

## ACKNOWLEDGEMENT AND CONSENT

This **ACKNOWLEDGEMENT AND CONSENT** (“**Consent**”) is dated as of \_\_\_\_\_, 20\_\_\_, between \_\_\_\_\_ (the “**Shipper**”) and Computershare Trust Company of Canada, as Canadian Security Trustee (in such capacity, together with its successors and assigns, the “**Security Trustee**”).

### WHEREAS:

- A. Each of (i) Alliance Pipeline Limited Partnership, a limited partnership formed under the laws of the Province of Alberta (the “**Borrower**”), (ii) Alliance Pipeline L.P., a limited partnership formed under the laws of the State of Delaware (“**Alliance USA**”), (iii) the Security Trustee, and (iv) certain lenders, lenders’ representatives, agents and trustees have entered into the Amended and Restated Common Agreement dated as of May 16, 2003, as amended to the date hereof (and as further amended, supplemented, restated or otherwise modified from time to time, the “**Common Agreement**”) governing the terms and conditions on which financing has been, and may from time in the future be, made available, or credit has been or may be extended, to the Borrower and Alliance USA by certain parties as described therein (the “**Financing Parties**”).
- B. The Shipper and the Borrower have entered into and may in the future enter into one or more firm transportation service agreements for firm transportation service on the Canadian portion of the Alliance Pipeline natural gas transmission system (the “**Pipeline**”) for services commencing on December 1, 2015 for a service term of greater than or equal to 11 months, for services commencing after December 1, 2015 for a service term of greater than or equal to one year, or for staged services commencing on or after December 1, 2015 for any service term, as the same may be amended, supplemented, restated or replaced from time to time (each, a “**Contract**”).
- C. The Borrower has entered into the Second Amended and Restated Canadian Security Agreement effective as of December 1, 2015 (the “**Security Agreement**”) providing, among other things, for the assignment by the Borrower to the Security Trustee (for the benefit of the Financing Parties) of all of the Borrower’s rights, title and interest under each Contract as security for the performance of the Obligations of the Borrower as defined in the Security Agreement.
- D. This Consent is required to be provided concurrently with the initial Contract being entered into.

**NOW THEREFORE** for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

- 1. **Shipper Acknowledgements and Confirmations.** The Shipper hereby acknowledges and confirms to the Security Trustee that:
  - (a) each Contract in effect on the date hereof has been duly authorized, executed and delivered by the Shipper, and each Contract entered into after the date hereof will be duly authorized, executed and delivered by the Shipper;
  - (b) the Shipper has not received from the Borrower any notice of assignment of its rights, title and interest in and to each Contract, except to the Security Trustee; and

- (c) the Shipper does not have an existing right of set-off with respect to its obligations under any of the Contracts and the Shipper has not asserted any right to terminate any Contract.
2. **Assignment and Consent.** The Shipper hereby acknowledges receipt of notice of, and consents to, the Borrower's assignment to the Security Trustee of all of the Borrower's rights, title and interest under each Contract.
3. **Shipper Covenants.** The Shipper covenants and agrees with the Security Trustee that:
- (a) it shall, until it has received written notice to the contrary from the Security Trustee, pay any and all amounts payable by it under each Contract which it pays by electronic funds transfer directly to the designated receipts account maintained by the Security Trustee as trustee for the Borrower (currently being account no. 10009-01737-11 at The Bank of Nova Scotia's Commercial Banking Centre, branch no. 12989), or at such other place as may be specified by the Security Trustee by written notice to the Shipper, and all amounts so paid shall be deemed paid to the Borrower under the Contract and will satisfy and discharge the Shipper's payment obligation in respect thereof under the Contract;
  - (b) it shall give the Security Trustee written notice of any default by the Borrower under a Contract (the "**Default Notice**") concurrently with, or promptly after, any such notice is given to the Borrower, setting out the particulars of the default by the Borrower which are the basis of such notice; and
  - (c) if it has received written notice from the Security Trustee that an Event of Default as defined in the Common Agreement has occurred and is continuing, it shall not enter into an agreement with the Borrower amending, supplementing or modifying any Contract unless it receives the prior written consent of the Security Trustee to such agreement or written notice from the Security Trustee that the Event of Default has been cured or waived, unless such amendment, supplement or modification:
    - (i) is effected by, or made in compliance with, an order or directive of the National Energy Board or any similar or successor governmental authority having jurisdiction over the Borrower or the Pipeline, or is a necessary or reasonable action taken in response to such order or directive;
    - (ii) will result in no reduction of the revenues payable to the Borrower under the Contract nor any extension of the time for payments required thereunder;
    - (iii) relates to a change under the Contract in the designation of an approved "Receipt Point" or an increase in the "Contracted Capacity" (as such terms are defined in the Contract); or
    - (iv) relates solely to the operation, maintenance or specifications of the Pipeline or any combination thereof.
4. **Rights of Security Trustee.** The Shipper agrees that until the Security Trustee has delivered a written notice to the Shipper to the contrary, upon the Security Trustee receiving a Default Notice under Section 3(b) hereof, the Security Trustee shall have the right, but not the obligation, to cure any or all of the defaults listed in the Default Notice and Shipper shall not be entitled to exercise any right or remedy

or take any proceeding as a result of the defaults specified therein until 60 days have elapsed after a copy of such Default Notice has been given to the Security Trustee. If all such defaults are timely cured by the Security Trustee, or a nominee acting on behalf of the Security Trustee, there shall no longer be deemed to be any default under the Contract in respect of such defaults so cured. No curing of any defaults under the Contract shall be construed as an assumption by the Security Trustee of any of the obligations, covenants or agreements of the Borrower under the Contract unless the Security Trustee has agreed in writing in an "Assumption Notice" (as defined below) to be so bound.

5. **Realization by Security Trustee.** The Security Trustee shall have no right or power to enforce any Contract, and assumes no duty or obligation thereunder, unless and until an Event of Default has occurred and is continuing under the Common Agreement and the Security Trustee shall have notified the Shipper that it has elected to exercise its rights and remedies as a secured creditor and to substitute itself in the position of the Borrower under the Contract. If the Security Trustee has elected to enforce any Contract, including by a receiver, manager or receiver-manager appointed or designated by the Security Trustee, the Security Trustee shall either:

- (a) give the Shipper written notice (an "**Assumption Notice**") stating that the Security Trustee is assuming the Contract, whereupon:
  - (i) the Security Trustee (or the receiver, manager or receiver-manager appointed or designated by the Security Trustee (a "**Nominee**")) shall be entitled to all the rights and benefits, and shall assume, perform and discharge all the obligations and liabilities, of the Borrower thereunder, and the Security Trustee or its designate, as applicable, shall be bound thereby as if an original signatory to the Contract in the place of the Borrower, and
  - (ii) notwithstanding subparagraph 5(a)(i), the Security Trustee and its Nominee shall (A) not be liable to the Shipper under any circumstances for any prior act or omission of the Borrower or for defaults of the Borrower occurring before the Assumption Notice is given, and (B) have no liabilities, duties or obligations to the Shipper under the Contract, except as arose during the period after the Assumption Notice is given and until the Security Trustee or its Nominee assigns the Contract to a Third Party Transferee meeting the requirements of Section 5(b); or
- (b) give the Shipper written notice that the Security Trustee wishes to cause the Borrower to assign all of its rights, title and interest in and to the Contract to a third person (a "**Third Party Transferee**") which is acquiring the Pipeline or the right to operate the Pipeline, provided that the Third Party Transferee shall (i) not be liable to the Shipper under any circumstances for any prior act or omission of the Borrower or for defaults of the Borrower occurring before the Contract was transferred to the Third Party Transferee and (ii) have no liabilities, duties or obligations to the Shipper under the Contract, except as arose during the period after the Contract was transferred to the Third Party Transferee, and provided further that the Third Party Transferee shall, at the time of such transfer, have sufficient industry experience and financial resources, in the reasonable judgment of the Security Trustee, so as to be capable of performing the obligations assumed by it under the Contract.

6. **Rights and Obligations Not Affected.** Nothing in this Consent, and neither the giving of an Assumption Notice nor any assignment to a Third Party Transferee, shall release the Borrower from its obligations to the Shipper under and in relation to each Contract. Nothing in this Consent prevents or restricts the right of the Security Trustee to cure, or cause the cure of, any default of the Borrower under each Contract that would be curable by the Borrower, whether or not an Assumption Notice is given.

7. **Notices.** All notices and other communications hereunder shall be in writing, shall refer on their face to each Contract (although failure to so refer shall not render any such notice or communication ineffective), shall be sent by facsimile or electronic form, by hand or by overnight courier service and shall be directed to the Shipper or the Security Trustee at the address set out opposite its name on the signature pages hereto, or to such other address as the Shipper or the Security Trustee may designate by prior written notice to the other parties hereto given pursuant hereto, in each case with a copy of such any notice or other communication hereunder being sent to the Borrower in accordance with each Contract.

8. **Miscellaneous.**

- (a) **Further Assurances.** The Shipper agrees, at the Borrower's request and expense, to promptly provide such documents or assistance as may be reasonably requested by the Security Trustee to give effect to this Consent in accordance with its terms.
- (b) **Successors and Assigns.** This Consent shall be binding upon and inure to the benefit of the Shipper, the Security Trustee and their respective successors and assigns.
- (c) **Governing Law.** This Consent shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
- (d) **Attornment.** Each of the Shipper and the Security Trustee hereby irrevocably and unconditionally attorns to the courts of the Province of Alberta, and to courts to which appeals therefrom may be taken, in connection with any action, suit or proceedings commenced under or in relation to this Consent.
- (e) **Severability.** Any provision of this Consent which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof.
- (f) **Amendments, Waiver.** Neither this Consent nor any of the terms hereof may be terminated, amended, supplemented, waived or modified except by an instrument in writing signed by the Shipper and the Security Trustee, and acknowledged by the Borrower.
- (g) **Acknowledgement re: Financing Parties.** This Consent is granted to the Security Trustee in its capacity as Canadian Security Trustee for the benefit of the Financing Parties under the Common Agreement. All of the covenants, representations, warranties, rights, benefits and protections made or given in favour of the Security Trustee hereunder are acknowledged by the Shipper to be, and shall be interpreted to be, for the joint and several benefit of the Security Trustee and the Financing Parties.

(h) **Separate Counterparts.** This Consent may be executed in separate counterparts, each of which when so executed and delivered shall be an original but all such counterparts shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the parties hereto have executed this Consent as of the day and year first-above written.

Address: 600, 530-8th Avenue S.W.,  
Calgary, Alberta T2P 3S8  
Attention: Manager, Corporate Trusts  
Facsimile: (403) 267-6598  
Email: [karen.biscope@computershare.com](mailto:karen.biscope@computershare.com)

**COMPUTERSHARE TRUST COMPANY OF CANADA,  
solely in its capacity as Canadian Security Trustee**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
**(Name of Shipper)**

Per: \_\_\_\_\_

Attention: \_\_\_\_\_

Name: \_\_\_\_\_

Facsimile: \_\_\_\_\_

Title: \_\_\_\_\_

Email: \_\_\_\_\_

**CONSENTED TO:**

**ALLIANCE PIPELINE LIMITED PARTNERSHIP by its  
General Partner, Alliance Pipeline Ltd.**

Per: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_