

## BCTC STANDARD GUARANTEE

**This Guarantee** dated as of **[Insert date]** is made by \_\_\_\_\_ (the “**Guarantor**”) in favour of British Columbia Transmission Corporation (“**BCTC**”).

WHEREAS \_\_\_\_\_ (the “**Company**”) has entered into an agreement dated **[Insert date]** with BCTC for the provision of transmission service (such agreement, as amended from time to time, being herein called the “**Agreement**”); and

WHEREAS the Company has requested that the Guarantor guarantee its obligations under the Agreement in accordance with the terms of this Guarantee.

NOW THEREFORE, in consideration of the premises, the agreement of BCTC to provide transmission service to the Company pursuant to the Agreement, the payment of \$10 in lawful money of Canada by BCTC to the Guarantor and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Guarantor, the Guarantor hereby covenants and agrees as follows:

1. **Guarantee.** The Guarantor hereby absolutely, irrevocably and unconditionally guarantees the due and punctual performance, satisfaction, payment and discharge of the obligations of the Company under the Agreement (the “**Guaranteed Obligations**”) to BCTC in accordance with the Agreement. The obligations of the Guarantor under this Guarantee shall be absolute and unconditional, shall not be subject to any counterclaim, set-off, deduction or defence based upon any claim the Guarantor may have against BCTC or the Company and shall remain in full force and effect without regard to, and shall not be released, discharged or in any way affected for any reason whatsoever until the complete performance of the Guaranteed Obligations, including without limitation by reason of:

- (a) any amendment or modification of any provision of the Agreement or any of the Guaranteed Obligations or any assignment or transfer thereof, including any extension of the time for payment of or compliance with any of the Guaranteed Obligations, whether or not consented to by the Guarantor;
- (b) any waiver, consent, extension, granting of time, forbearance, indulgence, renewal or other action or inaction under or in respect of the Agreement or any of the Guaranteed Obligations, or any exercise or non-exercise of any right, remedy or power in respect thereof, whether or not consented to by the Guarantor;
- (c) any informality in, omission from, invalidity or unenforceability of, or any misrepresentation, irregularity or other defect in, the Agreement, any of the Guaranteed Obligations or any other agreement or instrument;
- (d) any lack or limitation of capacity, status, power or authority of either the Company or the Guarantor or any of their respective directors, officers, employees, partners or agents acting or purporting to act on their behalf, and any

defect or any failure to comply with a formal legal requirement in the execution or delivery of any document;

- (e) any transfer of any assets to or from the Company or the Guarantor, any consolidation, amalgamation or merger of the Company or the Guarantor with or into any person, or any change whatsoever in the name, objects, capital structure, corporate or other legal existence, membership, constitution or business of the Company or the Guarantor;
- (f) any failure on the part of the Company or any other person to perform or comply with any term of the Agreement, any of the Guaranteed Obligations or any other agreement or instrument;
- (g) the assignment of all or any part of the benefits of this Guarantee, the Agreement or any other agreement or instrument; and
- (h) any other circumstance which might otherwise constitute a defence available to or a discharge of the Guarantor or the Company or any other person in respect of the Guaranteed Obligations, or the Guarantor in respect of this Guarantee.

2. **Limitation of Liability.** Notwithstanding anything to the contrary in this Guarantee, the liability of the Guarantor under this Guarantee shall not exceed \$ \_\_\_\_\_ **[Insert currency]**.

3. **Demand.** If the Company fails to pay or cause to be paid all or any portion of the Guaranteed Obligations, as and when the same shall become due and payable pursuant to the Agreement or otherwise, BCTC shall be entitled, by notice to the Guarantor, to make a demand upon the Guarantor for the payment of the Guaranteed Obligations or that portion thereof which the Company has failed to pay (a “**Payment Demand**”). The amount specified in a Payment Demand shall become immediately due and payable by the Guarantor under this Guarantee upon such Payment Demand being given to the Guarantor and shall bear interest from the date of the Payment Demand at the rate specified in Tariff applicable to the Agreement, or if more than one such rate is specified at the highest of such rates, or if no rate is specified at such rate as is then applicable to judgments for the payment of money in British Columbia.

4. **Recourse.** BCTC may, at its option, proceed against the Guarantor to enforce any of the Guaranteed Obligations when due without first proceeding against the Company or any other person and without first resorting to any other remedy.

5. **Representations and Warranties.** The Guarantor represents and warrants to BCTC that:

- (a) it is a corporation or other legal entity duly organized and validly existing under the laws of its jurisdiction of incorporation or formation and has the power and authority to execute, deliver and carry out the terms and provisions of this Guarantee;

- (b) this Guarantee has been duly authorized by all necessary action on the part of the Guarantor and no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over the Guarantor is required on the part of the Guarantor for the execution and delivery of this Guarantee or for the performance by the Guarantor of its obligations hereunder; and
- (c) this Guarantee constitutes a legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, subject to applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and to general principles of equity.

6. **Set-Off.** BCTC may at any time set-off and apply any indebtedness owing by BCTC to or for the credit of the Guarantor against that portion of the Guaranteed Obligations owing pursuant to a Payment Demand. The rights of BCTC in this section are in addition to any other rights and remedies, including other rights of set-off, that it may have.

7. **Effect of Bankruptcy.** The obligations of the Guarantor under this Guarantee shall not be prejudiced or affected in any way by the bankruptcy or insolvency of the Company or by any bankruptcy, reorganization, moratorium or similar insolvency proceeding relating to the Company or other relief sought or obtained in respect of the Company under any bankruptcy or insolvency law.

8. **Subrogation and Repayment.** Upon receipt by BCTC of any payments from the Guarantor pursuant to this Guarantee, the Guarantor shall not be entitled to claim repayment against the Company for such payments until the claims of BCTC against the Company in respect of the Guaranteed Obligations have been paid in full. In the case of the liquidation, winding-up or bankruptcy of the Company (whether voluntary or compulsory) or any composition with creditors or scheme of arrangement relating to the Company, BCTC shall have the right to rank in priority to the Guarantor for its full claims in respect of the Guaranteed Obligations and receive all dividends or other payments in respect thereof until its claims in respect of the Guaranteed Obligations have been paid in full, and the Guarantor shall continue to be liable for any balance which may be owing to BCTC by the Company in respect of the Guaranteed Obligations.

9. **Amendment.** This Guarantee may not be amended or modified except by an agreement in writing executed by both the Guarantor and BCTC.

10. **Waivers.** The Guarantor hereby unconditionally waives notice of acceptance of this Guarantee and, except as otherwise specifically provided in this Guarantee, any other notices whatsoever. No failure on the part of BCTC to exercise, and no delay in exercising, any right or remedy shall operate as a waiver of such right or remedy, nor shall any single or partial exercise of any right or remedy under this Guarantee preclude any other or further exercise thereof or the exercise of any other right or remedy, nor shall any waiver of one provision be deemed to constitute a waiver of any other provision. No waiver of any of the provisions of this Guarantee shall be effective unless it is in writing duly executed by the waiving party.

11. **Assignment.** The Guarantor may not assign its obligations under this Guarantee without the express written consent of BCTC. BCTC shall be entitled to assign its rights under this Guarantee in its discretion.

12. **Notices.** Any Payment Demand, notice or other communication contemplated to be given by BCTC or the Guarantor under this Agreement (collectively, “**Notices**”) shall be in writing and delivered personally or mailed by certified or registered mail, postage prepaid and return receipt requested, or by facsimile to the applicable address set out below or to such other address as a party hereto may from time to time designate to the other parties set out below in such manner:

(a) if to BCTC: British Columbia Transmission Corporation  
Suite 1100, Four Bentall Centre  
1055 Dunsmuir Street, P.O. Box 49260  
Vancouver, British Columbia V7X 1V5  
Attn: Chief Financial Officer  
Fax No.: (604) 699-7537

(b) if to the Guarantor: \_\_\_\_\_  
\_\_\_\_\_  
Attn: \_\_\_\_\_  
Fax No.: \_\_\_\_\_

Notices given by personal delivery or mail shall be effective upon actual receipt. Notices given by facsimile shall be effective upon actual receipt if received during the recipient’s normal business hours, or at the beginning of the recipient’s next business day after receipt if not received during the recipient’s normal business hours.

13. **Governing Law.** This Guarantee shall in all respects be governed by, and construed in accordance with, the laws of British Columbia. Each of the Guarantor and (by acceptance hereof) BCTC hereby irrevocably submits to the jurisdiction of the courts of British Columbia in any action or proceeding arising out of or relating to this Guarantee, irrevocably agrees that all claims in respect of any such action or proceeding may be heard and determined in such courts and irrevocably waives, to the fullest extent it may effectively do so, the defence of an inconvenient forum to the maintenance of such action or proceeding. Each of the Guarantor and BCTC, to the fullest extent permitted by law, hereby waives its rights to a trial by jury.

14. **General.** This Guarantee shall be binding upon the Guarantor, its successors and assigns and enure to the benefit of and be enforceable by BCTC, its successors and assigns. This Guarantee embodies the entire agreement and understanding between the Guarantor and BCTC and supersedes all prior agreements and understandings relating to the subject matter hereof. The headings in this Guarantee are for purposes of reference only, and shall not affect the meaning hereof. The rights, remedies and recourse of BCTC under this Guarantee are cumulative and do not exclude any other rights, remedies and recourse that it may have. The provisions of this Guarantee are intended to be severable. If any provision of this Guarantee shall be held invalid or

unenforceable in whole or in part in any jurisdiction, such provision shall, as to such jurisdictions be ineffective to the extent of such invalidity or unenforceability without in any manner affecting the validity or enforceability thereof in any other jurisdiction or the remaining provisions hereof in any jurisdiction. Time is of the essence of this Guarantee and all of its provisions.

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

**[NAME OF GUARANTOR]**

By: \_\_\_\_\_  
Name:  
Title:

By: \_\_\_\_\_  
Name:  
Title: