Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF AN APPLICATION PURSUANT
RULE 14.05(2) OF THE ONTARIO *RULES OF CIVIL PROCEDURE*, R.R.O. 1990,
Reg. 194 AND SECTION 35 OF THE *PARTNERSHIPS ACT*, R.S.O. 1990, c. P.5

IN THE MATTER OF AN APPLICATION PURSUANT
TO SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C. 43

BETWEEN:

JAMES HAGGERTY HARRIS

Applicant

- and –

BELMONT DYNAMIC GROWTH FUND,
an Ontario Limited partnership

Respondent

MOTION RECORD
(Returnable August 6, 2009)

July 30, 2009

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Section 1

Court File No.

ONTARIO
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BETWEEN:

JAMES HAGGERTY HARRIS

Applicant/Moving Party

- and –

BELMONT DYNAMIC GROWTH FUND,
an Ontario Limited partnership

Respondent

NOTICE OF MOTION
(returnable August 6, 2009)

THE MOVING PARTY, James Haggerty Harris (the "Moving Party"), will make a motion to a judge on August 6, 2009 at 10:00 am or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. An Order substantially in the form attached as Schedule "A" hereto (the "Draft Order"), among other things:

(a) abridging the time for service of the Notice of Motion and Motion Record such that this motion is properly returnable on August 6, 2009, and dispensing with any further service thereof except as set out in the Draft Order;

(b) appointing KPMG Inc. ("KPMG") as receiver and manager ("Receiver") of all the assets, undertakings and properties of the Respondent, the Belmont Dynamic Growth Fund (the "Belmont Fund"), with the authorities and powers described in the Draft Order;

(c) for approval of the proposed manner of providing substituted service on each of the Limited Partners (defined below) of the Belmont Fund as described in the Affidavit of Robert Craig McDonald (the "McDonald Affidavit");

(d) validating service of the Notice of Application upon the Belmont Fund and the General Partner (defined below) and declaring that unless the Belmont Fund or General Partner, as the case may be, serves a Notice of Appearance in this proceeding, the Applicant is not required to provide further notice of these proceedings to it; and

2. Such further and other relief as counsel may advise and this Honourable Court considers just.

THE GROUNDS FOR THE MOTION ARE:

3. The Belmont Fund is an investment fund that was established as a limited partnership pursuant to a Limited Partnership Agreement (the "LP Agreement") between Belmont Dynamic GP Inc. (the "General Partner"), as general partner, and 135 limited partners (the "Limited Partners").

4. RBC Phillips, Hager & North Investment Counsel Inc. ("RBC PH&N IC") acts as the portfolio manager for 126 of the 135 Limited Partners and its affiliate, RBC Dominion Securities Inc. ("RBCDS"), acts as portfolio manager for 4 of Limited Partners and maintains brokerage accounts for the remaining 5 Limited Partners.

5. The General Partner, an Ontario corporation, acts as manager of the Belmont Fund.

6. The Belmont Fund entered into certain forward contracts, which allowed it to obtain exposure to the returns of the Belmont Dynamic Growth Segregated Portfolio (the "Underlying Fund") without having a direct interest in the Underlying Fund.

7. Harcourt Investment Consulting AG ("Harcourt"), one of two shareholders of the General Partner, is a portfolio management firm that advises the Underlying Fund.

LOSSES AND MOUNTING FEES

8. In October, 2008, Harcourt advised RBC PH&N IC that the Underlying Fund was no longer viable due primarily to the relatively recent turmoil in the financial markets. Harcourt advised that steps would therefore be taken to dissolve the Belmont Fund.

9. The value of the partnership units in the Belmont Fund has declined and the Limited Partners have incurred losses. The prospect of any recovery of such losses appears to be remote.

10. Despite such losses, the Belmont Fund continues to incur fees and expenses including an administration fee payable to the General Partner and a monthly management fee and performance fee payable to Harcourt.

11. As long as the Belmont Fund continues to incur such fees and expenses, the remaining equity of the Limited Partners in the Belmont Fund is being eroded.

12. Moreover, redemptions in the Underlying Fund have been suspended. Accordingly, RBC PH&N IC on behalf of the Managed Account Partners and the RBCDS Partners have been and continue to be prevented from redeeming partnership units in the Belmont Fund.

13. As a result, the Limited Partners are not only unable to redeploy funds invested in the Belmont Fund in an attempt to recover losses incurred but also their funds are trapped and subject to continuing erosion as a result of the fees and expenses that continue to be charged and paid to the benefit of the General Partner and Harcourt, among others.

14. In December, 2008, the General Partner provided RBC PH&N IC with a draft notice of a special meeting of Limited Partners to consider and approve the dissolution of the

Belmont Fund and the appointment of a receiver. However, the meeting was never convened because of an "impasse" that is alleged to have developed between Harcourt and the other shareholder of the General Partner, which has become the subject of a court proceeding.

APPOINTMENT OF RECEIVER: JUST AND CONVENIENT

15. Given the circumstances described above, RBC PH&N IC brought the within application to dissolve the Belmont Fund. The application is returnable on August 27, 2009 (the "Dissolution Hearing"). In the meantime, the Moving Party seeks to appoint the Receiver.

16. Further, pursuant to investment management agreements with Limited Partners and the terms of the LP Agreement, RBC PH&N IC is authorized on behalf of a sufficient number of Limited Partners to approve dissolution of the Belmont Fund and the appointment of a receiver.

17. However, a court-supervised receivership and dissolution process is more appropriate than proceeding privately, and is just, convenient and equitable.

18. Appointing the Receiver is just and convenient, and necessary to protect the assets of the Belmont Fund pending the Dissolution Hearing and to effect an orderly realization and distribution of the proceeds should the Belmont Fund be ordered to be dissolved.

NOTICE TO GENERAL PARTNER AND LIMITED PARTNERS

19. Given the number and nature of the parties interested in these proceedings, personal service on the Limited Partners is impractical, undesirable, and unnecessary to provide notice of relevant matters in these proceedings.

20. The proposed method, described in the McDonald Affidavit, is a fair and reasonable approach to giving the Limited Partners notice of these proceedings.

21. With respect to the Belmont Fund and the General Partner, they will be served with the Notice of Application by personal service on the General Partner in both its own capacity and on behalf of the Belmont Fund. However, it is unclear whether the Belmont Fund and/or

the General Partner will respond to these proceedings given the impasse that has developed between the General Partner's two controlling shareholders.

22. It is appropriate, in order to provide greater clarity, to grant an order validating service upon the Belmont Fund and the General Partner and declaring that unless the Belmont Fund or General Partner, as the case may be, serves a Notice of Appearance in this proceeding, the Applicant is not required to provide further notice of these proceedings to it.

OTHER GROUNDS

23. The Moving Party also relies upon:

(a) section 101 of the *Courts of Justice Act*, R.S.O. 1990, c. C.43; and

(b) rules 2.03, 16, 38.06 and 41 of the *Rules of Civil Procedure*, R.R.O. 1990, Reg. 194;

(c) the equitable jurisdiction of this Honourable Court; and

(d) such further and other grounds as counsel may advise and this Honourable Court may permit.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the motion:

(a) The affidavit of Robert Craig McDonald, sworn July 30, 2009

(b) The consent of KPMG Inc. to act as receiver and manager;

(c) Such further and other evidence as counsel may advise and this Honourable Court may permit.

July 30, 2009

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AND TO: BELMONT DYNAMIC GP INC.
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AND TO: OMNISCOPE ADVISORS INC.
Suite 800
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AND TO: HARCOURT INVESTMENT CONSULTING AG
Suite 800
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AND TO: NATIONAL BANK OF CANADA (GLOBAL) LIMITED/
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JAMES HAGGERTY HARRIS
Applicant

and

BELMONT DYNAMIC GROWTH FUND,
an Ontario Limited partnership
Respondent

Court File No: »

ONTARIO
SUPERIOR COURT OF JUSTICE -
COMMERCIAL LIST

Proceeding commenced at Toronto

NOTICE OF MOTION
(RETURNABLE August 6, 2009)

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Section 2

Court File No.

ONTARIO
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COMMERCIAL LIST

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BETWEEN:

JAMES HAGGERTY HARRIS

Applicant

- and –

BELMONT DYNAMIC GROWTH FUND,
an Ontario Limited partnership

Respondent

AFFIDAVIT OF ROBERT CRAIG McDONALD
SWORN JULY 30, 2009

I, Robert Craig McDonald of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am Vice-President of RBC Phillips, Hager & North Investment Counsel Inc. ("RBC PH&N IC"), which acts as the portfolio manager for 126 of the 135 limited partners (the "Limited Partners") of the Belmont Dynamic Growth Fund (the "Belmont Fund"). I am also Vice-President, Portfolio Implementation for RBC Dominion Securities Inc. ("RBCDS"), which acts as portfolio manager for 4 Limited Partners and maintains brokerage accounts for 5 Limited

Partners. As such I have personal knowledge of the facts to which I depose, except where I have indicated that I have obtained facts from other sources, in which case I verily believe those facts to be true.

2. This affidavit is filed in support of an application for orders providing for, among other things, the dissolution of the Belmont Fund and the appointment of KPMG Inc. as receiver and manager of all property of the Belmont Fund in order to properly effect such dissolution.

RBC Phillips, Hager & North Investment Counsel Inc.

3. RBC PH&N IC is a corporation that was originally incorporated under the *Business Corporations Act* (Ontario) ("OBCA") on January 5, 1977 and continued under the *Canada Business Corporations Act* on February 17, 2000. It is a wholly-owned subsidiary of the Royal Bank of Canada (the "Bank"). Its head office is located in Toronto, Ontario.

4. RBC PH&N IC carries on the business of a portfolio manager in Canada. It provides discretionary wealth management services to clients with investable assets in excess of $1 million. Its clients include high net worth individuals and families, foundations and not-for-profit organizations. It had assets under management of approximately $8,082,099,501 as at June 30, 2009.

5. RBC PH&N IC is registered as an investment counsel and portfolio manager or their equivalent under the securities legislation of all provinces and territories of Canada.

RBC Dominion Securities Inc.

6. RBCDS is a corporation that was originally incorporated under the OBCA on January 5, 1977 and continued under the *Canada Business Corporations Act* on February 17, 2000. It is a wholly-owned subsidiary of the Bank and an affiliate of RBC PH&N IC. Its head office is located in Toronto, Ontario.

7. RBCDS carries on the business of a dealer and portfolio manager in Canada. It is registered as an investment dealer or its equivalent under the securities legislation of all provinces and territories of Canada and as a future commission merchant under the *Commodity Futures Act* (Ontario) and *The Commodity Futures Act* (Manitoba). It is also a member of the Investment Industry Regulatory Organization of Canada and the TSX Venture Exchange, an approved participant of the Montreal Exchange and a participating organization of the Toronto Stock Exchange.

The Belmont Dynamic Growth Fund

8. The Belmont Fund is an investment fund that was established as a limited partnership under the laws of Ontario pursuant to a Limited Partnership Agreement made as of June 9, 2006 between Belmont Dynamic GP Inc. (the "General Partner"), as general partner, and each Limited Partner (the "LP Agreement"). A copy of the LP Agreement is attached as Exhibit A.

9. The principal address of the Belmont Fund is 357 Bay Street, Suite 800, Toronto, Ontario. The only undertaking of the Fund is the investment of its assets.

The General Partner

10. The General Partner is a corporation incorporated under the OBCA. Its authorized capital consists of an unlimited number of common shares. Its principal address is 357 Bay Street, Suite 800, Toronto, Ontario.

11. The General Partner acts as the manager of the Belmont Fund. As such, the General Partner is responsible for managing the day-to-day business of the Belmont Fund including providing or obtaining administrative and investment management services to or for the Belmont Fund, providing or obtaining distribution and redemption services for units of the Belmont Fund and monitoring the Belmont Fund's investment portfolio.

12. The only shareholders of the General Partner are Harcourt Investment Consulting AG ("Harcourt") and Omniscope Advisors Inc. ("Omniscope"). Each of Harcourt and Omniscope owns 50% of all of the outstanding common shares of the General Partner.

Harcourt Investment Consulting AG

13. Harcourt carries on business as a portfolio manager. Since 1998, Harcourt's portfolio management business has focussed exclusively on funds of hedge funds. Its principal offices are located in Zurich, Switzerland. It is recognized as one of the top ranked fund of hedge funds managers in Switzerland and as a leading global provider of multi hedge funds solutions for institutional clients.

14. Harcourt's principal shareholder is The Vontobel Group. The Vontobel Group holds a 57% stake in Harcourt. Harcourt's other shareholders include members of its management and staff. The Vontobel Group is an internationally-oriented Swiss Private Bank also headquartered in Zurich.

15. Harcourt was selected to provide its hedge fund management expertise to clients ("RBC Clients") of RBC PH&N IC and RBCDS following the completion of a hedge fund manager selection process that was conducted by RBC PH&N IC and its affiliates. The Belmont Fund and the Belmont Dynamic Growth Segregated Portfolio (the "Underlying Fund"), described below, were established by Harcourt to provide RBC Clients with indirect access to Harcourt's investment management services.

Omniscope Advisors Inc.

16. Omniscope carries on the business of a securities dealer. It is registered as a dealer in the category of limited market dealer under the *Securities Act* (Ontario) (the "Ontario Act").

17. Omniscope is wholly-owned by Mr. Daniel A Nead. Mr. Nead is also the sole director and officer of Omniscope.

Accilent Capital Management Inc.

18. The General Partner has appointed Accilent Capital Management Inc. ("Accilent") as the investment adviser to the Belmont Fund for the purpose of providing investment advice and research and trading strategies to the Belmont Fund in accordance with the terms and conditions of an investment advisory agreement dated June 9, 2006 between the General Partner, the Belmont Fund and Accilent.

19. Accilent carries on the business of a portfolio manager in Canada. It provides investment advisory services for third party and proprietary funds, individual managed accounts and structured investments. Its offices are located in Toronto, Ontario.

20. Accilent is registered as an investment counsel and portfolio manager and a limited market dealer under the Ontario Act.

Units of the Belmont Dynamic Growth Fund

21. An unlimited number of class AC limited partnership units ("Class Units"), class AU limited partnership units ("Class AU Units"), class FC limited partnership units ("Class FC Units") and class FU limited partnership units ("Class FU Units") were originally offered for sale by the Belmont Fund pursuant to an offering memorandum in reliance upon exemptions from the prospectus requirements of Canadian securities laws that were available pursuant to National Instruments 45-106 *Prospectus and Registration Exemptions*

22. Each Class AC Unit, Class AU Unit, Class FC Unit and Class FU Unit (individually, a "Unit" and collectively, the "Units") represents an equal undivided interest in the net assets of the Belmont Fund attributable to the class of Units.

23. The Class AC Units and the Class AU Units (individually, a "Class A Unit" and collectively, "Class A Units") were intended for sale to the clients of registered dealers and they entitled a registered dealer to receive payment of a quarterly trailer fee from the General Partner equal to the product of an annual rate of 1% multiplied by the aggregate net asset value of the Class A Units owned by all clients of the registered dealer. Class AC Units are denominated in Canadian dollars and Class AU Units are denominated in US dollars. Only one client of RBC PH&N IC acquired any Class A Units.

24. Class FC Units and Class FU Units (individually, a "Class F Unit" and collectively, "Class F Units") were intended for sale to all other investors. No trailer fee was payable by the General Partner in respect of Class F Units. Class FC Units are denominated in

Canadian dollars and Class FU Units are denominated in US dollars. As described in greater detail below, the only investors to acquire Class F Units were clients of RBC PH&N IC and RBCDS.

25. Units could be acquired on the last business day of each calendar month (each, a "Valuation Date") for an amount equal to the net asset value of the Units on the Valuation Date determined in accordance with the LP Agreement. Redemptions of Units could be made on the last business day of a calendar quarter for an amount equal to the net asset value of the Units less the amount of any performance fee payable to Harcourt, as described in greater detail below, and the amount of any early withdrawal charge payable to the General Partner in respect of any Units redeemed prior to the second anniversary of the date on which the Units were issued.

26. Limited Partners wishing to purchase or redeem their Units were required to forward a completed subscription form or redemption request to the General Partner. Subscription forms had to be received by the General Partner prior to the relevant Valuation Date. Redemption requests had to be made 90 days before the last business day of the calendar quarter on which a Limited Partner wished to redeem his or her Units.

27. All proceeds from the sale of Units were to be invested in accordance with the investment objective and the investment strategy of the Belmont Fund.

Investment Objective and Investment Strategy

28. The investment objective of the Belmont Fund is to generate absolute returns which are not correlated to global equity or bond markets.

29. The Fund sought to achieve its investment objective by obtaining exposure to the returns of the Underlying Fund. It obtained such exposure by first using the proceeds from its

offering of Units to acquire a basket of Canadian common shares (the "Canadian Share Portfolio") that constituted "Canadian securities" for purposes of section 39(6) of the *Income Tax Act* (Canada). It then entered into two forward purchase and sale agreements (collectively, the "Forward Contract") with an affiliate of a bank set out in Schedule I of the *Bank Act* (Canada) (the "Counterparty").

30. In accordance with the terms and conditions of the Forward Contract, the Counterparty has agreed to pay to the Belmont Fund on the maturity date of the Forward Contract (the "Forward Maturity Date") an amount equal to the redemption proceeds of a notional number of shares of the Underlying Fund (the "Notional Number of Shares") on the Forward Maturity Date in exchange for the delivery of the Canadian Share Portfolio to the Counterparty by the Belmont Fund or an equivalent cash payment at the election of the Belmont Fund. The Forward Maturity Date is August 1, 2016 or such other date as may be agreed upon in writing by the Counterparty and the Belmont Fund.

31. In order to permit the Belmont Fund to fund redemptions of Class F Units by the Limited Partners from time to time, and to pay the ongoing fees and expenses that are described below, the terms of the Forward Contract provide that the Forward Contract may be partially settled prior to the Forward Maturity Date by the Belmont Fund tendering to the Counterparty securities of the Canadian Share Portfolio.

32. As security for its obligations under the Forward Contract, the Belmont Fund has pledged the Canadian Share Portfolio to the Counterparty.

33. Although not required to do so, it is my understanding that, consistent with conventional hedging practice, the Counterparty has executed a short sale (the "Short Sale") of

securities equivalent to those comprising the Canadian Share Portfolio and that it has used the proceeds from the Short Sale (the 'Short Sale Proceeds") to acquire shares of the Underlying Fund. The number of shares of the Underlying Fund that were acquired by the Counterparty using the Short Sale Proceeds is equal to the Notional Number of Shares.

34. As a result of the Forward Contract, the Belmont Fund has exposure to the performance of the Underlying Fund but it has no direct interest in the Underlying Fund.

35. The Forward Contract may be terminated prior to the Forward Maturity Date in certain circumstances including by the Counterparty if an event occurs that the Counterparty determines has had, or would reasonably be expected to have, an adverse effect on the Counterparty's ability to execute, maintain, re-establish or modify any hedge of its position under the Forward Contract.

36. In addition to its acquisition of the Canadian Share Portfolio and entering into the Forward Contract, the Belmont Fund entered into currency hedging transactions (collectively, the "FX Holding") in order to hedge the risk applicable to Class FC Units in relation to the US dollar denominated returns of the Forward Contract. The FX Hedge was unwound on April 21, 2009.

37. A diagram depicting the structure of the Belmont fund is attached as Exhibit B.

Belmont Dynamic Growth Segregated Portfolio

38. The Underlying Fund is a segregated portfolio of Belmont SPC, a segregated portfolio company established under the laws of the Cayman Islands. The Underlying Fund is advised by Harcourt.

39. Like the Belmont Fund, the investment objective of the Underlying Fund is to generate absolute returns which are not correlated to global equity or bond markets.

40. The Underlying Fund seeks to achieve its investment objective by investing, on a leveraged basis, in various specialized funds of hedge funds that are also managed by Harcourt that include, among others, Belmont Asia Ltd., Belmont Europe Ltd., Belmont Long Short Equity Ltd., Belmont Fixed Income Ltd., Belmont Market Neutral Ltd., Belmont Global CTA Ltd. and Belmont Natural Resources Ltd. Duplication of management and performance fees by Harcourt is avoided because the Underlying Fund invests only in fee-free share classes of the funds of hedge funds underlying the Underlying Fund.

Fees and Expenses

The General Partner

41. For the services that the General Partner provides to the Belmont Fund the General Partner receives an administration fee that is equal to 1/12 of 0.1% of the aggregate net asset value of all outstanding Class F Units and that is calculated and payable in arrears on the last business day of each calendar month.

Harcourt Investment Consulting AG

42. For the investment management services that Harcourt provides to the Underlying Fund, Harcourt is entitled to receive a monthly management fee and a performance fee.

43. The monthly management fee is equal to 1/12 of 1.2% of the Underlying Fund's net asset value calculated and paid in arrears on the last day of each calendar month.

44. The performance fee is calculated with reference to the following:

- the positive difference (the "Excess Amount"), if any, between the net asset value per share of the Underlying Fund on the last business day of each calendar quarter (the "Determination Date") and the net asset value per share of the Underlying Fund on the last business day of the immediately preceding calendar quarter (the "Previous Determination Date"); and

- the percentage increase in the net asset value per share of the Underlying Fund between the Determination Date and the Previous Determination Date ("Percentage Return"), if any, determined by dividing the Excess Amount by the net asset value per share of the Underlying Fund on the Pervious Determination Date.

If the Percentage Return is less than or equal to 3 Months USD LIBOR + 1% net of all fees (the "Hurdle Rate") no performance fee is payable to Harcourt. If the Percentage Return is greater than the Hurdle Rate, the performance fee that is payable to Harcourt for a given calendar quarter is an amount equal to the product of 10% of the Excess Amount and the number of outstanding shares of the Underlying Fund on the Determination Date.

45. The leveraged value of the Underlying Fund is excluded from the calculation of both the management fee and the performance fee.

Forward Contract Fee

46. For its services as such, the Counterparty receives a fee of up to 0.50% per annum on the value of the Notional Number of Shares. This fee is payable by the Belmont Fund monthly in arrears.

Operating Expenses

47. In addition to the fees, described above, that are payable to the General Partner, Harcourt and the Counterparty, the Belmont Fund is responsible for the purchase price of all securities acquired by it, brokerage fees on the purchase and sale of such securities, and interest expenses and taxes of all kinds to which the Belmont Fund is or might be subject. It is also responsible for all other expenses incurred in the ordinary course of the administration and operation of the Fund, including, without limitation, custodian, audit and legal fees, related administration fees and the cost of providing information to Limited Partners.

The Limited Partners

48. There are currently 135 Limited Partners of the Belmont Fund. Of these 135 Limited Partners, 126 Limited Partners are clients of RBC PH&N IC (the "Managed Account Partners") and 9 Limited Partners are clients of RBCDS (the "RBCDS Partners").

49. Each of the Managed Account Partners has entered into an Investment Management Account Opening Agreement (the "Investment Management Agreement") with RBC PH&N IC pursuant to which the Managed Account Partner has retained RBC PH&N IC to provide the Managed Account Partner with discretionary investment management services in respect of the Managed Account Partner's portfolio of assets and the proceeds from such assets (the "Portfolio"). The Managed Account Partners currently own 4,500 Class AC Units representing 100% of all outstanding Class A Units. They also own 150,299 Class FC Units and 18,565 Class FU Units representing 98.26% of the outstanding Class FC Units, 48.70% of the outstanding Class FU Units and 88.37% of all outstanding Class F Units.

50. Of the 9 RBCDS Partners, 4 RBCDS Partners have granted RBCDS discretionary investment authority in respect of each RBCDS Partner's Portfolio. The remaining 5 RBCDS

Partners maintain brokerage accounts with RBCDS. The RBCDS Partners own 2,660 Class FC Units and 19,558 Class FU Units representing 1.74% of the outstanding Class FC Units, 51.3% of the outstanding Class FU Units and 11.63% of all outstanding Class F Units.

Proposed Dissolution of the Belmont Dynamic Growth Fund

51. As described above, the Managed Account Partners are discretionary investment management clients of RBC PH&N IC and the RBCDS Partners are both discretionary investment management and brokerage clients of RBCDS. RBC PH&N IC has consulted with RBCDS and they have determined that it would be in the best interests of the Limited Partners to dissolve the Belmont Fund having regard to the following considerations:

- Since August, 2006, the net asset value of a Class AC Unit has declined from its original net asset value of CDN $100 to CDN $64.10 on September 30, 2008, the last date on which a net asset value was published for the Units. The net asset value of a Class FC Unit and a Class FU Unit has declined from CDN $100 and US $100 to CDN $71.82 and US $72.93, respectively, during this same period.

- The prospect for any recovery of such losses would appear to be remote.

- Despite such losses, the Belmont Fund continues to incur the fees and expenses described above.

- In October, 2008, Harcourt advised RBC PH&N IC that the Belmont Fund was no longer viable due primarily to the then relatively recent turmoil in the financial markets and that steps would therefore be taken to dissolve the Belmont Fund.

- In December, 2008, the General Partner provided RBC PH&N IC with a draft notice of a special meeting of Limited Partners that was to be convened to consider and approve the dissolution of the Belmont Fund and the appointment of the General Partner as the receiver and liquidator of the Belmont Fund pursuant to the LP Agreement. A copy of the draft Notice of Special Meeting and Information Circular is attached as Exhibit C.

- A meeting of the Limited Partners has never been convened to consider the dissolution of the Belmont Fund because of an "impasse" that developed between Harcourt and Omniscope, the shareholders of the General Partner.

- The impasse between the shareholders of the General Partner has become the subject of a court proceeding involving an application that has been made by Harcourt against, among others, the Belmont Fund, the General Partner and Omniscope for, among other things, the following:

    - an order pursuant to section 248(2) of the OBCA directing the General Partner to hold a meeting of the Limited Partners to approve a Special Resolution commencing the dissolution of the Belmont Fund;

    - an order pursuant to section 248(2) of the OBCA dispensing with the requirement for a meeting of the directors of the General Partner to pass a resolution calling for a meeting of the Limited Partners for the purpose of approving a Special Resolution commencing the dissolution of the Belmont Fund;

- in the alternative, an order pursuant to sections 207 and 248(3)(1) of the OBCA winding up the General Partner; and

- in the alternative, an order pursuant to section 248(3)(b) of the OBCA and section 101 of the *Courts of Justice Act* (Ontario) appointing Harcourt or an independent third party as receiver and liquidator of the Belmont Fund.

A copy of the Notice of Application dated June 11, 2009 in relation to this proceeding is attached as Exhibit D and a copy of a related Request Form Continuing Matter is attached as Exhibit E.

- As a result of the impasse between the shareholders of the General Partner, RBC has been unable to obtain net asset valuations for the Class AC Units, Class FC Units and Class FU Units from the General Partner since September 30, 2008 despite its repeated requests for such valuations.

- Neither RBC PH&N IC, on behalf of the Managed Account Partners, nor the RBCDS Partners are able to redeem their Class A Units or Class F Units of the Belmont Fund because redemptions in the Underlying Fund have been suspended as the result of redemption suspensions by the hedge funds underlying the Underlying Fund and the Counterparty is therefore unable to partially settle the Forward Contract.

- As a result of the above-described circumstances, neither RBC PH&N IC on behalf of the Managed Account Partners nor the RBCDS Partners have been able to redeem their Class A Units or Class F Units, as the case may be, to redeploy

funds invested in the Belmont Fund in an attempt to recover losses incurred by the Limited Partners as a result of their investments in the Belmont Fund.

52. The discretionary authority that each Management Account Partner has granted RBC PH&N IC includes the authority to vote securities that are held in the Portfolio that is being managed by RBC PH&N IC on behalf of the Managed Account Partner. Section 15 of the Investment Management Agreement provides, in part, that, unless instructed otherwise by the Managed Account Partner, in writing, RBC PH&N IC is granted all powers and authority necessary to vote any securities in the Portfolio or to consent to any reorganization of any issuer of securities in the Portfolio in such manner as RBC PH&N IC deems appropriate. All Class F Units of the Belmont Fund that are owned by each Managed Account Partner are held in the Managed Account Partner's Portfolio.

53. As a result of the discretionary authority that has been granted to RBC PH&N IC by section 15 of the Investment Management Agreement, RBC PH&N IC is authorized to approve the dissolution of the Belmont Fund and to appoint a receiver and liquidator of the assets of the Belmont Fund pursuant to section 12.2 of the LP Agreement. Section 12.2 of the LP Agreement provides, in part, as follows:

> On the date of the approval of the dissolution of the [Belmont Fund] by a Special Resolution, the General Partner (or such other Person as may be appointed by Ordinary Resolution of the Limited Partners) shall act as a receiver and liquidator of the assets of the [Belmont Fund] ...

54. The term "Special Resolution" is defined in section 1.1 (54) of the LP Agreement to mean:

(a) a resolution approved by more than 75% of the votes cast in person or by proxy at a duly constituted meeting of Limited Partners or class of Limited Partners or at any adjournment thereof, called in accordance with this [LP Agreement]; or

(b) a written resolution in one or more counterparts signed by Limited Partners holding in the aggregate more than 75% of the aggregate number of outstanding Units[1], or where the resolution concerns only a particular class of Units, 75% of the aggregate number of outstanding Units of that class.

55. The term "Ordinary Resolution" is defined in a similar way in section 1.1 (39) of the LP Agreement to mean:

(a) a resolution approved by more than 50% of the votes cast in person or by proxy at a duly constituted meeting of Limited Partners or class of Limited Partners or at any adjournment thereof called in accordance with this [LP Agreement]; or

(b) a written resolution in one or more counterparts signed by Limited Partners holding in the aggregate more than 50% of the aggregate number of outstanding Units or where the resolution concerns only a particular class of Units, 75% of the aggregate number of outstanding Units of that class.

56. As described above, the Class A Units held in Portfolios on behalf of Managed Account Partners represent all outstanding Class A Units. The 150,299 Class FC Units and the 18,565 Class FU Units that are held in Portfolios on behalf of Managed Account Partners represent 88.37% of all outstanding Class F Units.

[1] The term "Units" is defined in section 1.1 (58) of the LP Agreement to mean the Class AC Units, the Class AU Units, the Class FC Units and the Class FU Units.

57. As a result of the combined effect of section 15 of the Investment Management Agreement and section 12.2 of the LP Agreement, RBC PH&N IC could approve the dissolution of the Belmont Fund and the appointment of any person other than the General Partner as the receiver and liquidator of the assets of the Belmont Fund whether such approval was given by means of votes cast at a duly constituted meeting of Limited Partners or by means of written resolutions signed on behalf of the Managed Account Partners. Accordingly, although RBC PH&N IC could approve such dissolution and appointment in accordance with the Investment Management Agreement and LP Agreement, it believes that it would be in the best interests of the Limited Partners to achieve a similar result by seeking the relief described below based upon the grounds for such relief that are also described below.

Service

58. Personal service upon each of the Limited Partners is impractical and unnecessary. There are 135 Limited Partners and there would be material costs associated with serving each of the Limited Partners personally. It is unclear who would bear those costs and such costs should not be added to the other fees and expenses that are eroding the Limited Partners' equity in the Belmont Fund.

59. More importantly, RBC PH&N IC exercises discretionary investment authority over accounts of all but 9 of the Limited Partners. Given the nature of their investments and the management authority invested in RBC PH&N IC, I believe the Limited Partners expect RBC PH&N IC to manage this proceeding and that they would neither expect nor appreciate receiving personal service of this application. The method proposed – providing notice to each Limited Partner by way of a letter substantially in the form of the draft letter attached as Exhibit F (the "Notice Letter") - is more in keeping with the expectations of the Limited Partners.

60. In the event a Limited Partner prefers to be directly involved in the proceeding, the Notice Letter will advise how the Limited Partner can do so. I am advised by counsel to the Applicant that this proposed notification process is not unlike the notification process followed in proceeding under the *Companies' Creditors Arrangement Act* (Canada) in connection with initial applications and sanction hearings.

61. RBC PH&N IC and RBCDS communicate regularly with the Managed Account Partners and RBCDS Partners, respectively, and a Notice Letter sent from them should provide reasonable notice of these proceedings to each Limited Partner.

62. With respect to the Belmont Fund and the General Partner, they will be served with the Notice of Application by personal service on the General Partner in both its own capacity and on behalf of the Belmont Fund. However, it is unclear whether the Belmont Fund and/or the General Partner will respond to these proceedings given the impasse that has developed between the General Partner's two controlling shareholders. For greater clarity, the Applicant will seek an order validating service upon the Belmont Fund and the General Partner and declaring that unless the Belmont Fund or General Partner, as the case may be, serves a Notice of Appearance in this proceeding, the Applicant is not required to provide further notice of these proceedings to it.

Relief Sought

63. The Applicant is seeking an order from the Court for the dissolution of the Belmont Fund for the reasons described in paragraph 51 above. It is also seeking an order for the appointment of KPMG Inc. as a receiver and manager to protect the assets of the Belmont Fund, to effect an orderly realization and distribution of the proceeds thereof and to take such other steps as may be necessary to effect the dissolution.

64. The proposed relief contemplates two separate court hearings:

(a) an initial hearing (the "Initial Hearing") with respect to the manner of giving notice to the Belmond Fund, and to the General Partner and the Limited Partners of the Belmont Fund (collectively the "Partners") and to the appointment of KPMG Inc. as receiver and manager (the "Receiver") of all of the assets, undertakings and properties of the Belmont Fund (the "Initial Order"); and

(b) a subsequent hearing within a reasonable time thereafter (the "Dissolution Hearing") with respect to a proposed order providing for the dissolution of the Belmont Fund and a process to dissolve it (the "Dissolution Order").

65. The proposed Initial Order sought at the Initial Hearing includes:

(a) the appointment of the Receiver with broad, customary authority and powers in respect of the property of the Belmont Fund, provided that the Receiver would not be permitted to exercise certain specific authority and powers described below prior to the Dissolution Order unless the Court orders otherwise;

(b) approval of the proposed manner of providing substituted service on each Limited Partner by delivering the Limited Partner a letter from RBC PH&N IC or RBCDS, as the case may be, in the form of the letter attached as Exhibit F which, among other things, describes the reasons for this court application, summarizes the Initial Order, provides contact information for the Receiver, provides information on how to obtain copies of the court documents, provides notice of the Dissolution hearing, summarizes the relief to be sought at the Dissolution

hearing and informs the Limited Partner of the steps they must take if they wish to appear at and participate in the Dissolution Hearing; and

(c) validation of the service of the Notice of Application upon the Belmont Fund and the General Partner and a declaration that unless the Belmont Fund or the General Partner, as the case may be, serves a Notice of Appearance in this proceeding, the Applicant is not required to provided it with notice of any further steps in these proceedings.

66. Although the details of the Dissolution Order will be the subject of further discussion following the appointment of the Receiver, it is presently contemplated that the Dissolution Order would include:

(a) an order dissolving the Belmont Fund, with effect upon the filing by the Receiver of a certificate confirming that it has completed its realization on all of the Belmont Fund's property and distributed the proceeds to the Persons entitled thereto;

(b) an order confirming that the Receiver is permitted to exercise all of the authority and powers granted to it in the Initial Order and is no longer subject to any restrictions thereon; and

(c) any directions or changes to the authority and powers of the Receiver thought necessary or desirable by the Receiver or the Applicant in connection with the conduct of the receivership and dissolution process.

Grounds for Relief Sought

67. Although, as described above, the Limited Partners have the authority to cause the dissolution of the Belmont Fund and to appoint a private receiver pursuant to the LP Agreement, the Applicant, RBC PH&N IC and RBCDS believe that a court-supervised receivership and dissolution process is more appropriate, and is just, convenient and equitable, for the following reasons:

(a) the Receiver, as a court-appointed officer, will be an independent party and therefore in a better position, compared to the General Partner or a privately-appointed receiver, to resolve or otherwise deal with issues that may arise between the partners and other stakeholders, between the General Partner and the Limited Partners, and between the Limited Partners themselves;

(b) the complexity of the structure of the Belmont Fund and its investments, the key agreements and relationships, the realization process and potential tax implications makes it appropriate to have a court-supervised process;

(c) the Receiver will have experience and expertise relevant to the proposed dissolution of the Belmont Fund that the Partners do not have;

(d) the transparency afforded by a court-supervised process is desirable and important because the current situation, and an appropriate process to address it, would not have been within the contemplation of the parties at the outset when the LP Agreement was prepared;

(e) court receivership and dissolution proceedings would prevent a multiplicity of proceedings in respect of the dissolution of the Belmont Fund, realization on its assets, and the appropriate distribution of the proceeds;

(f) if it is determined that a court-supervised claims process would facilitate the distribution of the realization proceeds of the Belmont Fund's property, it could be implemented in a court receivership and dissolution proceeding;

(g) as described below, while RBC PH&N IC is prepared to provide the funding for a court-supervised process because of the transparency and efficiency of such process, it would be very reluctant to fund a private dissolution because a private dissolution would lack the transparency and efficiency of a court-supervised process; and

(h) given the impasse that currently exists between the shareholders of the General Partner, the impact of the impasse on the General Partner and the documentation in relation to the Belmont Fund that is in the possession or control of these entities, the Receiver requires the cooperation of these entities and it may be difficult to obtain such cooperation in the absence of the relief sought.

68. With respect to the specific form of the receivership provisions of the Initial Order sought, I am advised by counsel to the Applicant that it is based on the model receivership order developed for matters brought before the Ontario Superior Court of Justice, Commercial List in Toronto, Ontario, subject to certain proposed changes thought to be appropriate in the circumstances. These proposed changes include:

(a) The addition of provisions relating to notice of the Initial Order and the Dissolution Hearing as described in paragraphs 58 to 62 above;

(b) although it was considered necessary and appropriate for the Receiver to have customary powers of the nature set out in the model order:

(i) the authority to terminate, or to make other arrangements to realize on, the Forward Contract in connection with the dissolution process has been made more explicit given that the Forward Contract is the principal asset of the Belmont Fund, and other minor adjustments have been made to the description of the Receiver's non-exhaustive list of powers to reflect the anticipated nature of the activities of the Receiver in this case; however

(ii) the authority of the Receiver to terminate the Forward Contract has been suspended until the Dissolution Order is made to provide the Partners with an opportunity to make submissions, if so advised, in respect of the proposed dissolution of Belmont Fund before any irrevocable steps are taken in respect of the Forward Contract; and

(c) the addition of provisions relating to "eligible financial contracts" (as that term is used in the *Bankruptcy and Insolvency Act* (Canada) (the "BIA"). Because the Forward Contract may be an eligible financial contract and certain rights and remedies arising under or in respect of eligible financial contracts cannot be stayed in proceedings under the BIA, it was considered appropriate to specifically exclude the exercise of those same rights and remedies from the proposed

receivership stay of proceedings and to provide protections in the proposed Receivership Order similar to the BIA protections.

69. KPMG Inc. has consented to act as Receiver, if so appointed by this Court.

70. To enable this application to proceed, RBC PH&N IC has agreed to pay the costs of the Applicant and, subject to certain limitations, the costs of the Receiver in connection with this proceeding. Given the illiquid nature of the Belmont Fund's assets and the uncertainty regarding the amount and timing of receipt of realization proceeds, KPMG Inc. required this agreement from RBC PH&N IC.

SWORN BEFORE ME at the City of Toronto, in the Province of Ontario this 30th day of July, 2009

A Commissioner for taking oaths, etc.

Robert Craig McDonald

EXHIBIT A

LIMITED PARTNERSHIP AGREEMENT

Made as of June 9, 2006

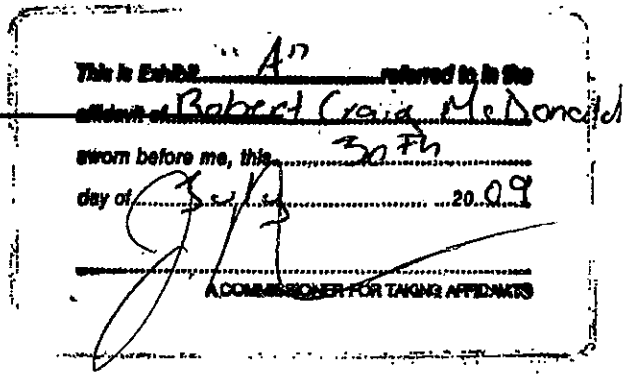
Between

BELMONT DYNAMIC GP INC.

as General Partner

and

EACH PERSON WHO IS ADMITTED TO THE PARTNERSHIP AS A LIMITED PARTNER
each a Limited Partner



McMillan Binch Mendelsohn LLP

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LIMITED PARTNERSHIP AGREEMENT

This Agreement is made as of June 9, 2006, between

BELMONT DYNAMIC GP INC.
as **"General Partner"**

and

EACH PERSON WHO IS ADMITTED TO THE PARTNERSHIP AS A LIMITED PARTNER
each a **"Limited Partner"**

RECITALS

A. This Limited Partnership Agreement made as of June 9, 2006 by and between Belmont Dynamic GP Inc., as General Partner, and each Person who is admitted to the Partnership as a Limited Partner in accordance with the terms hereof.

FOR VALUE RECEIVED, the parties agree as follows:

SECTION 1 – INTERPRETATION

1.1 Definitions

In this Agreement the following words have the following meanings:

(1) ***Act*** means the *Limited Partnerships Act* (Ontario).

(2) ***Account*** means, in relation to a series of Units, the account established and maintained by the Partnership for the purposes of holding the property attributable to that Series of Units.

(3) ***Advisor*** means Accilent Capital Management Inc., a corporation established under the laws of the Province of Ontario or such other entity which is appointed from time to time as the investment advisor of the Partnership by the General Partner.

(4) ***Affiliate*** has the same meaning as in the *Securities Act* (Ontario).

(5) ***Agreement*** means this Limited Partnership Agreement as amended, supplemented or restated from time to time.

(6) ***Auditor*** means a firm whose partners are members, in good standing, of the Canadian Institute of Chartered Accountants and which is appointed from time to time as auditor of the Partnership by the General Partner.

(7) ***Business Day*** means a day, other than a Saturday or Sunday, on which The Toronto Stock Exchange is open for business.

(8) ***Calculation Date*** has the meaning set forth in Section 3.5.

(9) ***Canadian Share Portfolio*** means the basket of Canadian securities (as defined in Section 39(6) of the Tax Act) sold to the Counterparty under the Forward Agreement.

(10) ***Capital Contribution*** of a Limited Partner means the total amount of money or property paid or agreed to be paid to the Partnership by such Limited Partner, or a predecessor Limited Partner, in respect of Units subscribed for by such Limited Partner, or a predecessor Limited Partner, where subscriptions therefor have been accepted by the General Partner.

(11) ***Class AC Limited Partners*** means those persons who from time to time are registered holders of the Class AC Units.

(12) ***Class AC Units*** means Class AC limited partnership units of the Partnership.

(13) ***Class AU Limited Partners*** means those persons who from time to time are registered holders of the Class AU Units.

(14) ***Class AU Units*** means Class AU limited partnership units of the Partnership.

(15) ***Class FC Limited Partners*** means those persons who from time to time are registered holders of the Class FC Units.

(16) ***Class FC Units*** means Class FC limited partnership units of the Partnership.

(17) ***Class FU Limited Partners*** means those persons who from time to time are registered holders of the Class FU Units.

(18) ***Class FU Units*** means Class FU limited partnership units of the Partnership.

(19) ***Class Net Asset Value*** means the Net Asset Value of the Partnership attributable to a particular class of units as determined by the General Partner in its sole discretion.

(20) ***Class Net Asset Value per Unit*** means the amount obtained by dividing the Class Net Asset Value as of a particular date by the total number of Units of a particular class outstanding on that date.

(21) ***Counterparty*** means a bank set out in Schedule I or Schedule II of the *Bank Act* (Canada) or an affiliate thereof with whom the Partnership will enter into a Forward.

(22) ***Custodian*** means the custodian, from time to time, of the property and assets of the partnership.

(23) ***Declaration*** means the declaration of limited partnership of the Partnership filed with the Registrar under the Act and all amendments thereto and renewals or replacements thereof.

(24) ***Early Withdrawal Charge*** means an amount charged prior to the second anniversary of the issuance of a Unit equal to: (a) 4% of the Class Net Asset Value per Unit for a Unit being redeemed prior to the first anniversary of the issuance of such Unit; or (b) 2% of the Class Net Asset Value per Unit for a Unit being redeemed after the first anniversary of the issuance of such Unit but prior to the second anniversary of the issuance of such Unit.

(25) ***Fiscal Year*** has the meaning set forth in Section 3.4.

(26) ***Forward*** means the forward purchase and sale agreements under which the Fund agrees to sell the Canadian Share Portfolio to the Counterparty on August 1, 2016 (or such later date as may be agreed upon by the Fund and the Counterparty) for a purchase price, in United States dollars, equal to the value of the Notional Investment in the Underlying Fund.

(27) ***Forward Fee*** means the fee paid to the Counterparty in connection with the Forward.

(28) ***FX Hedge*** means the currency hedging transactions entered into by the Partnership with the Counterparty or another party in order to hedge the risk applicable to Class AC Units and Class FC Units relating to the United States dollar denominated returns of the Forward.

(29) ***FX Hedge Fee*** means the fee, attributed solely to the Class AC Units and the Class FC Units, payable by the Partnership in connection with the FX Hedge.

(30) ***General Partner*** means Belmont Dynamic GP Inc. or any other party who may become the general partner of the Partnership in place of or in substitution for Belmont Dynamic GP Inc., from time to time, in each case until such general partner ceases to be the general partner of the Partnership under the terms of this Agreement.

(31) ***Initial Closing Date*** means the date of initial subscription to the Partnership.

(32) ***Investment Restrictions*** has the meaning set forth in Section 3.1(3).

(33) ***Limited Partners*** means the Class AC Limited Partners, the Class AU Limited Partners, the Class FC Limited Partners, and the Class FU Limited Partners.

(34) ***Nationally Recognized Accounting Firms*** means Deloitte & Touche LLP, Ernst & Young LLP, KPMG LLP, BDO Dunwoody LLP and PricewaterhouseCoopers LLP and any other accounting firm designated by the General Partner and "**Nationally Recognized Accounting Firm**" means any one of the Nationally Recognized Accounting Firms.

(35) ***Net Asset Value*** means the net asset value of the Partnership determined in accordance with Schedule 3.5(2).

(36) ***Notional Investment*** means a United States dollar denominated notional investment in participating shares of the Underlying Fund made at the time of, and in an amount equal to, the proceeds of the offering of the Units of the Fund (in the case of Class AC Units and Class FC Units, converted into United States dollars).

(37) ***Offering*** means the offering of Units pursuant to the confidential offering memorandum respecting the Partnership, as amended, restated, supplemented or otherwise modified from time to time.

(38) ***Offering Memorandum*** means the offering memorandum dated June 9, 2006 relating to the issuance of the Units, as amended, supplemented or restated from time to time.

(39) ***Ordinary Resolution*** means:

(a) a resolution approved by more than 50% of the votes cast in person or by proxy at a duly constituted meeting of Limited Partners or class of Limited Partners or at any adjournment thereof called in accordance with this Agreement; or

(b) a written resolution in one or more counterparts signed by Limited Partners or Limited Partners of a class holding in the aggregate more than 50% of the aggregate number of outstanding Units or where the resolution concerns only a particular class of Units, 75% of the aggregate number of outstanding Units of that class.

(40) ***Partners*** means the General Partner and the Limited Partners and "**Partner**" means any one of them.

(41) ***Partnership*** means the limited partnership formed hereby.

(42) ***Performance Fee*** means the incentive fee payable to the manager of the Underlying Fund as set out in the constating documents of the Underlying Fund.

(43) ***Person*** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted.

(44) ***Power of Attorney and Declaration*** means a power of attorney and declaration in the form approved from time to time by the General Partner.

(45) ***Prime Rate*** means the annual variable rate of interest quoted or published from time to time by the Royal Bank of Canada at its main branch in Toronto, Ontario as the "prime rate" of interest charged by it for Canadian dollar loans made in Canada.

(46) ***Record*** means the record of the Limited Partners which the General Partner is required to maintain under the Act.

(47) ***Redemption Date*** has the meaning set forth in Section 8.1.

(48) ***Redemption Fee*** means a fee payable by a Limited Partner that redeems Units during any Fiscal Year in an amount equal to the Performance Fee that would be charged on a notional redemption of a proportional amount of participating shares of the Underlying Fund.

(49) ***Redemption Notice*** has the meaning set forth in Section 8.1.

(50) ***Register*** means the register indicating the names and addresses of the Limited Partners and the number of Units held by them, to be kept by the General Partner.

(51) ***Reinvestment Plan*** means a distribution reinvestment plan established by the General Partner pursuant to its authority under Section 8.3(30).

(52) ***Requisitioning Partners*** has the meaning set forth in Section 10.1.

(53) ***Series of Units or Series*** has the meaning set forth in Section 4.1.

(54) ***Special Resolution*** means:

(a) a resolution approved by more than 75% of the votes cast in person or by proxy at a duly constituted meeting of Limited Partners or class of Limited Partners or at any adjournment thereof, called in accordance with this Agreement; or

(b) a written resolution in one or more counterparts signed by Limited Partners holding in the aggregate more than 75% of the aggregate number of outstanding Units, or where the resolution concerns only a particular class of Units, 75% of the aggregate number of outstanding Units of that class.

(55) ***Subscription Form*** means a subscription agreement and Power of Attorney and Declaration in such form as approved from time to time by the General Partner.

(56) ***Tax Act*** means the *Income Tax Act* (Canada) and the regulations thereunder.

(57) ***Underlying Fund*** means the Belmont Dynamic Growth Portfolio.

(58) ***Unit*** means the Class AC Units, the Class AU Units, the Class FC Units and the Class FU Units.

1.2 Headings

In this Agreement, the headings are for convenience of reference only, do not form a part of this Agreement and are not to be considered in the interpretation of this Agreement.

1.3 Interpretation

In this Agreement:

(1) words importing the masculine gender include the feminine and neuter genders, corporations, partnerships and other Persons, and words in the singular include the plural, and vice versa, wherever the context requires;

(2) all references to designated Sections and subsections are to designated Sections and subsections of this Agreement;

(3) all accounting terms not otherwise defined will have the meanings assigned to them by, and all computations hereunder to be made will be made in accordance with, generally accepted accounting principles in Canada from time to time;

(4) any reference to a statute will include a reference to the regulations made pursuant to it, and to all amendments made to the statute and regulations in force from time to time, and to any statute or regulation that may be passed which has the effect of supplementing or superseding the statute referred to or the relevant regulation; and

(5) any reference to a Person will include a reference to any Person that is a successor to that Person;

(6) "hereof", "hereto", "herein", and "hereunder" mean and refer to this Agreement and not to any particular Section or subsection.

1.4 Currency

All references to CDN$ herein are references to lawful money of Canada and all references to US$ are references to lawful money of the United States of America.

SECTION 2 — RELATIONSHIP BETWEEN PARTNERS

2.1 Formation of the Partnership

The General Partner and the Limited Partners agree to and do hereby form a limited partnership in accordance with the laws of the Province of Ontario and the provisions of this Agreement. The Partnership shall be effective as a limited partnership from the date on which the Declaration is registered in accordance with the Act.

2.2 Name of the Partnership

The name of the Partnership shall be the Belmont Dynamic Growth Fund or such other or additional name in the English or French language as the General Partner may from time to time deem appropriate or deem necessary to comply with the laws of the jurisdictions in which the Partnership may carry on business. The General Partner shall have the right to change the name of the Partnership and to file an amendment to the Declaration changing the name of the Partnership.

2.3 Status of Partners

(1) The General Partner represents, warrants, covenants and agrees with each Limited Partner that the General Partner:

(a) is a corporation incorporated under the laws of the Province of Ontario and is validly subsisting under such laws;

(b) is not a "non-resident" of Canada for the purposes of the *Tax Act*;

(c) is not a person or partnership an interest in which is a "tax shelter investment" for the purposes of the *Tax Act*;

(d) is not a "financial institution" for the purposes of the "marked-to-market" rules in Section 142.2 of the *Tax Act*;

(e) has the capacity and corporate authority to act as the general partner of the Partnership and to perform its obligations under this Agreement, and such obligations do not conflict with nor do they result in a breach of any of its constating documents, by-laws or any agreement by which it is bound;

(f) will act in good faith in a manner which it believes to be in the best interests of the Partnership, subject to the provisions of this Agreement; and

(g) will, on the Initial Closing Date, hold and shall maintain the registrations necessary for the conduct of its business and has and shall continue to have all licences and permits necessary to carry on its business as the general partner of the Partnership in all jurisdictions where the activities of the Partnership require such licensing or other form of registration of the General Partner.

(2) Each of the Limited Partners severally represents, warrants, covenants and agrees with each other Partner that such Limited Partner or any beneficial owner of a Unit registered in the name of such Limited Partner:

(a) has the capacity and competence and, if a corporation, the necessary corporate authority, to enter into this Agreement;

(b) is not a non-resident of Canada for the purposes of the *Tax Act* and, if a partnership, is a "Canadian partnership" for the purposes of the *Tax Act*;

(c) is not a Person an interest in which is a "tax shelter investment" for the purposes of the *Tax Act*;

(d) is not a Financial Institution or, if a Financial Institution, such Limited Partner has advised the General Partner in writing that such Limited Partner or the beneficial owner of a Unit registered in the name of the Limited Partner is a Financial Institution;

(e) has not financed its acquisition of Units with indebtedness for which recourse is limited or that otherwise constitutes a limited recourse amount for the purposes of section 143.2 of the *Tax Act*; and

(f) shall not knowingly transfer its Units, in whole or in part, to a Person who is not able to make these representations, warranties and covenants.

2.4 Survival of Representations, Warranties and Covenants

The representations, warranties and covenants made pursuant to Section 2.3 shall survive execution of this Agreement and each Partner covenants and agrees to ensure that each representation, warranty and covenant made pursuant to Section 2.3 remains true so long as such Partner remains a Partner.

2.5 Evidence of Status and Sale of Affected Units

Each Limited Partner covenants and agrees that it will, upon request, promptly provide evidence to the General Partner that its status under the *Tax Act* is as represented in Sections 2.3(2)(b), 2.3(2)(c), 2.3(2)(d) and 2.3(2)(e). If a Limited Partner fails to comply with such a request or if reasonably satisfactory evidence is not provided by such Limited Partner, or in the event that the General Partner otherwise determines that a Person has become, directly or indirectly, a Limited Partner in contravention of Sections 2.3(2)(b), 2.3(2)(c), 2.3(2)(d) or 2.3(2)(e), the General Partner, by written notice (a "**Sell Notice**") to such Limited Partner (the "**Affected Partner**") will require the Affected Partner to sell to a Person who complies with Sections 2.3(2)(b), 2.3(2)(c), 2.3(2)(d) and 2.3(2)(e), the Affected Partner's entire interest in all Units held by the Affected Partner (the "**Affected Units**") within the period prescribed in the Sell Notice. Any Sell Notice shall be given by prepaid mail or delivered directly to the Affected Partner and shall specify a date, which shall be not less than five days later, by which the Affected Units must be sold to a Person who complies with Sections 2.3(2)(b), 2.3(2)(c), 2.3(2)(d) and 2.3(2)(e). The Sell Notice shall also require the Affected Partner to notify the General Partner of the sale or disposition requested when completed.

An Affected Partner shall indemnify and save harmless the other Partners and the Partnership (the "**Indemnified Parties**") from any additional tax liability which results from the Affected Partner's contravention of Sections 2.3(2)(b), 2.3(2)(c), 2.3(2)(d) and 2.3(2)(e), on the date that such additional tax liability is required to be paid provided, however, that to the extent that all or any portion of such additional tax liability is refunded to an Indemnified Party or creditable against other taxes paid or owing by such Indemnified Party (Canadian or otherwise), such Indemnified Party shall pay the Affected Partner an amount equal to such refund or credit, as the case may be, on the date such refund or credit is received or claimed. For the purposes of this paragraph, "additional tax liability" shall include taxes imposed under Part XIII of the *Tax Act*.

If the Affected Units have not been sold by the Affected Partner on or prior to the date stipulated in the Sell Notice, the General Partner may elect to sell the Affected Units on behalf of the Affected Partner without further notice in accordance with the terms hereof. The General

Partner may sell Affected Units on any organized market on which the Affected Units are sold as the General Partner shall determine or in such other manner as the General Partner shall determine, including purchasing the Affected Units on behalf of the Partnership at their fair market value as determined by an independent investment dealer selected by the General Partner. For all purposes of such sale, the General Partner shall be deemed to be the agent and lawful attorney of the Affected Partner. The net proceeds of any such sale of Affected Units shall be the net proceeds after deduction of any commissions or other costs of sale.

In the event of any such sale, an Affected Partner shall have the right only to receive the net proceeds therefrom (less any deduction or withholding that may be required under Section 116 or any other provision of the *Tax Act* or any provincial tax legislation) which the Partnership shall pay or cause to be paid to the Affected Partner not later than 60 days following such sale.

The General Partner shall, as soon as reasonably practical, and in any event, not later than 30 days after the sale of the Affected Units, send a notice to the Affected Partner stating that the Affected Units have been sold, the amount of the net proceeds to be paid to the Affected Partner and all other relevant particulars of the sale.

Where, in accordance with this Section 2.5, Affected Units are sold by the General Partner and, after the sale, a Person establishes that it is a bona fide purchaser of the Affected Units from the Affected Partner, then, subject to applicable law:

(1) the Partnership shall be entitled to treat the Units so purchased by the bona fide purchaser as validly issued and outstanding Units in addition to the Affected Units sold by the General Partner; and

(2) notwithstanding anything herein contained, the Partnership shall be entitled to retain the net proceeds arising from the sale of the Affected Units and shall add such amount to the capital account maintained by the Partnership in respect of outstanding Units.

The General Partner shall have the sole right and authority to make any determination required or contemplated under this Section 2.5. The General Partner shall make on a timely basis all determinations necessary for the administration of the provisions of this Section 2.5 and, without limiting the generality of the foregoing, if the General Partner considers that there are reasonable grounds for believing that a contravention of the restrictions contained in Sections 2.3(2)(b), 2.3(2)(c), 2.3(2)(d) or 2.3(2)(e) has occurred or will occur, the General Partner shall make a determination with respect to the matter. Any such determination shall be conclusive, final and binding except to the extent modified by any subsequent determination by the General Partner.

Notwithstanding anything contained herein, if the General Partner determines that a Person has become a Limited Partner in contravention of Sections 2.3(2)(b), 2.3(2)(c), 2.3(2)(d) or 2.3(2)(e), such Person shall be deemed to have ceased to be a Limited Partner in respect of the Units held by him or her effective immediately prior to the date of contravention and shall not be entitled to any distributions made by the Partnership on and after such date and such Units shall be deemed not to be outstanding until acquired by a Person who complies with Sections

2.3(2)(b), 2.3(2)(c), 2.3(2)(d) and 2.3(2)(e); provided that other holders of Units shall not be entitled to any distributions paid in respect of Units that have been so deemed not to be outstanding.

2.6 Limitation on Authority of Limited Partners

No Limited Partner shall:

(1) take part in the administration, control, management or operation of the business of the Partnership or exercise any power in connection therewith or transact business on behalf of the Partnership;

(2) execute any document which binds or purports to bind any other Partner or the Partnership;

(3) hold himself or herself out as having the power or authority to bind any other Partner or the Partnership;

(4) have any authority or power to act for or undertake any obligation or responsibility on behalf of any other Partner or the Partnership;

(5) bring any action for partition or sale or otherwise in connection with the Partnership or any interest in any property of the Partnership, whether real or personal, tangible or intangible, or file or register or permit to be filed, registered or remain undischarged any lien or charge in respect of any property of the Partnership; or

(6) compel or seek a partition, judicial or otherwise, of any of the assets of the Partnership distributed or to be distributed to the Partners in kind in accordance with this Agreement.

Notwithstanding the foregoing, the General Partner, in respect of its ownership of Units, shall not be subject to the restrictions that otherwise apply to Limited Partners.

2.7 Power of Attorney

Each Limited Partner hereby irrevocably nominates, constitutes and appoints the General Partner, with full power of substitution, as the Limited Partner's agent and true and lawful attorney to act on the Limited Partner's behalf with full power and authority in the Limited Partner's name, place and stead to execute and record or file as and where required:

(1) this Agreement, any amendment to this Agreement (subject to required Partner approvals, if any) and any other instruments or documents required to continue and keep in good standing the Partnership as a limited partnership under the Act, or otherwise to comply with the laws of any jurisdiction in which the Partnership may carry on business or own or lease property in order to maintain the limited liability of the Limited Partners and to comply with the applicable laws of such jurisdiction (including such amendments to the Declaration or the Record as may be necessary to reflect the admission to the Partnership of subscribers for or transferees of Units as contemplated by this Agreement);

(2) all instruments and any amendments to the Declaration necessary to reflect any amendment to this Agreement;

(3) any instrument required in connection with the dissolution and termination of the Partnership in accordance with the provisions of this Agreement, including any elections, determinations or designations under the *Tax Act* and under any similar legislation;

(4) the documents necessary to be filed with the appropriate governmental body or authority in connection with the business, property, assets and undertaking of the Partnership;

(5) such documents as may be necessary to give effect to the business of the Partnership as described in Section 3;

(6) the documents on the Limited Partner's behalf and in the Limited Partner's name as may be necessary to give effect to the sale or assignment of a Unit (including a sale of Units pursuant to Section 2.5) or to give effect to the admission of a subscriber for or transferee of Units to the Partnership;

(7) any election, application, determination, designation, information return or similar document or instrument as may be required or, in the opinion of the General Partner, necessary, desirable or advisable at any time under the *Tax Act*, the *Excise Tax Act* (Canada), or under any other taxation legislation or laws of like import of Canada or of any province, territory or jurisdiction which relates to the affairs of the Partnership or the interest of any Person in the Partnership; and

(8) all other instruments and documents on the Limited Partner's behalf and in the Limited Partner's name or in the name of the Partnership as may be deemed necessary by the General Partner to carry out fully this Agreement in accordance with its terms.

To evidence the foregoing, each Subscription Form shall contain a Power of Attorney and Declaration incorporating by reference, ratifying and confirming some or all of the powers set forth above.

The power of attorney granted herein is irrevocable, is a power coupled with an interest, shall survive the transfer or assignment by the Limited Partner, to the extent of the obligations of a Limited Partner hereunder, of the whole or any part of the interest of the Limited Partner in the Partnership, extends to the heirs, executors, administrators, other legal representatives and successors, transferees and assigns of the Limited Partner, and may be exercised by the General Partner on behalf of each Limited Partner in executing any instrument by a facsimile signature or by listing all the Limited Partners and executing such instrument with a single signature as attorney and agent for all of them. Each Limited Partner agrees to be bound by any representations or actions made or taken by the General Partner pursuant to this power of attorney and hereby waives any and all defences which may be available to contest, negate or disaffirm the action of the General Partner taken in good faith under this power of attorney.

This power of attorney shall continue in respect of the General Partner so long as it is the General Partner of the Partnership, and shall terminate thereafter, but shall continue in respect of a new General Partner as if the new General Partner were the original attorney.

A transferee of a Unit shall, upon becoming a Limited Partner, be conclusively deemed to have acknowledged and agreed to be bound by the provisions of this Agreement as a Limited Partner and shall be conclusively deemed to have provided the General Partner with the power of attorney described in this Section 2.7.

2.8 Limited Liability of Limited Partners

Subject to the provisions of the Act and of similar legislation in other jurisdictions, the liability of each Limited Partner for the debts, liabilities and obligations of the Partnership shall be limited to the Limited Partner's Capital Contribution, plus the Limited Partner's pro rata share of any undistributed income of the Partnership. Where Limited Partners have received the return of all or part of their Capital Contribution or where the Partnership is dissolved, the Limited Partners shall be liable to the Partnership's creditors for any amount, not in excess of the amount returned with interest at the Prime Rate, necessary to discharge the liabilities of the Partnership to all creditors who extended credit or whose claims otherwise arose before the return of the Capital Contribution. Following payment of a Capital Contribution with interest at the Prime Rate, a Limited Partner shall not be liable for any further claims or assessments or be required to make further contributions to the Partnership.

2.9 Indemnity of Limited Partners

The General Partner will indemnify and hold harmless each Limited Partner (including former Limited Partners) for all costs, expenses, damages or liabilities suffered or incurred by the Limited Partner if the limited liability of such Limited Partner is lost for or by reason of the gross negligence of the General Partner in performing its duties and obligations hereunder.

2.10 Compliance with Laws

Each Limited Partner will, on the request of the General Partner from time to time, immediately execute any documents considered by the General Partner to be necessary to comply with any applicable law or regulation of any jurisdiction, for the continuation, operation or good standing of the Partnership.

2.11 General Partner May Hold Units

The General Partner may subscribe for and acquire Units or purchase Units by private contract and shall be shown on the Record as a Limited Partner in respect of the number of Units held by the General Partner from time to time.

2.12 General Partner as a Limited Partner

If the General Partner holds any Units, it shall be deemed in its capacity as the holder of such Units to be a Limited Partner with the same rights and powers and subject to the same restrictions as each other Limited Partner.

SECTION 3 — BUSINESS OF THE PARTNERSHIP

3.1 Business of the Partnership

(1) The Partnership's investment objective is to generate absolute returns which are not correlated to global equity or bond markets. To achieve its investment objective, the Partnership intends to obtain exposure to the returns of the Underlying Fund by entering into the Forward with the Counterparty.

(2) The Partnership may also enter into the FX Hedge in order to hedge the risk applicable to Class AC Units and Class FC Units relating to the United States dollar denominated returns of the Forward.

(3) The activities of the Partnership will be subject to certain investment restrictions (**"Investment Restrictions"**), which may be changed if changes are required to comply with law (in which case the General Partner shall promptly notify the Limited Partners of such amendment if it is material) or by Special Resolution and consent in writing of the General Partner. These Investment Restrictions will govern the activities of the Partnership including the investment of its assets and the incurrence of debt, and provide, among other things, as follows:

(a) *Sole Undertaking* - The Partnership will not engage in any undertaking other than the investment of the Partnership's assets in accordance with the Partnership's investment objectives and subject to the Investment Restrictions and such activities as are necessary or ancillary with respect thereto. The Partnership's only investments shall be the Canadian Share Portfolio, the Forward, the FX Hedge and cash and cash equivalents.

(b) *Tax Shelter Investments* – The Partnership shall not make or maintain any direct or indirect investment in a particular partnership if (i) another Person holding a partnership interest is entitled, directly or indirectly, to a share of the income or loss of the particular partnership, and (ii) such other Person's partnership interest is a "tax shelter investment" for the purposes of Section 143.2 of the Tax Act.

3.2 Business in Other Jurisdictions

(1) The Partnership shall not carry on business in any jurisdiction unless the General Partner has taken all steps which may be required by the laws of that jurisdiction for the Limited Partners to benefit from limited liability to the same extent that such Limited Partners enjoy limited liability under the Act.

(2) The Partnership shall carry on business in such a manner as to ensure, to the greatest extent possible, the limited liability of the Limited Partners, and the General Partner shall register the Partnership in other jurisdictions where the General Partner considers it appropriate to do so.

3.3 Office of the Partnership

The principal place of business of the Partnership shall be 357 Bay Street, Suite 800, Toronto, Ontario M5H 2T7 or such other address in Ontario as the General Partner may designate in writing from time to time to the Limited Partners.

3.4 Fiscal Year

Subject to the General Partner determining otherwise, the first fiscal period of the Partnership shall end on December 31, 2006 and thereafter each fiscal period shall commence on January 1 in each year and shall end on the earlier of December 31 in the following year or on the date of dissolution or other termination of the Partnership. Each such fiscal period is herein referred to as a "**Fiscal Year**".

3.5 Investment Advice

The General Partner shall:

(1) be responsible for making all investment decisions for the Partnership and for managing the Partnership's assets in accordance with the Partnership's investment objectives, strategies and restrictions; and

(2) be responsible for calculating the Net Asset Value, the Class Net Asset Value and the Class Net Asset Value per Unit in Canadian dollars or in US dollars, as the case may be, as of the last Business Day of each month (each, a "**Calculation Date**") in accordance with the provisions of Schedule 3.5(2) to this Agreement and, in connection therewith, for estimating the expenses and liabilities of the Partnership. Each of the Net Asset Value, the Class Net Asset Value and the Class Net Asset Value per Unit established by the General Partner is conclusive and binding on investors and Limited Partners.

3.6 Administration Fee

The Partnership will pay the General Partner an administration fee monthly in arrears equal to $^1/_{12}$ of 1.1% of the Class Net Asset Value of the Class AC Units and the Class AU Units and $^1/_{12}$ of 0.1% of the Class Net Asset Value of the Class FC Units and the Class FU Units calculated and payable on the last Business Day of each calendar month based on the Class Net Asset Value of each class of Units at such time (plus applicable taxes, if any).

3.7 Advisor's Fees

The Fund will be responsible for the fees and expenses of the Advisor.

3.8 Other Funds

The General Partner and its Affiliates and the Advisor and its Affiliates may act as the investment advisor or in a similar capacity for other entities with responsibility for the management of the assets of those other entities at the same time as it is managing the Partnership's portfolios and may use the same or different information and trading strategies obtained, produced or utilized in managing the portfolios. General Partner, Affiliates of the General Partner and the Advisor and Affiliates of the Advisor and their respective officers, directors and employees may, at any time, engage in the promotion, management or investment management of any other fund or partnership.

3.9 Calculation of Net Asset Value and Class Net Asset Value

The General Partner shall calculate or cause to be calculated the Net Asset Value, the Class Net Asset Value and the Class Net Asset Value per Unit periodically at such times as the General Partner deems appropriate, but in any event 4:00 p.m. (Toronto time) on the last Business Day of each month.

SECTION 4 — UNITS

4.1 Authorized Units

The Partnership is authorized to issue an unlimited number of Class AC Units, Class AU Units, Class FC Units, and Class FU Units (each class, a "**Class**"). Units will be designated by series, based on Class, date of issue and Unit subscription price (each series a "**Series of Units**" or "**Series**"). The Class AC Units, the Class AU Units, the Class FC Units and the Class FU Units shall have the general attributes specified in Section 4.2 and the specific attributes described in the Offering Memorandum and the General Partner, in its discretion, shall be entitled from time to time to create and issue additional Series of Units. Schedule 4.1 to this Agreement shall be amended by the General Partner from time to time to describe the attributes of any particular Series of Units created subsequent to the date of this Agreement. Each such Series of Units shall be identified as the General Partner may deem as appropriate. The Partnership shall establish and maintain a separate Account for each Series of Units. The Net Asset Value of each Account, the management and advisory fees and the Redemption Fees will be determined independently for each Series of Units based on the performance of the particular Class of Units to which the Series belongs throughout the period in which Units of the Series have been outstanding, in accordance with the applicable provisions of this Agreement.

4.2 Attributes of Units

(1) Subject to applicable law and the provisions of this Agreement, each Unit shall be transferable and redeemable on a quarterly basis on the last Business Day of each fiscal quarter.

(2) Except as set out in Section 4.1, each Unit of a particular Class or Series shall be identical to all other Units of that Class or Series (as applicable) in all respects and, accordingly, shall entitle the holder to the same rights and obligations as a holder of any other Unit of such Class or

Series (as applicable). No Limited Partner shall, in respect of any Unit of a Class or Series held by such Limited Partner, be entitled to any preference, priority or right in any circumstance over any other Limited Partner in respect of any Unit of the same Class or Series (as applicable) held by the other Limited Partner.

(3) The interest of each Limited Partner of a particular Class or Series shall represent the same proportion of the total interest of all Limited Partners in that Class or Series (as applicable) as the number of Units of that Class held by it is of the total number of Units outstanding of that Class or Series (as applicable) at any time.

(4) Each Limited Partner shall be entitled to one vote at all meetings of Partners for each Unit held.

(5) Except as provided in this Agreement, each Unit of a particular Class or Series is entitled to participate equally with all other Units of that Class or Series (as applicable) with respect to any and all distributions made by the Partnership, including distributions of net income and net realized capital gains, if any.

4.3 Units Fully-Paid and Non-Assessable

The Partnership shall issue Units only as fully-paid and non-assessable.

4.4 Fractional Units

The Partnership may issue fractional Units.

4.5 Register Evidences Ownership

Title to any Units is conclusively evidenced by the Register.

Each Limited Partner will be entitled to a certificate or other instrument from the Partnership reflecting the Limited Partner's ownership of the Unit. Each such certificate or other instrument must be signed by at least one officer or director of the General Partner and any such signature may be mechanically reproduced. The validity of a certificate or other instrument will not be affected by the fact that a person whose signature is so reproduced is deceased or no longer holds the office which he or she held when the reproduction of his or her signature in that office was authorized. Transfers of beneficial ownership of Units shall be effected through the records maintained by the General Partner.

4.6 Unit Offering(s)

The General Partner may, in its discretion, cause the Partnership to issue Units on such terms and conditions of the offering and sale of Units as the General Partner, in its discretion but subject to Section 4.7, may determine from time to time and may do all things in that regard including preparing and filing offering memoranda and other documents, paying the expenses of issue and entering into agreements with any Person providing for a commission or fee. For greater certainty, the General Partner may take all steps necessary to give effect to such offering,

including increasing the amount of the Forward and entering into agency agreements and other arrangements on behalf of the Partnership as permitted hereunder. Units of a particular Class issued pursuant to this Section 4.6 may only be purchased on the last Business Day of each month for a subscription price equal to the Class Net Asset Value per Unit for Units of the Class being offered at 4:00 p.m. (Toronto time) on such day. Up to the Initial Closing Date, the Class Net Asset Value per Unit for Class AC Units and Class FC Units will be CDN$100 and the Class Net Asset Value per Unit for Class AU Units and Class FU Units will be US$100.

4.7 Subscription for Units

In connection with the Offering, each subscriber (who may be an Agent acting for and on behalf of purchaser of Units pursuant to the Offering) shall complete and execute the applicable Subscription Form (including the Power of Attorney and Declaration attached thereto) setting forth, among other things, the total subscription price for the Units subscribed for, which subscription price shall be such Person's agreed upon Capital Contribution and the Class and Series of Units being subscribed for. The subscription price received by the Partnership (after deduction of issue expenses and other fees) for any issuance of Units will be not less than the Class Net Asset Value per Unit of the subscribed Class at 4:00 p.m. (Toronto time) on the date of the subscription.

4.8 Acceptance of Subscription Form by General Partner

The General Partner shall have the right, in its sole discretion, to refuse to accept a Subscription Form within ten Business Days of its receipt. The General Partner shall reject Subscription Forms submitted by a subscriber who is, or who acts on behalf of a Person who will have a beneficial interest in the Units being subscribed for who cannot make the representative, warranties and covenants set-out in Section 2.3(2) of this Agreement, and the General Partner may require subscribers to provide evidence reasonably satisfactory to it that such subscribers, or Persons who will have a beneficial interest in Units being subscribed for, can do same. If, for any reason, a Subscription Form is not accepted, the General Partner shall forthwith redeliver to the subscriber the Subscription Form and any subscription monies or cheques representing subscription monies for such Units without interest or deduction.

4.9 Admittance as Limited Partner

Upon acceptance by the General Partner of any Subscription Form, all Partners will be deemed to consent to the admission of the subscriber as a Limited Partner, the General Partner will execute this Agreement on behalf of the subscriber and will cause the Record to be amended, and such other documents as may be required by the Act or under legislation similar to the Act in other provinces or the territories to be filed or amended, specifying the prescribed information and will cause the foregoing information in respect of the new Limited Partner to be included in the Partnership's books and records.

4.10 Payment of Expenses

The Partnership will pay all upfront costs, disbursements and other fees and expenses incurred in connection with the offering of Units pursuant to the Offering, the organization of the Partnership and the registration of the Partnership under the Act and under similar legislation of other jurisdictions. Unless otherwise provided by applicable law, all upfront costs, disbursements and other fees and expenses will be amortized over the first two years of the Partnership.

4.11 Effective Date

The rights and obligations of a subscriber for, or a transferee of, Units, as a Limited Partner or substituted Limited Partner, respectively, under this Agreement, commence and are enforceable by and upon the Limited Partner as between the Limited Partner and the other Partners from and after the earlier of the date on which the Record has been amended to reflect such subscription or transfer and the effective date on which the General Partner in its sole discretion recognizes such subscriber or transferee as a Limited Partner.

4.12 Register and Record of Limited Partners

The General Partner shall maintain at its office in Toronto, Ontario, a Register listing all names and addresses of registered Limited Partners and the number and Class of Units held by them.

The General Partner shall maintain at the Partnership's principal office in Ontario the Record setting out such information as is prescribed under the Act.

4.13 Changes in Membership of Partnership

No change of name or address of a Limited Partner, no transfer of a Unit and no admission of a substituted Limited Partner in the Partnership shall be effective for the purposes of this Agreement until all reasonable requirements as determined by the General Partner with respect thereto have been met, including the requirements set out in this Section, and until such change, transfer, substitution or addition is duly reflected in an amendment to the Record as may be required by the Act. The names and addresses of the Limited Partners as reflected from time to time in the Record, as from time to time amended, shall be conclusive as to such facts for all purposes of the Partnership.

4.14 Notice of Change

No name or address of a Limited Partner shall be changed and no transfer of a Unit or substitution or addition of a Limited Partner in the Partnership shall be recorded on the Record or the Register except pursuant to a notice in writing received by the General Partner.

4.15 Inspection of Record

A Limited Partner, or an agent of a Limited Partner duly authorized in writing, has the right to inspect and make copies from the Record during normal business hours.

4.16 Transfer of Units

Subject to compliance with applicable laws and the provisions of this Agreement and subject to the consent of the General Partner, Units may be transferred by a Partner or the Partner's agent duly authorized in writing to any Person by delivering a duly completed transfer form (the form of which shall be provided by the General Partner) to the General Partner together with such evidence of the genuineness of each such endorsement, execution and authorization and such other matters (including that the transfer is being made in compliance with all applicable securities laws) as may be reasonably required by the General Partner.

The General Partner has the right to deny the transfer of Units until all amounts required to be paid on account of the subscription price, including any interest thereon, have been paid in full. The General Partner will deny the transfer of the Units to a Person who is or who acts on behalf of a Person who cannot make the representations, warranties and covenants set out in Section 2.3(2). No transferee will become a Limited Partner until all filings and recordings required by the Act and this Agreement have been duly made and the transfer is recorded on the Record. Where the transferee complies with the provisions aforesaid and is entitled to become a Limited Partner pursuant to the provisions hereof the General Partner shall be authorized to admit the transferee to the Partnership as a Limited Partner and the Limited Partners hereby consent to the admission of, and will admit, the transferee to the Partnership as a Limited Partner, without further act of the Limited Partners (other than as may be required by law).

When a transferee has been registered as a Limited Partner, the transferee will become a party to this Agreement and will be subject to the obligations and entitled to the rights of a Limited Partner under this Agreement.

4.17 Documentation on Transfer

If a transferor of Units is a firm or a corporation, or purports to assign such Units in any representative capacity, or if an assignment results from the death, mental incapacity or bankruptcy of a Limited Partner or is otherwise involuntary, the transferor or the transferor's legal representative shall furnish to the General Partner such documents, certificates, assurances, court orders and other instruments as the General Partner may reasonably require to record the said transfer and assignment on the Record.

4.18 Amendment of Record

The General Partner, on behalf of the Partnership, shall from time to time and, in any event, as at the end of each calendar month, amend the Record and such other documents and promptly effect filings, recordings and registrations at such places as in the opinion of counsel to the Partnership are necessary or advisable to reflect changes during the course of such month in

the membership of the Partnership, transfers of Units and dissolution of the Partnership as herein provided and to constitute a transferee as a Limited Partner.

4.19 Non-Recognition of Trusts or Beneficial Interests

Except as provided herein, as required by law or as recognized by the General Partner in its sole discretion, no Person will be recognized by the Partnership as holding any Unit in trust, or on behalf of another Person with the beneficial interest therein, and the Partnership and Limited Partners will not be bound or compelled in any way to recognize (even when having actual notice) any equitable, contingent, future or partial interest in any Unit or in any fractional part of a Unit or any other rights in respect of any Unit except an absolute right to the entirety of the Unit in the Limited Partner shown on the Record as holder of such Unit.

4.20 Incapacity, Death, Insolvency or Bankruptcy

Where a Person becomes entitled to Units on the incapacity, death, insolvency, or bankruptcy of a Limited Partner, or otherwise by operation of law, in addition to the requirements of Sections 2.3(2), 2.7, 4.5, 4.13, 4.14, 4.16, 4.17, 4.18, 4.19 and 4.21, such entitlement will not be recognized or entered into the Record until such Person:

(1) has produced evidence satisfactory to the General Partner of such entitlement;

(2) has agreed in writing to be bound by the terms of this Agreement and to assume the obligations of a Limited Partner under this Agreement; and

(3) has delivered such other evidence, approvals and consents in respect to such entitlement as the General Partner may require and as may be required by law or by this Agreement.

4.21 No Transfer of Fractions

No transfer of a fraction of a Unit may be made or will be recognized or entered into or recorded in the Record unless the transfer of such fraction is in connection with the transfer of all of the Units owned by a Limited Partner.

SECTION 5 — CAPITAL CONTRIBUTIONS AND ACCOUNTS

5.1 Capital

The capital of the Partnership consists of the aggregate of all sums of money or other property contributed by the Partners and not returned to them.

5.2 Minimum Limited Partner Contribution

The Capital Contribution of each Limited Partner is the subscription price for Units paid by the Limited Partner. In respect of the Units issued as part of the Offering, it is acknowledged that each Limited Partner must purchase a minimum number of Units to satisfy minimum subscription requirements under applicable securities laws. In any case, each Limited Partner

must purchase Units with an aggregate cost of at least CDN$25,000 for Class AC Units and Class FC Units and Units with an aggregate cost of at least US$25,000 for Class AU Units and Class FU Units. All subsequent investments shall be measured in increments of CDN$100 for the Class AC Units and the Class FC Units, and in increments of US$100 for the Class AU Units and the Class FU Units

5.3 Payment of Capital Contributions

The Capital Contribution of each Limited Partner shall be paid by way of a certified cheque or bank draft (or in such other manner acceptable to the General Partner) payable to the General Partner in an amount equal to the aggregate subscription price of Units purchased or in such other manner acceptable to the General Partner.

5.4 Separate Capital Accounts

The General Partner will maintain a separate capital account for each Partner and will, on receipt of an amount in respect of a Capital Contribution, credit the account of the applicable Partner with such Capital Contribution and will debit the account with the amount of any Capital Contribution actually returned from time to time by the Partnership to the Partner.

The interest of a Partner will not terminate by reason of there being a negative or nil balance in the Partner's capital account. No Limited Partner shall be responsible for any losses of any other Limited Partner, nor share in the allocation of net income or loss attributable to the Units of any other Limited Partner.

5.5 No Interest on Capital Account

The Partnership will not pay interest on any credit balance of the capital account of a Partner. Except as provided in this Agreement or the Act or similar applicable legislation in Canada, no Limited Partner is required to pay interest to the Partnership on any Capital Contribution returned to the Limited Partner or on any negative balance in the Limited Partner's capital account.

SECTION 6 — PARTICIPATION IN PROFITS AND LOSSES

6.1 Allocation of Net Income or Loss

(1) The income and losses of the Partnership for a Fiscal Year shall be allocated on a monthly basis, in arrears, as to 99.999% to the Limited Partners and as to 0.001% to the General Partner. The Limited Partners' share of the monthly income and losses of the Partnership shall be allocated to Limited Partners in proportion to their ownership of Units of a particular Class immediately before the last Business Day of a fiscal quarter.

(2) The income and losses of the Partnership for tax purposes in respect of a fiscal year shall be allocated among the General Partner and the Limited Partners in the same manner as allocations of accounting income and losses, with such adjustments as are deemed by the

General Partner, acting in its sole discretion, to be necessary to effect an equitable allocation of all such amounts. For greater certainty, the General Partner shall be entitled to make allocations of income or losses of the Partnership for tax purposes in respect of a fiscal year to any person who has been a Limited Partnership at any time in such fiscal year.

6.2 Distributions

The General Partner may in its sole discretion make distributions of income or capital at any time and from time to time, in such amounts and in such manner as it considers appropriate. Distributions under this Section 6.2, if any, will be declared on a date determined by the General Partner (the "**Declaration Date**"). Partners will be entitled to receive declared distributions if they were Partners of record as of 5:00 p.m. (Toronto time) on the seventh Business Day next following the relevant Declaration Date. Distributions will be made as soon as practicable after the Declaration Date. All distributions will be paid to Partners in proportion to the number and class of Units held by them as indicated on the Record.

6.3 Repayments

If, as determined by the General Partner, it appears that any Partner has received an amount under this Section 6 which is in excess of that Partner's entitlement, the Partner will, forthwith upon notice from the General Partner, reimburse the Partnership to the extent of the excess, and failing immediate reimbursement, the General Partner may withhold the amount of the excess from further distributions or redemption proceeds otherwise due to the Partner. A Partner will remain liable to reimburse the Partnership any amounts distributed to him or her by the Partnership which may be necessary to restore the capital of the Partnership to the amount existing immediately prior to such distribution, if the distribution resulted in a reduction of capital of the Partnership resulting in the incapacity of the partnership to pay its debts as they became due. The General Partner may make adjustments to distributions for tax purposes as are deemed by it necessary to effect an equitable allocation of all amounts.

SECTION 7 — REIMBURSEMENT OF EXPENSES

7.1 Expenses of the Partnership

The costs of organizing the Partnership and offering the Units, including without limitation the fees and expenses of counsel and the Partnership's auditors, will be borne by the Partnership. The ongoing expenses of the Partnership, including without limitation as applicable, the fees and expenses of legal counsel and the Partnership's auditors, fees owing under this Agreement, the purchase price of all securities acquired by it, expenses related to rent, office facilities, insurance, portfolio transactions including commissions, communications, brokerage fees to holders of Units, investor servicing costs, custodial arrangements, recordkeeping, interest expenses, taxes, general operations and administrative costs and compliance and the Forward Fee will be borne by the Partnership. The foregoing expenses shall be allocated among classes as the General Partner in its sole discretion deems fair and reasonable in the circumstances, provided that expenses incurred solely in respect of one Class shall be allocated only to that Class. The FX Hedge Fee shall be allocated among the Class AC Units and

the Class FC Units as the General Partner in its sole discretion deems fair and reasonable in the circumstances, provided that expenses incurred solely in respect of one Class shall be allocated only to that Class.

7.2 Reimbursement of Expenses

The Partnership will reimburse the General Partner for all annual out-of-pocket expenses including fees payable to the auditors, valuators, and legal advisers of the Partnership and in respect of judgements and amounts paid in settlement, actually and reasonably incurred by the General Partner in connection with the Partnership, provided such expenses were not the result of negligence or misconduct on the part of the General Partner; ongoing regulatory filing fees and other fees; any reasonable out-of-pocket expenses incurred by the General Partner or its agents in connection with their ongoing obligations to the Partnership.

SECTION 8 — WITHDRAWAL OF CAPITAL CONTRIBUTIONS

8.1 Withdrawal

(1) A Limited Partner may, by giving a minimum of 90 days prior written notice to the General Partner (the "Redemption Notice"), require the redemption of all or any portion of the Units held by such Limited Partner on the last Business Day of a fiscal quarter (each a "Redemption Date") for a redemption price per Unit of a particular Class equal to the Class Net Asset Value per Unit of that Class less the Early Withdrawal Charge, if any, calculated as at the close of business on the Redemption Date, less any Redemption Fee payable in respect of such Unit. The Redemption Notice shall be irrevocable except as hereinafter provided. The Redemption Notice must be properly completed and must reach the General Partner at its offices not later than 4:00 p.m. (Toronto Time) at least 90 days (or such shorter period as the General Partner may approve) prior to the Redemption Date on which the Units are intended to be redeemed. If the redemption request is received at a later time, it shall be effective as of the next following Redemption Date (or such later Redemption Date as may be specified in the request. Notwithstanding the foregoing, Units of the Partnership may not be redeemed, other than at the sole discretion of the General Partner, until the first Redemption Date following the second anniversary of the issuance of the Units being redeemed.

(2) On redemption, Limited Partners are entitled to be paid the Class Net Asset Value per Unit as of the Redemption Date less the Early Withdrawal Charge, if any, multiplied by the number of Units of such class that have been tendered for redemption, less, in the case of Redemption Dates that fall during a fiscal year of the Partnership, the Redemption Fee.

(3) If the General Partner has received requests to redeem 10% or more of the outstanding Units of any particular Class on any Redemption Date, or any deferred Redemption Date as described below, the General Partner may, defer to the next Redemption Date the redemption of some or all of the Units of that Class in respect of which redemption has been requested and such deferred redemptions will be made at the Class Net Asset Value per Unit of that particular Class calculated as at the close of business on that next Redemption Date. Such deferral may take place if, in the sole judgment of the General Partner, such extra time is warranted to facilitate the

Forward pre-settlement and, in the case of Class AC Units and Class FC Units tendered for redemption, the unwind of any FX Hedge necessary to fund such redemption. If, on any Redemption Date, or any deferred Redemption Date, as a result of the foregoing limitation, the Partnership does not redeem any of the Units of a particular Class which have been submitted for redemption, then subject to the foregoing limitation, the Partnership will redeem such Units on the next Redemption Date before it redeems any other Units of that Class which it has been requested to redeem and, for such purposes, the requests to redeem such Units will be deemed to have been received by the Partnership on the next Redemption Date in the order in which they were originally received.

(4) With respect to the Partnership, the General Partner may suspend or postpone the calculation of the Net Asset Value, the Class Net Asset Value or the Class Net Asset Value per Unit or the right or obligation of the Partnership to redeem Units or Units of a particular Class for the whole or any part of any period when normal trading is suspended on any stock exchange or which securities are listed and traded which represent more than 50% by value of the total assets of the Partnership without allowance for liabilities. During the period of suspension or postponement a Limited Partner may either withdraw his request for redemption or receive payment based on the Class Net Asset Value per Unit of the Units redeemed on the Redemption Date that next follows the termination of the suspension. Subscriptions for additional Units of a particular Class of the Fund shall not be accepted during any period when the obligation of the Fund to redeem Units of that is suspended.

(5) The Partnership may, at any time and from time to time, by giving 5 Business Days prior written notice, redeem all or any portion of the outstanding Units of a particular Class on the last Business Day of a month for a redemption price per Unit equal to the Class Net Asset Value per Unit of that Class calculated as at the close of business on that day, less any Redemption Fee payable in respect of the Units.

(6) A Limited Partner may elect to receive all or a portion of the redemption proceeds of Units redeemed by it in a Fiscal Year of the Partnership after the end of such Fiscal Year.

(7) Payment for redeemed Units shall be made in cash, within 45 Business Days following the applicable Redemption Date. For greater certainty, redemption proceeds payable on the redemption of a Unit will be reduced by Early Withdrawal Charges, if any, and Redemption Fees payable in respect of the Unit. Payment of redemption proceeds shall be made by mailing or delivering a cheque or by wire or electronic transfer as the General Partner may determine, to a Limited Partner at the address noted in the register of Limited Partners. A Limited Partner may also direct the General Partner, in writing, to make the payment to another address or person. Any payment, unless not honoured, shall discharge the Partnership and the General Partner from all liability to a Limited Partner in respect of the amount thereof and in respect of the Units redeemed. In no event shall the Partnership or the General Partner be liable to a Limited Partner for interest or income on the proceeds of any redemption pending the payment thereof.

(8) If on any Redemption Date, the General Partner has received requests to redeem Units and the General Partner believes that accepting those requests would have adverse consequences to the Partnership's remaining Limited Partners, it may in its sole discretion, defer the acceptance

of such redemption request in whole or in part. Under such circumstances, the Partners which otherwise would have been withdrawn will continue to participate in the profits and losses of the Partnership until such redemption request is accepted. In addition, the General Partner may postpone the payment of the redemption proceeds to any Limited Partner if it determines in its sole discretion, that such payment would have adverse consequences to the Partnership or the Partnership's other Limited Partners.

(9) If on any Redemption Date, the General Partner has received a request to redeem all or substantially all of a Limited Partner's Units (as determined by the General Partner), the Partnership generally will pay at least 90% of the estimated value of such Units within 45 Business Days of the Redemption Date, but payment may be deferred to the extent there is a delay in the Partnership's receipt of pre-settlement proceeds from the Counterparty in relation to the pre-settlement portion of the Forward necessary to fund the redemption. The payment of any redemption proceeds (valued at the Redemption Date) that have been deferred to the extent that pre-settlement payments have been deferred under the Forward generally will be paid out as promptly as practicable after the Partnership receives its annual audit for the year during which the relevant Units were tendered for redemption.

8.2 Powers, Duties and Obligations

(1) The General Partner has:

(a) unlimited liability for the debts, liabilities and obligations of the Partnership;

(b) subject to the terms of this Agreement and to any applicable limitations set forth in the Act and applicable similar legislation, the full and exclusive right, power and authority to manage, control, administer and operate the business and affairs and to make decisions regarding the undertaking and business of the Partnership; and

(c) the full and exclusive right, power and authority to do any act, take any proceeding, make any decision and execute and deliver any instrument, deed, agreement or document necessary for or incidental to carrying out the business of the Partnership.

An action taken by the General Partner on behalf of the Partnership is deemed to be the act of the Partnership and binds the Partnership.

(2) Notwithstanding any other agreement the Partnership or the General Partner may enter into, all material transactions or agreements entered into by the Partnership must be approved by the board of directors of the General Partner.

8.3 Specific Powers and Duties

Without limiting the generality of Section 8.1(1), but subject to Section 10.16, the General Partner will have full power and authority for and on behalf of and in the name of the Partnership to:

(1) maintain accounting records for the Partnership;

(2) authorize the payment of operating expenses incurred on behalf of the Partnership;

(3) calculate net asset value of the Partnership, Class net asset value of each Class of Units of the Partnership and the amount of distributions by the Partnership;

(4) prepare financial statements, income tax returns, information returns and financial and accounting information and make any elections, applications, determinations or designations as the General Partner deems to be desirable or as required by the Partnership or by applicable law;

(5) ensure that Partners are provided with financial statements and other reports as are required from time to time by applicable law;

(6) ensure that the Partnership complies with all applicable regulatory requirements;

(7) prepare the Partnership's report to Partners;

(8) negotiate contracts with third-party providers of services, including, but not limited to, transfer agents, auditors and printers;

(9) processing subscriptions and redemptions;

(10) provide office facilities and personnel to carry out these services, together with clerical services;

(11) negotiate, execute and perform all agreements which require execution by or on behalf of the Partnership involving matters or transactions with respect to the Partnership's business including, without limitation, the Forward, the FX Hedge and all related agreements;

(12) open and manage bank accounts in the name of the Partnership and spend the capital of the Partnership in the exercise of any right or power exercisable by the General Partner hereunder;

(13) subject to the terms of this Agreement, incur liabilities in the name of the Partnership from time to time as the General Partner may determine without limitation with regard to amount, cost or conditions of reimbursement of such liabilities;

(14) mortgage, charge, assign, hypothecate, pledge or otherwise create a security interest in all or any property of the Partnership now owned or hereafter acquired, to secure any present and future liabilities and related expenses of the Partnership and to sell all or any of such property pursuant to a foreclosure or other realization upon the foregoing encumbrances;

(15) establish cash reserves that are determined to be necessary or appropriate for the proper management and operation of the Partnership;

(16) see to the sound management of the Partnership, and to manage, control and develop all the activities of the Partnership and take all measures necessary or appropriate for the business of the Partnership or ancillary thereto;

(17) conduct the business of the Partnership as provided in Section 3;

(18) incur all costs and expenses in connection with the Partnership;

(19) subject to the terms of this Agreement, employ, retain, monitor the performance or engage or dismiss from employment, personnel, agents, representatives or professionals or other investment participants (including, without limitation, the Advisor) with the powers and duties upon the terms and for the compensation as in the discretion of the General Partner may be necessary or advisable in the carrying on of the business of the Partnership;

(20) subject to the terms of this Agreement, engage agents, including any of its Affiliates or Associates, to assist the General Partner in carrying out its management obligations to the Partnership or subcontract administrative functions to any of the General Partner's Affiliates or Associates;

(21) subject to the terms of this Agreement, invest cash assets of the Partnership that are not immediately required for the business of the Partnership in investments which the General Partner considers appropriate;

(22) act as attorney in fact or agent of the Partnership in disbursing and collecting monies for the Partnership and fulfilling the obligations of the Partnership and handling and settling any claims of the Partnership;

(23) commence or defend any action or proceeding in connection with the Partnership;

(24) prepare file and mail returns, reports or other documents required by any governmental or like authority;

(25) retain legal counsel, experts, advisers or consultants as the General Partner considers appropriate and rely upon the advice of such Persons;

(26) do anything that is in furtherance of or incidental to the business of the Partnership or that is provided for in this Agreement;

(27) execute, acknowledge and deliver the documents necessary to effectuate any or all of the foregoing or otherwise in connection with the business of the Partnership;

(28) obtain any insurance coverage;

(29) appoint the Auditor;

(30) establish a distribution reinvestment plan, appoint a distribution reinvestment plan agent and enter into a distribution reinvestment plan agency agreement;

(31) acquire or dispose of assets of the Partnership; and

(32) generally carry out the objects, purposes and business of the Partnership.

No Persons dealing with the Partnership will be required to enquire into the authority of the General Partner to do any act, take any proceeding, make any decision or execute and deliver any instrument, deed, agreement or document for or on behalf of or in the name of the Partnership. The General Partner shall insert, and cause agents of the Partnership to insert, the following clause in any contracts or agreements to which the Partnership is a party or by which it is bound:

"Belmont Dynamic Growth Fund is a limited partnership formed under the *Limited Partnerships Act* (Ontario), a limited partner of which is only liable for any of its liabilities or any of its losses to the extent of the amount that it has contributed or agreed to contribute to its capital and its pro rata share of any undistributed income."

8.4 Remuneration of General Partner

Other than the reimbursements to which it is entitled under Sections 7.1 and 7.2, the fees to which it is entitled under this Agreement and the distributions to which it is entitled under Section 6.1, the General Partner shall not be entitled to receive any remuneration in respect of the exercise of its powers or the performance of its duties and obligations under Section 8.3.

8.5 Title to Property

The General Partner may hold legal title to any of the assets or property of the Partnership in its name for the benefit of the Partnership.

8.6 Exercise of Duties

Except as provided herein, the General Partner covenants that it will exercise the powers and discharge its duties under this Agreement honestly, in good faith, and in the best interests of the Partnership, and that it will exercise the degree of care, diligence and skill of a prudent and qualified administrator. Furthermore, the General Partner covenants that it will maintain the confidentiality of financial and other information and data which it may obtain through or on behalf of the Partnership, the disclosure of which may adversely affect the interests of the Partnership or a Limited Partner, except to the extent that disclosure is permitted as provided herein, is required by law or is in the best interests of the Partnership.

8.7 Limitation of Liability

(1) The General Partner is not personally liable for the return of any Capital Contribution made by a Limited Partner to the Partnership.

(2) The General Partner may exercise any of the powers or authority granted to it by this Agreement and perform any of the duties imposed upon it hereunder either directly or by or

through its agents, and the General Partner shall not be responsible for any misconduct or negligence on the part of any such agent appointed by the General Partner in good faith.

(3) Notwithstanding anything else contained in this Agreement, but subject to Sections 2.9 and 8.11, neither the General Partner nor any Affiliates thereof nor their respective officers, directors, shareholders, employees or agents are liable, responsible for or accountable in damages or otherwise to the Partnership or a Limited Partner for any action taken or failure to act on behalf of the Partnership within the scope of the authority conferred on the General Partner by this Agreement or by law provided that the conduct did not constitute negligence or misconduct of the General Partner and if the General Partner has acted in good faith, in a manner which the General Partner believed to be in the best interests of the Partnership.

8.8 Indemnity of General Partner.

(1) The General Partner and each of its directors, officers, employees and agents (each an "**Indemnitee**") will be indemnified by the Partnership for all liabilities, costs and expenses incurred by them in connection with any action, suit or proceeding that is proposed or commenced or any other claim that is made against the General Partner or any of its directors, officers, employees and agents in the exercise of the performance by the General Partner of its duties as the general partner of the Partnership, except those liabilities, costs and expenses resulting from wilful misconduct, bad faith, negligence or breach of its obligations under the Partnership Agreement on the part of the General Partner.

(2) To the fullest extent permitted by law, expenses (including, without limitation, legal fees and expenses) incurred by an Indemnitee in defending any claim, demand, action, suit or proceeding shall, from time to time, be advanced by the Partnership prior to the final disposition of such claim, demand, action, suit or proceeding upon receipt by the Partnership of an undertaking by or on behalf of the Indemnitee to repay such amount if it shall be determined that the Indemnitee is not entitled to be indemnified as authorized in this Section 8.8.

(3) The Partnership may purchase and maintain (or reimburse the General Partner or its Affiliates for the cost of) insurance, on behalf of the General Partner and such other Persons as the General Partner shall determine, against any liability that may be asserted against or expense that may be incurred by such Person in connection with the Partnership's activities, whether or not the Partnership would have the power to indemnify such Person against such liabilities under the provisions of this Agreement.

8.9 Resolution of Conflicts of Interest

Unless otherwise expressly provided in this Agreement, whenever a potential conflict of interest exists or arises between the General Partner or any of its Affiliates, on the one hand, and the Partnership, or any Limited Partner on the other hand, any resolution or course of action in respect of such conflict of interest shall be permitted and deemed approved by all Limited Partners, and shall not constitute a breach of this Agreement, or of any standard of care or duty stated or implied by law if the resolution or course of action is fair and reasonable to the Partnership. The General Partner shall be authorized in connection with its resolution of any

conflict of interest to consider: (i) the relative interests of all parties involved in such conflict or affected by such action; (ii) any customary or accepted industry practices; and (iii) any applicable generally accepted accounting practices or principles. Nothing contained in this Agreement, however, is intended to nor shall it be construed to require the General Partner to consider the interests of any Person other than the Partnership. In the absence of bad faith by the General Partner, the resolutions, actions or terms so made, taken or provided by the General Partner with respect to such matter shall not constitute a breach of this Agreement or a breach of any standard of care or duty imposed herein or stated or implied under the Act, any law, rule or regulation.

8.10 Other Matters Concerning the General Partner

(1) The General Partner may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, bond, debenture, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(2) The General Partner may consult with legal counsel, accountants, investment bankers and other consultants and advisers selected by it, and any act taken or omitted in reliance upon the opinion (including, without limitation, an opinion of counsel) of such Persons as to matters that the General Partner reasonably believes to be within such Person's professional or expert competence shall be conclusively presumed to have been done or omitted in good faith and in accordance with such opinion.

(3) The General Partner shall have the right, in respect of any of its power, authority or obligations hereunder, to act through any of its duly authorized officers.

(4) Any standard of care or duty imposed under the Act or any applicable law shall be modified, waived or limited as required to permit the General Partner to act under this Agreement or any other agreement contemplated by this Agreement and to make any decision pursuant to the power or authority prescribed in this Agreement, so long as such action is reasonably believed by the General Partner to be in, or not opposed to, the best interests of the Partnership.

8.11 Indemnity of Partnership

The General Partner hereby indemnifies and holds harmless the Partnership and each Limited Partner from and against all costs, expenses, damages or liabilities suffered or incurred by the Partnership or such Limited Partners by reason of an act of wilful misconduct, gross negligence by the General Partner or of any act or omission not believed by the General Partner in good faith to be within the scope of the authority conferred on the General Partner by this Agreement.

8.12 Restrictions upon the General Partner

The General Partner's power and authority does not extend to any powers, actions or authority not enumerated in Sections 8.1(1) and 8.3 unless and until the requisite Special Resolution is passed by the Partners. Further, the General Partner will not:

(1) commingle the funds of the Partnership with the funds of the General Partner or any of its Affiliates or Associates or with the funds of any other Person;

(2) dissolve the Partnership except in accordance with the provisions of Section 12 hereof; or

(3) withdraw as General Partner except in accordance with the provisions of Section 8.15 hereof.

8.13 Employment of an Affiliate or Associate

The General Partner may employ or retain Affiliates or Associates of the General Partner on behalf of the Partnership to provide goods or services to the Partnership provided that, if the Partnership is to reimburse the General Partner for the costs and expenses of such goods or services, the costs of such goods or services must be reasonable and competitive with the costs of similar goods and services provided by independent third parties; provided that no reimbursement shall be made for any costs or expenses for which the General Partner would not, if it provided such goods and services directly, be entitled to payment or reimbursement under this Agreement.

8.14 Removal of General Partner

(1) Except as provided for in Sections 8.14(2) and 8.14(3) the General Partner may not be removed as general partner of the Partnership.

(2) Upon (i) the passing of any resolution of the directors or shareholders of the General Partner requiring or relating to the bankruptcy, dissolution, liquidation or winding-up of the General Partner, (ii) the making of any assignment by the General Partner for the benefit of creditors of the General Partner, (iii) the appointment of a receiver of the assets and undertaking of the General Partner or (iv) the General Partner failing to maintain its status under Section 2.3(1) hereof, the General Partner shall cease to be qualified to act as general partner hereunder and shall be deemed to have been removed thereupon as the general partner of the Partnership effective upon the appointment of a new general partner. A new general partner shall, in such instances, be appointed by the Limited Partners by an Ordinary Resolution after receipt of written notice of such event (which written notice shall be provided by the General Partner forthwith upon the occurrence of such event).

(3) The General Partner may also be removed if the General Partner has committed a material breach of this Agreement, which subsists for a period of 90 days after notice, and such removal is approved by Special Resolution excluding (if the General Partner is Belmont Dynamic GP Inc.), for this purpose, Units held by Incorporated, its insiders and affiliates and any officer, director, or partner of such person. Any such action by the Limited Partners for removal

of the General Partner under this Section 8.14(3) must also provide for the election and succession of a new general partner. Such removal shall be effective immediately following the admission of the successor general partner to the Partnership.

8.15 Voluntary Withdrawal of General Partner

The General Partner may voluntarily withdraw as general partner by giving 120 days' notice. Such withdrawal shall be effective immediately following the admission of the successor general partner to the Partnership.

8.16 Condition Precedent

As a condition precedent to the resignation or removal of the General Partner, the Partnership shall pay all amounts payable by the Partnership to the General Partner pursuant to this Agreement accrued to the date of resignation or removal.

8.17 Transfer to New General Partner

On the admission of a new general partner to the Partnership on the resignation, removal or withdrawal of the General Partner, the resigning or retiring General Partner will do all things and take all steps to transfer the administration, management, control and operation of the business of the Partnership and the books, records and accounts of the Partnership to the new general partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer in a timely fashion.

8.18 Transfer of Title to New General Partner

On the resignation, removal or withdrawal of the General Partner and the admission of a new general partner, the resigning or retiring General Partner will, at the cost of the Partnership, transfer title to the Partnership's property to such new general partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer in a timely fashion.

8.19 Release by Partnership

On the resignation, removal or withdrawal of the General Partner, the Partnership will release and hold harmless the General Partner resigning, being removed, or withdrawing from any costs, expenses, damages or liabilities suffered or incurred by the General Partner as a result of or arising out of events which occur in relation to the Partnership after such resignation, removal or withdrawal.

8.20 New General Partner

A new general partner shall not be a "non-resident" of Canada or a partnership which is not a "Canadian partnership", in each case, for the purposes of the *Tax Act* or a person or partnership an interest in which is a "tax shelter investment" for the purposes of the *Tax Act* or a person or partnership that is a "financial institution" for the purposes of the "marked-to-market"

rules in Section 142.2 of the *Tax Act* and will become a party to this Agreement by signing a counterpart hereof and will agree to be bound by all of the provisions hereof and to assume the obligations, duties and liabilities of the General Partner hereunder as from the date the new general partner becomes a party to this Agreement.

8.21 Transfer of General Partner Interest

The General Partner may transfer all, but not less than all, of its general partner interest in the Partnership without the approval of the Limited Partners to an Affiliate provided that such transferee satisfies the requirements set forth in Section 8.20 and assumes the rights and duties of the General Partner and agrees to be bound by the provisions of this Agreement.

SECTION 9 — FINANCIAL INFORMATION

9.1 Books and Records

The General Partner shall keep or cause to be kept at the principal office of the Partnership in Ontario appropriate books and records with respect to the Partnership's business. Any books and records maintained by or on behalf of the Partnership in the regular course of its business, including, without limitation, books of account and records of Partnership proceedings, may be kept on, or be in the form of, computer disks, hard disks, magnetic tape, or any other information storage device, provided that the books and records so maintained are convertible into clearly legible written form within a reasonable period of time. The books of the Partnership shall be maintained, for financial reporting purposes, on an accrual basis in accordance with generally accepted accounting principles in Canada.

9.2 Reports

(1) As soon as practicable, but in no event later than March 31 of each Fiscal Year, the General Partner shall cause to be mailed to each holder of a Unit as of a date selected by the General Partner in its sole discretion, (a) financial statements of the Partnership for such Fiscal Year, presented in accordance with generally accepted accounting principles in Canada, including a balance sheet and statements of operations and Partners' equity, such statements to be reported upon by the Auditor and (b) a calculation of the Net Asset Value and the Class Net Asset Value per Unit.

(2) As soon as practicable, but in no event later than 30 days after the end of each calendar quarter (except the last calendar quarter of each year), the General Partner will provide to each holder of a Unit as indicated on the Record as of a date selected by the General Partner in its sole discretion, a written commentary outlining highlights of the Partnership's activities together with an unaudited schedule setting out the Net Asset Value and the Class Net Asset Value per Unit and such other information as may be determined by the General Partner.

(3) At the option of a Limited Partner, annual and quarterly reports as well as other investor communications in relation to the Partnership may be provided electronically.

9.3 Income Tax Information

The General Partner will send or cause to be sent to each Person who is a Limited Partner at the end of the previous Fiscal Year, or on the date of dissolution of the Partnership, within 90 days of the end of such Fiscal Year or within 60 days of dissolution, as the case may be, or within such other shorter period of time as may be required by applicable law, all information, in suitable form, relating to the Partnership necessary for such Person to prepare such Person's Canadian federal and provincial income tax returns. Such information will include information necessary for any Limited Partner who has made an election under subsection 39(4) of the Tax Act to be able to treat the amount allocated to such Limited Partner in respect of the disposition of shares in the Canadian Share Portfolio as a capital gain or loss, as applicable. The General Partner shall file, in a timely manner on behalf of itself and the Limited Partners, annual Partnership information returns and any other information returns required to be filed under the *Tax Act* and any other applicable tax legislation in respect of Partnership matters.

9.4 Right to Inspect Partnership Books and Records

(1) In addition to other rights provided by this Agreement or by applicable law, and except as limited by Section 9.4(2), each Limited Partner shall have the right, for a purpose reasonably related to such Limited Partner's interest as a limited partner in the Partnership, upon reasonable demand and at such Limited Partner's own expense, to have furnished to it:

(a) copies of this Agreement, the Declaration, the Record, and amendments thereto; and

(b) such other information regarding the affairs of the Partnership as is required to be provided to a Limited Partner under applicable partnership legislation.

(2) Notwithstanding Section 9.4(1), the General Partner may keep confidential from the Limited Partners for such period of time as the General Partner deems reasonable, any information (other than information referred to in Sections 9.4(1)(a)) that the General Partner reasonably believes to be in the nature of trade secrets or other information the disclosure of which the General Partner in good faith believes is not in the best interests of the Partnership or could damage the Partnership or that the Partnership is required by law or by agreements with third parties to keep confidential.

9.5 Accounting Policies

The General Partner is authorized to establish from time to time accounting policies with respect to the financial statements of the Partnership and to change from time to time any policy that has been so established so long as such policies are consistent with generally accepted accounting principles in Canada.

9.6 Appointment of Auditor

The General Partner will, on behalf of the Partnership, select the Auditor on behalf of the Partnership to review and report to the Partners upon the financial statements of the Partnership

for and as at the end of each Fiscal Year, and to advise upon and make determinations with regard to financial questions relating to the Partnership or required by this Agreement to be determined by the Auditor.

SECTION 10 — MEETINGS OF THE LIMITED PARTNERS

10.1 Requisitions of Meetings

The General Partner may call a general meeting of Limited Partners at such time and place as it deems appropriate in its absolute discretion for the purpose of considering any matter set forth in the notice of meeting. In addition, where Limited Partners holding not less than 75% of the outstanding Units, or in the case of Class meeting 75% of the Limited Partners of the Class requesting the meeting, (the "**Requisitioning Partners**") give notice signed by each of them to the General Partner, requesting a meeting of the Limited Partners or the Class of Limited Partners as the case may be, the General Partner shall, within 60 days of receipt of such notice, convene such meeting, and if it fails to do so, any Requisitioning Partner may convene such meeting by giving notice in accordance with this Agreement. Every meeting of Limited Partners or Class of Limited Partners, however convened, will be conducted in accordance with this Agreement.

10.2 Place of Meeting

Every meeting of Limited Partners or Class of Limited Partners shall be held in the City of Toronto, Ontario or at such other place in Canada as the General Partner (or Requisitioning Partners, if the General Partner fails to call such meeting in accordance with Section 10.1 may designate.

10.3 Notice of Meeting

Notice of any meeting of Limited Partners or Limited Partners will be given to each Limited Partner, or in the case of a Class meeting, to Limited Partners of the Class to which the meeting pertains, not less than 21 days (but not more than 60 days) prior to such meeting (except that with where a meeting is to vote on a proposed dissolution of the Partnership, the written notice of such meeting must be given to each Limited Partner not less than 60 days prior to such meeting), and will state:

(1) the time, date and place of such meeting; and

(2) in general terms, the nature of the business to be transacted at the meeting in sufficient detail to permit a Limited Partner to make a reasoned decision thereon.

Notice of an adjourned meeting of Limited Partners or Class of Limited Partners need not be given if the adjourned meeting is held within 14 days of the original meeting. Otherwise, but subject to Section 10.12, notice of adjourned meetings shall be given not less than 10 days in advance of the adjourned meeting and otherwise in accordance with this Section 10.3, except that

the notice need not specify the nature of the business to be transacted if unchanged from the original meeting.

10.4 Record Dates

For the purpose of determining the Limited Partners who are entitled to vote or act at any meeting of Limited Partners or Class of Limited Partners or any adjournment thereof, or for the purpose of any other action, the General Partner may give a date not more than 60 days prior to the date of any meeting of Limited Partners or Class of Limited Partners or other action as a record date for the determination of Limited Partners or Limited Partners of a particular Class, as the case may be, entitled to vote at such meeting or any adjournment thereof or to be treated as Limited Partners, or Limited Partners of a Class, of record for purposes of such other action, and any Limited Partner who was a Limited Partner or a Limited Partner of the Class to which the meeting pertains, as the case may be, at the time so fixed shall be entitled to vote at such meeting or any adjournment thereof even though it has since that date disposed of its Units, and no Limited Partner becoming such after that date shall be a Limited Partner or a Limited Partner of a Class of record for purposes of such action. A Person shall be a Limited Partner or a Limited Partner of a Class of record at the relevant time if the Person's name appears in the Record as amended and supplemented at such time.

10.5 Proxies

Any Limited Partner entitled to vote at a meeting of Limited Partners or a Class of Limited Partners may vote by proxy if a form of proxy has been received by the General Partner or the chairman of the meeting for verification prior to the commencement of the meeting.

10.6 Validity of Proxies

A proxy purporting to be executed by or on behalf of a Limited Partner will be considered to be valid unless challenged at the time of or prior to its exercise. The Person challenging the proxy will have the burden of proving to the satisfaction of the chairman of the meeting that the proxy is invalid and any decision of the chairman concerning the validity of a proxy will be final. Proxies shall be valid only at the meeting with respect to which they were solicited, or any adjournment hereof, but in any event shall cease to be valid one year from their date. A proxy given on behalf of joint holders must be executed by all of them and may be revoked by any of them, and if more than one of several joint holders is present at a meeting and they do not agree which of them is to exercise any vote to which they are jointly entitled, they will for the purposes of voting be deemed not to be present. A proxyholder need not be a holder of a Unit.

10.7 Form of Proxy

Every proxy will be substantially in the form as may be approved by the General Partner or as may be satisfactory to the chairman of the meeting (acting reasonably) at which it is sought to be exercised.

10.8 Revocation of Proxy

A vote cast in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death, incapacity, insolvency or bankruptcy of the Limited Partner giving the proxy or the revocation of the proxy unless written notice of such death, incapacity, insolvency, bankruptcy or revocation shall have been received by the chairman of the meeting prior to the commencement of the meeting.

10.9 Corporations

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

10.10 Attendance of Others

Any officer or director of the General Partner, legal counsel for the General Partner and the Partnership and representatives of the Auditor will be entitled to attend any meeting of Limited Partners.

10.11 Chairman

The General Partner may nominate a Person, including, without limitation, an officer or director of the General Partner (who need not be a Limited Partner), to be chairman of a meeting of Limited Partners and the person nominated by the General Partner will be chairman of such meeting unless the Limited Partners elect another chairman by Special Resolution.

10.12 Quorum

A quorum at any meeting of Limited Partners or Class of Limited Partners, as the case may be, will consist of two or more Limited Partners, or Limited Partners of the Class to which the meeting pertains, present in person or by proxy holding at least 10% of the outstanding Units, or Units of the Class to which the meeting pertains, except that for the purposes of passing a Special Resolution, Limited Partners or Limited Partners of a Class present or in person or by proxy holding at least 33⅓ of the Units, or Units of the Class to which the meeting pertains, outstanding and entitled to vote thereon must be present. If, a quorum for the meeting is not present, within 30 minutes after the time fixed thereafter the meeting:

(1) if called by or on the requisition of Limited Partners, will be cancelled; and

(2) if called by the General Partner, will be held at the same time and place on the day which is 10 days later (or if that date is not a Business Day, the first Business Day after that date). The General Partner will give three days' notice to all Limited Partners or Limited Partners of a Class of the date of the reconvening of the adjourned meeting and at such meeting the quorum will consist of the Limited Partners or Limited Partners of a Class then present in person or represented by proxy.

10.13 Voting

Every question submitted to a meeting of Limited Partners or Limited Partners of a Class:

(1) which requires a Special Resolution under this Agreement or a decision under Section 8.14(3) will be decided by a poll; and

(2) which does not require a Special Resolution (and is not a decision under Section 8.14(3)) will be decided by an Ordinary Resolution on a show of hands unless otherwise required by this Agreement or a poll is demanded by a Limited Partner, in which case a poll will be taken;

and in the case of an equality of votes, the chairman will not have a casting vote and the resolution will be deemed to be defeated. The chairman will be entitled to vote in respect of any Units held by him or her or for which he or she may be a proxyholder. On any vote at a meeting of Limited Partners or a Class of Limited Partners, a declaration of the chairman concerning the result of the vote will be conclusive.

On a poll, each Person present at the meeting will have one vote for each Unit in respect of which the Person is shown on the Record as a Limited Partner at the record date and for each Unit in respect of which the Person is the proxyholder. Each Limited Partner present at the meeting and entitled to vote thereat will have one vote on a show of hands. If Units are held jointly by two or more persons and only one of them is present or represented by proxy at a meeting of Limited Partners or a Class of Limited Partners, such Limited Partner may, in the absence of the other or others, vote with respect thereto, but if more than one of them is present or represented by proxy, they shall vote together on the whole Units held jointly.

The General Partner, as such, shall not be entitled to vote on any poll or on a show of hands at any meeting of Limited Partners or Class of Limited Partners. However, the General Partner will be entitled to vote in respect of any Units that the General Partner is shown on the Record as the registered owner thereof on the applicable record date. Any Limited Partner who is in default of payment of the subscription price for its Units shall not be entitled to vote in respect of any of its Units.

10.14 Poll

A poll requested or required will be taken at the meeting of Limited Partners or Class of Limited Partners or an adjournment of the meeting in such manner as the chairman directs.

10.15 Powers of Limited Partners; Resolutions Binding

The Limited Partners shall have only the powers set forth in this Agreement and any additional powers provided by law. Subject to the foregoing sentence, any resolution passed in accordance with this Agreement will be binding on all the Partners, or the Partners of a particular Class, as the case may be, and their respective heirs, executors, administrators, successors and assigns, whether or not any such Partner was present in person or voted against any resolution so passed.

10.16 Matters Requiring Partner Approval

The following matters require the approval of Partners given by way of Special Resolution (other than item 10.16(2) which require approval by a Ordinary Resolution) passed at a meeting called and held for such purpose:

(1) any change in the basis of calculating any of the fees or other expenses described in the Offering that are charged to the Partnership which could result in an increase in charges to the Partnership;

(2) a decrease in the frequency of calculating the Net Asset Value and the Class Net Asset Value per Unit;

(3) a change of the auditors of the Partnership other than the Nationally Recognized Accounting Firms; and

(4) any change to the Partnership Agreement, except as otherwise provided in this Agreement.

10.17 Conditions to Action by Limited Partners

The right of the Limited Partners to vote to amend this Agreement, to dissolve the Partnership or to remove the General Partner and to admit a replacement therefor or to exercise any of the powers set forth in Section 10.16 or to approve or initiate the taking of, or take, any other action at any meeting of Limited Partners or Class of Limited Partners shall not come into existence or be effective in any manner unless and until, prior to the exercise of any such right or the taking of any such action, the Partnership has received an opinion of counsel advising the Limited Partners or the Limited Partners of a Class, as the case may be, as to the effect that the exercise of such rights or the taking of such actions may have on the limited liability of any Limited Partners other than those Limited Partners who have initiated such action, each of whom expressly acknowledges that the exercise of such right or the taking of such action may subject each of such Limited Partners to liability as a general partner under the Act or applicable similar legislation.

10.18 Minutes

The General Partner will cause minutes to be kept of all proceedings and resolutions at every meeting and will cause all such minutes and all resolutions of the Limited Partners consented to in writing to be made and entered into books to be kept for that purpose. Any minutes of a meeting signed by the chairman of the meeting will be deemed evidence of the matters stated in them and such meeting will be deemed to have been duly convened and held and all resolutions and proceedings shown in them will be deemed to have been duly passed and taken.

10.19 Additional Rules and Procedures

To the extent that the rules and procedures for the conduct of a meeting of the Limited Partners or Limited Partners of a Class are not prescribed in this Agreement, the rules and procedures will be determined by the General Partner.

SECTION 11 — NOTICES

11.1 Address

Any notice or other written communication which must be given or sent under this Agreement shall be given by first-Class mail or personal delivery to the address of the General Partner and the Limited Partners as follows: in the case of the General Partner, to 357 Bay Street, Suite 800, Toronto, Ontario M5H 2T7; and in the case of Limited Partners: to the postal address inscribed in the Record or any other new address following a change of address in conformity with Section 11.2.

11.2 Change of Address

A Limited Partner may, at any time, change its address for the purpose of service by written notice to the General Partner. The General Partner may change its address for the purpose of service by written notice to all the Limited Partners.

11.3 Accidental Failure

An accidental omission in the giving of, or failure to give, a notice required by this Agreement will not invalidate or affect in any way the legality of any meeting or other proceeding in respect of which such notice was or was intended to be given.

11.4 Disruption in Mail

In the event of any disruption, strike or interruption in the Canadian postal service after mailing and before receipt or deemed receipt of a document, it will be deemed to have been received on the sixth Business Day following full resumption of the Canadian postal service.

11.5 Receipt of Notice

Subject to Section 11.4, notices given by first-Class mail shall be deemed to have been received on the third Business Day following the deposit of such notice in the mail and notices given by delivery shall be deemed to have been received on the date of their delivery.

11.6 Undelivered Notices

If the General Partner sends a notice or document to a Limited Partner in accordance with Section 11.1 and the notice or document is returned on three consecutive occasions because the Limited Partner cannot be found, the General Partner is not required to send any further notices

or documents to the Limited Partner until the Limited Partner informs the General Partner in writing of the Limited Partner's new address.

SECTION 12 — TERMINATION, DISSOLUTION AND LIQUIDATION

12.1 No Dissolution

The Partnership shall not come to an end by reason of the death, bankruptcy, assignment of property for the benefit of creditors, insolvency, mental incompetency or other disability of any Limited Partner or upon transfer or redemption of any Units.

12.2 Procedure on Dissolution

On the date of the approval of the dissolution of the Partnership by a Special Resolution, the General Partner (or such other Person as may be appointed by Ordinary Resolution of the Limited Partners) shall act as a receiver and liquidator of the assets of the Partnership and shall:

(1) sell or otherwise dispose of such part of the Partnership's assets as the receiver shall consider appropriate;

(2) pay or provide for the payment of the debts and liabilities of the Partnership and liquidation expenses;

(3) if there are any assets of the Partnership remaining, distribute such remaining assets to Partners who hold Units on the date of dissolution, 99.999% of the remaining assets of the Partnership, subject to Section 2.5, proportionate to the number of Units held by them and 0.001% of the remaining assets of the Partnership will be distributed to the General Partner; and

(4) file the notice of dissolution prescribed by the Act and satisfy all applicable formalities in such circumstances as may be prescribed by the laws of other jurisdictions where the Partnership is registered. In addition, the General Partner shall give prior notice of the dissolution of the Partnership by mailing to each Limited Partner and to the Partnership's registrar and transfer agent, if any, such notice at least 60 days prior to the filing of the declaration of dissolution prescribed by the Act.

12.3 Dissolution

The Partnership shall be dissolved upon the completion of all matters set forth in Section 12.2.

SECTION 13 — AMENDMENT

13.1 Amendment Procedures

Except as provided in Section 13.3, all amendments to this Agreement shall be made in accordance with the following requirements. Amendments to this Agreement may be proposed

solely by the General Partner. Each such proposal shall contain the text of the proposed amendment. If an amendment is proposed, the General Partner shall seek the approval of the Limited Partners by a Special Resolution or if the amendment concerns only the Limited Partners of a particular Class, by a Special Resolution of the Limited Partners of that Class.

13.2 Amendment Requirements

Notwithstanding Sections 13.1 and 13.3, no amendment to this Agreement may: (i) enlarge the obligations of the General Partner without its consent; (ii) restrict in any way any action by or rights of the General Partner as set forth in this Agreement without its consent; (iii) modify the amounts distributable, reimbursable or otherwise payable by the Partnership to the General Partner or any of its Affiliates without its consent; (iv) give any Person the right to dissolve the Partnership, other than the General Partner's right to dissolve the Partnership with the approval of the Limited Partners by a Special Resolution; (v) modify the amendment provisions in this Section 13.

13.3 Amendment by General Partner

Each Limited Partner agrees that the General Partner (pursuant to its powers of attorney from the Limited Partners or as expressly provided herein), without the approval of and without notice to any Limited Partner may amend any provision of this Agreement, and execute, swear to, acknowledge, deliver, file and record whatever documents may be required in connection therewith, to reflect:

(1) a change in the name of the Partnership or the location of the principal place of business of the Partnership or the registered office of the Partnership;

(2) the admission, substitution, withdrawal or removal of Limited Partners in accordance with this Agreement;

(3) a change that, in the sole discretion of the General Partner, is reasonable and necessary or appropriate to qualify or continue the qualification of the Partnership as a partnership in which the Limited Partners have limited liability under applicable laws;

(4) a change that, in the sole discretion of the General Partner, is reasonable, necessary or appropriate to enable the Partnership to take advantage of, or not be detrimentally affected by, changes in the *Tax Act* or other taxation laws;

(5) a change to remove any conflicts or other inconsistencies which may exist between any terms of the Partnership Agreement and any provisions of any law or regulation applicable to or affecting the Partnership;

(6) any change or correction in the Partnership Agreement which is of a typographical nature or is required to cure or correct any ambiguity or defective or inconsistent provision, clerical omission, mistake or manifest error contained therein;

(7) a change to bring the Partnership Agreement into conformity with applicable laws, rules and policies of Canadian securities regulators or with current practice within the securities industry, provided that any such amendment does not adversely affect the pecuniary value of the interest of any Partner;

(8) a change to provide added protection to Partners; and

(9) a change that, in the sole discretion of the General Partner, does not materially adversely affect the Limited Partners.

13.4 No Amendment

No amendment can be made to this Agreement which would have the effect of reducing the interest in the Partnership of the Limited Partners, changing the liability of any Limited Partner or Class of Limited Partners, allowing any Limited Partner to participate in the control of the business of the Partnership, changing the right of Limited Partners or Class of Limited Partners to vote at any meeting or changing the Partnership from a limited partnership to a general partnership.

No amendment which would remove the General Partner or adversely affect the interests of the General Partner may be made without the General Partner's consent.

13.5 Notice of Amendments

Except for changes to the Partnership Agreement which require the approval of Partners or changes described above which do not require approval or prior notice to Partners, the Partnership Agreement may be amended from time to time by the General Partner upon not less than 30 days prior written notice to Partners.

SECTION 14 — MISCELLANEOUS

14.1 Binding Agreement

Subject to the restrictions on assignment and transfer herein contained, this Agreement will enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, administrators and other legal representatives, successors and assigns.

14.2 Time

Time shall be of the essence hereof.

14.3 Counterparts

This Agreement, or any amendment to it, may be executed in multiple counterparts, each of which will be deemed an original agreement. This Agreement may also be executed and adopted in any Subscription Form or similar instrument signed by a Limited Partner with the same effect as if such Limited Partner had executed a counterpart of this Agreement. All

counterparts and adopting instruments shall be construed together and shall constitute one and the same agreement.

14.4 Governing Law

This Agreement and the Schedules hereto shall be governed and construed exclusively according to the laws of the Province of Ontario and the laws of Canada applicable thereto and the parties hereto irrevocably attorn to the exclusive jurisdiction of the courts of the Province of Ontario.

14.5 Severability

If any part of this Agreement is declared invalid or unenforceable, then such part shall be deemed to be severable from this Agreement and will not affect the remainder of this Agreement.

14.6 Further Acts

The parties will perform and cause to be performed such further and other acts and things and execute and deliver or cause to be executed and delivered such further and other documents as counsel to the Partnership considers necessary or desirable to carry out the terms and intent of this Agreement.

14.7 Entire Agreement

This Agreement constitutes the entire agreement among the parties hereto with respect to the subject matter hereof.

14.8 Limited Partner Not a General Partner

If any provision of this Agreement has the effect of imposing upon any Limited Partner (other than the General Partner) any of the liabilities or obligations of a general partner under the Act, such provision shall be of no force and effect.

The parties have executed this Agreement.

DATED AS OF JUNE 9, 2006

BELMONT DYNAMIC GP INC., as general partner

By:_____
Name:
Title:

BELMONT DYNAMIC GP INC., by power of attorney for BELMONT DYNAMIC GROWTH FUND

By:_____
Name:
Title:

DATED: _____

BELMONT DYNAMIC GP INC., by power of attorney for _____

_____

By:_____
Name:
Title:

Schedule 3.5(2) – Net Asset Value

The net asset value of the Partnership at the close of business on a Calculation Date is the amount by which according to generally accepted accounting principles in Canada:

(a) the value of the assets held in the Partnership at the close of business on the Calculation Date,

exceeds the aggregate of

(b) the liabilities of the Partnership at the close of business on the Calculation Date (including provisions in respect of the expenses of the Partnership, including any accrued Redemption Fees and expenses), and

(c) the amount of any Administration Fee in respect of the Partnership that has accrued to the Calculation Date but has not been paid.

For this purpose, the assets of the Partnership will be valued as follows:

(a) the value of cash, promissory notes, receivables, prepaid expenses, dividends and interest declared or accrued but not yet received, will be deemed to be the face value thereof unless the General Partner considers otherwise;

(b) the value of treasury bills and other money market instruments will be the bid price for such instruments at the New York closing time on the Calculation Date;

(c) the value of any other securities for which there is a published market will be the closing market price for such securities (or if there is no closing price the average of the closing bid and ask prices) on the Calculation Date; provided that if in the opinion of the General Partner, such price does not properly reflect the price which would be received by the Partnership upon disposal of the securities, the General Partner may place such value upon such securities as appears to the General Partner to most closely reflect the fair value of such securities;

(d) the value of the Forward shall be the mark-to-market value provided by the Counterparty on the valuation date for the Forward immediately prior to the Calculation Date;

(e) the value of the FX Hedge shall be the mark-to-market value provided by the counterparty or counterparties on the valuation date for the FX Hedge immediately prior to the Calculation Date;

(d) the value of any other property for which a current third party valuation is available will be the value as determined by the third party valuator;

(e) the value of all other property of the Partnership will be the value that the General Partner determines in its reasonable discretion most accurately reflects its fair value; and

(f) the value of any asset of the Partnership measured in a foreign currency will be calculated by converting the value in the foreign currency using the rate of exchange current on the Calculation Date as determined by the General Partner.

Units are outstanding as of the day on which a completed subscription form and full payment of the subscription price have been received by the General Partner and, in the case of redemption, 4:00 p.m. on the day that net asset value is determined.

This is Exhibit "B" referred to in the affidavit of Robert Craig McDonald sworn before me, this 30th day of July, 2009

A COMMISSIONER FOR TAKING AFFIDAVITS

EXHIBIT B
BELMONT DYNAMIC GROWTH FUND

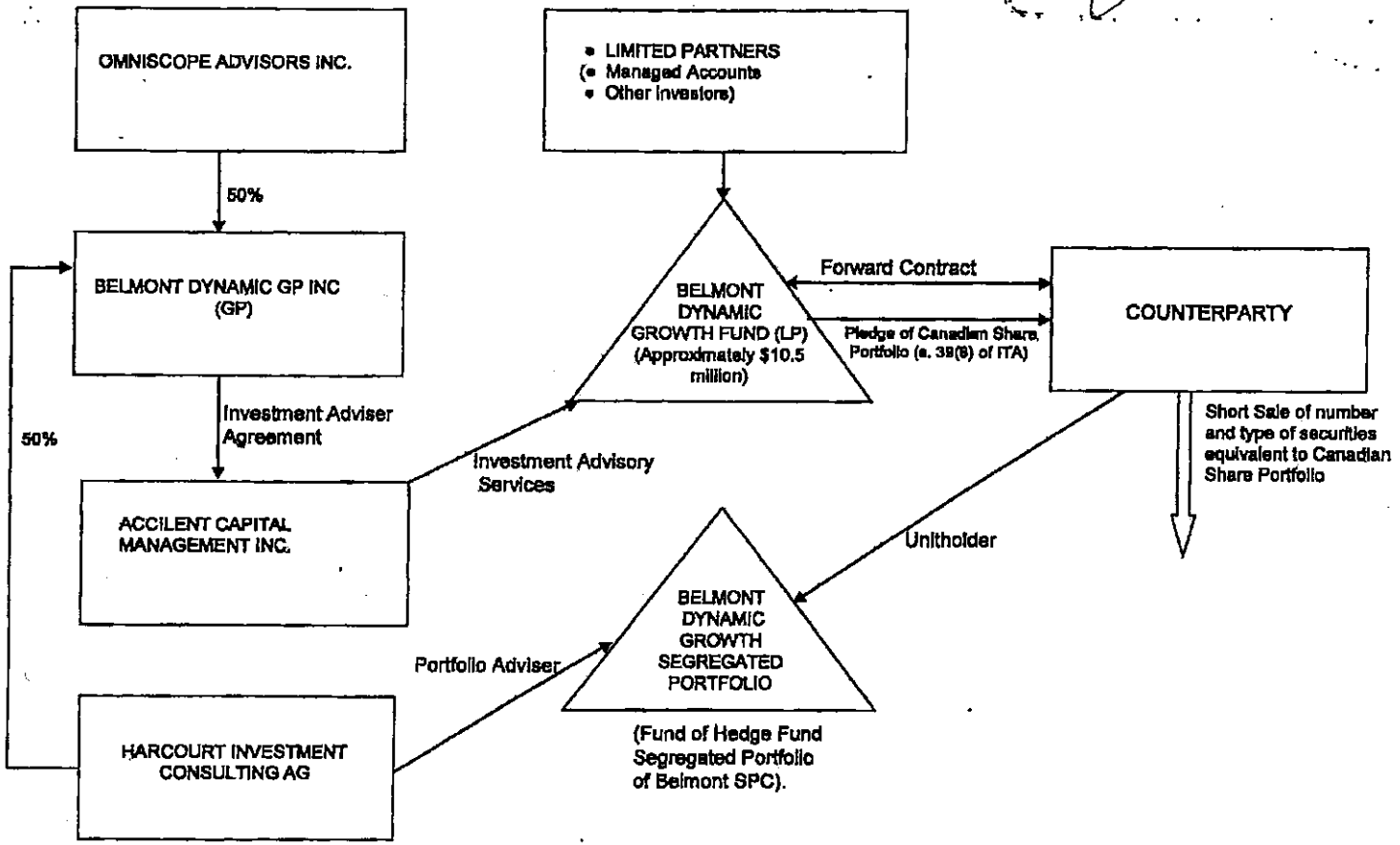

EXHIBIT C

BELMONT DYNAMIC GROWTH FUND

SPECIAL MEETING OF LIMITED PARTNERS TO BE HELD AT MCMILLAN LLP, BROOKFIELD PLACE, 181 BAY ST., SUITE 4400 TORONTO, ONTARIO, AT 9:00A.M. ON DECEMBER 19, 2008

NOTICE OF SPECIAL MEETING

AND INFORMATION CIRCULAR

If a Limited Partner is in doubt as to how to deal with the documents or matters referred to herein, the Limited Partner should immediately consult his or her advisor.

THESE DOCUMENTS REQUIRE IMMEDIATE ATTENTION

November 24, 2008

This is Exhibit "C" referred to in the affidavit of Robert Craig McDonald sworn before me, this 30th day of December 20 09

A COMMISSIONER FOR TAKING AFFIDAVITS

MBDOCS_4194763.1

November 24, 2008

Belmont Dynamic GP Inc. Proposes Amendment to Notice of Meeting Provisions of the LP Agreement and Dissolution of Belmont Dynamic Growth Fund (the "Fund")

Dear Limited Partner,

Belmont Dynamic GP Inc. (the "GP"), the general partner of the Fund, is proposing to (1) amend Section 10.3 of the limited partnership agreement between the GP and each person who is admitted to the partnership as a limited partner (each, a "**Limited Partner**") dated June 9, 2006 (the "**LP Agreement**") to delete the words "(except that with where a meeting is to vote on a proposed dissolution of the Partnership, the written notice of such meeting must be given to each Limited Partner not less than 60 days prior to such meeting)"; (2) dissolve the Fund; and (3) appoint the GP to act as a receiver and liquidator for the assets of the Fund.

These changes require the approval of the Limited Partners of the Fund by way of a Special Resolution.

These proposals are described in more detail in the attached circular. You are invited to attend a special meeting of Limited Partners to be held in Toronto at the offices of McMillan LLP, Brookfield Place, 181 Bay St., Suite 4400 at 9:00a.m. on December 19, 2008, where you can vote on the changes. **Alternatively, you can fill out and return the enclosed proxy to the attention of Shahen Mirakian by mail to McMillan LLP, Brookfield Place, 181 Bay St., Suite 4400, Toronto, ON M5J 2T3 or to the attention of Shahen Mirakian at McMillan LLP by facsimile to 416.865.7048.**

We strongly believe these changes are in the best interests of Limited Partners, and ask you to vote in favour of them. Should you have any questions, please contact your financial advisor or the GP at ●.

Sincerely,

"*Daniel Nead*"

Daniel Nead
President and Secretary,
Belmont Dynamic GP Inc.

BELMONT DYNAMIC GROWTH FUND

NOTICE OF SPECIAL MEETING OF LIMITED PARTNERS OF BELMONT DYNAMIC GROWTH FUND

NOTICE IS HEREBY GIVEN that a special meeting (the "Meeting") of limited partners (the "Limited Partners") of Belmont Dynamic Growth Fund (the "Fund") will be held at the offices of McMillan LLP, Brookfield Place, 181 Bay St., Suite 4400, Toronto, Ontario, at 9:00a.m. on December 19, 2008 for the following purposes:

(a) to consider and, if deemed advisable, to approve a Special Resolution to:

i. amend Section 10.3 of the limited partnership agreement between Belmont Dynamic GP Inc. (the "GP") and the Limited Partners dated June 9, 2006 (the "LP Agreement") to delete the words "(except that with where a meeting is to vote on a proposed dissolution of the Partnership, the written notice of such meeting must be given to each Limited Partner not less than 60 days prior to such meeting)";

ii. dissolve the Fund pursuant to the procedure set out in Section 12.2 of the LP Agreement;

iii. appoint the GP to act as a receiver and liquidator of the assets of the Fund; and

(b) to transact such further and other business as may properly be brought before the Meeting or any adjournment thereof.

The approval of the Special Resolution referred to in (a) above will require the affirmative vote of at least three quarters of the votes cast in respect thereof at the Meeting. Any Limited Partners present in person or by proxy at the Meeting and holding 33⅓% or more of the limited partnership units of the Fund (the "Units") will constitute a quorum for the Meeting. If such quorum is not present at the Meeting, the Meeting will be adjourned to a day that is ten (10) days later (or if that day is not a business day, the first business day immediately after such day) at the same time and place as the Meeting, at which time those Limited Partners present in person or by proxy will constitute a quorum. Details and the full text of the resolution to be considered at the Meeting are set out in the accompanying Information Circular.

DATED at Toronto, the 24th day of November, 2008.

By order of the Board of Directors of the
general partner of the Fund,
BELMONT DYNAMIC GP INC.

"*Daniel Nead*"

Daniel Nead
President and Secretary,
Belmont Dynamic GP Inc.

To be effective, a completed form of proxy must be received prior to the commencement of the Meeting or any adjournment thereof, or deposited with the chair of the Meeting prior to the commencement thereof.

INFORMATION CIRCULAR

INTRODUCTION

This Information Circular is furnished to limited partners ("Limited Partners") of Belmont Dynamic Growth Fund (the "Fund") by Belmont Dynamic GP Inc. (the "GP"), as general partner of the Fund, in connection with the solicitation of proxies to be voted at the special meeting (the "Meeting") of Limited Partners of the Fund and at any adjournments thereof to be held at the time and place and for the purposes set forth in the Notice of Meeting. Limited Partners are being asked to pass the Special Resolution in the form attached as Schedule "A" to this Information Circular.

BELMONT DYNAMIC GROWTH FUND

Belmont Dynamic Growth Fund (the "Fund") is a limited partnership established under the laws of Ontario pursuant to a limited partnership agreement dated June 9, 2006 (the "LP Agreement"). Belmont Dynamic GP Inc. (the "GP") is the general partner of the Fund. Accilent Capital Management Inc. (the "Advisor") is the investment advisor of the Fund.

Except as otherwise stated, the information contained in this Information Circular is as at November 24, 2008.

Investment Objective and Strategy of the Fund

The investment objective of the Fund is to generate absolute returns which are not correlated to global equity or bond markets.

To achieve its investment objective, the Fund intends to obtain exposure to the returns of the Belmont Dynamic Growth portfolio (the "Underlying Fund") by entering into one or more forward purchase and sale agreements (collectively, the "Forward") with a bank set out in Schedule I or Schedule II of the *Bank Act* (Canada) or an affiliate thereof (the "Counterparty"). The Fund will not invest in the Underlying Fund. The Fund will invest the proceeds of its offering of limited partnership units ("Units") in a basket of Canadian common shares (the "Canadian Share Portfolio"), all of which will constitute "Canadian securities" as defined in subsection 39(6) of the *Income Tax Act* (Canada) (the "Tax Act"). Pursuant to the Forward, the Counterparty will agree to purchase the Canadian Share Portfolio from the Fund on the Forward Maturity Date for an amount (the "Forward Price"), in United States dollars, equal to the value of a notional investment (the "Notional Investment") in participating shares of the Underlying Fund made at the time of, and in an amount equal to, the proceeds of the offering of Units.

The Fund will enter into currency hedging transactions (collectively, the "FX Hedge") in relation to the Canadian dollar denominated Units of the Fund with various counterparties in order to hedge the Fund's risk relating to the United States dollars denominated returns of the Underlying Fund.

Investment Restrictions on the Fund

The activities of the Fund are subject to certain investment restrictions contained in the LP Agreement (the "Investment Restrictions") including:

(a) Sole Undertaking - The Fund will not engage in any undertaking other than the investment of the Partnership's assets in accordance with the Partnership's investment objectives and subject to the Investment Restrictions and such activities as are necessary or ancillary with respect thereto. The Partnership's only investments shall be the Canadian Share Portfolio, the Forward, the FX Hedge and cash and cash equivalents.

(b) Tax Shelter Investments – The Partnership shall not make or maintain any direct or indirect investment in a particular partnership if (i) another Person holding a partnership interest is entitled, directly or indirectly, to a share of the income or loss of the particular partnership, and (ii) such other Person's partnership interest is a "tax shelter investment" for the purposes of Section 143.2 of the Tax Act.

BUSINESS OF THE MEETING

Background to the Proposal

The GP proposes to Limited Partners that the Fund be dissolved and, following the payment of all debts, liabilities and liquidation expenses of the Fund, the assets of the Fund be distributed to the Limited Partners according to a payment schedule set out below. The GP believes that, due to recent market conditions, the Fund's performance has been disappointing and based on the Fund's lack of critical size and the lack of liquidity in the holdings of the Underlying Fund, it is in the best interest of all Limited Partners to dissolve the Fund at this time. The proposed changes are discussed below.

The Proposal

1. **Amendment of the LP Agreement (as set out in "Part 1 of Special Resolution #1")**

Currently, the LP Agreement provides that 21 days' notice to Limited Partners is required for all meetings except for meetings where a proposed dissolution of the Fund is to be discussed, which require 60 days' notice to Limited Partners. The GP believes that it is in the interest of Limited Partners to begin the process of dissolving the Fund as soon as possible, so as to maximize the recovery for Limited Partners. The portfolio of the Underlying Fund (to which the returns of the Fund are linked) is made up of various fund of hedge funds. Many of these fund of hedge funds are experiencing unprecedented redemptions and, therefore, may have to suspend redemptions or delay payment of redemption proceeds. The longer the Underlying Fund delays in liquidating its portfolio, the greater the chance that such suspensions or delays in payment will be put into place with attendant adverse effects on the amount recovered by Limited Partners. Additionally, the longer that the Fund remains in existence, the greater the day-to-day administrative costs that will be borne by Limited Partners in order to maintain the Fund's existence.

2. **Dissolution of the Fund (as set out in "Part 2 of Special Resolution #1")**

Recent market conditions have had a severe negative impact on the entire hedge fund industry. **[Describe market conditions.]** The Fund's return is linked directly to the performance of the Underlying Fund, which is invested in various funds of hedge funds. The performance of these funds of hedge funds has been disappointing **[expand – set out actual returns and current NAV]**. Due to the fact that the Fund has never reached critical size and is unlikely to attract any new investment until market conditions significantly improve, it is likely that the Fund's continued existence would simply allocate the Fund's fixed expenses, costs and fees over a shrinking asset base and make it improbable that Limited Partners would ever achieve positive returns on their investments. Therefore, the GP believes that it is in the interest of all Limited Partners to dissolve the Fund at this point, pay out the Fund's debts (including all liquidation expenses) and pay out the Fund's assets to Limited Partners.

Section 12.2 of the LP Agreement states:

> "On the date of the approval of the dissolution of the Partnership by a Special Resolution, the General Partner (or such other Person as may be appointed by Ordinary Resolution of the Limited Partners) shall act as a receiver and liquidator of the assets of the Partnership and shall:
>
> (1) sell or otherwise dispose of such part of the Partnership's assets as the receiver shall consider appropriate;
>
> (2) pay or provide for the payment of the debts and liabilities of the Partnership and liquidation expenses;
>
> (3) if there are any assets of the Partnership remaining, distribute such remaining assets to Partners who hold Units on the date of dissolution, 99.999% of the remaining assets of the Partnership, subject to Section 2.5, proportionate to the number of Units held by them and 0.001% of the remaining assets of the Partnership will be distributed to the General Partner; and

(4) file the notice of dissolution prescribed by the Act and satisfy all applicable formalities in such circumstances as may be prescribed by the laws of other jurisdictions where the Partnership is registered. In addition, the General Partner shall give prior notice of the dissolution of the Partnership by mailing to each Limited Partner and to the Partnership's registrar and transfer agent, if any, such notice at least 60 days prior to the filing of the declaration of dissolution prescribed by the Act."

The GP believes that the following debts, liabilities and liquidation expenses of the Fund will be paid out prior to the distribution of assets to the Limited Partners:

Accrued Forward Fee payable to the Counterparty:	**[CAD 25,000]**
Accrued Operating Expenses to the GP:	**[USD 450,000]** (approximately 1% of the Net Asset Value for each year since the inception of the Fund)
Accrued Custodial Fees to the Custodian:	CAD 185,459.63 and USD 30,556.91
Accrued Fund Service Fees to Citigroup Fund Services Inc.	● (including costs of proxy solicitation)
Legal and Audit Fees associated with liquidation:	CAD 40,000

resulting in a distribution to Limited Partners of an amount equal to ●% of the current Class Net Asset Value of each Class. Each Limited Partner will receive a *pro rata* share of the remaining assets attributable to the Class of Units which are held by such Limited Partner

The GP expects that the amount distributed upon dissolution will be distributed to Limited Partners over the following timeline:

[Include payment schedule].

Any amounts which the GP is unable to recover at the end of this timeline will be **[explain how these amounts will be dealt with].**

3. Appointment of the GP to act as a receiver and liquidator of the assets of the Fund (as set out in "Part 3 of Special Resolution #1")

The GP is most familiar with the terms of the Forward Agreement, the FX Hedge, the Custodial Agreement, the Advisory Agreement and the various other contracts that the Fund is a party to and is best able to terminate these agreements and to review the positions of the Underlying Fund to ensure that Limited Partners achieve the maximum return. Additionally, appointing another party to ace as a receiver and liquidator of the assets of the Fund would result in additional costs to the Fund, while the GP will act as a receiver and liquidator for no additional compensation.

Approval of Special Resolution

The text of the Special Resolution described above is set forth in Schedule "A". **Each director of the GP believes that each of the changes proposed is in the best interests of the Fund and each of the Limited Partners.**

SOLICITATION OF PROXIES

The Fund will bear the cost of soliciting proxies. Proxies may be solicited by mail and the directors, officers or employees of the GP may solicit proxies personally, by telephone or by facsimile transmission. None of these individuals will receive extra compensation for such efforts.

Appointment and Revocation of Proxies

The person named in the form of proxy accompanying this Information Circular is a senior officer of the GP. A Limited Partner has the right to appoint some other person (who need not be a Limited Partner) to attend and act on his or her behalf at the Meeting by striking out the name of the person specified in the form of proxy, inserting the name of the person to be appointed in the blank space so provided, signing the form of proxy and returning it in the reply envelope.

To be effective, a completed form of proxy must be received by mail or by facsimile prior to the commencement of the Meeting or any adjournment thereof, or deposited with the chair of the Meeting prior to the commencement thereof. **Proxies should be sent to the attention of Shahen Mirakian by mail to McMillan LLP, Brookfield Place, 181 Bay St., Suite 4400, Toronto, ON, M5J 2T3 or to the attention of Shahen Mirakian at McMillan LLP by facsimile to 416.865.7048.**

Any Limited Partner who executes and returns the form of proxy may revoke it: (i) by delivering an instrument in writing executed by him or her or by his or her attorney authorized in writing by mail or by facsimile to the attention of Shahen Mirakian at McMillan LLP, Brookfield Place, 181 Bay St., Suite 4400, Toronto, ON, M5J 2T3 Facsimile: 416.865.7048, at any time preceding the Meeting or any adjournment thereof; (ii) by depositing such instrument in writing with the chair of the Meeting prior to the commencement of the Meeting or any adjournment thereof; or (iii) in any other manner permitted by law.

Voting of Proxies

Units represented by properly executed proxies in favour of the persons designated by the GP will be voted in accordance with the instructions contained therein and, in the absence of such instructions, **WILL BE VOTED IN FAVOUR** of each matter set out in the proxy.

The enclosed form of proxy confers discretionary authority upon the person named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting in respect of which the proxy is granted or any adjournments of such meetings. As of the date hereof, the GP knows of no such amendments, variations or other matters to come before the Meeting.

Record Date

The record date for the determination of Limited Partners entitled to receive notice of the Meeting is November 21, 2008. Each Limited Partner will be entitled to one vote for each whole Unit held by him or her on all matters which come before the Meeting.

Quorum

At the Meeting, a quorum shall consist of any Limited Partners present in person or by proxy, collectively holding 33⅓% or more of the outstanding Units, for each matter to be considered at the Meeting. If a quorum is not present at the Meeting within 30 minutes after the time fixed for holding the Meeting, the Meeting will be adjourned to a day that is ten (10) days later (or if that day is not a business day, the first business day immediately after such day) at the same time and place as the Meeting. At such adjourned Meeting, the Limited Partners present in person or by proxy will constitute a quorum.

Approval Requirements

Each matter to be considered at the Meeting require the approval of not less than three quarters (75%) of the votes cast in respect of the related special resolution by or on behalf of the Limited Partners present in person or by proxy at the Meeting.

Voting Securities and Principal Holders Thereof

As at November 21, 2008, the Fund has ● Units outstanding.

As at November 21, 2008, to the knowledge of the GP, the following persons, directly or indirectly, beneficially own more than 10% of the Units: ●.

To the knowledge of the Fund and the GP, the directors and senior officers of the GP, as a group, beneficially own, directly or indirectly, ●% of the outstanding Units as at November 21, 2008.

INFORMATION CONCERNING THE FUND

Management of the Fund

Pursuant to the LP Agreement, the GP has agreed to be responsible for the management of the Fund and to provide administrative services to the Fund.

The names and municipalities of residence of the directors and senior officers of the GP who have responsibility for performing the management function of the Fund, their offices with the GP and their principal occupations during the five years preceding the date of this Information Circular are as follows:

Name and Municipality	Position with the GP	Principal Occupation
Daniel Nead Toronto, Ontario	Director, President and Secretary	●
Peter Fanconi Zumikon, Switzerland	Director, Chief Executive Officer	●

INTEREST OF MANAGEMENT IN THE MATTERS TO BE ACTED UPON

[Does the GP have any interest / conflict that would need to be disclosed – i.e. what benefit would the GP receive that Limited Partners would not upon dissolution].

APPROVAL BY THE BOARD OF DIRECTORS

The contents and sending of this Information Circular have been approved by the board of directors of the GP.

Dated at Toronto, Ontario this 24th day of November, 2008.

By order of the Board of Directors of the general partner of the Fund,

BELMONT DYNAMIC GP INC.

By: *"Daniel Nead"*

Name: Daniel Nead
Title: Director

SCHEDULE "A"

BELMONT DYNAMIC GROWTH FUND

SPECIAL RESOLUTION

The following special resolution is proposed by Belmont Dynamic Growth Fund (the "GP") the general partner of Belmont Dynamic Growth Fund (the "Fund") for consideration and approval by the limited partners of the Fund ("Limited Partners") at the meeting of Limited Partners to be held on December 19, 2008, as described in the information circular (the "Information Circular") dated November 24, 2008.

SPECIAL RESOLUTION #1

BE IT RESOLVED THAT:

1. the limited partnership agreement between Belmont Dynamic GP Inc. (the "GP") and each person admitted to the partnership as a limited partner (each, a "Limited Partner") dated June 9, 2006 (the "LP Agreement") be amended such that the words "(except that with where a meeting is to vote on a proposed dissolution of the Partnership, the written notice of such meeting must be given to each Limited Partner not less than 60 days prior to such meeting)" are deleted from Section 10.3; and

2. Belmont Dynamic Growth Fund (the "Fund") be dissolved according to the procedure set out in Section 12.2 of the LP Agreement; and

3. the GP be appointed to act as a receiver and liquidator of the assets of the Fund; and

4. the GP be authorized and directed to do all such other acts and things as the GP may consider necessary or advisable to implement and carry out the foregoing resolution, and to give effect to the matters contemplated therein and in the Information Circular including the appointment of a new advisor for the Fund; and

5. notwithstanding that the foregoing resolution has been approved by the Limited Partners, the GP be and is hereby authorized to delay or determine not to proceed with the implementation of any of the matters contemplated by the foregoing resolution and in the Information Circular, if in the opinion of the GP it is necessary or advisable to do so.

EXHIBIT D

CV-09-8227-00CL
Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

BETWEEN:

HARCOURT INVESTMENT CONSULTING AG and PETER FANCONI

Applicants

and

BELMONT DYNAMIC GROWTH FUND, BELMONT DYNAMIC GP INC., DANIEL NEAD and OMNISCOPE ADVISORS INC.

Respondents

NOTICE OF APPLICATION

TO THE RESPONDENTS

A LEGAL PROCEEDING HAS BEEN COMMENCED by the applicants. The claim made by the applicants appears on the following page.

THIS APPLICATION will come on for a hearing before a Judge presiding over the Commercial List on Monday, July 6, 2009, at 9:30 am (Assignment Court) and thereafter as the Judge may direct, at 330 University Avenue, Toronto.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least two days before the hearing.

This is Exhibit "D" referred to in the affidavit of Robert Craig McDonald sworn before me, this 30th day of July, 2009

A COMMISSIONER FOR TAKING AFFIDAVITS

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date June 11, 2009 Issued by _____
Local registrar Christina Irwin
Registrar, Superior Court of Justice

Address of court office 330 University Ave. Toronto, ON

TO: **BELMONT DYNAMIC GROWTH FUND**
Suite 800
357 Bay Street
Toronto, ON M5H 2T7

AND TO: **BELMONT DYNAMIC GP INC.**
Suite 800
357 Bay Street
Toronto, ON M5H 2T7

AND TO: **DANIEL NEAD**
Suite 800
357 Bay Street
Toronto, ON M5H 2T7

AND TO: **OMNISCOPE ADVISORS INC.**
Suite 800
357 Bay Street
Toronto, ON M5H 2T7

APPLICATION

1. The Applicants make application for:

(a) an Order pursuant to Section 248 (2) of the *Business Corporations Act*, R.S.O. 1990, Chapter B. 16 ("OBCA") directing the Respondent, Belmont Dynamic GP Inc. to hold a meeting of the Limited Partners of the Respondent, Belmont Dynamic Growth Fund for the purpose of approving a Special Resolution commencing the dissolution of the Belmont Dynamic Growth Fund;

(b) an Order pursuant to Section 248 (2) of the OBCA dispensing with the requirement for a meeting of the directors of the Respondent, Belmont Dynamic GP Inc. to pass a resolution calling for a meeting of the Limited Partners of the Respondent, Belmont Dynamic Growth Fund for the purpose of approving a Special Resolution commencing the dissolution of the Belmont Dynamic Growth Fund;

(c) in the alternative, an Order pursuant to Sections 207 and 248 (3) (l) of the OBCA winding up the Respondent, Belmont Dynamic GP Inc.;

(d) in the alternative, an Order pursuant to Section 248 (3) (b) of the OBCA and Section 101 of the *Courts of Justice Act*, R.S.O. 1990, Chapter C. 43 ("CJA") appointing the Applicant, Harcourt Investment Consulting AG, or, in the alternative, appointing an independent third party, as Receiver and Liquidator of the assets of the Respondent, Belmont Dynamic Growth Fund Limited Partnership;

(e) in the alternative, an Order pursuant to Section 248 (3) (e) of the OBCA appointing a new director of the Respondent, Belmont Dynamic GP Inc. in place of or in addition to the Respondent, Daniel Nead;

(f) in the alternative, an Order pursuant to Section 248 (3) (f) of the OBCA enabling the Applicant, Harcourt Investment Consulting AG, to purchase the shares of the Respondent, Belmont Dynamic GP Inc. owned by the Respondent, Omniscope Advisors Inc.;

(g) a determination and/or declaration that the Respondents Daniel Nead and Omniscope Advisors Inc. are not entitled to payment for fees and expenses related to the liquidation of the Respondent, Belmont Dynamic Growth Fund Limited Partnership;

(h) its costs of this Application on a substantial indemnity basis, together with G.S.T. thereon; and

(i) such further and other relief as counsel may request and this Honourable Court may allow.

2. The grounds for the application are:

a) the Applicant, Harcourt Investment Consulting AG ("Harcourt") is a corporation incorporated in Switzerland and operates as an investment manager;

b) the Applicant, Peter Fanconi ("Fanconi") is an individual residing in the City of Zurich, Switzerland;

c) the Respondent, Belmont Dynamic Growth Fund ("Belmont" or "the Fund") is a limited partnership registered under the Ontario *Limited Partnerships Act*;

d) the Respondent, Belmont Dynamic GP Inc. ("GP Inc.") is a corporation incorporated pursuant to the laws of Ontario;

e) the Respondent, Daniel Nead ("Nead") is an individual residing in the City of Toronto;

f) the Respondent, Omniscope Advisors Inc. ("Omniscope") is a corporation incorporated pursuant to the laws of Ontario;

g) Belmont operates a hedge fund called the "Belmont Dynamic Growth Fund";

h) As a limited partnership, Belmont is comprised of a general partner and a number of limited partners;

i) The general partner of Belmont is an Ontario corporation: the Respondent, Belmont Dynamic GP Inc. ("GP Inc.");

j) GP Inc. manages the Fund;

k) GP Inc. has two directors with equal voting rights: the Respondent, Daniel Nead ("Nead"), a resident Canadian; and the Applicant, Fanconi, a resident of Switzerland and, at times material, President and Chief Executive Officer of the Applicant, Harcourt;

l) GP Inc. has two shareholders: Omniscope, which holds 100 common shares; and Harcourt, which holds 100 common shares;

m) Omniscope is controlled by Nead;

n) The limited partners of the Fund are a number of Ontario based investors;

o) The Fund is associated with Royal Bank of Canada ("RBC") and each of the limited partners are RBC clients;

p) There are currently 135 limited partners, each of which owns a specific number of Units in the Fund;

q) Investments in the Fund were intended to earn income from the returns of the Belmont Dynamic Growth portfolio (the "Underlying Fund"), a leveraged fund of hedge funds existing under the laws of the Cayman Islands;

r) Harcourt is the manager of the Underlying Fund ("the Underlying Fund Manager");

s) The Underlying Fund Manager owns all of the voting shares of the Underlying Fund;

t) The Underlying Fund invested, on a leveraged basis, in various specialized funds of hedge funds managed by the Underlying Fund Manager;

u) At the time the Fund and GP Inc. were established, it was never intended that earnings or profits would be made from the Fund's dissolution;

v) This intention is reflected in the Limited Partnership Agreement and Offering Memorandum, which govern the Fund, which provide for administration fees to be earned by GP Inc. and which are silent concerning liquidation fees being paid to shareholders and directors of GP Inc.;

w) Commercial practice in the investment management industry is to profit from managing a successful fund, not from liquidating a fund and to minimize costs to investors when funds perform poorly in order to preserve goodwill and reputation;

x) Current conditions in the hedge fund industry make it unlikely that the Limited Partners will be able to earn income on their investment;

y) Harcourt considers that it is in the best interests of the Limited Partners to dissolve the Fund at this point, to pay out the Fund's debts (including all liquidation expenses) and to distribute the Fund's remaining capital to the Limited Partners;

z) RBC also supports the timely dissolution of the Fund;

aa) Nead refuses to co-operate in the dissolution of the Fund;

bb) Pursuant to the terms of the Limited Partnership Agreement governing the Fund, the Fund cannot be dissolved without a Special Resolution approving dissolution of the Fund;

cc) A Special Resolution cannot be made without a general meeting of the Limited Partners, and such meeting must first be called by the General Partner (GP Inc.);

dd) In order for GP Inc. to call such a meeting, it is necessary for the directors of GP Inc. to assemble at a directors' meeting to pass a resolution calling a general meeting of the Limited Partners;

ee) Nead and Fanconi are GP Inc.'s two directors and control its two equal shareholders;

ff) Nead has refused to attend a meeting of the board of directors of GP Inc.;

gg) An impasse has been reached because Nead's attendance is required;

hh) No resolution can be passed if he does not attend;

ii) Harcourt has notified Nead that it considers that it is in the best interests of the Limited Partners that the Fund be liquidated;

jj) Nead's position is that he and/or Omniscope is owed $450,000 U.S. in management fees and expenses for which there was no previous agreement by the Fund to pay;

kk) The Fund needs to be liquidated immediately and Nead is attempting to hold the Fund hostage in order to extract $450,000 in expenses from the Fund which are not properly chargeable;

ll) At this time, the Fund is continuing to incur expenses that could otherwise be avoided by a timely liquidation of its assets;

mm) In short, the Applicant and the Fund currently face the following situation:

(i) Nead is not cooperating and, as Nead is one of two directors and controls half the shares of GP Inc., the Applicants have no means of forcing Nead or Omniscope to cooperate;

(ii) It was never agreed that Nead or Omniscope would be paid the additional fees/expenses now being demanded;

(iii) If the monies demanded are paid, it will come out of the funds of the Limited Partners of the Fund;

nn) By refusing to attend at a meeting of the directors of GP Inc. until he has secured payment of fees and expenses for himself and/or Omniscope, Nead has exercised his powers as a director in an oppressive and unfairly prejudicial manner that disregards the interests of Fanconi, Harcourt, and all the limited partners;

oo) In the circumstances, it is just and equitable that GP Inc. be wound up and just and convenient that either the Applicant or an independent third party be appointed to act in its place as receiver-liquidator of the Fund;

pp) Sections 207 and 248 of the OBCA;

qq) Section 101 of the CJA;

rr) Section 21 of the *Limited Partnerships Act*, R.S.O. 1990, Chapter L. 16;

ss) Rules 14.05(3)(d) and (g) and 41 of the Rules of Civil Procedure; and

tt) Such further and other grounds as counsel may advise and this Honourable Court may allow.

3. The following documentary evidence will be used at the hearing of the application:

(a) Affidavit of Peter Fanconi; and

(b) Such further and other evidence as counsel may adduce and this Honourable Court may allow.

June 11, 2009

MATTHEW WILTON & ASSOCIATES
Barristers
127 John Street
Toronto, ON M5V 2E2

Matthew Wilton - 29741P

Tel. 416-860-9889
Fax. 416-204-1849
matthew@wiltonlaw.com

Solicitors for the Applicants

HARCOURT INVESTMENT CONSULTING AG, et. al.
Applicants

and

BELMONT DYNAMIC GROWTH FUND, et. al.
Respondents

(Short title of proceeding)

CV-09-8227-00CL
Court File No.

10

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST
Proceeding commenced at Toronto

NOTICE OF APPLICATION

MATTHEW WILTON & ASSOCIATES
Barristers
127 John Street
Toronto, ON M5V 2E2

Matthew Wilton – 29741P
Tel: (416) 860-9889
Fax: (416) 204-1849
matthew@wiltonlaw.com

Solicitors for the Applicants

EXHIBIT E

Commercial List File Number:	YR/CU##### CV-09-8227-00CL
Civil File Number:	YR/CV#####

Date Filed: _____

SUPERIOR COURT OF JUSTICE – COMMERCIAL LIST
REQUEST FORM CONTINUING MATTER

A	Short Title of Proceeding: Harcourt Investment Consulting AG and Peter Fraunmi v. Belmont Dynamic Growth Fund, Belmont Dynamic G.P. Inc., Daniel Neufeld and Omnicapa Advisors Inc.
B	The estimated time for the hearing of this matter is: #MINUTE(S) #HOUR(S) 1 #DAY(S)
C	If hearing is to be 1 day or more in duration, please provide an estimate of reading time required for judge to prepare for hearing: # MINUTE(S) 3 #HOUR(S) #DAY(S)
D	The nature of the hearing in the continuing matter is: Application hearing for OBCA oppression remedy — to approve dissolution of a partnership operating a hedge fund.
E	State the date(s) and time(s) for hearing the matter that has (have) been arranged with other counsel. (i) First date available after 10 Sept '09 (ii)
F	Specify if this matter is already being dealt with in the court system (giving particulars as court number and office, when and by what judge or other judicial official). Advise of any known judicial conflicts or if any judge is seized of this matter.
G	The following materials will be necessary for the matter to be considered. (It is the responsibility of counsel to confirm that the proper materials are available for the Court.) Applicants' Application Record, Respondents' Responding and Cross-Application Record and Factum

COUNSEL FOR APPLICANT(MOVING PARTY)		COUNSEL FOR RESPONDENT(RESPONDING PARTY)	
Party	Applicants	Party	Belmont et al and Omnicapa Advisors Inc.
Counsel	PRINT AND SIGN OR INITIAL	Counsel	PRINT AND SIGN OR INITIAL
Address	127 John St., Toronto, ON M5V 2E2	Address	4200-66 Wellington St W. Toronto, ON M5K 1A6
Phone	416-860-9939	Phone	416-868-3350
Fax	416-204-1849	Fax	416-364-7813
E-mail	acea@uniten.inc.com	E-mail	sbabin@fasken.com

(IF MORE THAN 2 PARTIES INVOLVED, ADD ADDITIONAL SIGNATURES AND PARTICULARS ON REVERSE OR SEPARATE PAGE)

To be submitted to: Commercial List Office, 393 University Avenue, 10th Floor, Toronto Ontario Fax to: (416) 327-6228
You may also convert to PDF and email to Toronto.CommercialList@ontario.gov.on.ca

Endorsement/Disposition ☐ See attached Yellow Endorsement Form

Commercial Form C

This is Exhibit "E" referred to in the affidavit of Robert Craig McDonald sworn before me, this 30th day of July 20 09

A COMMISSIONER FOR TAKING AFFIDAVITS

Commercial List Court File No. CV-09-8227-00CL
General Division Court File No. _____
Weekly Court File No. _____

Date filed: _____

SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

CASE TIMETABLE

A. Short Title of Proceedings: HARCOURT INVESTMENT CONSULTING AG and PETER PANCONI v. BELMONT DYNAMIC GROWTH FUND, BELMONT DYNAMIC GP INC., DANIEL NEAD and OMNISCOPE ADVISORS INC.
(indicate composition involved and parties, as per "In Re XYZ Corp., Rousseau v. Jones")

B. Specify Hearing Date:
_____
(Leave blank if date not yet set)

C. Dates by which the various steps are to be completed - specify nature and responsibility. Ensure that sufficient time is allowed to accomplish the step. If counsel cannot agree, then each should prepare a separate schedule for submission to the court.

1 See Schedule "A" attached.
2
3
4
5
(Add additional lines on back, if required)

D. Counsel to sign to evidence agreement to above schedule. Signed schedules to be exchanged with other counsel and copies of schedule to be sent or faxed to Bankruptcy Court Office.

Counsel for applicant moving party:

(party) Applicants
(name) Gregory Graham
(agt)
(date) 3 July 09
(firm) Matthew Wilton & Associates
(address) 127 John St
Toronto, ON M5V 2E2
phone (416) 860-9339
fax (416) 204-1849

Counsel for other party:

(party) Daniel Nead and Omniscope Advisors Inc.
(name) Shelley Babin
(agt)
(date) 3 July 09
(firm) Fasken Martineau DuMoulin LLP
(address) 4200-66 Wellington St. W.
Toronto, ON M5K 1N6
phone (416) 868-3350
fax (416) 364-7813

(If more than 2 parties involved, add additional signatures and particulars at end of form)

E. Disposition by judge (if necessary):
_____
_____
_____
(Judge)

Revised June, 1992

Schedule "A"

Item	Step	Party	Complete by date
1.	Delivery of responding Affidavit(s) and Application Record, including Cross-Application	Respondents Nead and Omniscope	29 July '09
2.	Delivery of Responding materials to Cross-Application	Applicants	11 Aug '09
3.	Cross-examinations	All parties	19 Aug '09
4.	Delivery of Applicants' Factum	Applicants	4 Sept '09
5.	Delivery of Respondents' Factum	Respondents Nead and Omniscope	11 Sept '09
6.	Delivery of Reply Factum, if any	Applicants	4 days before return date
7.	Application hearing	All parties	First available date after 18 Sept '09

SBabin
per: Shelley Babin
Counsel to Daniel Nead
+ Omniscope Advisors Inc.

Matthew Wilton & Associates
Gregory Graham
Counsel for the Applicants

DRAFT: July 29, 2009

This is Exhibit "F" referred to in the affidavit of Robert Craig McDonald sworn before me, this 20th day of July 20 09

A COMMISSIONER FOR TAKING AFFIDAVITS

EXHIBIT F

[NOTICE TO RBC PH&N IC CLIENTS]

Re: Belmont Dynamic Growth Fund (the "Fund")

We are writing to you in connection with your investment in the Fund.

Background

In October, 2008, Harcourt Investment Consulting AG ("Harcourt") advised **[RBC Phillips, Hager & North Investment Counsel Inc. ("RBC PH&N IC")]** that the Fund was no longer viable due to recent market turmoil and that steps would therefore be taken to dissolve the Fund.

In December, 2008, Belmont Dynamic GP Inc. (the "General Partner"), the general partner of the Fund, provided RBC PH&N IC with a draft notice of a meeting of the limited partners of the Fund (the "Limited Partners"). The meeting of the Limited Partners (the "Proposed Meeting") was to be held to consider and approve the dissolution of the Fund and to appoint the General Partner as the receiver and liquidator of the Fund (the "Proposed Meeting Objectives") in accordance with the terms and conditions of the Limited Partnership Agreement governing the operation of the Fund. RBC PH&N IC was generally supportive of the Proposed Meeting Objectives because it considered them to be in the best interests of those Limited Partners who were clients of RBC PH&N IC.

Unfortunately, the Proposed Meeting has never been convened because of an "impasse" that developed between Harcourt and Omniscope Advisors Inc. ("Omniscope"), the shareholders of the General Partner. This impasse has become the subject of a court proceeding involving an application for an oppression remedy under the *Business Corporations Act* (Ontario) that has been made by Harcourt against, among others, the Fund, the General Partner and Omniscope for the purpose of, among other things, dissolving the Fund. According to Harcourt, the impasse has also precluded RBC PH&N IC from obtaining a net asset valuation for the Fund since September 30, 2008 despite RBC PH&N IC's repeated requests for such a valuation. Furthermore, Harcourt has also advised that Limited Partners are unable to redeem their units of the Fund because the direct and indirect underlying hedge fund holdings of the Fund have suspended the redemption of their units or shares, as the case may be.

Court Appointed Receivership and Court Approved Dissolution of Fund

As a result of these developments, RBC PH&N IC determined that it would be in the best interests of our clients to apply to the Ontario Superior Court of Justice (the "Court") for orders appointing KPMG Inc. ("KPMG") as the Receiver and Manager of the assets, undertakings and properties of the Fund (the "Receiver") and approving the dissolution of the Fund. RBC PH&N IC determined that a Court supervised receivership and dissolution process would be the most appropriate way to dissolve the Fund for the following reasons:

(a) the Receiver, as a Court-appointed officer, will be an independent party and will therefore be in a better position, compared to the General Partner or a privately-

appointed receiver, to resolve or otherwise address issues that may arise in the course of dissolving the Fund;

(b) the complexity of the structure of the Fund and its investments, the key agreements and relationships, the realization process and potential tax implications make it appropriate to have a Court-supervised process;

(c) the Receiver has experience and expertise relevant to the proposed dissolution of the Fund that the General Partner may not have; and

(d) the transparency afforded by a Court-supervised process is desirable and important given the circumstances described above.

An application has therefore been made to the Court (the "Application") for a Court-supervised receivership and dissolution of the Fund that is the subject of two separate Court hearings. The first hearing (the "Initial Hearing") took place on July •, 2009 and the second hearing (the "Dissolution Hearing") is scheduled to take place on •, 2009.

The Initial Hearing

Upon completion of the Initial Hearing, the Court issued an order (the "Initial Order") authorizing the appointment of KPMG as Receiver of the Fund with broad, customary authority and powers in respect of the property of the Fund but subject to restrictions on the Receiver's ability to exercise more specific authority and powers to terminate, or consent to the termination, of any forward contract to which the Fund is a party or to sell or otherwise dispose of any material portion of any property of the Fund pending completion of the Dissolution Hearing or without the prior consent of the Court. The Initial Order also approved the delivery of this letter to the Limited Partners as notice of the Court proceedings in relation to the dissolution of the Fund, including the Initial Order and the Dissolution Hearing.

The Dissolution Hearing

While the details of the order to be sought during the Dissolution Hearing (the "Dissolution Order") will be the subject of further discussion following the appointment of the Receiver, it is presently contemplated that the Dissolution Order will include the following:

(a) an order dissolving the Fund with effect upon the filing by the Receiver of a certificate that confirms that the Receiver has completed its realization on all of the Fund's property and distributed the proceeds of such realization to the persons entitled to receive such distributions;

(b) an order confirming that the Receiver is permitted to exercise all of the authority and powers granted to it pursuant to the Initial Order and that it is no longer subject to any of the restrictions imposed upon it by the Initial Order; and

(c) any directions or changes to the authority and powers of the Receiver thought necessary or desirable by the Receiver or the applicant in connection with the conduct of the receivership and dissolution process.

Any person wishing to oppose the Dissolution Order is required to serve on the Service List available from the Receiver a notice setting out the basis for such opposition and a copy of the materials that are to be used to oppose the Dissolution Order at least three days before the date set for the Dissolution Hearing, or such shorter time as the Court, by order, may allow.

Access to Receiver and Documents

Our clients and other Limited Partners may contact the Receiver directly with any questions or concerns that they may have in relation to the dissolution and receivership of the Fund by calling or emailing the Receiver using the following telephone number or email address:

Telephone Number - ●
Email Address - ●

The Receiver has also established a website that the Receiver will update on a regular basis. The website is located at ●. The website provides Limited Partners and other stakeholders with access to, among other things, the Receiver's correspondence with Limited Partners and other stakeholders, periodic status updates from the Receiver, all motion records and Court orders in relation to the receivership including, without limitation, the Initial Order and the Dissolution Order and any other documents that the Receiver considers relevant to those affected by the dissolution of the Fund.

JAMES HAGGERTY HARRIS
Applicant

and

BELMONT DYNAMIC GROWTH FUND,
an Ontario Limited partnership
Respondent

Court File No:

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

Proceeding commenced at Toronto

AFFIDAVIT OF ROBERT CRAIG MCDONALD
SWORN JULY 30, 2009

McCarthy Tétrault LLP
Suite 5300, Toronto Dominion Bank Tower
Toronto ON M5K 1E6

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Lawyers for the Applicant
#516997 v.6

Section 3

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF AN APPLICATION PURSUANT
RULE 14.05(2) OF THE ONTARIO *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, Reg. 194
AND SECTION 35 OF THE *PARTNERSHIPS ACT*, R.S.O. 1990, c. P.5

IN THE MATTER OF AN APPLICATION PURSUANT
TO SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C. 43

BETWEEN:

JAMES HAGGERTY HARRIS

Applicant

- and –

BELMONT DYNAMIC GROWTH FUND,
an Ontario Limited partnership

Respondent

RECEIVER'S CONSENT TO ACT

The undersigned, if appointed by this Honourable Court, consents to act as receiver and manager of Belmont Dynamic Growth Fund pursuant to the terms of an Order substantially in the form of the draft Order included in the Application Record herein.

DATED the 31st day of July, 2009.

KPMG INC.

Per: _____

Name: Todd M. Martin

Title: Chairman

BETWEEN:

JAMES HAGGERTY HARRIS - and - BELMONT DYNAMIC GROWTH FUND

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at Toronto

RECEIVER'S CONSENT TO ACT

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Fax: 416-868-0673

Lawyers for the Applicant
549446

Section 4

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE •	)	•THURSDAY, THE •6th DAY
	)	
JUSTICE •	)	OF •AUGUST, 2009

•

~~Plaintiff~~

IN THE MATTER OF AN APPLICATION PURSUANT
RULE 14.05(2) OF THE ONTARIO *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, Reg. 194
AND SECTION 35 OF THE *PARTNERSHIPS ACT*, R.S.O. 1990, c. P.5

IN THE MATTER OF AN APPLICATION PURSUANT
TO SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C. 43

BETWEEN:

JAMES HAGGERTY HARRIS

Applicant/Moving Party

- and -

•

~~Defendant~~

BELMONT DYNAMIC GROWTH FUND,

an Ontario limited partnership

Respondent

ORDER

THIS MOTION, made by the ~~Plaintiff~~Applicant for an Order pursuant to section ~~47(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended (the "BIA") and section~~ 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended (the "**CJA**") appointing ~~[RECEIVER'S NAME] as interim receiver and~~KPMG Inc. as receiver and manager (~~in such capacities,~~ the ~~"~~"**Receiver**~~"~~"), without security, of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~Belmont Dynamic Growth Fund, an Ontario limited partnership (the "**Debtor**") was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING (i) the Notice of Application, (ii) the Notice of Motion, (iii) the affidavit of ~~[NAME]~~Robert Craig McDonald sworn ~~[DATE]~~July 30, 2009 and the Exhibits thereto (the "**McDonald Affidavit**"), and (iv) the consent of KPMG Inc. to act as the Receiver; and on hearing the submissions of counsel for ~~[NAMES]~~, the Applicant and the proposed Receiver, with no one else appearing ~~for [NAME]~~ although duly served ~~as appears from the affidavit of service of [NAME] sworn [DATE] and on reading the consent of [RECEIVER'S NAME] to act as the Receiver~~,

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Application, Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to ~~section 47(1) of the BIA and~~ section 101 of the CJA, ~~[RECEIVER'S NAME]~~KPMG Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**")~~.~~, including, without limitation, all such assets, undertakings and properties which are owned, held or controlled by Belmont Dynamic GP Inc. in its capacity as general partner of the Debtor ("**Debtor GP**") or which are held by any Person (as defined herein) in trust for, or otherwise for, for the benefit of the Debtor.

RECEIVER'S POWERS

3. THIS COURT ORDERS that, subject to paragraph 4, the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to exercise all rights with respect to the Property as if the Receiver was the absolute owner thereof and, for greater certainty, such rights and the powers and authority set out below in this paragraph 3 will extend to all amounts owing to, all agreements entered into with, all licences issued to, and all other Property owned, held or controlled by, the Debtor GP in its capacity as general partner of the Debtor;

(b) ~~(a)~~ to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(c) ~~(b)~~ to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property and backing up or copying of electronic records to safeguard ~~it~~them, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(d) ~~(c)~~ to manage, operate and carry on the business of the Debtor with a view to winding down its operation, realizing on the Property and distributing the proceeds to the Persons (as defined in paragraph 5 below) entitled thereto (the "**Wind Down**"), including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, ~~or~~and cease to perform any contracts of the Debtor;

(e) ~~(d)~~ to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other ~~persons~~Persons from time to time and on

whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;

~~(e) to purchase or lease such machinery, equipment, inventories, supplies, premises or other assets to continue the business of the Debtor or any part or parts thereof;~~

(f) to purchase goods and services in connection with the Wind Down;

(g) ~~(f)~~ to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce ~~any security held by the Debtor~~the rights of the Debtor in respect of any forward contracts ("**Forward Contracts**") and other investments;

(h) ~~(g)~~ to settle, extend or compromise any indebtedness owing to the Debtor and to negotiate the settlement or termination of any agreements to which the Debtor is a party, including, without limitation, any Forward Contracts;

(i) ~~(h)~~ to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

~~(i) to undertake environmental or workers' health and safety assessments of the Property and operations of the Debtor;~~

(j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $~~_____~~50,000, provided that the aggregate consideration for all such transactions does not exceed $~~_____~~150,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*~~, [or section 31 of the Ontario *Mortgages Act*, as the case may be,]~~ shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply~~.~~;

(m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(n) to report to, meet with and discuss with ~~such~~RBC Phillips, Hager & North Investment Counsel Inc. ("**RBC PH&N IC**"), RBC Dominion Securities Inc. ("**RBCDS**" and collectively with RBC PH&N IC, "**RBC**"), the limited partners of the Debtor (the "**Limited Partners**"), the Debtor GP and such other affected Persons ~~(as defined below)~~ as the Receiver deems appropriate on all matters relating to the Property and the receivership, including the Wind Down, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

~~(o) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;~~

(o) ~~(p)~~ to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(p) ~~(q)~~ to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(q) ~~(r)~~ to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(r) ~~(s)~~ to take any steps reasonably incidental to the exercise of these powers,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons ~~(as defined below)~~, including the Debtor and the Debtor GP, and without interference from any other Person.

4. THIS COURT ORDERS that, until further order of this Court at the return of this Application or otherwise, the Receiver shall not terminate or consent to the termination of any Forward Contract or sell or otherwise dispose of any material portion of the Property.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. ~~4.~~ THIS COURT ORDERS that (i) the Debtor~~, (ii)~~ and all of its current and former ~~directors~~partners, including without limitation the Debtor GP, (ii) all of the Debtor's and Debtor GP's current and former shareholders, officers, employees, agents, accountants, legal counsel ~~and shareholders,~~ and all other persons acting on its instructions or behalf, ~~and~~ (iii) Accilent Capital Management Inc., Harcourt Investment Consulting AG, Omniscope Advisors Inc. and their respective officers, directors and affiliates, and (iv) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant

immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. ~~5.~~ THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph ~~5~~6 or in paragraph ~~6~~7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure. All Persons shall cooperate with and assist the Receiver in respect of information relating to the Property.

7. ~~6.~~ THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

8. ~~7.~~ THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. ~~8.~~ THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. ~~9.~~ THIS COURT ORDERS that all rights and remedies against the Debtor~~,~~ or the Receiver~~,~~ or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. ~~10.~~ THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. ~~11.~~ THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all investment advisory, administration and other partnership services, computer software, communication and other data services, centralized banking services, payroll

services, insurance, transportation services, utility or other services to the Debtor are hereby restrained without the written consent of the Receiver or until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

ELIGIBLE FINANCIAL CONTRACTS

13. THIS COURT ORDERS that, notwithstanding anything else contained herein:

(a) for the purposes of this paragraph, the terms "eligible financial contract" and "financial collateral" will have the meanings given to them by the *Bankruptcy and Insolvency Act* (Canada);

(b) a Person (the "**Counterparty**") that has entered into an eligible financial contract with the Debtor prior to the date hereof may exercise any right of termination, netting or set-off and may deal with any financial collateral held in respect of the eligible financial contract, in each case in accordance with the provisions of the eligible financial contract, provided that any net claim or net termination value owing by the Debtor after any dealing with financial collateral permitted hereby will be subject to paragraph 9 and the other provisions of this Order; and

(c) the Receiver's Charge and the Receiver's Borrowings Charge (as defined in paragraphs 19 and 22, respectively) will rank subsequent in priority to any security interest of a Counterparty in financial collateral held in respect of an eligible financial contract with the Debtor.

RECEIVER TO HOLD FUNDS

14. ~~12.~~ THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order

from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. ~~13.~~ THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.

16. ~~14.~~ THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. ~~15.~~ THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. ~~16.~~ THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the ~~BIA~~ *Bankruptcy and Insolvency Act* (Canada) or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. ~~17.~~ THIS COURT ORDERS that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel (including fees and disbursements incurred up to and including the date of this Order), incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge, subject to paragraph

13. on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "**Receiver's Charge**").

20. ~~18.~~ THIS COURT ORDERS the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. ~~19.~~ THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. ~~20.~~ THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from Royal Bank of Canada or an affiliate thereof by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $~~_____~~250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge ~~and~~ and subject to paragraph 13.

23. ~~21.~~ THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. ~~22.~~ THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. ~~23.~~ THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

NOTICE OF THIS ORDER AND DISSOLUTION HEARING

26. THIS COURT ORDERS and directs that the return date for the hearing of the Application in respect of the dissolution of the Debtor and certain related relief (the "**Dissolution Hearing**") shall be •, 2009, or such other date as is set by the Court upon motion by the Applicant.

27. THIS COURT ORDERS that, unless otherwise provided herein or ordered by this Court, no document, order or other material need be served on any Person in respect of these proceedings (other than the Applicant and the Receiver) unless such Person has served a Notice of Appearance on the solicitors for the Applicant and the Receiver and has filed such notice with this Court (such Persons, together with the Applicant and the Receiver, the "**Service List**").

28. THIS COURT ORDERS that the Receiver shall send a copy of this Order to the Debtor and the Debtor GP by prepaid ordinary mail or courier within 3 days after the date hereof.

29. THIS COURT ORDERS that the form of notice to Limited Partners of the making of this Order and the Dissolution Hearing attached as Exhibit "F" to the McDonald Affidavit (the "**Notice to LPs**") is approved and RBC is authorized and directed to send such notice to each Limited Partner.

30. THIS COURT ORDERS that:

(a) the manner of service of the Application Record on the Debtor and the Debtor GP as described in the McDonald Affidavit constitutes good and sufficient service of notice of this Application and the Dissolution Hearing on the Debtor and the

Debtor GP, and except as provided in paragraph 28 no other form of notice or service need be made to the Debtor or the Debtor GP and no other materials need be served upon the Debtor or the Debtor GP in respect of these proceedings, including the Dissolution Hearing, unless the Debtor or the Debtor GP serves a Notice of Appearance as set out in paragraph 27 hereof.

(b) delivery of the Notice to LPs in accordance with paragraph 29 hereof shall constitute good and sufficient service of notice of the Dissolution Hearing on all Limited Partners, and no other form of notice or service need be made and no other materials need be served in respect of the Dissolution Hearing,

except that the Applicants shall also serve the Service List with any additional materials to be used in support of the Dissolution Hearing.

31. THIS COURT ORDERS that in the event the Dissolution Hearing is adjourned, only those Persons on the Service List are required to be served with notice of the adjourned date.

32. THIS COURT ORDERS that any Person who wishes to oppose the relief sought at the Dissolution Hearing shall serve on the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose such relief at least three days before the date set for the Dissolution Hearing, or such shorter time as the Court, by order, may allow.

33. THIS COURT ORDERS that the Applicant, the Receiver, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver may post a copy of any or all such materials on its website at http://www.kpmg.ca/en/services/advisory/ta/creditorlink.html (the "**Website**").

REPORTING TO LIMITED PARTNERS

34. THIS COURT ORDERS that the Receiver may report from time to time to the Limited Partners on the progress of the Wind Down and other matters relating to the receivership in such manner as the Receiver, in consultation with RBC, consider appropriate (including, without

limitation, through correspondence provided by RBC to its clients who are Limited Partners that enclose such reports or that is otherwise in form and content satisfactory to the Receiver).

GENERAL

35. ~~24.~~ THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

36. ~~25.~~ THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

37. ~~26.~~ THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or ~~in the United States~~elsewhere, including, without limitation, the Cayman Islands, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

38. ~~27.~~ THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

~~28. THIS COURT ORDERS that the Plaintiff shall have its costs of this motion, up to and including entry and service of this Order, provided for by the terms of the Plaintiff's security or, if not so provided by the Plaintiff's security, then on a substantial indemnity basis to be paid by the Receiver from the Debtor's estate with such priority and at such time as this Court may determine.~~

39. ~~29.~~ THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Schedule "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT $_____

1. THIS IS TO CERTIFY that ~~[RECEIVER'S NAME]~~KPMG Inc., the ~~interim receiver and~~ receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of ~~[DEBTOR'S NAME]~~Belmont Dynamic Growth Fund appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the ~~__~~6th day of ~~_____, 2004~~August, 2009 (the "**Order**") made in an action having Court file number ~~0409~~-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of $_____, being part of the total principal sum of $_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Royal Bank of ~~_____~~Canada from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order)~~, in priority to the security interests of any other person, but subject to the priority of the charges~~ having the priority set out in the Order, ~~and~~but subject to the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver

to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, ~~2004~~20__.

~~[RECEIVER'S NAME]~~KPMG Inc., solely in its capacity
as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____

Name:

Title:

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at Toronto

ORDER

McCarthy Tétrault LLP
Suite 5300
Toronto Dominion Bank Tower
Toronto-Dominion Centre
Toronto, Ontario
M5K 1E6

Malcolm M. Mercer LSUC#: 23812W
Tel: (416) 601-7659
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James D. Gage LSUC#: 34676I
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Solicitors for the Debtors
DOCS# 459794v.8

Section 5

Court File No. _____

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	)	THURSDAY, THE 6th DAY
	)	
JUSTICE	)	OF AUGUST, 2009

IN THE MATTER OF AN APPLICATION PURSUANT
RULE 14.05(2) OF THE ONTARIO *RULES OF CIVIL PROCEDURE*, R.R.O. 1990, Reg. 194
AND SECTION 35 OF THE *PARTNERSHIPS ACT*, R.S.O. 1990, c. P.5

IN THE MATTER OF AN APPLICATION PURSUANT
TO SECTION 101 OF THE *COURTS OF JUSTICE ACT*,
R.S.O. 1990, c. C. 43

BETWEEN:

JAMES HAGGERTY HARRIS

Applicant/Moving Party

- and -

BELMONT DYNAMIC GROWTH FUND,
an Ontario limited partnership

Respondent

ORDER

THIS MOTION, made by the Applicant for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O. 1990 c. C.43, as amended (the "**CJA**") appointing KPMG Inc. as receiver and manager (the "**Receiver**"), without security, of all of the assets, undertakings and properties of Belmont Dynamic Growth Fund, an Ontario limited partnership (the "**Debtor**") was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING (i) the Notice of Application, (ii) the Notice of Motion, (iii) the affidavit of Robert Craig McDonald sworn July 30, 2009 and the Exhibits thereto (the "**McDonald Affidavit**"), and (iv) the consent of KPMG Inc. to act as the Receiver; and on hearing the submissions of counsel for the Applicant and the proposed Receiver, with no one else appearing although duly served,

SERVICE

I. THIS COURT ORDERS that the time for service of the Notice of Application, Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that pursuant to section 101 of the CJA, KPMG Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "**Property**"), including, without limitation, all such assets, undertakings and properties which are owned, held or controlled by Belmont Dynamic GP Inc. in its capacity as general partner of the Debtor ("**Debtor GP**") or which are held by any Person (as defined herein) in trust for, or otherwise for, for the benefit of the Debtor.

RECEIVER'S POWERS

3. THIS COURT ORDERS that, subject to paragraph 4, the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

(a) to exercise all rights with respect to the Property as if the Receiver was the absolute owner thereof and, for greater certainty, such rights and the powers and authority set out below in this paragraph 3 will extend to all amounts owing to, all agreements entered into with, all licences issued to, and all other Property owned, held or controlled by, the Debtor GP in its capacity as general partner of the Debtor;

(b) to take possession and control of the Property and any and all proceeds, receipts and disbursements arising out of or from the Property;

(c) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property and backing up or copying of electronic records to safeguard them, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;

(d) to manage, operate and carry on the business of the Debtor with a view to winding down its operation, realizing on the Property and distributing the proceeds to the Persons (as defined in paragraph 5 below) entitled thereto (the "**Wind Down**"), including the powers to enter into any agreements, incur any obligations in the ordinary course of business, cease to carry on all or any part of the business, and cease to perform any contracts of the Debtor;

(e) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other Persons from time to time and on whatever basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;

(f) to purchase goods and services in connection with the Wind Down;

(g) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce the rights of the Debtor in respect of any forward contracts ("**Forward Contracts**") and other investments;

(h) to settle, extend or compromise any indebtedness owing to the Debtor and to negotiate the settlement or termination of any agreements to which the Debtor is a party, including, without limitation, any Forward Contracts;

(i) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;

(j) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;

(k) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;

(l) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,

(i) without the approval of this Court in respect of any transaction not exceeding $50,000, provided that the aggregate consideration for all such transactions does not exceed $150,000; and

(ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act* shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply;

(m) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;

(n) to report to, meet with and discuss with RBC Phillips, Hager & North Investment Counsel Inc. ("**RBC PH&N IC**"), RBC Dominion Securities Inc. ("**RBCDS**" and collectively with RBC PH&N IC, "**RBC**"), the limited partners of the Debtor (the "**Limited Partners**"), the Debtor GP and such other affected Persons as the Receiver deems appropriate on all matters relating to the Property and the receivership, including the Wind Down, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;

(o) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;

(p) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;

(q) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have; and

(r) to take any steps reasonably incidental to the exercise of these powers,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons, including the Debtor and the Debtor GP, and without interference from any other Person.

4. THIS COURT ORDERS that, until further order of this Court at the return of this Application or otherwise, the Receiver shall not terminate or consent to the termination of any Forward Contract or sell or otherwise dispose of any material portion of the Property.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

5. THIS COURT ORDERS that (i) the Debtor and all of its current and former partners, including without limitation the Debtor GP, (ii) all of the Debtor's and Debtor GP's current and former shareholders, officers, employees, agents, accountants, legal counsel and all other persons acting on its instructions or behalf, (iii) Accilent Capital Management Inc., Harcourt Investment

Consulting AG, Omniscope Advisors Inc. and their respective officers, directors and affiliates, and (iv) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "**Persons**" and each being a "**Person**") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

6. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "**Records**") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 6 or in paragraph 7 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure. All Persons shall cooperate with and assist the Receiver in respect of information relating to the Property.

7. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and

providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

8. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "**Proceeding**") shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

9. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

10. THIS COURT ORDERS that all rights and remedies against the Debtor or the Receiver or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

11. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

12. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all investment advisory, administration and other partnership services, computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services to the Debtor are hereby restrained without the written consent of the Receiver or until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

ELIGIBLE FINANCIAL CONTRACTS

13. THIS COURT ORDERS that, notwithstanding anything else contained herein:

(a) for the purposes of this paragraph, the terms "eligible financial contract" and "financial collateral" will have the meanings given to them by the *Bankruptcy and Insolvency Act* (Canada);

(b) a Person (the "**Counterparty**") that has entered into an eligible financial contract with the Debtor prior to the date hereof may exercise any right of termination, netting or set-off and may deal with any financial collateral held in respect of the eligible financial contract, in each case in accordance with the provisions of the eligible financial contract, provided that any net claim or net termination value owing by the Debtor after any dealing with financial collateral permitted hereby will be subject to paragraph 9 and the other provisions of this Order; and

(c) the Receiver's Charge and the Receiver's Borrowings Charge (as defined in paragraphs 19 and 22, respectively) will rank subsequent in priority to any

security interest of a Counterparty in financial collateral held in respect of an eligible financial contract with the Debtor.

RECEIVER TO HOLD FUNDS

14. THIS COURT ORDERS that all funds, monies, cheques, instruments and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "**Post Receivership Accounts**") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

EMPLOYEES

15. THIS COURT ORDERS that all employees of the Debtor shall remain the employees of the Debtor until such time as the Receiver, on the Debtor's behalf, may terminate the employment of such employees. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.

16. THIS COURT ORDERS that, pursuant to clause 7(3)(c) of the Canada *Personal Information Protection and Electronic Documents Act*, the Receiver shall disclose personal information of identifiable individuals to prospective purchasers or bidders for the Property and to their advisors, but only to the extent desirable or required to negotiate and attempt to complete one or more sales of the Property (each, a "**Sale**"). Each prospective purchaser or bidder to whom such personal information is disclosed shall maintain and protect the privacy of such information and limit the use of such information to its evaluation of the Sale, and if it does not complete a Sale, shall return all such information to the Receiver, or in the alternative destroy all such information. The purchaser of any Property shall be entitled to continue to use the personal

information provided to it, and related to the Property purchased, in a manner which is in all material respects identical to the prior use of such information by the Debtor, and shall return all other personal information to the Receiver, or ensure that all other personal information is destroyed.

LIMITATION ON ENVIRONMENTAL LIABILITIES

17. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "**Possession**") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the Ontario *Environmental Protection Act*, the *Ontario Water Resources Act*, or the Ontario *Occupational Health and Safety Act* and regulations thereunder (the "**Environmental Legislation**"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

18. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the *Bankruptcy and Insolvency Act* (Canada) or by any other applicable legislation.

RECEIVER'S ACCOUNTS

19. THIS COURT ORDERS that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of

its legal counsel (including fees and disbursements incurred up to and including the date of this Order), incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and shall form a first charge, subject to paragraph 13, on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "**Receiver's Charge**").

20. THIS COURT ORDERS the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

21. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

FUNDING OF THE RECEIVERSHIP

22. THIS COURT ORDERS that the Receiver be at liberty and it is hereby empowered to borrow from Royal Bank of Canada or an affiliate thereof by way of a revolving credit or otherwise, such monies from time to time as it may consider necessary or desirable, provided that the outstanding principal amount does not exceed $250,000 (or such greater amount as this Court may by further Order authorize) at any time, at such rate or rates of interest as it deems advisable for such period or periods of time as it may arrange, for the purpose of funding the exercise of the powers and duties conferred upon the Receiver by this Order, including interim expenditures. The whole of the Property shall be and is hereby charged by way of a fixed and specific charge (the "**Receiver's Borrowings Charge**") as security for the payment of the monies borrowed, together with interest and charges thereon, in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person, but subordinate in priority to the Receiver's Charge and subject to paragraph 13.

23. THIS COURT ORDERS that neither the Receiver's Borrowings Charge nor any other security granted by the Receiver in connection with its borrowings under this Order shall be enforced without leave of this Court.

24. THIS COURT ORDERS that the Receiver is at liberty and authorized to issue certificates substantially in the form annexed as Schedule "A" hereto (the "**Receiver's Certificates**") for any amount borrowed by it pursuant to this Order.

25. THIS COURT ORDERS that the monies from time to time borrowed by the Receiver pursuant to this Order or any further order of this Court and any and all Receiver's Certificates evidencing the same or any part thereof shall rank on a *pari passu* basis, unless otherwise agreed to by the holders of any prior issued Receiver's Certificates.

NOTICE OF THIS ORDER AND DISSOLUTION HEARING

26. THIS COURT ORDERS and directs that the return date for the hearing of the Application in respect of the dissolution of the Debtor and certain related relief (the "**Dissolution Hearing**") shall be •, 2009, or such other date as is set by the Court upon motion by the Applicant.

27. THIS COURT ORDERS that, unless otherwise provided herein or ordered by this Court, no document, order or other material need be served on any Person in respect of these proceedings (other than the Applicant and the Receiver) unless such Person has served a Notice of Appearance on the solicitors for the Applicant and the Receiver and has filed such notice with this Court (such Persons, together with the Applicant and the Receiver, the "**Service List**").

28. THIS COURT ORDERS that the Receiver shall send a copy of this Order to the Debtor and the Debtor GP by prepaid ordinary mail or courier within 3 days after the date hereof.

29. THIS COURT ORDERS that the form of notice to Limited Partners of the making of this Order and the Dissolution Hearing attached as Exhibit "F" to the McDonald Affidavit (the "**Notice to LPs**") is approved and RBC is authorized and directed to send such notice to each Limited Partner.

30. THIS COURT ORDERS that:

(a) the manner of service of the Application Record on the Debtor and the Debtor GP as described in the McDonald Affidavit constitutes good and sufficient service of notice of this Application and the Dissolution Hearing on the Debtor and the

Debtor GP, and except as provided in paragraph 28 no other form of notice or service need be made to the Debtor or the Debtor GP and no other materials need be served upon the Debtor or the Debtor GP in respect of these proceedings, including the Dissolution Hearing, unless the Debtor or the Debtor GP serves a Notice of Appearance as set out in paragraph 27 hereof.

(b) delivery of the Notice to LPs in accordance with paragraph 29 hereof shall constitute good and sufficient service of notice of the Dissolution Hearing on all Limited Partners, and no other form of notice or service need be made and no other materials need be served in respect of the Dissolution Hearing,

except that the Applicants shall also serve the Service List with any additional materials to be used in support of the Dissolution Hearing.

31. THIS COURT ORDERS that in the event the Dissolution Hearing is adjourned, only those Persons on the Service List are required to be served with notice of the adjourned date.

32. THIS COURT ORDERS that any Person who wishes to oppose the relief sought at the Dissolution Hearing shall serve on the Service List a notice setting out the basis for such opposition and a copy of the materials to be used to oppose such relief at least three days before the date set for the Dissolution Hearing, or such shorter time as the Court, by order, may allow.

33. THIS COURT ORDERS that the Applicant, the Receiver, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time, and the Receiver may post a copy of any or all such materials on its website at http://www.kpmg.ca/en/services/advisory/ta/creditorlink.html (the "**Website**").

REPORTING TO LIMITED PARTNERS

34. THIS COURT ORDERS that the Receiver may report from time to time to the Limited Partners on the progress of the Wind Down and other matters relating to the receivership in such manner as the Receiver, in consultation with RBC, consider appropriate (including, without

limitation, through correspondence provided by RBC to its clients who are Limited Partners that enclose such reports or that is otherwise in form and content satisfactory to the Receiver).

GENERAL

35. THIS COURT ORDERS that the Receiver may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

36. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

37. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or elsewhere, including, without limitation, the Cayman Islands, to give effect to this Order and to assist the Receiver and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Receiver, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Receiver and its agents in carrying out the terms of this Order.

38. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

39. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

Schedule "A"

RECEIVER CERTIFICATE

CERTIFICATE NO. _____

AMOUNT $_____

1. THIS IS TO CERTIFY that KPMG Inc., the receiver and manager (the "**Receiver**") of all of the assets, undertakings and properties of Belmont Dynamic Growth Fund appointed by Order of the Ontario Superior Court of Justice (the "**Court**") dated the 6th day of August, 2009 (the "**Order**") made in an action having Court file number 09-CL-_____, has received as such Receiver from the holder of this certificate (the "**Lender**") the principal sum of $_____, being part of the total principal sum of $_____ which the Receiver is authorized to borrow under and pursuant to the Order.

2. The principal sum evidenced by this certificate is payable on demand by the Lender with interest thereon calculated and compounded [daily][monthly not in advance on the _____ day of each month] after the date hereof at a notional rate per annum equal to the rate of _____ per cent above the prime commercial lending rate of Royal Bank of Canada from time to time.

3. Such principal sum with interest thereon is, by the terms of the Order, together with the principal sums and interest thereon of all other certificates issued by the Receiver pursuant to the Order or to any further order of the Court, a charge upon the whole of the Property (as defined in the Order) having the priority set out in the Order, but subject to the right of the Receiver to indemnify itself out of such Property in respect of its remuneration and expenses.

4. All sums payable in respect of principal and interest under this certificate are payable at the main office of the Lender at Toronto, Ontario.

5. Until all liability in respect of this certificate has been terminated, no certificates creating charges ranking or purporting to rank in priority to this certificate shall be issued by the Receiver to any person other than the holder of this certificate without the prior written consent of the holder of this certificate.

6. The charge securing this certificate shall operate so as to permit the Receiver to deal with the Property (as defined in the Order) as authorized by the Order and as authorized by any further or other order of the Court.

7. The Receiver does not undertake, and it is not under any personal liability, to pay any sum in respect of which it may issue certificates under the terms of the Order.

DATED the _____ day of _____, 20__.

KPMG Inc., solely in its capacity
as Receiver of the Property (as defined in the Order), and not in its personal capacity

Per: _____

Name:

Title:

JAMES HAGGERTY HARRIS and BELMONT DYNAMIC GROWTH FUND

Court File No. .

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding Commenced at Toronto

ORDER

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Solicitors for the Debtors
DOCS# 459794v.8

JAMES HAGGERTY HARRIS
Applicant

and

BELMONT DYNAMIC GROWTH FUND,
an Ontario Limited partnership
Respondent

Court File No:

ONTARIO
SUPERIOR COURT OF JUSTICE - COMMERCIAL LIST

Proceeding commenced at Toronto

MOTION RECORD
(RETURNABLE AUGUST 6, 2009)

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