

GUARANTY

THIS GUARANTY is given as of [Month] ____, 20__ by _____, a [State of Formation corporation/LLC/partnership/form of entity], with its principal place of business located at [address], (“Guarantor”) to **NORTHERN NATURAL GAS COMPANY** (“Northern”).

RECITAL

- A. WHEREAS, Northern owns and operates certain facilities to provide natural gas services pursuant to Northern’s FERC Gas Tariff;
- B. WHEREAS, Northern:
- (i) supplies or may supply transportation, storage or other services to [Shipper Name(s)] (“Shipper”) pursuant to (w) transportation and storage agreements now existing or hereafter executed; (x) agreements ancillary or incident to such transportation and storage agreements, including, but not limited to, facilities or precedent agreements; (y) operational balancing agreements or system balancing agreements; and (z) the terms and conditions of Northern’s FERC Gas Tariff; and
 - (ii) conducts, or may conduct, purchases or sales of natural gas or related financial transactions with Shipper pursuant to one or more agreements or contracts now existing or hereafter executed.

Collectively, the afore-mentioned now existing or hereafter arising contracts, agreements and ancillary documents and instruments, and all extensions, renewals, refunding, replacements, restatements and modifications of any of the foregoing shall be referred to herein as the “Agreements”.

- C. WHEREAS, [State relationship of Guarantor] to Shipper.
- D. WHEREAS, Guarantor derives or will derive substantial benefit from Northern’s extension of services and other performance to Shipper pursuant to the Agreements and Guarantor desires to induce Northern to commence or continue providing services and other performance to Shipper pursuant to the Agreements.
- E. WHEREAS, Northern is willing to commence or continue providing services or performance only if Guarantor absolutely and unconditionally guaranties prompt and complete payment when due of Shipper’s Guaranteed Obligations, as defined below.

NOW THEREFORE, in consideration of the premises Guarantor agrees as follows:

AGREEMENT

1. Guaranty. Guarantor hereby absolutely, unconditionally and irrevocably guaranties to Northern:
 - a. the prompt and complete payment when due and payable (whether at the stated due date or by required prepayment, acceleration or otherwise) of all Guaranteed Obligations, as defined herein, of Shipper to Northern (notwithstanding the fact that from time to time there may be no indebtedness outstanding); and
 - b. the prompt and complete performance of Shipper's covenants, representations and warranties under all Agreements, documents and instruments evidencing the Guaranteed Obligations.

2. "Guaranteed Obligations" means:
 - a. any and all indebtedness, obligations and liabilities of Shipper to Northern arising out of or related to the Agreements as and when such indebtedness, obligations and liabilities of Shipper are due and payable pursuant to the Agreements, whether by acceleration or otherwise, without regard to any cure rights or notice obligations;
 - b. any and all other indebtedness, obligations and liabilities of Shipper to Northern now existing or hereafter arising, direct or indirect, absolute or contingent, joint or several, secured or unsecured, matured or not matured, monetary or nonmonetary as and when such indebtedness, obligations and liabilities are due and payable.

3. Payment Guaranty. This Guaranty is a guaranty of payment and not of collection. This Guaranty is a primary and original obligation of Guarantor and is not merely the creation of a surety relationship. There are no conditions precedent to the effectiveness of this Guaranty and this Guaranty is in full force and effect and is binding on Guarantor upon execution and delivery to Northern. Northern shall, upon accrual of any Guaranteed Obligation, have the right to proceed first and directly against Guarantor under this Guaranty. Guarantor's liability hereunder for the Guaranteed Obligations shall be immediate and shall not be contingent upon the exercise or enforcement by Northern of whatever remedies Northern may have against any other obligor or person or the enforcement of any lien or realization upon any security Northern may possess. Northern is not required to either commence or exhaust efforts to collect from Shipper or to look to or pursue any other party or source of payment before Guarantor is obligated to Northern for the entirety of the Guaranteed Obligations or before Northern may collect the Guaranteed Obligations from Guarantor.

4. Payment Terms. Before commencing judicial action against Guarantor on account of the Guaranteed Obligations, Northern shall provide fifteen (15) business days written notice (the “Guarantor Courtesy Notice”) to Guarantor that Guaranteed Obligations are due and owing to Northern and demanding that such Guaranteed Obligations be immediately paid. In the event that the Guaranteed Obligations are not paid to Northern by wire transfer or certified funds within fifteen (15) business days following delivery of the Guarantor Courtesy Notice to Guarantor, Northern may take any and all actions necessary to collect the Guaranteed Obligations from Guarantor. Without altering or affecting the Guarantor’s obligations to pay and perform the Guaranteed Obligations, the Guarantor Courtesy Notice shall contain a brief explanation and an accounting of the Guaranteed Obligations then due and owing in a form and content similar to what Northern provides to its shipper customers. The Guarantor shall pay all costs of collecting the Guaranteed Obligations or enforcing this Guaranty incurred by Northern (including reasonable attorneys’ fees, costs and expenses, and disbursements of counsel).

From and after the 15th business day following delivery of the Guaranty Courtesy Notice, all Guaranteed Obligations shall accrue interest at a rate of one and one-half percent per month.

5. Guaranty Unconditional and Absolute. The Guaranteed Obligations of Guarantor hereunder shall be unconditional and absolute and, without limiting the generality of the foregoing, shall not be released, discharged or otherwise affected by:
- (A) any extension, renewal, settlement, compromise, waiver, discharge or release in respect of any Guaranteed Obligations of Shipper;
 - (B) the existence, or extent of, any release, exchange, surrender, non-perfection or invalidity of any direct or indirect security for any of the Guaranteed Obligations;
 - (C) any modification, amendment (including, but not limited to, a restatement in whole or in part), waiver, extension of or supplement to any of the Agreements or the Guaranteed Obligations agreed to from time to time by Shipper and Northern;
 - (D) any change in the corporate existence (including its constitution, laws, rules, regulations or powers), structure or ownership of Shipper, Northern or Guarantor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Shipper, Northern or Guarantor, or their assets;

- (E) the existence of any claim, set-off or other rights which Guarantor may have at any time against Northern, Shipper, or any other corporation or person, whether in connection herewith or in connection with any unrelated transaction;
- (F) the invalidity or unenforceability in whole or in part of the Agreements or any Guaranteed Obligations or any instrument evidencing any Guaranteed Obligations, or any provision of applicable law or regulation purporting to prohibit payment by Shipper of amounts to be paid by it under the Agreements or any of the Guaranteed Obligations;
- (G) any other act or omission to act or delay of any kind by Northern which might, but for the provisions of this paragraph, constitute a legal or equitable discharge of any of Guarantor's obligations hereunder. The Guarantor agrees that any release that may be given by Northern to Shipper or any other obligor shall not release Guarantor.

6. Term and Termination. This Guaranty is necessary, among other reasons, to induce Northern to enter into Agreements that may result in the accrual of liabilities and payment obligations for years into the future. This Guaranty shall remain in full force and effect until the Guaranteed Obligations arising out of any Agreements have been fully paid and performed. Guarantor may terminate this Guaranty at any time by providing sixty (60) calendar days' prior written notice (a "Termination Notice") of termination to Northern. A termination of the Guaranty as to Guarantor shall not become effective until the 61st calendar day (the "Termination Date") following delivery of the Termination Notice to Northern and shall not affect, terminate, alter or amend Guarantor's obligations to pay all Guaranteed Obligations arising from or relating to Agreements entered into prior to the 61st day following Northern's receipt of a Termination Notice.

For purposes of clarity, in the event a Guarantor (a "Terminating Guarantor") properly delivers a Termination Notice, the Terminating Guarantor shall nevertheless remain absolutely, unconditionally and irrevocably liable for all Guaranteed Obligations, or extensions or renewals of the same, arising from or related to any Agreements entered into prior to the Termination Date but shall be discharged as to only those Guaranteed Obligations arising from or relating to Agreements entered into following the Termination Date.

7. Waiver by Guarantor. Guarantor irrevocably waives acceptance hereof, diligence, presentment, demand, protest, notice of dishonor, notice of any sale of collateral and any notice not provided for herein, any right of subrogation to Shipper's rights against Northern under any Agreement or otherwise, and any requirement that at any time any person exhaust any right to take any action against Shipper or their assets or any other person. Guarantor further hereby waives any right of exoneration, subrogation or reimbursement until all Guaranteed Obligations are

fully and indefeasibly paid or performed and until the expiration of any applicable preference periods.

8. Subrogation. Upon making any payment hereunder, Guarantor shall be subrogated to the rights of Northern against Shipper with respect to such payment; provided that such Guarantor shall not enforce any right or receive any payment by way of subrogation until all of the Guaranteed Obligations shall have been paid in full and Northern agrees to take, at Guarantor's expense, such steps as Guarantor may reasonably request to implement such subrogation.
9. Bankruptcy. In the event that the obligation of Shipper or Guarantor to pay any amount under any of the Agreements or this Guaranty is stayed, excused or discharged as the result of any insolvency, bankruptcy, dissolution or reorganization proceeding of Shipper or Guarantor (a "Bankruptcy Event"), all such amounts shall nonetheless be and remain Guaranteed Obligations and shall be due and payable by Guarantor as if no Bankruptcy Event occurred.

If any payment (an "Avoided Payment") received by Northern from any Shipper or Guarantor in respect of the Guaranteed Obligations is subsequently recovered from or repaid by Northern as the result of any Bankruptcy Event, Guarantor's payment obligation hereunder shall continue to be effective as though such Avoided Payment had not been made and without regard to any Termination Date that may have occurred after the date the claim relating to the Avoided Payment accrued.

10. Assignment: Successors and Assigns. This Guaranty shall be binding upon and inure to the benefit of Guarantor and its successors and assigns and Northern and its successors and assigns. Notwithstanding the foregoing, Guarantor may not assign or delegate its rights or obligations hereunder without the prior express written consent of the Northern, which shall not be unreasonably withheld, and any such purported assignment or delegation without Northern's express written consent shall be void.
11. Amendments and Waivers. No provision of this Guaranty may be amended, supplemented or modified, nor any of the terms and conditions hereof waived, with respect to Guarantor except by a written instrument executed by Guarantor and Northern.
12. Remedies Cumulative. The rights, powers, remedies and privileges provided in this Guaranty are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law and any other agreement.
13. Representations and Warranties. Guarantor hereby warrants and represents to Northern:

- (A) Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, and has full power to execute, deliver and perform this Guaranty.
 - (B) The execution, delivery and performance of the Guaranty has been and remains duly authorized by all necessary organizational action and does not contravene any provision of law or of Guarantor's constitutional documents or any contractual restriction binding on Guarantor or its assets.
 - (C) All consents, authorizations and approvals of, and registrations and declarations with, any governmental authority necessary for the due execution, delivery and performance of this Guaranty have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by and no notice to or filing with, any governmental authority is required in connection with the execution, delivery or performance of this Guaranty.
 - (D) This Guaranty constitutes the legal, valid and binding obligation of Guarantor enforceable against Guarantor in accordance with its terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles; provided, that nothing in this Section 13(D) shall in any way limit the right of Northern under Section 9 of this Guaranty.
 - (E) Guarantor's assets, at their respective fair value, exceed Guarantor's liabilities, including the Guaranteed Obligations and Guarantor has, or will have, sufficient cash and capital to pay its liabilities and obligations, including the Guaranteed Obligations, as they become due.
 - (F) In consideration for its execution of this Guaranty, Guarantor will receive reasonably equivalent value for the Guaranteed Obligations that it is assuming as a result of the Agreements and the relationship, common enterprise and synergies existing between Guarantor and Shipper.
14. Notices. All notices required herein shall be in writing and shall be deemed delivered (i) when received by registered or certified mail; or (ii) when delivered by FedEx, UPS or other comparable overnight delivery service to the address specified below:

Northern: 1111 South 103rd Street
Omaha, NE 68124-1000
Attn: Credit Department
Telephone: (402) 398-7741
Fax: (402) 548-5266

Guarantor: _____
_____, _____
Attn: _____
Telephone: _____
Fax: _____

For informational purposes:

Shipper: _____

Telephone: _____
Fax: _____

or such other address as any party may from time to time specify in writing.

15. Governing law and jurisdiction. This Guaranty shall be governed by, and interpreted in accordance with, the laws of the State of New York, without regard to principles of conflicts of laws thereunder (other than Sections 5-1401 and 5-1402 of the New York General Obligations Law). Northern (by its acceptance of this Guaranty) and Guarantor hereby irrevocably: (i) consent and submit to the exclusive jurisdiction of the United States District Court for the Southern District of New York, or if that court does not have subject matter jurisdiction, to the exclusive jurisdiction of the Supreme Court of the State of New York, New York County (without prejudice to the right of any party to remove to the United States District Court for the Southern District of New York) for the purposes of any suit, action or other proceeding arising out of this Guaranty or the subject matter hereof brought by Northern, Guarantor or their respective successors or assigns; and (ii) waives (to the fullest extent permitted by applicable law) and agrees not to assert any claim that it is not personally subject to the jurisdiction of the above-named courts, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Guaranty or the subject matter hereof may not be enforced in or by such court.

16. **TO THE FULLEST EXTENT PERMITTED BY LAW, GUARANTOR HERETO WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY. EACH PARTY FURTHER WAIVES ANY RIGHT TO CONSOLIDATE ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT BE OR HAS NOT BEEN WAIVED.**
17. Third Party Beneficiaries. This Guaranty shall not be construed to create any third party beneficiary relationship as to or with any person or entity other than Northern.
18. Electronic Signature; Multiple Originals. A signature delivered by facsimile or e-mail in portable document format (.pdf) shall be deemed to be an original manual signature for purposes of the Guaranty and shall be binding upon Guarantor and have the same legal effect as an original manual signature. This Guaranty may be signed in counterparts, each of which when signed shall be an original, but all of which shall together constitute one and the same instrument.

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be duly executed as of the date first above written.

GUARANTOR

[name of Guarantor]

By: _____

Printed Name: _____

Title: _____