

**PARKLAND INCOME FUND
DISTRIBUTION REINVESTMENT PLAN**

INFORMATION SUMMARY

Purpose of Plan

The Plan enables Participants to invest any and all cash distributions on Eligible Units in additional Units. All such additional Units are purchased in the market or directly from the Fund by the Agent, which acts as agent for the Participants under the Plan.

Definitions

In this Plan, the following terms shall have the following meanings:

"Agent" means the administrator of the Plan appointed from time to time by the trustees of the Fund, which shall initially be Computershare Trust Company of Canada;

"Business Day" means any day other than a day on which the Toronto Stock Exchange is closed for trading, a Saturday or Sunday or a statutory holiday in the City of Calgary, Alberta or the City of Toronto, Ontario;

"Distributable Cash" means all amounts distributed or to be distributed to Unitholders in accordance with the Fund Declaration of Trust during any applicable period;

"Eligible Units" means Units held by a Participant;

"Enrolment Form" means the enrolment form attached hereto;

"Fund" means the Parkland Income Fund;

"Fund Declaration of Trust" means the declaration of trust dated as of April 30, 2002, pursuant to which the Fund was created, as amended, supplemented or restated from time to time;

"Participant" means a Unitholder, other than a citizen or resident of the United States of America, who has enrolled in the Plan;

"Payable Date" means a date on which the Agent is required to make a distribution of Distributable Cash, which date shall be the 15th day of the month following each Distribution Record Date or, if any such day is not a Business Day, the next following Business Day or otherwise in accordance with the Fund Declaration of Trust;

"Plan" means this Unitholder's distribution reinvestment plan;

"Plan Units" means whole or fractional Units purchased or held under the Plan;

"Record Date" means the date for determination of registered unitholders of the Fund entitled to receive a cash distribution, which date, until otherwise determined by the trustees of the Fund, shall be the last Business Day of each month of each year, provided that, in any event, December 31 of each year shall be a Record Date;

"Unitholder" means a registered holder of a Unit of the Fund; and

"Units" means the units of the Fund, including Plan Units.

Advantages

Under the Plan, a Participant may purchase additional Units with the regular periodic cash distributions paid on the Eligible Units which are held by the Participant or held in a Participant's account maintained pursuant to the Plan. The price at which Units will be purchased with such cash distributions will be either the prevailing market price or a price equal to the ten day weighted average trading price of the Units prior to the Record Date, whichever price is lower. No additional fees or commissions are payable by Participants in connection with purchases of Units under the Plan.

Full investment of Participants' funds is possible under the Plan because the Plan permits fractions of Units as well as whole Units to be purchased and held for Participants. Distributions in respect of whole Units and fractions of Units purchased under the Plan will be held by the Agent for the Participants' accounts and automatically invested under the Plan in additional Units.

ADMINISTRATION

The Fund promptly pays to the Agent, on behalf of Participants in the Plan, all cash distributions paid on their Eligible Units. The Agent uses such funds to purchase additional Units for the Participants either from the market or from the Fund. The Fund may, in its discretion, limit the number of Units available to the Unitholders under the Plan. If Units from treasury are not available Additional Units will be purchased in the market. Additional Units purchased under the Plan are registered in the name of the Agent as agent for the Participants in the Plan.

Accounts under the Plan are maintained by the Agent on behalf of the Participants. An account shall be set up for each Participant as a sub-account of, and directly linked with, the Unitholder's registered account outside the Plan.

The Fund, in conjunction with the Agent, may from time to time adopt rules and regulations to facilitate the administration of the Plan. The Fund also reserves the right to regulate and interpret the Plan as it deems necessary or desirable to ensure the efficient and equitable operation of the Plan.

PARTICIPATION

Participation in the Plan

Any Canadian resident holder of Eligible Units may enroll in the Plan at any time by completing an Enrolment Form and returning it to the Agent. Once a Participant has enrolled in the Plan, participation continues automatically unless terminated in accordance with the terms of the Plan. Beneficial owners of Eligible Units whose Units are not registered in their own names may participate in the Plan by either having their Units transferred into their own names or, if the Units are held in a specific segregated registered account such as a numbered account with an investment dealer or other nominee, directing that investment dealer or nominee to enroll such account in the Plan with respect to such Units.

If any Units of the Fund are held by a citizen or resident of the United States of America, such Unitholder is not eligible to participate in the Plan. Unitholders resident in countries other than the United States of America, may participate in the Plan upon providing evidence to the Agent of compliance with local laws. Upon becoming a citizen or resident of the United States of America, a Participant shall forthwith notify the Agent and the Participant's participation in the Plan will be immediately terminated.

An Enrolment Form may be obtained from the Agent at any time upon written request addressed to the Agent. The Enrolment Form directs the Fund to forward to the Agent, and the Agent to invest in additional Units, all of the Participant's cash distributions on Eligible Units. The Agent will apply such funds received under the Plan to the purchase of additional Units. If a Unitholder delivers a duly completed Enrolment Form to the Agent not less than 5 Business Days prior to a Record Date, the Unitholder will be enrolled in the Plan, prior to such Record Date and cash distributions related to such Record Date will be invested by the Agent on behalf of the Participant pursuant to the Plan. If the Enrolment Form is delivered to the Agent less than 5 Business Days prior to the Record Date the Participant will not be enrolled in the Plan until the next Record Date.

Distributions paid on Units held by the Agent for the account of a Participant under the Plan will be automatically reinvested in additional Units on each Payable Date.

Transfer of Participation Rights

The right to participate in the Plan may not be transferred by a Participant without the approval of the Fund and the applicable securities regulatory authorities.

Withdrawal of Units

A Participant may withdraw Units by completing a withdrawal form which shall indicate the number of Plan Units the Participant wishes to withdraw. The withdrawal form must be received by the Agent not less than 5 Business Days prior to the Record Date. The Agent shall satisfy the withdrawal request by delivering all requested Units (other than fractional Units) to the Participant.

Termination of Participation

Participation in the Plan may be terminated by a Participant at any time by giving written notice to the Agent. Such written notice may be made by using the form which will be enclosed with each quarterly statement sent to the Participants and must be received by the Agent not less than 5 Business Days prior to a Record Date.

The Fund reserves the right to terminate the right of a Participant to continue in the Plan where such Participant has failed to comply with the terms of the Plan or, in the reasonable opinion of the Fund, abused the Plan to the detriment of the Fund or its Unitholders.

When participation in the Plan is terminated, the Participant will receive a certificate for the whole Units held for such Participant's account and a cheque payment for any fractional Units. Any fractional Unit interest will be paid in cash calculated on the basis of the last price paid by the Agent for Units purchased under the Plan from reinvested cash distributions, less any commission costs.

Upon termination, a Participant may request in writing that the Agent arrange for the sale by a registered stockbroker on behalf of the Participant of the Units held by the Agent, provided that these constitute less than a board lot. The Units may be sold on a commingled basis with the other Units of the Fund by the Agent on behalf of other Participants. Upon receipt of such written request, the Agent will arrange for the sale of such odd-lot holdings. Net proceeds of such sale will be forwarded by the Agent by cheque to the Participant. Any brokerage fees or commissions payable on such sale will be pro-rated among all the selling Participants.

Participation in the Plan will be terminated automatically upon receipt by the Agent of a written notice of the death of a Participant. Thereafter, all distributions paid in respect of the deceased's Eligible Units will be paid by cheque. In the case of termination of participation due to death, a certificate for whole Units and a cheque for payment in lieu of fractional Units, if any, will be issued by the Agent in the name of the deceased Participant, and the Agent will send such certificates and the cheque for any fractional Unit to the representative of the deceased Participant.

Participation in the Plan will also terminate upon transfer or disposition of all of a Participant's Eligible Units in the Plan.

Amendment, Suspension or Termination of the Plan

Subject to the prior approval of any amendments to the Plan by the Toronto Stock Exchange, the Fund has the right to amend, suspend or terminate the Plan upon written notice of not less than thirty days to the Agent and Participants of the Plan.

In the event of termination of the Plan by the Fund, certificates for whole Units held for Participants' accounts under the Plan and cheque payments for any fractional Unit will be remitted within three weeks by the Agent to the Participants. In the event of suspension of the Plan by the Fund, no investment will be made by the Agent on the Payable Date(s) following the effective date of such suspension. Any cash distribution subject to the Plan and paid after the

effective date of any such suspension will be remitted by the Agent to the Participants by cheque only.

Rights Offering

In the event the Fund makes available to holders of Eligible Units rights to subscribe for additional Units or other securities, the Agent will send rights certificates to each Participant in respect of the whole Units held for a Participant's account under the Plan on the record date for such rights issue. Subject to applicable law and provided there is a trading market for the rights, rights based on fractional Units held for a Participant's account will be sold by the Agent and the proceeds of such sale, less any brokerage commission, forwarded to the Participants as soon as practicable.

Unit Splits and Unit Distributions

If Units of the Fund are distributed pursuant to a Unit split or Unit distribution on Eligible Units, such Units received by the Agent for Participants under the Plan will be retained by the Agent or its nominee and credited proportionately to the accounts of the Participants in the Plan.

Unitholder Voting

Whole Units held for a Participant's account under the Plan on the record date for a vote of Unitholders will be voted in the same manner as such Participant's Eligible Units are voted.

PRICE OF UNITS AND COSTS

Price of Additional Units

On each Payable Date, the Fund shall transfer electronically to the Agent a dollar amount equal to the Distributable Cash, on the Eligible Units of all Participants.

The Fund shall advise the Agent of the price at which the Agent shall purchase Units under the Plan. Each Participant's account will be credited with that number of Units purchased for the Participant (including fractions computed to four decimal places) which is equal to the amount to be invested for the Participant divided by the price.

Costs

There are no additional fees or commissions payable in connection with the issuance of Units under the Plan. All administrative costs of the Plan are borne by the Fund.

RECORDING AND CERTIFICATES

Reports to Participants

An account will be maintained by the Agent or its nominee for each Participant in the Plan. A statement will be mailed to each Participant quarterly and it will indicate the number and price of Units purchased on behalf of the Participant. These statements will be the Participant's

continuing record of purchases made and Units issued and should be retained for income tax purposes. In addition, each Participant will be sent annually the appropriate information for tax reporting purposes.

Certificates for Units

Units purchased under the Plan will be held by the Agent for Participants in the Plan. Certificates for such Units will not be issued to Participants unless specifically requested.

A Participant may, upon written request to the Agent, receive a Unit certificate issued in the Participant's name for any number of whole Units held for the Participant's account under the Plan even though the Participant is not terminating participation in the Plan. Normally, a certificate will be sent to a Participant within three weeks of receipt by the Agent of a Participant's request. Any remaining whole Units and fractional Units will continue to be held for the Participant's account under the Plan. No certificate requests will be processed between a Record Date and the related Payable Date. Any such requests will be processed immediately following the related Payable Date.

Units held by the Agent for a Participant may not be pledged, sold or otherwise disposed of by the Participant while so held. A Participant who wishes to effect any such transaction must request that the certificates for such Units be issued in the Participant's name.

RESPONSIBILITIES OF THE FUND AND THE AGENT

The Fund and the Agent shall not be liable for any act or any omission to act in connection with the operation of the Plan including, without limitation, any claims for liability:

- (a) arising out of failure to terminate a Participant's account upon such Participant's death prior to receipt of notice in writing of such death; and
- (b) the prices at which Units are purchased or sold for the Participant's account and the times such purchases or sales are made.

Participants should recognize that neither the Fund nor the Agent can assure a profit or protection against a loss on the Units purchased or sold under the Plan.

INCOME TAX CONSIDERATIONS

The following is a general summary of the principal Canadian federal income tax considerations generally applicable to Participants in the Plan who are resident in Canada, deal at arm's length with the Fund and hold their Units as capital property. This summary is of a general nature only and is based upon the current provisions of the *Income Tax Act* (Canada) (the "Act"), the Regulations under the Act, the current administrative practices of the Canada Customs and Revenue Agency ("Revenue Canada"), and the specific proposals to amend the Act and Regulations thereunder publicly announced by the Minister of Finance (Canada) prior to the date hereof (the "Tax Proposals"). There is no assurance that the Tax Proposals will be enacted in the form proposed, if at all. This summary is not exhaustive of all possible Canadian federal income

tax consequences and except for the Tax Proposals, does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial action, nor does it take into account provincial or foreign tax legislation or considerations. No advance income tax ruling has been sought or obtained from Revenue Canada to confirm the foregoing tax considerations. THIS SUMMARY IS NOT INTENDED TO BE, NOR SHOULD IT BE CONSTRUED TO BE, LEGAL OR TAX ADVICE TO ANY PROSPECTIVE PARTICIPANT. ACCORDINGLY, PROSPECTIVE PARTICIPANTS SHOULD CONSULT WITH THEIR TAX ADVISORS FOR ADVICE WITH RESPECT TO THE TAX CONSEQUENCES TO THEM HAVING REGARD TO THEIR OWN PARTICULAR CIRCUMSTANCES.

Tax on Distributions

Participants in the Plan will be allocated the same amount of income for income tax purposes on a per Unit basis as non-participants. Participants will receive after the end of each taxation year a Canada Customs and Revenue Agency prescribed form indicating the amount of income allocated to the Participant and where relevant, its character for income tax purposes.

Adjusted Cost Base

The net effect of participating in the Plan will be to increase the Participant's total cost of all of the Participant's Units by the amount reinvested by the Participant. Participants will be required to determine the adjusted cost base of individual Units on an averaged basis.

Disposition of Fractional Units

Cash received in lieu of a fractional Unit upon termination of participation in the Plan will be considered proceeds of disposition for such fractional Unit. Accordingly, the Participant will be required to recognize any resulting taxable capital gain or allowable capital loss in respect of such fractional Units at the time such cash is received.

NOTICES

All notices required to be given under the Plan shall be mailed to a Participant at the address shown on the records of the Plan or at a more recent address as furnished by the Participant to the Fund.

Notices to the Fund shall be sent to:

Parkland Income Fund
Suite 236
4919 - 59th Street
Red Deer, Alberta
T4N 6C9

Effective Date of the Reinvestment Plan

The effective date of the Plan is September 1, 2002