Execution Version

KEYERA ENERGY LIMITED PARTNERSHIP

U.S. $125,000,000

UNCOMMITTED PRIVATE SHELF FACILITY

Dated November 5, 2010

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TABLE OF CONTENTS

KEYERA ENERGY LIMITED PARTNERSHIP
600 SunLife Plaza, West Tower
144 – 4th Avenue S.W.
Calgary, Alberta
T2P 3N4

U.S. $125,000,000 Uncommitted Private Shelf Facility

November 5, 2010

To Prudential Investment Management, Inc. (*"Prudential"*)

To each other Prudential affiliate which becomes bound by this agreement as hereinafter provided (each, a *"Purchaser"* and collectively, the *"Purchasers"*):

Ladies and Gentlemen:

Keyera Energy Limited Partnership, an Alberta limited partnership (the *"Partnership"*) and Keyera Facilities Income Fund, an Alberta trust (the *"Fund"*) each agree with Prudential and each of the Purchasers as follows:

SECTION 1. AUTHORIZATION OF NOTES.

The Partnership will authorize the issue and sale of its senior promissory notes (the *"Shelf Notes"*, such term to include any such notes issued in substitution thereof pursuant to Section 14) in the aggregate principal amount of U.S. $125,000,000 (including the equivalent in the other Available Currencies), to be dated the date of issue thereof, to mature, in the case of each Shelf Note so issued, no more than 12 years after the date of original issuance thereof, to have an average life, in the case of each Shelf Note so issued, of no more than ten years after the date of original issuance thereof, to bear interest on the unpaid balance thereof from the date thereof at the rate per annum, and to have such other particular terms, as shall be set forth, in the case of each Shelf Note so issued, in the Confirmation of Acceptance with respect to such Note delivered pursuant to Section 2.1(f), and to be substantially in the form of **Exhibit 1** attached hereto. The terms *"Note"* and *"Notes"* as used herein shall include each Shelf Note delivered pursuant to any provision of this Agreement and each Note delivered in substitution or exchange for any such Note pursuant to any such provision. Notes which have (i) the same final maturity, (ii) the same principal prepayment dates, (iii) the same principal prepayment amounts (as a percentage of the original principal amount of each Note), (iv) the same interest rate, (v) the same interest payment periods, (vi) the same currency specification and (vii) the same date of issuance (which, in the case of a Note issued in exchange for another Note, shall be deemed for these purposes the date on which such Note's ultimate predecessor Note was issued), are herein called a *"Series"* of Notes. Certain capitalized and other terms used in this Agreement are defined in **Schedule B**; and references to a *"Schedule"* or an *"Exhibit"* are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

SECTION 2. SALE AND PURCHASE OF NOTES.

Section 2.1. Sale and Purchase of Shelf Notes.

(a) *Facility.* Prudential is willing to consider, in its sole discretion and within limits which may be authorized for purchase by Prudential Affiliates from time to time, the purchase of Shelf Notes pursuant to this Agreement. The willingness of Prudential to consider such purchase of Shelf Notes is herein called the *"Facility"*. At any time, the aggregate principal amount of Shelf Notes stated in Section 1, *minus* the aggregate principal amount of Shelf Notes purchased and sold pursuant to this Agreement prior to such time, *minus* the aggregate principal amount of Accepted Notes (as hereinafter defined) which have not yet been purchased and sold hereunder prior to such time, is herein called the *"Available Facility Amount"* at such time. For purposes of the preceding sentence, all aggregate principal amounts of Shelf Notes and Accepted Notes shall be calculated in U.S. Dollars with the aggregate amount of any Shelf Notes denominated or Accepted Notes to be denominated in any Available Currency other than U.S. Dollars being converted to U.S. Dollars at the rate of exchange used by Prudential to calculate the U.S. Dollar equivalent at the time of the applicable Acceptance under Section 2.1(f). **NOTWITHSTANDING THE WILLINGNESS OF PRUDENTIAL TO CONSIDER PURCHASES OF SHELF NOTES BY PRUDENTIAL AFFILIATES, THIS AGREEMENT IS ENTERED INTO ON THE EXPRESS UNDERSTANDING THAT NEITHER PRUDENTIAL NOR ANY PRUDENTIAL AFFILIATE SHALL BE OBLIGATED TO MAKE OR ACCEPT OFFERS TO PURCHASE SHELF NOTES, OR TO QUOTE RATES, SPREADS OR OTHER TERMS WITH RESPECT TO SPECIFIC PURCHASES OF SHELF NOTES, AND THE FACILITY SHALL IN NO WAY BE CONSTRUED AS A COMMITMENT BY PRUDENTIAL OR ANY PRUDENTIAL AFFILIATE.**

(b) *Issuance Period.* Shelf Notes may be issued and sold pursuant to this Agreement until the earlier of (i) the third anniversary of the date of this Agreement (or if such anniversary date is not a New York Business Day, the New York Business Day next preceding such anniversary) and (ii) the thirtieth day after Prudential shall have given to the Partnership, or the Partnership shall have given to Prudential, a written notice stating that it elects to terminate the issuance and sale of Shelf Notes pursuant to this Agreement (or if such thirtieth day is not a Business Day, the Business Day next preceding such thirtieth day). The period during which Shelf Notes may be issued and sold pursuant to this Agreement is herein called the *"Issuance Period"*.

(c) *Periodic Spread Information.* Provided no Default or Event of Default exists, not later than 9:30 A.M. (New York City local time) on a Business Day during the Issuance Period if there is an Available Facility Amount on such Business Day, the Partnership may request by telecopier or telephone, and Prudential will, to the extent reasonably practicable, provide to the Partnership on such Business Day (or, if such request is received after 9:30 A.M. (New York City local time) on such Business Day, on the following Business Day), information (by telecopier or telephone) with respect to various spreads at which Prudential Affiliates might be interested in purchasing Notes of different average lives; *provided, however,* that the Partnership may not make such requests more frequently than once in every five Business Days or such other period as shall be mutually agreed to by the Partnership and Prudential. The amount and content of information so provided shall be in the sole discretion of Prudential but it is the intent of Prudential to provide information which will be of use to the Partnership in determining whether to initiate procedures for use of the Facility. Information so provided shall not constitute an offer to purchase Notes, and neither Prudential nor any Prudential Affiliate shall be obligated to purchase Notes at the spreads specified. Information so provided shall be representative of potential interest only for the period commencing on the day such information is provided and ending on the earlier of the fifth Business Day after such day and the first day after such day on which further spread information is provided. Prudential may suspend or terminate providing information pursuant to this Section 2.1(c) for any reason, including its determination that the credit quality of the Partnership has declined since the date of this Agreement.

(d) *Request for Purchase.* The Partnership may from time to time during the Issuance Period make requests for purchases of Shelf Notes (each such request being herein called a *"Request for Purchase"*). Each Request for Purchase shall be made to Prudential by telecopier or overnight delivery service, and shall (i) specify the currency (which shall be an Available Currency) of the Shelf Notes covered thereby, (ii) specify the aggregate principal amount of Shelf Notes covered thereby, which shall not be less than U.S. $10,000,000 (or its equivalent in another Available Currency) and not be greater than the Available Facility Amount at the time such Request for Purchase is made, (iii) specify the principal amounts, final maturities, principal prepayment dates and amounts and interest payment periods (quarterly or semi-annually in arrears) of the Shelf Notes covered thereby, (iv) specify the use of proceeds of such Shelf Notes, (v) specify the proposed day for the closing of the purchase and sale of such Shelf Notes, which shall be a Business Day during the Issuance Period not less than 10 days and not more than 25 days after the making of such Request for Purchase, (vi) specify the number of the account and the name and address of the depository institution to which the purchase prices of such Shelf Notes are to be transferred on the Closing Day for such purchase and sale, (vii) certify that the representations and warranties contained in Section 5 are true on and as of the date of such Request for Purchase and that there exists on the date of such Request for Purchase no Event of Default or Default, and (viii) be substantially in the form of Exhibit 1 attached hereto. Each Request for Purchase shall be in writing signed by the Partnership and shall be deemed made when received by Prudential.

(e) *Rate Quotes.* Not later than five Business Days after the Partnership shall have given Prudential a Request for Purchase pursuant to Section 2.1(d), Prudential may, but shall be under no obligation to, provide to the Partnership by telephone or telecopier, in each case between 9:30 A.M. and 1:30 P.M. New York City local time (or such later time as Prudential may elect) interest rate quotes for the several currencies, principal amounts, maturities, principal prepayment schedules, and interest payment periods of Shelf Notes specified in such Request for Purchase (each such interest rate quote provided in response to a Request for Purchase herein called a *"Quotation"*). Each Quotation shall represent the interest rate per annum payable on the outstanding principal balance of such Shelf Notes at which Prudential or a Prudential Affiliate would be willing to purchase such Shelf Notes at 100% of the principal amount thereof.

(f) *Acceptance.* Within the Acceptance Window, an Authorized Officer of the Partnership may, subject to Section 2.1(g), elect to accept on behalf of the Partnership a Quotation as to the aggregate principal amount of the Shelf Notes specified in the related Request for Purchase (each such Shelf Note being herein called an *"Accepted Note"* and such acceptance being herein called an *"Acceptance"*). The day the Partnership notifies Prudential of an Acceptance with respect to any Accepted Notes is herein called the "Acceptance Day" for such Accepted Notes. Any Quotation as to which Prudential does not receive an Acceptance within the Acceptance Window shall expire, and no purchase or sale of Shelf Notes hereunder shall be made based on any such expired Quotation. Subject to Section 2.1(g) and the other terms and conditions hereof, the Partnership agrees to sell to a Prudential Affiliate, and Prudential agrees to cause the purchase by a Prudential Affiliate of, the Accepted Notes at 100% of the principal amount of such Notes, which purchase price shall be paid in the currency in which such Notes are denominated. As soon as practicable following the Acceptance Day, the Partnership, Prudential and each Prudential Affiliate which is to purchase any such Accepted Notes will execute a confirmation of such Acceptance substantially in the form of **Exhibit 3** attached hereto (herein called a *"Confirmation of Acceptance"*). If the Partnership should fail to execute and return to Prudential within three Business Days following the Partnership's receipt thereof a Confirmation of Acceptance with respect to any Accepted Notes, Prudential may at its election at any time prior to Prudential's receipt thereof cancel the closing with respect to such Accepted Notes by so notifying the Partnership in writing.

(g) *Market Disruption.* Notwithstanding the provisions of Section 2.1(f), any Quotation provided pursuant to Section 2.1(e) shall expire if prior to the time an Acceptance with respect to such Quotation shall have been notified to Prudential in accordance with Section 2.1(f): (i) in the case of any Shelf Notes to be denominated in U.S. Dollars, the domestic market for U.S. Treasury securities or derivatives shall have closed or there shall have occurred a general suspension, material limitation, or significant disruption of trading in securities generally on the New York Stock Exchange or in the domestic market for U.S. Treasury securities or derivatives, or (ii) in the case of Shelf Notes to be denominated in a currency other than U.S. Dollars, the markets for the relevant government securities (which in the case of Canadian Dollars, shall be The Toronto Stock Exchange) or the spot and forward currency market, the financial futures market or the interest rate swap market shall have closed or there shall have occurred a general suspension, material limitation, or significant disruption of trading. No purchase or sale of Shelf Notes hereunder shall be made based on such expired Quotation. If the Partnership thereafter notifies Prudential of the Acceptance of any such Quotation, such Acceptance shall be ineffective for all purposes of this Agreement, and Prudential shall promptly notify the Partnership that the provisions of this Section 2.1(g) are applicable with respect to such Acceptance.

(h) *Fees.*

(i) *Structuring Fee.* In consideration for the time, effort and expense involved in the preparation, negotiation and execution of this Agreement, if a minimum initial Shelf Note issuance of U.S. $50,000,000 does not occur within 60 days of the Execution Date (as hereinafter defined), the Partnership will pay to Prudential in immediately available funds a fee (herein called the *"Structuring Fee"*) in the amount of

U.S. $50,000 promptly, and in any event within 5 Business Days, following the end of such 60-day period.

(ii) *Issuance Fee*. The Partnership will pay to each Purchaser in immediately available funds a fee (herein called the *"Issuance Fee"*) on each Closing Day (other than (x) any Closing Day prior to December 31, 2010 and (y) any Closing Day prior to March 31, 2011 if the aggregate principal amount of Notes then outstanding exceeds, or would exceed upon the issuance of Notes on such Closing Day, U.S. $75,000,000) in an amount equal to 0.125% of the U.S. Dollar equivalent of the aggregate principal amount of Notes sold to such Purchaser on each Closing Day, payable on such Closing Day. Such fee shall be payable in U.S. Dollars.

(iii) *Delayed Delivery Fee*. If the closing of the purchase and sale of any Accepted Note is delayed for any reason beyond the original Closing Day for such Accepted Note, the Partnership will pay to each Purchaser which shall have agreed to purchase such Accepted Note on the Cancellation Date or actual closing date of such purchase and sale, an amount (herein called the *"Delayed Delivery Fee"*) equal to:

(A) in the case of an Accepted Note denominated in U.S. Dollars, the product of (1) the amount determined by Prudential to be the amount by which the bond equivalent yield per annum of such Accepted Note exceeds the investment rate per annum on an alternative U.S. Dollar investment of the highest quality selected by Prudential and having a maturity date or dates the same as, or closest to, the Rescheduled Closing Day from time to time fixed for the delayed delivery of such Accepted Note, (2) the principal amount of such Accepted Note, and (3) a fraction the numerator of which is equal to the number of actual days elapsed from and including the original Closing Day for such Accepted Note to but excluding the date of such payment, and the denominator of which is 360; and

(B) in the case of an Accepted Note denominated in a currency other than U.S. Dollars, the sum of (1) the product of (x) the amount by which the bond equivalent yield per annum of such Accepted Note exceeds the arithmetic average of the Overnight Interest Rates on each day from and including the original Closing Day for such Accepted Note, (y) the principal amount of such Accepted Note, and (z) a fraction the numerator of which is equal to the number of actual days elapsed from and including the original Closing Day for such Accepted Note to but excluding the date of such payment, and the denominator of which is 365 (in case of any Accepted Note denominated in Canadian Dollars) and (2) the costs and expenses (if any) incurred by such Purchaser or its affiliates with respect to any interest rate, currency exchange or similar agreement entered into by the Purchaser or any such affiliate in connection with the delayed closing of such Accepted Notes.

In no case shall the Delayed Delivery Fee payable in accordance with this Section be less than zero. The Delayed Delivery Fee described in clause (B) above shall be paid in the currency in which the Accepted Notes are denominated. Nothing contained herein shall obligate any Purchaser to purchase any Accepted Note on any day other than the Closing Day for such Accepted Note, as the same may be rescheduled from time to time in compliance with Section 3.3.

(iv) *Cancellation Fee*. If the Partnership at any time notifies Prudential in writing that the Partnership is canceling the closing of the purchase and sale of any Accepted Note, or if Prudential notifies the Partnership in writing under the circumstances set forth in the last sentence of Section 2.1(f) or the penultimate sentence of Section 3.3 that the closing of the purchase and sale of such Accepted Note is to be canceled, or if the closing of the purchase and sale of such Accepted Note is not consummated on or prior to the last day of the Issuance Period (the date of any such notification, or the last day of the Issuance Period, as the case may be, being herein called the *"Cancellation Date"*), the Partnership will pay to each Purchaser which shall have agreed to purchase such Accepted Note no later than one day after the Cancellation Date in immediately available funds an amount (the *"Cancellation Fee"*) equal to:

(A) in the case of an Accepted Note denominated in U.S. Dollars, the product of (1) the principal amount of such Accepted Note and (2) the quotient (expressed in decimals) obtained by dividing (y) the excess of the ask price (as determined by Prudential) of the Hedge Treasury Note(s) on the Cancellation Date over the bid price (as determined by Prudential) of the Hedge Treasury Note(s) on the Acceptance Day for such Accepted Note by (z) such bid price, with the foregoing bid and ask prices as reported by TradeWeb LLC, or if such information ceases to be available through TradeWeb LLC, any publicly available source of such market data selected by Prudential, and rounded to the second decimal place; and

(B) in the case of an Accepted Note denominated in a currency other than U.S. Dollars, the aggregate of all unwinding costs incurred by such Purchaser or its affiliates on positions executed by or on behalf of such Purchaser or such affiliates in connection with the proposed lending in such currency and setting the coupon in such currency, *provided, however,* that any gain realized upon the unwinding of any such positions shall be offset against any such unwinding costs. Such positions include (without limitation) currency and interest rate swaps, futures and forwards, government bond (including U.S. Treasury bond) hedges and currency exchange contracts, all of which may be subject to substantial price volatility. Such costs may also include (without limitation) losses incurred by such Purchaser or its affiliates as a result of fluctuations in exchange rates. All unwinding costs incurred by such Purchaser shall be determined by Prudential or its affiliate in accordance with generally accepted financial practice. It is acknowledged that a Purchaser of a Note which is to be denominated in a currency other than U.S. Dollars may, for the purpose of achieving short form hedge accounting treatment under Financial Accounting Standard 133, elect to enter into replacement positions (including replacement currency and interest rate swaps) between the Acceptance Day and Closing Day for such Note, and that any calculation of a Cancellation Fee under

Section 2.1(h)(iv)(B) shall take into account all gains and losses realized in connection with the unwinding of both the original positions and such replacement positions.

In no case shall the Cancellation Fee payable in accordance with this Section be less than zero.

SECTION 3. EXECUTION DATE; CLOSING.

Section 3.1. Execution Date. The execution and delivery of this Agreement will be made at the offices of Macleod Dixon LLP, 3700, 400-3rd Avenue S.W. Calgary, Alberta, on November 5, 2010 (the *"Execution Date"*). The sale and purchase of the Shelf Notes will be made at the same offices at separate closings (the *"Closings"*) to be held on or prior to the last day of the Issuance Period on the terms and conditions more fully provided herein.

Section 3.2. Facility Closings. Not later than 11:30 A.M. (New York City local time) on the Closing Day for any Accepted Notes, the Partnership will deliver to each Purchaser listed in the Confirmation of Acceptance relating thereto at the offices of Prudential Capital Group, 2200 Ross Avenue, Suite 4200E, Dallas, Texas 75201, Attention: Law Department or at such other place pursuant to the directions of Prudential, the Accepted Notes to be purchased by such Purchaser in the form of one or more Notes in authorized denominations as such Purchaser may request for each Series of Accepted Notes to be purchased on the Closing Day, dated the Closing Day and registered in such Purchaser's name (or in the name of its nominee), against payment of the purchase price thereof by transfer of immediately available funds for credit to the Partnership's account specified in the Request for Purchase of such Notes.

Section 3.3. Rescheduled Facility Closings. If the Partnership fails to tender to any Purchaser the Accepted Notes to be purchased by such Purchaser on the scheduled Closing Day for such Accepted Notes as provided above in Section 3.2, or any of the conditions specified in Section 4 shall not have been fulfilled by the time required on such scheduled Closing Day, the Partnership shall, prior to 1:00 P.M., New York City local time, on such scheduled Closing Day notify Prudential (which notification shall be deemed received by each Purchaser) in writing whether (i) such closing is to be rescheduled (such rescheduled date to be a Business Day during the Issuance Period not less than one Business Day and not more than 10 Business Days after such scheduled Closing Day (the *"Rescheduled Closing Day"*)) and certify to Prudential (which certification shall be for the benefit of each Purchaser) that the Partnership reasonably believes that it will be able to comply with the conditions set forth in Section 4 on such Rescheduled Closing Day and that the Partnership will pay the Delayed Delivery Fee in accordance with Section 2.1(h)(iii) or (ii) such closing is to be canceled. If a Rescheduled Closing Day is established in respect of Notes denominated in a currency other than U.S. Dollars, such Notes shall have the same maturity date, principal prepayment dates and amounts and interest payment dates as originally scheduled. In the event that the Partnership shall fail to give such notice referred to in the second preceding sentence, Prudential (on behalf of each Purchaser) may at its election, at any time after 1:00 P.M., New York City local time, on such scheduled Closing Day, notify the Partnership in writing that such closing is to be canceled. Notwithstanding anything to the contrary appearing in this Agreement, the Partnership may not elect to reschedule a closing with respect to any given Accepted Notes on more than one occasion, unless Prudential shall have otherwise consented in writing.

SECTION 4. CONDITIONS TO CLOSING.

Prudential's execution and delivery of this Agreement on the Execution Date, and each Purchaser's obligation to purchase and pay for the Notes to be sold to such Purchaser at the Closing for such Notes, is subject to the fulfillment to Prudential's and such Purchaser's satisfaction, prior to or on the Execution Date, or prior to or at such Closing, as applicable, of the following conditions:

Section 4.1. Representations and Warranties. The representations and warranties of the Partnership and the Fund in this Agreement shall be correct when made on the Execution Date and at the time of the applicable Closing (except to the extent of changes caused by the transactions herein contemplated including, for certainty, changes arising as a result of the transactions permitted by Section 23.1).

Section 4.2. Guarantees, Subordination Agreements and Collateral Agency Agreement.

(a) *Subsidiary Guarantee.* Prior to or on the Execution Date, KEFL and each other Person (if any) required to execute and deliver the Subsidiary Guarantee pursuant to Section 9.9 shall have executed and delivered to Prudential for the benefit of all Purchasers under this Agreement the Subsidiary Guarantee. The only Persons executing and delivering the Subsidiary Guarantee on the Execution Date are KEFL, KRL and Rimbey Partnership.

(b) *Fund Guarantee.* Prior to or on the Execution Date, the Fund by its administrator shall have executed and delivered to Prudential for the benefit of all Purchasers under this Agreement the Fund Guarantee.

(c) *Subordination Agreements and Collateral Agency Agreement.* Prior to or on each Closing Day, the Partnership, KEFL, each Purchaser purchasing Notes on such Closing Day and the Collateral Agent, as applicable, shall have executed the Collateral Agency Supplemental Documents as required in order to extend the benefit of the Collateral Agency Agreement and the Subordination Agreements to such Purchasers.

Section 4.3. Performance; No Default. The Partnership and the Fund shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by them prior to the Execution Date or such Closing Day, as applicable, and after giving effect to the issue and sale of the Notes on each Closing Day (and the application of the proceeds thereof as contemplated by Section 5.14) no Default or Event of Default shall have occurred and be continuing.

Section 4.4. Compliance Certificates.

(a) *Officer's Certificate - Closing Condition Matters.* On the Execution Date, each of the Partnership and the Fund shall have delivered to Prudential an Officer's Certificate, dated the

Execution Date, certifying that the conditions specified in Section 4.1 have been fulfilled. On each Closing Day, each of the Partnership and the Fund shall have delivered to each Purchaser purchasing Notes on such date an Officer's Certificate, dated the date of such Closing, certifying that the conditions specified in Sections 4.1, 4.3 and 4.10 have been fulfilled, and such Purchasers shall have determined, acting reasonably, that such changes individually or in the aggregate, have not had, and could not reasonably be expected to have, a Material Adverse Effect.

(b) *Officers Certificate - Corporate, Partnership and Trust Matters.* On each Closing Day, the Partnership shall have delivered to each Purchaser purchasing Notes on such date a Certificate of Authority and Incumbency of an Officer or Director of the Partnership, the Fund, each Person that has delivered a Subsidiary Guarantee in connection herewith, or other appropriate Person, dated the date of such Closing, certifying the applicable governing Constating Documents, authorizing resolutions, copies of the Subordination Agreements, and incumbency of signing officers, as applicable, all relating to the authorization, execution and delivery of the Note Documents to which any such Person, as applicable, is a party.

Section 4.5. Opinions of Counsel. On each Closing Day, each Purchaser purchasing Notes on such date shall have received opinions in form and substance satisfactory to such Purchaser, dated the date of such Closing:

(a) from Macleod Dixon LLP, Canadian counsel for the Fund and its Subsidiaries, substantially in the form of Exhibit 4.5(a), as applicable, and covering such other matters incident to the transactions contemplated hereby as such Purchaser or its counsel may reasonably request (and the Partnership hereby instructs its counsel to deliver such opinions to each Purchaser);

(b) from counsel located in the jurisdiction of organization of each Subsidiary Guarantor delivering a Subsidiary Guarantee on such Closing Day, covering such matters incident to such Subsidiary Guarantee and the transactions contemplated hereby, substantially in the form set forth in Exhibit 4.5(b) and covering such other matters incident to such transactions as such Purchaser or its counsel may reasonably request (and the Partnership hereby instructs its counsel to deliver such opinions to each Purchaser); and

(c) from Chapman and Cutler LLP, special United States counsel for the Purchasers in connection with the transactions contemplated hereby, substantially in the form set forth in Exhibit 4.5(c) and covering such other matters incident to such transactions as such Purchaser may reasonably request.

Section 4.6. Purchase Permitted By Applicable Law, Etc. On the date of such Closing such Purchaser's purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which such Purchaser is subject, without recourse to provisions (such as section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of

Governors of the Federal Reserve System and Canadian federal and provincial securities laws) and (c) not subject such Purchaser to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by such Purchaser, such Purchaser shall have received an Officer's Certificate certifying as to such matters of fact as such Purchaser may reasonably specify to enable such Purchaser to determine whether such purchase is so permitted.

Section 4.7. Sale of Other Notes. Contemporaneously with such Closing, the Partnership shall sell to each other Purchaser and each other Purchaser shall purchase the Notes to be purchased by it at such Closing as specified in the applicable Confirmation of Acceptance.

Section 4.8. Payment of Fees. (a) Without limiting the provisions of Section 16.1, the Partnership shall have paid to Prudential and each Purchaser on or before the Execution Date and such Closing, as applicable, any fees due it pursuant to or in connection with this Agreement, including any Structuring Fee due pursuant to Section 2.1(h)(i), any Issuance Fee due pursuant to Section 2.1(h)(ii) and any Delayed Delivery Fee due pursuant to Section 2.1(h)(iii).

(b) Without limiting the provisions of Section 16.1, the Partnership shall have paid on or before the Execution Date and such Closing, as the case may be, the fees, charges and disbursements of the Purchasers' special counsel referred to in Section 4.5(b) to the extent reflected in a statement of such counsel rendered to the Partnership at least one Business Day prior to such Closing.

Section 4.9. Private Placement Numbers. A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the SVO) shall have been obtained for such Notes.

Section 4.10. Changes in Organizational Structure. As of the Execution Date and each Closing Day, as applicable, following the date of the then most recent financial statements referred to in Section 5.5, the Partnership shall not have changed its jurisdiction of organization or been a party to any merger or consolidation or succeeded to all or any substantial part of the liabilities of any other entity (other than of Wholly-Owned Subsidiaries of the Partnership which are wound-up by the Partnership), except as set out in Schedule 5.4 (as it may be amended from time to time pursuant to Section 2.1(d)).

Section 4.11. Proceedings and Documents. All partnership and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to such Purchaser and its special counsel, and such Purchaser and its special counsel shall have received all such counterpart originals or certified or other copies of such documents as such Purchaser or such special counsel may reasonably request.

SECTION 5. REPRESENTATIONS AND WARRANTIES OF THE PARTNERSHIP AND THE FUND.

The Purchasers and the holders of the Notes recognize and acknowledge that the Partnership and the Fund may supplement the following representations and warranties in this

Section 5, including the Schedules related thereto, pursuant to a Request for Purchase; *provided* that no such supplement to any representation or warranty applicable to any particular Closing Day shall change or otherwise modify or be deemed or construed to change or otherwise modify any representation or warranty given on any other Closing Day or any determination of the falseness or inaccuracy thereof pursuant to Section 11(e). The Partnership and the Fund each represent and warrant to each Purchaser on the Execution Date and on each Closing Day:

Section 5.1. Organization; Power and Authority. (a) On the Execution Date:

(i) The Partnership is a limited partnership duly organized, validly existing and, where legally applicable, in good standing under the laws of Alberta and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Partnership has the limited partnership power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement and the Notes and to perform the provisions hereof and thereof. The sole general partner in the Partnership is Keyera GP Ltd. Keyera Energy Management Ltd. is the duly appointed administrator of the Partnership (in such capacity, the *"Partnership Administrator"*) pursuant to the Partnership Administration Agreement and as such is duly authorized to execute and deliver on behalf of the Partnership this Agreement, the Notes and any other Note Documents to which the Partnership is a party.

(ii) The Fund is a trust duly organized, validly existing and, where legally applicable, in good standing under the laws of Alberta and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Fund has the trust power and authority to own or hold its assets and to execute and deliver the Note Documents to which it is a party and to perform the provisions thereof. The Fund Trustee is the sole trustee of the Fund. Keyera Energy Management Ltd. is the duly appointed administrator of the Fund (in such capacity, the *"Fund Administrator"*) pursuant to the Fund Declaration of trust and the Fund Administration Agreement and as such is duly authorized to execute and deliver on behalf of the Fund and the Fund Trustee the Note Documents to which the Fund is a party.

(iii) KEFL is a corporation duly organized, validly existing and, where legally applicable, in good standing under the laws of Alberta, and is duly qualified as a foreign corporation and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. KEFL has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver the Subsidiary Guarantee and the other Note Documents to which it is a party and to perform the provisions thereof.

(iv) Each other Subsidiary Guarantor is duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of formation and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each other Subsidiary Guarantor has the corporate, partnership or trust, as applicable, power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver the Subsidiary Guarantee and any other Note Documents to which it is a party and to perform the provisions thereof.

(d) On each Closing Day, the Fund, the Partnership and each Subsidiary Guarantor is duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of formation and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Fund, the Partnership and each Subsidiary Guarantor has the corporate, partnership or trust, as applicable, power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver the Notes issued on such Closing Day and each other Note Document to which it is a party and to perform the provisions thereof.

Section 5.2. Authorization, Etc. (a) This Agreement and the Notes have been duly authorized by all necessary partnership action on the part of the Partnership, and this Agreement constitutes, and upon execution and delivery thereof each Note will constitute a legal, valid and binding obligation of the Partnership enforceable against the Partnership in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(b) This Agreement and the Fund Guarantee have been duly authorized by all necessary corporate action on the part of the Fund and this Agreement and the Fund Guarantee constitute legal, valid and binding obligations of the Fund enforceable against the Fund in accordance with their respective terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

(c) The Subsidiary Guarantee has been duly authorized by all necessary corporate or partnership action on the part of each Subsidiary Guarantor, as applicable, and constitutes a legal, valid and binding obligation of each such Subsidiary Guarantor enforceable against it in accordance with its terms, except as such enforceability may be limited by (i) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (ii) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.3. Disclosure. This Agreement and the documents, certificates or other writings delivered to the Purchasers by or on behalf of the Partnership in connection with the transactions contemplated hereby and identified in Schedule 5.3, and the financial statements listed in Schedule 5.5 (this Agreement and such documents, certificates or other writings and financial statements delivered to each Purchaser prior to the Execution Date or any Closing Day, as applicable, being referred to, collectively, as the *"Disclosure Documents"*), taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Disclosure Documents, since the end of the most recent fiscal year for which audited financial statements have been furnished, there has been no change in the financial condition, operations, business or properties of the Partnership, the Fund or any Restricted Subsidiary except changes that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect.

Section 5.4. Organization and Ownership of Shares of Subsidiaries. (a) Schedule 5.4, as it may be amended from time to time pursuant to Section 2.1(d), contains a complete and correct list of the Fund's Subsidiaries, showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Fund and each other Subsidiary.

(b) All of the outstanding shares of capital stock or similar equity interests of each Restricted Subsidiary shown in Schedule 5.4, as it may be amended from time to time pursuant to Section 2.1(d), as being owned by the Fund and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Fund or another Subsidiary free and clear of any Lien (except as otherwise disclosed in such Schedule 5.4 and except for Liens permitted by Section 10.4).

(c) Each Restricted Subsidiary identified in Schedule 5.4, as it may be amended from time to time pursuant to Section 2.1(d), is a corporation, partnership, trust or other legal entity duly organized, validly existing and, where legally applicable, in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation, partnership, trust or other legal entity and, where legally applicable, is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Restricted Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) No Restricted Subsidiary is a party to, or otherwise subject to any legal, regulatory, contractual or other restriction (other than this Agreement, the agreements listed on Schedule 5.4 and customary limitations imposed by corporate law or similar statutes) restricting the ability of such Restricted Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Fund, the Partnership or any Subsidiary Guarantor.

Section 5.5. Financial Statements; Material Liabilities. The Partnership and the Fund have delivered to Prudential copies of the financial statements of the Fund and its Subsidiaries listed on Schedule 5.5. The Partnership and the Fund have delivered to each Purchaser of any Accepted Notes the following financial statements identified by a Senior Financial Officer of the Partnership: (a) a consolidated statement of financial position of the Fund and its Subsidiaries as at December 31 in each of the three fiscal years of the Fund most recently completed prior to the date as of which this representation is made or repeated to such Purchaser (other than fiscal years completed within 120 days prior to such date for which audited financial statements have not been released) and consolidated statements of earnings and cash flows of the Fund and its Subsidiaries for each such year, all reported on by Deloitte & Touche LLP and (ii) an unaudited consolidated statement of financial position of the Fund and its Subsidiaries as at the end of the quarterly period (if any) most recently completed prior to such date and after the end of such fiscal year (other than quarterly periods completed within 60 days prior to such date for which financial statements have not been released) and the comparable quarterly period in the preceding fiscal year and unaudited consolidated statements of earnings and cash flows for the periods from the beginning of the fiscal years in which such quarterly periods are included to the end of such quarterly periods, prepared by the Fund. All of said financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Fund and its Subsidiaries as of the respective dates thereof and the consolidated results of their operations and cash flows for the respective periods indicated and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments). The Partnership, the Fund and its Restricted Subsidiaries do not have any Material liabilities that are not disclosed on such financial statements or otherwise disclosed in the Disclosure Documents.

Section 5.6. Compliance with Laws, Other Instruments, Etc. The execution, delivery and performance by the Partnership, the Fund and each Subsidiary Guarantor of each Note Document to which it is a party will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Partnership, the Fund or any Restricted Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter, memorandum and articles of association, regulations or by-laws, or any other agreement or instrument to which the Partnership, the Fund or any Restricted Subsidiary is bound or by which the Partnership, the Fund or any Restricted Subsidiary or any of their respective properties may be bound or affected, (b) conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Partnership, the Fund or any Restricted Subsidiary or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Partnership, the Fund or any Restricted Subsidiary.

Section 5.7. Governmental Authorizations, Etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Partnership, the Fund or any Subsidiary Guarantor of any Note Document, including, without limitation, any thereof required in connection with the obtaining of Canadian Dollars to make payments under any Note Document and the payment of such Canadian Dollars to Persons resident in the United States of America. It is not necessary to ensure the legality, validity, enforceability or admissibility into evidence in Alberta of any Note Document that any thereof or any other document be filed, recorded or enrolled with any Governmental Authority, or that any such agreement or document be stamped with any stamp, registration or similar transaction tax.

Section 5.8. Litigation; Observance of Statutes and Orders. (a) There are no actions, suits, investigations or proceedings pending or, to the knowledge of the Partnership, threatened against or affecting the Partnership, the Fund or any Restricted Subsidiary or any property of the Partnership, the Fund or any Restricted Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(b) None of the Partnership, the Fund nor any Restricted Subsidiary is in default under any term of any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including, without limitation, Environmental Laws or the USA Patriot Act) of any Governmental Authority, which default or violation, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

Section 5.9. Taxes. (a) The Partnership, the Fund and its Restricted Subsidiaries have filed all tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (i) the amount of which is not individually or in the aggregate Material or (ii) the amount, applicability or validity of which is currently being contested in good faith by appropriate proceedings and with respect to which the Partnership, the Fund or a Restricted Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. None of the Partnership, the Fund or any Restricted Subsidiary knows of any basis for any other tax or assessment that could reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Partnership, the Fund and its Restricted Subsidiaries in respect of federal, provincial or other taxes for all fiscal periods are adequate.

(b) The Partnership, the Fund and each Subsidiary Guarantor is permitted to make all payments of interest on, or in respect of, the principal amount of the Non-Canadian Held Notes and interest on such interest, Make-Whole Amount or Modified Make-Whole Amount, as applicable, and interest thereon, and the principal amount of the Non-Canadian Held Notes (in each case, a *"Payment"*) to a holder free and clear of and without deduction for or on account of any Taxes imposed by Canada, Alberta or any other applicable Governmental Authority in any jurisdiction in which the Partnership, the Fund or such Subsidiary Guarantor carries on business or from which Payments are made, or by any taxing authority thereof (collectively, *"Imposed Taxes"*), and any such amounts as are owing or payable or which become owing or payable by and are paid to a holder will not presently be subject to any Imposed Taxes imposed, levied, assessed or collected by Canada or Alberta or any taxing authority thereof, provided in both cases that as of the time of such Payment:

(i) such holder does not use the Non-Canadian Held Notes in, or hold the Non-Canadian Held Notes in the course of, carrying on business in Canada, and is not deemed to use the Non-Canadian Held Notes in connection with a business carried on in Canada for the purposes of the Tax Act, and if such holder carries on an insurance business in Canada and elsewhere, it establishes that the debt evidenced by the Non-Canadian Held Notes is neither "designated insurance property" (as defined in subsection 138(12) of the Tax Act and Regulation 2401(1), as amended or substituted from time to time), nor effectively connected with the insurance business it carries on in Canada, and

(ii) the holder deals at arm's length with the Partnership for the purposes of the Tax Act.

(c) The Partnership, the Fund and each Subsidiary Guarantor is permitted to make all Payments on or in respect of Canadian Held Notes to a holder of Canadian Held Notes free and clear of and without deduction for or on account of any Imposed Taxes.

(d) For the purposes of this Section 5.9, all Notes that, at any relevant date of determination hereunder, are held by a Person that is resident or deemed to be a resident of Canada, or in the case of a Person that is a partnership, all partners of which are resident in Canada, in each case for the purposes of Part XIII of the Tax Act as at such date, are herein called *"Canadian Held Notes"*, and all Notes that are not Canadian Held Notes are herein called *"Non-Canadian Held Notes"*.

Section 5.10. Title to Property; Leases. The Partnership, the Fund and its Restricted Subsidiaries have good and sufficient title to their respective Material properties, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by the Partnership, the Fund or any Restricted Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement, except for those defects in title and Liens that, individually or in the aggregate, would not have a Material Adverse Effect. All Material leases are valid and subsisting and are in full force and effect in all material respects.

Section 5.11. Licenses, Permits, Etc. The Partnership, the Fund and its Restricted Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, proprietary software, service marks, trademarks and trade names, or rights thereto, that individually or in the aggregate are Material, without known conflict with the rights of others, except for those conflicts that, individually or in the aggregate, would not have a Material Adverse Effect.

Section 5.12. Compliance with ERISA; Non-U.S. Plans. (a) The Fund and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and would not reasonably be expected to result in a Material Adverse Effect. Neither the Fund nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in section 3 of ERISA), and no event, transaction or condition has occurred or exists that would reasonably be expected to result in the incurrence of any such liability by the Fund or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Fund or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to section 401(a)(29) or 412 of the Code, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities. The present value of the accrued benefit liabilities (whether or not vested) under each Non-U.S. Plan that is funded, determined as of the end of the Fund's most recently ended fiscal year on the basis of reasonable actuarial assumptions, did not exceed the current value of the assets of such Non-U.S. Plan allocable to such benefit liabilities. The term "benefit liabilities" has the meaning specified in section 4001 of ERISA and the terms "current value" and "present value" have the meaning specified in section 3 of ERISA.

(c) The Fund and its ERISA Affiliates have not incurred (i) withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material or (ii) any Material obligation in connection with the termination of or withdrawal from any Non-U.S. Plan.

(d) The expected postretirement benefit obligation (determined as of the last day of the Fund's most recently ended fiscal year in accordance with Financial Accounting Standards Board Statement No. 106, without regard to liabilities attributable to continuation coverage mandated by section 4980B of the Code) of the Partnership, the Fund and its Restricted Subsidiaries is not Material.

(e) The execution and delivery of this Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to section 4975(c)(1)(A)-(D) of the Code. The representation by the Partnership to each Purchaser in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of such Purchaser's representation in Section 6.2 as to the sources of the funds used to pay the purchase price of the Notes to be purchased by such Purchaser.

(f) All Non-U.S. Plans have been established, operated, administered and maintained in compliance with all laws, regulations and orders applicable thereto, except where failure so to comply would not be reasonably expected to have a Material Adverse Effect. All premiums, contributions and any other amounts required by applicable Non-U.S. Plan documents or applicable laws to be paid or accrued by the Partnership, the Fund and its Restricted Subsidiaries have been paid or accrued as required, except where failure so to pay or accrue would not be reasonably expected to have a Material Adverse Effect.

Section 5.13. Private Offering by the Partnership. (a) Neither the Partnership nor anyone acting on its behalf has offered the Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any person other than the Purchasers and other Institutional Investors, each of which has been offered the Notes at a private sale for investment. Neither the Partnership nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act or to the registration requirements of any securities or blue sky laws of any applicable jurisdiction.

(b) In the case of each offer or sale of the Notes, no form of general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act was used in the United States by the Partnership nor anyone acting on its behalf, including advertisements, articles, notices or other communications published in any newspaper, magazine, on the Internet or similar medium or broadcast over television or radio, or any seminar or meeting whose attendees have been invited by any general solicitation or general advertising.

(c) No securities of the same or similar class as the Notes have been issued and sold by the Partnership nor anyone acting on its behalf (i) in the United States or to any U.S. person as such persons are defined in Regulation S under the Securities Act within the six-month period immediately prior to the date hereof, nor (ii) outside the United States except for offers and sales made pursuant to and in accordance with Regulation S.

Section 5.14. Use of Proceeds; Margin Regulations. The Partnership will apply or cause to be applied the proceeds of the sale of the Shelf Notes as set forth in the applicable Request for Purchase. None of the proceeds of the sale of any Notes will be used to finance a Hostile Tender Offer. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Partnership in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). The Partnership does not own any margin stock. As used in this Section, the terms "margin stock" and "purpose of buying or carrying" shall have the meanings assigned to them in said Regulation U.

Section 5.15. Existing Debt. (a) Except as described therein, Schedule 5.15 sets forth a complete and correct list of all outstanding Debt of the Partnership, the Fund and its Restricted Subsidiaries (other than Debt owed to the Partnership, the Fund or another Restricted Subsidiary) as of September 30, 2010 (including a description of the obligors and obligees, principal amount outstanding and collateral therefor, if any, and Guarantee thereof, if any), and as of the Execution Date there has been no Material change since September 30, 2010 in the amounts, interest rates, sinking funds, installment payments or maturities of the Debt of the Partnership, the Fund or its Restricted Subsidiaries. None of the Partnership, the Fund nor any Restricted Subsidiary has outstanding any Debt except as permitted by Section 10.5 and Section 10.7. None of the

Partnership, the Fund nor any Restricted Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Debt of the Partnership, the Fund or such Restricted Subsidiary and no event or condition exists with respect to any Debt of the Partnership, the Fund or any Restricted Subsidiary the outstanding principal amount of which exceeds Cdn. $25,000,000 that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Debt to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) None of the Partnership, the Fund nor any Restricted Subsidiary is a party to, or otherwise subject to any provision contained in, any instrument evidencing Debt of the Partnership, the Fund or such Restricted Subsidiary, any agreement relating thereto or any other agreement (including, but not limited to, its charter or other organizational document) which limits the amount of, or otherwise imposes restrictions on the incurring of, Debt of the Partnership, except as specifically indicated in Schedule 5.15.

Section 5.16. Foreign Assets Control Regulations, Etc. (a) Neither the sale of the Notes by the Partnership hereunder nor its use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive orders relating thereto.

(b) None of the Partnership, the Fund nor any Subsidiary (i) is a Person described or designated in the Specially Designated Nationals and Blocked Persons List of the United States Office of Foreign Assets Control or in Section 1 of the Anti-Terrorism Order (each an *"OFAC Designated Person"*); (ii) is a Person described or designated under the provisions of the *Special Economic Measures Act* (Canada) or the *United Nations Act* (Canada), or any associated regulations (each a *"Canadian Sanctions Designated Person"*); or (iii) knowingly engages in any dealings or transactions with any OFAC Designated Person or any Canadian Sanctions Designated Person. The Partnership, the Fund and its Subsidiaries are in compliance, in all material respects, with the USA Patriot Act.

(c) No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for any payments to any governmental official or employee, political party, official of a political party, candidate for political office, or anyone else acting in an official capacity, in order to obtain, retain or direct business or obtain any improper advantage, in violation of the United States Foreign Corrupt Practices Act of 1977, as amended, assuming in all cases that such Act applies to the Partnership or the Fund.

Section 5.17. Status under Certain Statutes. None of the Partnership, the Fund nor any Restricted Subsidiary is required to register as an investment company under the Investment Company Act of 1940, as amended, nor is subject to regulation under the Public Utility Holding Company Act of 2005, as amended, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

Section 5.18. Ranking of Obligations. The Partnership's payment obligations under this Agreement and the Notes will, upon issuance of the Notes, rank at least pari passu, without preference or priority, with its obligations under the Bank Facility and with all other unsecured and unsubordinated Debt of the Partnership. The Fund's payment obligations under the Fund Guarantee will rank at least pari passu, without preference or priority, with its obligations under its guarantee of the Bank Facility and with all other unsecured and unsubordinated Debt of the Fund. Each Subsidiary Guarantor's payment obligations under the Subsidiary Guarantee will, upon issuance thereof, rank at least pari passu, without preference or priority, with its obligations under, or under its guarantee of (as applicable) the Bank Facility and with all other unsecured and unsubordinated Debt of such Subsidiary Guarantor.

SECTION 6. REPRESENTATIONS OF THE PURCHASERS.

Section 6.1. Purchase for Investment. Each Purchaser severally represents that it is purchasing the Securities for its own account or for one or more separate accounts maintained by such Purchaser or for the account of one or more pension or trust funds and not with a view to the distribution thereof in violation of the Securities Act, *provided* that the disposition of such Purchaser's or their property shall at all times be within such Purchaser's or their control. Each Purchaser understands that the Securities have not been registered under the Securities Act, and that the distribution of the Securities has not been qualified by a prospectus under Canadian federal or provincial securities laws, and may be transferred or resold (including by pledge or hypothecation) only if registered pursuant to the provisions of the Securities Act and a valid qualification under applicable state securities or "blue sky" laws, or if an exemption from registration or qualification is available, except under circumstances where neither such registration nor such an exemption is required by law, and may be transferred or resold (including by pledge or hypothecation) in Canada only in compliance with applicable Canadian federal and provincial securities laws and that the Partnership is not required to register the Securities or their distribution in the United States or Canada. Such Purchaser is knowledgeable, sophisticated and experienced in business and financial matters; it has previously invested in securities similar to the Securities (but issued by other Persons); and it (or, if it is purchasing for a managed account, such account on behalf of which such Purchaser is acting) is able to bear the economic risk of its investment in the Securities and is presently able to afford the complete loss of such investment; it understands and acknowledges that the Partnership is not obligated to file and has no present intention of filing with the United States Securities and Exchange Commission or with any state securities administrator any registration statement in respect of resales of the Securities; and it (or, if it is purchasing for a managed account, such account on behalf of which such Purchaser is acting) is a resident of Canada or is an Institutional Accredited Investor; and it acknowledges it has been afforded sufficient access to information about the Partnership, the Fund and its Subsidiaries and the financial condition and business of each sufficient to enable it to evaluate its investment in the Securities.

If such Purchaser is a resident of Canada:

(a) it is purchasing the Notes as principal or for accounts on behalf of which its purchase is deemed to be as principal under applicable securities legislation, and it is an "accredited investor" as such term is defined in National Instrument 45-106;

(b) it acknowledges that the sale and delivery of the Notes to such Purchaser and (if applicable) to any purchaser on whose behalf such Purchaser is contracting hereunder, is conditional upon such sale being exempt from the prospectus and dealer registration requirements under applicable securities laws in the province of Canada in which such Purchaser is resident;

(c) it acknowledges that the Notes are subject to resale restrictions under applicable securities laws, and it has been advised to consult its own legal advisors with respect to applicable resale restrictions; and

(d) it will comply with all relevant securities legislation concerning any resale of the Notes.

The Purchasers acknowledge that the Securities shall bear a legend substantially in the following form:

> THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE SOLD OR TRANSFERRED WITHOUT COMPLIANCE WITH THE REGISTRATION OR QUALIFICATION PROVISIONS OF APPLICABLE U.S. FEDERAL AND STATE SECURITIES LAWS OR APPLICABLE EXEMPTIONS THEREFROM. UNLESS PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (I) [DATE OF NOTE ISSUANCE], AND (II) THE DATE THE PARTNERSHIP BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.

Section 6.2. Source of Funds. Each Purchaser severally represents that at least one of the following statements is an accurate representation as to each source of funds (a *"Source"*) to be used by such Purchaser to pay the purchase price of the Notes to be purchased by it hereunder:

(a) the Source is an "insurance company general account" (as the term is defined in the United States Department of Labor's Prohibited Transaction Exemption (*"PTE"*) 95-60) in respect of which the reserves and liabilities (as defined by the annual statement for life insurance companies approved by the NAIC (the *"NAIC Annual Statement"*)) for the general account contract(s) held by or on behalf of any employee benefit plan together with the amount of the reserves and liabilities for the general account contract(s) held by or on behalf of any other employee benefit plans maintained by the same employer (or affiliate thereof as defined in PTE 95-60) or by the same employee organization in the general account do not exceed 10% of the total reserves and liabilities of the general account (exclusive of separate account liabilities) plus surplus as set forth in the NAIC Annual Statement filed with such Purchaser's state of domicile; or

(b) the Source is a separate account that is maintained solely in connection with such Purchaser's fixed contractual obligations under which the amounts payable, or credited, to any employee benefit plan (or its related trust) that has any interest in such separate account (or to any participant or beneficiary of such plan (including any annuitant)) are not affected in any manner by the investment performance of the separate account; or

(c) the Source is either (i) an insurance company pooled separate account, within the meaning of PTE 90-1 or (ii) a bank collective investment fund, within the meaning of the PTE 91-38 and, except as disclosed by such Purchaser to the Partnership in writing pursuant to this clause (c), no employee benefit plan or group of plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(d) the Source constitutes assets of an "investment fund" (within the meaning of Part V of PTE 84-14 (the *"QPAM Exemption"*)) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part V of the QPAM Exemption), no employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section V(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, as of the last day of its most recent calendar quarter, the QPAM does not own a 10% or more interest in the Partnership and no Person controlling or controlled by the QPAM (applying the definition of "control" in Section V(e) of the QPAM Exemption) owns a 20% or more interest in the Partnership (or less than 20% but greater than 10%, if such person exercises control over the management or policies of the Partnership by reason of its ownership interest) and (i) the identity of such QPAM and (ii) the names of all employee benefit plans each of whose interests in such investment fund when combined with the investment in the investment fund of other plans maintained by the same employer or employee organization equal or exceed 10% of the assets of the investment fund have been disclosed to the Partnership in writing pursuant to this clause (d); or

(e) the Source constitutes assets of a "plan(s)" (within the meaning of Section IV of PTE 96-23 (the *"INHAM Exemption"*)) managed by an "in-house asset manager" or "INHAM" (within the meaning of Part IV of the INHAM Exemption), the conditions of Part I(a), (g) and (h) of the INHAM Exemption are satisfied, neither the INHAM nor a person controlling or controlled by the INHAM (applying the definition of "control" in Section IV(d) of the INHAM Exemption) owns a 5% or more interest in the Partnership and (i) the identity of such INHAM and (ii) the name(s) of the employee benefit plan(s) whose assets constitute the Source have been disclosed to the Partnership in writing pursuant to this clause (e); or

(f) the Source is a governmental plan; or

(g) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Partnership in writing pursuant to this clause (g); or

(h) the Source does not include assets of any employee benefit plan, other than a plan exempt from the coverage of ERISA.

As used in this Section 6.2, the terms "employee benefit plan," "governmental plan," and "separate account" shall have the respective meanings assigned to such terms in section 3 of ERISA.

SECTION 7. INFORMATION AS TO THE FUND.

Section 7.1. Financial and Business Information. The Partnership shall deliver to Prudential and each holder of Notes that is an Institutional Investor:

(a) *Quarterly Statements* - within 60 days after the end of each quarterly fiscal period in each fiscal year of the Fund (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of unaudited consolidated financial statements for the Fund as at the end of such quarter setting forth in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer of the Fund as fairly presenting, in all material respects, the financial position of the entities being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments; *provided* that the Partnership shall be deemed to have made such delivery of such financial information if the Partnership shall have timely made such financial information available on "SEDAR" (at the date of this Agreement located on the worldwide web at: http//www.sedar.com) and on the Partnership's home page on the worldwide web (at the date of this Agreement located at: http//www.keyera.com) and shall have given each Purchaser prior notice (in accordance with the requirements of Section 19) of such availability on SEDAR and on the Partnership's home page specifically in connection with each delivery (such availability and notice thereof being referred to as *"Electronic Delivery"*) and such certification is in accordance with Multilateral Instrument 52-109 (Certification of the Company's Annual and Interim Filings as adopted by the Canadian Securities Administrator);

(b) *Annual Statements* - within 120 days after the end of each fiscal year of the Fund, duplicate copies of audited consolidated financial statements of the Fund as at the end of such year, setting forth in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by an opinion thereon of independent public accountants of recognized international standing, which opinion shall state that such financial statements present fairly, in all material respects the financial position of the entities being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances; *provided* that the Partnership shall be deemed to have made such delivery of such financial information if the Partnership shall have timely made Electronic Delivery thereof;

(c) *Alberta Securities Commission and Other Reports* - promptly upon their becoming available, one copy of (i) each financial statement sent by the Fund to securities holders generally, and (ii) each regular or material periodic report, each registration statement (without exhibits except as expressly requested by such holder), and each prospectus and all amendments thereto filed by the Fund with any securities exchange, including the Alberta Securities Commission or the U.S. Securities and Exchange Commission or any successor agency to any of the foregoing or any other Canadian or United States federal, state or provincial securities regulatory authority or with any Canadian provincial or United States stock exchange and of all press releases and other statements made available generally by the Fund to the public concerning developments that are Material; *provided* that the Partnership may make any delivery under clauses (i) or (ii) by Electronic Delivery;

(d) *Notice of Default or Event of Default* - promptly, and in any event within five Business Days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Partnership, the Fund or any Restricted Subsidiary is taking or proposes to take with respect thereto;

(e) *Employee Benefit Matters* - promptly and in any event within five Business Days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Fund or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in section 4043(c) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Fund or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that could reasonably be expected to result in the incurrence of any liability by the Fund or any ERISA

Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Lien on any of the rights, properties or assets of the Fund or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, would reasonably be expected to have a Material Adverse Effect; or

(iv) receipt of notice of the imposition of a Material financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans;

(f) *Notices from Governmental Authority* - promptly, and in any event within 30 days of receipt thereof, copies of any notice to the Partnership, the Fund or a Restricted Subsidiary from any Governmental Authority relating to any order, ruling, statute or other law or regulation that could reasonably be expected to have a Material Adverse Effect;

(g) *Unrestricted Subsidiaries* – if and for so long as the Partnership, the Fund and its Restricted Subsidiaries on a consolidated basis (excluding Unrestricted Subsidiaries) contribute in the aggregate less than 90% of the consolidated revenue of the Fund and its Subsidiaries on a consolidated basis, then the Partnership and the Fund shall be required, in addition to the requirements of and within the respective periods provided in Sections 7.1(a) and 7.1(b), to provide consolidated financial statements of the Partnership, the Fund and its Restricted Subsidiaries on a consolidated basis pursuant to Sections 7.1(a) and 7.1(b), without taking into consideration the financial statements pertaining to the Fund and its Subsidiaries on a consolidated basis, together with a table reflecting eliminations or adjustments required to reconcile such financial statements to the financial statements of the Fund and its Subsidiaries on a consolidated basis, with the effect and result that financial terms and definitions used in determining compliance with financial covenants herein contained shall be reported on the basis of financial statements pertaining to the Partnership, the Fund and its Restricted Subsidiaries only (excluding Unrestricted Subsidiaries), rather than the Fund and its Subsidiaries on a consolidated basis; and

(h) *Requested Information* - with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Partnership, the Fund or any of its Restricted Subsidiaries or relating to the ability of the Partnership to perform its obligations under this Agreement and the Notes as from time to time may be reasonably requested by any such holder of Notes, including information readily available to the Partnership explaining the Partnership's financial statements if such information has been requested by the SVO in order to assign or maintain a designation of the Notes and information complying with the requirements of Rule 144A under the Securities Act.

Section 7.2. Officer's Certificate. Each set of financial statements delivered to Prudential or a holder of Notes pursuant to Sections 7.1(a) or 7.1(b) hereof shall be accompanied by a certificate of a Senior Financial Officer of the Partnership setting forth (in addition to those matters stated in Sections 7.1(a) and 7.1(b)):

(a) *Covenant Compliance* - the information (including detailed calculations) required in order to establish whether the Partnership was in compliance with the requirements of Sections 10.5, 10.6 and 10.7 hereof during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); and

(b) *Event of Default* - a statement that such officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Partnership, the Fund and its Restricted Subsidiaries from the beginning of the interim or annual period covered by the statements then being furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists, specifying the nature and period of existence thereof and what action the Partnership shall have taken or proposes to take with respect thereto.

Section 7.3. *Visitation.* The Partnership shall permit the representatives of each holder of Notes that is an Institutional Investor:

(a) *No Default* — if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Partnership, to visit the principal executive office of the Partnership, the Fund and the Restricted Subsidiaries to discuss the affairs, finances and accounts of the Partnership, the Fund and the Restricted Subsidiaries with the officers of the Partnership, the Fund and the Restricted Subsidiaries, and, with the consent of the Partnership (which consent will not be unreasonably withheld) to visit the other offices and properties of the Partnership, the Fund and the Restricted Subsidiaries, all at such reasonable times and during normal business hours (but in any event limited to once in each fiscal year); and

(b) *Default* — if a Default or Event of Default then exists, at the expense of the Partnership to visit and inspect any of the offices or properties of the Partnership, the Fund and the Restricted Subsidiaries, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Partnership authorizes said accountants to discuss the affairs, finances and accounts of the Partnership, the Fund and the Restricted Subsidiaries), all at such times and as often as may be requested.

Section 7.4. Limitation on Disclosure Obligation. The Partnership shall not be required to disclose the following information pursuant to Section 7.1(c), 7.1(h) or 7.3:

(a) information that the Partnership determines after consultation with counsel qualified to advise on such matters that, notwithstanding the confidentiality requirements of Section 21, it would be prohibited from disclosing by applicable law or regulations without making public disclosure thereof; or

(b) information that, notwithstanding the confidentiality requirements of Section 21, the Partnership is prohibited from disclosing by the terms of an obligation of confidentiality contained in any agreement with any non-Affiliate binding upon the Partnership and not entered into in contemplation of this clause 7.4(b), *provided* that the Partnership shall use commercially reasonable efforts to obtain consent from the party in whose favor the obligation of confidentiality was made to permit the disclosure of the relevant information and *provided further* that the Partnership has received a written opinion of counsel confirming that disclosure of such information without consent from such other contractual party would constitute a breach of such agreement.

Promptly after a request therefor from any holder of Notes that is an Institutional Investor, the Partnership will provide such holder with a written opinion of counsel (which may be addressed to the Partnership) relied upon as to any requested information that the Partnership is prohibited from disclosing to such holder under circumstances described in this Section 7.4.

SECTION 8. PAYMENT AND PREPAYMENT OF THE NOTES.

Section 8.1. Maturity. Each Series of Shelf Notes shall be subject to required prepayments, if any, set forth in the Notes of such Series, *provided* that upon any partial prepayment of the Shelf Notes of any Series pursuant to Section 8.2, 8.3, 8.4 or 10.9, the principal amount of each required prepayment of the Shelf Notes of such Series becoming due under this Section 8.1 on and after the date of such prepayment shall be reduced in the same proportion as the aggregate unpaid principal amount of the Shelf Notes of such Series is reduced as a result of such prepayment.

Section 8.2. Optional Prepayments with Make-Whole Amount. The Partnership may, at its option, upon notice as provided below, prepay on any interest payment date all, or from time to time any part of, the Notes, in an amount not less than U.S. $5,000,000 (and integral multiples of U.S. $100,000 in excess thereof) in aggregate principal amount of such Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid and the Make-Whole Amount determined for the prepayment date with respect to such principal amount. The Partnership will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date (which shall be a Business Day), the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.5), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Partnership shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount as of the specified prepayment date.

Section 8.3. Prepayment of the Notes for Tax Reasons With Modified Make-Whole Amount. If at any time as a result of a Change in Tax Law (as defined below) the Partnership is or becomes obligated to make any Additional Payments (as defined below) in respect of any payment of interest on account of any of the Notes in an aggregate amount for all affected Notes equal to 5% or more of the aggregate amount of such interest payment on account of all of the Notes, the Partnership may give the holders of all affected Notes irrevocable written notice (each, a *"Tax Prepayment Notice"*) of the prepayment of such affected Notes on a specified prepayment date (which shall be a Business Day not less than 30 days nor more than 60 days after the date of such notice) and the circumstances giving rise to the obligation of the Partnership to make any Additional Payments and the amount thereof and offering to prepay all of the affected Notes on the date of such prepayment at 100% of the principal amount so prepaid together with interest accrued thereon to the date of such prepayment plus an amount equal to the Modified Make-Whole Amount for each such Note. Such Tax Prepayment Notice shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Modified Make-Whole Amount due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Each holder of an affected Note that wishes to accept such prepayment in respect of all or any of the affected Notes held by it shall give written notice to that effect to the Partnership no more than 20 days after receipt of the Tax Prepayment Notice (each, a *"Tax Prepayment Acceptance Notice"*). The form of Tax Prepayment Acceptance Notice and a description in reasonable detail of the nature and date of the Change in Tax Law shall accompany the Tax Prepayment Notice. Failure to give a Tax Prepayment Acceptance Notice with respect to any affected Note within such 20 day period shall be deemed to be a rejection of the prepayment of such affected Note or affected Notes held by such holder, and shall operate as a permanent waiver of such holder's right to receive the Additional Payments arising as a result of the circumstances described in the Tax Prepayment Notice in respect of all future payments of interest on such Note or Notes (but not of such holder's right to receive any Additional Payments that arise out of circumstances not described in the Tax Prepayment Notice or which exceed the amount of the Additional Payment described in the Tax Prepayment Notice), which waiver shall be binding upon all subsequent transferees of such Notes. The principal amount of all Notes that are the subject of a Tax Prepayment Acceptance Notice together with interest accrued thereon plus the Modified Make-Whole Amount to the date of such prepayment shall become due and payable on such prepayment date. Two Business Days prior to such prepayment, the Partnership shall deliver to each holder of any Note being so prepaid a certificate of a Senior Financial Officer specifying the calculation of such Modified Make-Whole Amount as of such prepayment date.

No prepayment of the Notes pursuant to this Section 8.3 shall affect the obligation of the Partnership to pay Additional Payments in respect of any payment made on or prior to the date of such prepayment. For purposes of this Section 8.3, any holder of more than one affected Note may act separately with respect to each affected Note so held (with the effect that a holder of more than one affected Note may accept such offer with respect to one or more affected Notes so held and reject such offer with respect to one or more other affected Notes so held).

The Partnership may not offer to prepay or prepay Notes pursuant to this Section 8.3 (a) if a Default or Event of Default then exists, (b) until the Partnership shall have taken commercially reasonable steps to mitigate the requirement to make the related Additional Payments or (c) if the obligation to make such Additional Payments directly results or resulted from actions taken by the Partnership, the Fund or any Subsidiary (other than actions required to be taken under applicable law), and any Tax Prepayment Notice given pursuant to this Section 8.3 shall certify to the foregoing and describe such mitigation steps, if any.

For purposes of this Section 8.3: *"Additional Payments"* means additional amounts required to be paid to a holder of any Note pursuant to Section 13 by reason of a Change in Tax Law; and a *"Change in Tax Law"* means (individually or collectively with one or more prior changes) (i) an amendment to, or change in, any law, treaty, rule or regulation of Canada after the date of the related Closing, or an amendment to, or change in, an official interpretation or application of such law, treaty, rule or regulation after the date of the related Closing, which amendment or change is in force and continuing and meets the opinion and certification requirements described below or (ii) in the case of any other jurisdiction that becomes a Taxing Jurisdiction after the date of the related Closing, an amendment to, or change in, any law, treaty, rule or regulation of such jurisdiction, or an amendment to, or change in, an official interpretation or application of such law, treaty, rule or regulation, in any case after such jurisdiction shall have become a Taxing Jurisdiction, which amendment or change is in force and continuing and meets such opinion and certification requirements. No such amendment or change shall constitute a Change in Tax Law unless the same would in the opinion of the Partnership (which shall be evidenced by an Officer's Certificate of the Partnership and supported by a written opinion of counsel having recognized expertise in the field of taxation in the Taxing Jurisdiction, both of which shall be delivered to all holders of the Notes prior to or concurrently with the Tax Prepayment Notice in respect of such Change in Tax Law) affect the deduction or require the withholding of any Tax imposed by such Taxing Jurisdiction on any payment payable on the Notes.

Section 8.4. Prepayment on Change of Control Without Make-Whole Amount or Modified Make-Whole Amount. The Partnership shall, within 5 Business Days after any Responsible Officer has knowledge of a Change of Control, give all holders of Notes written notice thereof (each, a *"Change of Control Prepayment Notice"*), which notice shall contain and constitute an offer to prepay the Notes on a specified prepayment date (which shall be a Business Day not less than 30 days nor more than 60 days after the date of such notice) at 100% of the principal amount so prepaid together with interest accrued thereon to the date of such prepayment but, for certainty, without any Make-Whole Amount or Modified Make-Whole Amount. Each holder of a Note that wishes to accept such prepayment in respect of all or any of the Notes held by it shall give written notice to that effect to the Partnership no more than 20 days after receipt of the Change of Control Prepayment Notice (each, a *"Change of Control Prepayment Acceptance Notice"*). The form of Change of Control Prepayment Acceptance Notice and a description in reasonable detail of the nature and date of the Change of Control shall accompany the Change of Control Prepayment Notice. Failure to give a Change of Control

Prepayment Acceptance Notice with respect to any Note within such 20-day period shall be deemed to be a rejection of the prepayment of such Note or Notes held by such holder. The principal amount of all Notes that are the subject of a Change of Control Prepayment Acceptance Notice together with interest accrued thereon to the date of such prepayment shall become due and payable on such prepayment date.

For purposes of this Section 8.4, any holder of more than one Note may act separately with respect to each Note so held (with the effect that a holder of more than one Note may accept such offer with respect to one or more Notes so held and reject such offer with respect to one or more other Notes so held).

Section 8.5. Allocation of Partial Prepayments. In the case of each partial prepayment of the Notes pursuant to Section 8.2, (a) if a Default or Event of Default has occurred and is continuing, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes (without distinction as to Series) at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts of all Notes not theretofore called for prepayment, and (b) if no Default or Event of Default has occurred and is continuing, the Partnership may, at its option, prepay one Series of Notes without prepaying any other Series, allocated among all of the Notes of such Series at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts of the Notes of the Series being prepaid but not theretofore called for prepayment.

Section 8.6. Maturity; Surrender, Etc. In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note of any Series to be prepaid shall mature and become due and payable on the date fixed for such prepayment (which shall be a Business Day), together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount or Modified Make-Whole Amount, if any. From and after such date, unless the Partnership shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount or Modified Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Partnership and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

Section 8.7. Purchase of Notes. The Partnership will not and will not permit any Affiliate to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Series of Notes except (a) upon the payment or prepayment of the Series of Notes in accordance with the terms of this Agreement and the Notes or (b) pursuant to an offer to purchase made by the Partnership or an Affiliate pro rata to the holders of all Notes of such Series at the time outstanding upon the same terms and conditions. Any such offer shall provide each holder with sufficient information to enable it to make an informed decision with respect to such offer, and shall remain open for at least 5 Business Days. If the holders of more than 50% of the principal amount of the Notes then outstanding accept such offer, the Partnership shall promptly notify the remaining holders of such fact and the expiration date for the acceptance by holders of Notes of such offer shall be extended by the number of days necessary to give each such remaining holder at least 5 Business Days from its receipt of such notice to accept such offer. The Partnership will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

Section 8.8. Make-Whole Amount and Modified Make-Whole Amount.

(a) *Non-Swapped Notes.* The terms *"Make-Whole Amount"* and *"Modified Make-Whole Amount"* mean, with respect to any Note (other than a Swapped Note, the Make Whole Amount and Modified Make-Whole Amount with respect to which is calculated pursuant to Section 8.8(b)), an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, *provided* that neither the Make-Whole Amount nor the Modified Make-Whole Amount may in any event be less than zero. For the purposes of determining the Make-Whole Amount and the Modified Make-Whole Amount with respect to any such Note, the following terms have the following meanings:

"Applicable Percentage" means (i) in the case of a computation of the Modified Make-Whole Amount for purposes of Section 8.3, 1.00% (100 basis points), and (ii) in the case of a computation of the Make-Whole Amount for any other purpose, 0.50% (50 basis points).

"Called Principal" means, with respect to any such Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

"Discounted Value" means, with respect to the Called Principal of any such Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Note is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" means, with respect to the Called Principal of any such Note denominated in Canadian Dollars, the sum of (x) the Applicable Percentage plus (y) (i) the yield to maturity, as of the third Business Day preceding the Settlement Date with respect to such Called Principal, as provided by two major Canadian investment dealers designated by the holders of at least 51% in principal amount of the relevant Series (the *"Designated Investment Dealers"*), for a non callable Government of Canada bond in Canadian Dollars having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable (including by way of interpolation), the average of the yields for such securities as determined by the Designated Investment Dealers.

In the case of each determination under the preceding paragraph, such implied yield will be determined, if necessary, by interpolating linearly between (1) the non-callable Government of Canada bond in Canadian Dollars with the maturity closest to and greater than the Remaining Average Life of such Called Principal and (2) the non-callable Government of Canada bond in Canadian Dollars with the maturity closest to and less than the Remaining Average Life of such Called Principal. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

"Reinvestment Yield" means, with respect to the Called Principal of any such Note denominated in U.S. Dollars, the sum of (x) the Applicable Percentage plus (y) the yield to maturity implied by (i) the yields reported as of 10:00 A.M. (New York City time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as "Page PX1" (or such other display as may replace Page PX1) on Bloomberg Financial Markets (*"Bloomberg"*) for the most recently issued actively traded on the run U.S. Treasury securities having a maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable (including by way of interpolation), the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Settlement Date with respect to such Called Principal, in U.S. Federal Reserve Statistical Release H.15 (or any comparable successor publication) for U.S. Treasury securities having a constant maturity equal to the Remaining Average Life of such Called Principal as of such Settlement Date.

In the case of each determination under clause (i) or clause (ii), as the case may be, of this paragraph, such implied yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the applicable U.S. Treasury security with the maturity closest to and greater than the Remaining Average Life of such Called Principal and (2) the applicable U.S. Treasury security with the maturity closest to and less than such Remaining Average Life. The Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Note.

"Remaining Average Life" means, with respect to any Called Principal of any such Note, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" means, with respect to the Called Principal of any such Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, *provided* that if such Settlement Date is not a date on which an interest payment is due to be made under the terms of such Note, then the amount of the next succeeding scheduled interest payment

will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2, Section 8.3 or Section 12.1.

"Settlement Date" means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or Section 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

(b) *Swapped Notes.* The terms *"Make-Whole Amount"* and *"Modified Make-Whole Amount"* mean, with respect to any Swapped Note, an amount equal to the excess, if any, of the Swapped Note Discounted Value of the Swapped Note Remaining Scheduled Swap Payments with respect to the Swapped Note Called Notional Amount related to such Swapped Note over such Swapped Note Called Notional Amount, *provided* that neither the Make-Whole Amount nor the Modified Make-Whole Amount may in any event be less than zero. All payments of Make-Whole Amount and the Modified Make-Whole Amount in respect of any Swapped Note shall be made in U.S. Dollars. For the purposes of determining the Make-Whole Amount and the Modified Make-Whole Amount with respect to any Swapped Note, the following terms have the following meanings:

"Applicable Percentage" means (i) in the case of a computation of the Modified Make-Whole Amount for purposes of Section 8.3, 1.00% (100 basis points), and (ii) in the case of a computation of the Make-Whole Amount for any other purpose, 0.50% (50 basis points).

"Swap Agreement" means, with respect to any Swapped Note, (x) a transaction entered into pursuant to a cross currency swap agreement and annexes and schedules thereto (an *"Initial Swap Transaction"*) that was entered into on an arm's length basis by the original Purchaser of such Swapped Note (or any affiliate thereof) in connection with the initial issuance, sale and delivery of such Swapped Note, which relates to the scheduled payments by the Partnership of interest and principal on such Swapped Note and under which the holder of such Swapped Note will receive payments from the counterparty thereunder in U.S. Dollars, the primary relevant terms of which are disclosed by the original Purchaser of such Swapped Note to the Partnership at the time of the issuance and sale of such Swapped Note, and including any Initial Swap Transaction that has been assumed (without any waiver, amendment, deletion or replacement of any material economic term or provision thereof) by a holder of a Swapped Note in connection with a transfer of such Swapped Note and (y) any Replacement Swap Transaction; and *"Replacement Swap Transaction"* means, with respect to any Swapped Note, any transaction entered into pursuant to a cross-currency swap agreement and annexes and schedules thereto entered into with respect to such Swapped Note that is entered into on an arm's length basis in full or partial replacement (by amendment, modification or otherwise) of such Initial Swap Transaction (or any subsequent Replacement Swap Transaction) in a notional amount not exceeding the aggregate outstanding principal amount of such Swapped Note. Any holder that enters into, assumes or terminates an Initial Swap Transaction or Replacement Swap Transaction shall within a reasonable period of time following the request of the

Partnership deliver to the Partnership a copy of the confirmation, assumption or termination related thereto.

"Swapped Note" means any Note that as of the Closing Day applicable thereto, is subject to a Swap Agreement. A "Swapped Note" shall no longer be deemed a "Swapped Note" unless a Swap Agreement shall be in force in respect thereof.

"Swapped Note Called Notional Amount" means, with respect to any Swapped Note Called Principal of any Swapped Note, the payment in U.S. Dollars due to the holder of such Swapped Note under the terms of the Swap Agreement to which such holder is party, attributable to and in exchange for such Swapped Note Called Principal, assuming that such Swapped Note Called Principal were paid on its scheduled maturity date.

"Swapped Note Called Principal" means, with respect to any Swapped Note, the principal of such Swapped Note that is to be prepaid pursuant to Section 8.2 or 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

"Swapped Note Discounted Value" means, with respect to the Swapped Note Called Notional Amount of any Swapped Note that is to be prepaid pursuant to Section 8.2 or 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires, the amount obtained by discounting all Swapped Note Remaining Scheduled Swap Payments corresponding to the Swapped Note Called Notional Amount of such Swapped Note from their respective scheduled due dates to the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on such Swapped Note is payable) equal to the Swapped Note Reinvestment Yield with respect to such Swapped Note Called Notional Amount.

"Swapped Note Reinvestment Yield" means, with respect to the Swapped Note Called Notional Amount of any Swapped Note, the sum of (x) the Applicable Percentage plus (y) the yield to maturity implied by (i) the yields reported as of 10:00 A.M. (New York City time) on the second Business Day preceding the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount, on the display designated as "Page PX1" (or such other display as may replace Page PX1) on Bloomberg Financial Markets (*"Bloomberg"*) for the most recently issued actively traded on the run U.S. Treasury securities having a maturity equal to the Swapped Note Remaining Average Life of such Swapped Note Called Notional Amount as of such Swapped Note Settlement Date, or (ii) if such yields are not reported as of such time or the yields reported as of such time are not ascertainable (including by way of interpolation), the Treasury Constant Maturity Series Yields reported, for the latest day for which such yields have been so reported as of the second Business Day preceding the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount, in U.S. Federal Reserve Statistical Release H.15 (or any comparable successor

publication) for U.S. Treasury securities having a constant maturity equal to the Swapped Note Remaining Average Life of such Swapped Note Called Notional Amount as of such Swapped Note Settlement Date.

In the case of each determination under clause (i) or clause (ii), as the case may be, of this paragraph, such implied yield will be determined, if necessary, by (a) converting U.S. Treasury bill quotations to bond-equivalent yields in accordance with accepted financial practice and (b) interpolating linearly between (1) the applicable U.S. Treasury security with the maturity closest to and greater than the Swapped Note Remaining Average Life of such Swapped Note Called Notional Amount and (2) the applicable U.S. Treasury security with the maturity closest to and less than such Swapped Note Remaining Average Life. The Swapped Note Reinvestment Yield shall be rounded to the number of decimal places as appears in the interest rate of the applicable Swapped Note.

"Swapped Note Remaining Average Life" means, with respect to any Swapped Note Called Notional Amount, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (x) such Swapped Note Called Notional Amount into (y) the sum of the products obtained by multiplying (1) the principal component of each Swapped Note Remaining Scheduled Swap Payment with respect to such Swapped Note Called Notional Amount by (2) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Swapped Note Settlement Date with respect to such Swapped Note Called Notional Amount and the scheduled due date of such Swapped Note Remaining Scheduled Payment.

"Swapped Note Remaining Scheduled Swap Payments" means, with respect to the Swapped Note Called Notional Amount relating to any Swapped Note, the payments in U.S. Dollars due to the holder of such Swapped Note under the terms of the Swap Agreement to which such holder is party which correspond to all payments of the Swapped Note Called Principal of such Swapped Note corresponding to such Swapped Note Called Notional Amount and interest on such Swapped Note Called Principal (other than that portion of the payment due under such Swap Agreement corresponding to the interest accrued on the Swapped Note Called Principal to the Swapped Note Settlement Date) that would be due after the Swapped Note Settlement Date in respect of such Swapped Note Called Notional Amount assuming that no payment of such Swapped Note Called Principal were made prior to its scheduled maturity, *provided* that if such Swapped Note Settlement Date is not a date on which an interest payment is due to be made under the terms of such Swapped Note, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Swapped Note Settlement Date and required to be paid on such Swapped Note Settlement Date pursuant to Section 8.2 or Section 8.3 or Section 12.1.

"Swapped Note Settlement Date" means, with respect to the Swapped Note Called Notional Amount of any Swapped Note Called Principal of any Swapped Note, the date on which such Swapped Note Called Principal is to be prepaid pursuant to

Section 8.2 or Section 8.3 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

(c) *Swap Breakage.* If any Swapped Note is prepaid pursuant to Section 8.2, 8.3, 8.4 or 10.9 or has become or is declared to be immediately due and payable pursuant to Section 12.1, then (a) any resulting Net Loss in connection therewith shall be reimbursed to the holder of such Swapped Note by the Partnership in U.S. Dollars upon any such prepayment or repayment of such Swapped Note and (b) any resulting Net Gain in connection therewith shall be deducted (i) from the Make-Whole Amount or Modified Make-Whole Amount, if any, or any principal or interest to be paid to the holder of such Swapped Note by the Partnership upon any such prepayment of such Swapped Note pursuant to Section 8.2, 8.3, 8.4 or 10.9 or (ii) from the Make-Whole Amount or Modified Make-Whole Amount, if any, to be paid to the holder of such Swapped Note by the Partnership upon any such repayment of such Swapped Note pursuant to Section 12.1, *provided* that, in either case, the Make-Whole Amount or Modified Make-Whole Amount in respect of such Swapped Note may not be less than zero. Each holder of a Swapped Note shall be responsible for calculating its own Net Loss or Net Gain, as the case may be, and Swap Breakage Amount in U.S. Dollars upon the prepayment or repayment of all or any portion of such Swapped Note, and such calculations as reported to the Partnership in reasonable detail shall be binding on the Partnership absent demonstrable error.

As used in this Section 8.8 with respect to any Swapped Note that is prepaid or accelerated, the following terms have the following meanings:

"Net Loss" means the amount, if any, by which the Swapped Note Called Notional Amount exceeds the sum of (x) the Swapped Note Called Principal (for purposes of this Section 8.8(c), the reference to Section 8.2 in the definition of "Swapped Note Called Notional Amount" shall also include Sections 8.3, 8.4 and 10.9) plus (where the Swap Breakage Amount is positive) or minus (where the Swap Breakage Amount is negative) (y) the Swap Breakage Amount received (or paid) by the holder of such Swapped Note; and *"Net Gain"* means the amount, if any, by which the Swapped Note Called Notional Amount is exceeded by the sum of (x) the Swapped Note Called Principal plus (where the Swap Breakage Amount is positive) or minus (where the Swap Breakage Amount is negative) (y) the Swap Breakage Amount received (or paid) by the holder of such Swapped Note. For purposes of any determination of any "Net Loss" or "Net Gain," the Swapped Note Called Principal shall be determined by the holder of the affected Swapped Note by converting Canadian Dollars into U.S. Dollars at the current Canadian Dollar/U.S. Dollar exchange rate, as determined as of 10:00 A.M. (New York City time) on the day such Swapped Note is prepaid or accelerated as indicated on the applicable screen of Bloomberg and any such calculation shall be reported to the Partnership in reasonable detail and shall be binding on the Partnership absent demonstrable error.

"Swap Breakage Amount" means, with respect to the Swap Agreement associated with any Swapped Note, in determining the Net Loss or Net Gain, the amount that would be received (in which case the Swap Breakage Amount shall be positive) or paid (in which case the Swap Breakage Amount shall be negative) by the holder of such Swapped

Note as if all or a portion of such Swap Agreement equal to the Swapped Note Called Principal Amount had terminated due to an event of default or an early termination (as applies under the associated Swap Agreement), which shall be an amount equal to the "Settlement Amount" (or equivalent term) as defined by the International Swap and Derivatives Association, Inc.'s (*"ISDA"*) standard 1992 Multicurrency-Cross Border Master Agreement, the ISDA 2002 Master Agreement, or any ISDA agreement which is a successor to either of the foregoing (the *"Master Agreement"*), in each case, as applies under the associated Swap Agreement; *provided, however,* that if such holder (or its predecessor in interest with respect to such Swapped Note) was, but is not at the time, a party to an Initial Swap Transaction in respect of such Swapped Note but is a party to a Replacement Swap Transaction in respect of such Swapped Note, then the Swap Breakage Amount shall mean the lesser of (x) the gain or loss (if any) which would have been received or incurred (by payment, through off-set or netting or otherwise) by the holder of such Swapped Note under the terms of the Initial Swap Transaction (if any) in respect of such Swapped Note to which such holder (or any affiliate thereof) was a party (or if such holder was never a party to an Initial Swap Transaction in respect of such Swapped Note, then the Initial Swap Transaction in respect of such Swapped Note to which the applicable predecessor in interest to such holder as a holder of such Swapped Note was a party) and which would have arisen as a result of the payment of the Swapped Note Called Principal on the Swapped Note Settlement Date and (y) the gain or loss (if any) actually received or incurred by the holder of such Swapped Note, in connection with the payment of such Swapped Note Called Principal on the Swapped Note Settlement Date, under the terms of the Replacement Swap Transaction to which such holder (or any affiliate thereof) is a party. The holder of such Swapped Note will make all calculations related to the Swap Breakage Amount in good faith and in accordance with its customary practices for calculating such amounts under the Master Agreement pursuant to which such Swap Agreement shall have been entered into and assuming for the purpose of such calculation that there are no other transactions entered into pursuant to such Master Agreement (other than such Swap Agreement).

Amounts payable pursuant to this Section 8.8(c) shall be payable in U.S. Dollars.

SECTION 9. AFFIRMATIVE COVENANTS.

The Partnership and the Fund jointly and severally covenant that from and after the Execution Date and for so long as this Agreement or any of the Notes are outstanding:

Section 9.1. Compliance with Law. Without limiting Section 10.3, the Partnership and the Fund will, and will cause each Restricted Subsidiary to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, ERISA, the USA Patriot Act and Environmental Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.2. Insurance. The Partnership and the Fund will, and will cause each Restricted Subsidiary to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

Section 9.3. Maintenance of Properties. The Partnership and the Fund will, and will cause each Restricted Subsidiary to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, *provided* that this Section shall not prevent the Partnership, the Fund or any Restricted Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Fund has concluded that such discontinuance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.4. Payment of Taxes. The Partnership will, and the Fund will, and will cause each Restricted Subsidiary to, file all tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges or levies payable by any of them to the extent the same have become due and payable and before they have become delinquent, *provided* that none of the Partnership, the Fund or any Restricted Subsidiary need pay any such tax, assessment, charge or levy if (i) the amount, applicability or validity thereof is contested by the Partnership, the Fund or such Restricted Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Partnership, the Fund or such Restricted Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Partnership, the Fund or such Restricted Subsidiary or (ii) the nonpayment of all such taxes, assessments, charges and levies in the aggregate would not reasonably be expected to have a Material Adverse Effect.

Section 9.5. Corporate, Partnership or Trust Existence, Etc. Subject to Section 10.2 and 23.1, the Partnership will at all times preserve and keep in full force and effect its existence as a limited partnership. Subject to Sections 10.2, 10.9 and 23.1 the Fund will, and will cause the Restricted Subsidiaries to, at all times preserve and keep in full force and effect the corporate, partnership or trust existence of the Fund and each of its Restricted Subsidiaries (unless merged into the Fund, the Partnership or a Wholly-Owned Restricted Subsidiary) and all rights and franchises of the Partnership, the Fund and its Restricted Subsidiaries unless, in the good faith judgment of the Fund, the termination of or failure to preserve and keep in full force and effect such corporate, partnership or trust existence, right or franchise would not, individually or in the aggregate, have a Material Adverse Effect.

Section 9.6. Books and Records. The Partnership and the Fund will, and will cause each Restricted Subsidiary to, maintain proper books of record and account in conformity with GAAP and all applicable requirements of any Governmental Authority having legal or regulatory jurisdiction over the Partnership, the Fund or such Subsidiary, as the case may be.

Section 9.7. Priority of Obligations. The Partnership will ensure that its payment obligations under this Agreement and the Notes will at all times rank at least *pari passu,* without preference or priority, with its obligations under the Bank Facility and with all other unsecured and unsubordinated Debt of the Partnership. The Fund will ensure that its payment obligations under the Fund Guarantee will at all times rank at least *pari passu,* without preference or priority, with its obligations under the Bank Facility and with all other unsecured and unsubordinated Debt of the Fund. The Partnership and the Fund will further ensure that each Subsidiary Guarantor's payment obligations under the Subsidiary Guarantee will at all times rank at least *pari passu,* without preference or priority, with its obligations under the Bank Facility and with all other unsecured and unsubordinated Debt of such Subsidiary Guarantor.

Section 9.8. Securities Filings. The Partnership and the Fund will, if required by applicable laws, within 10 days of each Closing, file a report of the sale of its Notes to the respective Purchasers prepared on Form 45-106F1 under National Instrument 45-106 (such report to be executed in accordance with that instrument) and any other forms required to be filed by the securities regulatory authorities of the provinces of Canada in connection with the issuance of such Notes, together with payment of the prescribed fee in connection therewith.

Section 9.9. Subsidiary Guarantee. (a) The Partnership and the Fund will cause each Subsidiary of the Fund that becomes a borrower or a guarantor under a Bank Facility to concurrently therewith enter into and become a party to a Subsidiary Guarantee, and within three Business Days thereafter, to deliver to the holders the following items:

(i) a Subsidiary Guarantee;

(ii) a certificate signed by the President, a Vice President or another authorized officer of such Subsidiary making representations and warranties to the effect of those contained in Sections 5.1(a), 5.2(a), 5.6 and 5.7 but with respect to such Subsidiary and its Subsidiary Guarantee;

(iii) such documents and evidence with respect to such Subsidiary as the Required Holders may reasonably request in order to establish the existence and good standing of such Subsidiary and the authorization of the transactions contemplated by the Subsidiary Guarantee; and

(iv) an opinion of independent counsel satisfactory to the Required Holders to the effect that the Subsidiary Guarantee has been duly authorized, executed and delivered and constitutes the legal, valid and binding contract and agreement of such Subsidiary enforceable in accordance with its terms, subject to customary exceptions and assumptions.

(b) If any Subsidiary Guarantor (other than KEFL) is not or ceases to be a borrower or a guarantor under any Bank Facility, or if the Fund directly or indirectly sells or otherwise disposes of its entire interest in such Subsidiary Guarantor as permitted by this Agreement, or if such Subsidiary Guarantor disposes of all of its assets as permitted by this Agreement, then the Partnership may require the holders of Notes to release any Subsidiary Guarantee of such Subsidiary upon giving 5 Business Days written notice thereof to the holders of Notes together with confirmation of the foregoing reasonably satisfactory to the holders of Notes, whereupon such Subsidiary shall cease to be a Subsidiary Guarantor hereunder, *provided* that:

(i) at the time of such notice and the effective date of such release as provided below, and immediately after giving effect thereto, and to such Subsidiary ceasing to be a Subsidiary Guarantor, no Default or Event of Default exists or would exist (including, without limitation, under Sections 10.5, 10.6 and 10.7, with any calculation of compliance therewith to be made as of the date of determination hereunder); and

(ii) after giving effect thereto, and to such Subsidiary ceasing to be a Subsidiary Guarantor, all Debt that thereby becomes Priority Debt shall be permitted by Section 10.7 as if such Debt were incurred on the date of such release, and all Liens that immediately prior to such release are permitted pursuant to clause(s) of the definition of *"Permitted Encumbrances"* herein shall continue to be permitted immediately after such release, notwithstanding that any such Debt or Lien may have existed at on the date of this Agreement,

and the Partnership shall have provided an Officer's Certificate to both such effects. The Subsidiary Guarantee of such Subsidiary shall be deemed to be released and terminated as at the expiry of such 5 Business Day period (unless sooner agreed by all holders of Notes).

(c) The Fund agrees that it will not, nor will it permit any Subsidiary or Affiliate which it controls, to directly or indirectly pay or cause to be paid any compensation or remuneration, whether by way of supplemental or additional interest, fee or otherwise or the delivery of any credit support as consideration for or as an inducement to obtain any release or discharge of any Subsidiary Guarantor in respect of any Debt due and owing to such Person under the Bank Facility, unless such compensation or remuneration is concurrently paid or delivered, on the same terms, ratably to the holders of the Notes.

Section 9.10. Subordination Agreements; Release of Subordination. (a) The Partnership and the Fund will cause each Subsidiary of the Fund (together with its successors and assigns, a *"Subordinating Person"*) that hereafter subordinates any obligations owed to such Subordinating Person by any Subsidiary of the Fund in favour of any obligations owed by such Subsidiary under a Bank Facility, to concurrently therewith enter into the Subordination Agreement in favour of the holders of the Notes, and within three Business Days thereafter, the Partnership shall deliver to each holder of a Note the following:

(i) such Subordination Agreement (or an addition agreement to an existing Subordination Agreement);

(ii) a certificate signed by the President, the Chief Financial Officer, a Vice President or another authorized officer of such Subsidiary making representations and warranties to the effect of those contained in Sections 5.1, 5.2, 5.6 and 5.7, but with respect to such Subordinating Person and its Subordination Agreement;

(iii) such documents and evidence with respect to such Subordinating Person as the Required Holders may reasonably request in order to establish the existence and good standing of such Subordinating Person and the authorization of the transactions contemplated by its subordination agreement; and

(iv) an opinion of independent counsel satisfactory to the Required Holders, acting reasonably, to the effect that such subordination agreement has been duly authorized, executed and delivered and constitutes the legal, valid and binding obligation of such Subordinating Person enforceable in accordance with its terms, except as enforcement of such terms may be limited by bankruptcy, insolvency, reorganization, moratorium and similar laws affecting the enforcement of creditors' rights generally and by general equitable principles.

(b) If any Subordinating Person is not or ceases to be a subordinating party under a Bank Facility, then the Partnership may require the holders of Notes to release that Subordinating Person from its Subordination Agreement upon giving 5 Business Days written notice thereof to the holders of Notes together with confirmation of the foregoing reasonably satisfactory to the holders of Notes, *provided* that at the time of such notice and the effective date of such release as provided below, and immediately after giving effect thereto, and to such Person ceasing to be a Subordinating Person, no Default or Event of Default exists or would exist (including, without limitation, under Sections 10.5, 10.6 and 10.7, with any calculation of compliance therewith to be made as of the date of determination hereunder), and the Partnership shall have provided an Officer's Certificate to both such effects at the time it provides such notice with the information (including detailed calculations) required in order to establish same. The Subordinating Person shall be deemed to be released from such Subordination Agreement as at the expiry of such 5 Business Day period (unless sooner agreed by all holders of Notes).

(c) The Fund agrees that it will not, nor will it permit any Subsidiary or Affiliate which it controls, to directly or indirectly pay or cause to be paid any compensation or remuneration, whether by way of supplemental or additional interest, fee or otherwise or the delivery of any credit support as consideration for or as an inducement to obtain any release or discharge of any Subordinating Person in respect of any Debt due and owing to such Person under the Bank Facility, unless such compensation or remuneration is concurrently paid or delivered, on the same terms, ratably to the holders of the Notes.

Section 9.11. Designation of Restricted Subsidiaries. The Partnership may designate or redesignate any Unrestricted Subsidiary as a Restricted Subsidiary and may designate or redesignate any Restricted Subsidiary (other than KEFL) as an Unrestricted Subsidiary by providing to the holders of Notes, a Notice of Designation in the form attached hereto as Exhibit 9.11; *provided* that:

(a) immediately after giving effect thereto, no Default or Event of Default exists or would exist (including, without limitation, under Sections 10.5, 10.6 and 10.7), with any calculation of compliance therewith to be made as of the date of determination hereunder);

(b) in the case of the designation of a Restricted Subsidiary as an Unrestricted Subsidiary and after giving effect thereto, such Unrestricted Subsidiary so designated shall not, directly or indirectly, own any Equity Capital of the Partnership or a Restricted Subsidiary;

(c) in the case of the designation of a Restricted Subsidiary as an Unrestricted Subsidiary, such Restricted Subsidiary shall not at any time after the date of this Agreement have previously been designated as an Unrestricted Subsidiary more than once; and

(d) in the case of the designation of an Unrestricted Subsidiary as a Restricted Subsidiary, such Unrestricted Subsidiary shall not at any time after the date of this Agreement have previously been designated as a Restricted Subsidiary more than once.

Section 9.12. Matching Bank Facility Liens. If at any time the Partnership, the Fund or any Subsidiary provides a Lien to or for the benefit of the lenders under the Bank Facility, then the Partnership and the Fund will, as the case may be, and will cause each of the Subsidiaries that has provided any such Lien to concurrently grant to or for the benefit of the holders of the Notes, a perfected *pari passu* Lien over the same such property or properties with the effect and result that the holders of the Notes shall be equally and ratably secured with the lenders under the Bank Facility and such Lien shall be subject to the terms and provisions of the Collateral Agency Agreement or another intercreditor agreement, in any such case in form and substance satisfactory to the Required Holders.

Section 9.13. Ownership of Total Assets. The Fund will ensure that the Partnership, KEFL and the Restricted Subsidiaries collectively own at all times total assets (as the same would be shown on a balance sheet of the Fund consolidated with the Restricted Subsidiaries in accordance with GAAP, but excluding Unrestricted Subsidiaries) with a book value not less than 85% of Adjusted Consolidated Total Assets.

SECTION 10. NEGATIVE COVENANTS.

The Partnership and the Fund jointly and severally covenant that from and after the Execution Date and for so long as this Agreement or any of the Notes are outstanding:

Section 10.1. Transactions with Affiliates. The Partnership and the Fund will not, and will not permit any Restricted Subsidiary to, enter into directly or indirectly any Material transaction or Material group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Partnership, the Fund or any Subsidiary of the Fund), except pursuant to the reasonable requirements of the Partnership's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Partnership, the Fund or such Restricted Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

Section 10.2. Merger, Consolidation, Etc. The Partnership and the Fund will not, and will not permit any Subsidiary Guarantor to, amalgamate, consolidate with or merge with any other Person or convey, transfer or lease all or substantially all of its assets in a single transaction or series of transactions to any Person unless:

(a) the successor formed by such amalgamation or consolidation or the survivor of such merger or the Person that acquires by conveyance, transfer or lease all or substantially all of the assets of the Partnership, the Fund or the Subsidiary Guarantor as an entirety, as the case may be, shall be a solvent corporation, partnership or trust organized and existing under the laws of the United States or any State thereof (including the District of Columbia), or Canada or any Province or Territory thereof (or in addition in the case of a Subsidiary Guarantor, its jurisdiction of formation immediately prior to such transaction) and (i) such corporation, partnership or trust shall have executed and delivered to each holder of any Notes its assumption of the due and punctual performance and observance of each covenant and condition of the Note Documents to which its predecessor was a party (unless such assumption occurs by operation of law in the applicable jurisdiction) (ii) such corporation, partnership or trust shall have caused to be delivered to each holder of any Notes an opinion of recognized independent counsel, or other independent counsel reasonably satisfactory to the Required Holders, to the effect that all agreements or instruments effecting such assumption are enforceable in accordance with their terms and comply with the terms hereof (or, if such assumption occurs by operation of law, an opinion to the effect) and (iii) each of the Subsidiary Guarantors and the Fund shall have confirmed in writing all of its obligations and agreements contained in the Subsidiary Guarantee or Fund Guarantee, as applicable; and

(b) immediately before and immediately after giving effect to such transaction, no Default or Event of Default exists or would exist (including, without limitation, under Sections 10.5, 10.6 and 10.7, with any calculation of compliance therewith to be made as of the date of determination hereunder).

No such conveyance, transfer or lease of substantially all of the assets of the Partnership, the Fund or Subsidiary Guarantor shall have the effect of releasing it or any other Person that shall theretofore have become such in the manner prescribed in this Section 10.2 from its liability under Note Documents to which it was a party.

Section 10.3. *Terrorism Sanctions Regulations.* The Partnership and the Fund will not, and will not permit any Subsidiary to, (a) become an OFAC Designated Person or a Canadian Sanctions Designated Person or (b) knowingly engage in any dealings or transactions with any OFAC Designated Person or Canadian Sanctions Designated Person.

Section 10.4. *Limitation on Liens.* Except for Permitted Encumbrances, the Partnership and the Fund will not, and will not permit any Restricted Subsidiary to, directly or indirectly create, incur, assume or permit to exist (upon the happening of a contingency or otherwise) any Lien on or with respect to any property or asset (including any document or instrument in respect of goods or accounts receivable) of the Partnership, the Fund or any Restricted Subsidiaries, whether now owned or held or hereafter acquired, or upon any income or profits therefrom, or transfer any property for the purpose of subjecting the same to the payment of obligations in priority to the payment of its or their general creditors, or acquire or agree to acquire, or permit the Fund or any Restricted Subsidiary to acquire, any property or assets upon conditional sales agreements or other title retention devices *unless* the Partnership makes or causes to be made effective provision whereby the Notes will be equally and ratably secured with any and all other obligations thereby secured, such security to be pursuant to agreements and documents reasonably satisfactory to the Required Holders and, in any such case, the Notes shall have the benefit, to the fullest extent that, and with such priority as, the holders of the Notes may be entitled under applicable law, of an equitable Lien on such property.

Section 10.5. *Limitation on Debt Incurrence.* The Partnership and the Fund will not permit, as of the end of each fiscal quarter of the Fund, the ratio of Consolidated Debt to Consolidated EBITDA for each period of four consecutive fiscal quarters (ending on the date of determination and taken as a single accounting period) to exceed 4.0:1.0.

Section 10.6. *Minimum Interest Coverage.* The Partnership and the Fund will not permit, as of the end of each fiscal quarter of the Fund, the ratio of Consolidated EBITDA to Consolidated Interest Charges for each period of four consecutive fiscal quarters (ending on the date of determination and taken as a single accounting period) to be less than 3.0 to 1.0.

Section 10.7. *Priority Debt.* The Partnership and the Fund will not permit Priority Debt to exceed 15% of Consolidated Total Assets as at the end of the most recently completed fiscal quarter of the Fund.

Section 10.8. *Prohibited Distributions.* The Partnership and the Fund will not, and will not permit any Restricted Subsidiary to, declare, authorize, make or give effect to any Distribution if at the time of doing so a Default or Event of Default exists (including, without limitation, under Sections 10.5, 10.6 and 10.7) with any calculation of compliance therewith to be made as of the date of determination hereunder or if making such Distribution would result in the occurrence of such a Default or Event of Default.

Section 10.9. *Sale of Assets*. Except as permitted by Section 10.2, the Partnership and the Fund will not, and will not permit any Restricted Subsidiary to, sell, lease, transfer or otherwise dispose of (collectively a *"Disposition"*), any assets, in one or a series of transactions, to any Person, other than:

(a) Dispositions in the ordinary course of business;

(b) Dispositions to the Partnership, the Fund or a Wholly-Owned Restricted Subsidiary; or

(c) Dispositions not otherwise permitted by Sections 10.9(a) or 10.9(b) *provided* that (i) the aggregate net book value of all assets so disposed of in any fiscal year pursuant to this Section 10.9(c) does not exceed 15% of Consolidated Total Assets as of the last day of the most recently ended fiscal year and (ii) after giving effect to such transaction, no Default or Event of Default exists or would exist (including, without limitation, under Sections 10.5, 10.6 and 10.7), with any calculation of compliance therewith to be made as of the date of determination hereunder.

Notwithstanding the foregoing, the Partnership, the Fund or a Restricted Subsidiary may make a Disposition and the assets subject to such Disposition shall not be subject to or included in the foregoing limitation and computation contained in Section 10.9(c)(i) of the preceding sentence if, within 365 days before or after the date of such Disposition, an amount equal to the net proceeds from such Disposition is:

(A) reinvested in assets to be used in the business of the Fund, the Partnership or a Restricted Subsidiary; or

(B) applied or offered to be applied to the payment or prepayment of the Notes or any other outstanding Debt of the Partnership, the Fund or any Subsidiary Guarantor that is not subordinated in right of payment to the Notes.

For purposes of foregoing clause (B), the Partnership shall offer to prepay (on a Business Day not less than 30 or more than 60 days following such offer) the Notes of all Series on a pro rata basis with any such other Debt that the Partnership elects to include in such offer at a price of 100% of the principal amount of the Notes to be prepaid, but without any Make-Whole Amount or Modified Make-Whole Amount together with interest accrued to the date of prepayment; *provided* that if any holder of the Notes declines or rejects such offer, the proceeds that would have been paid to such holder may be used for general corporate purposes. A failure by a holder of Notes to respond in writing not later than 10 Business Days prior to the proposed prepayment date to an offer to prepay made pursuant to this Section 10.9 shall be deemed to constitute a rejection of such offer by such holder.

SECTION 11. EVENTS OF DEFAULT.

An *"Event of Default"* shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Partnership defaults in the payment of any principal, Make-Whole Amount or Modified Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Partnership defaults in the payment of any interest on any Note or any amount payable pursuant to Section 13 for more than five Business Days after the same becomes due and payable; or

(c) the Partnership defaults in the performance of or compliance with any term contained in Section 7.1(d), or Sections 10.5, 10.6 or 10.7 and such default is not remedied within 10 Business Days; or

(d) the Partnership, the Fund or any Subsidiary Guarantor defaults in the performance of or compliance with any term contained herein (other than those referred to in Sections 11(a), (b) and (c)), and such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Partnership receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this Section 11(d)); or

(e) any representation or warranty made in writing by or on behalf the Partnership, the Fund or any Subsidiary Guarantor or by any officer of the Partnership or the Partnership Administrator, the Fund or any Subsidiary Guarantor in any Note Document or in any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any Material respect on the date as of which made, and the underlying facts or circumstances which caused such representation or warranty to be false or incorrect remain unremedied for 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such facts or circumstances and (ii) the Partnership receiving written notice of such facts or circumstances from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this Section 11(e)); or

(f) (i) the Partnership, the Fund or any Restricted Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Debt that is outstanding in an aggregate principal amount of at least Cdn. $25,000,000 or 2% of Consolidated Total Assets, whichever is greater (or its equivalent in the relevant currency of payment) beyond any period of grace provided with respect thereto, or (ii) the Partnership, the Fund or any Restricted Subsidiary is in default in the performance of or compliance with any term of any evidence of any Debt in an aggregate outstanding principal amount of at least

Cdn. $25,000,000 or 2% of Consolidated Total Assets, whichever is greater (or its equivalent in the relevant currency of payment) or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Debt has become, or has been declared, due and payable before its stated maturity or before its regularly scheduled dates of payment; *provided*, that, at any time that the aggregate principal amount of outstanding Notes is equal to or greater than U.S. $75,000,000 (or its equivalent in the Applicable Currency), then an Event of Default shall occur under this Section 11(f)(ii) immediately upon the occurrence of such default in performance or compliance described in this Section 11(f)(ii) and shall not require that such Debt become or be declared due and payable before its stated maturity or regularly scheduled dates of payment; or

(g) the Partnership, the Fund or any Restricted Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, receivership, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes partnership or corporate action for the purpose of any of the foregoing; or

(h) a court or Governmental Authority of competent jurisdiction enters an order appointing, without consent by Partnership, the Fund or any Restricted Subsidiary, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Partnership, the Fund or any Restricted Subsidiary, or any such petition shall be filed against the Partnership, the Fund or any Restricted Subsidiary and such petition shall not be dismissed within 60 days; or

(i) any event occurs with respect to the Partnership, the Fund or any Restricted Subsidiary which under the laws of any jurisdiction is analogous to any of the events described in Section 11(g) or 11(h), *provided* that the applicable grace period, if any, which shall apply shall be the one applicable to the relevant proceeding which most closely corresponds to the proceeding described in Section 11(g) or 11(h); or

(j) except to the extent released pursuant to Section 9.9 or 9.10, any Note Document shall cease to be a legal, valid and binding agreement enforceable against the Partnership, the Fund or any Subsidiary which is a party thereto in accordance with the respective terms thereof in any material respect or shall in any way be terminated or become or be declared ineffective or inoperative or shall in any way whatsoever cease to give or provide in any material respect the respective rights, titles, interest, remedies, powers or privileges intended to be created thereby including, without limitation, a determination by any Governmental Authority or court that such Note Document is invalid, void or unenforceable in any material respect; or

(k) a final judgment or judgments for the payment of money aggregating in excess of Cdn. $25,000,000 or 2% of Consolidated Total Assets, whichever is greater (or its equivalent in the relevant currency of payment) are rendered against one or more of the Partnership, the Fund and its Restricted Subsidiaries and which judgments are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 60 days after the expiration of such stay; or

(l) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Fund or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the sum of (x) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans (but including, in the case of Multiemployer Plans, only the Fund's and its ERISA Affiliates' share of such unfunded benefit liabilities), determined in accordance with Title IV of ERISA, plus (y) the amount (if any) by which the aggregate present value of accrued benefit liabilities under all funded Non-U.S. Plans exceeds the aggregate current value of the assets of such Non-U.S. Plans allocable to such liabilities, shall exceed Cdn. $25,000,000 or 2% of Consolidated Total Assets, whichever is greater, (iv) the Fund or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Fund or any ERISA Affiliate withdraws from any Multiemployer Plan, (vi) the Fund or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Fund or any Subsidiary thereunder, (vii) the Fund or any Subsidiary fails to administer or maintain a Non-U.S. Plan in compliance with the requirements of any and all applicable laws, statutes, rules, regulations or court orders or any Non-U.S. Plan is involuntarily terminated or wound up or (viii) the Fund or any Subsidiary becomes subject to the imposition of a financial penalty (which for this purpose shall mean any tax, penalty or other liability, whether by way of indemnity or otherwise) with respect to one or more Non-U.S. Plans; and any such event or events described in clauses (i) through (viii) above, either individually or together with any other such event or events, would reasonably be expected to have a Material Adverse Effect; or

(m) any of the events of dissolution described in Section 12.2 of the Partnership Agreement as in effect on the Execution Date shall occur or the Partnership shall be terminated (other than in connection with a Tax Reorganization pursuant to Section 23.1(b)).

As used in Section 11(l), the terms "employee benefit plan" and "employee welfare benefit plan" shall have the respective meanings assigned to such terms in section 3 of ERISA.

SECTION 12. REMEDIES ON DEFAULT, ETC.

Section 12.1. Acceleration. (a) If an Event of Default with respect to the Partnership or the Fund described in Section 11(g), 11(h) or 11(i) (other than an Event of Default described in clause (i) of Section 11(g) or described in clause (vi) of Section 11(g) by virtue of the fact that such clause encompasses clause (i) of Section 11(g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, the Required Holders may at any time at their option, by notice or notices to the Partnership, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in Section 11(a) or 11(b) has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Partnership, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount of such Notes, plus (x) all accrued and unpaid interest thereon (including, without limitation, interest accrued thereon at the Default Rate) and (y) the Make-Whole Amount determined in respect of such principal amount (to the full extent permitted by applicable law, shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Partnership acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Partnership (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount by the Partnership in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

Section 12.2. Other Remedies. If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

Section 12.3. Rescission. At any time after any Notes have been declared due and payable pursuant to Section 12.1(b) or 12.1(c), the Required Holders, by written notice to the Partnership, may rescind and annul any such declaration and its consequences if (a) the Partnership has paid all overdue interest on the Notes, all principal of and Make-Whole Amount or Modified Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount or Modified Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) neither the Partnership nor any other Person shall have paid any amounts that have become due solely by reason of such declaration, (c) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 18, and (d) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon.

Section 12.4. *No Waivers or Election of Remedies, Expenses, Etc.* No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Partnership under Section 16, the Partnership will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

SECTION 13. TAX INDEMNIFICATION.

All payments whatsoever under the Note Documents will be made by the Partnership, the Fund and the Subsidiary Guarantors in the Applicable Currency free and clear of, and without liability for withholding or deduction for or on account of, any present or future Taxes of whatever nature imposed or levied by or on behalf of any jurisdiction (or any political subdivision or taxing authority of or in such jurisdiction) (hereinafter a *"Taxing Jurisdiction"*), unless the withholding or deduction of such Tax is compelled by law.

If any deduction or withholding for any Tax of a Taxing Jurisdiction shall at any time be required in respect of any amounts to be paid by the Partnership, the Fund or the Subsidiary Guarantors under the Note Documents, the Partnership, the Fund or the Subsidiary Guarantors, as applicable, will pay to the relevant Taxing Jurisdiction the full amount required to be withheld, deducted or otherwise paid before penalties attach thereto or interest accrues thereon and pay to each holder of a Note such additional amounts as may be necessary in order that the net amounts paid to such holder pursuant to the terms of the Note Documents after such deduction, withholding or payment (including, without limitation, any required deduction or withholding of Tax on or with respect to such additional amount), shall be not less than the amounts then due and payable to such holder under the terms of the Note Documents before the assessment of such Tax, *provided* that no payment of any additional amounts shall be required to be made for or on account of:

(a) any Tax that would not have been imposed but for the existence of any present or former connection between such holder (or a fiduciary, settlor, beneficiary, member of, shareholder of, or possessor of a power over, such holder, if such holder is an estate, trust, partnership or corporation or any Person other than the holder to whom the Notes or any amount payable thereon is attributable for the purposes of such Tax) and the Taxing Jurisdiction, other than the mere holding of the relevant Note or the receipt of payments thereunder or in respect thereof, including, without limitation, such holder (or such other Person described in the above parenthetical) being or having been a citizen or resident thereof, or being or having been present or engaged in trade or business therein or having or having had an establishment, office, fixed base or branch therein, *provided* that this exclusion shall not apply with respect to a Tax that would not have been imposed but for the Partnership, the Fund or the Subsidiary Guarantor, after the date of the Agreement, opening an office in, moving an office to, reincorporating or reorganizing in, or changing the Taxing Jurisdiction from or through which payments on account of the Note Documents are made to, the Taxing Jurisdiction imposing the relevant Tax;

(b) any Tax that would not have been imposed but for the delay or failure by such holder (following a written request by the Partnership) in the filing with the relevant Taxing Jurisdiction of Forms (as defined below) that are required to be filed by such holder to avoid or reduce such Taxes (including for such purpose any refilings or renewals of filings that may from time to time be required by the relevant Taxing Jurisdiction), *provided* that the filing of such Forms would not (in such holder's reasonable judgment) impose any unreasonable burden (in time, resources or otherwise) on such holder or result in any confidential or proprietary income tax return information being revealed, either directly or indirectly, to any Person and such delay or failure could have been lawfully avoided by such holder, and *provided further* that such holder shall be deemed to have satisfied the requirements of this clause (b) upon the good faith completion and submission of such Forms (including refilings or renewals of filings) as may be specified in a written request of the Partnership no later than 60 days after receipt by such holder of such written request (accompanied by copies of such Forms and related instructions, if any, all in the English language or with an English translation thereof);

(c) any amount in excess of the amount of tax that would be payable if the holder was a resident of the United States for the purpose of the Canada-U.S. Income Tax Convention (1980), as amended;

(d) any Tax that would not have been imposed but for the holder not dealing at arm's length with the Partnership for the purposes of the Tax Act; or

(e) any combination of clauses (a), (b), (c) or (d) above.

If as a result of any payment by the Fund, the Partnership or a Subsidiary Guarantor under the Note Documents, whether in respect of principal, Make-Whole Amount or Modified Make-Whole Amount (if any), interest, interest on overdue interest, fees or other payment obligations, any holder of a Note is required to pay tax under Part XIII of the Tax Act, then the Fund, the Partnership or applicable Subsidiary Guarantor will, upon demand by such holder of any Note, indemnify the holder for the payment of any such amount, together with any interest, penalties and expenses in connection therewith, and for any Taxes on such indemnity payment *provided* that no indemnification payment shall be required to be made in respect of a Tax described in clauses (a), (b), (c), (d) and (e) of the previous paragraph. All amounts payable under this paragraph shall be payable by the Fund, the Partnership or applicable Subsidiary Guarantor on demand, shall, if paid in respect of interest, be a payment of additional interest, and shall bear interest at the Default Rate, calculated from the date demanded by such holder to the date paid by the Fund, the Partnership or applicable Subsidiary Guarantor.

By acceptance of any Note, the holder of such Note agrees, subject to the limitations of clause (b) above, that it will from time to time with reasonable promptness (x) duly complete and deliver to or as reasonably directed by the Partnership all such forms, certificates, documents and returns provided to such holder by the Partnership (collectively, together with instructions for completing the same, "*Forms*") required to be filed by or on behalf of such holder in order to avoid or reduce any such Tax pursuant to the provisions of an applicable statute, regulation or administrative practice of the relevant Taxing Jurisdiction or of a tax treaty between the United States or Canada and such Taxing Jurisdiction and (y) provide the Partnership with such information with respect to such holder as the Partnership may reasonably request in order to complete any such Forms, *provided* that nothing in this Section 13 shall require any holder to provide information with respect to any such Form or otherwise if in the opinion of such holder such Form or disclosure of information would involve the disclosure of tax return or other information that is confidential or proprietary to such holder, and *provided further* that each such holder shall be deemed to have complied with its obligation under this paragraph with respect to any Form if such Form shall have been duly completed and delivered by such holder to the Partnership or mailed to the appropriate taxing authority (which in the case of a United Kingdom Inland Revenue Form FD13 or any similar Form shall be deemed to occur when such Form is submitted to the United States Internal Revenue Service in accordance with instructions contained in such Form), whichever is applicable, within 60 days following a written request of the Partnership (which request shall be accompanied by copies of such Form and English translations of any such Form not in the English language) and, in the case of a transfer of any Note, at least 90 days prior to the relevant interest payment date.

If any payment is made by the Partnership to or for the account of the holder of any Note after deduction for or on account of any Taxes, and increased payments are made by the Partnership pursuant to this Section 13, then, if such holder at its sole discretion determines that it has received or been granted a refund of such Taxes, such holder shall, to the extent that it can do so without prejudice to the retention of the amount of such refund, reimburse to the Partnership such amount as such holder shall, in its sole discretion, determine to be attributable to the relevant Taxes or deduction or withholding. Nothing herein contained shall interfere with the right of the holder of any Note to arrange its tax affairs in whatever manner it thinks fit and, in particular, no holder of any Note shall be under any obligation to claim relief from its corporate profits or similar tax liability in respect of such Tax in priority to any other claims, reliefs, credits or deductions available to it or (other than as set forth in clause (b) above) oblige any holder of any Note to disclose any information relating to its tax affairs or any computations in respect thereof.

The Partnership will furnish the holders of Notes, promptly and in any event within 60 days after the date of any payment by the Partnership of any Tax in respect of any amounts paid under the Note Documents, the original tax receipt issued by the relevant taxation or other authorities involved for all amounts paid as aforesaid (or if such original tax receipt is not available or must legally be kept in the possession of the Partnership, a duly certified copy of the original tax receipt or any other reasonably satisfactory evidence of payment), together with such other documentary evidence with respect to such payments as may be reasonably requested from time to time by any holder of a Note.

If the Partnership is required by any applicable law, as modified by the practice of the taxation or other authority of any relevant Taxing Jurisdiction, to make any deduction or withholding of any Tax in respect of which the Partnership would be required to pay any additional amount under this Section 13, but for any reason does not make such deduction or withholding with the result that a liability in respect of such Tax is assessed directly against the holder of any Note, and such holder pays such liability, then the Partnership will promptly reimburse such holder for such payment (including any related interest or penalties to the extent such interest or penalties arise by virtue of a default or delay by the Partnership) upon demand by such holder accompanied by an official receipt (or a duly certified copy thereof) issued by the taxation or other authority of the relevant Taxing Jurisdiction.

If the Partnership makes payment to or for the account of any holder of a Note and such holder is entitled to a refund of the Tax to which such payment is attributable upon the making of a filing (other than a Form described above), then such holder shall, as soon as practicable after receiving written request from the Partnership (which shall specify in reasonable detail and supply the refund forms to be filed) use reasonable efforts to complete and deliver such refund forms to or as directed by the Partnership, subject, however, to the same limitations with respect to Forms as are set forth above.

The obligations of the Partnership under this Section 13 shall survive the payment or transfer of any Note and the provisions of this Section 13 shall also apply to successive transferees of the Notes.

SECTION 14. REGISTRATION; EXCHANGE; SUBSTITUTION OF NOTES.

Section 14.1. Registration of Notes. The Partnership shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Partnership shall not be affected by any notice or knowledge to the contrary. The Partnership shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

Section 14.2. Transfer and Exchange of Notes. Upon surrender of any Note to the Partnership at the address and to the attention of the designated officer (all as specified in Section 19(iii)) for registration of transfer or exchange (and in the case of a surrender for registration of transfer accompanied by a written instrument of transfer duly executed by the registered holder of such Note or such holder's attorney duly authorized in writing and accompanied by the relevant name, address and other details for notices of each transferee of such Note or part thereof) within ten Business Days thereafter the Partnership shall execute and deliver, at the Partnership's expense (except as provided below), one or more new Notes (as requested by the holder thereof) of the same Series as such surrendered Note in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Exhibit 1. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Partnership may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than Cdn. $300,000, *provided* that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than Cdn. $300,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.2.

Section 14.3. Replacement of Notes. Upon receipt by the Partnership at the address and to the attention of the designated representative (all as specified in Section 19(iii)) of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (*provided* that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least U.S. $50,000,000 or a Qualified Institutional Buyer, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof,

within ten Business Days thereafter the Partnership at its own expense shall execute and deliver, in lieu thereof, a new Note of the same Series as such lost, stolen, destroyed or mutilated Note, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

SECTION 15. PAYMENTS ON NOTES.

Section 15.1. Place of Payment. Subject to Section 15.2, payments of principal, Make-Whole Amount or Modified Make-Whole Amount, if any, and interest becoming due and payable on the Notes shall be made in Calgary, Alberta at the principal office of the Partnership in such jurisdiction. The Partnership may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Partnership in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

Section 15.2. Home Office Payment. So long as any Purchaser or its nominee shall be the holder of any Note, and notwithstanding anything contained in Section 15.1 or in such Note to the contrary, the Partnership will pay all sums becoming due on such Note for principal, Make-Whole Amount or Modified Make-Whole Amount, if any, and interest by the method and at the address specified for such purpose in such Purchaser's Confirmation of Acceptance, or by such other method or at such other address as such Purchaser shall have from time to time specified to the Partnership in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Partnership made concurrently with or reasonably promptly after payment or prepayment in full of any Note, such Purchaser shall surrender such Note for cancellation, reasonably promptly after any such request, to the Partnership at its principal executive office or at the place of payment most recently designated by the Partnership pursuant to Section 15.1. Prior to any sale or other disposition of any Note held by a Purchaser or its nominee, such Purchaser will, at its election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Partnership in exchange for a new Note or Notes pursuant to Section 14.2. The Partnership will afford the benefits of this Section 15.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by a Purchaser under this Agreement and that has made the same agreement relating to such Note as the Purchasers have made in this Section 15.2.

SECTION 16. EXPENSES, ETC.

Section 16.1. Transaction Expenses. Whether or not the transactions contemplated hereby are consummated, the Partnership will pay all costs and expenses (including reasonable attorneys' fees of a special counsel and, if reasonably required by the Required Holders, local or other counsel) incurred by the Purchasers and each other holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement or the Notes (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement or the Notes, or by reason of being a holder of any Note, (b) the costs and expenses, including financial advisors' fees, incurred in connection with the insolvency or bankruptcy of the Partnership or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Notes, (c) the costs and expenses of one special counsel to the holders of the Notes (and if reasonably required, their local Canadian counsel) in connection with the Partnership's compliance with the requirements of Sections 9.9, 9.10, 9.12 and 23.1(b), and (d) the costs and expenses incurred in connection with the initial filing of this Agreement and all related documents and financial information with the SVO, *provided* that such costs and expenses under this clause (d) shall not exceed U.S. $10,000. The Partnership will pay, and will save each Purchaser and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses, if any, of brokers and finders (other than those, if any, retained by a Purchaser or other holder in connection with its purchase of the Notes).

Section 16.2. Certain Taxes. The Partnership agrees to pay all stamp, documentary or similar taxes or fees which may be payable in respect of the execution and delivery or the enforcement of this Agreement or the execution and delivery (but not the transfer) or the enforcement of any of the Notes in the United States or Canada or of any amendment of, or waiver or consent under or with respect to, this Agreement or of any of the Notes, and to pay any value added tax due and payable in respect of reimbursement of costs and expenses by the Partnership pursuant to this Section 16, and will save each holder of a Note to the extent permitted by applicable law harmless against any loss or liability resulting from nonpayment or delay in payment of any such tax or fee required to be paid by the Partnership hereunder.

Section 16.3. Survival. The obligations of the Partnership under this Section 16 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement or the Notes, and the termination of this Agreement.

SECTION 17. SURVIVAL OF REPRESENTATIONS AND WARRANTIES; ENTIRE AGREEMENT.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by any Purchaser of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of such Purchaser or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Partnership or the Fund pursuant to this Agreement shall be deemed representations and warranties of the Partnership and the Fund under this Agreement. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between each Purchaser, the Partnership and the Fund and supersede all prior agreements and understandings relating to the subject matter hereof.

SECTION 18. AMENDMENT AND WAIVER.

Section 18.1. Requirements. This Agreement, the Notes and the other Note Documents may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Partnership, the Fund, any Subsidiary of the Fund party to the applicable Note Document and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5, 6 or 22, or any defined term (as it is used therein), will be effective as to any Purchaser unless consented to by such Purchaser in writing, (b) (i) with the written consent of Prudential (and without the consent of any other holder of Notes), the provisions of Section 1 or 2.1 may be amended or waived (except insofar as any such amendment or waiver would affect any rights or obligations with respect to the purchase and sale of Notes which shall have become Accepted Notes prior to such amendment or waiver), and (ii) with the written consent of all of the Purchasers which shall have become obligated to purchase Accepted Notes of any Series (and not without the written consent of all such Purchasers), any of the provisions of Sections 2.1 and 4 may be amended or waived insofar as such amendment or waiver would affect only rights or obligations with respect to the purchase and sale of the Accepted Notes of such Series or the terms and provisions of such Accepted Notes and (c) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount or Modified Make-Whole Amount on, the Notes, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, (iii) amend Section 8, 11(a), 11(b), 12, 13, 18, 21 or 23.9, or (iv) except in accordance with Section 9.9, release KEFL or any other Subsidiary Guarantor from its obligations under the Subsidiary Guarantee or release the Fund from its obligations under the Fund Guarantee.

Section 18.2. Solicitation of Holders of Notes.

(a) *Solicitation.* The Partnership will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof, of the Notes or of any other Note Document, unless such proposed amendment, waiver or consent relates only to a specific Series of Accepted Notes which have not yet been purchased, in which case such information will only be required to be delivered to the Purchasers which shall have become obligated to purchase Accepted Notes of such Series. The Partnership will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 18 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) *Payment.* The Partnership will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security or provide other credit support, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes of any waiver or amendment of any of the terms and provisions hereof or of any other Note Document unless such remuneration is concurrently paid, or security is concurrently granted or other credit support concurrently provided, on the same terms, ratably to each holder of Notes then outstanding even if such holder did not consent to such waiver or amendment.

(c) *Consent in Contemplation of Transfer.* Any consent made pursuant to this Section 18.2 by the holder of any Note that has transferred or has agreed to transfer such Note to the Partnership, any Subsidiary or any Affiliate of the Partnership and has provided or has agreed to provide such written consent as a condition to such transfer shall be void and of no force or effect except solely as to such holder, and any amendments effected or waivers granted or to be effected or granted that would not have been or would not be so effected or granted but for such consent (and the consents of all other holders of Notes that were acquired under the same or similar conditions) shall be void and of no force or effect except solely as to such transferring holder.

Section 18.3. Binding Effect, Etc. Any amendment or waiver consented to as provided in this Section 18 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Partnership and the Fund without regard to whether such

Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing among the Partnership, the Fund and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

Section 18.4. Notes Held by Partnership, Etc. Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Partnership or any of its Affiliates shall be deemed not to be outstanding.

SECTION 19. NOTICES; ENGLISH LANGUAGE.

All notices and communications provided for hereunder shall be in writing and sent (a) by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized international commercial delivery service (charges prepaid), or (b) by a recognized international commercial delivery service (with charges prepaid). Any such notice must be sent:

(i) if to Prudential, to Prudential at 2200 Ross Avenue, Suite 4200E, Dallas, Texas 75201, Attention: Managing Director, with a copy to the same address, Attention: Law Department, or at such other address as Prudential shall have specified to the Partnership in writing,

(ii) if to a Purchaser or its nominee, to such Purchaser or nominee at the address specified for such communications in its Confirmation of Acceptance, or at such other address as such Purchaser or nominee shall have specified to the Partnership in writing,

(iii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Partnership in writing, or

(iv) if to the Partnership or the Fund, to the Partnership at its address set forth at the beginning hereof to the attention of the Chief Financial Officer, or at such other address as the Partnership shall have specified to the holder of each Note in writing.

Notices under this Section 19 will be deemed given only when actually received.

The Purchaser acknowledges and confirms that it has requested that all documents evidencing or relating in any way to the sale of the Notes be drawn up in the English language only. L'investisseur reconnaît et confirme par les présentes avoir exigé que tous les documents faisant foi ou se rapportant de quelque manière à la vente des titres soient rédigés en anglais seulement.

SECTION 20. REPRODUCTION OF DOCUMENTS.

This Agreement and all documents relating thereto, including, without limitation, (a) consents, waivers and modifications that may hereafter be executed, (b) documents received by any Purchaser at any Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to any Purchaser, may be reproduced by such Purchaser by any photographic, photostatic, electronic, digital or other similar process and such Purchaser may destroy any original document so reproduced. Each of the Partnership and the Fund agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by such Purchaser in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 20 shall not prohibit the Partnership, the Fund or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

SECTION 21. CONFIDENTIAL INFORMATION.

For the purposes of this Section 21, "*Confidential Information*" means information delivered to any Purchaser by or on behalf of the Fund, the Partnership or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by such Purchaser as being confidential information of the Fund, the Partnership or such Subsidiary, *provided* that such term does not include information that (a) was publicly known or otherwise known to such Purchaser prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by such Purchaser or any person acting on such Purchaser's behalf, (c) otherwise becomes known to such Purchaser other than through disclosure by the Fund, the Partnership or any Subsidiary or (d) constitutes financial statements delivered to such Purchaser under Section 7.1 that are otherwise publicly available. Each Purchaser will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by such Purchaser in good faith to protect confidential information of third parties delivered to such Purchaser, *provided* that such Purchaser may deliver or disclose Confidential Information to (i) its directors, trustees, officers, employees, agents, attorneys and affiliates (to the extent such disclosure reasonably relates to the administration of the investment represented by its Notes), (ii) its financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 21, (iii) any other holder of any Note, (iv) any Institutional Investor to which it sells or offers to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 21), (v) any Person from which it offers to purchase any security of the Partnership (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 21),

(vi) any federal or state regulatory authority having jurisdiction over such Purchaser, (vii) the NAIC or the SVO or, in each case, any similar organization, or any nationally recognized rating agency that requires access to information about such Purchaser's investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to such Purchaser, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which such Purchaser is a party or (z) if an Event of Default has occurred and is continuing, to the extent such Purchaser may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under such Purchaser's Notes and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 21 as though it were a party to this Agreement. On reasonable request by the Partnership in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Fund, the Partnership or applicable Subsidiary embodying the provisions of this Section 21.

SECTION 22. SUBSTITUTION OF PURCHASER.

Each Purchaser shall have the right to substitute any one of its Affiliates as the purchaser of the Notes that it has agreed to purchase hereunder, by written notice to the Partnership, which notice shall be signed by both such Purchaser and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, any reference to such Purchaser in this Agreement (other than in this Section 22), shall be deemed to refer to such Affiliate in lieu of such original Purchaser. In the event that such Affiliate is so substituted as a Purchaser hereunder and such Affiliate thereafter transfers to such original Purchaser all of the Notes then held by such Affiliate, upon receipt by the Partnership of notice of such transfer, any reference to such Affiliate as a "Purchaser" in this Agreement (other than in this Section 22), shall no longer be deemed to refer to such Affiliate, but shall refer to such original Purchaser, and such original Purchaser shall again have all the rights of an original holder of the Notes under this Agreement.

SECTION 23. MISCELLANEOUS.

Section 23.1. Successors and Assigns; Tax Reorganization Assignment. (a) All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

(b) In response to the enactment of legislation implementing the proposals announced by the Minister of Finance (Canada) on October 31, 2006 relating to the taxation of income trusts in Canada, (i) the Fund, the Partnership and KEFL shall be entitled to assign, directly or indirectly through one or more assignments, their respective rights and obligations (in each such case, an *"Assignment"*) under the Note Documents to which it is a party to a Person that is (x) the ultimate parent entity (which may be a successor entity of the Partnership or the Fund or which may be the parent entity of which the Partnership is a direct or indirect wholly-owned Subsidiary) (the *"Parent"*) emerging from a tax reorganization (the *"Tax Reorganization"*), or (y) a Person that would qualify to be designated as a Wholly-Owned Restricted Subsidiary (with necessary changes in context) of the Parent under this Agreement, or (z) if such Person is a Subsidiary, then such Person is or becomes a Wholly-Owned Restricted Subsidiary (the *"New Issuer"*) as part of any such Tax Reorganization; (ii) the Parent or such Person shall be entitled to assume such rights and obligations; and (iii) the Fund or the Partnership may be dissolved as part of any such Tax Reorganization, and the Partnership, KEFL and the Fund shall be entitled to take all internal reorganization steps, whether by plan of arrangement or otherwise, as necessary to complete the Tax Reorganization, *provided* that:

A. each of the New Issuer and the Parent and each of the Affiliates of the New Issuer or the Parent which is a party to any of the Note Documents shall be a solvent Person organized and existing under the laws of Canada or any province thereof and shall have executed and delivered to each holder of any Notes its assumption of the due and punctual performance and observance of each covenant and condition of each respective Note Document by which it was bound, and shall have caused to be delivered to each holder of any Notes an opinion of Macleod Dixon LLP or other independent counsel reasonably satisfactory to the Required Holders to the effect that all agreements or instruments effecting such assumption have been duly authorized, executed and delivered and are enforceable in accordance with their terms;

B. all Note Documents of each entity other than the New Issuer (other than the Fund or KEFL if they do not continue to exist as part of the Tax Reorganization) shall be ratified and confirmed by the parties thereto;

C. the unitholders of the Fund immediately before the Tax Reorganization become holders of not less than 50% of the outstanding equity interests of the Parent immediately after the Tax Reorganization becomes effective;

D. if the obligations of the Partnership hereunder are assumed by the New Issuer, the Parent shall have affirmed and assumed in writing the Fund's obligations under this Agreement, the Fund Guarantee and the other Note Documents or shall have provided replacement agreements in substantially the same form and substance after giving effect to the Tax Reorganization and shall furnish to the holders of the Notes an opinion of counsel satisfactory to the Required Holders to the effect that such agreements have been duly authorized, executed and delivered and are enforceable in accordance with their terms;

E. no Default or Event of Default exists or would exist (including, without limitation, under Sections 10.5, 10.6 and 10.7, with any calculation of compliance therewith to be made at the date of determination hereunder) after the Assignment and (in particular, guarantees and subordination agreements are in place as required by Sections 9.9 and 9.10 with references to "Subsidiaries" or "Affiliates" therein being Subsidiaries or Affiliates of the ultimate parent entity emerging from the Tax Reorganization);

F. no adverse taxable event or consequence not covered by the indemnity in Section 13 will result to any holder solely by virtue of such Tax Reorganization and the assumption by the New Issuer of the obligations of the Partnership under this Agreement and the other Note Documents and the Parent shall have furnished written confirmation of the same;

G. the Tax Reorganization shall not have a Material Adverse Effect;

H. immediately after giving effect to the Tax Reorganization, (A) one of either the New Issuer or the Partnership will be the principal obligor with respect to all of the Debt due and owing in respect of the Notes, the Bank Facility and the Existing Private Placement Note Agreements and (B) the New Issuer or the Partnership, as the case may be, shall confirm in writing that the obligations of the New Issuer or the Partnership, as the case may be, in respect of the Notes rank at least *pari passu* in right of payment with all Debt issued or committed to in respect of the Bank Facility and the Existing Private Placement Note Agreements;

I. the Parent shall not, nor shall any Subsidiary, including, without limitation, the Partnership, or Affiliate, directly or indirectly, have paid or given or caused to be paid or given, any consideration or remuneration, whether by way of supplemental or additional interest, fee or otherwise, to any creditor of the New Issuer or of any Subsidiary Guarantor as consideration for or as an inducement to the consent of such creditor to the Tax Reorganization, unless such consideration or remuneration, has been concurrently paid, on the same terms, ratably to the holders of all of the Notes then outstanding; and

J. the holders shall have received such other assurances, representations and warranties, copies of organizational documents, legal opinions and other documents with respect to the Assignment as they may reasonably request, including, without limitation, to preserve as against the New Issuer and the other entities emerging from the Tax Reorganization the substance of the reporting requirements, the positive covenants, the negative covenants and the events of default contained herein.

As provided in Section 16.1(c), the costs and expenses of counsel to the holders of the Notes in connection with the Tax Reorganization and compliance by the Partnership with this Section 23.1(b), including without limitation review of documentation, shall be paid by the Partnership.

Section 23.2. Payments Due on Non-Business Days. Anything in this Agreement or the Notes to the contrary notwithstanding (but without limiting the requirement in Section 8.6 that notice of any optional prepayment specify a Business Day as the date fixed for such prepayment), any payment of principal of, Make-Whole Amount or Modified Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day; *provided* that if the maturity date of any Note is a date other than a Business Day, the payment otherwise due on such maturity date shall be made on the next succeeding Business Day and shall include the additional days elapsed in the computation of interest payable on such next succeeding Business Day.

Section 23.3. Accounting Terms; Determination of Financial Covenant Compliance. (a) All accounting terms used herein which are not expressly defined in this Agreement have the meanings respectively given to them in accordance with GAAP. Except as otherwise specifically provided herein, all computations made pursuant to this Agreement shall be made in accordance with GAAP, and all financial statements shall be prepared in accordance with GAAP. For purposes of determining compliance with the financial covenants contained in this Agreement, any election by the Partnership or the Fund to measure an item of Debt using fair value (as permitted by International Accounting Standard 39 or any similar accounting standard) shall be disregarded and such determination shall be made as if such election had not been made.

(b) The financial terms and definitions used in determining compliance with financial covenants herein contained are to be reported on the basis of the consolidated financial statements of the Fund (including any Unrestricted Subsidiaries) unless (i) the Partnership, the Fund and its Restricted Subsidiaries on a consolidated basis (excluding Unrestricted Subsidiaries) contribute in the aggregate less than 90% of the consolidated revenue of the Partnership, the Fund and its Subsidiaries on a consolidated basis or (ii) the Partnership chooses to provide consolidated financial statements of the Partnership, the Fund and its Restricted Subsidiaries to determine compliance with the financial covenants herein contained, with the effect and result that in either such case compliance with the financial covenants herein contained shall be determined on the basis of the Partnership, the Fund and its Restricted Subsidiaries.

Section 23.4. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction.

Section 23.5. Construction, Etc. Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

For the avoidance of doubt, all Schedules and Exhibits attached to this Agreement shall be deemed to be a part hereof.

Section 23.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

Section 23.7. *Governing Law.* This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the Province of Alberta excluding choice-of-law principles of the law of such Province that would permit the application of the laws of a jurisdiction other than such Province.

Section 23.8. *Jurisdiction and Process; Waiver of Jury Trial.* (a) Each of the Partnership and the Fund irrevocably submits to the non-exclusive jurisdiction of the courts of the Province of Alberta over any suit, action or proceeding arising out of or relating to the Note Documents. To the fullest extent permitted by applicable law, each of the Partnership and the Fund irrevocably waives and agrees not to assert, by way of motion, as a defense or otherwise, any claim that it is not subject to the jurisdiction of any such court, any objection that it may now or hereafter have to the laying of the venue of any such suit, action or proceeding brought in any such court and any claim that any such suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

(b) Each of the Partnership and the Fund agrees, to the fullest extent permitted by applicable law, that a final judgment in any suit, action or proceeding of the nature referred to in Section 23.8(a) brought in any such court shall be conclusive and binding upon it subject to rights of appeal, as the case may be, and may be enforced in the courts of the Province of Alberta (or any other courts to the jurisdiction of which it or any of its assets is or may be subject) by a suit upon such judgment.

(c) Nothing in this Section 23.8 shall affect the right of any holder of a Note to serve process in any manner permitted by law, or limit any right that the holders of any of the Notes may have to bring proceedings against each of the Partnership and the Fund in the courts of any appropriate jurisdiction or to enforce in any lawful manner a judgment obtained in one jurisdiction in any other jurisdiction.

(d) THE PARTIES HERETO HEREBY WAIVE TRIAL BY JURY IN ANY ACTION BROUGHT ON OR WITH RESPECT TO THIS AGREEMENT, THE NOTES OR ANY OTHER DOCUMENT EXECUTED IN CONNECTION HEREWITH OR THEREWITH.

Section 23.9. *Obligation to Make Payment.* (a) Any payment on account of an amount that is payable under the Note Documents in Canadian Dollars which is made to or for the account of any holder of Notes in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Partnership or the Fund, shall constitute a discharge of the obligation of the Partnership or the Fund, as applicable, under the Note Documents only to the extent of the amount of Canadian Dollars which such holder purchases or could purchase in the foreign exchange markets in New York, New York, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the Business Day following receipt of the payment first referred to above. If the amount of Canadian Dollars so purchased or that could be purchased is less than the amount of Canadian Dollars originally due to such holder, the

Partnership or the Fund, as applicable, agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in the Note Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under the Note Documents or under any judgment or order.

(b) Any payment on account of an amount that is payable under the Note Documents in U.S. Dollars which is made to or for the account of any holder of Notes in any other currency, whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Partnership or the Fund, shall constitute a discharge of the obligation of the Partnership or the Fund, as applicable, under the Note Documents only to the extent of the amount of U.S. Dollars which such holder purchases or could purchase in the foreign exchange markets in New York, New York, with the amount of such other currency in accordance with normal banking procedures at the rate of exchange prevailing on the Business Day following receipt of the payment first referred to above. If the amount of U.S. Dollars so purchased or that could be purchased is less than the amount of U.S. Dollars originally due to such holder, the Partnership or the Fund, as applicable, agrees to the fullest extent permitted by law, to indemnify and save harmless such holder from and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall, to the fullest extent permitted by law, constitute an obligation separate and independent from the other obligations contained in the Note Documents, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by such holder from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due under the Note Documents or under any judgment or order.

Section 23.10. Interest. (a) In respect of any overdue amounts hereunder or under the Notes where no provision is made herein or therein for payment of interest thereon, the Partnership shall pay interest on such overdue amounts on demand, calculated from the date such unpaid amount is due until such unpaid amount is paid in full, at the Default Rate.

(b) In no event shall any interest or fee to be paid hereunder or under a Note exceed the maximum rate permitted by applicable law. In the event any such interest rate or fee exceeds such maximum rate, such rate shall be adjusted downward to the highest rate (expressed as a percentage per annum) or fee that the parties could validly have agreed to by contract on the date hereof under applicable law. It is further agreed that any excess actually received by a holder of a Note shall be credited against the principal of the Notes (or, if the principal shall have been or would thereby be paid in full, the remaining amount shall be credited or paid to the Partnership).

(c) All interest (including interest on overdue interest) payable by the Partnership hereunder and under the Notes shall accrue from day to day, computed as provided herein, and shall be payable after as well as before maturity, demand, default and judgment.

(d) Interest on the Notes shall be computed on the basis of a 360-day year of 12 30-day months. Solely for purposes of the Interest Act (Canada), the yearly rate of interest to which interest calculated for a period of less than one year on the basis of a year of 360 days consisting of 12 30-day periods is equivalent is such rate of interest multiplied by a fraction of which (i) the numerator is the product of (A) the actual number of days in the year commencing on the first day of such period, multiplied by (B) the sum of (y) the product of 30 multiplied by the number of complete months elapsed in such period and (z) the actual number of days elapsed in any incomplete month in such period; and (ii) the denominator is the product of (a) 360 multiplied by (b) the actual number of days in such period.

(e) The theory of "deemed reinvestment" shall not apply to the computation of interest and no allowance, reduction or deduction shall be made for the deemed reinvestment of interest in respect of any payments. Calculation of interest shall be made using the nominal rate method, and not the effective rate method, of calculation.

(f) To the extent permitted by law, Section 6 of the Judgment Interest Act (Alberta) is hereby waived and shall not apply to this Agreement or the Notes.

Section 23.11. Acknowledgement. The parties hereto acknowledge that the Fund Administrator, in executing this Agreement for and on behalf of the Fund, is doing so solely in its capacity as administrator of the Fund and this Agreement is binding on the Fund Trustee in its capacity as trustee of the Fund only and not in its personal capacity. This Agreement is not personally binding upon the Fund Administrator, the Fund Trustee or any unitholder of the Fund, and any recourse against the Fund Administrator, the Fund Trustee or any unitholder of the Fund (in such capacity) or in any manner in respect of any indebtedness, obligation or liability of the Fund or the Fund Trustee in its capacity as trustee of the Fund arising hereunder or arising in connection herewith or from the matters to which this Agreement relates, if any, including claims based on negligence or otherwise tortious behaviour, shall be limited to, and satisfied only out of, the Trust Assets (as defined in the Fund Declaration of Trust).

Section 23.12. Determinations Involving Different Currencies. In the event of any determination of the requisite percentage or the principal amount of any Notes of more than one currency, all Notes which are issued in a currency other than U.S. Dollars shall, for purposes of determining any such percentage or requisite principal amount, be deemed to have been converted into U.S. Dollars at the time that such determination is made at the exchange rate published in the Financial Times one Business Day prior to the date of determination.

* * * * *

If you are in agreement with the foregoing, please sign the form of agreement on a counterpart of this Agreement and return it to the Partnership, whereupon this Agreement shall become a binding agreement among you, the Partnership and the Fund.

Very truly yours,

KEYERA ENERGY LIMITED PARTNERSHIP, by its Administrator, Keyera Energy Management Ltd.

By: [redacted]
Name: James V. Bertram
Title: Chief Executive Officer

By: [redacted]
Name: Dean Setoguchi
Title: Vice President and Chief Financial Officer

KEYERA FACILITIES INCOME FUND, by its Administrator, Keyera Energy Management Ltd.

By: [redacted]
Name: James V. Bertram
Title: Chief Executive Officer

By: [redacted]
Name: Dean Setoguchi
Title: Vice President and Chief Financial Officer

This Agreement is hereby accepted and agreed to as of the date thereof.

PRUDENTIAL INVESTMENT MANAGEMENT, INC.

B[redacted]
[redacted] Vice President

WH\B

SCHEDULE A

INFORMATION SCHEDULE

Authorized Officers for Prudential

[REDACTED]

SCHEDULE B

DEFINED TERMS

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"Acceptance" is defined in Section 2.1(f).

"Acceptance Day" is defined in Section 2.1(f).

"Acceptance Window" means, with respect to any Quotation, the time period designated by Prudential during which the Partnership may elect to accept such Quotation.

"Accepted Note" is defined in Section 2.1(f).

"Adjusted Consolidated Total Assets" means, in respect of the Fund, an amount equal to the total assets of the Fund, determined in accordance with GAAP on a consolidated basis, without duplication, less the aggregate of any amount included therein which is attributable (as determined in accordance with GAAP) to:

(a) goodwill, trademark, copyrights and other similar intangible assets as shown on the balance sheet of the Fund; and

(b) the amount shown on the balance sheet of the Fund allocated to Non-Recourse Assets of the Fund or any of its Subsidiaries.

"Affiliate" means, at any time, (a) with respect to any Person, any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person and (b) with respect to Prudential, shall include any managed account, investment fund or other vehicle for which Prudential or any Prudential Affiliate acts as investment advisor or portfolio manager. As used in this definition, *"Control"* means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an *"Affiliate"* is a reference to an Affiliate of the Fund.

"Anti-Terrorism Order" means United States Executive Order No. 13,224 of September 24, 2001, Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit or Support Terrorism, 66 U.S. Fed. Reg. 49, 079 (2001), as amended.

"Applicable Currency" means (i) with respect to any Notes denominated in U.S. Dollars, U.S. Dollars, and (ii) with respect to any Notes denominated in Canadian Dollars, Canadian Dollars.

"Assignment" is defined in Section 23.1(b).

"Authorized Officer" means (i) in the case of the Partnership, its chief executive officer, its chief financial officer, any other Person authorized by the Partnership to act on behalf of the Partnership and designated as an "Authorized Officer" of the Partnership in the Information Schedule attached hereto or any other Person authorized by the Partnership to act on behalf of the Partnership and designated as an "Authorized Officer" of the Partnership for the purpose of this Agreement in an Officer's Certificate executed by the Partnership's chief executive officer or chief financial officer and delivered to Prudential, and (ii) in the case of Prudential, any officer of Prudential designated as its "Authorized Officer" in the Information Schedule or any officer of Prudential designated as its "Authorized Officer" for the purpose of this Agreement in a certificate executed by one of its Authorized Officers or a lawyer in its law department. Any action taken under this Agreement on behalf of the Partnership by any individual who on or after the date of this Agreement shall have been an Authorized Officer of the Partnership and whom Prudential in good faith believes to be an Authorized Officer of the Partnership at the time of such action shall be binding on the Partnership even though such individual shall have ceased to be an Authorized Officer of the Partnership, and any action taken under this Agreement on behalf of Prudential by any individual who on or after the date of this Agreement shall have been an Authorized Officer of Prudential and whom the Partnership in good faith believes to be an Authorized Officer of Prudential at the time of such action shall be binding on Prudential even though such individual shall have ceased to be an Authorized Officer of Prudential.

"Available Currencies" means U.S. Dollars and Canadian Dollars.

"Available Facility Amount" is defined in Section 2.1(a).

"Bank Facility" means the Amended and Restated Credit Agreement dated as of August 25, 2008, among the Partnership and KEFL, as borrowers, and the financial institutions party thereto as Lenders, with Royal Bank of Canada as Administrative Agent, as further amended or restated from time to time, or any replacement bank facility (including, without limitation, the replacement bank facility contemplated to be executed and delivered on or about January 1, 2011) that is put in place by the Partnership, the Fund or any Restricted Subsidiary as the primary bank credit facility of the Fund as a whole (regardless of whether the Fund, the Partnership or KEFL or any combination thereof is the borrower under such replacement facility).

"Business Day" means (a) for the purposes of Section 8.8 only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York are required or authorized to be closed, (b) for purposes of Section 2.1(d) only, any day which is both a New York Business Day and a day on which Prudential is open for business and (c) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in New York, New York, U.S.A., Toronto, Ontario, Canada or Calgary, Alberta, Canada are required or authorized to be closed.

"Canadian Held Notes" is defined in Section 5.9(d).

"Canadian Dollars" or *"Cdn. $"* means lawful money of Canada in same day immediately available freely transferable funds, or, if such funds are not available, the form of money of Canada that is customarily used in the settlement of international banking transactions on the date payment is due hereunder.

"Canadian Sanctions Designated Person" is defined in Section 5.16.

"Capital Lease" means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

"Change of Control" means any circumstances arising after the date of any Closing (other than as contemplated in Section 23.1(b)) in which a Person or combination of Persons acting jointly or in concert within the meaning of the Securities Act (Alberta) acquires

(a) a majority of the Voting Equity Capital of the Partnership, or

(b) (i) if the Fund is the direct or indirect holder of all of the equity interests in the Partnership, beneficial or voting ownership of a majority of the trust units in the Fund, or (ii) if the Fund is not the direct or indirect holder of all of the equity interests of the Partnership, a majority of the Voting Equity Capital of any entity that then is the direct or indirect holder of all of the equity interests of the Partnership,

provided that in any event it shall not be a Change of Control if, immediately following such acquisition the Fund, or the Fund's successor, or any other Person of which the Fund is a Subsidiary as a result of such acquisition and which has provided a Guarantee of the Partnership's obligations under this Agreement and the Notes, has a credit rating in respect of its senior unsecured long term indebtedness for borrowed money debt of at least BBB- by Standard & Poors Rating Services or Baa3 by Moody's Investors Service or an equivalent rating by another rating agency of recognized national standing.

"Change of Control Prepayment Acceptance Notice" is defined in Section 8.4.

"Change of Control Prepayment Notice" is defined in Section 8.4.

"Closing" is defined in Section 3.

"Closing Day" means, with respect to any Accepted Note, the Business Day specified for the closing of the purchase and sale of such Accepted Note in the Confirmation of Acceptance for such Accepted Note, *provided* that (i) if the Partnership and the Purchaser which is obligated to purchase such Accepted Note agree on an earlier Business Day for such closing, the "Closing Day" for such Accepted Note shall be such earlier Business Day, and (ii) if the closing of the purchase and sale of such Accepted Note is rescheduled pursuant to Section 3.3, the Closing Day for such Accepted Note, for all purposes of this Agreement except references to "original Closing Day" in Section 2.1(h)(iii), shall mean the Rescheduled Closing Day with respect to such Accepted Note.

"Code" means the United States Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

"Collateral Agency Agreement" means the Amended and Restated Collateral Agency and Intercreditor Agreement dated as of August 26, 2003 among the Partnership, KEFL, the Collateral Agent, the "Representatives" (as defined therein) and the other Secured Parties from time to time entitled to the benefit thereof, as amended, supplemented, restated, renewed or replaced from time to time as permitted by this Agreement.

"Collateral Agency Supplemental Documents" means:

(a) a Supplemental Agreement with respect to the Collateral Agency Agreement whereby the holders become *"Additional Lenders"* (as defined in the Collateral Agency Agreement) and agree to be bound by the provisions thereof,

(b) a Representative Appointment Agreement pursuant to which the holders appoint Royal Bank of Canada as their Representative under the Collateral Agency Agreement, and

(c) a Certificate Regarding Permitted Senior Notes by the Partnership confirming certain matters pertaining to the holders becoming entitled to become parties to the Collateral Agency Agreement.

"Collateral Agent" means Royal Bank of Canada, as the holder of the Subordination Agreements for the benefit of the Secured Parties as provided in the Collateral Agency Agreement or any successor collateral agent appointed under such agreement.

"Confidential Information" is defined in Section 21.

"Confirmation of Acceptance" is defined in Section 2.1(f).

"Consolidated Debt" means, without duplication, at any time and subject to Section 23.3(b), all Debt of the Partnership, the Fund and its Restricted Subsidiaries, determined on a consolidated basis after eliminating inter-company items.

"Consolidated EBITDA" means, without duplication, for any period and subject to Section 23.3(b), Consolidated Net Income for such period plus any income actually received by the Partnership, the Fund and its Restricted Subsidiaries during such period in the form of cash dividends or similar cash distributions, plus (but only to the extent deducted in determining Consolidated Net Income for such period):

(a) Consolidated Interest Charges for such period,

(b) depreciation, depletion and amortization taken by the Partnership, the Fund and its Restricted Subsidiaries during such period,

(c) any provision for current and future income taxes taken by the Partnership, the Fund and its Restricted Subsidiaries for such period, determined on a consolidated basis, and

(d) all other non-cash charges taken by the Partnership, the Fund and its Restricted Subsidiaries for such period,

and *less* (but only to the extent included in determining Consolidated Net Income for such period) any non-cash gains, all determined on a consolidated basis.

For the purposes of this definition, if any Person (or assets of any Person) is acquired by the Partnership, the Fund or a Restricted Subsidiary (whether by amalgamation, asset or stock acquisition or otherwise) at any time during the relevant period of calculation such that it becomes a Restricted Subsidiary (if such Person is acquired as aforesaid), such acquisition shall be deemed to have been made on and as of the first day of such calculation period; and if any Person (or assets of any Person) is disposed of by the Partnership, the Fund or a Restricted Subsidiary (whether by asset or stock sale or otherwise) at any time during the relevant period of calculation such that it ceases to be a Restricted Subsidiary, or the assets cease to be owned by the Partnership, the Fund or a Restricted Subsidiary, such disposition shall be deemed to have been made on and as of the first day of such calculation period.

"Consolidated Interest Charges" means, without duplication, for any period and subject to Section 23.3(b), the sum of the following (in each case, eliminating all offsetting debits and credits among the Partnership, the Fund and its Restricted Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Partnership, the Fund and its Restricted Subsidiaries in accordance with GAAP):

(a) all interest in respect of Debt of the Partnership, the Fund and its Restricted Subsidiaries (including (i) imputed interest on rentals in respect of Capital Lease, (ii) original issue discount and non-cash interest payments or accruals on any Debt, (iii) the interest portion of all deferred payment obligations, (iv) all commissions, discounts and other fees and charges owed with respect to bankers' acceptances and letters of credit financing and currency and interest swap and hedging obligations, in each case to the extent attributable to such period) and (v) the all-in cost of funds (equivalent to interest) of any Receivables Securitization Programs, deducted in determining Consolidated Net Income for such period, and

(b) all debt discount and expense amortized or required to be amortized in the determination of Consolidated Net Income for such period.

For the purposes of this definition, if any Person (or assets of any Person) is acquired by the Partnership, the Fund or a Restricted Subsidiary (whether by amalgamation, asset or stock acquisition or otherwise) at any time during the relevant period of calculation such that it becomes a Restricted Subsidiary (if such Person is acquired as aforesaid), Debt in respect of such acquisition shall be deemed to have been incurred on and as of the first day of such calculation period; and if any Person (or assets of any Person) is disposed of by the Partnership, the Fund or a Restricted Subsidiary (whether by asset or stock sale or otherwise) at any time during the relevant period of calculation such that it ceases to be a Restricted Subsidiary, or the assets cease to be owned by the Partnership, the Fund or a Restricted Subsidiary, Debt relating to the entity or assets disposed of shall be deemed to have been repaid on and as of the first day of such calculation period.

"Consolidated Net Income" means, without duplication, for any period and subject to Section 23.3(b), the consolidated net income of the Partnership, the Fund and its Restricted Subsidiaries for such period (taken as a cumulative whole), as determined in accordance with GAAP, after eliminating all offsetting debits and credits between the Partnership, the Fund and its Restricted Subsidiaries and all other items required to be eliminated in the course of the preparation of consolidated financial statements of the Partnership, the Fund and its Restricted Subsidiaries in accordance with GAAP, *provided* that there shall be excluded:

(a) the income (or loss) of any Person accrued prior to the date it becomes a Restricted Subsidiary or is amalgamated into or consolidated with the Partnership, the Fund or a Restricted Subsidiary, and the income (or loss) of any Person, substantially all of the assets of which have been acquired in any manner, realized by such other Person prior to the date of acquisition,

(b) the income (or loss) of any Person (other than the Partnership, the Fund or a Restricted Subsidiary) in which the Partnership, the Fund or a Restricted Subsidiary has an ownership interest *except* to the extent of the amount of any dividends or distributions actually paid in cash to the Partnership, the Fund or a Restricted Subsidiary during such period,

(c) any gains or losses on the sale or other disposition of investments or fixed or capital assets, any write-downs of assets, any charges associated with discontinued business activities, any excluded losses, or any tax expense associated with excluded gains,

(d) any net income or gains or net losses resulting from a change in accounting principles in accordance with GAAP;

(e) any non-cash charges relating to stock option expenses; and

(f) extraordinary gains or losses or prior period adjustments of the Partnership, the Fund or a Restricted Subsidiary as determined in accordance with GAAP.

For the purposes of this definition, if any Person (or assets of any Person) is acquired by the Partnership, the Fund or a Restricted Subsidiary (whether by amalgamation, asset or stock acquisition or otherwise) at any time during the relevant period of calculation such that it becomes a Restricted Subsidiary (if such Person is acquired as aforesaid), such acquisition shall be deemed to have been made on and as of the first day of such calculation period; and if any Person (or assets of any Person) is disposed of by the Partnership, the Fund or a Restricted

Subsidiary (whether by asset or stock sale or otherwise) at any time during the relevant period of calculation such that it ceases to be a Restricted Subsidiary, or the assets cease to be owned by the Partnership, the Fund or a Restricted Subsidiary, such disposition shall be deemed to have been made on and as of the first day of such calculation period.

"Consolidated Total Assets" means, without duplication, at any time and subject to Section 23.3(b), the total assets of the Partnership, the Fund and its Restricted Subsidiaries as determined in accordance with GAAP on a consolidated basis.

"Constating Documents" means the following:

(a) the Partnership Agreement;

(b) the Partnership Administration Agreement;

(c) the Fund Declaration of Trust; and

(d) the other constating documents, by-laws, unanimous shareholders agreements or other formation or constitution documents of the Partnership, the Fund and the Subsidiary Guarantors.

"Crown" means the federal government of Canada and the government of any of its provinces and territories.

"Current Debt" means, without duplication, at any time and subject to Section 23.3(b), all obligations for borrowed money of the Partnership, the Fund and its Restricted Subsidiaries that would be classified as current liabilities on a consolidated basis, as determined in accordance with GAAP, including for certainty the current portion of long term Debt.

"Debt" with respect to any Person means, at any time, without duplication,

(a) its liabilities for borrowed money determined in accordance with GAAP, and its liabilities under a bond, note or indenture, whether or not liabilities for borrowed money determined in accordance with GAAP; *provided* that for the purposes of determining the amount of such liabilities, any application of accounting principles to non cash items relating to Swaps that would increase or decrease the principal amount of any liability for borrowed money shall be disregarded;

(b) its liabilities for the deferred purchase price of property acquired by such Person (excluding all trade payables and other accounts payable arising in the ordinary course of business but including all liabilities created or arising under any conditional sale or other title retention agreement with respect to any such property);

(c) its liabilities appearing on its balance sheet in accordance with GAAP in respect of Capital Leases;

(d) its liabilities for borrowed money secured by any Lien with respect to any property owned by such Person (whether or not such Person has assumed or otherwise become liable for such liabilities);

(e) its liabilities in respect of acceptances, letters of credit, credit enhancement, or instruments serving a function similar to the foregoing, issued or accepted for such Person's account by banks or other financial institutions;

(f) its liabilities in respect of any Receivables Securitization Program;

(g) the amount of Working Capital Deficit; *provided* that any Working Capital Surplus shall be deducted in the calculation of Debt; and

(h) any Guarantee of such Person with respect to liabilities of a type described in any of clauses (a) through (g) above;

excluding (i) except with respect to clause (g) above, all Current Debt of such Person and (ii) all Subordinated Debt of such Person, but *including* all obligations of such Person of the character described above to the extent such Person remains legally liable in respect thereof, notwithstanding that any such obligation is deemed to be extinguished under GAAP.

"Default" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Default Rate" with respect to any Note, has the meaning given in such Note.

"Delayed Delivery Fee" is defined in Section 2.1(h)(iii).

"Designated Investment Dealers" is defined in Section 8.8.

"Disposition" is defined in Section 10.9.

"Distribution" means, with respect to any Person:

(a) the declaration, payment or setting aside for payment of any distributions, dividends or similar payments on or in respect of any equity interests in the capital of the Person (including any return of capital);

(b) the redemption, retraction, purchase, retirement or other acquisition, in whole or in part, of any equity interests in the capital of the Person or any securities, instruments or contractual rights capable of being converted into, exchanged or exercised for equity interests in the capital of the Person, including, without limitation, options, warrants, conversion or exchange privileges and similar rights;

(c) the making of any loan or advance or any other provision of credit to any Affiliate of the Person; and

(d) the payment of any principal, interest, fees or other amounts on or in respect of Subordinated Debt owing at any time by the Person; and

whether any of the foregoing is made, paid or satisfied in or for cash, property or both, *provided* that none of the following shall constitute a Distribution:

(i) any of the foregoing to the extent they are made to or for the account of the Fund, the Partnership, any Subsidiary Guarantor or any other wholly-owned Subsidiary of the Fund;

(ii) any dividends or distributions by a Person made in shares, units or other equity interests of that Person;

(iii) any payment in the ordinary course to the Fund Administrator pursuant to the provisions of the Fund Administration Agreement, the Partnership Administration Agreement, or for other administrative services rendered in the ordinary course to the Fund or its Subsidiaries; and

(iv) any transactions between or among the Fund and its Subsidiaries in the ordinary course which from time to time result from the transfer of funds or entries undertaken in accordance with the terms of a customary centralized banking agreement in effect among all or any of such entities.

"Dollars" or *"$"* or *"U.S. Dollars"* means lawful money of the United States of America.

"Electronic Delivery" is defined in Section 7.1(a).

"Environmental Laws" means any and all Canadian and United States federal, provincial, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"Equity Capital" means in the case of a corporation, shares of capital stock of any class or series, including warrants, rights, participating interests or options to purchase or otherwise acquire any class or series of capital stock or Securities exchangeable for or convertible into any class or series of capital stock, and in the case of any other Person or entity shall mean any class or series of partnership interests, units, membership interests or like interests constituting equity, and in the case of each of the foregoing, any part or portion thereof or participation in any of the foregoing.

"ERISA" means the United States Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Partnership under section 414 of the Code.

"Event of Default" is defined in Section 11.

"Existing Private Placement Note Agreements" means (a) the Note Purchase Agreement dated as of August 26, 2003 among the Partnership, KEFL and the Purchasers named in Schedule A thereto (together with their successor and assigns), (b) the Note Purchase Agreement dated September 4, 2007 among KEFL, the Fund and the Purchasers named in Schedule A thereto (together with their successor and assigns), (c) the Note Purchase Agreement dated April 30, 2009 among KEFL, the Fund and the Purchasers named in Schedule A thereto (together with their successor and assigns), and (d) the Note Purchase Agreement dated September 8, 2010 among the Partnership, the Fund and the Purchasers named in Schedule A thereto (together with their successor and assigns), in each case, as the same may be supplemented or amended from time to time.

"Facility" is defined in Section 2.1(a).

"Forms" is defined in Section 13.

"Fund" means Keyera Facilities Income Fund, an Alberta trust or any successor that becomes such in the manner prescribed in Section 10.2 or 23.1.

"Fund Administration Agreement" means the Amended and Restated Administration Agreement made as of January 2, 2008 among Keyera Energy Management Ltd., the Fund and Keyera Facilities Commercial Trust, pursuant to which the Fund Administrator (on the date hereof, Keyera Energy Management Ltd.) has been appointed the administrator of the Fund and Keyera Facilities Commercial Trust, as amended, restated, modified, supplemented or replaced from time to time.

"Fund Administrator" is defined in Section 5.1(b) and includes any successor administrator appointed in accordance with the terms of the Fund Declaration of Trust and the Fund Administration Agreement.

"Fund Declaration of Trust" means the declaration of trust establishing the Fund dated April 3, 2003, as amended and restated effective June 8, 2009, and as may be further amended, restated, modified, supplemented or replaced from time to time.

"Fund Guarantee" means a guarantee by the Fund executed and delivered on the date of the Closing guaranteeing the obligations of the Partnership to each holder of a Note, which shall be satisfactory in form and substance to the holders of Notes, as amended, restated, modified, supplemented or replaced from time to time.

"Fund Trustee" means Computershare Trust Company of Canada, a trust company under the laws of Canada, acting in its capacity as the trustee of the Fund, or any successor thereto in such capacity.

"GAAP" means generally accepted accounting principles (including International Financial Reporting Standards, as applicable) as in effect from time to time in Canada.

"Governmental Authority" means

(a) the government of

(i) the United States of America or Canada or any state, province or other political subdivision of either thereof,

(ii) any other jurisdiction in which the Partnership, the Fund or any Restricted Subsidiary conducts all or any part of its business, or which lawfully asserts jurisdiction over any properties of the Partnership, the Fund or any Restricted Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"Guarantee" means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guarantee, the indebtedness or other obligations that are the subject of such Guarantee shall be assumed to be direct obligations of such obligor.

"Hedge Treasury Note(s)" means, with respect to any Accepted Note, the United States Treasury Note or Notes whose duration (as determined by Prudential) most closely matches the duration of such Accepted Note.

"holder" means, with respect to any Note the Person in whose name such Note is registered in the register maintained by the Partnership pursuant to Section 14.1.

"Hostile Tender Offer" shall mean, with respect to the use of proceeds of any Note, any offer to purchase, or any purchase of, shares of capital stock of any corporation or equity interests in any other entity, or securities convertible into or representing the beneficial ownership of, or rights to acquire, any such shares or equity interests, if such shares, equity interests, securities or rights are of a class which is publicly traded on any securities exchange or in any over-the-counter market, other than purchases of such shares, equity interests, securities or rights representing less than 5% of the equity interests or beneficial ownership of such corporation or other entity for portfolio investment purposes, and such offer or purchase has not been duly approved by the board of directors of such corporation or the equivalent governing body of such other entity prior to the date on which the Partnership makes the Request for Purchase of such Note.

"Imposed Taxes" is defined in Section 5.9(b).

"Institutional Accredited Investor" shall mean any Person that is an institutional "accredited investor" (as such term is defined under Regulation D promulgated under the Securities Act, or any successor law, rule or regulation).

"Institutional Investor" means (a) any Purchaser of a Note, (b) any holder of a Note holding (together with one or more of its affiliates) more than 2% of the aggregate principal amount of the Notes then outstanding, (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form, and (d) any Related Fund of any holder of any Note.

"Issuance Fee" is defined in Section 2.1(h)(ii).

"Issuance Period" is defined in Section 2.1(b).

"KEFL" means Keyera Energy Facilities Limited, an Alberta corporation, or any successor that becomes such in the manner prescribed in Section 10.2 or 23.1 or otherwise.

"KRL" means Keyera Rimbey Ltd., an Alberta corporation.

"Lien" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person, including any trust or right of set-off that exists for the purpose of securing payment of Debt, but for certainty, excluding any operating lease.

"Make-Whole Amount" is defined in Section 8.8.

"Material" means material in relation to the business, operations, affairs, financial condition, assets or properties of the Partnership, the Fund and its Restricted Subsidiaries taken as a whole.

"Material Adverse Effect" means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Partnership, the Fund and its Restricted Subsidiaries taken as a whole, or (b) the ability of the Partnership, the Fund and the Subsidiary Guarantors (taken as a whole) to perform their respective obligations under Note Documents, or (c) the validity or enforceability of this Agreement, the Notes or any other Note Documents.

"Memorandum" is defined in Section 5.3.

"Modified Make-Whole Amount" is defined in Section 8.8.

"Multiemployer Plan" means any Plan that is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

"NAIC" means the National Association of Insurance Commissioners or any successor thereto.

"New Issuer" is defined in Section 23.1(b).

"New York Business Day" means any day other than a Saturday, a Sunday or a day on which commercial banks in New York are required or authorized to be closed.

"Non-Canadian Held Notes" is defined in Section 5.9(d).

"Non-Recourse Assets" means any property of a Person in respect of which a Lien has been granted by such Person to secure Non-Recourse Debt.

"Non-Recourse Debt" means, with respect to a Person, Debt incurred by such Person if the terms and conditions of such Debt provide that:

(a) in enforcing their rights in respect of the repayment of such Debt, the creditors thereof shall have recourse only to, and the obligations of the Person, shall be performed, satisfied, and paid only out of, the property or the revenue of the Person which shall have been subject to a Lien as security for the payment of such Debt; and

(b) no resort or recourse for such purpose shall be had by such creditors to any other property or revenues of the Person and in particular no resort or recourse for the repayment of such Debt shall be had, judgment issued or execution or other process levied by such creditors against any of the property of the Person other than the property or the revenue therefrom which shall have been subject to a Lien as security for the payment of such Debt.

"Non-U.S. Plan" means any plan, fund or other similar program that (a) is established or maintained outside the United States of America by the Partnership or any Subsidiary primarily for the benefit of employees of the Partnership or one or more Subsidiaries residing outside the United States of America, which plan, fund or other similar program provides, or results in, retirement income, a deferral of income in contemplation of retirement or payments to be made upon termination of employment, and (b) is not subject to ERISA or the Code.

"Note Documents" means this Agreement, the Notes outstanding hereunder, the Fund Guarantee, the Subsidiary Guarantees, the Collateral Agency Agreement, the Subordination Agreements, including, without limitation, such agreements, documents and instruments, as amended, restated or replaced, following the Tax Reorganization.

"Notes" is defined in Section 1.

"OFAC Designated Person" is defined in Section 5.16.

"Officer's Certificate" means, in the case of the Partnership, a certificate of a Senior Financial Officer or of any other officer of the Partnership Administrator whose responsibilities extend to the subject matter of such certificate, and in the case of the Fund, certificate of a Senior Financial Officer or of any other officer of the Fund Administrator whose responsibilities extend to the subject matter of such certificate.

"Overnight Interest Rate" means with respect to an Accepted Note denominated in a currency other than U.S. Dollars, the actual rate of interest, if any, received by the Purchaser which intends to purchase such Accepted Note on the overnight deposit of the funds intended to be used for the purchase of such Accepted Note, it being understood that reasonable efforts will be made by or on behalf of the Purchaser to make any such deposit in an interest bearing account.

"Parent" is defined in Section 23.1(b).

"Partnership" means Keyera Energy Limited Partnership, a limited partnership under the laws of Alberta or any successor that becomes such in the manner prescribed in Section 10.2 or 23.1 or otherwise.

"Partnership Administration Agreement" means the Administration Services Agreement dated as of January 2, 2008 between Keyera Energy Management Ltd. and the Partnership as amended, restated, modified, supplemented or replaced from time to time.

"Partnership Administrator" is defined in Section 5.1(a) and includes any successor administrator appointed in accordance with the terms of the Partnership Administration Agreement.

"Partnership Agreement" means the Amended and Restated Partnership Agreement dated as of January 1, 2006, forming the Partnership, as further amended and restated on

January 2, 2008, and as may be further amended, restated, modified, supplemented or replaced from time to time.

"Payment" is defined in Section 5.9(b).

"PBGC" means the United States Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

"Permitted Encumbrances" means the following in respect of the property and assets of the Partnership, the Fund and its Restricted Subsidiaries:

(a) Liens for taxes, assessments or governmental charges which are not due or delinquent, or the validity of which the affected Partnership, Fund or Restricted Subsidiary shall be contesting in good faith, *provided* that any such contest will involve no risk of loss of any Material part of the property of the Partnership, the Fund and its Restricted Subsidiaries taken as a whole;

(b) Liens of any judgments rendered, or claims filed, against an affected Partnership, Fund or Restricted Subsidiary which it shall be contesting in good faith, *provided* that any such contest will involve no risk of loss of any Material part of the property of the Partnership, the Fund and its Restricted Subsidiaries taken as a whole;

(c) Liens imposed or permitted by law, such as carriers' liens, builders' liens, materialmen's liens and other liens, privileges or other charges of a similar nature incurred in the ordinary course of business of the affected Partnership, Fund or Restricted Subsidiary which relate to obligations not due or delinquent or, if due or delinquent, which Lien it shall be contesting in good faith, *provided* that any such contest will involve no risk of loss of any Material part of the property of the Partnership, the Fund and its Restricted Subsidiaries taken as a whole;

(d) undetermined or inchoate Liens arising in the ordinary course of and incidental to construction or current operations and in accordance with sound oil and gas industry practice in the jurisdiction in which the business is being conducted and not in connection with the borrowing of money and which, in any event, have not been filed pursuant to law against the affected Partnership, Fund or Restricted Subsidiary or its property or in respect of which no steps or proceedings to enforce such Liens have been initiated or which relate to obligations which are not due or delinquent or, if due or delinquent, are being contested in good faith by it, *provided* that any such contest will involve no risk of loss of any Material part of the property of Partnership, the Fund and its Restricted Subsidiaries taken as a whole;

(e) Liens incurred or created in the ordinary course of business and in accordance with sound oil and gas industry practice in the jurisdiction in which the business is being conducted in respect of the joint operation of oil and gas properties or related production or processing facilities as security in favour of any other Person conducting the development or operation of the property to which such Liens relate, for the affected Partnership's, Fund's or Restricted Subsidiary's portion of the costs and expenses of such development or operation but not, in any event, in connection with the borrowing of money, *provided* that such costs or expenses are not in any event due or delinquent or, if due or delinquent, are being contested in good faith by such it or such contest will involve no risk of loss of any Material part of the property of Partnership, the Fund and its Restricted Subsidiaries taken as a whole;

(f) Liens for penalties arising under ordinary course non-participation provisions of operating agreements in respect of the Partnership's, the Fund's or a Restricted Subsidiary's properties, which either alone or in the aggregate do not materially detract from the value of any Material part of the property of Partnership, the Fund and its Restricted Subsidiaries taken as a whole;

(g) easements, rights-of-way, servitudes, zoning or other similar rights or restrictions in respect of land held by the Partnership, Fund or Restricted Subsidiary (including rights-of-way and servitudes for railways, sewers, drains, pipe lines, gas and water mains, electric light and power and telephone or telegraph or cable television conduits, poles, wires and cables), which either alone or in the aggregate do not Materially detract from the value of such land or impair in a Material way its use in the operation of the business of Partnership, the Fund and its Restricted Subsidiaries taken as a whole;

(h) Liens arising in connection with workers' compensation, unemployment insurance, pension and employment laws or regulations and not in connection with the borrowing of money, *provided* that

(i) the obligations secured are not due or delinquent or, if due or delinquent, are being contested in good faith, and

(ii) any such contest will involve no risk of loss of any Material part of the property of Partnership, the Fund and its Restricted Subsidiaries taken as a whole;

(i) Liens in favour of a public utility or any municipality or governmental or other public authority when required by such public utility or municipality or other governmental authority in the ordinary course of the business operations of the affected Partnership, Fund or Restricted Subsidiary, *provided* that any such Lien does not, either alone or in the aggregate, impair in a Material way the use of any property subject to such Lien in the conduct of the business of the Partnership, the Fund and its Restricted Subsidiaries taken as a whole;

(j) the right reserved to or vested in any governmental body by the terms of any lease, license, grant or permit or by any statutory or regulatory provision to terminate any such lease, license, grant or permit or to require annual or other periodic payments as a condition of the continuance thereof;

(k) all reservations in the original grant from the Crown of any lands and premises or any interests therein and all statutory exceptions, qualifications and reservations in respect of title;

(l) Liens created or incurred in favour of a third party under any joint venture agreement, partnership agreement, operating agreement or similar agreement affecting the property which is the subject of such agreement, *provided* that (i) such agreement is entered into in the ordinary course of its business, on arms' length commercial terms, not in connection with the borrowing of money and otherwise in accordance with industry practice, (ii) reciprocal Liens or equivalent remedies are provided by the other parties to such agreement for the benefit of the Partnership, Fund or Restricted Subsidiary in circumstances where the creditworthiness of such other parties is essentially equivalent to or less than that of the Fund and (iii) the Liens have not become the subject of realization actions under applicable law, or if they have: (1) such realization actions are being contested by the Partnership, Fund or Restricted Subsidiary, as applicable, diligently and in good faith by appropriate proceedings, and (2) the final outcome of any such realization action could not reasonably be expected to have a Material Adverse Effect;

(m) Liens securing intercompany Debt owing to the Partnership, the Fund or any Wholly-Owned Restricted Subsidiary;

(n) Liens created or incurred after the date of this Agreement given to secure the payment of the purchase price incurred in connection with the acquisition or purchase or the cost of construction of property or of assets useful and intended to be used in carrying on the business of the affected Partnership, Fund or Restricted Subsidiary, including Liens existing on such property or assets at the time of acquisition thereof or at the time of completion of construction, as the case may be, whether or not such existing Liens were given to secure the payment of the acquisition or purchase price or cost of construction, as the case may be, of the property or assets to which they attach, *provided* that:

(i) the Lien shall attach solely to the property or assets acquired, purchased or constructed,

(ii) such Lien shall have been created or incurred within 180 days of the date of acquisition or purchase or completion of construction, as the case may be,

(iii) at the time of acquisition or purchase or of completion of construction of such property or assets, the aggregate amount remaining unpaid on all Debt secured by Liens on such property or assets, whether or not assumed by the affected Partnership, Fund or Restricted Subsidiary, shall not exceed an amount equal to 100% of the lesser of the total purchase price or fair market value at the time of acquisition or purchase (as determined in good faith by the general partner or Partnership Administrator of the Partnership) or the cost of construction on the date of completion thereof, and

(iv) at the time of creation, issuance, assumption, guarantee or incurrence of the Debt secured by such Lien and after giving effect thereto and to the application of the proceeds thereof, no Default or Event of Default exists or would exist (including, without limitation, under Sections 10.5, 10.6 and 10.7, with any calculation of compliance therewith to be made as of the date of determination hereunder);

and any Lien renewing, extending or refunding any Lien permitted by this clause (n), *provided* that (i) the principal amount of Debt secured by such Lien immediately prior to such extension, renewal or refunding is not increased and (ii) such Lien is not extended to any other property;

(o) any Lien existing on property or assets of a Person at the time such Person is consolidated, merged or amalgamated with or into the affected Partnership, Fund or Restricted Subsidiary or its becoming the Partnership, the Fund or Restricted Subsidiary, or any Lien existing on any property or assets acquired by the affected Partnership, Fund or Restricted Subsidiary at the time such property or assets are so acquired (whether or not the Debt secured thereby shall have been assumed), *provided* that:

(i) each such Lien shall extend solely to the property or assets so acquired,

(ii) any such Lien shall not have been created or assumed in contemplation of such consolidation, amalgamation, merger or acquisition, and

(iii) at the time of creation, issuance, assumption, guarantee or incurrence of the Debt secured by such Lien and after giving effect thereto and to the application of the proceeds thereof, no Default or Event of Default would exist;

and any Lien renewing, extending or refunding any Lien permitted by this clause (o), *provided* that (i) the principal amount of Debt secured by such Lien immediately prior to such extension, renewal or refunding is not increased and (ii) such Lien is not extended to any other property;

(p) Liens on property or assets subject to a Receivables Securitization Program;

(q) any licenses, royalties, gross overriding royalties or other similar burdens affecting the Partnership's, the Fund's or any Restricted Subsidiary's properties which are granted on an arm's length basis to third parties in the ordinary course of business and not in connection with the borrowing of money;

(r) Liens existing on the date of this Agreement and securing the Debt of the Partnership, the Fund and the Restricted Subsidiaries referred to in Schedule 5.15 and any Lien renewing, extending or refunding any Lien permitted by this clause (r), *provided* that (i) the principal amount of Debt secured by such Lien immediately prior to such extension, renewal or refunding is not increased and (ii) such Lien is not extended to any other property;

(s) Liens created or incurred to secure Debt of the affected Partnership, Fund or Restricted Subsidiary in addition to the Liens permitted by the preceding clauses, *provided* that:

(i) the total amount of Debt secured by Liens permitted under this clause (s) shall not at any time exceed 4% of Adjusted Consolidated Total Assets;

(ii) all Debt secured by such Liens shall have been created or incurred within the limitation provided in Section 10.7; and

(iii) at the time of creation or incurrence of the Debt secured by such Liens and after giving effect thereto and to the application of the proceeds thereof, no Default or Event of Default would exist.

"Person" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, business entity or Governmental Authority.

"Plan" means an "employee benefit plan" (as defined in section 3(3) of ERISA) subject to Title I of ERISA that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Partnership or any ERISA Affiliate or with respect to which the Partnership or any ERISA Affiliate may have any liability, other than a Multiemployer Plan.

"Priority Debt" means, without duplication:

(a) all Debt of the Partnership, the Fund or a Subsidiary Guarantor secured by a Lien created, incurred or permitted to exist within the limitation in clause (s) of the definition of "Permitted Encumbrances", plus

(b) all Debt of any Restricted Subsidiary (but excluding Qualified Subsidiary Debt).

"property" or *"properties"* means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

"Prudential" is defined in the addressee line to this Agreement.

"Prudential Affiliate" means any Affiliate of Prudential.

"PTE" is defined in Section 6.2.

"Purchaser" is defined in the addressee line to this Agreement.

"Qualified Institutional Buyer" means any Person who is a "qualified institutional buyer" within the meaning of such term as set forth in Rule 144A(a)(1) under the Securities Act.

"Qualified Subsidiary Debt" means, without duplication,

(a) Debt of any Subsidiary Guarantor,

(b) Debt of a Restricted Subsidiary owing to the Fund, the Partnership or a Wholly-Owned Restricted Subsidiary,

(c) Debt of a Subsidiary existing on the date of this Agreement as set out in Schedule 5.15, and

(d) Debt of a Subsidiary existing on the date of the acquisition of such Subsidiary after the date of this Agreement, *provided* that such Debt shall not have been incurred in contemplation of such Subsidiary being acquired and that immediately after giving effect to the acquisition of such Subsidiary, no Default or Event of Default exists or would exist (including, without limitation, under Sections 10.5, 10.6 and 10.7, with any calculation of compliance therewith to be made as of the date of determination hereunder).

"Quotation" shall have the meaning provided in paragraph 2.1(e).

"Receivables Securitization Program" means any existing or future receivables securitization program entered into by the Partnership, the Fund or a Restricted Subsidiary.

"Related Fund" means, with respect to any holder of any Note, any fund or entity that (a) invests in securities or bank loans, and (b) is advised or managed by such holder, the same investment advisor as such holder or by an affiliate of such holder or such investment advisor.

"Request for Purchase" is defined in Section 2.1(d).

"Required Holders" means, at any time, the holders of at least 51% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Fund or any of its Affiliates).

"Rescheduled Closing Day" is defined in Section 3.3.

"Responsible Officer" means any Senior Financial Officer and any other officer of the Partnership with responsibility for the administration of the relevant portion of this Agreement.

"Restricted Subsidiary" means any Subsidiary of the Fund (other than the Partnership):

(a) of which more than 80% (by number of votes) of the Voting Equity Capital is beneficially owned, directly or indirectly, by the Partnership, the Fund or one or more Restricted Subsidiaries, and

(b) which the Partnership has designated as a Restricted Subsidiary pursuant to Section 9.11.

"Rimbey Partnership" means Rimbey Pipeline Limited Partnership, a Manitoba limited partnership.

"Secured Parties" has the meaning specified in the Collateral Agency Agreement.

"Securities" means the Notes, the Fund Guarantee and the Subsidiary Guarantee.

"Securities Act" means the United States Securities Act of 1933, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"Senior Financial Officer" means, in the case of the Partnership, the chief financial officer, principal accounting officer, treasurer or comptroller of the Partnership Administrator, and in the case of the Fund, the chief financial officer, principal accounting officer, treasurer or comptroller of the Fund Administrator.

"Series" is defined in Section 1.

"Shelf Notes" is defined in Section 1.

"Structuring Fee" is defined in Section 2.1(h)(i).

"Subordinated Debt" means, without duplication, any Debt of the Partnership, the Fund or any Restricted Subsidiary which by its express terms provides that it is (a) subordinated in right of payment to the Notes pursuant to a subordination agreement in form and substance acceptable to the Required Holders, (b) shall have a stated maturity date later than the last maturity date of the Notes, (c) shall not provide for any required payments or prepayments thereof, and (d) expressly provides that any optional payment or prepayment of principal, interest, premium or other amounts due with respect thereto may only be made in compliance with the requirements of Section 10.8 and includes, for certainty, the subordinated debentures issued by the Fund from time to time pursuant to the Trust Indenture dated as of June 30, 2004 between the Fund and Computershare Trust Company of Canada, as supplemented by the First Supplemental Indenture dated as of December 1, 2008, as further amended, restated, modified, supplemented or replaced from time to time in any manner that does not adversely affect the subordination provisions contained therein for the benefit of the holders.

"Subordinating Person" is defined in Section 9.10.

"Subordination Agreements" means the following agreements currently in effect in favour of the Collateral Agent under the Collateral Agency Agreement:

(a) Amended and Restated Subordination Agreement dated as of August 26, 2003 by the Fund, as "Subordinated Party", KeySpan Energy Canada Partnership (as at the date hereof, the Partnership), KEFL and the Collateral Agent;

(b) Amended and Restated Subordination Agreement dated as of August 26, 2003 by KeySpan Canada Management Ltd. (as at the date hereof, Keyera Energy Management Ltd.), as "Subordinated Party", KeySpan Energy Canada Partnership (as at the date hereof, the Partnership), KEFL and the Collateral Agent; and

(c) Subordination Agreement dated January 2, 2008 by Keyera GP Ltd., as "Subordinated Party", the Partnership, KEFL and the Collateral Agent.

"Subsidiary" means, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership or joint venture can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Notwithstanding the foregoing, a joint venture or other business association (other than a partnership) that is not a separate legal entity apart from the joint venturers or owners thereof under applicable governing law, and whose assets and liabilities are therefore those of its joint venturers or owners, shall not be a "Subsidiary" in and of itself. Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Fund.

"Subsidiary Guarantee" means a guarantee by KEFL and any other Subsidiary of the Fund that becomes a party thereto pursuant to this Agreement, guaranteeing the obligations of the Partnership under this Agreement and the Notes to each holder of a Note, as amended, restated or replaced from time to time.

"Subsidiary Guarantor" means a Restricted Subsidiary of the Fund that has executed and delivered a Subsidiary Guarantee to the holders of Notes, and in respect of which the holders of Notes have received a favourable legal opinion of counsel to the Partnership as to the due authorization, execution, delivery, legality, validity and enforceability of its obligations to the holders of Notes under the Subsidiary Guarantee, and that such obligations do not violate or conflict with any law, Constating Document or agreement to which it is a party or by which its assets are bound, nor violate any restrictions, if any, governing financial assistance (or similar restrictions in the applicable jurisdiction).

"SVO" means the Securities Valuation Office of the NAIC or any successor to such Office.

"Swaps" means, with respect to any Person, payment obligations with respect to interest rate swaps, currency swaps, commodity swaps and similar obligations obligating such Person to make payments, whether periodically or upon the happening of a contingency; *provided* that such swap arrangements are non speculative and are entered into in the ordinary course of business.

"Tax" means any tax (whether income, documentary, sales, stamp, registration, issue, capital, property, excise or otherwise), duty, assessment, levy, impost, fee, compulsory loan, charge or withholding.

"Tax Act" means the Income Tax Act (Canada).

"Tax Prepayment Acceptance Notice" is defined in Section 8.3.

"Tax Prepayment Notice" is defined in Section 8.3.

"Tax Reorganization" is defined in Section 23.1(b).

"Taxing Jurisdiction" is defined in Section 13.

"Unrestricted Subsidiary" means any Subsidiary of the Fund (other than the Partnership) that is not a Restricted Subsidiary.

"USA Patriot Act" means United States Public Law 107-56, Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT ACT) Act of 2001, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"Voting Equity Capital" means, without duplication, Equity Capital of any class or classes, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporate directors (or Persons performing similar functions).

"Wholly-Owned Restricted Subsidiary" means, at any time, any Restricted Subsidiary all of the equity interests (except directors' qualifying shares) and voting interests of which are directly or indirectly owned by any one or more of the Partnership, the Fund and other Wholly-Owned Restricted Subsidiaries at such time.

"Working Capital Deficit" means, without duplication, at any time and subject to Section 23.3(b), the amount, if any, by which the amount of current liabilities at such time exceeds the amount of current assets at such time, as determined in accordance with GAAP on a consolidated basis in respect of the Partnership, the Fund and its Restricted Subsidiaries.

"Working Capital Surplus" means, without duplication, at any time and subject to Section 23.3(b), the amount, if any, by which the amount of current assets at such time exceeds the amount of current liabilities at such time, as determined in accordance with GAAP on a consolidated basis in respect of the Partnership, the Fund and its Restricted Subsidiaries.

EXHIBIT 1

[FORM OF SHELF NOTE]

THIS SECURITY HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED, OR ANY APPLICABLE STATE SECURITIES LAWS AND MAY NOT BE SOLD OR TRANSFERRED WITHOUT COMPLIANCE WITH THE REGISTRATION OR QUALIFICATION PROVISIONS OF APPLICABLE U.S. FEDERAL AND STATE SECURITIES LAWS OR APPLICABLE EXEMPTIONS THEREFROM. UNLESS PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE THE DATE THAT IS 4 MONTHS AND A DAY AFTER THE LATER OF (i) [DATE OF NOTE ISSUANCE], AND (ii) THE DATE THE PARTNERSHIP BECAME A REPORTING ISSUER IN ANY PROVINCE OR TERRITORY OF CANADA.

KEYERA ENERGY LIMITED PARTNERSHIP

[____]% SERIES ___ SENIOR GUARANTEED NOTE DUE [__________, ____]

No. [_____] [__________, 20__]
U.S.$[_______] [PPN US]
ORIGINAL PRINCIPAL AMOUNT:
ORIGINAL ISSUE DATE:
INTEREST RATE:
INTEREST PAYMENT DATES:
FINAL MATURITY DATE:
PRINCIPAL PREPAYMENT DATES AND AMOUNTS:

FOR VALUE RECEIVED, the undersigned, KEYERA ENERGY LIMITED PARTNERSHIP (herein called the *"Partnership"*), a limited partnership under the laws of Alberta, hereby promises to pay to [____________], or registered assigns, the principal sum of [______________________] [UNITED STATES DOLLARS][CANADIAN DOLLARS] [on the Final Maturity Date specified above (or so much thereof as shall not have been prepaid),][, payable on the Principal Prepayment Dates and in the amounts specified above, and on the Final Maturity Date specified above in an amount equal to the unpaid balance of the principal hereof,] with interest (computed on the basis of a 360-day year of twelve 30 day months) (a) on the unpaid balance hereof at the Interest Rate per annum specified above, payable on each Interest Payment Date specified above and on the Final Maturity Date specified above, commencing with the Interest Payment Date next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law, on any overdue payment of interest and, during the continuance of an Event of Default, on such unpaid balance and on any overdue payment of any Make-Whole Amount or Modified Make-Whole Amount, at a rate per annum (the *"Default Rate"*) from time to time equal to the greater of (i) 2% over the Interest Rate specified above or and (ii) [___]% over the rate of interest publicly announced by Citibank, N.A. in New York, New York as its "base" or "prime" rate.

Interest on this Series [___] Note shall be computed on the basis of a 360-day year of 12 30-day months. Solely for purpose of the Interest Act (Canada), the yearly rate of interest to which interest calculated for a period of less than one year on the basis of a year of 360 days consisting of twelve 30-day periods is equivalent is such rate of interest multiplied by a fraction of which (i) the numerator is the product of (A) the actual number of days in the year commencing on the first day of such period, multiplied by (B) the sum of (y) the product of 30 multiplied by the number of complete months elapsed in such period and (z) the actual number of days elapsed in any incomplete month in such period; and (ii) the denominator is the product of (a) 360 multiplied by (b) the actual number of days in such period. All interest payable by the Partnership hereunder shall accrue from day to day, computed as described herein and shall be payable after as well as before maturity, demand, default and judgment. The theory of "deemed reinvestment" shall not apply to the computation of interest hereunder and no allowance, reduction or deduction shall be made for the deemed reinvestment of interest in respect of any payments hereunder. Calculation of interest hereunder shall be made using the nominal rate method, and not the effective rate method, of calculation.

Payments of principal of, interest on and any Make-Whole Amount or Modified Make-Whole Amount with respect to this Note are to be made in lawful money of the United States at the principal office of the Partnership in Calgary, Alberta or at such place as the Partnership shall have designated by written notice to the holder of this Note as provided in the Shelf Agreement referred to below.

This Note is one of the Senior Guaranteed Notes (herein called the *"Notes"*) issued pursuant to the Uncommitted Private Shelf Facility dated as of November 5, 2010 (as from time to time amended, the *"Shelf Agreement"*), among the Partnership, Keyera Facilities Income Fund, Prudential Investment Management, Inc. and each Prudential Affiliate which becomes a party thereto and is entitled to the benefits thereof. Each holder of this Note will be deemed, by its acceptance hereof, to have (i) agreed to the confidentiality provisions set forth in Section 21 of the Shelf Agreement and (ii) made the representation set forth in Section 6.2 of the Shelf Agreement. Unless otherwise indicated, capitalized terms used in this Note shall have the respective meanings ascribed to such terms in the Shelf Agreement.

This Note is a registered Note and, as provided in the Shelf Agreement, upon surrender of this Note for registration of transfer, accompanied by a written instrument of transfer duly executed by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Partnership may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Partnership will not be affected by any notice to the contrary.

[The Partnership will make required prepayments of principal on the dates and in the amounts specified above and in the Shelf Agreement.] [This Note is [also] subject to [optional] prepayment, in whole or from time to time in part, at the times and on the terms specified in the Shelf Agreement, but not otherwise.] [This Note is not subject to prepayment.]

If an Event of Default occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount or Modified Make-Whole Amount) and with the effect provided in the Shelf Agreement.

This Note is guaranteed pursuant to the Subsidiary Guarantee and the Fund Guarantee, and reference is hereby made to such guarantees.

This Note shall be construed and enforced in accordance with, and the rights of the Partnership and the holder of this Note shall be governed by, the law of the Province of Alberta excluding choice-of-law principles of the law of such Province that would permit the application of the laws of a jurisdiction other than such Province.

Very truly yours,

KEYERA ENERGY LIMITED PARTNERSHIP, by its Administrator, Keyera Energy Management Ltd.

By: ______________________________
Name: ______________________
Title: Authorized Signatory

By: ______________________________
Name: ______________________
Title: Authorized Signatory

[FORM OF REQUEST FOR PURCHASE]

KEYERA ENERGY LIMITED PARTNERSHIP

Reference is made to the Uncommitted Private Shelf Facility (the *"Agreement"*), dated as of November 5, 2010, among Keyera Energy Limited Partnership, an Alberta limited partnership (the *"Partnership"*) and Keyera Facilities Income Fund, an Alberta trust (the *"Fund"*), on the one hand, and Prudential Investment Management, Inc. (*"Prudential"*) and each Prudential Affiliate which becomes party thereto, on the other hand. Capitalized terms used and not otherwise defined herein shall have the respective meanings specified in the Agreement.

Pursuant to Section 2.1(d) of the Agreement, the Partnership hereby makes the following Request for Purchase:

1. Currency: [U.S. Dollars/Canadian Dollars]

2. Aggregate principal amount of the Shelf Notes covered hereby (the *"Notes"*) .... [U.S. $][Cdn. $]__________[1]

3. Fixed Interest Rate:
   Interest Payment Period: [quarterly or semiannually in arrears]

4. Individual specifications of the Notes:

PRINCIPAL AMOUNT	FINAL MATURITY DATE	PRINCIPAL PREPAYMENT DATES AND AMOUNTS	INTEREST PAYMENT PERIOD
			[____] in arrears

5. Use of proceeds of the Notes:

6. Proposed day for the closing of the purchase and sale of the Notes:

7. The purchase price of the Notes is to be transferred to:

NAME AND ADDRESS AND ABA ROUTING NUMBER OF BANK	NUMBER OF ACCOUNT

1 Minimum principal amount of U.S $10,000,000 (or its equivalent in the Available Currency).

8. The Partnership certifies that (a) [except as set forth on Exhibit A hereto,] the representations and warranties contained in Section 5 of the Agreement are true on and as of the date of this Request for Purchase and (b) that there exists on the date of this Request for Purchase no Event of Default or Default.

9. The Issuance Fee to be paid pursuant to the Agreement will be paid by the Partnership on the closing date.

Dated:

KEYERA ENERGY LIMITED PARTNERSHIP, by its Administrator, Keyera Energy Management Ltd.

By: ______________________________
Name: __________________________
Title: Authorized Signatory

By: ______________________________
Name: __________________________
Title: Authorized Signatory

EXHIBIT A TO REQUEST FOR PURCHASE

SUPPLEMENTAL REPRESENTATIONS

The Section references hereinafter set forth correspond to the similar sections of the Agreement which are supplemented hereby:

[FORM OF CONFIRMATION OF ACCEPTANCE]

Reference is made to the Uncommitted Private Shelf Facility (the *"Agreement"*), dated as of November 5, 2010, among Keyera Energy Limited Partnership, an Alberta limited partnership (the *"Partnership"*) and Keyera Facilities Income Fund, an Alberta trust (the *"Fund"*), on the one hand, and Prudential Investment Management, Inc. (*"Prudential"*) and each Prudential Affiliate which becomes party thereto, on the other hand. All terms used herein that are defined in the Agreement have the respective meanings specified in the Agreement.

Prudential or the Prudential Affiliate which is named below as a Purchaser of Shelf Notes hereby confirms the representations as to such Shelf Notes set forth in Section 6 of the Agreement, and agrees to be bound by the provisions of the Agreement applicable to the Purchasers or holders of the Notes.

Pursuant to Section 2.1(f) of the Agreement, an Acceptance with respect to the following Accepted Notes is hereby confirmed:

I. Accepted Notes: Aggregate principal amount [U.S. $][Cdn. $] ___________________

(A) (a) Name of Purchaser:

(b) Principal amount:

(c) Final maturity date:

(d) Principal prepayment dates and amounts:

(e) Fixed Interest rate:

(f) Interest payment period: [________] in arrears

(g) Payment and notice instructions: As set forth on attached Purchaser Schedule

(B) (a) Name of Purchaser:

(b) Principal amount:

(c) Final maturity date:

(d) Principal prepayment dates and amounts:

(e) Fixed Interest rate:

(f) Interest payment period: [_______] in arrears

(g) Payment and notice instructions: As set forth on attached Purchaser Schedule

[(C), (D)..... same information as above.]

II. Closing Day:

[______________________________]

By: ______________________________
Name: ____________________________
Title: _____________________________
Dated: ____________________________

PRUDENTIAL INVESTMENT MANAGEMENT, INC.

By: ______________________________
Vice President

[PRUDENTIAL AFFILIATE]

By: ______________________________
Vice President

[ATTACH PURCHASER SCHEDULES]

EXHIBIT 4.5(a)

Form of Opinion of Canadian Counsel to the Partnership

The Purchasers of the Notes under the
Shelf Facility Agreement referred to below

Dear Sirs:

Re: Keyera Energy Limited Partnership: [Description of Notes issued at applicable Closing to be inserted] (collectively, the "Notes")

We have acted as general legal counsel to **[Keyera Energy Limited Partnership/Successor to Keyera Energy Limited Partnership]** (the "**Partnership**"), **[Keyera Facilities Income Fund/Successor to Keyera Facilities Income Fund]** (the "**Parent**"), **[Keyera Energy Facilities Limited/Successor to Keyera Energy Facilities Limited]** (the "**Company**"), Rimbey Pipeline Limited Partnership ("**Rimbey LP**"), Keyera Rimbey Ltd. ("**KRL**"), **[Keyera Energy Management Ltd. ("KEML") in its capacity as administrator of the Partnership under the Partnership Administration Agreement, and KEML in its capacity as Administrator of the Parent under the Fund Administration Agreement]**, all in connection with the Uncommitted Private Shelf Facility dated as of November 5, 2010 among the Partnership, the Parent, Prudential Investment Management, Inc. and the Purchasers party thereto from time to time (the "**Shelf Facility Agreement**") and the transactions among such parties with respect thereto including, without limitation, the issuance and sale by the Partnership to the Purchasers of the Notes. This opinion is furnished to you pursuant to Section 4.5(a) of the Shelf Facility Agreement and with the understanding that the Purchasers are purchasing the Notes in reliance hereon.

Documents Reviewed[1]

We have participated in the preparation of and have examined original executed copies of:

1. the Shelf Facility Agreement;

2. the Notes;

[1] List of documents shall be amended to reflect any supplements, amendments, or additional documents required as a result of a Tax Reorganization.

3. the Subsidiary Guarantee of the Company, Rimbey LP and KRL dated November 5, 2010;

4. the Fund Guarantee dated November 5, 2010;

5. the Collateral Agency Agreement dated as of August 26, 2003;

6. the Supplemental Agreement dated [•] adding the Purchasers as "Additional Lenders" under the Collateral Agency Agreement;

7. the Representative Appointment Agreement dated as of [•] among the Partnership, the Collateral Agent and the Noteholders Representative (as defined therein) and the Purchasers;

8. the Amended and Restated Subordination Agreement dated as of August 26, 2003 by the Fund, as "Subordinated Party", KeySpan Energy Canada Partnership (now, the Partnership), the Company and the Collateral Agent;

9. the Amended and Restated Subordination Agreement dated as of August 26, 2003 by KeySpan Canada Management Ltd. (now, KEML), as "Subordinated Party", KeySpan Energy Canada Partnership (now, the Partnership), the Company and the Collateral Agent; and

10. the Subordination Agreement dated as of January 2, 2008 by Keyera GP Ltd. ("**KGPL**"), as "Subordinated Party", the Partnership, the Company and the Collateral Agent;

(the above documents are collectively called the "**Documents**").

The Partnership, the Parent, KRL, Rimbey LP, **[the Company, KEML and KGPL]** are herein collectively called the "**Transaction Parties**" and individually a "**Transaction Party**". The Transaction Parties excluding Rimbey LP are collectively referred to as the "**Alberta Parties**".[2] Capitalized terms used herein and not otherwise defined have the meanings set forth in the Shelf Facility Agreement.

We have also reviewed and examined an original signed copy of a Certificate of Corporate**[, Partnership and Trust]** Authority relating to each of the Transaction Parties, **[as supplemented by a bringdown certificate dated as of [•]]** (collectively, the "**Certificate**"), dated [•], 20[•], a copy of which has been provided to you, and we have relied on the same as to various matters of fact expressed therein. While we have not independently verified the factual matters set out in the foregoing Certificate, we believe that the provider thereof is an appropriate source.

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2 List of Transaction Parties shall be revised as necessary as a result of a Tax Reorganization.

In giving the opinion expressed in paragraph 1 below as to the valid subsistence of each Alberta Party that is a corporation, we have relied on a Certificate of Status of recent date issued by the Registrar of Corporations (Alberta).

In giving the opinion expressed in paragraph 3 below as to the valid existence of the Partnership, we have relied on the trade name/partnership search of recent date issued by the Registrar of Corporations (Alberta). In giving the opinion expressed in paragraph 4 below as to extra-provincial registration of Rimbey LP in Alberta, we have relied on a trade name/partnership search of recent date issued by the Registrar of Corporations (Alberta).

In giving the opinions expressed in paragraphs 8 and 9 below (insofar as the same pertain to the securities laws of Alberta), we have relied upon the representations and warranties of the Purchasers in Section 6.1 of the Shelf Facility Agreement.

In giving the opinions expressed in paragraphs 10(d) and 10(e)(ii) below, we have relied upon the accuracy of the factual representations and warranties set out in Section 5.15 and paragraph B of Schedule 5.15 of the Shelf Facility Agreement with respect to the identification of the instruments, contracts and agreements which limit the amount of, or otherwise impose restrictions on, the incurring of Debt, and we have reviewed those documents and the documents referred to in paragraph B of Schedule 5.15 of the Shelf Facility Agreement (collectively, the "**Listed Agreements**").

In addition to the foregoing, we have made such investigations, examined such certificates of public authorities, corporate and trust records and other documents certified or otherwise identified to our satisfaction, and have considered such questions of law, as we have considered necessary and appropriate as a basis for providing the opinions expressed herein.

Supporting Opinion

In giving the opinions herein as they relate to the laws of the Province of Manitoba governing Rimbey LP, we have relied solely upon the opinion dated the date hereof of [**Name of Manitoba Counsel**], special counsel for Rimbey LP and delivered to you in connection with the aforementioned transactions, as to all matters opined on therein, and we have assumed the accuracy and correctness of such matters to the extent that they impact on or affect the opinions herein expressed. Such opinion is in form and scope satisfactory to us and in our opinion you and we are justified in relying thereon, but we have made no independent investigation in respect thereof.

Assumptions

In such examinations we have assumed:

(a) the genuineness of all signatures, except those of signatories for the Alberta Parties, on all documents purporting to be originals and on the originals of all documents submitted to us as copies;

(b) the authenticity of all documents submitted to us as originals and of the originals of all documents submitted to us as copies;

(c) the conformity to originals of all documents submitted to us as copies;

(d) the due authorization, execution and delivery of all documents by each party thereto other than the Alberta Parties, the legal existence, power and capacity of each such party and the legal capacity of all individuals signing on behalf of each such party; and

(e) other than with respect to the Transaction Parties, that the Documents constitute legal, valid and binding obligations of each party thereto, enforceable against them in accordance with their respective terms.

The use of the phrase "**our knowledge**" and phrases of similar effect to qualify this opinion is intended to indicate that during the course of our representation of the Transaction Parties in this matter no information has come to the attention of **[list of lawyers engaged in the Note transaction and the Shelf Facility Agreement]**, that has given them current, actual knowledge that the statements made are untrue. Except as expressly set forth herein, we have conducted no investigation of any factual matters set forth herein, and we have not independently verified information obtained from third parties.

Applicable Law

We express no opinion as to the laws of any jurisdiction other than the laws of Alberta and the federal laws of Canada applicable therein.

Opinions

Based upon and subject to the foregoing and to the qualifications hereinafter expressed, we are of the opinion that:

1. Each of **[the Parent, the Company, KRL, KGPL and KEML]** has been duly incorporated or amalgamated, as applicable, and is validly subsisting as a corporation under the *Business Corporations Act* (Alberta) and has not been dissolved under that Act.

2. **[The Parent is a duly created and validly existing trust under the laws of Alberta, Computershare Trust Company of Canada is the trustee of the Fund and KEML, pursuant to the Fund Administration Agreement, is the administrator of the Fund and as such KEML is duly authorized to execute and deliver the Documents to which the Fund is a party.]**

3. The Partnership is a duly created and validly existing **[limited]** partnership under the laws of Alberta, **[KGPL]** is the sole **[general]** partner of the Partnership **[and pursuant to the Partnership Administration Agreement, KEML is the administrator of the Partnership, and as such KEML is duly authorized to execute and deliver the Documents to which the Partnership is a party]**.

4. Rimbey LP has been extra-provincially registered as a limited partnership under the laws of the Province of Alberta. Pursuant to the Rimbey Partnership Agreement, KRL is the general partner of Rimbey LP and as such KRL is duly authorized to execute and deliver the Documents to which Rimbey LP is a party.

5. Each Transaction Party has the corporate**[, trust]** or partnership (as applicable) power and capacity:

   (a) to own, hold or lease its property and conduct its business as now conducted (which in the case of Rimbey LP, means KRL, in its capacity as general partner, has the power and capacity to own, hold or lease Rimbey LP's property and conduct Rimbey LP's business as now conducted);

   (b) in the case of the Partnership, to create, issue and sell the Notes and incur the Debt evidenced thereby;

   (c) in the case of **[the Company, Rimbey LP and KRL]**, to guarantee the Notes; and

   (d) to execute and deliver the Documents to which it is a party and perform its obligations thereunder.

6. The Documents, the execution, delivery and performance thereof (and additionally in the case of the Notes, the creation, issuance and sale thereof), and the transactions contemplated therein, have been duly authorized by all necessary corporate**[, trust]** or partnership (as applicable) action on the part of the Transaction Parties executing the same.

7. The Documents have been duly executed and delivered by the Transaction Parties executing the same (which, in the case of the Documents to which **[each of the Parent and]** the Partnership is a party, includes the execution and delivery of such Documents by **[KEML]** on its behalf, and in the case of the Documents to which Rimbey LP is a party, includes the execution and delivery of such Documents by KRL on its behalf) and such Documents constitute legal, valid and binding obligations of the Transaction Parties executing the same enforceable against them in accordance with their respective terms.

8. The offering, issuance and sale of the Notes by the Partnership to the Purchasers is exempt from the prospectus requirements of the *Securities Act* (Alberta).

9. No authorization, consent, approval or exemption from, or filing, registration, recordation, notarization, declaration or qualification with, or before, or giving notice to, any governmental authority or regulatory body of Alberta or the federal government of Canada, or any agency, department or division of any thereof (including any securities authorities), is required to be obtained, given or made:

   (a) for the creation, execution, issuance and performance of the Notes or the due execution and delivery by each Transaction Party of the Documents to which it is a party or the performance of the terms of each such Document;

(b) to permit the sale of the Notes to the Purchasers; or

(c) to ensure the validity and enforceability of the Documents.

10. The authorization, creation, execution, issuance and sale by the Partnership of the Notes and the authorization, execution and delivery by each Transaction Party of each Document to which it is a party and the performance of each such Transaction Party's obligations under each such Document:

(a) do not and will not contravene or conflict with any applicable law, statute, rule or regulation in force in Alberta;

(b) based upon the Certificate and our knowledge, do not and will not contravene or conflict with any judgment, order or decree of any court, tribunal or arbitrator, or any public, governmental or regulatory agency, authority or body to which it or any of its material assets is subject in Alberta;

(c) do not and will not contravene or conflict with any provision of (i) the articles or by laws of **[the Company, KEML, KGPL and KRL, (ii) the Fund Declaration of Trust, (iii) the Partnership Agreement or (iv) the Rimbey Partnership Agreement]**;

(d) do not and will not:

(i) result in the creation or imposition of any Lien on any asset of any Transaction Party pursuant to the provisions of any Listed Agreement;

(ii) entitle any Person to call for any Lien under any Listed Agreement; or

(iii) entitle any Person, immediately or upon notice or lapse of time or both, to accelerate the payment of borrowed moneys under any Listed Agreement; and

(e) do not and will not contravene or conflict with:

(i) to our knowledge, any resolution or determination of the directors, partners or shareholders or committees of any of the respective Transaction Parties; or

(ii) any Listed Agreement.

11. Based upon the Certificate and our knowledge, there is no litigation or judicial, arbitration or administrative proceedings against any Transaction Party subsisting, pending or threatened in Alberta which, if determined adversely to such Transaction Party, purports to challenge the legality, validity or enforceability of any of the Documents or the rights granted to the holders thereunder.

12. The holders will not be deemed or considered to have a permanent establishment in Alberta or to be carrying on any business in Alberta solely by reason of the Transaction Parties' execution, delivery and performance of the Documents or by the holders acquisition or holding of the Notes or receipt of payments thereunder or by their enforcement of their rights under the Documents.

13. Assuming that the holders are not otherwise required to be licensed, qualified or entitled to carry on business in Alberta, it is not necessary for the holders to become licensed, qualified or entitled to carry on business in Alberta, or that any approval, consent or permission be obtained from any regulatory or public authority therein:

    (a) solely by reason of the execution, delivery or performance of the Documents or holding the Notes; or

    (b) to enable the holders to commence an action or to otherwise enforce its rights under the Documents.

14. The Alberta Parties are subject to the relevant civil law of Alberta and are generally subject to suit in Alberta, and none of the Transaction Parties, nor any of their property, enjoys any right of immunity from any judicial proceedings in Alberta.

15. No stamp, documentary, registration, or similar taxes or duties are required to be paid under the laws of the Province of Alberta or the laws of Canada applicable in the Province of Alberta upon or in connection with the due execution and delivery of the Documents, the performance by the Transaction Parties of their respective obligations thereunder or the enforcement by the Purchasers of their rights thereunder.

16. Under the existing laws of Alberta and the federal laws of Canada applicable in Alberta as of the date hereof ("**Applicable Law**"), and provided, at the date of the issuance of the Notes and throughout the term of the Notes, that:

    (a) a particular holder of a Note does not use the debt owing to it under the Documents in, or hold such debt in the course of, carrying on business in Canada, and is not deemed to use such debt in connection with a business carried on in Canada for the purposes of the *Income Tax Act* (Canada) (the "**Tax Act**"), and, where the holder carries on an insurance business in Canada and elsewhere, it establishes that the debt is neither "designated insurance property" (as defined in subsection 138(12) of the Tax Act and Regulation 2401(1) of the regulations to the Tax Act) nor effectively connected with the insurance business it carries on in Canada;

    (b) the particular holder deals at arm's length with the Partnership for the purposes of the Tax Act; and

    (c) the particular holder is not resident in Canada and is not deemed to be resident in Canada for the purposes of the Tax Act;

then:

(d) the Partnership is presently permitted to make all payments on the Notes to the particular holder of: (A) the principal amount of the Notes; (B) interest on such principal amount; (C) interest on such interest; and (D) the Make-Whole Amounts and Modified Make-Whole Amounts, free and clear of and without deduction for or on account of any taxes, levies, assessments, duties, governmental charges and withholdings of any nature imposed, levied, assessed or collected under Applicable Law (collectively, "**Taxes**"); and

(e) any such amounts referred to in paragraph (d) above which are owing or payable, or which become owing or payable, by the Partnership to the particular holder and which are paid by the Partnership to the particular holder are not the subject of any Taxes to the particular holder.

17. Based solely upon our examination of **[(a) in the case of the Company, the register maintained by the Company, and (b) in the case of the Partnership,]** the certificate of limited partnership and amendments thereto filed with the Registrar of Corporations (Alberta) pursuant to the *Partnership Act* (Alberta), the Voting Equity Capital in each of the Company and the Partnership is directly or indirectly wholly-owned by the Parent.

18. The payment obligations of the Transaction Parties under the Documents to which each is a party rank at least *pari passu* in right of payment with all other unsecured Debt (actual or contingent) which is (x) not subordinated to any other Debt of such Transaction Party, nor (y) entitled to any preference or priority under any laws to which creditors generally are subject or entitled.

Qualifications

The opinions expressed herein are subject to the following qualifications:

(a) the enforceability of the Documents and the rights and remedies set out therein or any judgment arising out of or in connection therewith may be limited by any applicable bankruptcy, reorganization, winding up, insolvency, arrangement, preference, moratorium or other laws and judicial decisions of general application affecting the enforcement of creditors' rights from time to time in effect, and is subject to general principles of equity, whether considered in a proceeding in equity or at law (including the equitable or statutory powers of the courts to stay proceedings before them, to stay the execution of judgments and to grant relief against forfeiture), and in particular no opinion is expressed as to the availability of the remedy of specific performance, injunctive relief or other equitable or discretionary remedies in any particular instance;

(b) provisions in the Documents providing for recovery of fees and expenses may be restricted by a court to a reasonable amount and counsel fees are subject to taxation;

(c) the *Currency Act* (Canada) precludes a court in Canada from giving a judgment in any currency other than Canadian currency and such judgment may be based on a rate of exchange in existence on a day other than the day of payment of such judgment;

(d) Section 6 of the *Judgment Interest Act* (Alberta) may limit the rate of interest which a judgment debt bears, and we express no opinion as to the enforceability of Section 23.10(f) of the Shelf Facility Agreement which purports to waive Section 6 of the *Judgment Interest Act* (Alberta);

(e) the additional or increased rate of interest imposed upon the Partnership pursuant to Section 23.10(a) of the Shelf Facility Agreement and the first paragraph of each Note, and the Make-Whole Amount payable by the Partnership pursuant to Section 8.8 of the Shelf Facility Agreement, may not be enforceable if they are construed to be penalties, but such finding would not of itself prejudice the legality of any other provision of the Documents;

(f) determinations or calculations made by the holders in the exercise of a discretion purported to be given to them under or by any of the Documents may be unenforceable if made in an unreasonable or arbitrary fashion and may not be treated as conclusive notwithstanding contrary provisions in the Documents, and determinations or references based upon the practice of a certain Person or the publication or reporting of certain rates or yields may not be enforceable if the practice of such Person changes or the rates or yields are not ascertainable or are equivocal;

(g) provisions in the Documents which purport to effect waivers of the benefits or protection of doctrines, principles or statutory provisions viewed by a Court as based on public policy and provisions which purport to exclude unwritten variations, amendments, waivers or consents may not be enforceable;

(h) with regard to Section 23.4 (severability clause) and similar provisions of any of the other Documents, the question whether or not any provisions which may be invalid or unenforceable may be severed from the other provisions thereof in order to save those other provisions would be determined by a court in its discretion;

(i) failure to exercise a right of action under the Documents within applicable limitation periods may act as a bar to the enforcement of such rights at any time thereafter;

(j) if the holders were to declare the principal of the Notes to be forthwith due and payable by reason of the occurrence of an Event of Default, the holders may be required to give the Partnership a reasonable time to raise monies to repay such indebtedness prior to taking any action to enforce their right to repayment or before exercising any of the rights and remedies expressed to be exercisable by the holders in any of the Documents as a result of the occurrence of such Event of Default;

(k) with respect to the Listed Agreements, no opinion is expressed herein as to compliance with covenants containing financial ratios or tests contained therein;

(l) except as specifically provided in paragraphs 12 and 13, no opinion is expressed as to whether any activities carried on by a particular holder prior to, or in connection with, the purchase by such holder of the Notes or the negotiation of the Documents would result in such holder being deemed or considered to have a permanent establishment or to be carrying on any business in Alberta; and

(m) in respect of matters related to searches conducted by us, we have relied solely upon searches conducted at the public registries, which searches have been conducted, and reported on, by employees of such registries.

Reliance

This opinion relates exclusively to the transactions described above. This opinion is rendered solely for the use of the addressees hereof and transferees in accordance with the provisions of the Shelf Facility Agreement and may not be relied on by any other parties for any other purpose without our prior written consent. This opinion is given as of the date hereof and we disclaim any obligation or undertaking to advise you of a change in law or fact affecting or bearing upon the opinion rendered herein occurring after the date hereof which may come or be brought to our attention.

Yours truly,

Macleod Dixon LLP

EXHIBIT 4.5(b)

Form of Opinion for Subsidiary Guarantors (non-Alberta)

The purchasers of the Notes under the
Shelf Facility Agreement referred to below

Macleod Dixon LLP
3700 Canterra Tower
400 Third Avenue SW
Calgary, Alberta T2P 4H2

Dear Sirs

Re: Keyera Energy Limited Partnership: [Description of Notes issued at applicable Closing to be inserted] (collectively, the "Notes")

Introduction

We have acted as special **[Name of Jurisdiction]** counsel to **[Name of Subsidiary Guarantor(s)]** (**[collectively, the "Subsidiary Guarantors" and each a/the]** "**Subisidary Guarantor**") in connection with the Uncommitted Private Shelf Facility dated as of November 5, 2010 among **[Keyera Energy Limited Partnership/Successor to Keyera Energy Limited Partnership]** (the "**Partnership**"), **[Keyera Facilities Income Fund/Successor to Keyera Facilities Income Fund]** (the "**Parent**"), Prudential Investment Management, Inc. and the Purchasers party thereto from time to time (the "**Shelf Facility Agreement**") and the transactions among such parties with respect thereto including, without limitation, the issuance and sale by the Partnership to the Purchasers of the Notes. This opinion is furnished to you pursuant to Section 4.5(b) of the Shelf Facility Agreement and with the understanding that the Purchasers are purchasing the Notes in reliance hereon.

Examination of Documents

We have conducted such investigations and examinations as we have deemed necessary to give the opinions hereinafter expressed, and we have examined originals, or copies identified to our satisfaction, of such records of **[each/the]** Subsidiary Guarantor, certificates of public officials and such other resolutions, certificates and documents as we have deemed necessary to give the opinions hereinafter expressed, including:

(a) certificate of an officer of **[each/the]** Subsidiary Guarantor dated [•], with respect to certain factual matters (the "**Officer's Certificate**");

(b) certificate of good standing dated [•], issued in respect of **[each/the]** Subsidiary Guarantor (the "**Certificate of Status**"); and

(c) **[a subsidiary guarantee/guarantor addition agreement]** granted by **[each/the]** Subsidiary Guarantor dated [•] (the "**Agreement**").

We have relied exclusively on the Officer's Certificate and the Certificate of Status with respect to the accuracy of the factual matters contained therein. In expressing the opinion in paragraph 1 below, we have relied exclusively and without independent investigation on the Certificate of Status relating to **[each/the]** Subsidiary Guarantor. A copy of the Officer's Certificate has been delivered to you.

Assumptions

We have made the following assumptions:

(a) with respect to all documents examined by us, the genuineness of all signatures, the legal capacity of individuals signing any documents, the authenticity of all documents submitted to us as originals and the conformity to authentic original documents of all documents submitted to us as certified, conformed, telecopied or photocopied copies;

(b) the Certificate of Status continues to be accurate as of the date of this opinion as if issued on such date;

(c) that all facts set forth in the Officers' Certificates and all other certificates supplied, or otherwise conveyed to us, are true;

(d) that the records of **[each/the]** Subsidiary Guarantor made available to us are true, correct and complete in all respects and there have been no meetings, resolutions or proceedings of the shareholders, board of directors or committees of the board of directors of **[each/the]** Subsidiary Guarantor not reflected in such records;

(e) **[NTD: Other requisite assumptions to be added]**.

We have not conducted any independent investigation to verify these assumptions.

Laws Addressed

Our opinions below are limited to the laws of the [•] on the date hereof.

OPINIONS

Based upon and subject to the foregoing, we are of the opinion that:

1. **[Each Subsidiary Guarantor that is a corporation]** has been duly incorporated or amalgamated, as applicable, and is validly subsisting as a corporation under the **[NTD: Name of applicable Act]** and has not been dissolved under that Act.

2. **[Each Subsidiary Guarantor that is a partnership]** is a duly created and validly existing **[limited]** partnership under the laws of [•], [•] is the sole **[general]** partner of **[applicable Subsidiary Guarantor]** and as such, [•] is duly authorized to execute and deliver the Documents to which **[applicable Subsidiary Guarantor]** is a party.

3. **[Each/The Subsidiary Guarantor]** has the corporate **[or partnership (as applicable)]** power and capacity:

   (a) to own, hold or lease its property and conduct its business as now conducted;

   (b) to guarantee the Notes; and

   (c) to execute and deliver the Agreement and perform its obligations thereunder.

4. The Agreement, the execution, delivery and performance thereof, and the transactions contemplated therein, have been duly authorized by all necessary corporate **[or partnership (as applicable)]** action on the part of the **[applicable Subsidiary Guarantor]** executing the same.

5. No authorization, consent, approval or exemption from, or filing, registration, recordation, notarization, declaration or qualification with, or before, or giving notice to, any governmental authority or regulatory body of **[NTD: Relevant opinion jurisdiction]**, or any agency, department or division of any thereof, is required to be obtained or given or made:

   (a) for the due execution and delivery by **[each/the]** Subsidiary Guarantor of the Agreement, or

   (b) to ensure the validity and enforceability of the Agreement.

6. The Agreement has been duly executed by **[each/the]** Subsidiary Guarantor.

7. The authorization, execution and delivery by **[each/the]** Subsidiary Guarantor of the Agreement and the performance of its obligations thereunder:

   (a) do not and will not contravene or conflict with any applicable law, statute, rule or regulation in force in **[NTD: Relevant opinion jurisdiction]**;

   (b) based solely upon the Officer's Certificate, do not and will not contravene or conflict with any judgment, order or decree of any court, tribunal or arbitrator, or any public, governmental or regulatory agency, authority or body to which it or any of its material assets is subject in **[NTD: Relevant opinion jurisdiction]**; or

(c) do not and will not contravene or conflict with any provision of its constating documents.

8. The Purchasers will not be deemed or considered to have a permanent establishment in **[NTD: Relevant opinion jurisdiction]** or to be carrying on any business in **[NTD: Relevant opinion jurisdiction]** solely by reason of the execution, delivery and performance of the Agreement by **[each/the]** Subsidiary Guarantor, or by the enforcement of Holders' rights under the Agreement.

9. Assuming that the Purchasers are not otherwise required to be licensed, qualified or entitled to carry on business in **[NTD: Relevant opinion jurisdiction]**, it is not necessary for the Purchasers to become licensed, qualified or entitled to carry on business in **[NTD: Relevant opinion jurisdiction]**, or that any approval, consent or permission be obtained from any regulatory or public authority therein:

(a) solely by reason of the execution, delivery or performance of the Agreement; or

(b) to enable the Purchasers to commence an action or to otherwise enforce their rights under the Agreement.

10. No stamp, documentary, registration, or similar taxes or duties are required to be paid under the laws of **[NTD: Relevant opinion jurisdiction]** upon or in connection with the due execution and delivery of the Agreement, the performance by **[each/the]** Subsidiary Guarantor of its obligations thereunder or the enforcement by the Purchasers of their rights thereunder.

RELIANCE

This opinion may be relied upon only by the addressees hereof, their successors and permitted assigns for the purposes of the transactions contemplated by this opinion. This opinion may not be relied upon by any other person or for any other purpose, nor may it be quoted in whole or in part or otherwise referred to by any other person, without our prior written consent.

Yours very truly,

EXHIBIT 4.5(c)

Form of Opinion of Special U.S. Counsel to the Purchasers

The Purchasers of the Notes under the
Shelf Facility Agreement referred to below:

Re: [____]% Series ___ Senior Guaranteed Note Due [__________, ____]
of
KEYERA ENERGY LIMITED PARTNERSHIP

Ladies and Gentlemen:

We have acted as your special counsel in connection with your separate purchases on the date hereof of [____]% Series ___ Senior Guaranteed Note Due [__________, ____] (the "*Notes*") of [Keyera Energy Limited Partnership/Successor to Keyera Energy Limited Partnership], [an Alberta limited partnership] (the "*Partnership*"), issued on the date hereof under and pursuant to the Uncommitted Private Shelf Facility, dated as of November 5, 2010 (the "*Shelf Facility Agreement*"), among the Partnership, Keyera Facilities Income Fund, an Alberta trust (the "*Fund*"), and each of you.

In that connection, we have examined the following:[1]

(a) the Shelf Facility Agreement;

(b) the opinion of Macleod Dixon LLP, special Canadian counsel to the Partnership, dated the date hereof and delivered responsive to Section 4.5(a) of the Shelf Facility Agreement;

(c) the Notes delivered on the date hereof;

(d) such certificates of authorized representatives of the Partnership and of public officials as we have deemed necessary to give the opinions hereinafter expressed; and

(e) such other documents and matters of law as we have deemed necessary to give the opinions hereinafter expressed.

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1 List subject to review following Tax Reorganization.

Without passing on Canadian law, we believe that the opinion referred to in clause (b) above is satisfactory in scope and form and nothing has come to our attention which would lead us to believe that you are not justified in relying thereon. We have also relied, as to certain factual matters, upon appropriate certificates of public officials and authorized representatives of the Partnership and the Fund and upon representations of the Partnership, the Fund and you delivered in connection with the issuance and sale of the Notes.

Based upon the foregoing, we are of the opinion that the issuance, sale and delivery of the Notes under the circumstances contemplated by the Shelf Facility Agreement does not, under existing law, require the registration of the Notes under the Securities Act of 1933, as amended, or the qualification of an indenture under the Trust Indenture Act of 1939, as amended.

The opinion expressed above is limited to the Federal laws of the United States, and no opinion is given with respect to matters covered by the laws of Canada.

Respectfully submitted,

SCHEDULE

EXHIBIT 9.11

FORM OF DESIGNATION OF RESTRICTED/UNRESTRICTED SUBSIDIARIES

[Date]

To: All Holders of Notes

Ladies and Gentlemen:

Re: Designation of [Restricted] [Unrestricted] Subsidiary

We refer to the Uncommitted Private Shelf Facility (the *"Shelf Agreement"*), dated as of November 5, 2010, among Keyera Energy Limited Partnership, an Alberta limited partnership (the *"Partnership"*) and Keyera Facilities Income Fund, an Alberta trust (the *"Fund"*), on the one hand, and Prudential Investment Management, Inc. (*"Prudential"*) and each Prudential Affiliate which becomes party thereto, on the other hand. Capitalized terms used herein have the meanings ascribed thereto in the Shelf Agreement.

Pursuant to Section 9.11 of the Shelf Agreement, we hereby notify you that [the following Unrestricted Subsidiary was designated by the Partnership as a Restricted Subsidiary] [the following Restricted Subsidiary was designated by the Partnership as an Unrestricted Subsidiary] on & [date]:

NAME OF SUBSIDIARY	JURISDICTION OF FORMATION	PERCENTAGE OWNERSHIP BY THE FUND

We represent, warrant and covenant to each holder of a Note that:

(a) [in the case of a designation of a Restricted Subsidiary] as and from the date hereof, each of the covenants contained in the Shelf Agreement, insofar as they pertain to Restricted Subsidiaries, shall henceforth apply with respect to the Restricted Subsidiary that is the subject of this notice;

(b) after giving effect to the designation herein referred to, no Default or Event of Default exists (including, without limitation, under Sections 10.5, 10.6 and 10.7, with any calculation of compliance therewith to be made as of the date of determination hereunder); and

(c) the conditions for designation in Section 9.11 of the Shelf Agreement are satisfied.

Very truly yours,

KEYERA ENERGY LIMITED PARTNERSHIP, by its Administrator, Keyera Energy Management Ltd.

By: ______________________________
Name: ____________________________
Title: Authorized Signatory

By: ______________________________
Name: ____________________________
Title: Authorized Signatory

SCHEDULE 5.3

ADDITIONAL DISCLOSURE MATERIALS

Private Placement Memorandum dated June, 2010, posted to Intralinks June 11, 2010.

Keyera Facilities Income Fund 2010 Third Quarter Report dated November 2, 2010.

SCHEDULE 5.4

SUBSIDIARIES OF THE FUND AND OWNERSHIP OF SUBSIDIARIES

A. SUBSIDIARIES OF THE FUND (SECTION 5.4(a)(i))

NAME	JURISDICTION OF FORMATION	DESIGNATION	OWNERSHIP
Keyera Rimbey Ltd.	Alberta	Unrestricted	100% by KEML
Keyera Energy Finance Corp.	Alberta	Unrestricted	100% by KEML
Keyera GP Ltd.	Alberta	Unrestricted	100% by KEML
Keyera Energy Limited Partnership (the ***"Partnership"***)	Alberta	N/A, as Note issuer	99.99% by the Fund 0.01% by Keyera GP Ltd.
Alberta Diluent Terminal Ltd.	Alberta	Unrestricted	100% by KEML
Keyera Energy Management Ltd. (***"KEML"***)	Alberta	Unrestricted	100% by the Fund
Keyera Energy Facilities Limited (***"KEFL"***)	Alberta	**Restricted**	100% by the Partnership
Keyera Partnership	Alberta	Unrestricted	99.00% by KEFL 1.00% by KEML
Alberta Diluent Terminal Limited Partnership	Alberta	Unrestricted	99.99% by the Partnership 0.01% by Alberta Diluent Terminal Ltd.
Keyera Corp.	Alberta	Unrestricted	100% by KEML
Rimbey Pipeline Limited Partnership	Manitoba	**Restricted**	99.99% by KEFL 0.01 % by Keyera Rimbey Ltd.
Keyera Energy Inc.	Delaware	Unrestricted	100% by KEFL

Name	Jurisdiction of Formation	Designation	Ownership
Keyera Energy Ltd.	Alberta	Unrestricted	100% by the Partnership

B. AFFILIATES OF THE FUND, OTHER THAN SUBSIDIARIES (SECTION 5.4(a)(ii))

None.

C. CHANGES IN CORPORATE STRUCTURE WITH RESPECT TO THE PARTNERSHIP SINCE SEPTEMBER 30, 2010 (SECTION 4.10)

NONE

D. AGREEMENTS RESTRICTING THE PAYMENT OF DIVIDENDS OR DISTRIBUTIONS OUT OF PROFITS (SECTION 5.4(d))

1. Section 9.2(e) of the Bank Facility contains a limitation on "Capital Distributions" in any 12 month period in excess of 105% of "Distributable Cash Flow" for the period (110% if the Borrower is investment grade), or if a "Default" or an "Event of Default" exists or would exist after giving effect thereto.

2. The letter operating facility agreement among KEFL and the Partnership, as borrowers, and Royal Bank of Canada, as lender, dated January 2, 2008, incorporates by reference the obligations in the Bank Facility.

3. The letter operating facility agreement among KEFL and the Partnership, as borrowers, and The Toronto-Dominion Bank, as lender, dated January 2, 2008 incorporates by reference the obligations in the Bank Facility.

4. Section 10.4 of the Note Purchase Agreement dated August 26, 2003 contains a limitation on "Restricted Payments" if a "Default" or an "Event of Default" exists or would exist as a result.

5. Section 10.8 of the Note Purchase Agreement dated September 4, 2007 contains a limitation on "Distributions" if a "Default" or an "Event of Default" exists or would exist as a result

6. Section 10.8 of the Note Purchase Agreement dated April 30, 2009 contains a limitation on "Distributions" if a "Default" or an "Event of Default" exists or would exist as a result.

7. Section 10.8 of the Note Purchase Agreement dated September 8, 2010 contains a limitation on "Distributions" if a "Default" or an "Event of Default" exists or would exist as a result.

SCHEDULE 5.5

FINANCIAL STATEMENTS

1. Audited consolidated financial statements of the Fund for the fiscal years ended December 31, 2006 through December 31, 2009.

2. Unaudited consolidated financial statements of the Fund for the fiscal quarters ended March 31, 2010, June 30, 2010 and September 30, 2010.

SCHEDULE 5.15

EXISTING DEBT AND LIENS AS OF SEPTEMBER 30, 2010

A. EXISTING INDEBTEDNESS AND LIENS (SECTIONS 5.15(A); CLAUSE (R) OF "PERMITTED ENCUMBRANCES"; CLAUSE (C) OF *"QUALIFIED SUBSIDIARY DEBT"*)

OBLIGOR	OBLIGEE	PRINCIPAL AMOUNT	COLLATERAL	GUARANTORS
KEFL and the Partnership under the Bank Facility	A syndicate of banks with Royal Bank of Canada as Agent	Cdn. $95,000,000[1] with availability up to Cdn. $300,000,000 (accordion feature up to Cdn. 400,000,000)	None	KEFL and the Partnership are cross-guarantors; the Fund; Keyera Rimbey Ltd.; and Rimbey Pipeline Limited Partnership
KEFL and the Partnership as joint and several obligors under an uncommitted letter operating facility agreement dated January 2, 2008	Royal Bank of Canada	Cdn. $3,962,000 with availability up to Cdn. $3,962,000	None	None
KEFL and the Partnership as joint and several obligors under an uncommitted letter operating facility agreement dated January 2, 2008	The Toronto-Dominion Bank	Cdn. $641,000 with availability up to Cdn. $15,000,000	None	None
KEFL and the Partnership under the Note Purchase Agreement dated August 26, 2003	A group of insurance companies as noteholders	Cdn. $52,500,000	None	KEFL and the Partnership are cross-guarantors; Keyera Rimbey Ltd.; and Rimbey Pipeline Limited Partnership
KEFL under the Note Purchase Agreement dated September 4, 2007	A group of insurance companies as noteholders	Cdn. $120,000,000	None	The Partnership; the Fund; Keyera Rimbey Ltd.; and Rimbey Pipeline Limited Partnership

[1] As of October 31, 2010, the outstanding balance for this facility is $170,000,000.

Obligor	Obligee	Principal Amount	Collateral	Guarantors
KEFL under the Note Purchase Agreement dated April 30, 2009	A group of insurance companies as noteholders	US $50,000,000 Cdn. $35,000,000	None	The Partnership; the Fund; Keyera Rimbey Ltd.; and Rimbey Pipeline Limited Partnership
The Partnership under the Note Purchase Agreement dated September 8, 2010	A group of insurance companies as noteholders	US $118,000,000 Cdn. $32,000,000	None	KEFL; the Fund; Keyera Rimbey Ltd.; and Rimbey Pipeline Limited Partnership

B. AGREEMENTS RESTRICTING THE INCURRENCE OF DEBT (SECTION 5.15(b))

1. The Bank Facility.

2. The letter operating facility agreement among KEFL and the Partnership, as borrowers, and Royal Bank of Canada, as lender, dated January 2, 2008 incorporates by reference the obligations in the Bank Facility.

3. The letter operating facility agreement among KEFL and the Partnership, as borrowers, and The Toronto-Dominion Bank, as lender, dated January 2, 2008 incorporates by reference the obligations in the Bank Facility.

4. The Note Purchase Agreement dated August 26, 2003.

5. The Note Purchase Agreement dated September 4, 2007.

6. The Note Purchase Agreement dated April 30, 2009.

7. The Note Purchase Agreement dated September 8, 2010.