

DECLARATION OF TRUST AMENDING AGREEMENT

Declaration of trust amending agreement (the “**Declaration of Trust Amending Agreement**”) dated Dec 20th 2010 among the trustees (the “**Trustees**”) of SIR Royalty Income Fund (the “**Fund**”).

RECITALS:

- (1) The Fund was constituted by a declaration of trust made August 23, 2004, as amended and restated by the amended and restated declaration of trust made on October 12, 2004 (the “**Declaration of Trust**”).
- (2) The unitholders of the Fund and the holders of Class A GP Units of SIR Royalty Limited Partnership, by special resolution passed at a special meeting held on December 20, 2010, have approved the amendments to the Declaration of Trust set out herein (the “**Amendments**”).
- (3) The Trustees wish to document and effect the Amendments.

The Trustees, being all the Trustees of the Fund, hereby confirm and declare that the Declaration of Trust shall be amended as follows:

Section 1 Amendments.

- (1) Section 5.4(2) is hereby deleted in its entirety.
- (2) Section 5.4(3) is hereby deleted and replaced with the following:
 - (3) Any distribution made pursuant to this Section 5.4 shall be payable to each Unitholder of record on the applicable record date pro rata in proportion to the number of Units held of record by such Unitholder on such applicable record date. Subject to Section 5.7, amounts which have been declared to be payable to Unitholders pursuant to Section 5.4 shall be paid in cash on the Distribution Payment Date determined by the Trustees in respect of such distribution.
- (3) Section 5.7(2) is hereby deleted and replaced with the following:
 - (2) The value of each Unit which is issued pursuant to Section 5.7(1) shall be the Market Price of the Units on the principal marketplace on which the Units are quoted for trading during the 10 trading day period ending on the trading day immediately prior to (i) the applicable Distribution Record Date in respect of a distribution pursuant to Section 5.3, or (ii) the applicable record date in respect of a distribution under Section 5.4(1).

- (4) The addition of the following new paragraph to the end of section 10.1(b):

Notwithstanding anything to the contrary contained in this Declaration of Trust, including without limitation in Section 9.3 hereof, the Trustees are authorized on behalf of the Fund to make or approve the making of any amendments to this Declaration of Trust and/or any other agreement that are, in their opinion, necessary or desirable in connection with the application of International Financial Reporting Standards or the Specified Investment Flow-Through (SIFT) tax rules, provided that the approval of SIR Corp. is obtained thereto.

Section 2 Reference to and Effect on the Declaration of Trust.

On and after the date hereof, each reference in the Declaration of Trust and to "hereunder", "hereof", "herein", or words of like import, and each reference to the Declaration of Trust in any and all other agreements, documents and instruments delivered by all or any one or more of the parties hereto and any other person or corporation shall mean and be a reference to the Declaration of Trust as amended hereby. Except as expressly amended hereby, the Declaration of Trust shall remain in full force and effect and is hereby ratified and confirmed.

Section 3 Counterparts.

This Agreement may be executed in several counterparts (including by facsimile), and all such counterparts taken together shall be deemed to constitute but one and the same instrument.

Section 4 Governing Law.

This Declaration of Trust Amending Agreement shall be governed by and interpreted and enforced in accordance with the laws of Ontario and the federal laws of Canada applicable therein. Each of the parties irrevocably attorns and submits to the non-exclusive jurisdiction of the Ontario courts.

Section 5 Severability.


If any provision of this Declaration of Trust Amending Agreement shall be held invalid or unenforceable in any jurisdiction, such invalidity or unenforceability shall attach only to such provision in such jurisdiction and shall not in any manner affect or render invalid or unenforceable such provision in any other jurisdiction or any other provision of this Declaration of Trust Amending Agreement in any jurisdiction.

IN WITNESS WHEREOF the parties below have executed this Declaration of Trust Amending Agreement.

TRUSTEES:




Peter Fowler




Ken Fowler



William Rogers



John McLaughlin



Peter Luit

ACKNOWLEDGED AND AGREED this 20th day of Dec, 2010.

SIR CORP.

By: 
Authorized Signing Officer