

WordPerfect Document Compare Summary

Original document: New GasEDI Base Contract 050419 GTC.wpd (April 19, 2005, Draft)

Revised document: New GasEDI Base Contract 050621 GTC.wpd (June 21, 2005, Draft)

Deletions are shown with the following attributes and color:

~~Strikeout~~, **Blue** RGB(0,0,255).

Deleted text is shown as full text.

Insertions are shown with the following attributes and color:

Double Underline, Redline, **Red** RGB(255,0,0).

The document was marked with 315 Deletions, 357 Insertions, 0 Moves.

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SECTION 1 - PURPOSE AND PROCEDURES

1.1 These General Terms and Conditions are intended to facilitate Transactions on a Firm or Interruptible basis.

1.2.a Any Transaction may be effected orally or electronically with the offer and acceptance constituting the valid, binding and enforceable agreement of the parties. The parties are legally bound from the time ~~they agree to the~~ Transaction ~~terms~~is effected. Any such Transaction is considered a "writing" and to have been "signed". Notwithstanding the previous sentence, the ~~parties agree that~~ Confirming Party shall confirm, ~~as indicated on the Base Contract: (i) all Transactions or (ii) all Transactions having a Delivery Period equal to or greater than the number of Days specified in the Base Contract~~ those Transactions requiring written confirmation pursuant to the selection made on the Cover Sheet by sending the other party a Transaction Confirmation by facsimile or mutually agreeable electronic means by the close of the ~~third~~^{3rd} Business Day following the Day on which the Transaction is effected. Confirming Party adopts its confirming Letterhead or the like as its signature on any Transaction Confirmation and as the identification and authentication of Confirming Party.

1.2.b If a Transaction Confirmation sent by Confirming Party is materially different from the other party's understanding of the agreement referred to in Section 1.2.a, that ~~other~~ party shall give Confirming Party Notice clearly identifying such difference on Confirming Party's Transaction Confirmation and return the annotated Transaction Confirmation to the Confirming Party by the Confirm Deadline. The failure of the other party to so notify Confirming Party by the Confirm Deadline is further evidence of the agreement between the parties and constitutes the other party's acknowledgement that the terms of the Transaction described in Confirming Party's Transaction Confirmation are accurate. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the Transaction (i.e. ~~p~~Buyer, Seller, Contract Price, c~~Contract~~ Quantity, performance obligation, Delivery Point, Delivery Period, ~~and/or~~ and transportation conditions), which modify or supplement the Base Contract, such provisions shall not be deemed to be accepted pursuant to this Section 1.2.b ~~but must be~~unless expressly agreed to in writing by both parties; provided that the foregoing shall not invalidate any Transaction agreed to by the parties.

1.2.c If a Transaction Confirmation is required pursuant to Section 1.2.a and the other party does not receive a Transaction Confirmation from Confirming Party by the deadline set out in Section 1.2.a, then the other party may notify Confirming Party by sending its own Transaction Confirmation by the close of the Business Day following the deadline set out in Section 1.2.a. If a Transaction Confirmation sent by the other party is materially different from Confirming Party's understanding of the agreement referred to in Section 1.2.a, Confirming Party shall give the other party Notice clearly identifying such difference on the other party's Transaction Confirmation and return the annotated Transaction Confirmation to the other party by the Confirm Deadline. The failure of Confirming Party to so notify the other party by the Confirm Deadline is further evidence of the agreement between the parties and constitutes the Confirming Party's acknowledgement that the terms of the Transaction described in the other party's Transaction Confirmation are accurate. For greater certainty, if the other party does not receive a Transaction Confirmation from Confirming Party by the deadline set out in Section 1.2.a and the other party does not send its own Transaction Confirmation as provided for

in this Section 1.2.c, the absence of a Transaction Confirmation in respect of a particular Transaction does not negate the existence of such Transaction ~~between the parties~~.

1.2.d The entire agreement between the parties shall be those provisions contained in an effective Transaction Confirmation, a Transaction entered into by the parties either orally or electronically and the Base Contract. In the event of a conflict among the foregoing, the terms shall govern in the following priority: (i) an effective Transaction Confirmation; (ii) a Transaction entered into by the parties either orally or electronically; (iii) ~~the~~ Credit Annex, if any; (iv) ~~the~~ Special Provisions, if any; and (v) the balance of the Base Contract. ~~The parties agree that a~~All Transactions are entered into in reliance on the fact that the Base Contract, each Transaction Confirmation ~~hereunder~~ and each Transaction ~~hereunder~~ constitute a single integrated agreement between the parties and the parties ~~agree that they~~ would not otherwise have entered into ~~this~~ Base Contract or any Transaction.

1.3 Communications occurring via a telephone conversation may be recorded by either party and each party consents to same without further notice to, or consent from, the other party. Each party shall, to the extent required by applicable law, give notice to, and obtain consent from, each of its employees, contractors and other representatives who may have their communications recorded ~~hereunder~~. Any recordings of communications relevant to a Transaction may be used as evidence in any legal, arbitration or other dispute resolution procedure, and the parties hereby expressly waive all rights to, and expressly agree not to, contest or otherwise argue against such use of any recordings relevant to the disputed Transaction.

1.4 Each party shall be entitled, upon reasonable request, to access the other party's recording(s), if any, associated with a disputed Transaction.

1.5 The parties hereby expressly waive all rights to, and expressly agree not to, contest any Transaction, or assert or otherwise raise any defences or arguments related to any Transaction to the effect that such is not binding, valid or enforceable in accordance with its terms because either the employee(s) or representative(s) who entered into the Transaction on behalf of a party, and who appeared to have the requisite authority to do so, did not, in fact, have such authority or because the provisions of certain applicable laws require the Transaction to be in writing and/or executed by one or both parties.

SECTION 2 - DEFINITIONS

2.1 The following terms, when used ~~herein in this Contract~~, shall have the following meanings:

"10³m³" means the quantity of Gas occupying a volume of 1000 cubic metres at a temperature of 15 degrees Celsius and at a pressure of 101.325 kilopascals absolute.

"Accelerated Payment Invoice" has the meaning set forth in Section 7.7.

"Affected Transaction" means a Firm Transaction with a Delivery Period of at least 30 Days in respect of which there has occurred that number of Failure Days that is equal to the greater of (i) 4 Days; or (ii) 5% of the number of Days in the Delivery Period.

"Affiliate" of any person, including, without limitation, a partnership, means a person, including, without limitation, a partnership, which directly or indirectly, controls, is controlled by, or is under common control with such person. For the purpose of this definition "control" means control in fact, whether by ownership of sufficient voting securities to elect a majority of the directors of a corporation, by owning sufficient partnership interest in an ordinary partnership, by being the general partner of a limited partnership, by contract or otherwise and "person" includes an individual, a partnership (including, without limitation, a limited partnership and a limited liability partnership), a corporation (including, without limitation, a limited liability corporation), an unlimited company, a joint stock company, a trust, a joint venture, an unincorporated organization, a union, a government or any department or agency thereof of a government, and the heirs, executors, administrators or other legal representatives of an individual.

"Base Contract" means ~~a contract executed by the parties that (i) incorporates by reference Cover Sheet~~, these General Terms and Conditions, any Special Provisions, and any Credit Annex; ~~(ii) specifies the agreed selections of provisions contained herein; and (iii) sets forth other required information.~~

“British Thermal Unit” or “Btu” means the International Btu, which is also called the Btu(IT).

“Business Day” means any day except Saturday, Sunday, or a statutory or banking holiday observed in the jurisdiction of the receiving party’s address for Notices as provided pursuant to Section 9.1. A Business Day closes at 5:00 p.m. local time for the receiving party’s address for Notices as provided pursuant to Section 9.1.

“Buyer” refers to the party receiving Gas hereunder pursuant to a Transaction.

“Claiming Party” means the party claiming a suspension of its obligations due to Force Majeure.

“Claims” has the meaning set forth in Section 8.3.

“Confirm Deadline” means 5:00 p.m. in the receiving party’s time zone on the ~~second~~ Business Day ~~following the Business Day a Transaction Confirmation is received, or if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the~~ selected on the Cover Sheet; provided that, if a Transaction Confirmation is received after 5:00 p.m. in the receiving party’s time zone, it shall be deemed received at the opening of the next Business Day.

“Confirming Party” means the party designated ~~in~~ on the ~~Base Contract~~ Cover Sheet to prepare and forward Transaction Confirmations to the other party.

“Contract” means the legally-binding relationship established by (i) the Base Contract, (ii) any and all effective Transaction Confirmations, and (iii) any and all Transactions entered into by the parties either orally or electronically.

“Contract Price” means: (i) if the Delivery Point is in the United States, the amount expressed in U.S. ~~D~~ dollars per MMBtu or U.S. ~~D~~ dollars per Dekatherm; or; (ii) if the Delivery Point is in Canada, the amount expressed in Canadian ~~D~~ dollars per GJ; unless specified otherwise in a Transaction.

“Contract Quantity” means the quantity of Gas to be delivered and received pursuant to a Transaction.

“Contract Value” of a Transaction means the net present value (applying the Present Value Discount Rate) of the product of (i) the quantity of Gas remaining under a Transaction which the parties are obligated to transact, multiplied by (ii) the Contract Price.

“Costs” means all reasonable costs, legal fees and expenses incurred by the Non-Defaulting Party to replace a Transaction(s) or in connection with termination of a Transaction(s) pursuant to Section 10, including, without limitation, legal fees as between a solicitor and his client, brokerage fees, commissions and expenses incurred in maintaining, replacing or liquidating any terminated Transactions.

“Cover Sheet” means the completed Cover Sheet executed by the parties.

“Cover Standard” means, if there is an unexcused failure to take or deliver ~~any of the Contract Quantity of Gas~~ pursuant to ~~the Contract a~~ Transaction, then the Performing Party shall use commercially reasonable efforts to obtain purchase Gas, or sell Gas, at a price reasonable for the delivery or production area, as applicable, consistent with: (i) the amount of notice provided by the Non-Performing Party; (ii) the immediacy of ~~the~~ Buyer’s Gas consumption needs or Seller’s Gas sales requirements, as applicable; (iii) the quantities involved; and (iv) the anticipated length of failure by the Non-Performing Party.

“Credit Annex” means any credit support agreement as may be attached ~~hereto~~ to the Cover Sheet.

“Day” means 9:00 a.m. to 9:00 a.m. central clock time.

“Defaulting Party” has the meaning set forth in Section 10.3.

“Dekatherm” means one million British Thermal Units.

"Delivery Period" means the period during which deliveries are to be made ~~as agreed pursuant to by the parties in a~~ Transaction.

"Delivery Point(s)" means ~~such the~~ point(s) ~~as are agreed of delivery and receipt of Gas pursuant to by the parties in a~~ Transaction.

"Early Termination Date" has the meaning set forth in Section 10.3.

"EFP" means the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm".

"ETA" means the Excise Tax Act (Canada).

"Event of Default" means (i) the failure to make payment when due under ~~the is~~ Contract, which is not remedied within 2 Business Days after receiving Notice ~~thereof of such failure~~ (except for a failure to pay an Accelerated Payment ~~i~~ invoice which shall immediately constitute an Event of Default); (ii) in respect of a party or its guarantor, ~~if applicable~~, the making of an assignment or any general arrangement for the benefit of creditors, the filing of a petition or otherwise commencing, authorizing, or acquiescing in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors or having such petition filed or proceeding commenced against it, any bankruptcy or insolvency (however evidenced), or the inability to pay debts as they fall due; (iii) the failure to provide ~~and maintain~~ Performance Assurance in accordance with Section 10.1.a; (iv) any default under ~~the~~ Credit Annex (if ~~any applicable~~); or (v) the failure to perform any material obligation under ~~the is~~ Contract (other than an obligation which is specifically covered in this definition as a separate Event of Default or is covered under Section 3.2), if not remedied within 5 Business Days after receiving Notice ~~thereof of such failure~~.

"Failure Day" means a Day on which the Non-Performing Party has failed to purchase and receive, or sell and deliver, ~~as applicable~~, the greater of (i) 500 GJs or 500 MMBtus, as applicable; or (ii) 4% of the Contract Quantity ~~to be purchased and received or sold and delivered on such Day~~, which failure is not excused because of the Non-Performance (non-delivery or non-receipt, as applicable) of the Performing Party, or by Force Majeure.

"Final Liquidation Amount" has the meaning set forth in Section 10.4.3c.

"Firm" means that either party may interrupt its performance ~~under a Transaction~~ without liability (other than liability with respect to Imbalance Charges imposed pursuant to Section 4.3 or 11.5) only to the extent that such performance is excused by the other party's Non-Performance, by the exercise by a party of its suspension rights under Section 10, or ~~is prevented~~ by Force Majeure.

"Force Majeure" has the meaning set forth in Section 11.2. ~~a, 11.2.b(1), 11.2.b(2) or 11.2.b(3), as applicable~~.

"Gas" means any mixture of hydrocarbons and non-combustible gases in a gaseous state consisting primarily of methane.

"GJ" means 1 gigajoule; 1 gigajoule = 1,000,000,000 Joules. The standard conversion factor between Dekatherms and GJ's is 1.055056 GJ's per Dekatherm.

"GST" has the meaning set forth in Section 6.2.

"Imbalance Charges" means any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.

"Interest Rate" means the lower of: (i) if the amount payable is in Canadian currency, the per annum rate of interest identified from time to time as the prime lending rate charged to its most credit worthy customers for commercial loans by The Toronto Dominion Bank, Main Branch, Calgary, Alberta, Canada, plus 2 percent per annum, compounded monthly; or, if the amount payable is in United States currency, the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus 2 percent per annum, compounded monthly; or (ii) the maximum applicable lawful interest rate.

“Interruptible” means that either party may interrupt its performance at any time for any reason without liability (other than liability with respect to Imbalance Charges imposed pursuant to Section 4.3 or 11.5).

“Joule” means the joule specified in the SI system of units.

~~“Liquidation Amount” means the single net or aggregate amount to be calculated by the Non-Defaulting Party after netting the Net Settlement Amount against, or aggregating the Net Settlement Amount with, all or any other amounts that the Non-Defaulting Party may choose, at its sole option, to include, and which it determines are owing (whether or not yet due) between the parties under (i) the Credit Annex, if applicable, (ii) a Performance Assurance and (iii) any other agreement between the parties.~~

“Market Price” means the amount established by either (i) a bona fide offer accepted by the Non-Defaulting Party from a third party in an arms-length negotiation for a replacement transaction or (ii) quotations obtained by the Non-Defaulting Party, in good faith, from 3 Reference Market Makers, where the arithmetic average of the 3 quotations shall be the Market Price. ~~However, if~~ such quotations are not readily available, or the quotations will not reflect comprehensive treatment of the pricing structure for Transactions terminated pursuant to Section 10.3(iii), as determined in the reasonable discretion of the Non-Defaulting Party, the Non-Defaulting Party shall determine the Market Price by considering any or all of the following: ~~(iiiA)~~ the settlement prices of New York Mercantile Exchange Gas Futures Contracts; ~~(ivB)~~ similar sales or purchases of Gas; or ~~(vC)~~ information available to it internally, including, without limitation, information on relevant rates, prices, yields, yield curves, volatilities, spreads and other relevant market data, provided that such information is of the same type used by the Non-Defaulting Party in the regular course of its business for the valuation of similar transactions, all adjusted to consider the remaining Delivery Period, Contract Quantity, Delivery Point and differences in transportation costs. A party shall not be required to enter into a replacement transaction in order to determine the Market Price. Any extension(s) of the Delivery Period of a Transaction to which the parties are not bound as of the Early Termination Date (including ~~but not, without limited to~~ ation, “evergreen provisions”) shall not be considered in determining the Market Price. For the avoidance of doubt, the value of any option pursuant to which one party has the right to extend the Delivery Period of a Transaction shall be included in determining the Market Price.

“Market Value” of a Transaction means the net present value (applying the Present Value Discount Rate) of the product of (i) the quantity of Gas remaining under a Transaction pursuant to which the parties are obligated to transact, multiplied by (ii) the Market Price for a similar transaction taking into consideration the nature of the obligation and the remaining Delivery Period, Contract Quantity and Delivery Point.

“MMBtu” means one million British Thermal Units which is equivalent to one Dekatherm.

“Month” means the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.

“Net Settlement Amount” has the meaning set forth in Section 10.4. 2b.

“NIT” means NOVA Inventory Transfer.

“Nomination Change Period” means a reasonable period of time to change a nomination, taking into account the applicable Transporter’s nomination deadline(s), after receipt of an operational notice pursuant to Section 4.2 or a notification pursuant to Section 11.5, as applicable.

“Non-Defaulting Party” has the meaning set forth in Section 10.3.

“Non-Performance” means the failure by a party to purchase and receive, or sell and deliver, Gas as required by any Transaction ~~hereunder~~ under this Contract, which failure is not excused ~~because of~~ by: (i) the non-performance (non-delivery or non-receipt, as applicable) of the other party, by: (ii) the exercise by a party of its suspension rights under Section 10.; or by(iii) Force Majeure.

“Non-Performing Party” means a party in relation to which a Non-Performance has occurred.

"Notice" has the meaning set forth in Section 9.1.

"NOVA" means NOVA Gas Transmission Ltd., or any successor company.

"Payee" has the meaning set forth in Section 10.2.

"Payment Date" means the 25th day of the Month following the Month of delivery.

"Payee" has the meaning set forth in Section 10.2.

"Performance Assurance" means security support in the form, amount and term reasonably specified by the party demanding ~~the~~ Performance Assurance, including, but not without limited to a standby irrevocable letter of credit, a prepayment, a security interest in an asset acceptable to the party demanding party Performance Assurance or a performance bond or guarantee by an entity acceptable to the party demanding ~~the~~ Performance Assurance.

"Performing Party" means, if a Non-Performance has occurred, the party which is not the Non-Performing Party.

"Present Value Discount Rate" means with respect to any Transaction: (i) if the amount payable is in Canadian currency, the yield of Canadian Government Treasury Bills with a term closest to the time remaining in the Delivery Period, plus 100 basis points; or (ii) if the amount payable is in United States currency, the "Ask Yield" interest rate for United States Government Treasury notes as quoted in the "Treasury Bonds, Notes, and Bills" section of the Wall Street Journal most recently published with a term closest to the time remaining in the Delivery Period, plus 100 basis points.

"Receiving Transporter" means the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.

"Reference Market Makers" means leading dealers in the physical gas trading market or the energy swap market, which are not Affiliates of either party, selected by the Non-Defaulting Party from among dealers of the highest credit standing, which satisfy all the criteria that such party applies generally at the time in deciding whether to offer or to make an extension of credit.

"Scheduled Gas" means the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.

"Seller" refers to the party delivering Gas hereunder pursuant to a Transaction.

"Special Provisions" means any written amendment to the Cover Sheet and/or these General Terms and Conditions as may be attached hereto to the Cover Sheet.

"Spot Price" means the price listed in the publication specified by the parties in on the Base Contract Cover Sheet, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next immediately precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.

"Taxes" has the meaning set forth in Section 6.1.

"Termination Payment" for a Transaction means the difference between the Market Value and the Contract Value as of the Early Termination Date. If the Non-Defaulting Party is Seller under that Transaction and: (i) the Market Value is greater than the Contract Value, then the Termination Payment in respect of that Transaction will be positive (gain) and; or (ii) if the Market Value is less than the Contract Value, the Termination Payment in respect of that Transaction will be negative (loss). If the Non-Defaulting Party is ~~the~~ Buyer under that Transaction and: (iii) A the Contract Value is greater than the Market Value, the Termination Payment in respect of that Transaction will be positive (gain) and; or (iv) B if the Contract Value is less than the Market Value, the Termination Payment in respect of that Transaction will be

negative (loss). Any loss with respect to a Transaction will be owed by the Defaulting Party to the Non-Defaulting Party and any gain with respect to a Transaction will be owed by the Non-Defaulting Party to the Defaulting Party.

“Termination Right” means the right of the Performing Party to terminate an Affected Transaction in the circumstances described in Section 3.3, if the parties have selected this option as indicated on the Base Contract.

“Transaction” means any Gas sale, purchase or exchange agreement effected pursuant to the Base Contract.

“Transaction Confirmation” means ~~the~~ document, ~~substantially in~~ similar to the form of Exhibit A, setting forth the terms of a Transaction ~~formed pursuant to Section 1.~~

“Transporter(s)” means all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a ~~particular~~ Transaction.

“Uncovered Gas” has the meaning set forth in Section 3.2.

“Unpaid Amounts” has the meaning set forth in Section 10.4. ~~4~~ a.

SECTION 3 - PERFORMANCE OBLIGATION

3.1 Seller agrees to sell and deliver, and Buyer agrees to ~~receive and~~ purchase ~~and receive~~, the Contract Quantity for a ~~particular~~ each Transaction in accordance with the terms of the ~~is~~ Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed in ~~a~~ each Transaction.

The parties have selected either the “Cover Standard” version or the “Spot Price Standard” version as indicated on the Base Contract <u>Cover Sheet</u> .
Cover Standard:

3.2 In the event of a breach of a Firm obligation, the Performing Party shall be entitled to recovery of the following for each Day that the breach occurs: (i) in the event of a breach by Seller on any Day~~(s)~~, payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the quantity of Gas actually delivered by Seller for such Day, multiplied by the positive difference, if any, between obtained by subtracting the purchase Contract Price from the price paid by Buyer utilizing the Cover Standard for replacement Gas and, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s); or (ii) in the event of a breach by Buyer on any Day, payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the quantity of Gas actually received by Buyer for such Day, multiplied by the positive difference, if any, obtained by subtracting the price received by Seller utilizing the Cover Standard for the sale of such Gas from the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s); or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s); and (iii): provided that, in the event that Buyer has used commercially reasonable efforts to replace purchase Gas from a third party or Seller has used commercially reasonable efforts to sell Gas to a third party, and no such replacement purchase or sale for all or any portion of the such Gas is available ("Uncovered Gas"), then in addition to (i) or (ii) above the price paid by Buyer utilizing the Cover Standard or the price received by Seller utilizing the Cover Standard, as applicable, the sole and exclusive remedy of the Performing Party with respect to Uncovered Gas shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for transportation to the applicable Delivery Point, multiplied by the quantity of Uncovered Gas deemed to be the Spot Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The recovery of the amount calculated above shall, to the extent such amount is paid, be the sole and exclusive remedy of the Performing Party for a breach of a Firm obligation.

Spot Price Standard:

3.2 In the event of a breach of a Firm obligation, the Performing Party shall be entitled to recovery of the following for each Day that the breach occurs: (i) in the event of a breach by Seller on any Day~~(s)~~, payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity of Gas actually delivered by Seller and received by Buyer for such Day~~(s)~~, multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day~~(s)~~, payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and of Gas actually received by Buyer for such Day~~(s)~~, multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price~~(s)~~. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The recovery of the amount calculated above shall, to the extent such amount is paid, be the sole and exclusive remedy of the Performing Party for a breach of a Firm obligation.

The parties have selected either the Termination Right "Does Not Apply" or "Applies" as indicated on the Cover Sheet.

3.3 In addition to the rights set out in Sections 3.2 and 10, unless otherwise specified on the applicable Transaction Confirmation, a Performing Party shall have the right ("Termination Right") to terminate, accelerate and liquidate an Affected Transaction by providing Notice to the Non-Performing Party designating an ~~e~~Early ~~t~~Termination ~~e~~Date, which date shall be between 1 and 5 Business Days following the most recent Non-Performance causing the Affected Transaction, but no earlier than the effective date of the Notice, on which date the Affected Transaction shall terminate. Following the exercise of its Termination Right, the Performing Party shall calculate the Termination Payment in respect of the Affected Transaction, which amount shall be paid in accordance with Section 10.4, all as if an Early Termination Date had occurred, the Affected Transaction was the only Transaction, the Performing Party was the Non-Defaulting Party and the Non-Performing Party was the Defaulting Party. The exercise of the Termination Right shall not be deemed to be an Event of Default or similar default with respect to the Affected Transaction, any other Transactions or any other agreement between the parties. If the Performing Party fails to provide Notice to exercise its Termination Right within 5 Business Days of the occurrence of the last Non-Performance that gave rise to that Termination Right, the Termination Right shall expire, but without prejudice to any Termination Right that may subsequently arise upon the occurrence of a further Non-Performance in respect of that Transaction.

SECTION 4 - TRANSPORTATION, NOMINATIONS AND IMBALANCES

4.1 Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s) and for delivering such Gas at a pressure sufficient to effect such delivery but not to exceed the maximum operating pressure of the Receiving Transporter. Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2 The parties shall coordinate their Gas nomination and scheduling activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior operational notice, sufficient to meet the requirements of all Transporter(s) involved in the Transaction, of the quantities of Gas to be delivered and purchased each Day. Such operational notice may be made by any mutually agreeable means, including without limitation, phone, fax and email. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3 The parties shall use commercially reasonable efforts to avoid the imposition of any Imbalance Charges. If a party receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. Imbalance Charges are payable by the party that caused such Imbalance Charges, ~~provided however, if any, A party shall be deemed to have caused the~~ Imbalance Charges ~~could if that party have been avoided by a party~~ sufficient ability to avoid those Imbalance Charges through a revision of the nomination with the Transporter during the Nomination Change Period, ~~then such, A party shall pay for such Imbalance Charges, or reimburse~~ be reimbursed promptly by the other party for those if that party pays Imbalance Charges ~~paid that were caused~~ by ~~such the~~ other party.

SECTION 5 - QUALITY AND MEASUREMENT

5.1 All Gas delivered by Seller shall meet the quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of the ~~is~~ Contract shall be specified as one MMBtu dry, one Dekatherm dry, one GJ or one 10³m³. Measurement of Gas quantities hereunder under this Contract shall be in accordance with the established procedures of the Receiving Transporter.

SECTION 6 - TAXES

The parties have selected either the "Buyer Pays At and After Delivery Point" version or the "Seller Pays Before and At Delivery Point" version as indicated on the [Base Contract Cover Sheet](#).

Buyer Pays At and After Delivery Point:

6.1 Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses, interest or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility [hereunder](#) [under this Contract](#), the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation [thereof](#).

Seller Pays Before and At Delivery Point:

6.1 Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses, interest or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes which are the other party's responsibility [hereunder](#) [under this Contract](#), the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation [thereof](#).

6.2 The Contract Price does not include any amounts payable by Buyer for the goods and services tax ("GST") imposed pursuant to the ETA or any similar or replacement value added or sales or use tax enacted under successor legislation. Notwithstanding the selection made pursuant to Section 6.1, Buyer shall pay to Seller the amount of GST payable for the purchase of Gas in addition to all other amounts payable under [the](#) [is](#) [Contract](#). Seller shall hold the GST paid by Buyer and shall remit such GST as required by law. Buyer and Seller shall provide each other with the information required to make such GST remittance or claim any corresponding input tax credits, including, [without limitation](#), GST registration numbers.

6.3.a Where Buyer is not registered for GST under the ETA and Buyer indicates to Seller that Gas will be exported from Canada, Buyer may request Seller treat such Gas as "zero-rated" Gas for export within the meaning of the ETA for [billing](#) [invoicing](#) purposes. If Seller, in its sole discretion, agrees to so treat such Gas, then Buyer hereby declares, [covenants](#), represents and warrants to Seller that Buyer shall: (i) export such Gas as soon as is reasonably possible after Seller delivers such Gas to Buyer (or after such Gas is delivered to Buyer after a zero-rated storage service under the ETA) having regard to the circumstances surrounding the export and, where applicable, normal business practice; (ii) not acquire such Gas for consumption or use in Canada (other than as fuel or compressor gas to transport such Gas by pipeline) or for supply in Canada (other than to supply natural gas liquids or ethane the consideration for which is deemed by the ETA to be nil) before export of such Gas; (iii) ensure that, after such Gas is delivered and before export, such Gas is not further processed, transformed or altered in Canada (except to the extent reasonably necessary or incidental to its transportation and other than to recover natural gas liquids or ethane from such Gas at a straddle plant); (iv) maintain on file, and provide to Seller, if required, or to the Canada Revenue Agency, [if requested](#), evidence satisfactory to the Minister of National Revenue of the export of such Gas by Buyer; and/or (v) comply with all other requirements prescribed by the ETA for a zero-rated export of such Gas.

6.3.b Where Buyer is registered for GST under the ETA and Buyer indicates to Seller that Gas will be exported from Canada, Buyer may request Seller treat such Gas as "zero-rated" Gas for export within the meaning of the ETA for [billing](#) [invoicing](#) purposes. If Seller, in its sole discretion, agrees to so treat such Gas, then Buyer hereby declares, [covenants](#), represents and warrants to Seller that Buyer shall export such Gas by means of pipeline or other conduit in circumstances described in Section 6.3.a (i) to (iii).

~~6.3.c4~~ Without limiting the generality of Section 8.3, Buyer indemnifies Seller for any GST, penalties and interest and all other damages and costs of any nature arising from breach of the declarations, covenants, representations and

warranties contained in Section 6.2 or 6.3.a or 6.3.b, or otherwise from application of GST to Gas declared, covenanted, represented and warranted by Buyer to be acquired for export from Canada.

6.45 In the event that any amount becomes payable pursuant to the is Contract as a result of a breach, modification or termination of the is Contract, the amount payable shall be increased by any applicable Taxes or GST remittable by the recipient in respect of that amount.

SECTION 7 - BILLINGINVOICING, PAYMENT AND AUDIT

7.1 On or before the 15th Day of each Month, Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other amounts payable under the is Contract arising in or before the preceding Month, including, without limitation, Imbalance Charges, and shall provide supporting documentation acceptable in industry practice to support the amount charged payable. If the actual quantity of Gas delivered and received in the preceding Month is not known by Seller by the billing invoice date, billing Seller will be prepared prepare the invoice based on the quantity of Scheduled Gas. The invoiced quantity of Gas will then be adjusted to the actual quantity of Gas on the following Month's billing invoice or as soon thereafter as actual delivery and receipt information is available.

The parties have selected either "Closest Business Day to Payment Date" or "Next Business Day following Payment Date" as indicated on the Base Contract Cover Sheet.

Closest Business Day to Payment Date:

7.2.a Buyer shall remit the amount due in the manner specified in on the Base Contract Cover Sheet, in immediately available funds, on or before the later of the Payment Date or 10 days after receipt of the invoice by Buyer; provided that: if the Payment Date falls on a Sunday, or a Monday which is not a Business Day, payment is due on the next following Business Day; and if the Payment Date falls on a Saturday, or a weekday, other than a Monday, which is not a Business Day, payment is due on the immediately preceding Business Day.

Next Business Day following Payment Date:

7.2.a Buyer shall remit the amount due in the manner specified in on the Base Contract Cover Sheet, in immediately available funds, on or before the later of the Payment Date or 10 days after receipt of the invoice by Buyer; provided that: if the Payment Date is not a Business Day, payment is due on the next following Business Day.

7.2.b If Buyer, in good faith, disputes the amount of any such statement invoice or any part thereof of such invoice, Buyer will pay to Seller such amount as Buyer concedes to be correct; provided, however that, if Buyer disputes the amount due, Buyer must provide, by the Payment Date, supporting documentation acceptable in industry practice to support the amount paid or disputed. Within 3 Business Days following resolution of the billing invoice dispute, any underpayments or overpayments shall be paid or refunded with accrued interest at the Interest Rate specified in Section 7.4 for the period from the date of underpayment or overpayment until paid.

7.3 In the event any payments are due Buyer hereunder under this Contract, payment to Buyer shall be made in accordance with this Section 7 mutatis mutandis.

7.4 If a party fails to remit the full amount payable by it when due, interest at the Interest Rate on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of: (i) if the amount payable is in United States currency, the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum, compounded monthly; or, if the amount payable is in Canadian currency, the per annum rate of interest identified from time to time as the prime lending rate charged to its most credit worthy customers for commercial loans by The Toronto Dominion Bank, Main Branch, Calgary, Alberta, Canada, plus two percent per annum, compounded monthly; or (ii) the maximum applicable lawful interest rate.

7.5 Payment shall be made in the currency of the Contract Price.

7.6 The parties shall net all same currency amounts due and owing, and/or past due, arising under the is Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in

accordance with Section 7; provided that no payment required to be made pursuant to the terms of the Credit Annex or any other credit support document or agreement shall be subject to netting under this or any other provision of the Contract. In the event that the parties have executed a separate netting agreement, the terms and conditions therein that separate netting agreement shall prevail.

7.7 A Performing Party may accelerate the payment owed by the Non-Performing Party related to a Non-Performance by sending to the Non-Performing Party an invoice (an "Accelerated Payment Invoice") for the amounts due it under Section 3.2, setting forth the calculation thereof of such amounts and a statement that pursuant to this Section 7.7 such amount is due in 3 Business Days. If the Performing Party does not deliver an Accelerated Payment Invoice, amounts payable pursuant to Section 3.2 shall be invoiced and payable in accordance with Sections 7.1 and 7.2. The Non-Performing Party must pay the Accelerated Payment Invoice when due and the Non-Performing Party: (i) shall not be entitled to net amounts owed to it hereunder under this Contract by the Performing Party against its obligation to make payment on an Accelerated Payment Invoice; and (ii) shall, notwithstanding Section 7.2, pay the full amount of the Accelerated Payment Invoice despite any dispute it may have as to the amount owing thereunder under such Accelerated Payment Invoice. To the extent any disputed amount is subsequently resolved in favour of the Non-Performing Party, the Performing Party shall promptly pay such amount to the Non-Performing Party with accrued interest at the Interest Rate for the period from the date of dispute until the disputed amounts are paid in full.

7.8 A party shall have the right, at its own expense, upon reasonable notice and at reasonable times, to examine the books and records of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This examination right shall not be available with respect to proprietary information not directly relevant to Transactions. All invoices and billings shall be conclusively presumed final and accurate unless objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 days of notice and substantiation of such inaccuracy.

SECTION 8 - TITLE, WARRANTY AND INDEMNITY

8.1 Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2 Seller warrants that the Seller will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder under this Contract and delivered by the Seller to Buyer, free and clear of all liens, encumbrances, and claims.

8.3 Seller agrees to indemnify Buyer and save the Buyer harmless from all losses, liabilities and claims, including, without limitation, reasonable legal fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save the Seller harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4 Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5, or Seller's warranty obligations pursuant to Section 8.2.

SECTION 9 - NOTICES

9.1 All Transaction Confirmations, invoices, payments and other communications made pursuant to the Contract ("Notices") shall be in writing and made to the addresses for Notices specified by each party as indicated on the Base Contract Cover Sheet or such addresses for Notices as specified from time to time by a party in a subsequent Notice.

9.2 Notices may be delivered personally or by courier, or sent by facsimile or mutually agreeable electronic means.

9.3 Notice is deemed made on the day of delivery if delivered personally or by courier, or on the day sent by facsimile or mutually agreeable electronic means, provided that in all such cases such day is a Business Day and the Notice is ~~so delivered or sent~~received prior to 5:00 p.m. on such day. Otherwise, such Notice will be deemed made on the next following Business Day.

SECTION 10 - FINANCIAL RESPONSIBILITY, DEFAULTS AND REMEDIES

10.1.a If a party has reasonable grounds for insecurity regarding the payment, performance or enforceability of any obligation under the ~~is~~ Contract, such party may demand Performance Assurance, whether or not an Event of Default or Non-Performance has occurred, which Performance Assurance shall be provided by the other party by (i) the end of the next Business Day after the demand is received if the demand is received by 12:00 noon on a Business Day, or (ii) the end of the 2nd Business Day after the demand is received if the demand is received after 12:00 noon on a Business Day. The Performance Assurance shall not exceed the ~~amount calculated in accordance with the procedure for determining the~~ Net Settlement Amount, calculated as of the date of the demand, as if all Transactions had been terminated ~~plus all other outstanding amounts owed or accrued under the Contract. Upon demanding Performance Assurance, the party demanding Performance Assurance may, until such Performance Assurance is provided, withhold any amounts owed to the other party under the Contract, any Transaction or any other agreement between the parties (whether or not yet due) and set off against such withheld amounts any amounts owed to it hereunder (whether or not yet due).~~ Notwithstanding the foregoing provisions of this Section 10.1.a, if the Non-Defaulting Party has designated an Early Termination Date, then the Defaulting Party may not demand Performance Assurance under this Section 10.1.a.

10.1.b The party demanding Performance Assurance may, until such Performance Assurance is provided, withhold any amounts owed to the other party under this Contract or any other agreement between the parties (whether or not yet due) and setoff against such withheld amounts any amounts owed to the party demanding Performance Assurance under this Contract (whether or not yet due).

10.2 If a party (~~the~~ "Payer") does not pay the other party (~~the~~ "Payee") any amount owed to Payee in accordance with Section 7, then Payee may, immediately upon giving Notice to Payer, exercise any or all of the following remedies: (i) suspend its performance under all Transactions under the ~~is~~ Contract; (ii) withhold any amounts owed to Payer under the ~~is~~ Contract, ~~any Transaction~~ or any other agreement between the parties (whether or not yet due); and (iii) ~~set off~~setoff against such withheld amounts any amounts owed to Payee hereunder under this Contract (whether or not yet due). If Payee suspends its performance pursuant to this Section 10.2, Payee shall, for the period of the suspension, be entitled to damages calculated in accordance with Section 3.2, with ~~the~~ Payee treated as the Performing Party under Section 3.2 for the purposes of this Section 10.2. Further and, for the purposes of Section 4.3, Payer shall be deemed to have caused any Imbalance Charges that accrue during the suspension period. If Payee has suspended performance under this Section 10.2 and Payer has paid all amounts owed to Payee in accordance with Section 7 and Payee has not designated an Early Termination Date pursuant to Section 10.3, then ~~the Payee shall~~, promptly thereafter after such payment has been made, the parties shall resume performance under the ~~is~~ Contract.

10.3 If an Event of Default occurs and is continuing with respect to a party (~~the~~ "Defaulting Party"), then the other party (~~the~~ "Non-Defaulting Party") shall have the right to exercise any or all of the following remedies: (i) if ~~the~~ Non-Defaulting Party has not previously suspended performance pursuant to Section 10.2, immediately upon giving Notice to the Defaulting Party, to suspend ~~its~~the Non-Defaulting Party's performance under all Transactions under the ~~is~~ Contract; (ii) without Notice, to withhold or continue to withhold any amounts owed to the Defaulting Party under the ~~is~~ Contract, ~~any Transaction~~ or any other agreement between the parties (whether or not yet due) and setoff against such withheld amounts any amounts owed the Non-Defaulting Party hereunder under this Contract (whether or not yet due); ~~or~~and (iii) to terminate, accelerate and liquidate all Transactions then outstanding (or not yet commenced) in accordance with the provisions of this Section 10 by providing Notice to the Defaulting Party designating an early termination date, which date shall be between 1 and 20 Business Days following the Event of Default but no earlier than the effective date of the Notice, on which date all such Transactions shall terminate ("Early Termination Date"). Further, n Notwithstanding Section 4.3 ~~Payer~~, if the Non-Defaulting Party suspends its performance under part (i) of this Section 10.3, the Defaulting Party shall be liable for all Imbalance Charges that accrue during the suspension period. If a Non-Defaulting Party has suspended performance under Section 10.2 or 10.3 and (~~a~~A) the Defaulting Party remedies the Event of Default prior to receipt of Notice from the Non-Defaulting Party designating the Early Termination Date; or (~~b~~B) the Defaulting Party does not remedy the Event of Default and the Non-Defaulting Party has not designated an Early Termination Date within such 20 Business Days, then the parties shall promptly thereafter resume performance under the ~~is~~ Contract.

10.4.4a As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner: (i) the amount owed (whether or not then due or invoiced) by each party with respect to all ~~g~~Gas delivered and received between the parties under all terminated Transactions on and before the ~~e~~Early Termination Date and all other ~~applicable charges relating to such deliveries and receipts (including amounts owing by each party to the other party under this Contract (including~~, without limitation, any amounts owing under Sections 3.2, 4.3 and 7.1) for which payment has not yet been made by the party that owes such payment under this Contract ("Unpaid Amounts"), and (ii) the Termination Payment owed by one party to the other under each Transaction.

10.4.2b The Non-Defaulting Party shall net or aggregate, as appropriate, ~~any and~~ all: (i) Termination Payments, ~~(ii) Costs associated with accelerating and liquidating all terminated Transactions;~~ (ii) ~~Costs~~; and (iii) Unpaid Amounts ~~owing between the parties~~, to a single liquidated amount payable by one party to the other party (the single resulting amount being the "Net Settlement Amount").

10.4.3c At its sole option and without Notice to the Defaulting Party, the Non-Defaulting Party may net or setoff against any Net Settlement Amount owing by the Non-Defaulting Party to the Defaulting Party any ~~or all of the following: (i) any Performance Assurance or other security then available to the Non-Defaulting Party, (ii) any other amounts that the Non-Defaulting Party may determine are due and amounts~~ owing to the Non-Defaulting Party ~~in accordance with~~ by the Credit Annex, if applicable, and (iii) Defaulting Party under any other agreement between the parties, if setoff against amounts owing under other agreements is expressly permitted under the Special Provisions or the Credit Annex, ~~if applicable~~ (the single resulting amount being the "Final Liquidation Amount").

10.4.4d If any amount to be included in the Final Liquidation Amount is unascertained, the Non-Defaulting Party may estimate in good faith the amount to be included, and once it is ascertained, the ~~Net Settlement~~ Final Liquidation Amount shall be subject to further adjustment by the Non-Defaulting Party, if applicable. Interest at the ~~Interest Rate specified in Section 7.3~~ shall accrue on any underpayments or overpayments determined to have occurred from any such adjustment from the date of the underpayment or overpayment until paid.

10.4.5e Once the Non-Defaulting Party has made the necessary calculations, it shall provide Notice to the Defaulting Party of the Final Liquidation Amount, setting forth in reasonable detail how such calculations were made together with supporting documentation. Failure to give such Notice shall not affect the validity or enforceability of the Final Liquidation Amount or give rise to any claim by the Defaulting Party against the Non-Defaulting Party for failure to give such Notice.

10.4.6f The Final Liquidation Amount shall be paid: (i) if due from the Defaulting Party to the Non-Defaulting Party, by the Defaulting Party within 2 Business Days of Notice of the Final Liquidation Amount, ~~if due from the Defaulting Party to the Non-Defaulting Party; or is payable by the Non-Defaulting Party on the 25th of the Month following the Early Termination Date;~~ or (ii) if due from the Non-Defaulting Party to the Defaulting Party, as applicable by the Non-Defaulting Party on the 25th day of the Month following the Month in which the Early Termination Date occurs. The Final Liquidation Amount, if payable by the Defaulting Party, shall be paid in full by the Defaulting Party, even if all or any part of ~~it is in dispute, subject to adjustment, if applicable~~.

10.4.7 the Final Liquidation Amount is in dispute. To the extent any disputed amount is subsequently resolved in favour of the Defaulting Party, the Non-Defaulting Party shall promptly pay such amount to the Defaulting Party with accrued interest at the Interest Rate for the period from the date of dispute until the disputed amounts are paid in full.

10.4.g With respect to this Section 10, if the parties have executed a separate netting agreement, the terms and conditions set forth in that separate netting agreement concerning the calculation of the Final Liquidation Amount shall prevail to the extent they are inconsistent with the provisions of this Contract.

10.4.8 ~~Upon or any time after the occurrence or during the continuation of an Event of Default or h~~ Upon the designation of an Early Termination Date in accordance with Section 10.3, the Non-Defaulting Party may (i) exercise any of the rights and remedies of a secured party with respect to all Performance Assurance or other ~~security~~ support then available to the Non-Defaulting Party, and/or (ii) draw on any outstanding letter of credit issued for ~~its~~ the Non-Defaulting Party's benefit, subject in each case to the Credit Annex, if ~~applicable~~ any, and the Non-Defaulting Party's obligation to return any surplus proceeds remaining after such obligations are satisfied in full.

10.5 In the event a party is a Non-Performing Party, the Performing Party shall have the right to: (i) withhold any or all payments due the Non-Performing Party ~~hereunder~~under this Contract for the period of the applicable Non-Performance and net or set-off amounts due the Performing Party against such withheld amounts; (ii) during the period of the applicable Non-Performance, upon at least 1 Business Day's Notice, suspend its performance under any or all Transactions; and/or (iii) if the Non-Performing Party fails to pay any Accelerated Payment Invoice when due, the Performing Party may, without further Notice to the Non-Performing Party, declare an Early Termination Date with respect to the particular Transaction to which the Non-Performance relates in accordance with Section 10.3. The failure of the Performing Party to exercise any of the rights or remedies contained in this Section 10.5 shall not constitute a waiver of the Non-Performance, the requirement for payment as contemplated by Section 3.2 or any of the other rights or remedies of the Performing Party in connection ~~therewith~~with such matters.

SECTION 11 - FORCE MAJEURE

11.1 Except with regard to a party's obligation to make payment due under ~~the~~is Contract, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such performance is prevented by Force Majeure.

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The parties have selected either the "Option A" version or the "Option B" version as indicated on the Base Contract Cover Sheet.

Option A:

11.2-a "Force Majeure" means any event not reasonably within the control of the Claiming Party which event prevents or restricts delivery by Seller or receipt by Buyer, as applicable, of Gas, including ~~but not, without~~ limited to the following events: (i) physical events such as acts of God; landslides; lightning; earthquakes; fires; storms or storm warnings, such as hurricanes, resulting in evacuation of the affected area; floods; washouts; explosions; breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather-related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption or curtailment of firm transportation or storage by Transporters or storage operators; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, terrorist acts, insurrections or wars; or (v) compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction.

Option B:

11.2.b

~~(1)a~~ If the Delivery Point is NIT, ~~this subsection (1) of Subsection 11.2.b applies.~~ "Force Majeure" means only (i) an interruption, curtailment or pro-rationing by NOVA of firm NIT service which affects all NOVA shippers who had nominated for firm deliveries or firm receipts to take place by NIT on that Day. ~~or (ii) compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction; provided that, on~~ any Day or any portion of a Day when there is a Force Majeure and either party provides Notice of the Force Majeure to the other, Seller shall deliver to Buyer, and Buyer shall receive from Seller, that percentage of the Contract Quantity which is equal to the percentage amount of Gas which according to NOVA has been nominated by all NOVA shippers for NIT and which NOVA is not interrupting, curtailing or pro-rationing on the Day or that portion of a Day.

~~(11.2)b~~ If the Delivery Point is a "Liquid Delivery Point" ~~as expressly identified by the parties on the Cover Sheet, a Transaction Confirmation or in the Special Provisions, this subsection (2) of Subsection 11.2.b applies.~~ "Force Majeure" ~~is restricted to~~ means any one or more of the following events which prevents or restricts delivery by Seller or receipt by Buyer, as applicable, of Gas at a Liquid Delivery Point: (i) an interruption, curtailment, or pro-rationing by a Transporter, or storage operator, of firm service at the Liquid Delivery Point, regardless of the reasons therefor; or (ii) compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction; provided that this Section 11.2.b shall not apply if the parties have not expressly identified any Liquid Delivery Points ~~in accordance with this subsection (2), then this subsection (2) shall not apply.~~

~~(3)11.2.c~~ If the Delivery Point is other than NIT or a Liquid Delivery Point ~~(if applicable), then this Subsection (3) of Subsection 11.2.b applies.~~ "Force Majeure" means any event not reasonably within the control of the Claiming Party which event prevents or restricts delivery by Seller or receipt by Buyer, as applicable, of Gas, including but not limited to the following events: (i) physical events such as acts of God; landslides; lightning; earthquakes; fires; storms or storm warnings, such as hurricanes, resulting in evacuation of the affected area; floods; washouts; explosions; breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather-related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption or curtailment of firm transportation or storage by Transporters or storage operators; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, terrorist acts, insurrections or wars; or (v) compliance with any court order, law, statute, ordinance, or regulation promulgated by a governmental authority having jurisdiction has the meaning set forth in Option A.

11.3 This Section 11.3 ~~applies only when subsection 11.2.a has been elected by the parties and in the case when subsection 11.2.b has been elected by the parties, where Subsection (3) thereof is applicable~~ is applicable only if the parties have selected either Option A above or Section 11.2.c of Option B above. Neither party shall be entitled to the benefit of the provisions of Section 11 to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary firm transportation unless primary, in path, firm transportation is also curtailed; (ii) the Claiming Party having failed to avoid the adverse implications, or to remedy the condition in accordance

with Section 11.4 and to resume the performance of such covenants or obligations with reasonable dispatch, or to provide timely notification in accordance with Section 11.5; (iii) economic hardship, ~~which shall include but not be including, without~~ limited to ~~ation~~, lack of finances, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price; ~~or~~ (iv) a regulatory agency disallowing, in whole or in part, the pass-through of costs resulting from this Contract; or (v) scheduled maintenance by a Transporter or storage operator, provided that notice of such scheduled maintenance has been provided by such Transporter or storage operator at or prior to the time the parties entered into the Transaction.

11.4 The Claiming Party shall make commercially reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event once it has occurred in order to resume performance; provided, ~~however, that~~ the parties agree that nothing contained in this Section 11 shall require: (i) the settlement of strikes, lockouts or other industrial disturbances except in the sole discretion of the party experiencing such disturbance; (ii) the extension of the Delivery Period of any Transaction; (iii) the parties to make up any quantity of Gas they would otherwise have been obligated to sell and purchase during any period when Force Majeure was validly claimed; (iv) Seller to deliver, or Buyer to receive, the Gas at a point other than the Delivery Point; or (v) Seller to purchase replacement Gas at a price greater than the Contract Price.

11.5 The Claiming Party must provide notification to the other party of the occurrence of the Force Majeure. Initial notification may be given orally; ~~however provided that~~, as a condition precedent to claiming relief under this Section 11.5, the Claiming Party must give Notice with reasonably full particulars of the event as soon as reasonably possible. Notwithstanding Section 9, such Notice shall be deemed effective at the onset of the occurrence of the Force Majeure, and the Claiming Party will be relieved of its obligation to make or accept delivery of Gas, as applicable, to the extent and for the duration of the Force Majeure. For the purposes of Section 4.3, in the event of a Force Majeure, Claiming Party shall be deemed to have caused any Imbalance Charges arising from the interruption or curtailment of Firm deliveries or receipts due to the Force Majeure.

11.6 If a Force Majeure only partially affects the Claiming Party's ability to perform its purchase or sale obligations at a Delivery Point, the Claiming Party shall curtail its interruptible obligations at such Delivery Point to the extent required to meet its Firm obligations under this Contract. If, after completely curtailing all of its interruptible obligations, the Claiming Party is still unable to meet its Firm obligations under this Contract, then such affected party may, to the extent permitted by the applicable Transporter(s), reduce its Firm obligations under this Contract by the same percentage that all of its other firm obligations at the Delivery Point are reduced, without regard to the price paid under any transaction between the Claiming Party and the other firm customers or suppliers, as applicable, of the Claiming Party.

SECTION 12 - TERM

12.1 The is Contract may be terminated by either party on 30 days' Notice, but shall remain in effect until the expiration of the latest Delivery Period of all Transaction(s). The rights of either party pursuant to Section 7.8, the obligations of either party pursuant to Section 14.10, the obligations to make payment ~~hereunder~~ under this Contract, and the obligation of either party to indemnify the other party pursuant ~~hereto~~ to this Contract, shall survive the termination of the is Contract.

SECTION 13 - LIMITATIONS

13.1.a EXCEPT AS SET FORTH IN SECTION 8, THE SPECIAL PROVISIONS OR THE APPLICABLE TRANSACTION CONFIRMATION, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED.

13.1.b FOR BREACH OF ANY PROVISION OF THIS CONTRACT FOR WHICH AN EXPRESS MEASURE OF DAMAGES IS PROVIDED IN THIS CONTRACT, A PARTY'S LIABILITY FOR DAMAGES FOR THAT BREACH SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO EXPRESS MEASURE OF DAMAGES IS PROVIDED IN THIS CONTRACT, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, AND ALL OTHER DAMAGES AT LAW OR IN EQUITY ARE WAIVED.

13.1.c EXCEPT TO THE EXTENT PROVIDED IN THIS CONTRACT AS AN EXPRESS MEASURE OF DAMAGES, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, INCLUDING, WITHOUT LIMITATION, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, ARISING BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE.

13.1.d IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES IN THIS SECTION 13.1 BE WITHOUT REGARD TO THE RELATED CAUSE OR CAUSES, INCLUDING, WITHOUT LIMITATION, THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE.

13.1.e TO THE EXTENT THAT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER UNDER THIS CONTRACT ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE MEASURE OF DAMAGES IS DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR THAT OTHERWISE OBTAINING AN ADEQUATE MEASURE OF DAMAGES IS INCONVENIENT AND THE DAMAGES CALCULATED UNDER THIS CONTRACT, INCLUDING, WITHOUT LIMITATION, DAMAGES UNDER SECTIONS 3.2 AND 10.4, CONSTITUTE REASONABLE APPROXIMATIONS OF THE HARM OR LOSS SUFFERED AND ARE NOT INTENDED AS PENALTIES.

13.1.f NOTHING IN THIS SECTION 13.1 SHALL LIMIT THE RIGHT OF A PARTY TO RECOVER OR ENFORCE A RIGHT TO DAMAGES PERMITTED BY THIS CONTRACT.

13.1.g EXCEPT AS LIMITED IN THIS SECTION 13.1, SECTION 3.2, THE SPECIAL PROVISIONS OR THE APPLICABLE TRANSACTION CONFIRMATION, EACH PARTY RESERVES TO ITSELF ANY AND ALL RIGHTS, REMEDIES, SET-OFFS, COUNTERCLAIMS AND DEFENCES THAT MAY BE AVAILABLE TO IT AT LAW OR IN EQUITY IN RESPECT OF THE SUBJECT MATTER OF THIS CONTRACT.

SECTION 14 - MISCELLANEOUS

14.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto to this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party, which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof of this Contract in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon assignment, transfer and assumption, the assignor or transferor, as applicable, shall remain principally liable for and shall not be relieved of nor discharged from any obligations hereunder under this Contract without the written consent of the non-assigning party.

14.2 If any provision in the is Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of the is Contract.

14.3 No waiver of any breach of the is Contract shall be held to be a waiver of any other or subsequent breach, and any waiver of any breach of this Contract by a party shall not be effective unless it is in writing.

14.4 The is Contract sets forth all understandings between the parties respecting each Transaction, and any prior contracts, understandings and representations, whether oral or written, relating to such Transactions are merged into and superseded by the is Contract and any effective Transaction Confirmation(s). The Base Contract may be amended only by a writing executed by both parties.

14.5 This Contract shall be governed by, construed and enforced in accordance with the applicable laws of the jurisdiction specified in on the Base Contract Cover Sheet, excluding however, any conflict of laws rule which would apply the law of another jurisdiction, and the parties agree to surrender and attorn to the non-exclusive jurisdiction of the courts of the jurisdiction specified in on the Base Contract Cover Sheet for the resolution of any disputes arising under or in connection with this Contract.

14.6 The is Contract and all provisions herein in this Contract will be subject to all applicable and valid statutes, rules, orders and regulations of any Federal, State, Province, or local governmental authority having jurisdiction over the parties, their facilities, ~~or~~ Gas supply, or the is Contract.

14.7 There is no third party beneficiary to the is Contract.

14.8 Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each party represents and warrants that each person who executes this Contract on behalf of such party has the full and complete authority to do so.

14.9 The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

14.10.a Neither party shall disclose directly or indirectly without the prior written consent of the other party, the terms of any Transaction, this Contract, or any information obtained pursuant to Section 7.8, to a third party (other than the Affiliates, employees, lenders, credit rating agencies, royalty owners, counsel, accountants and other agents or advisers of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons have a need to know and shall have agreed to keep such information confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule; (ii) to the extent necessary for the enforcement of this Contract; (iii) to the extent necessary to implement any Transaction; or (iv) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any Transaction (other than as permitted hereunder under this Contract) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. In accordance with and subject to Section 13.1, the parties shall be entitled to all remedies available to them at law or in equity, including, without limitation, injunctive remedies, to enforce, or to seek relief in connection with, this confidentiality obligation. The confidentiality obligation set forth in this Section 14.10.a shall remain in full force and effect for until the later of: (iA) one year following termination of the relevant Transaction is Contract; or (iiB) two years following receipt of information obtained pursuant to Section 7.8.

14.10.b In the event that disclosure is required in order to comply with any applicable law, order, regulation, or exchange rule, the party subject to such requirement may disclose the relevant information to the extent so required, but shall promptly notify the other party, prior to disclosure, and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

14.11 ~~The parties agree that~~ Each party represents and warrants to the other party (and such representation and warranty is deemed to be repeated at the time each Transaction is entered into) that: (i) this Contract, and any guarantee of a party's liabilities under this Contract, each constitutes an "eligible financial contract" within the meaning of the Bankruptcy and Insolvency Act (Canada), the Companies' Creditors Arrangement Act (Canada), the Winding-Up and Restructuring Act (Canada), and other Canadian insolvency legislation. ~~The parties agree that this;~~ (ii) it is a person whose business consists, in whole or in part, of entering into "eligible financial contracts" for the purposes of managing its financial risk arising out of commodity price fluctuations; and (iii) each Transaction is entered into in connection with the management of its financial risk arising out of commodity price fluctuation. This Contract constitutes a "forward contract" within the meaning of the United States Bankruptcy Code and ~~that~~ Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

14.12 For currency conversions required under the is Contract, to convert Canadian or United States currency to the other, the parties shall use the average of the Bank of Canada posted noon spot exchange rates as quoted for each Day during the Month during which Gas was, or was obligated to be, delivered and received.

14.13 Each party irrevocably waives its respective right to any jury trial with respect to any litigation arising under or in connection with this Contract.

14.14 The parties agree that the United Nations Convention on Contracts for International Sale of Goods is specifically excluded from application to this Contract.

DISCLAIMER: The purposes of this Contract are to facilitate trade, avoid misunderstandings, and make more definite, the terms of contracts for sale, purchase or exchange of natural gas. GasEDI does not mandate the use of this Contract by any party. **GasEDI DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO GasEDI'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART ~~THEREOF~~ OF THIS CONTRACT, INCLUDING, WITHOUT LIMITATION, ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT GasEDI KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL GasEDI BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

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