

## GUARANTEE

**THIS GUARANTEE** is made as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_,

**BY:**

**[NAME]**, a [*corporation/partnership/other*] organized under the laws of [\_\_\_\_\_] (the “**Guarantor**”)

**IN FAVOUR OF:**

**ALLIANCE PIPELINE LIMITED PARTNERSHIP**, formed under the laws of the Province of Alberta as a limited partnership (the “**Transporter**”)

**RECITALS:**

A. **[NAME]** (the “**Shipper**”) has entered into, proposes to enter into, and may in the future enter into one or more:

- (i) interruptible transportation service agreements for services commencing on or after December 1, 2015,
- (ii) term park and loan service agreements for services commencing on or after December 1, 2015,
- (iii) firm rich gas service agreements for services commencing on or after December 1, 2015, and/or
- (iv) firm transportation service agreements for non-staged services commencing on December 1, 2015 for a service term of less than 11 months, or for non-staged services commencing after December 1, 2015 for a service term of less than one year,

with the Transporter; in each case, dated before, on or after the date of this Guarantee, relating to the Transporter’s provision of services to the Shipper on the Transporter’s pipeline and associated facilities (the “**System**”), including but not limited to any such agreement that may originally have been entered into between the Transporter and a third party whose rights have since been assigned to the Shipper in accordance with the Transporter’s Tariff (defined below) pursuant to an assignment and novation agreement (each agreement referred to in this clause being a “**Guaranteed Agreement**”).

B. The Guarantor has received and will receive substantial direct and indirect benefits from the Shipper entering into each Guaranteed Agreement, and the Guarantor has agreed to guarantee the payment by the Shipper of all obligations, liabilities and indebtedness of the Shipper to the Transporter under or in respect of each and every one of the Guaranteed Agreements (collectively, the “**Guaranteed Obligations**”).

**NOW THEREFORE**, in consideration of the Transporter entering into one or more Guaranteed Agreements and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Guarantor agrees in favour of the Transporter as follows:

## ARTICLE 1 - GUARANTEE

### 1.1 Guarantee

The Guarantor unconditionally and irrevocably guarantees to and for the benefit of the Transporter the due and punctual payment of all Guaranteed Obligations. The guarantee contained herein is an absolute, unconditional, present and continuing guarantee of payment and not of performance or collection. Any amounts which may not be recoverable from the Guarantor as guarantor under this Guarantee shall be recoverable from the Guarantor as principal debtor in respect thereof and shall be paid to the Transporter by the Guarantor after demand therefor.

### 1.2 No Set off by Guarantor; Reinstatement

All amounts payable by the Guarantor under this Guarantee shall be paid without set-off or counterclaim and without any deduction or withholding whatsoever. The guarantee herein shall be reinstated if at any time any payment of any Guaranteed Obligation is rescinded or must otherwise be returned by the Transporter as a result of any voluntary or involuntary receivership, insolvency proposal, bankruptcy, compromise, arrangement, reorganization, winding-up, dissolution or other similar proceedings, whether or not any of the foregoing is judicial in nature (collectively, "**Proceedings**") of or affecting the Shipper or the Guarantor or for any other reason whatsoever, all as though such payment had not been made. The Transporter may concede or compromise any claim that such payment ought to be rescinded or otherwise returned, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder or the effect of this Section 1.2.

## ARTICLE 2 - ENFORCEMENT

### 2.1 Demand

Upon default after any applicable grace or cure period in the payment of the Guaranteed Obligations or any part thereof, the Guarantor shall, on demand by or on behalf of the Transporter, forthwith pay to the designated receipts account maintained by Computershare Trust Company of Canada as security trustee for the Transporter (currently being account no. 10009-01737-11 at The Bank of Nova Scotia Commercial Banking Centre, branch 12989) (the "**Receipts Account**") all Guaranteed Obligations for which such demand was made. Any statement in writing of the Transporter as to the amount of the Guaranteed Obligations and all other amounts payable hereunder shall be binding upon the Guarantor and conclusive against it in the absence of manifest error. The Transporter shall not be bound to make any demand on or to seek or exhaust its recourse against the Shipper or any other Person or any security held by it before being entitled to demand payment from the Guarantor and enforce its rights under this Guarantee. The Guarantor hereby renounces all benefits of discussion and division.

### 2.2 Interest

All amounts payable by the Guarantor under this Guarantee shall bear interest in accordance with the Transporter's NEB Gas Tariff and the terms of the relevant Guaranteed Agreement, both before and after demand, default and judgment. Interest on the amounts payable by the Guarantor hereunder shall be payable by the Guarantor to the Receipts Account on demand by the Transporter.

### ARTICLE 3 - PROTECTION OF THE TRANSPORTER

#### 3.1 Liability of Guarantor Absolute

The Transporter shall not be concerned to see or enquire into the capacity and powers of the Shipper or its directors, officers, employees or agents acting or purporting to act on its behalf. All obligations, liabilities and indebtedness purporting to be incurred by the Shipper in favour of the Transporter in connection with any Guaranteed Agreement shall be deemed to form part of the Guaranteed Obligations even though (i) the Shipper may not be a legal entity, or (ii) the incurring of such obligations, liabilities or indebtedness was irregularly, fraudulently, defectively or informally effected or in excess of the capacity or powers of the Shipper or its directors, officers, employees or agents, or (iii) the Shipper or the Transporter failed to obtain any authorization or approval from or other action by, or to notify or file with, any governmental authority required in connection with the performance of the Guaranteed Obligations. This Guarantee shall be a continuing guarantee and the liability of the Guarantor hereunder shall be absolute, unconditional and irrevocable and shall not be discharged, diminished or in any way affected by:

- (a) any amalgamation, merger, consolidation, reorganization or continuation under a different jurisdiction of the Shipper, the Guarantor or the Transporter, or any change in the name, business, objects, capital structure, ownership, constating documents, by-laws or resolutions of the Shipper, the Guarantor or the Transporter, including without limitation any transaction (whether by way of transfer, sale or otherwise) whereby all or any part of the undertaking, property and assets of the Shipper, the Guarantor or the Transporter becomes the property of any other person;
- (b) any Proceedings of or affecting the Shipper, the Guarantor, the Transporter or any other person and any court orders made or action taken by the Shipper, the Guarantor, the Transporter or any other person under or in connection with those Proceedings, whether or not those Proceedings or orders or that action results in any of the matters described in this Article 3 occurring with or without the consent of the Transporter, or the fact that the Shipper ceases to be liable for any reason whatsoever to the Transporter in respect of all or any part of the Guaranteed Obligations for any reason arising from or relating to any event or circumstance set forth or contemplated in this Article 3 or for any reason otherwise than pursuant to the express terms of any Guaranteed Agreement or the actual payment of those Guaranteed Obligations;
- (c) the execution, after the effective date of this Guarantee, of any additional agreements for services on the System between the Shipper and the Transporter, or of any amendment thereto or restatement thereof; or
- (d) any lack of validity, enforceability or value of any Guaranteed Agreement or any agreement or instrument relating to a Guaranteed Agreement or to any security therefor, or any loss of security (whether occasioned through the fault of the Transporter or otherwise) or any defence, counterclaim or right of set-off available to the Shipper with respect to the Guaranteed Obligations arising from any event or circumstance set forth or contemplated in this Article 3 or any other circumstance which might otherwise constitute in whole or in part a defence available to, or a discharge of, the Guarantor, the Shipper or any other person in respect of the Guaranteed

Obligations or the liability of the Guarantor or the Shipper other than the actual payment thereof.

Without limiting the generality of the foregoing, if the exercise of remedies under any Guaranteed Agreement or any consequences thereof provided in the Guaranteed Agreement shall at any time be prevented by reason of any Proceeding, the Guarantor agrees that, solely for purposes of this Guarantee and its obligations hereunder, the Guaranteed Agreement shall be deemed to have been declared in default and all amounts thereunder shall be deemed to be due and payable, with all the attendant consequences as provided for in such agreement as if declaration of default and the consequence thereof had been accomplished in accordance with the terms thereof, and the Guarantor shall forthwith pay the Guaranteed Obligations. The Guarantor agrees that repeated and successive demands may be made and recoveries may be had hereunder as and when, from time to time, the Shipper shall default under or fail to comply with terms of any Guaranteed Agreement and, notwithstanding the recovery hereunder for or in respect of any given default or failure to so comply with the terms of any Guaranteed Agreement, this Guarantee shall remain in force and effect and shall apply to each and every subsequent default or failure to comply with the terms of any Guaranteed Agreement.

### **3.2 Dealings by the Transporter**

The Transporter may from time to time in its absolute discretion, without discharging, diminishing or in any way affecting the liability of the Guarantor hereunder:

- (a) permit any increase or decrease, however significant, of the Guaranteed Obligations or otherwise supplement, amend, renew, restate or substitute, in whole or in part, however significant, the Guaranteed Obligations, any Guaranteed Agreement, the time, manner or place of payment of the Guaranteed Obligations, or any other agreement relating to any of the foregoing;
- (b) enforce or take action under or abstain from enforcing or taking action under any Guaranteed Agreement or any other guarantee of the Guaranteed Obligations and receive, give up, subordinate, release or discharge any security; supplement, amend, restate, substitute, renew, abstain from renewing, perfect or abstain from perfecting or maintaining the perfection of any security; enforce, take action under or realize in any manner or abstain from enforcing, taking action under or realizing any security; deal with or abstain from dealing with all or any part of the undertaking, property and assets covered by any security; apply the proceeds from any security or any other realization process in any manner as they deem appropriate; or allow or abstain from allowing the Shipper or other persons to deal with all or any part of such undertaking, property and assets;
- (c) grant extensions of time or any other indulgences to the Shipper or to any other person liable directly or indirectly for all or any part of the Guaranteed Obligations, accept or make any compositions or arrangements with or release, discharge or otherwise deal with or abstain from dealing with the Shipper or any other person liable directly or indirectly for all or any part of the Guaranteed Obligations, or in whole or in part prove or abstain from proving a claim of the Transporter in any Proceedings of or affecting the Shipper or any other Person; and

- (d) agree with the Shipper, any other guarantor or any other person to do anything described in Subsections (a) to (c) above, whether or not any of the matters described in Subsections (a) to (c) above occur alone or in connection with one or more other such matters.

### **3.3 Waiver of Notice**

To the extent permitted by applicable law, the Guarantor expressly waives any right to receive notice of the existence, creation or amendment of all or any of the Guaranteed Obligations and presentment, demand, notice of dishonour, protest, notice of any of the events identified in Sections 3.1 and 3.2 and all other notices whatsoever in respect of the Guaranteed Obligations. The Guarantor hereby acknowledges the terms of the Guaranteed Agreements and of all the provisions therein contained and consents to and approves the same.

## **ARTICLE 4 - MISCELLANEOUS**

### **4.1 Representations and Warranties**

The Guarantor represents and warrants to the Transporter as follows:

- (a) **Organization and Qualification.** The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, with full right, power and authority under its constating documents and, if applicable, by-laws and under the laws of the jurisdiction of its incorporation or formation to enter into this Guarantee and to perform its obligations hereunder;
- (b) **Authorization and Enforceability.** The Guarantor has taken all necessary action to enter into and perform its obligations contained in and contemplated by this Guarantee. This Guarantee has been duly executed and delivered by the Guarantor and constitutes the legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms;
- (c) **No Conflict.** Neither the execution and delivery of this Guarantee nor compliance with any of the terms and provisions hereof (i) contravenes any law applicable to the Guarantor or any of its properties or other assets, (ii) conflicts with, breaches or contravenes the provisions of the constating documents or, if applicable, by-laws of the Guarantor or conflicts with, breaches, contravenes or constitutes a default under any contractual obligation of the Guarantor, or (iii) results in the creation or imposition of any mortgage, charge, assignment, pledge, lien, security interest or other encumbrance upon any of the property or assets of the Guarantor;
- (d) **Existence.** The Guarantor agrees that it shall at all times maintain its existence and that it shall carry on and conduct its business so as to preserve and protect its property and assets to the extent necessary to ensure that the right and ability of the Guarantor to perform its obligations hereunder are not materially adversely affected; and
- (e) **Financial Statements.** In lieu of the obligation in the Tariff to furnish to the Transporter additional information regarding the business, affairs, operations, assets and financial

condition of the Shipper, the Guarantor shall furnish the Transporter with such information in respect of the Guarantor.

**4.2 Expenses**

The Guarantor shall pay on demand all documented out of pocket costs and expenses of the Transporter (including, without limitation, the reasonable fees and expenses of counsel for the Transporter) reasonably incurred in connection with any enforcement of this Guarantee.

**4.3 Additional Security**

This Guarantee shall be in addition to, and shall not be in any way prejudiced by nor shall this Guarantee prejudice: (i) any other security now or hereafter held by the Transporter, and (ii) the endorsement by the Guarantor of any notes or other documents, and the rights of the Transporter under this Guarantee shall not be merged in any such other security or endorsement.

**4.4 Amendment; Waiver; Successors**

No amendment or waiver of this Guarantee shall be binding unless executed in writing by all of the parties to be bound thereby and no such waiver shall constitute a waiver of any other provision nor shall any waiver of any provision of this Guarantee constitute a continuing waiver unless otherwise expressly provided. No delay on the part of the Transporter in the exercise of any right, power or remedy hereunder or otherwise shall operate as a waiver thereof, and no single or partial exercise by the Transporter of any right, power or remedy shall preclude other or further exercise thereof or the exercise of any other right, power or remedy. This Guarantee shall be binding upon the Guarantor and its successors and enure to the benefit of the Transporter and its successors and assigns. The Guarantor shall not assign any rights or obligations with respect to this Guarantee without the prior written consent of the Transporter which consent shall not be unreasonably withheld. The Guarantor specifically acknowledges that the Transporter may, at its sole discretion, assign all or any portion of the Guaranteed Obligations or its rights under each Guaranteed Agreement and this Guarantee, or both, to any banks, financial institutions and investors which provide financing for the operation of the System and the Transporter’s banking advisers.

**4.5 Communication**

Any demand, notice or other communication required or permitted to be given to any party hereunder shall be in writing and shall be given to that party by hand-delivery, facsimile or electronic mail and shall be deemed to have been received by that party at the time it is delivered to the applicable street or email address or sent to the applicable fax number noted below, in each case to the attention of the individual designated below. Notice of change of address shall also be governed by this Section 4.5. Demands, notices and other communications shall be addressed to the parties as follows:

- (a) If to the Guarantor:
  - Name: \_\_\_\_\_
  - Address: \_\_\_\_\_
  - \_\_\_\_\_
  - Attention: \_\_\_\_\_

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

(b) If to the Transporter:

Alliance Pipeline Limited Partnership  
c/o Alliance Pipeline Ltd.  
Suite 800, 605 - 5<sup>th</sup> Avenue S.W.  
Calgary, Alberta, Canada T2P 3H5  
Attention: Treasury  
Fax: (403) 263-4948  
Email: [credit@alliancepipeline.com](mailto:credit@alliancepipeline.com)

**4.6 Taxes**

If any payment made by the Guarantor to the Transporter becomes subject to any withholding or deduction with respect to taxes, the Guarantor shall also duly and punctually pay to the Transporter such additional amount as may be necessary to ensure that the Transporter receives an amount, after taking into account all applicable taxes, equal to the amount which would have been received by the Transporter had such payment not been made subject to any withholding or deduction. In any such circumstance, the Guarantor shall also promptly remit to the Transporter the relevant official receipts or other evidence satisfactory to the Transporter evidencing payment to the appropriate taxing authority of each such tax by the Guarantor on behalf of the Transporter. If, following the payment of such tax by the Guarantor to the appropriate taxing authority, the Transporter is granted a credit against any taxes payable by it or a refund of taxes paid by it as a result of the payment of such tax by the Guarantor, the Transporter shall, at the time of utilization of that credit or refund, credit the Guarantor with the amount of that credit or refund provided the Transporter, in its sole judgment, is satisfied that:

- (a) the retention by it of that credit will not be prejudiced thereby; and
- (b) the net financial result to the Transporter of crediting the Guarantor with the amount of such credit or refund is no less favourable to the Transporter than that which would have occurred under the provisions of this Guarantee had there been no obligation on the Guarantor to pay such tax to the appropriate taxing authority.

In the event the Guarantor is entitled to be credited with all or any portion of such credit or refund utilized by the Transporter, the Transporter shall deliver to the Guarantor a certificate prepared by it in good faith and signed by an officer setting forth the amount to be so credited to the Guarantor and the method of calculation thereof and such certificate shall be *prima facie* evidence, in the absence of manifest error, of the amount to be so credited to the Guarantor. "Taxes" as used herein includes, but is not limited to, any applicable withholding taxes, value added taxes, imports and duties.

**4.7 Interpretation**

The words "hereto", "herein", "hereof", "hereby", "hereunder" refer to this Guarantee, and not to any particular portion hereof. Reference to a particular Article, Section or other portion thereof is a reference to the Article, Section or portion thereof contained herein unless otherwise indicated. In this Guarantee, unless the context otherwise requires, words importing the singular include the plural and

vice versa, and words importing gender include all genders. The inclusion of headings herein is for convenience of reference only and shall not affect the construction or interpretation hereof. Each of the provisions contained in this Guarantee is distinct and severable and a declaration of invalidity or unenforceability of any such provision or part thereof by a court of competent jurisdiction shall not affect the validity or enforceability of any other provision hereof. This Guarantee constitutes the entire agreement between the parties pertaining to the subject matter of this Guarantee. There are no warranties, representations or agreements between the parties in connection with such subject matter except as specifically set forth or referred to in this Guarantee. Time shall be of the essence.

**4.8 Governing Law; Attornment.**

This Guarantee shall be governed by and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein and the Guarantor hereby irrevocably attorns to the non-exclusive jurisdiction of the courts of Alberta.

**IN WITNESS WHEREOF** the Guarantor has executed this Guarantee effective as of the day and year first above written.

**[NAME OF GUARANTOR]**

By: \_\_\_\_\_

By: \_\_\_\_\_