

CASCADE LOWER CANYON COMMUNITY FOREST
LIMITED PARTNERSHIP AGREEMENT

THIS LIMITED PARTNERSHIP AGREEMENT is dated for reference the ____ day of May, 2008.

BETWEEN:

**CASCADE LOWER CANYON COMMUNITY FOREST GENERAL
PARTNER CORP.**

(hereinafter called the "Corporation")

("General Partner")

AND:

YALE FIRST NATION

31300A Yate Street

Yale, B C., VOK 2S0

(hereinafter called "YFN")

("Limited Partner")

AND:

DISTRICT OF HOPE

("hereinafter called "Hope")

("Limited Partner")

AND:

FRASER VALLEY REGIONAL DISTRICT

(hereinafter called "FVRD")

("Limited Partner")

(the General Partner and the Limited Partners together being the "Partners")

WHEREAS the General Partner and the Limited Partners have decided to enter into this Limited Partnership Agreement for the purposes of governing the affairs of the Partnership, and will immediately after the execution of this Agreement, file and record Certificates registering the Limited Partnership with the Province of British Columbia;

NOW THEREFOR THIS AGREEMENT WITNESSETH THAT in consideration of the covenants, representations and agreement contained herein, and other good and valuable consideration (the receipt of which is hereby acknowledged), the parties agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.01 In this Agreement, unless the context otherwise requires:

“**Affiliate**” or “**Associate**” shall have the meaning ascribed thereto in the CBCA;

“**Agreement**” means this agreement, including the Schedules to this Agreement, as amended or supplemented from time to time, and “herein”, “hereby”, “hereof”, “hereunder”, “hereto” and similar expressions mean or refer to this Agreement and not to any particular provision of this Agreement;

“**BCBCA**” means the British Columbia *Business Corporations Act*;

“**CBCA**” means the Canada *Business Corporations Act*;

“**Capital Contribution**”, with respect to any Partner, means the amount of capital contributed by such Partner to the Partnership;

“**Declaration**” means the declaration in respect of the Partnership filed pursuant to the Partnership Act as amended in accordance with all notices to amend such declaration filed and recorded as aforesaid;

“**Extraordinary Resolution**” means a resolution, passed at a meeting of Limited Partners, or any adjournment thereof, called to consider the resolution by a unanimous vote of the Limited Partners or a resolution in writing signed in one or more counterparts by all of the Limited Partners ;

“**General Partner**” means Cascade Lower Canyon Community Forest General Partner Corp. and each other party who becomes an additional or substituted General Partner pursuant to the terms and conditions of this Agreement;

“**Income Tax Act**” means the *Income Tax Act* (Canada);

“**Initial Limited Partner**” means each of Yale First Nation, District of Hope and Fraser Valley Regional District.

“**Limited Partners**” means the Initial Limited Partners, Yale First Nation, District of Hope and Fraser Valley Regional District, and each of those persons who from time to time is accepted as and becomes a limited partner of the Partnership in accordance with the terms and conditions of this Agreement;

“**Ordinary Resolution**” means a resolution, passed at a meeting of Limited Partners, or any adjournment thereof, called to consider the resolution by a majority of not less than 50% of the Limited Partners at the meeting, or adjournment;

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

“**Partnership**” means the partnership formed pursuant to the terms of this Agreement under the *Partnership Act*;

“Partnership Act” means the *Partnership Act* (British Columbia);

“Payout” means, with respect to the Limited Partners, such time as the aggregate of distributions to the Limited Partners equal to the sum of the aggregate Capital Contributions made by Limited Partners;

“Qualified Person” means a person who is not a non-resident of Canada within the meaning of the *Income Tax Act* (Canada) and is not a “non-Canadian” within the meaning of the *Investment Canada Act* (Canada);

“Register” means the register of Partners maintained or caused to be maintained pursuant to Section 6.07;

“Registrar and Transfer Agent” means the registrar and transfer agent for the Partnership referred to in Section 6.07;

“Sharing Ratio” with respect to any Limited Partner, means the proportion that the number of Units held by such Limited Partner constitutes of the aggregate number of Units held by all Limited Partners;

“Subscription ” means the subscription in the form attached hereto as Schedule A or such other form as is approved from time to time by the General Partner;

“Unit” means an equal and undivided interest in the Limited partners’ share of the Partnership, which interest entitles the holder thereof to all the rights and benefits of a Limited Partner hereunder;

“Unit Certificate” means a certificate representing ownership of one or more than one Unit, which certificate shall be substantially in the form attached hereto as Schedule C or such other form as is approved from time to time by the General Partner.

1.02 **Schedules.** The following Schedules form part of this Agreement:

Schedule A: Subscription Form
Schedule B: Transfer Form
Schedule C: Unit Certificate

1.03 **Headings.** The division of this Agreement in Articles, Sections, subsections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement.

1.04 **Section References.** Unless the contrary intention appears, references in this Agreement to any Article, Section, subsection, paragraph or Schedule by number or letter or both refer to the Article, Section, subsection, paragraph or Schedule, respectively, bearing that designation in this Agreement.

1.05 **General, Plural.** In this Agreement, unless the context otherwise requires, words importing the singular include the plural and vice versa; and words importing the singular include the plural and vice versa; and words importing gender include all genders.

1.06 **Statutes.** References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

1.07 **Currency.** Unless otherwise stated, all references in this Agreement to sums of Money are expressed in lawful money of Canada.

1.08 **Arm's Length.** Persons shall be deemed to be acting "at arm's length" with one another if they would be at arm's length for purposes of the *Income Tax Act* (Canada).

1.09 **Governing Law.** The General Partner and the Limited Partners agree that this Agreement shall be governed by and construed in accordance with the laws of the Province of British Columbia.

1.10 **Counterpart Signatures.** This Agreement may be executed in as many counterparts as are deemed necessary by the General Partner, and when so executed, each such counterpart is as valid and binding on all parties hereto as every other such counterpart.

1.11 **Provisions Severable.** Each provision of this Agreement is intended to be severable. If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held illegal or invalid, the remainder of this Agreement, or the application of such provision to any person or circumstance other than those to which it is held illegal or invalid, shall not be affected thereby.

1.12 **Time.** Time shall be of the essence hereof.

1.13 **Strict Performance of Covenants.** The failure of any party to seek redress for a violation of or to insist upon strict performance of any provision hereof shall not prevent a subsequent act, which would have originally constituted a violation of such provision or any other provision hereof, from having the effect of an original violation of such provision or any other provision hereof.

ARTICLE 2 THE PARTNERSHIP

2.01 **Formation of Partnership.** The General Partner and the Limited Partners hereby form and enter into the Partnership, a limited partnership to be governed by the laws of British Columbia and the terms and conditions of this Agreement.

2.02 **Name.** The name of the Limited Partnership shall be "Cascade Lower Canyon Community Forest Limited Partnership", or such other name or names as the General Partner

may determine from time to time.

2.03 Principal Office. The principal office of the Partnership shall be the principal office of the General Partner, at 31300A Yate Street, Yale, B. C., VOK 2S0 (with a mailing address of Box 1869, Hope, B. C., VOX 1LO). The General Partner may change the principal office of the Partnership to such other office or offices in the province of British Columbia as the General Partner may from time to time determine, provided that the General Partner gives notice of such change to the Limited Partners. The General Partner may establish such other place or places of business of the Partnership as it may determine from time to time, providing that at no time shall the General Partner or the Partnership have its offices at a location in British Columbia that is not held by Her Majesty the Queen on behalf of a Band of Indians.

ARTICLE 3 BUSINESS OF THE PARTNERSHIP

3.01 Business of the Partnership. The business of the Partnership is for the following purposes, including anything necessary, proper, convenient or incidental to any of the foregoing:

- (a) to make application for a probationary community Forest Agreement in the name of the Limited Partnership;
- (b) to execute all documents and do all matter of things to promote the Limited Partnership to enter into a Community Forest Agreement;
- (c) to manage and operate a community forest for financial gain and for the purpose of the community forest being financially self supporting;
- (d) to support and obtain any other forest tenures that permit the harvest of trees for the Limited Partnership;
- (e) to operate a business of harvesting trees according to a Community Forest Agreement or other forest tenures;
- (f) to sell harvested trees or milled lumber and anything incidental thereto;
- (g) to operate for profit any and all parts of the community forest;
- (h) to comply with the terms of any forest agreement or forest tenure;
- (i) the scope and purpose of the limited partnership shall be limited strictly to the purposes set forth in this paragraph and shall not be extended by implication or otherwise except by the written agreement of each partner;
- (j) nothing in this agreement shall be deemed to restrict in any way the freedom of any party hereto to conduct any business or activity whatsoever, including the acquisition and development of sawmills, forest licences and other forms of

tenure without any accountability to the other partners, save and except as may be specifically provided in this Agreement.

- (k) any other purpose as approved by all of the partners in writing.

3.02 Limitation on Jurisdictions. The Partnership shall not carry on business in any jurisdiction unless:

- (a) in the opinion of counsel to the Partnership, the laws of that jurisdiction limit the liability of the Limited Partners to the same extent that such Limited Partners enjoy limited liability under the laws of the Province of British Columbia and the General Partner has taken all steps which may be required by the laws of that jurisdiction in order for the Limited Partners to benefit from such limited liability;
- (b) in the reasonable opinion of the General Partner, the risk associated with the possible absence of limited liability in that jurisdiction is not significant considering the relevant circumstances; or
- (c) business is carried on in that jurisdiction through a corporate subsidiary.

ARTICLE 4 ADMISSION OF LIMITED PARTNERS AND CAPITAL CONTRIBUTIONS

4.01 Division into Units. The interests of the Limited Partners in the Partnership shall be divided into Units. Each Unit shall, subject to Section 4.02, have attached thereto the same rights and obligations as, and shall rank equally and *pari passu* with, each other Unit with respect to distributions, allocations and voting.

4.02 Subscriptions. Each Limited Partner subscribes for 10,000 Units for an aggregate capital contribution of \$10,000.00 and such subscription is accepted by the General Partner. The General Partner subscribes for 1 Unit for an aggregate capital contribution of \$1.00, and such subscription is accepted by the Partnership.

4.03 Additional Limited Partners. So long as the General Partner is a general partner, the General Partner, with the unanimous approval of all limited partners, may admit Limited partners from time to time and may determine the terms and conditions of the sale of the Units and may do all such things as may be necessary or advisable to give effect to such offering and sale and any such acts done are hereby ratified and confirmed. Each person subscribing for Units must complete, execute and deliver to, or to the order of, the General Partner the Subscription and any other documents deemed necessary by the General Partner to comply with applicable securities laws and the terms and conditions of issue. A subscriber for units shall become a Limited Partner upon the acceptance by the General Partner of the Subscription and other documents, compliance by the Limited Partner with Section 4.06 to the satisfaction of the General Partner and the amendment of the Declaration to include the subscriber as a Limited Partner in accordance with the Partnership Act.

4.04 **Amendment of Declaration.** Upon compliance with the other terms and conditions of this Agreement, the General Partner shall amend the Declaration in accordance with the Partnership Act to include such information as is required to be stated in the Declaration and shall make such other filings and recordings as may be required by law.

4.05 **Refusal of Subscriptions.** The General Partner may, for any reason in its sole discretion, refuse to accept any subscription for a Unit. In the event of any such refusal or in the event of the acceptance of a Subscription but a failure to amend the Declaration in accordance with the Partnership Act to include the subscriber as a Limited Partner, the General Partner shall cause the return of the Subscription and accompanying documents and any contribution of capital to the subscriber.

4.06 **Capital Contributions. Limited Partners.** Each Limited Partner shall contribute or agree to contribute to the capital of the Partnership the Capital Contribution for each Unit subscribed for in accordance with the terms and conditions specified in the Subscription Form or in accordance with such other equivalent terms and conditions as the General Partner determines reasonable.

4.07 **No Additional Capital Contributions. Limited Partners.** No Limited Partner shall be required to make any contribution to the capital of the Partnership in excess of the Capital Contribution required under Section 4.02.

4.08 **No Issue of a Fraction of Unit.** No issue of a fraction of a Unit may be made or will be recognized.

ARTICLE 5 ACCOUNTS, ALLOCATIONS AND DISTRIBUTIONS

5.01 **Capital Account.** The General Partner shall establish and maintain on the books of the Partnership a capital account for the General Partner and each of the Limited Partners, which account shall be credited with each contribution to the capital of the Partnership made by the Partner and credited or debited, as the case may be, with amounts of capital allocated or distributed to the Partner from time to time.

5.02 **Current Accounts.** The General Partner shall establish and maintain on the books of the Partnership a current account for the General Partner and each of the Limited Partners, which account shall be credited with all amounts, other than capital, in respect of which Partners are to be charged, all in accordance with generally accepted accounting principles.

5.03 **Distributions and Allocations between Partners.** Except as otherwise provided in this Agreement:

- (a) all allocation of income, gains and proceeds allocatable to the Partners for the purposes of the *Income Tax Act*, allocations of tax credits with respect to the operations of the Partnership and all distributions to the Partners shall be made

before and after payout on the following basis:

Partner	# Units
General Partner	1
Limited Partner Yale First Nation	10,000
Limited Partner District of Hope	10,000
Limited Partner FVRD – B	10,000

- (b) all allocations of losses, other tax credits and other expenses allocatable to the Partners for the purposes of the Income Tax Act shall be made to the General Partner and the Limited Partners in proportion to the Capital Contributions with respect to the General Partner and the Limited Partners, respectively, at the time of such allocation.

5.04 Distributions and Allocations between Limited Partners. All distributions and allocations among Limited Partners shall be made in accordance with their respective Sharing Ratios at the time of such distribution or allocation.

5.05 Return of Capital. No Partner shall be entitled to a return, or to demand a return, of any of such Partner's Capital Contribution or entitled to any distribution or allocation except as provided herein.

5.06 No Interest Payable on Accounts. Except as provided herein, no Partner has the right to receive interest on any credit balance in accounts maintained on the books of the Partnership and no Partner is liable to pay interest to the Partnership on any deficit in any accounts maintained on the books of the Partnership

5.07 Timing of Distribution and Allocations. Unless otherwise provided herein, where any amount is to be allocated or distributed to any Limited Partner, such allocation or distribution shall be made among the Limited Partners of record at the end of each fiscal year, in the case of any allocation, and as at the date of the distribution in the case of any distribution.

5.08 Distribution of Excess Funds. Subject to Section 5.09, to the extent that the Partnership has funds on hand at the end of any calendar quarter, which are not, in the opinion of the General Partner, needed to satisfy existing or foreseeable obligations of the Partnership, the General Partner shall distribute such funds to the Partners within 15 days following the end of each such quarter.

5.09 **Limitation on Distributions.** No distributions shall be made unless, after making the distribution, sufficient property of the Partnership remains to satisfy all liabilities of the Partnership.

5.10 **Deficit in Accounts.** The interest of a Partner in the Partnership shall not terminate by reason of a negative or zero balance in any accounts maintained on the books of the Partnership with respect to such Partner.

ARTICLE 6 POWER RIGHTS, AND DUTIES OF THE GENERAL PARTNER

6.01 **Management of Partnership.** The General Partner shall, subject to the provisions of this Agreement and in a reasonable and prudent manner, acting in the best interests of the Partnership, manage, control and operate the business and affairs of the Partnership, represent the Partnership and make all decisions regarding the business of the Partnership. No person dealing with the Partnership shall be required to inquire into the authority of the General Partner to take any action or to make any decision in the name of the Partnership.

6.02 **Powers of General Partner.** In addition to the powers and authorities possessed by the General Partner pursuant to the Partnership Act or conferred by law or elsewhere in this Agreement, the General Partner shall have the power and authority to manage, control and operate the business and affairs of the Partnership and to do, or cause to be done, on behalf of the Partnership any and all acts necessary, convenient or incidental to the business of the Partnership, including without limitation:

- (a) to enter into all agreements and do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or documents which the General Partner may, in its discretion, determine appropriate, necessary or advisable in pursuing the business of the Partnership;
- (b) with the consent of the Limited Partners expressed by Ordinary Resolution, to borrow money from time to time without limit as to the terms thereof, and to draw, make and execute and issue promissory notes, evidences of indebtedness and other negotiable and non-negotiable instruments and to secure the payment thereof by mortgage, charge, debenture, pledge or by the creation of any other appropriate security interest against the assets of the Partnership;
- (c) to open and operate bank accounts for the Partnership and designate from time to time the signatories for such accounts;
- (d) to obtain and maintain insurance in such amounts and with such coverage as in the judgment of the General Partner may be necessary or advisable with respect to the business of the Partnership;
- (e) to enter into financing, sales, agency and other agreements and arrangements in connection with the offering and sale of Units;

- (f) to invest funds of the Partnership as provided by Section 6.10;
- (g) to submit to binding arbitration any matters pertaining to the assets, undertaking or business of the Partnership;
- (h) to enter into and acquire other partnerships, companies or business organizations or incorporate, operate and participate in other partnerships, companies or business organizations necessary or advisable for the business of the Partnership and vote for and represent (or appoint proxies for same) the Partnership at all meetings of such partnerships, companies or business organizations and to exercise any and all rights and execute any and all documents, in its absolute discretion, relating to the Partnership's participating in such other partnerships, companies or business organizations;
- (i) to oversee the distribution of the assets of the Partnership after payment or satisfaction of the liabilities of the Partnership in accordance with Article 12;
- (j) to commence and defend any action or proceeding in connection with the Partnership;
- (k) to file all reports, returns and other filings under the Income Tax Act or otherwise;
- (l) to employ all persons necessary for the conduct of the business of the Partnership; and
- (m) to retain such legal counsel, experts, advisors or consultants, and specifically financial or business advisory boards and consultants as the General Partner considers appropriate;

and the General Partner may contract with any person to carry out any of the duties of the General Partner and may delegate to such person any power and authority of the General Partner hereunder, but no such contract or delegation shall relieve the General Partner of any of its duties or obligations hereunder.

6.03 Records of the Partnership. The General Partner shall maintain complete and adequate books and records of the business of the Partnership. Subject to applicable laws, such books and records shall (until the expiry of one year following the termination of the Partnership) be kept available for inspection and audit by any Limited Partner or his duly authorized representatives (at the expense of such Limited Partner) on not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) notice to the General Partner, during normal business hours at the principal office of the Partnership. Notwithstanding the foregoing, but subject to applicable law and Section 10.05, Limited Partners shall not have access to or be provided with information with respect to the business of the Partnership if such disclosure is prohibited by law or agreement.

6.04 **Fiscal Year.** The first fiscal period of the Partnership shall end on March 31, 2009 and, thereafter, the fiscal year of the Partnership shall be the period from and including April 1 to and including March 31.

6.05 **Auditors.** At the request of the Limited Partners by ordinary resolution, the General Partner shall appoint an independent and qualified firm of chartered accountants to act as the auditors of the Partnership and to review and report to the Partners with respect to the financial statements of the Partnership as at the end of, and for, each fiscal year. The General Partner may, in consultation with the Limited Partner, at any time and from time to time, change the auditors of the Partnership.

6.06 **Reporting.** The General Partner shall forward, or cause to be forwarded, to each Limited Partner:

- (a) within 90 days of the end of each fiscal year (or such shorter period as is prescribed by applicable securities legislation), audited
 - (i) a summary of expenditures made by the Partnership;
 - (ii) a summary of Partnership revenues;
- (b) within 90 days of the end of each fiscal year, all income tax reporting information necessary to enable the Limited Partner to file an income tax return with respect to the Limited Partner's participating in the Partnership in such fiscal year; and
- (c) within the time periods prescribed, any other information or documents required to be provided to the Limited Partners under applicable securities or other legislation.

6.07 **Registrar and Transfer Agent.** The General Partner shall either act as registrar and transfer agent for the Partnership or appoint a duly qualified and properly licensed trust or other company for such purpose. In such capacity, the Registrar and Transfer Agent shall maintain and keep a Register comprised of:

- (a) a list of the name and last known residence address of each Partner, including a designation of whether the Partner is a General Partner or a Limited Partner, and the number of Units held by such Partner;
- (b) particulars of the registration of Units;
- (c) particulars of the assignment of Units;
- (d) a copy of the Declaration and any amendments thereto;
- (e) a copy of this Agreement and any amendments hereto; and

- (f) such other records as are required by applicable law.

Upon request, a Limited Partner or his duly authorized representative shall be entitled to inspect, and at its expense receive a copy of, the Register.

6.08 **Filings.** The General Partner shall file or cause to be filed with the appropriate provincial authorities where it will carry on business any and all documents required to be filed by an extra-provincial limited partnership pursuant to the relevant provincial legislation, including, without limitation, a declaration, and any declaration of change required to be filed with respect to additional Limited Partners. All such documents required to be filed pursuant to the relevant provincial legislation will be available for inspection by the Limited Partners. All such documents required to be filed pursuant to the relevant provincial legislation will be available for inspection by the Limited Partners at the principal office of the Partnership.

6.09 **Conduct of Business.** The General Partner agrees to conduct the business of the Partnership in the following manner:

- (a) funds of the Partnership will not be commingled with any other funds of the General Partner or any person;
- (b) title to the assets of the Partnership shall be held in the name of the Partnership or the General Partner, or in the name of any other person or entity as may be required by law or by any person having jurisdiction provided that in such cases, title shall be held under a declaration of trust;
- (c) the General Partner shall not take any action with respect to the property of the Partnership which is not for the benefit of the partnership, provided that any loan of the Partnership and all documentation in support thereof shall specifically be deemed to be for the benefit of the Partnership;
- (d) the Partnership shall not make loans to, nor guarantee the obligations of, the General Partner or any Associate or Affiliate of the General Partner or any of their respective directors or officers;
- (e) the General Partner shall obtain and maintain on behalf of the Partnership insurance in such amounts and with such coverage as in the judgment of the General Partner may be necessary or advisable with respect to the business of the Partnership;
- (f) where services are supplied to the Partnership by the General Partner or any Associate or Affiliate of the General Partner or any of their respective directors or officers, the cost of such services to the Partnership shall not exceed the fair market value thereof.

6.10 **Investment of Funds.** Any funds received by the Partnership, which are not immediately required for disbursement by the Partnership, shall be invested by the General

partner, until required, in securities of, or guaranteed by, the government of Canada, or the government of any province, certificates of deposit of a Canadian chartered bank or in an interest-bearing account in any such bank or in bankers' acceptances.

ARTICLE 7 REIMBURSEMENT AND REMUNERATION OF GENERAL PARTNER

7.01 **Expenses.** The General Partner may from time to time incur reasonable costs and expenses on behalf and for the account of the Partnership and such costs and expenses incurred by the General Partner on behalf or for the account of the Partnership shall be reimbursed by the Partnership or, in the event that funds on hand are insufficient for such reimbursement, may be incurred by the General Partner and shall be considered an advance to the Partnership from the General Partner, which shall be reimbursed. Notwithstanding the foregoing, the General Partner shall not be obligated to advance any amount to the Partnership.

7.02 **Borrowing Costs.** The General Partner is entitled to reimbursement by the Partnership of any advance by the General Partner to the Partnership together with interest thereon at the rate of interest and expense relative thereto at which such amounts are borrowed by the General partner from its bankers, but such interest and expenses shall not exceed that which the Partnership could obtain from recognized financial establishments with respect to similar borrowings.

ARTICLE 8- LIABILITY OF PARTNERS

8.01 **Liability of General Partner.** The General Partner has unlimited liability for the debts, liabilities and obligations of the Partnership to the extent of its assets.

8.02 **Liability of Limited Partners.** Subject to applicable laws, the liability of each Limited Partner for the debts, liabilities and obligations of the partnership shall be limited to the aggregate of the amount of such Limited Partner's Capital Contribution, any additional amount the Limited Partner has agreed to contribute to the capital of the Partnership and such Limited Partner's share of the undistributed assets of the Partnership. A Limited Partner shall have no further liability for such debts, liabilities or obligations and shall not be liable for any further calls, assessments or contributions to the Partnership.

8.03 **Prohibition from Participating in Management.** No Limited Partner, as such, shall take part in the management or control of the business of the Partnership or transaction any business for the Partnership nor may any Limited Partner, as such, have the power to sign for or bind the Partnership.

8.04 **Maintenance of Limited Liability.** The Partnership and the General Partner shall, to the greatest extent practical, endeavour to maintain the limited liability of the Limited Partners under applicable laws of the jurisdictions in which the Partnership carries on or is deemed to carry on business.

8.06 **General Partner Indemnity.** The General Partner shall indemnify and hold harmless each Limited Partner (including former Limited Partners) from and against all costs incurred and damages suffered by such Limited Partner as a result of a loss of limited liability, other than a loss of limited liability caused by any act or omission of such Limited Partner. The General Partner shall indemnify and hold harmless the Partnership as a result of negligence or wilful misconduct by the General Partner or as a result of any act or omission by the General Partner not believed in good faith to be within the scope of authority conferred by this Agreement.

ARTICLE 9 UNIT CERTIFICATES

9.01 **Unit Certificate.** The General Partner shall deliver to each Limited Partner a Unit Certificate in such form as may be approved from time to time by the General Partner specifying the number of Units held by such Limited Partner. Each Unit Certificate shall be signed manually by at least one officer or director of the General Partner or by or on behalf of the Registrar and Transfer Agent and any additional signatures may be printed or otherwise mechanically reproduced and, in such event, a Unit Certificate is as valid as if signed manually, notwithstanding that any person whose signature is so printed or mechanically reproduced shall have ceased to hold the office that such officer or director is stated on the Unit Certificate to hold. A Unit Certificate may be delivered to a Limited Partner entitled thereto by being mailed by prepaid post addressed to the address of such Limited Partners shown in the Register (or in the case of a Unit Certificate in the name of one or more persons, to the person whose name first appears on the Unit Certificate), and none of the Partnership, the General Partner or the Registrar and Transfer Agent shall be liable for any loss occasioned to any Limited Partner by reason that the Unit Certificate so posted is lost or stolen from the mails or is not delivered.

9.02 **Lost Unit Certificate.** Where a Partner claims that a Unit Certificate representing a Unit recorded in the name of such Partner has been defaced or apparently lost, destroyed or wrongly taken, the General Partner shall cause a new Unit Certificate to be issued in substitution for such Unit Certificate, provided that such Limited Partner:

- (a) files with the General Partner a form of proof of loss and an indemnity bond in a form and in an amount satisfactory to the General Partner to indemnify and hold harmless each of the Partnership, General Partner and Registrar and Transfer Agent from any costs, damages, liabilities or expenses suffered or incurred as a result of or arising out of issuing such new Unit Certificate; and
- (b) satisfies such other requirements as are reasonably imposed by the General Partner.

9.03 **Registered Holders of Units.** Where a Unit is subscribed for by or assigned to two or more persons, or a Unit Certificate is in the name of two or more persons:

- (a) the name of each person shall be shown on the Unit Certificate in respect of the Unit;

- (b) the Unit shall be presumed by the Partnership to be held jointly;
- (c) the Unit Certificate shall be delivered to the person whose name appears first on the Register in respect of the Unit;
- (d) amounts distributed by the Partnership in respect of the Unit may be sent to the person whose name appears first on the Register in respect of the Units or to such one of them as the joint holders direct in writing, and any one of such persons may give effectual receipts for any monies or assets distributed in respect of the Unit with the other of such persons having no further recourse against the Partnership; and
- (e) any one of such persons may vote in respect of the Unit as if that person were solely entitled thereto, but if more than one of such persons is present or is represented at a meeting, the person whose name appears first on the Register in respect of the Unit shall alone be entitled to vote in respect thereof.

ARTICLE 10 ASSIGNMENTS AND TRANSFERS OF UNITS

10.01 Transfer of Interest of General Partner. Except as otherwise provided herein, the General Partner may not sell, assign, transfer or otherwise dispose of its interest in the Partnership as general partner, without the prior approval of all the Limited Partners given by Extraordinary Resolution. Any transfer requiring approval as provided herein that is transferred without such approval will not relieve the General Partner of the obligations of the General Partner set forth in this Agreement.

10.02 Assignment of Unit. Subject to applicable securities laws, regulations and orders, subject to compliance with the terms and conditions of this Agreement and subject to the consent of all limited partners, a Unit may be assigned. To effect such an assignment, a Limited Partner, or his duly authorized agent, shall:

- (a) surrender, or cause to be surrendered, to the Registrar and Transfer Agent the Unit certificate representing the Unit being assigned;
- (b) deliver, or caused to be delivered, to the Registrar and Transfer Agent a transfer substantially in the form attached hereto as part of Schedule B, with the signature of the transferor guaranteed by a Canadian chartered bank, trust company or a member of the Investment Dealers Association, completed and executed by such Limited Partner, or his agent, and the assignee;
- (c) cause the assignee to deliver to the Registrar and Transfer Agent a declaration substantially in the form attached hereto as Schedule B and to agree to be bound by the terms of this Agreement and to assume the obligations of a Limited Partner under this Agreement, in form and substance satisfactory to the General Partner;

and

- (d) cause the assignee to pay the reasonable fees and expenses of the Registrar and Transfer Agent in connection with the assignment;

provided that no such person shall become a Limited Partner until all filings and recordings required by law have been duly made, including the amendment of the Declaration to include the assignor as a Limited Partner in accordance with the Partnership Act. If the assignee is entitled to become a Limited Partner pursuant to the provisions hereof, the General Partner is authorized to admit the assignee to the Partnership as a Limited Partner and the Partners hereby consent to the admission of, and will admit, the assignee to the Partnership as a Limited Partner without further act of the Partners.

If the assignor of a Unit is a firm or a corporation, or purports to assign such Unit or fraction thereof in any representative capacity, or if an assignment results from the death, mental incapacity or bankruptcy of a Limited Partner or is otherwise involuntary, the assignor or his legal representative shall furnish the Registrar and Transfer Agent such documents, certificates, assurances, court orders and other materials as the Registrar and Transfer Agent may reasonably require to cause such assignment to be effected.

10.03 No Assignment of a Fraction of Unit. No assignment of a fraction of a Unit may be made or will be recognized.

10.04 Ongoing Obligation of Limited Partner. No assignment of a Unit made pursuant to the foregoing provisions of this Article shall relieve the Limited Partner of any obligation which has accrued or was incurred prior to the effective date of such assignment.

10.05 Assignees Who Are Not Substituted Limited Partners. An assignee of a Unit or a person who has become entitled to a Unit by operation of law who has not complied with Section 10.02, has no right to access or be provided with any information with respect to the business of the Partnership and has only the rights accorded to such assignees pursuant to the Partnership Act.

10.06 Pledge of a Unit. Subject to Section 8.05, a Limited Partner may pledge, hypothecate or assign the Proceeds or distributions in respect of a Unit as security for a loan to, or an obligation of, that Limited Partner.

10.07 Parties Not Bound to See to Trust or Equity. Neither the Registrar and Transfer Agent nor the General Partner shall be bound to see to the execution of any trust (whether express, implied or constructive), charge, pledge, or equity to which any Unit or any interest therein is subject, nor to ascertain or inquire whether any sale or assignment of any Unit or any interest therein by a Limited Partner is authorized by such trust, charge, pledge or equity, nor to recognize any person as having any interest in any Unit, except for the person recorded on the Register as the holder of such Unit. The receipt by any person in whose name a Unit is recorded on the Register shall be a sufficient discharge for all monies, securities and other property payable, issuable or deliverable in respect of such Unit and from all liability therefor. The

Partnership, the General Partner and the Registrar and Transfer Agent shall be entitled to treat the person in whose name any Unit Certificate is registered as the absolute owner thereof.

10.08 **Effective Date of Assignment.** An assignment shall be deemed to take effect on the date the Declaration is amended to include the assignor as a Limited Partner with respect to such assignment in accordance with the *Partnership Act*.

ARTICLE 11 TERM

11.01 **Term.** The Partnership shall continue until the earlier of:

- (a) the date on which it is dissolved in accordance with the terms of this Agreement; and
- (b) March 31, 2031,

unless extended by the Limited Partners by Extraordinary Resolution.

ARTICLE 12 SALE OF ASSETS, DISSOLUTION AND TERMINATION

12.01 **Sale.** Any sale or disposition of all or substantially all the assets of the Partnership shall require the approval of the Limited Partners by Extraordinary Resolution.

12.02 **No Dissolution.** Notwithstanding any rule of law to the contrary, the Partnership shall not be terminated and dissolved except in the manner provided in this Agreement. Without limiting the generality of the foregoing, other than as set out in Section 12.03, the Partnership shall not be terminated or dissolved by the admission of any new Partner or by the withdrawal, removal, retirement, death, mental incompetence, insolvency, bankruptcy, liquidation, dissolution, winding up or other disability of a Partner.

12.03 **Events of Dissolution.** The Partnership shall dissolve upon the occurrence of any of the following events:

- (a) 120 days following the deemed resignation of the General Partner pursuant to Section 14.02 unless the Limited Partners have by Ordinary Resolution appointed a new General Partner prior thereto;
- (b) any event which makes it unlawful for the Partnership business to be continued;
- (c) the date that an Extraordinary Resolution of the Limited Partners, approved by the General Partner, dissolving the Partnership becomes effective;
- (d) the expiration of the term provided in Section 12.01 hereof; or

- (e) subject to Section 12.02, upon the occurrence of any event which, under the laws of the Province of British Columbia, causes the dissolution of a limited partnership.

12.04 Liquidating Trustee. Upon dissolution of the Partnership, the liquidating trustee (which will be the General Partner, unless the General Partner is unable or unwilling to act, in which event the liquidating trustee shall be selected by Ordinary Resolution) shall proceed diligently to wind up the affairs of the Partnership and distribute the assets of the Partnership in accordance with Section 12.05. Subject to Section 12.05, the liquidating trustee may manage, control and operate the business and affairs of the Partnership with all of the power and authority of the General Partner. The liquidating trustee shall be paid its reasonable fees and disbursements in carrying out its duties as such. Allocations and distributions shall continue to be made during the period of liquidating in the same manner as before dissolution. The liquidating trustee shall have full right and unlimited discretion to determine the time, manner and terms of any sale or sales of Partnership assets pursuant to such liquidation, having due regard to the activity and condition of the relevant market and general financial and economic conditions.

12.05 Distribution of Assets. The liquidating trustee shall settle the Partnership accounts as expeditiously as possible and, in the following order, shall:

- (a) sell and liquidate the assets of the Partnership and pay or compromise the liabilities of the Partnership;
- (b) place in escrow a cash reserve fund for contingent liabilities, in an amount determined by the liquidating trustee to be appropriate for such reserve fund, to be held for such period as the liquidating trustee regards as reasonable and then to be distributed pursuant to the following subsections:
- (c) pay the General Partner the amount of any costs, expenses or other amounts which the General Partner is entitled to receive from the Partnership; and
- (d) distribute the remaining assets, including proceeds of sale, to the General Partner and the Limited Partners in accordance with Article 5.

12.06 Reports. Within a reasonable time following the completion of the liquidation of the Partnership's assets, the liquidating trustee shall forward or cause to be forwarded to each of the Partners an audited statement, with respect to the assets and liabilities of the Partnership as of the date of the completion of the liquidation, and each Partner's share of the distributions pursuant to Section 12.05.

12.07 No Other Right. No Partner shall give any right to demand or receive property, other than cash, upon dissolution of the Partnership.

12.08 Final Filing. Upon completion of the liquidation of the Partnership and the distribution of all Partnership assets, the Partnership shall terminate and the liquidating trustee shall execute and record such documents as are required to effect the dissolution and termination of the

Partnership.

ARTICLE 13 REPRESENTATIONS

13.01 Representations of General Partner. The General Partner represents and warrants to and covenants with each Limited Partner that the General Partner:

- (a) is a corporation duly incorporated under the BCBCA;
- (b) is or will become registered, and will maintain such registration, to do business, and has or will acquire all requisite licences and permits to carry on the business of the Partnership, in all jurisdictions in which the Partnership activities render such registration, licence or permit necessary;
- (c) has the capacity and corporate authority to act as General Partner and the performance of its obligations hereunder as General Partner do not and will not conflict with or breach its charter documents, by-laws, or any agreement by which it is bound; and
- (d) is a Qualified Person.

13.02 Representations of Limited Partners. Each Limited Partner represents and warrants to and covenants with the General Partner and each other Limited Partner that such Limited Partner:

- (a) has the legal capacity and competence to enter into and be bound by this Agreement and the Subscription; and
- (b) is a Qualified Person.

13.03 Survival of Representations. The representations contained in this Article shall survive execution of this Agreement and each party is obligated to ensure the continuing accuracy of each representation made by it throughout the term of the Partnership.

ARTICLE 14 RESIGNATION OR REMOVAL OF THE GENERAL PARTNER

14.01 Resignation. The General Partner may resign as the General Partner at any time on not less than 120 days' written notice thereof to the Limited Partners, provided that the General Partner shall not withdraw if the effect thereof would be to dissolve the Partnership or constitute the Partnership a general partnership.

14.02 Deemed Resignation of General Partner. The General Partner shall be deemed to resign as the general partner of the Partnership in the event of: the bankruptcy, insolvency, dissolution, liquidation or winding up of the General Partner (or the commencement of any act or

proceeding in connection therewith which is not contested in good faith by the General Partner); the appointment of a trustee, receiver or receiver and manager of the affairs of the General Partner; a mortgagee or other encumbrancer taking possession of all of the property or assets beneficially owned by the General Partner or a substantial part thereof; levy or execution or any similar process being levied or enforced against all of the property or assets of the General Partner or a substantial part thereof, or the General Partner sells all or substantially all of its assets. The General Partner shall forthwith advise the Limited Partners by written notice of the occurrence of any event referred to in this Section 14.02.

14.03 Removal of General Partner. The General Partner may be removed as general partner of the Partnership by an Ordinary Resolution, provided that at the time of such Ordinary Resolution the General Partner is in default of a material obligation contained in this Agreement and such default has continued for at least 60 days following receipt of notice from any Limited Partner requiring the General Partner to remedy such default. In addition, the General Partner may be removed as general partner of the Partnership at any time by an Extraordinary Resolution. However, the General Partner may only be removed pursuant to this Section 14.03 if the resolution removing the General Partner also appoints a new General Partner as successor.

14.04 Effective Date of Resignation or Deemed Resignation of General Partner. In the event of the resignation of the General Partner pursuant to Section 14.01 or the deemed resignation of the General Partner pursuant to Section 14.02, such General Partner shall cease to be the General Partner of the Partnership and such expressed or deemed resignation shall be effective upon the admission of a new General Partner to the Partnership by Ordinary Resolution (and the filing of an amendment to the Declaration to evidence such action) or, in the event of there being another General Partner at such time, the expiration of 120 days from the date of the giving of the notice of resignation in the case of Section 14.01 or on the occurrence of the event referred to in Section 14.02, in the case of Section 14.02.

14.05 Consequences of Transfer. Upon the admission of a new General Partner:

- (a) the new General Partner shall become a party to this Agreement by signing a counterpart hereof and agreeing to be bound by the terms of this Agreement and assuming the obligations, duties and liabilities of the departing General Partner hereunder as and from the date the new General Partner becomes a party to this Agreement;
- (b) the departing General Partner will do all things and take all steps to effectively transfer title to all Partnership assets, the records and management of the Partnership and the interest of the departing General Partner in the Partnership to the new General Partner; and
- (c) the departing General Partner shall file all amendments to the Declaration and all other documents necessary to record the admission of the new General Partner or qualify or continue the Partnership as a limited partnership.

14.06 Indemnification. Upon the removal or resignation of the General Partner, the

Partnership shall release and hold harmless, and the Limited Partners shall release the General Partner, its officers, directors, shareholders and employees from any and all costs, damages, liabilities or expenses incurred by the General Partner or the Partnership in connection with the Partnership's business or otherwise as a result of or arising out of events occurring after such resignation or removal other than those caused by or deriving from any negligent or fraudulent act or wilful misconduct of the General Partner.

14.07 Continuity of Partnership. In the event of the bankruptcy, insolvency, dissolution, liquidation, winding up, resignation or deemed resignation of the General Partner, the business of the Partnership shall be continued by any new General Partner or remaining General Partner, as the case may be.

ARTICLE 15 MEETINGS

15.01 Consents Without Meeting. The General Partner may secure the consent or agreement of any Limited Partner to any matter requiring such a consent or agreement in writing and such consents or agreements in writing may be used in conjunction with votes given at a meeting of Limited Partners or without a meeting of Limited Partners to secure the necessary consent or agreement hereunder.

15.02 Notice of Meeting. All notices of meetings of Limited Partners will be given to Limited Partners at least thirty (30) and not more than sixty (60) days prior to the meeting. Such notice will specify the time and the place where the meeting is to be held and will specify, in reasonable detail, all matters which are to be the subject of a vote at such meeting and provide sufficient information to enable Limited Partners to make a reasoned judgment on all such matters. It will not be necessary for any such notice to set out the exact text of any resolution proposed to be passed at the meeting provided that the subject matter of any such resolution is fairly set out in the notice or schedule thereto.

15.03 Annual Meeting. The General Partner shall call an annual meeting of Limited Partners to be held between May 1 and September 30 in each calendar year after the first fiscal year for the purpose of reviewing the Partnership business. In addition, the General Partner may call such meetings of the Limited Partners as it considers appropriate and shall call a meeting upon receipt of a written request from Limited Partners holding, in the aggregate, not less than ten percent (10%) of the outstanding Units (excluding Units held by the General Partner). If the General Partner fails or neglects to call, within fifteen (15) days after receipt of such written request, a meeting to be held within 75 days after receipt of such written request then any Limited Partner may call the meeting. Meetings are to be held at the principal place of business of the Partnership or such other place in the Province of British Columbia as the party calling the meeting may designate.

15.04 Chairman. The President of the General Partner, or in his absence any officer of the General Partner, shall be the chairman of all meetings. If no such person is present or all such persons refuse to act, those Limited Partners present in person or represented by proxy at the meeting shall choose, by Ordinary Resolution, some other person present to be chairman.

15.05 **Quorum.** Subject to the provisions of Section 15.06 a quorum at any meeting of the Limited Partners shall consist of all of the Limited Partners (including through attendance by an authorized representative).

15.06 **Adjournment.** If a quorum referred to in Section 15.05 is not present within 30 minutes from the time fixed for holding any such meeting, the meeting may be adjourned by the chairman of the meeting to a date not more than 14 days later at the same time and place. No notice of the adjourned meeting shall be required. At the adjourned meeting, the Limited Partners present in person or represented by proxy shall form a quorum and may transact the business for which the meeting was originally convened, notwithstanding that the number of Limited Partners in attendance may not be sufficient to constitute a quorum of Section 15.05 but provided that this will not affect the voting requirements for Ordinary and Extraordinary Resolutions.

15.07 **Voting.** Except as otherwise specified in this Agreement, on any question submitted to a meeting, each Limited Partner shall be entitled to one vote and questions shall be decided by Ordinary Resolution.

15.08 **Record Date.** Notwithstanding anything herein contained, only Limited Partners who are registered as such in the Register on the record date determined for the meeting shall have the right to attend in person or by proxy and to vote on all matters submitted to the meeting.

15.09 **Proxies.** A Limited partner may attend any meeting of Limited partners personally or may be represented thereat by proxy. Votes at meetings of the Limited Partners may be cast personally or by proxy and resolutions shall be passed by a show of hands or, at the request of any Limited Partner, by ballot. The instrument appointing a proxy shall be in writing under the hand of the appointor or his attorney duly authorized in writing, or, if the appointor is a corporation, under its seal or by an officer or attorney thereof duly authorized and shall be valid only if it refers to a specific meeting, and then only at the meeting or its adjournments. Any person may be appointed a proxy, whether or not he is a Limited Partner.

15.10 **Validity.** The chairman of the meeting shall determine the validity of all instruments or proxy to be used at such meeting.

15.11 **Proxy Validity.** A vote cast in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death, incapacity, insolvency, bankruptcy or insanity of the Limited Partner giving the proxy or the revocation of the proxy, provided that no written notice of such death, incapacity, insolvency, bankruptcy, insanity or revocation shall have been received at the place of meeting prior to the time fixed for holding of the meeting.

15.12 **Right to Attend.** Officers and directors of the General Partner, and the auditors and counsel of the Partnership, shall have the right to attend any meeting of Limited Partners and to address any such meeting on the matters properly before it. Any counsel for or representative authorized in writing by a Limited Partner may attend at any meeting for or on behalf of such Limited Partner and may address the meeting on the matters properly before it.

15.13 **Rules.** To the extent that the rules and procedures for the conduct of a meeting of the Limited Partners are not prescribed in this Agreement, such rules and procedures shall be determined by the chairman of the meeting.

15.14 **Waiver of Defaults.** In addition to all other powers conferred on them by this Agreement, the Limited Partners may by Extraordinary Resolution:

- (a) waive any default on the part of the General Partner on such terms as they may determine and release the General Partner from any claims in respect thereof; and
- (b) require the General Partner on behalf of the Partnership to enforce any obligation or covenant on the part of any Limited Partner.

15.15 **Minutes.** Minutes and proceedings of every meeting of the Partners shall be made and recorded by the General Partner. Minutes, when signed by the chairman of the meeting, shall be prima facie evidence of the matters therein stated. Until the contrary is proved, every meeting in respect of which minutes have been made shall be deemed to have been duly held and convened and all proceedings referred to in the minutes shall be deemed to have been duly passed.

15.16 **Binding Nature of Resolutions.** Any Extraordinary Resolution or Ordinary Resolution made where expressly contemplated by the terms of this Agreement shall be binding on all Limited Partners and their respective heirs, executors, administrators or other legal representatives, successors and assigns, whether or not such Limited Partner was present or represented by proxy at the meeting at which such resolution was passed and whether or not such Limited Partner voted against such resolution.

ARTICLE 16 AMENDMENTS

16.01 **Amendment to Limited Partnership Agreement.** This Agreement may be amended in writing on the initiative of the General Partner with the approval of the Limited Partners given by Extraordinary Resolution, provided that:

- (a) this Article 16 may not be amended;
- (b) this Agreement shall not be amended so as to provide for additional capital contributions from any Limited Partner without the approval of such Limited Partner; and
- (c) this Agreement shall not be amended so as to adversely affect the rights of the General Partner without the consent of the General Partner.

16.02 **Notice to Limited Partners.** Limited Partners shall be notified of the full details of any amendments to this Agreement within 30 days of the effective date of the amendment.

16.03 **Limitation on Amendments.** Notwithstanding the foregoing, or any other provisions to the contrary contained in this Agreement, no amendments of this Agreement shall be adopted if such amendment would:

- (a) change the Partnership to a general partnership;
- (b) change the liability of the General Partner or any Limited Partner;
- (c) allow any Limited Partner to take part in the daily management of the Partnership;
- (d) change the business of the Partnership as set forth in Article 3; or
- (e) change the right of a Limited Partner to vote at any meeting.

ARTICLE 17 NOTICES

17.01 **Addresses For Service.** The addresses for service of the General Partner and the Limited Partner are:

General Partner:	31300A Yate Street Hope, British Columbia, VOK 2S0
Limited Partners	at the mailing address set forth in the Register.

A Limited Partner may from time to time change his address for service hereunder by notice to the General Partner. The General partner may change its address for service by notice to all of the Limited Partners. The notice given by any Partner shall be in accordance with Section 17.02.

17.02 **Notices.** Any notice provided for in this Agreement or any other notice which a Partner may desire to give to the other Partners, shall be in writing and shall be delivered by:

- (a) personal hand delivery to the addressee or, at such address is a body corporate, to an officer of the addressee, or in the absence of an officer, to some other responsible employee of such addressee and shall be deemed to have been given and received on the date of such delivery or, if delivered on a Saturday, Sunday or statutory holiday, on the next day that is not such a day; or
- (b) mailing, postage prepaid, in a properly addressed envelope addressed to the party to whom the notice is to be given at its address for service and shall be deemed to have been given and received four (4) days after the mailing thereof, Saturdays, Sundays and statutory holidays excepted; or

- (c) telegram, telex or telecopier message addressed to the party to whom the notice is to be given at its address for service and shall be deemed to have been given and received one (1) day after the date of sending, Saturdays, Sundays and statutory holidays excepted.

**ARTICLE 18
MISCELLANEOUS**

18.01 **Further Assurances.** Each party hereto agrees to do all such things and take all such actions as may be necessary to give full force and effect to the matters contemplated by this Agreement.

18.02 **Limited Partner not a General Partner.** If any provision of this Agreement has the effect of imposing or subjecting any Limited Partner to any debts, liabilities or obligations in excess of those amounts referred to in Section 8.02, or otherwise results in the Limited Partner becoming a general partner, such provision shall be of no force and effect.

18.03 **Successors and Assigns.** 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 and, to the extent permitted hereunder, their successors and assigns.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day and year first above written.

CASCADE LOWER CANYON COMMUNITY FOREST GENERAL PARTNER CORP.

Per:

Authorized Signatory

DISTRICT OF HOPE

Per:

Authorized Signatory

FRASER VALLEY REGIONAL DISTRICT

Per:

Authorized Signatory

YALE FIRST NATION

Per:

Authorized Signatory

Authorized Signatory

Authorized Signatory

**SCHEDULE "A" TO PARTNERSHIP AGREEMENT
SUBSCRIPTION**

TO: Cascade Lower Canyon Community Forest General Partner Corp.

The undersigned hereby subscribes for _____ Units in Cascade Lower Canyon Community Forest Limited Partnership (the "Partnership") and tenders herewith the applicable payment of \$10,000.00 being \$1.00 for each Unit and which constitutes the aggregate Subscription Price for such Units.

The undersigned acknowledges that participating in the Partnership is subject to acceptance of the subscription by the General Partner of the Partnership, the cheque representing the initial instalment being honoured upon presentation for payment and the agreement (the "Partnership Agreement"). The acceptance of this subscription shall be effective upon acceptance thereof by the General Partner.

The undersigned hereby represents and warrants to each other Partner that:

- (a) the undersigned has the legal capacity and competence to execute this subscription form and to take all actions required pursuant hereto; and
- (b) the undersigned is not a non-resident of Canada, as that expression is defined in the *Income Tax Act* (Canada).

The undersigned covenants and agrees to promptly provide evidence of the foregoing representations and warranties at any time or times as the General Partner reasonably requires and covenants and agrees that he shall not transfer or purport to transfer his Units in whole or in part in any manner to any person who would be unable to make similar representations, warranties and covenants as those set out above.

THE SUBSCRIBER HAS COMPLETED THE FIRST PARAGRAPH OF THIS FORM AND HAS DATED AND SIGNED AND PRINTED HIS NAME AND ADDRESS AND OTHER INFORMATION AS PROVIDED BELOW.

Capitalized terms used herein, unless defined herein, shall have the meaning ascribed to them in the Partnership Agreement.

DATED at _____, British Columbia, this ____ day of __, 20____

Signature of Witness

Signature of Subscriber

(PLEASE PRINT IN BLOCK LETTERS)

Name of Witness

Full Name of Subscriber

Name of Investment Dealer

Social Insurance Number or
Corporation Tax Account Number

Corporation Number

Address of Investment Dealer

Residence Address — Number and
Street

Name of Investment Representative

City, Province, Postal Code

Telephone — Business

Telephone — Residence

Date of Acceptance:

Subscription Accepted by

Per: _____
Authorized Signatory

**SCHEDULE "B" TO PARTNERSHIP AGREEMENT
TRANSFER FORM**

The undersigned, a limited partner in Cascade Lower Canyon Community Forest Partnership (the "Partnership") hereby transfer, assigns and sells all right, title and interest of the undersigned in _____ Units of the Partnership to

Name of Transferee (and
Corporation Number)

Social Insurance Number or
Corporation Tax Account Number

Residence Address

City, Province, Postal Code

The undersigned hereby agrees to execute or furnish such documents and to perform any other acts as the General Partner and the Registrar of the Partnership may reasonably require to properly and legally effect a valid transfer of the Units and thereby constitute the transferee a substituted Limited Partner and to preserve the status of the Partnership as a limited partnership.

DATED this _____ day of _____, 2_____

Witness

Signature of Unit holder

Residence Address

City, Province, Postal Code

The transferee by execution hereby accepts the within transfer and agrees to be bound, as a party to, and as a limited partner in the Partnership, by the terms of the agreement (the "Partnership Agreement") made as of _____, _____ among Cascade Lower Canyon Community Forest General Partner Corp. (the "General Partner"), Yale First Nation, District of Hope, Fraser Valley Regional District (the "Limited Partners")_ as amended or supplemented from time to time. The transferee further acknowledges that he has received a copy of the Partnership Agreement and that the execution hereof shall be deemed to constitute execution by the transferee of a counterpart of the Partnership Agreement.

The Transferee hereby represents and warrants to each other Partner that:

- (a) it has the legal capacity and competence to execute this subscription form and to take all actions required pursuant hereto; and
- (b) it is not a non-resident of Canada, as that expression is defined in the *Income Tax Act* (Canada).

The transferee covenants and agrees to promptly provide evidence of the foregoing representations and warranties at any time or times as the General Partner reasonably requires and covenants and agrees that he shall not transfer or purport to transfer his Units in whole or in part in any manner to any person who would be unable to make similar representations, warranties and covenants as those set out above.

The within transfer of Units shall not be effective until the transfer has been recorded in the manner required under the *Partnership Act* (British Columbia).

Capitalized terms used herein, unless defined herein, shall have the meaning ascribed to them in the Partnership Agreement.

DATED this _____ day of _____, 20.

SIGNED, SEALED AND)
DELIVERED in the presence of:)
)
)
)
)
)
)

Signature of Transferee

SCHEDULE "C" TO PARTNERSHIP AGREEMENT

UNIT CERTIFICATE

CASCADE LOWER CANYON COMMUNITY FOREST PARTNERSHIP

(a limited partnership formed under the laws of the Province of British Columbia)

This is to certify that _____ is the registered holder of _____ units (the "Units") in Cascade Lower Canyon Community Forest Limited Partnership (the "Partnership")

The rights of a holder of Units are governed by an agreement made as of _____ 20__ with respect to the Partnership, as amended or supplemented thereafter (the "Partnership Agreement"). The liability of the holder of this Certificate is limited. Limited partners may lose the protection of limited liability by taking part in the control of the business of the Partnership or may be liable to third parties as a result of false statements in the public filings made pursuant to the Partnership Act (British Columbia) and applicable legislation of the Canadian provinces and territories other than the Province of British Columbia. There is also a possibility for unlimited liability to the extent that the principles of Canadian law recognizing the limitation of liability of limited partners have not been authoritatively established with respect to limited partnerships formed under the laws of one province but operating, owning property or incurring obligations in another province.

Capitalized terms herein shall have the meaning ascribed to them in the Partnership Agreement.

IN WITNESS WHEREOF, Cascade Lower Canyon Community Forest General Partner Corp., the General Partner of the Partnership, has caused this Certificate to be signed by its duly authorized officer.

Cascade Lower Canyon Community Forest
General Partner Corp., as General Partner of
CASCADE LOWER CANYON
COMMUNITY FOREST

By: _____
Authorized Signatory