising under this Agreement; and
- (i) it will not merge or amalgamate with another corporation nor sell, assign or otherwise dispose of its interest as the General Partner unless permitted pursuant to a Limited Partners special resolution.

3.9 **Status of Each Limited Partner** – Each Limited Partner represents and warrants to each other Limited Partner and to the General Partner that he, she or it:

- (a) if an individual, has the capacity and competence to enter into and be bound by this Agreement and all other agreements contemplated hereby;
- (b) if a corporation, partnership, unincorporated association or other entity, is legally competent to execute this Agreement and all other agreements contemplated hereby and to take all actions required pursuant hereto, and further certifies that all necessary approvals of directors, shareholders, partners, members or otherwise have been given; and

- (c) shall promptly provide such evidence of his, her, or its status as the General Partner may reasonably request.

3.10 **Transactions Involving Affiliates** – The validity of a transaction, agreement or payment involving the Limited Partnership and an Affiliate of the General Partner is not affected by reason of the relationship between the General Partner and the Affiliate or by reason of the approval or lack thereof of the transaction, agreement or payment by the directors of the General Partner, all of whom may be officers, directors, or employees of, or otherwise interested in or related to such Affiliate.

3.11 **Safekeeping of Assets** – The General Partner is responsible for the safekeeping and use of all of the funds of the Limited Partnership, whether or not in its immediate possession or control, and will not employ or permit another to employ the funds or Partnership Assets except for the exclusive benefit of the Limited Partnership.

3.12 **Indemnification** – The Limited Partnership will indemnify and hold harmless the General Partner, its directors, officers, employees and agents from and against any and all losses, costs, expenses, liabilities and damages (including reasonable legal fees) incurred by the General Partner, its directors, officers, employees or agents by reason of acts, omissions or alleged acts or omission arising out of the activities of the General Partner on behalf of the Limited Partnership or in furtherance of the interests of the Limited Partnership, but only if the acts, omissions or the alleged acts or omissions in respect of which any actual or threatened action, proceeding or claim are based, were performed honestly and in good faith and were not performed or omitted to be performed fraudulently or in bad faith or as a result of the negligence of the General Partner, its directors, officers, employees or agents, and only if such losses, costs, expenses, liabilities and damages do not arise out of any act, omission, or judgment, which is adjudged to be in contravention of this Agreement. In no event, however, shall the provisions of this section 3.12 expand upon a Limited Partner's liability beyond the amount of capital contributed or agreed to be contributed to the Limited Partnership by him, her or it as stated in the declaration or certificate filed pursuant to the Act relating to the Limited Partnership, and his, her or its share of the undistributed income of the Limited Partnership.

3.13 **Restrictions Upon the General Partner** – The General Partner's power and authority does not extend to any power, action or authority enumerated in section 10.13 hereof, unless and until the requisite Unanimous Resolution is passed by the Limited Partners. In addition, the General Partner will not:

- (a) cause the Limited Partnership to guarantee the obligations and liabilities of or make loans to the General Partner, or any Affiliate of the General Partner; or
- (b) commingle the funds of the Limited Partnership or Partnership Assets with the funds or assets of the General Partner, or any Affiliate of either the General Partner or any other person.

3.14 **Employment of an Affiliate** – The General Partner may employ or retain an Affiliate on behalf of the Limited Partnership to provide goods or services to the Limited Partnership, if:

- (a) the cost of such goods or services rendered are reasonable and consistent with the cost of similar goods or services which would be charged by arm's length parties in the area where the Partnership Business is carried on; and
- (b) the Limited Partnership in no way becomes liable for the debts, obligations or liabilities of the Affiliate,

however, the above is subject to:

- (c) any applicable procurement value thresholds and procurement practice requirements specified in the *New West Partnership Trade Agreement* entered into between the Governments of Alberta, British Columbia and Saskatchewan effective July 1, 2010,

all of which shall at all times take precedence over the remainder of this provision, and the General Partner will, in procuring goods and services to undertake works for the Partnership Business, endeavor to conduct procurement processes that give preference to local Valemount businesses by such means, including without limitation, as additional point allocation and price discounting.

The parties acknowledge that the General Partner will be required to give notice of any permissible local business preference policy in applicable procurement documents.

3.15 **Payments** – The General Partner will pay or cause to be paid out of the funds of the Limited Partnership on hand or borrowed for the purpose of the Limited Partnership's business, costs and expenses as and when they become due.

ARTICLE 4 - REMOVAL OF GENERAL PARTNER

4.1 **Deemed Resignation**- The General Partner shall be deemed to resign as the General Partner in the event of the bankruptcy, insolvency, dissolution, liquidation or winding up of the General Partner or the appointment of a trustee, receiver or receiver-manager of the affairs of the General Partner, but such resignation shall not be effective and the General Partner shall not cease to be the General Partner if the General Partner is the sole General Partner at such time until the admission of a new General Partner to the Limited Partnership by Special Resolution.

4.2 **Removal by Limited Partners** – The Limited Partners may remove a General Partner and substitute another General Partner in its stead by a Special Resolution, but only if:

- (a) the Limited Partners appoint, concurrently with the removal, a replacement General Partner (the "**New General Partner**") to assume all of the responsibilities and obligations of the removed General Partner (the "**Former General Partner**") under this Agreement;
- (b) the New General Partner causes to be delivered to the Former General Partner a release granted by the Limited Partnership to the Former General Partner of the Former General Partner's responsibilities and obligations under this Agreement, and the Limited Partnership shall hold harmless the Former General Partner from and against all actions, claims, causes, demands, losses, damages and expenses with

respect to events which occur in relation to the Limited Partnership after the appointment of the New General Partner;

- (c) the New General Partner, prior to assuming its responsibilities as the General Partner under the terms of this Agreement, executes the documents presented by the Limited Partnership to give effect to such assumption, and from and after registration of an effective declaration of change or amended certificate under the Act, the New General Partner shall assume the powers, duties and obligations of the Former General Partner under this Agreement and shall be subject to the terms hereof, and for the purposes of this Agreement, the New General Partner shall thereafter be the General Partner in the place of the Former General Partners so replaced; and
- (d) the Former General Partner is paid an amount equal to the credit balance outstanding in the capital account and current account of the Former General Partner as at the effective date of removal.

4.3 **Resignation of General Partner** – The General Partner may resign upon 180 days’ written notice to the Limited Partners and such resignation shall become effective upon the admission of the New General Partner to the Limited Partnership and the transfer of the Former General Partner’s Class A Units to the New General Partner. The General Partner shall not resign if the effect would be to dissolve the Limited Partnership. On the admission of a New General Partner, and payment to the Former General Partner of the amount, if any, provided for in subsection 4.2(d), the Class A Units of the Former General Partner shall be transferred to the New General Partner and the New General Partner is appointed as the Former General Partner’s agent and attorney with full right and authority to effect such transfer of the Class A Units.

ARTICLE 5 - OBLIGATIONS OF PARTNERS

5.1 **Unlimited Liability of the General Partner** – The General Partner has unlimited liability for the debts, liabilities, losses and obligations of the Limited Partnership.

5.2 **Limited Liability of Limited Partners** – Subject to the provisions of the Act and any specific assumption of liability, the liability of each Limited Partner (except the General Partner if it is also a Limited Partner) for the debts, liabilities, losses and obligations of the Limited Partnership is limited to the amount of the capital contributed or agreed to be contributed to the Limited Partnership by it, as the case may be, as stated in the declaration or any amending declaration or certificate filed pursuant to the Act relating to the Limited Partnership, and its share of any undistributed income of the Limited Partnership as hereinafter provided.

5.3 **Indemnity of Limited Partner** – The General Partner will indemnify and save harmless each Limited Partner from and against any and all costs, damages, liabilities or expenses incurred by a Limited Partner as a result of the liability of the Limited Partner not being limited in the manner herein described, except where caused by the act or omission of such Limited Partner.

5.4 **Indemnity of Limited Partnership** - The General Partner will indemnify and save harmless the Limited Partnership from and against any and all costs, damages, liabilities and

expenses incurred by the Limited Partnership as a result of any breach by the General Partner of its duties under this Agreement, including reasonable legal expenses incurred by the Limited Partnership in defending an action based in whole or in part upon an allegation that the General Partner has been guilty of such breach if such defence is substantially unsuccessful.

ARTICLE 6 - THE UNITS

6.1 **Number of Units** – The interests of partners in the Limited Partnership shall consist of the following units:

- (a) Class A Units – issued to the General Partner;
- (b) Class B Units – issued to the Limited Partners.

The Limited Partnership may issue a maximum of 1 Class A Unit and 10,000 Class B Units. The subscription price is \$1.00 per Unit. The initial Units shall be issued to the General Partners and Limited Partners as follows:

General Partner	1 Class A Unit
Valemount	10 Class B Units

and the General Partner may determine the consideration for which each Class B Unit shall be issued. The number of Class B Units authorized for issuance by the Limited Partnership may be increased by unanimous written approval of the Partners.

6.2 **Nature of Units** - The Class B Units shall carry the right to one vote for each Unit and the Class A Units will not carry a right to vote. The Units shall have the right to share in the capital of the Limited Partnership, Net Income, Net Loss, Taxable Income and Taxable Loss in accordance with the provisions of this Agreement.

6.3 **Unit Certificates** – A Unit Certificate shall be in such form as is from time to time approved by the General Partner, and shall be signed by the General Partner.

6.4 **Receipt by Limited Partners** – The receipt of any money, securities and other property from the Limited Partnership by a person or entity in whose name any Units are recorded, or if such Units are recorded in the names of more than one person or entity, the receipt thereof by any one of such persons, or by the duly authorized agent of any such person in that regard, shall be a sufficient and proper discharge for that amount of money, securities and other property payable, issuable or deliverable in respect of such Units and from all liability to see to the application thereof.

6.5 **Registrar and Transfer Agent**- The General Partner, or such other person may be appointed from time to time by the General Partner, shall act as Registrar and Transfer Agent of the Limited Partnership and shall maintain such books as are necessary to record the names and addresses of the Limited Partners, the number of Units held by each Limited Partner and particulars of transfers of Units. The General Partner shall perform or shall cause to be performed, all other duties usually performed by a Registrar and Transfer Agent of certificates of shares in a corporation, except as the same may be modified by reason of the nature of the Units.

6.6 **Location of Register** – The register of Limited Partners will be kept by the General Partner at the registered office of the Limited Partnership in British Columbia, or such other location as may be determined by the General Partner and in such other jurisdictions as may be required from time to time.

6.7 **Inspection of Records** – The General Partner shall cause the Registrar and Transfer Agent to make the records relating to the Limited Partner available for inspection by any Limited Partner, or his or its agent duly authorized in writing, at the expense of the Limited Partner. A copy of the register of Limited Partnership shall be provided to any Limited Partner on forty-eight hours' notice in writing to the Registrar and Transfer Agent, at the expense of the Limited Partner requesting same.

6.8 **Transfer of Units** –

- (a) A Limited Partner cannot transfer all or some of its Units unless:
 - (i) there is unanimous consent of all the Limited Partners; and
 - (ii) the transferee agrees to be bound by the terms of this Limited Partnership Agreement and executes a form of transfer attached as Schedule A.
- (b) A Limited Partner may transfer one or more Units to its Affiliate, subject to:
 - (i) the transferee agrees to be bound by the terms of this Limited Partnership Agreement and executes a form of transfer attached as Schedule A; and
 - (ii) the transferee of the Unit(s) remains an Affiliate of the transferring Limited Partner, and prior to ceasing to be such an Affiliate the Unit(s) shall be transferred back to the original transferring Limited Partner. Before such Affiliate ceasing to be an Affiliate of the Limited Partner, the Limited Partner agrees to re-purchase such Units and assume the obligations of its Affiliate then outstanding. The Limited Partner will continue to be bound by this section notwithstanding the transfer of its units to its Affiliate.

6.9 **Admission of Limited Partner** – When a transferee or assignee is entitled to become Partner pursuant to the provisions hereof, subject to any provisions contained in the Certificate of Limited Partnership; the General Partner shall be authorized to admit such person to the Limited Partnership as a Partner and the Limited Partners hereby consent to the admission of, and will admit, the transferee to the Limited Partnership as a Partner, without further act of the Limited Partners. The General Partner, or the Registrar and Transfer Agent if not the General Partner, will:

- (a) record at the registered office of the Limited Partnership in British Columbia any such assignment and transfer;
- (b) if necessary, amend the declaration showing the name of the transferee as a substituted Limited Partner;
- (c) make such filings and cause to be made such recordings as are required by law;

- (d) forward notice of the transfer to the transferee; and
- (e) issue and forward a Unit Certificate to the transferee in respect of the Units transferred.

6.10 **No Transfer of a Fractional Unit** – No transfer of a fraction of a Unit will be permitted.

6.11 **Parties Not Bound to See to Trust or Equity** – Except where specific provision has been made therefor in this Agreement, the Registrar and Transfer Agent shall not, nor shall the General Partner or the Limited Partners, be bound to see to the execution of any trust, expressed, implied or constructive, or any charge, pledge or equity to which any Unit, or any interest therein are subject, or to ascertain or inquire whether any sale or transfer of any such Unit or interest therein by an Limited Partner or his personal representatives is authorized by such trust, charge, pledge or equity, or to recognize any person having any interest therein except for the person or persons recorded as such Limited Partner.

6.12 **Liability on Transfer** – When an assignment and transfer of any Unit is completed and the transferee is registered as a Partner, the transferor of that Unit will be thereupon relieved of all obligations and liabilities relating to his Unit, including the obligations and liabilities under this Agreement to the extent permitted by law and the transferee will assume all such obligations and liabilities.

6.13 **Successors in Interest of Partners** – The Limited Partnership shall continue notwithstanding the admission of any new General Partner or Limited Partner or the withdrawal, death, insolvency, bankruptcy or other disability or incapacity of the General Partner or any Limited Partner. Before the expiration of the term of the Limited Partnership, described in section 2.9, the Limited Partnership shall be dissolved only in the manner provided for in section 11.1 hereof.

6.14 **Incapacity, Death, Insolvency or Bankruptcy** – Where a person or entity becomes entitled to a Unit on the incapacity, death, insolvency or bankruptcy of a Partner, or otherwise by operation of law, in addition to the requirements of section 6.8 hereof, that person will not be recorded as or become a Partner and will not receive a Unit Certificate or a deposit receipt therefor, as the case may be, until:

- (a) he, she or it produces evidence satisfactory to the General Partner of such entitlement;
- (b) he, she or it 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) he, she or it has delivered such other evidence, approvals and consents in respect of such entitlement as the General Partner may require and as may be required by law or by this Agreement.

6.15 **Lost Unit Certificate**- Where a Partner claims that the Unit Certificate evidencing ownership of his Unit has been defaced, lost, apparently destroyed or wrongly taken, the Registrar and Transfer Agent shall cause a Unit Certificate to be issued, provided that the Partner files with

the Registrar and Transfer Agent an indemnity bond in such form and in such amount satisfactory to the General Partner to protect the Registrar and Transfer Agent and the Limited Partnership from any loss, cost or damage that they may incur or suffer by complying with the request to issue a new Unit Certificate and provided further, that the Partner satisfies all other reasonable requirements imposed by the Registrar and Transfer Agent, including delivery of a form of proof of loss.

ARTICLE 7 - CONTRIBUTIONS/LOANS

7.1 **Contributions** – The subscription price per Unit is \$1.00 per Unit. The initial contributions to the Limited Partnership are:

- (a) by the General Partner \$1.00;
- (b) by Valemount \$10.00; and
- (c) no further capital Contributions will be required.

7.2 **Capital Accounts** – The initial capital accounts of the Partners are as follows:

- (a) the General Partner, \$1.00;
- (b) by Valemount \$10.00.

7.3 **No Interest Payable** – No Partner shall be entitled to receive interest on the amount of its capital Contribution or any balance in its current account from the Limited Partnership. No Partner shall be liable to pay interest to the Limited Partnership on any negative balance of capital or on any negative balance in its current account.

7.4 **Return of Capital** – Notwithstanding any disproportionate amounts in the respective capital accounts of the Limited Partners, the aggregate capital of all the Limited Partners shall be returned to the Limited Partners on a pro rata basis, based on the number of Class B Units held by each Limited Partner. A Partner is only entitled to demand a return of its pro rata share of capital upon the dissolution, winding-up or liquidation of the Limited Partnership as provided in section 11.3 hereof.

7.5 **Capital/Current Accounts** – The accounting records of the Limited Partnership shall include a capital account and current account for each Partner. Capital Contributions shall be recorded in each Partner's capital accounts; allocations of Net Income and Net Loss and distributions to a Partner, shall be recorded in each Partner's current account.

7.6 **Limited Partner Loans** – Any Limited Partner may make one or more loans to the Limited Partnership on terms and conditions agreed to in writing by the Limited Partner making the loan, and the General Partner. A Limited Partner making a loan shall be entitled to a claim against the assets of the Limited Partnership as a creditor of the Limited Partnership, and such claim shall be separate and distinct from such Limited Partner's rights as a Limited Partner. The rights of a Limited Partner making a loan to the Limited Partnership, vis-à-vis other creditors of the Limited Partnership, may be subordinated or secured depending on the terms and conditions of a particular loan agreed to by a Limited Partner and the General Partner.

7.7 **Additional Contributions** – The Partners agree that further Contributions shall be made to the Limited Partnership upon the unanimous consent of all Limited Partners.

ARTICLE 8 - ALLOCATIONS AND DISTRIBUTIONS

8.1 **Allocation of Net Income** – The Net Income of the Limited Partnership in each fiscal year shall be allocated as follows:

- (a) 0.01 % thereof to the Class A Unit; and
- (b) 99.99 % thereof among the Class B Units as a group pro rata among the issued Class B Units.

8.2 **Allocation Net Loss** – The Net Loss of the Limited Partnership in each fiscal year shall be allocated in the same manner that Net Income is allocated.

8.3 **Allocation of Taxable Income and Taxable Loss** – Taxable Income and Taxable Loss of the Limited Partnership in each fiscal year shall be allocated in the same manner as Net Income and Net Loss is allocated in that year.

8.4 **Effect of Assignment** – If, during the fiscal year, a Limited Partner assigns or transfers a Unit, such Limited Partner is not entitled to, and the General Partner will not distribute to that Limited Partner, any share of the Distributable Funds available for distribution or allocation in respect of the Unit transferred, but will distribute and allocate Net Income or Net Loss to the capital account of the registered holder of the Unit as at the end of the Limited Partnership's fiscal year.

8.5 **Adjustments** – If the Auditors of the Limited Partnership determine that the share of a Limited Partner in the distribution or allocation of Net Income or Net Loss, calculated in accordance with this Limited Partnership Agreement, differs from his or its share as determined by the General Partner, then the determination of the Auditors shall be deemed to be correct and binding upon the Limited Partnership and the Partners. The General Partner will cause the necessary adjustments to be made by payment or reallocation to or from the Partner as the case may be.

8.6 **Payment of Adjustments** – Each Partner hereby agrees that he she or it will pay any amount owing by the Limited Partner under section 8.5 hereof within fifteen (15) days from the date of notice of adjustment given under this section 8.6. If such amount is not paid within such fifteen (15) day period, such amount shall thereafter bear interest at the rate of interest charged by the Canadian chartered bank which acts as the principal banker for the Limited Partnership for loans made by it at Vancouver to its most favoured commercial borrowers, plus 2% calculated and compounded monthly. The General Partner will, within seven (7) days after receiving a report of the Auditors under section 8.5 hereof, notify in writing each Limited Partner whose share of the Net Income or Net Loss is to be adjusted, of the amount of the adjustment, together with a cheque for the amount payable to the Limited Partner or a request for payment in respect of the amount payable by the Limited Partner, as the case may be.

8.7 **Determination of Net Income and Net Loss**- Net Income and Net Loss of the Limited Partnership will be determined by the Auditors of the Limited Partnership in accordance with GAAP and such determination shall be binding upon the Limited Partners and the General Partner, save for manifest error.

8.8 **Individuality of Limited Partners** – No Limited Partner shall be responsible for any of the losses of any other Limited Partner, nor share in the income or allocation of tax deductible expenses attributable to the Units of any other Limited Partner.

8.9 **Distribution** – Distributions to Partners of amounts allocated pursuant to this Article shall be made at such times and in such amounts as determined by the General Partner. The General Partner may, at its discretion, make distributions out of any Distributable Funds to one or more of the Limited Partners in advance of any allocation of Net Income pursuant to section 8.1. Should this occur the amount distributed will be charged against future Net Income to be received by that Limited Partner or Partners.

ARTICLE 9 - ACCOUNTING AND REPORTING

9.1 **Books and Records** – The General Partner will keep or cause to be kept on behalf of the Limited Partnership books and records reflecting the assets, liabilities, income and expenditures of the Limited Partnership and a register listing all Limited Partners and the Units. Such books, records and register will be kept available for inspection by any Limited Partner or his, her or its duly authorized representative (at the expense of such Limited Partner) during business hours at the offices of the General Partner. In the event that General Partner ceases to be the Registrar and Transfer Agent, the register shall thereupon be maintained at the office of such Registrar and Transfer Agent.

9.2 **The Record of Financial Transactions** – All financial transactions of the Limited Partnership shall be recorded and accounted for in accordance with GAAP.

9.3 **Annual Financial Information** – The General Partner, or its agent on its behalf, shall be responsible for the preparation of annual audited financial statements of the Limited Partnership as at the end of each fiscal year of the Limited Partnership. The General Partner shall designate which firm of Chartered Professional Accountants shall be the Auditors of the Limited Partnership. The General Partner, or its agent in that behalf, shall distribute a copy of such audited annual financial statements to each Limited Partner within ninety (90) days after the end of each fiscal year together with the report of the Auditors thereon. All financial statements shall be prepared in accordance with GAAP.

9.4 **Limited Partners Tax Returns** – On or before the appropriate filing deadline specified in Regulation 229(5) of the *Income Tax Act* of Canada, the General Partner shall forward to each Partner information as to the Taxable Income or Tax Loss allocated to such Partner and such other information as is necessary to enable such Partner to file tax returns containing such Partner's income from the Limited Partnership for each fiscal year. Each Partner shall solely be responsible for filing all income tax returns and reporting his, her or its share of the income or loss from the Limited Partnership.

ARTICLE 10 - MEETINGS

10.1 **Meetings** – An annual meeting of Partners shall be called by the General Partner within six (6) months of the fiscal year end of the Limited Partnership. Any Limited Partner may (the “**Requisitioning Partner**”) give to the General Partner signed notices requesting a meeting of the Limited Partnership, the General Partner will, within thirty (30) days of receipt of such notice, convene a meeting, and if it fails to do so, the Requisitioning Partners may convene such meeting by giving notice to the Limited Partners in accordance with this Agreement, signed by each person or persons as the Requisitioning Partners specify. Every meeting, however convened, will be conducted in accordance with this Agreement.

10.2 **Place of Meetings** – Every meeting will be held at a location to be determined by the board of the directors of the General Partner.

10.3 **Notice of Meeting** – Notice of any meeting will be given to each Partner by prepaid registered mail or by personal delivery not less than twenty-one (21) 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.

10.4 **Accidental Omissions**- Accidental omission to give notice of a meeting to, or the non-receipt of notice of a meeting by, any Partner, will not invalidate the proceedings at that meeting.

10.5 **Proxies** – Any Partner entitled to vote at a meeting may vote by proxy if a proxy has been received by the General Partner or the chairperson of the meeting for verification prior to the meeting.

10.6 **Validity of Proxies**- A proxy purporting to be executed by or on behalf of a Partner will be considered to be valid unless challenged at the time of or prior to its exercise, and the person challenging will have the burden of proving to the satisfaction of the chairperson of the meeting that the proxy is invalid and any decision of the chairperson concerning the validity of a proxy will be final.

10.7 **Form of Proxy** – Every proxy will be substantially in the form which follows or in such other form as may be approved by the General Partner or as may be satisfactory to the chairperson of the meeting at which it is sought to be exercised:

“I, _____, of _____, in the Province of _____, being a Partner of the Limited Partnership, hereby appoint _____ of _____, in the Province of _____, as my proxy, with full power of substitution to vote for me and on my behalf at the meeting of Limited Partners to be held on the _____ of _____, 2____, and every adjournment thereof and every poll that may take place in consequence thereof.

As witness my hand this _____ of _____, 2____.”

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

10.9 **Chairperson** – The Chairperson of a meeting of Partners will be the individual elected by Ordinary Resolution of the Partners as chairperson.

10.10 **Quorum** – Subject to this Agreement, a quorum at any meeting of Partners will consist of all Partners who are entitled to vote on any resolution whether attending in person or by proxy. 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 will be held at the same time and, if available, the same place not less than ten (10) days or more than twenty-one (21) days later (or if that date is not a business day, the first business day after that date), and the General Partner will give at least seven (7) days’ notice to all Partners of the date of the reconvening of the adjourned meeting. Such notice need not set forth the matters to be considered unless they are different from those for which the original meeting was called. At such reconvened meeting, the quorum for the meeting and the quorum for any specific resolution to be passed at such meeting will consist of any two Partners then present in person or represented by proxy at such reconvened meeting, provided that such reduced quorum shall not carry out any of the matters set out in section 10.13 or any matter requiring a Special Resolution.

10.11 **Voting** – Voting at the annual meetings shall be conducted in accordance with the following provisions:

- (a) every question submitted to a meeting;
 - (i) which requires a Special Resolution or Unanimous Resolution under this Agreement will be decided by a poll; and
 - (ii) which does not require a Special Resolution or Unanimous Resolution will, except as otherwise provided in this Agreement, be decided by an Ordinary Resolution on a show of hands unless a poll is demanded by a Partner, in which case a poll will be taken,
- (b) and, in the case of an equality of votes, the chairperson will not have a casting vote and the resolution will be deemed to be defeated. The chairperson will be entitled to vote in respect of any Units held by him or for which he may be proxyholder. On any vote at a meeting of Partners, a declaration of the chairperson concerning the results of the vote will be conclusive;
- (c) subject as herein provided, each person present at the meeting will have one vote for each Unit of which he is registered as the Unit holder and for each Unit in respect of which he, she or it is the proxyholder provided that the Class A Units do not have a vote;
- (d) a poll requested or required concerning;

- (i) the election of a chairperson or an adjournment, will be taken immediately on request or;
- (ii) any other matter, will be taken at the meeting of an adjournment of the meeting in such manner as the chairperson directs.

10.12 **Resolution Binding** – Any resolution, whether a Unanimous Resolution, a Special Resolution or an Ordinary 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.

10.13 **Powers Exercisable by Unanimous Resolution** –The following powers shall only be exercisable by Unanimous Resolution passed by the Limited Partners:

- (a) approving or disapproving the sale or exchange in a single transaction of all or substantially all of the business and assets of the Limited Partnership;
- (b) consenting to the amendment of this Agreement;
- (c) waiving any default by the General Partner on such terms as the Partners may determine;
- (d) continuing the Limited Partnership in the event that the Limited Partnership is terminated by operation of law;
- (e) amending, modifying, altering or repealing any Special Resolution or Unanimous Resolution previously passed by the Partners;
- (f) removing the General Partner;
- (g) appointing a new General Partner; and
- (h) dissolving or terminating the Limited Partnership.

Where the General Partner, any Affiliate of the General Partner and any director or officer thereof is the owner of a Unit, they shall be required to abstain from voting in respect of items (c), (g) and (h) above and in addition, shall be required to abstain in any other circumstance in which there is a conflict of interest.

10.14 **Minutes** - The General Partner will cause minutes to be kept of all proceedings and resolutions at every meeting, and copies of any resolutions of the Limited Partnership to be made and entered in books to be kept for that purpose, and any minutes, if signed by the chairperson of the meeting will be deemed to be evidence of the matters stated in them and such meetings 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.

10.15 **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 chairperson of the meeting.

10.16 **Authorized Attendance** – Any officer or a director of a General Partner, and representatives of the accountants or auditors of the Limited Partnership will be entitled to attend and receive notice of any meeting of the Partners set out in the specific place guidelines. The General Partner has the right to authorize the presence of any other person at a meeting regardless of whether the person is a Partner. With the approval of the General Partner that person will be entitled to address the meeting.

ARTICLE 11 - DISSOLUTION AND LIQUIDATION

11.1 **Dissolution and Termination** – The Limited Partnership shall be dissolved upon the earlier of the expiration of its term as described in section 2.10 hereof, or the authorization of such dissolution by Unanimous Resolution, or its dissolution by operation of law, and, in any of these situations, after the completion of the liquidation of the Limited Partnership and distribution to the Limited Partners of all funds remaining after payment of all debts, liabilities and obligations of the Limited Partnership to its creditors.

11.2 **Events Not Causing Dissolution** – Notwithstanding any rule of law or equity to the contrary, the Limited Partnership shall not be dissolved except in accordance with this Agreement. In particular, but without restricting the generality of the foregoing, the Limited Partnership shall not be dissolved or terminated by the removal, actual or deemed resignation, death, incompetence, bankruptcy, insolvency, other disability or incapacity, dissolution, liquidation, winding-up or receivership, or the admission, resignation or withdrawal of the General Partner or any Limited Partner.

11.3 **Distributions upon Dissolution** – Upon dissolution, winding-up or liquidation of the Limited Partnership, the assets of the Limited Partnership shall be liquidated and the proceeds distributed as follows:

- (a) to pay any costs involved in the sale of the Partnership Assets;
- (b) to pay off encumbrances registered against the Partnership Assets;
- (c) to pay all expenses incurred in the winding-up of the Limited Partnership;
- (d) to pay all of the liabilities of the Limited Partnership including the amounts owing to the General Partner in respect of costs and expenses owing to it pursuant to this Agreement, in the manner required by law;
- (e) to establish such reserves as the General Partner considers necessary for contingent liabilities;
- (f) to return to each Limited Partner its pro rata share (based on the number of Class B Units issued and outstanding) of the capital of the Limited Partnership; and

- (g) to distribute any balance then remaining as a payment to each Partner in accordance with the provisions of Article 8 hereof.

Alternatively, the Partners may approve distributions of all Partnership Assets in kind or in specie in which event each Partner shall, subject to the provisions contained herein, be entitled to receive an undivided interest in each and every Partnership Asset in accordance with the proportionate Contribution to the capital of the Limited Partnership made by him or it as of the date of dissolution.

ARTICLE 12 - DEFAULT

- 12.1 An event of default (a “**Default**”) arises if a Partner (the “**Defaulting Partner**”):
- (a) fails to observe, perform or carry out any of its obligations under this Agreement and such failure continues for thirty (30) days after any Partner not in default (the “**Nondefaulting Partner**” individually and the “**Nondefaulting Partners**” collectively) has in writing demanded that such failure be cured;
 - (b) fails to take reasonable actions to prevent or defend assiduously, any action or proceeding, seizure, execution or attachment or which claims possession, sale, foreclosure, the appointment of a receiver or receiver-manager of its assets, or forfeiture of any of the Units of the Defaulting Partner, and such failure continues for thirty (30) days after a Nondefaulting Partner has in writing demanded that such actions be taken or the Defaulting Partner fails to defend successfully any such action or proceeding; or
 - (c) becomes a bankrupt or commits an act of bankruptcy or if a receiver or receiver-manager of its assets is appointed or makes any assignment for the benefit of creditors or otherwise.
- 12.2 If a Default occurs under section 12.1, the Nondefaulting Partner(s) may:
- (a) pursue any remedy available in law or in equity, each Partner acknowledging that specific performance, injunctive relief (mandatory or otherwise) or other equitable relief may be the only adequate remedy for a Default;
 - (b) require the General Partner to take all actions in its own name or in the name of the Defaulting Partner, or the Limited Partnership as may reasonably be required to cure the Default, and all payments, costs and expenses incurred by the Nondefaulting Partner(s) or the General Partner will be payable by the Defaulting Partner to the Nondefaulting Partner(s) or General Partner on demand with interest at the prime commercial lending rate charged by the Limited Partnership’s banker for loans in Canada, plus 2%. A certificate of an officer of such bank in at the bank’s main office in Vancouver, British Columbia shall be conclusive proof of the prime commercial lending rate; and
 - (c) waive the Default provided that any waiver of a particular Default shall not operate as a waiver of any subsequent or continuing Default.

12.3 Without prejudice to section 12.2, if a Default occurs under section 12.1 and such Default has not been cured by ninety (90) days after the Nondefaulting Partner has in writing demanded that such Default be cured (except in the case of a Default arising under section 12.2(c), in which case the following right to provide notice immediately arises upon such event of Default), the Nondefaulting Partner(s) may by written notice (“**Default Notice**”) require the Defaulting Partner to sell all its Units to the Nondefaulting Partner(s) (*pro rata* in the case of there being more than one Nondefaulting Partner) at a price to be determined by the Auditors as being the Fair Market Value of the Units, provided that they are chartered business valuers. The consideration for such Units shall be in cash or in such other form as the Nondefaulting Partners may determine. The Auditors shall make the said determination within thirty (30) days of the Default Notice, and the completion of the purchase by the Nondefaulting Partner(s) (as the case may be) shall take place at the registered office of the Limited Partnership within a period of sixty (60) days from the date of the Default Notice unless otherwise agreed between the Defaulting Partner and the Nondefaulting Partner(s). At such closing the appropriate parties shall execute and deliver such certified cheques, Unit certificates, instruments, conveyances or assignments as may be reasonably requested to effect and complete the sale.

ARTICLE 13 - VOLUNTARY WITHDRAWAL

13.1 **Voluntary Withdrawal** – Either Limited Partner will be able to withdraw from the Limited Partnership with twelve months’ notice in writing or as otherwise agreed by the Limited Partners (“**Withdrawal Notice**”). In the event of voluntary withdrawal for reasons other than bankruptcy, the withdrawing Limited Partner will consent to the transfer of their portion of their interest in the Limited Partnership to the other Limited Partner with the consent of the Province of British Columbia (if required).

13.2 **Compensation on Withdrawal** – Subject to section 13.3, the withdrawing Limited Partner will be compensated by the remaining Limited Partner for its Units in the Limited Partnership at a Fair Market Price to be agreed by the Limited Partners at their sole discretion, plus a share of retained earnings held by the Limited Partnership or the General Partner at the time of withdrawal based upon the withdrawing Limited Partner’s share of the issued and outstanding Class B Units and the Limited Partnership’s financial statements. If the Limited Partners cannot agree on such a price for the Units by sixty (60) days after the date of the Withdrawal Notice, the Limited Partners will engage an independent and qualified valuator to determine such price by no later than 120 days after the date of the Withdrawal Notice. If any dispute or disagreement originates as a result of any matters dealt with under this section, then any of the Limited Partners may refer the dispute or disagreement to a single arbitrator for determination under the arbitration process contemplated by section 14.8.

13.3 **Alternative Resolution** – The remaining Limited Partner may advise the withdrawing Limited Partner in writing within 90 days of (1) receiving current financial information with respect to the Limited Partnership after a Withdrawal Notice or (2) the date of any agreement or decision made pursuant to section 13.2 that it is unable or unwilling to compensate the withdrawing Limited Partner as required under section 13.2. If the withdrawing Limited Partner still wishes to withdraw then the Partners will be deemed to have passed a Unanimous Resolution authorizing the dissolution under section 11.1 and will dissolve the Limited Partnership in accordance with Article 11 of this Agreement.

ARTICLE 14 - MISCELLANEOUS

14.1 **Notices** – Except as otherwise provided in this Agreement, any notice required or permitted to be given under this Agreement shall be sufficiently given if in writing and served personally or sent by fax or by letter, postage prepaid (unless at the time of mailing or within four (4) days thereafter there shall be a strike, interruption or lockout in the Canadian postal service, in which case the notice shall be given by personal delivery or telecopier) as follows:

To the General Partner:

Mailing/Delivery Address:

3790 Sawyer Road, Valemount, British Columbia, V0E 2Z0

Fax No. *

Attention: *

Email: *

The Village of Valemount:

Box 168, 735 Cranberry Lake Road, Valemount, British Columbia, V0E 2Z0

Attention: *

Fax: *

Email: *

Such notice shall be considered to have been given, if delivered or sent by fax, on the date of delivery or the date of sending of fax, as the case may be or, if sent by letter, on the third business day following the date of mailing the letter in a regularly maintained receptacle for the deposit of mail. The General Partner shall advise the Partners of any change in the above address.

14.2 **Confidential Information** – No Partner shall disclose any confidential information relating to the other Partners' finances and business affairs unless such information is in the public domain or was disclosed to the first-mentioned Partner by a third party under no confidential obligation to that Partner to whom the information relates, or such disclosure is required by law, governmental or regulatory body's rules, or such disclosure is given in connection with mediation or legal proceedings in respect of this Agreement.

14.3 **Further Acts** – The parties hereto agree to execute and deliver such further and other documents and to perform and cause to be performed such further and other acts and things as may be necessary or desirable in order to give full effect to this Agreement and every part thereof.

14.4 **Binding Effect**- Subject to the restrictions on assignment and transfer herein contained, this Agreement shall 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.

14.5 **Severability** – Each provision of this Agreement is intended to be severable. If any provision hereof is illegal or invalid, such illegality or invalidity shall not affect the validity of the remainder hereof.

14.6 **Counterparts** – This Agreement may be executed in any number of counterparts with the same effect as if all parties hereto had signed the same documents. This Agreement may also be adopted in any subscription or assignment forms of similar instruments signed by a Partner, with the same effect as if such 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.

14.7 **Time** – Time shall be of the essence hereof.

14.8 **Dispute Resolution** – Should a deadlock occur as a result of a failure to obtain the requisite consents of the parties required under the Agreement, or any dispute or disagreement of any kind arise at any time (i) with respect to the interpretation or application of this Agreement, as amended from time to time, or (ii) the application of GAAP to the records or affairs of the business of the Limited Partnership, the parties agree that good faith negotiations shall take place between them in an attempt to resolve the matter including discussions with a view to one or more parties buying all the Units of the other party(ies). If such good faith negotiations have not resolved the dispute or disagreement within a reasonable period of time, any party to this Agreement may request a mediation among the parties.

The mediator shall be agreed upon by the Partners. In the event they shall be unable to agree upon the mediator, the General Partner may appoint a mediator.

All discussions before the mediator shall be non-binding, confidential and without prejudice to the position of any party. The parties agree that if the mediator process does not result in a satisfactory resolution of the dispute or disagreement after the lesser of (a) either ten (10) hours of mediation, or (b) thirty (30) days from the commencement of the mediation, then any one or more of the Limited Partners may refer the dispute or disagreement to a single arbitrator to effect a binding resolution of the matter pursuant to the *Arbitration Act* of British Columbia. The mediator may not be the arbitrator.

The arbitration shall be completely private. The arbitrator shall fix the appropriate procedure which may include an oral hearing. The issue or issues to be decided by the arbitrator shall be defined in an Arbitration Agreement filed on consent by the Partners. In the event the parties to the arbitration shall be unable to agree upon the issue or issues to be decided by the arbitrator in any arbitration pursuant to this clause, the arbitrator shall have jurisdiction to determine the issue or issues to be decided. The arbitrator may order interest on any award and the arbitrator may award costs to either party. In the absence of any such award of costs, each of the parties shall bear its own costs of any arbitration pursuant to this clause and one-half of the cost of the arbitrator. The arbitrator shall be strictly bound by legal principles and the general nature of this Agreement in rendering his or her decision.

14.9 **Governing Law** – This Partnership Agreement shall be governed by and construed in accordance with the applicable laws of the Province of British Columbia and Canada.

IN WITNESS WHEREOF this Limited Partnership Agreement is executed as of the day and year first above written.

VILLAGE OF VALEMOUNT, by its authorized signatory(ies):

Name:

Name:

VALEMOUNT ECONOMIC DEVELOPMENT CORPORATION, by its authorized signatory(ies):

Name:

Name:

DRAFT

SCHEDULE A

VALEMOUNT ECONOMIC DEVELOPMENT LIMITED PARTNERSHIP

TRANSFER OF UNIT

The undersigned, a Limited Partner in the Limited Partnership (the “**Transferor**”) hereby transfers, assigns and sells to:

(Name of Transferee)

(Residence Address)

(the “**Transferee**”) all right, title and beneficial interest of the undersigned in _____ Units, being Unit Nos. _____, in the Valemount Economic Development Limited Partnership (the “**Limited Partnership**”) a limited partnership formed under the laws of the Province of British Columbia. The undersigned hereby agrees to execute or furnish such documents and to perform any other act as Valemount Economic Development Corporation (the “**General Partner**”) or the Registrar and Transfer Agent of the limited partners (the “**Limited Partners**”) may reasonably require to properly and legally effect a valid transfer of the Units.

Dated this _____ day of _____, 2_____

(Witness)

(Signature of Transferor, and if applicable, name of Company and office held by signatory)

(Residence Address)

The Transferee by execution hereof hereby accepts the within transfer and agrees to be bound, as a Limited Partner in the Limited Partnership by the terms of the Limited Partnership agreement (the “**Limited Partnership Agreement**”) dated for reference the _____ day of _____, 2_____ among the General Partner, as general partner, and each and every person who agrees to become and is accepted as a Limited Partner.

The Transferee hereby represents and warrants that he, she or it:

- (a) is/or is not (delete as applicable) a “non-resident” of Canada within the meaning of the *Income Tax Act* (Canada) and the regulations made thereto, and, if applicable, any corresponding provincial legislation;
- (b) is/or is not (delete as applicable) a “non-Canadian” within the meaning of the *Investment Canada Act* (Canada);
- (c) if an individual, has the capacity and competence to enter into and be bound by this document, the Limited Partnership Agreement and all other agreements contemplated hereby or thereby;
- (d) if a corporation, partnership, unincorporated association or other entity, is legally competent to execute this document, the Limited Partnership Agreement, and all other agreements contemplated by the Limited Partnership Agreement, and to take all actions required pursuant thereto, and it further certifies that all necessary approvals of directors, shareholder, partners, members or otherwise have been given; and
- (e) shall provide such evidence of his status as the General Partner (or the Registrar and Transfer Agent if not the General Partner) may reasonably request.

The undersigned hereby irrevocably nominates, constitutes and appoints the General Partner of the Limited Partnership, with full power of substitution, as his true and lawful attorneys and agents, with full power and authority in his name, place and stead and for his use and benefit to do the following, namely:

- (a) execute, swear to, acknowledge, deliver and file as and where required any and all of the following:
 - (i) all declarations and declarations of change and certificates required under the *Partnership Act* (British Columbia) and other instruments necessary to form, qualify or continue and keep in good standing the Limited Partnership as a limited partnership;
 - (ii) with any governmental body or instrumentality of the Government of Canada or a province, all instruments, declarations and certificates necessary to reflect any amendment to the Limited Partnership Agreement;
 - (iii) any certificates of fictitious or trade names;
 - (iv) all conveyances, agreements and other instruments deemed necessary or desirable by the General Partner to reflect the dissolution and termination of the Limited Partnership, including cancellation of any certificates or declarations and the execution of any elections under the *Income Tax Act* (Canada) and the regulation made thereto, as may be amended or re-enacted from time to time, and any corresponding provincial legislation;
- (b) execute and file with any governmental body or instrumentality thereof of the Governmental of Canada or a province any documents necessary to be filed in connection with the business, property, assets and undertaking of the Limited Partnership; and
- (c) execute and deliver all such other documents or instruments on behalf of and in the name of the Limited Partnership and for the Limited Partners as may be deemed necessary or

desirable by the General Partner to carry out fully the provisions of the Limited Partnership Agreement or any other agreements contemplated hereby or thereby.

The power of attorney granted herein is irrevocable, is a power coupled with an interest, shall survive death, disability or other legal incapacity of the undersigned and shall survive the assignment, to the extent of the obligations of the undersigned under the Limited Partnership Agreement or hereunder, by the undersigned of the whole or in part of the interest of the undersigned in the Limited Partnership and extends to the heirs, executors, administrators, successors and assigns of the undersigned and may be exercised by the General Partner, acting alone or together on behalf of the undersigned in executing any instrument thereon and by listing all the Limited Partners executing such instrument with a single signature as attorney and agent for all of them.

The undersigned agrees to be bound by any representations and actions made or taken in good faith by the General Partner pursuant to this power of attorney in accordance with the terms hereof and the Limited Partnership Agreement and hereby waives any and all defences which may be available to him to contest, negate or disaffirm the action of the General Partner or the Nominee taken in good faith under this power of attorney.

DATED this _____ day of _____, 2_____.

SIGNED, SEALED AND DELIVERED in the presence of:

(Witness)

(Signature of Transferee, and if applicable, name of Company and office held by signatory)

(Print Name)

(Residence Address)

(Mailing Address if different from Residence Address)

(Date of Birth)

A transfer of Units may have income tax implications as between the Transferor and the Transferee and a Limited Partner should consult his tax advisor prior to making any transfer.

No transfer of a fraction of a Unit may be made.

Until a Transferee becomes a Limited Partner in accordance with the Limited Partnership Agreement, all distributions and allocations will be made to persons shown as Limited Partners on the register of Limited Partners.