

[NAME OF LIMITED PARTNERSHIP]
TRADING PROGRAM NUMBER [NO.]

PARTNERSHIP AGREEMENT

This Agreement dated the ____ day of _____, _____ and made between [GENERAL PARTNER] as General Partner and [INITIAL LTD PARTNER] as the Initial Limited Partner and each and every person who subscribes for and pays the subscription price for a Unit and is accepted as a Limited Partner in the Partnership, or who is a successor of any such person and who becomes a Limited Partner upon being registered as such.

WHEREAS [general partner] as General Partner and [initial ltd partner] as the Initial Limited Partner have agreed to form the Limited Partnership in accordance with the terms and for the purpose hereinafter set forth.

NOW THEREFORE THIS AGREEMENT WITNESSES that in consideration of the covenants and agreements contained in this Agreement, the Parties agree as follows:

ARTICLE 1 - INTERPRETATION

1.1 Definitions

In this Agreement, unless otherwise required, the following words or expressions shall have the following meanings:

- (a) "Affiliated Entity" means:
 - (i) any person, firm or corporation owned or controlled, directly or indirectly and whether through the ownership of securities of intermediary corporations or otherwise, by the General Partner or in which the General Partner owns or controls, or has a right to acquire, any shares or other securities or other interests sufficient to own or control, directly or indirectly, the person, firm or corporation;
 - (ii) any partnership, unincorporated association, joint venture or syndicate in which the General Partner is a partner, member or party or in which any affiliated entity is a partner, member or party;
 - (iii) any person, firm or corporation that owns or controls, directly or indirectly and whether through the ownership of securities or intermediary corporations or otherwise, or has a right to acquire shares or other securities of or other interest sufficient to own or control, directly or indirectly, the General Partner;
 - (iv) any person, firm or corporation owned or controlled, directly or indirectly and whether through the ownership of shares of intermediary corporations or otherwise, by any person, firm or corporation referred to in items (i), (ii) or (iii) above, or any continuation thereof, or in which any person, firm or corporation referred to in items (i), (ii), or (iii), above owns or controls, directly or indirectly, or has a right to acquire, any shares or other securities or other interests sufficient to own or control, directly or indirectly, the person, firm or corporation.
- (b) "Accountant" means such accountant who is appointed by the General Partner as an accountant for the Partnership;
- (c) "Business" means the business of engaging [initial ltd partner] for a period of approximately six (6) months and to end no later than [end date] to buy and sell commodities contracts of the Commodities Market under a specialized program developed expressly, solely and exclusively for the Partnership;
- (d) "Capital" means the aggregate amount contributed to the Partnership by all Limited Partners as consideration for the issuance of Units;

- (e) "Commodities Market" means the entire scope of commodities futures contracts traded on the Chicago Board of Trade Exchange, the Chicago Mercantile Exchange, the New York COMEX Exchange and the New York Mercantile Exchange;
- (f) "Dollar" or "\$" means currency of the United States of America;
- (g) "Extraordinary Resolution" means a resolution passed by Limited Partners then holding voting rights, the aggregate number of whose Units represents not less than 75% of the then-outstanding Voting Units, who voted in person or by proxy in respect of such resolution at a meeting of Limited Partners, or any adjournment thereof, called for the purpose of considering such resolutions, or a resolution consented to in writing by Limited Partners then holding Voting Units, the aggregate number of whose Voting Units represents not less than 75% of the then outstanding Voting Units;
- (h) "General Partner" means at any particular time, the party to this Agreement who has executed the Agreement as General Partner and is then holding office as General Partner;
- (i) "Interest" means the right, title and interest of Limited Partners in and to the Partnership at any time as determined by their Sharing Ratios and pursuant to the provisions of this Agreement;
- (j) "Initial Limited Partner" means [initial ltd partner];
- (k) "Limited Partner" means a person who is shown as a Limited Partner on the Certificate filed pursuant to the provisions of *The Partnership Act* in respect of the Partnership as amended from time to time, save and except the Initial Limited Partner;
- (l) "Ordinary Resolution" means a resolution passed by Limited Partners then holding Voting Units, the aggregate number of whose Voting Units represent more than 50% of the then-outstanding Voting Units, who voted in person or by proxy in respect of such resolution at a meeting of Limited Partners, or any adjournment thereof, called for the purpose of considering such resolution, or a resolution consented to in writing by Limited Partners then holding Voting Units, the aggregate number of whose Units represents more than 50% of the then outstanding Voting Units;
- (m) "Partner" means any Limited Partner or the General Partner;
- (n) "Partnership" means the Limited Partnership formed pursuant to the terms of this Agreement as amended from time to time;
- (o) "Partnership Act" means the *Partnership Act*, Chapter P-2 of the Statutes of Alberta, 1980 and all amendments thereto;
- (p) "Person" means an individual, corporation, body corporate, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;
- (q) "Sharing Ratio" of a Limited Partner means the ratio of the number of Units held by a Limited Partner to the aggregate number of Units held by all Limited Partners;
- (r) "Subscription Form" means the Subscription Form and Power of Attorney as adopted by the Partnership from time to time;
- (s) "Unit" means a unit in the capital of the Partnership as provided in Article 3 hereof;
- (t) "Unit Certificate" means the certificate as adopted by the Partnership from time to time;
- (u) "Voting Unit" means a Unit to which has then attaching to it voting rights.

1.2 Interpretation

For the purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

- (a) Persons shall be deemed to be dealing at arm's length with one another if they would be dealing at arm's length with one another for purposes of *The Income Tax Act* (Canada), as amended;
- (b) "This Agreement" or "Partnership Agreement" means this Limited Partnership Agreement as it may from time to time be supplemented or amended;
- (c) 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 hereof;
- (d) All accounting terms not otherwise defined herein have the meanings assigned to them and all computations made pursuant to this Agreement, except as expressly provided otherwise, shall be made in accordance with generally accepted accounting principles;
- (e) All references to currency herein are references to currency of the United States of America;
- (f) Any reference to a statute shall include and shall be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superceding the statute so referred to or the regulations made pursuant thereto;
- (g) Any reference to an entity shall include and shall be deemed to be a reference to any entity that is a successor to such entity;
- (h) Any reference to "approval", "authorization" or "consent" of the General Partner means the written approval, written authorization or written consent of the General Partner; and
- (i) Words importing the masculine gender include the feminine or neuter gender or a body corporate and words in the singular include the plural and vice versa.

ARTICLE 2 - RELATIONSHIP BETWEEN PARTNERS

2.1 Formation of Partnership

The General Partner and the Initial Limited Partner confirm that they have formed the Partnership and covenant to prepare, complete and file the Certificate required by *The Partnership Act* and to do all things and execute and deliver all such documents, instruments and assurances as may be necessary to constitute and form the Partnership as a Limited Partnership.

2.2 Business of the Partnership

The Partnership shall conduct only the Business; provided however that if at anytime the Partnership's Capital account balance drops below fifty (50%) per cent of the aggregate capital contributions of the Limited Partners, the Partnership will end the Business immediately by causing the sale of all its contracts in the Commodities Market and Article 12 hereof shall apply.

2.3 Principal Office

The Principal Office of the Partnership shall be in the City of [city], Alberta.

2.4 Fiscal Period

[revise as appropriate - The Partnership will not have a fiscal period or year as it shall be dissolved within its first year of existence.]

2.5 Status of General Partner

The General Partner represents and warrants to and covenants with each Limited Partner that the General Partner:

- (a) is and will continue to be a corporation duly existing and in good standing under the laws of the Province of Alberta so long as it is the General Partner of the Partnership;
- (b) has and shall continue to have the capacity and corporate authority to act as the General Partner of the Partnership and to perform its obligations under this Agreement and that such obligations do not and shall not conflict with or be in breach of its constating documents, by-laws, or any agreement to which it is or will be a party or by which it is or will be bound nor will it breach any law or regulation applicable to it;
- (c) is and will continue to be duly qualified to carry on business, and has and will continue to have, all requisite authority, licenses and permits to carry on the Business of the Partnership and to enable the Partnership to operate the Business;
- (d) shall carry out its powers and authorities hereunder and manage and operate the Partnership and the undertaking, property and assets thereof in a reasonable and prudent manner; and
- (e) shall devote as much time to the conduct of the Business of the Partnership as is reasonably required for the prudent management of the Business.

2.6 Status of Limited Partner

Each Limited Partner, at the time of subscribing for a Unit, represents and warrants to and covenants with each other Partner, that he:

- (a) is and shall continue to be a "resident" of Canada within the meaning of *The Income Tax Act* (Canada); and is acquiring a Unit or Units for the purpose of earning income therefrom;
- (b) has the capacity and competence to enter into and be bound by this Agreement and does thereby irrevocably affirm, and become a party, to this Agreement and bound hereby;
- (c) shall not assign or purport to assign any Unit to any person who would be unable to make the representations and warranties in paragraphs (a) and (b) above and will not dispose of any Unit until the person to whom such disposition is made has agreed to be bound by the terms and conditions of this Agreement; and
- (d) shall at the request of the General Partner provide such evidence of his status as the General Partner may require.

2.7 Limitation on Authority of Limited Partners

No Limited Partner in his capacity as a Limited Partner shall:

- (a) take part in the control or management of the Business of the Partnership;
- (b) execute any document which binds or purports to bind the Partnership or any other Partner as such;
- (c) hold himself out as having the power or authority to bind the Partnership or any other Partner as such;
- (d) have any authority to undertake any obligation or responsibility on behalf of the Partnership;
- (e) bring any action for partition or sale in connection with any of the assets of the Partnership, whether real or personal, or register or permit any lien or charge in respect of a Unit of such Partner to be filed or registered or remain undischarged against any of the assets of the Partnership in respect of such Partner's Interest in the Partnership; or

- (f) compel a partition, judicial or otherwise, of any of the assets of the Partnership distributed to the Partners in kind.

2.8 Power of Attorney

Each Limited Partner hereby irrevocably constitutes and appoints the General Partner to act, with full power of substitution, as his true and lawful attorney and agent, with full power and authority, in his name, place and stead to:

- (a) execute, swear to and record in the appropriate public offices any and all of the following:
 - (i) this Agreement, all certificates, amendments to certificates and other instruments necessary to form, qualify and constitute the Partnership as a Limited Partnership;
 - (ii) all conveyances and other instruments necessary to reflect the dissolution and determination of the Partnership including cancellation of any certificates and further, including the signing of any elections under *The Income Tax Act* (Canada) as may be amended or re-enacted from time to time and any analogous Provincial 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 Partnership;
- (c) execute and deliver such documents on behalf of and in the name of the Partnership as may be necessary to give effect to the existence and activities of the Partnership as described in Section 2.2 hereof and to this Agreement; and
- (d) in the event a Limited Partner is in default in the due payment of any monies respecting the Units, then such Limited Partner, or the General Partner as his duly authorized attorney, shall execute an assignment of Units from the Limited Partner in favour of the Partnership or in favour of such other assignee as the Partnership may advise, which assignment of Units from the Limited Partner in favour of the Partnership or in favour of such other assignee as the Partnership may advise shall be sufficient to vest the Unit Certificate in the Partnership or the other assignee as advised.

To evidence the foregoing, each Limited Partner has, in executing the Subscription Form for the purchase of Units, executed a Power of Attorney in the form set out in the Subscription Form and fees also forming part thereof. The Power of Attorney granted herein is irrevocable and is a power coupled with an interest and will survive the death or disability of a Limited Partner and extend to the heirs, executors, administrators, successors, and assigns of the Limited Partner, and may be exercised by the General Partner by listing all the Limited Partners and executing any instrument with a single signature as attorney and agent to be bound by any representations and actions made or taken by the General Partner pursuant to such Power of Attorney.

2.9 Unlimited Liability of General Partner

The General Partner shall be liable for the debts, liabilities and obligations of the Partnership to the extent required by the *Partnership Act*.

2.10 Limited Liability of Limited Partners

Subject to the provisions of the *Partnership Act*, the liability of each Limited Partner for the liabilities and obligations of the Partnership is limited to the amount of the capital contributed by him plus his pro rata share of the undistributed capital or income of the Partnership.

THIS IS A 17-PAGE DOCUMENT, including schedules.