

GUARANTEE

THIS GUARANTEE, dated as of _____, 20____, is executed and delivered by _____ (the "**Guarantor**") to and in favour of FortisAlberta Inc., an Alberta Corporation (the "**Beneficiary**") and is made, subject to the terms and conditions hereof, in respect of the indebtedness and liabilities of _____ (each individually referred to as the "**Company**" and collectively as the "**Companies**").

RECITALS

A. The Company and the Beneficiary have entered into a Retail Service Agreement dated as of _____, 20____, and have in the past entered into one or more predecessor agreements (written or unwritten) to the Retail Service Agreement (whether by itself or through a predecessor to the contract (by operation of law, assignment or otherwise)) and may enter into amended, restated, replacement or subsequent retail service agreements (collectively, the "**Contracts**").

B. The Company has concurrently executed and delivered, or may in the future execute and deliver, or cause to be executed and delivered, certain documents related to the Contracts (the "**Documents**").

C. The Beneficiary has made its execution and delivery of the Contracts and Documents conditional upon the Guarantor guaranteeing payment by the Company of all present and future indebtedness, obligations and liabilities of the Company under or in respect of the Contracts and the Documents (collectively "**Guaranteed Obligations**"), whether direct or indirect, absolute or contingent, present or future, matured or not, voluntary or involuntary, or liquidated or unliquidated.

D. The Guarantor will derive significant benefit from the entering into of the Contracts and the Documents by the Beneficiary and the Company.

AGREEMENT

NOW THEREFORE, in consideration of the above recitals and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Guarantor hereby covenants and agrees as follows:

ARTICLE 1
GUARANTEE PROVISIONS

1.1 **Guarantee**

Guarantor hereby irrevocably and unconditionally guarantees to and in favour of Beneficiary, the due and punctual payment of the Guaranteed Obligations. This Guarantee shall be operative and binding for so long as any Guaranteed Obligations remain outstanding, and shall be operative and binding notwithstanding that payments may be made from time to time to Beneficiary or any settlement of amounts effected, or any other thing whatsoever done or permitted or any other action short of full satisfaction in favour of Beneficiary of all Guaranteed Obligations. Guarantor's aggregate liability hereunder shall not exceed CAD \$ _____ (_____, Canadian currency) (the "Maximum Amount"); provided that this Guarantee shall cover and the Guarantor shall pay in addition to the Maximum Amount, those expenses provided for in Section 2.1 below.

1.2 **Independent Obligations**

The obligations hereunder are independent of the Guaranteed Obligations, and a separate action or actions may be brought against the Guarantor whether or not an action is brought against the Company or whether the Company be joined in any such action or actions.

1.3 **Dealing with the Company**

The Guarantor hereby authorizes the Beneficiary, without notice or demand and without affecting its liability hereunder, from time to time to grant time, renewals, extensions, indulgences, releases and discharges to, compromises of, take securities (which word as used herein includes other guarantee(s)) from and give the same and any or all existing securities up to, abstain from taking securities from or from perfecting securities of, cease or refrain from giving credit or enter into transactions with, accept compositions from and otherwise deal with the Company and others and with all securities as the Beneficiary may see fit, the whole without in any way limiting or lessening the liability of the Guarantor under this Guarantee.

1.4 **Not Bound to Exhaust Recourse**

The Beneficiary shall not be bound to exhaust its recourse against the Company or others or any securities it may hold before being entitled to payment from the Guarantor. The Guarantor renounces all benefits of discussion and division, and waives any right to require the Beneficiary to proceed against the Company.

1.5 **Payments Free from Equities**

All payments by the Guarantor hereunder shall be made absolutely free and clear of all equities, rights of set-off, claims, defences, counterclaims, rights or other matters whatsoever, whether existing between the Beneficiary and the Guarantor and/or the Company or other third parties, and whether now or hereafter existing or arising, and the Guarantor shall not exercise any rights of subrogation or indemnity under this Guarantee by virtue of any payment being made by it hereunder until the Beneficiary shall have received satisfaction in full of the Guaranteed Obligations.

1.6 Waiver of Presentment

The Guarantor waives all presentments, demands for performance, notices of non-performance, protests, notices of protest, notices of dishonour, and notices of acceptance of this Guarantee and the existence, creation or incurring of new or additional Guaranteed Obligations pursuant to an amendment or otherwise.

1.7 Corporate Organization of the Company

This Guarantee shall not be affected by any change in the name of the Company, or by any change whatsoever in the objects, capital structure or constitution of the Company, by way of reorganization or otherwise, or by any amalgamation or merger of the Company with another or others, but shall notwithstanding the happening of any such event continue to apply to all Guaranteed Obligations whether theretofore or thereafter incurred or arising, and in this Guarantee the word the "Company" shall include any and every successor firm or corporation.

1.8 Guarantor's Claims Subordinate

Should the Beneficiary receive from the Guarantor a payment or payments in full on account of its obligations under this Guarantee, the Guarantor shall not be entitled to claim repayment against the Company or the Company's estate until the Beneficiary's claims against the Company have been paid in full; and in case of liquidation, winding-up or bankruptcy of the Company (whether voluntary or compulsory) or in the event that the Company shall make any composition with creditors or scheme of arrangement, the Beneficiary shall have the right to rank in priority to the Guarantor for its full claim and receive all dividends or other payments in respect thereof until its claim has been paid in full and this Guarantee shall continue in respect thereof until its claim has been paid in full, and the Guarantor shall continue to be liable hereunder for any balance which may be owing to the Beneficiary by the Company.

1.9 Postponement of Claims

All debts, accounts, claims, liabilities, moneys, receivables, choses in action and intangibles of every nature or kind which now are or which may at any time hereafter be due or accruing due, or which may otherwise arise, in favour of the Guarantor from or against the Company, together with any and all security of whatever nature or kind held by the Guarantor in respect of such debts, accounts, claims, liabilities, moneys, receivables, choses in action and intangibles, are hereby postponed to the satisfaction in full of the Guaranteed Obligations. Upon and during a default or event of default pursuant to the Contracts or the Documents, all moneys received by the Guarantor from the Company shall be received and held by Guarantor in trust for the Beneficiary until all of the Guaranteed Obligations are fully paid and satisfied, or until such default or event of default is cured, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor hereunder.

1.10 Guarantor to Pay Recourse

If the Company shall default in payment of any part of the Guaranteed Obligations then the Guarantor shall, on demand by the Beneficiary, forthwith pay to the Beneficiary the amount or payment in default and/or perform any obligations in respect of which the Company is then in default.

ARTICLE 2
EXPENSES AND INDEMNITY

2.1 **Expenses**

The Guarantor shall pay to the Beneficiary all reasonable out of pocket expenses incurred by the Beneficiary from time to time in the enforcement, realization and collection of or in respect of this Guarantee, including the reasonable fees of legal counsel for the Beneficiary on a solicitor and his own client basis. All such amounts shall be payable by the Guarantor on demand and shall bear interest at the rate set out in the Terms and Conditions of Distribution Tariff Services of the Beneficiary, and calculated from the date as set out in such terms and conditions.

2.2 **Indemnity**

The Guarantor shall indemnify the Beneficiary and hold it harmless against all losses, costs, expenses, liabilities, actions, suits, claims or damages of any and every kind incurred by the Beneficiary as a result of (i) a default by the Guarantor in the payment of any Guaranteed Obligations, and (ii) the failure by the Guarantor to comply with any of its covenants or other obligations hereunder.

ARTICLE 3
DISCHARGE

3.1 **Discharge and Release**

Upon but not before full and complete payment and final satisfaction of all Guaranteed Obligations, the Guarantor shall be released and discharged from this Guarantee and this Guarantee shall be returned to the Guarantor.

ARTICLE 4
MISCELLANEOUS

4.1 **Assignment**

The Guarantor shall not assign any of its obligations under this Guarantee without the prior written consent of the Beneficiary, which consent shall not be unreasonably withheld.

4.2 **Enurement**

This Guarantee shall extend and enure to the benefit of the Beneficiary and its successors and assigns and be binding upon the Guarantor and its successors and permitted assigns, and every reference herein to the Beneficiary or the Guarantor is a reference to and shall be construed as including the Beneficiary or the Guarantor and their heirs, executors, administrators, legal representatives, successors and assigns, as the case may be, to and upon all of whom this Guarantee shall extend and be binding.

4.3 No Merger

Neither the taking of any judgment nor the exercise of any power of seizure or sale shall operate to extinguish the liability of the Guarantor to make payment of or to otherwise satisfy its obligations hereunder, nor shall the acceptance of any payment or alternate security constitute or create a novation, and the taking of a judgment or judgments under any of the covenants herein contained shall not operate as a merger of such covenants.

4.4 Severability

If one or more of the provisions of this Guarantee or any part of any of them is, or is adjudged to be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby, and such invalid, illegal or unenforceable provision or part shall, to the extent permitted at law, be severable.

4.5 Governing Law

This instrument shall be construed in accordance with the laws of the Province of Alberta, and the Guarantor agrees that any legal suit, action or proceeding arising out of or relating to this instrument may be instituted in the courts of such province, and the Guarantor hereby accepts and irrevocably submits to the non-exclusive jurisdiction of the courts of Alberta and acknowledges their competence and agrees to be bound by any judgment thereof, without prejudice to the rights of the Secured Parts to take proceedings in any other jurisdiction.

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

BY THE GUARANTOR

_____.

Per: _____

Name:

Title:

ACKNOWLEDGED BY THE BENEFICIARY:

FORTISALBERTA INC.

Per: _____

Name:

Title: