

CUSTOMER CONTRACT

THIS AGREEMENT made and entered into this _____ day of _____, A.D., 20____.

BETWEEN

LAC LA BICHE DISTRICT NATURAL GAS CO-OP LTD.

a member owned co-operative association, registered under the laws of the Province of Alberta (Hereinafter called the "Co-op)

OF THE FIRST PART

- And -

NAME: _____ D.O.B. (MM/DD/YY) _____

NAME: _____ D.O.B. (MM/DD/YY) _____

PHONE #: HOME _____ CELL _____

EMPLOYER: _____ PH # _____ (WORK)

EMAIL: _____

MAILING ADDRESS: _____

TOWN/CITY: _____ Postal Code: _____

LEGAL LAND DESCRIPTION OF CONSUMER'S LAND: LSD _____ ¼ Sec _____ Twp. _____ Range _____ W _____ M

OR Lot _____ Block _____ Plan _____

STREET ADDRESS OR NAME OF SUBDIVISION _____

COUNTY RURAL SIGN: _____

(Hereinafter called the "Consumer")

OF THE SECOND PART

WHEREAS the Consumer desires a supply of natural gas for use at the Service Location; AND WHEREAS natural gas service is available to all farming, residential and other consumers within the scope of the Rural Utilities Act and the Gas Distribution Act (Alberta) who have met current membership requirements of the Coop; AND WHEREAS this document is deemed to be an application only for service until it is fully executed under seal by the duly authorized officers of the Coop; AND WHEREAS the Consumer agreed to become a member of the Co-op upon acceptance and approval by the Board of Directors of the Co-op of his application and upon the Board of Directors of the Co-op requesting that he do so; AND WHEREAS the Co-op at all times reserves the right to refuse any application for just cause. NOW THEREFORE THIS AGREEMENT WITNESSETH that in consideration of the premises, covenants and agreement herein contained the parties agree as follows:

- 1. DELIVERY AND SALE: The Coop shall sell and deliver to the Consumer, so far as is practical to do so and the Consumer shall purchase from the Co-op all of his requirements for natural gas at the Service Location PROVIDED THAT the Co-op shall only be obligated to supply natural gas up to a maximum load of one (1) gigajoule per hour. In the event that the Consumer requires a supply of natural gas in excess of the maximum load, the Co-op may require the Consumer to pay for the cost of the facilities to delivery such load.
2. CONSTRUCTION COST: The Consumer upon making this application shall pay to the Co-op the sum of [\$.] as a contribution to the cost of the Co-op's distribution system.
3. TITLE: The title to the distribution system up to and including the meter and including the extensions to serve other members or consumers shall be vested in the Co-op notwithstanding the contribution to the cost hereof made by the Consumer. The Co-op shall have the right to make use of and/or continue the said line extension for the purpose of serving other members or consumers.
4. METER LOCATION: The gas meter shall be placed on the Consumer's property at a point which the Co-op shall have the sole right to determine. The Consumer may designate his choice of location prior to construction and so notify the Co-op and the Co-op may comply with the Consumer's wishes if in the opinion of the Co-op the location is suitable and practical for technical and safety reasons.
5. RIGHT TO THE natural gas supplied by the Co-op shall pass from the Co-op to the Consumer at the outlet of the gas meter.
6. RIGHT OF WAY: The Consumer hereby grants to the Co-op as and when requested by the Co-op a utility right-of-way and easement, that the Co-op requires in order to construct and maintain its distribution system to serve the Consumer or any current or future consumers of the Co-op, upon the terms and conditions of the Co-op's standard easement agreement across all lands in which the consumer has or may acquire an interest (the Consumer's Land), to the full extent of that interest. The Consumer further agrees to execute prior to construction of the distribution system all documents which the Co-op may require to be executed for the purpose of registering the co-op's standard easement agreement. The utility right-of-way and easement hereby granted shall remain in full force and effect for as long as the Co-op, its successors and assigns desire and so long as the Co-op, its successors and assigns, continue to maintain and operate distribution lines across the Consumer's land and will continue to operate notwithstanding the discontinuance of service by the Co-op, its successors and assigns, or the termination of this Agreement.
7. ACCESS: The Co-op, its servants, agents and nominees, shall have the right of reasonable access to the Consumer's Land at all reasonable times for the purposes of reading meters, and for the purpose of inspecting any of the lines, equipment or appliances upon the consumer's Land whether the same are the property of the Co-op or the Consumer, and for the purpose of repairing or maintaining the same, or of removing all or any part of the same which are the property of the Co-op.
8. MAINTENANCE: The Co-op shall at its sole risk and expense construct pipelines, meters, regulators and other facilities needed to deliver natural gas to the outlet of the meter. The Co-op shall perform all maintenance and make renewals or replacements as it sees fit to do so. The Co-op will not, however, be responsible for repairs, renewals, replacement or maintenance of the Consumer's piping or equipment beyond the outlet of the meter which is designated as the point of delivery.
9. DOWNSTREAM CONSTRUCTION: The Consumer shall be liable for the costs of installation to all secondary piping beyond the outlet of the meter and within his own premises including the piping from the point of delivery to the buildings and shall assume all risk and responsibility with respect to such piping and his equipment and the protection of the same. The Consumer agrees that any such piping shall be done in conformity with all laws, statutes, bylaws, rules and regulations relating to gas fitting application in the Province of Alberta and in conformity with any rules and regulations made by the Directors of the Co-op. The Co-op shall have the right to inspect such piping but such inspection shall not relieve the Consumer of this responsibility in respect of such piping and installation, or in respect of any of his equipment or appliances.
10. WARNING AND INDEMNITY: The Co-op shall incur no liability by reason of failure to supply natural gas for any cause beyond the reasonable control of the Co-op, nor shall it be liable for loss, costs, or damage to persons or property arising or resulting from the supply or use of natural gas. The Consumer is hereby warned of the danger from contact with any part of the Co-op's line or equipment, and he shall at all times exercise every reasonable precaution necessary to prevent any damage to said lines and equipment. In the event of any accident, injury or damage occurring by reason of tampering, full responsibility therefore as between

the Co-op and the Consumer shall be upon the Consumer and the Consumer shall at all times indemnify and save harmless the Co-op from any and all claims for damages arising by reasons of any such accident, injury or damages. The Consumer shall be responsible for all damages to lines and equipment on his property due to his and/or his agent's negligence.

- 10. **RESALE:** The Consumer shall not resell natural gas delivered to him under the terms of this Agreement.
- 11. **DISCONTINUATION OF SERVICE:** The Co-op shall have the right to discontinue or refuse to continue the supply of natural gas to the Consumer for any of the following reasons:
 - a) lack of supply of natural gas;
 - b) repairs or alterations to the Co-op's piping or equipment;
 - c) conditions which in the opinion of the Co-op are dangerous to life or property;
 - d) to prevent fraud, abuse to Co-op property or the resale to others of natural gas;
 - e) non-payment of any account when due;
 - f) the insolvency or bankruptcy of the Consumer;
 - g) the use not in conformity of any of the provisions of this Agreement;
 - h) the breach by the Consumer of any of the provisions of this Agreement.

The Co-op shall not be required to provide notice of discontinuance for the reasons set out in sub clauses (a) to (c) inclusive but shall give forty-eight (48) hours notice of discontinuance for the reasons set out in sub clauses (d) to (h) inclusive.

The discontinuance of the supply of natural gas for any of the reasons aforesaid shall in no way affect any other rights or remedies that the Coop may have against the Consumer. The Co-op shall have the right to charge the Consumer a reconnection fee as set from time to time by the Board of Directors of the Co-op before the supply of natural gas is reconnected after discontinuance for any of the reasons set out in sub clauses (c) to (h) inclusive. The Co-op in its discretion may refuse to reconnect any service where the same has been discontinued for any of the reasons set out in sub clauses (c) to (h).

- 12. **NOTICE:** The Co-op may serve any discontinuance notice, or other document required to be served hereunder by mailing the same by mail to the Consumer at the address herein provided or by delivering the same to the premises where natural gas is being supplied by the Co-op and/or attaching the same to the door on the premises. In the event that clause 15 hereof applies, notice shall be given by mail to the Consumer and by delivery to the premises where natural gas is being supplied.

The Consumer may give notice to the Co-op by delivering the same to the Co-op's head office and leaving the same with the general manager or by mailing the same by prepaid registered mail to the Co-op at the address herein provided. The addresses of the parties hereto, to which communications and notices may be served and to which all payments shall be made are as follows:

Lac La Biche District Natural Gas Co-op Ltd.
Box 1050, Lac La Biche, Alberta T0A 2C0

Any such notice or document shall be conclusively deemed to have been given and received if delivered, on the date of such delivery, or it mailed, then (10) days after such mailing. Either party may change its address by notice in writing served upon the other party.

- 13. **GAS RATES:** The Consumer shall pay to the Co-op for natural gas at a rate set by the Board of Directors of the Co-op from time to time. Payment by the Consumer for gas purchased during each calendar month shall be made to the Co-op or its agent on or before the 25th day of the month following the month in which the Consumer was invoiced for such purchases and accounts for natural gas and operating charges which are not paid when due shall bear interest at a rate as set by the Board of Directors of the Co-op from time to time. The Co-op hereby acknowledges receipt of a deposit in the sum of \$ 200.00 DOLLARS to be credited to any amount owing to the Co-op by the Consumer.
- 14. **OPERATING CHARGE:** The Consumer shall pay to the Co-op a monthly operating charge as set by the Board of Directors of the Co-op from time to time. The operating charge shall be payable by the Consumer from the first day of the month following the date on which natural gas is made available to the Consumer at the Service Location whether or not the Consumer is burning natural gas and payable on the same date and in the same manner as gas rates.
 In the event that the Consumer does not submit to the Co-op a reading of the gas meter as and when required by the Co-op, the Co-op may read the meter and charge the Consumer a fee for such meter reading as may be determined by the Board of Directors of the Co-op from time to time.
- 15. **RENTAL PROPERTY:** In the event that the consumer has entered into or hereafter enters into an agreement whereby the Consumer's land to which natural is supplied is rented to a third party, the Consumer shall be liable to the Co-op for all rates, charges and other costs (including interest thereon) charged hereunder notwithstanding that the third party has entered into a customer contract with the Co-op and notwithstanding that the invoice for natural gas and the operating charge is addressed to such third party.
- 16. **TERM:** This Agreement shall be for a term of 10 years from the date first above written and thereafter shall continue in force from year to year subject to termination at the end of such year by either party giving to the other party at least thirty (30) days notice in writing of such termination.
- 17. **TRANSFER:** This Agreement is not transferable or assignable by the Consumer.
- 18. **VERBAL AGREEMENTS:** No promises, agreements or representations by an agent or employee of the Co-op shall be binding upon the Co-op unless the same is incorporated into this Agreement before it is signed and accepted by the Co-op.
- 19. **AGENTS:** Notwithstanding anything herein contained the Co-op shall be entitled to assign all or any of its rights or obligations under this Agreement and may from time to time appoint, employ or engage a person, firm or corporation to do any act or thing which the Co-op is required or entitled to do hereunder, either in its own name or in the name of the Co-op. In such event, such person, firm or corporation shall have the rights to access to the consumer's Lands set out in clauses 5 and 6 herein.
- 20. **DEFINITIONS:** IT IS UNDERSTOOD that subject to clause 17, herein this Agreement shall ensure to the benefit of and be binding upon the Co-op its successors and assigns and the consumer his executors and administrator, successors and assigns and that where the singular or masculine is used herein the same shall be construed a meaning the plural or feminine or a body corporate where the context so requires and that if the Consumer is two or more parties the agreements and covenants on their part shall be deemed to be joint and several.
- 21. **ENCUMBRANCE:** The Consumer hereby charges and encumbers all his estate and interest in the Consumers Land to the extent of any monies owing by the Consumer to the Co-op from time to time together with any costs, including legal costs on a solicitor and client basis, incurred by the Co-op in the collection thereof; and acknowledges and agrees that the Co-op may, upon default of payment of any amount owing hereunder, register a Caveat against the title to the Consumer's Lands respecting such debt. The foregoing shall be an addition to and not in derogation from or substitution for, any other rights or remedies to which the Co-op may be entitled.
- 22. **INFORMATION:** The Consumer hereby authorizes and consents to the Co-op at any time conducting any credit investigation and exchange on information respecting the Consumer and the Consumer hereby authorizes and directs it's lenders and all other parties (including, without limitation, the Crown and all government agencies) having such information release such information from time to time on request of the Co-op and production of this paragraph shall be their full sufficient direction and authority to do so.
- 23. **REGULATIONS:** This Agreement is made subject to all rules and regulations passed by the Board of Directors of the Co-op from time to time and of any governmental body having jurisdiction and such rules and regulations form a part of this Agreement. Copies of the rules and regulations passed by the Board of Directors are available to the Consumer at the Co-op's head office during normal business hours.

IN WITNESS WHEREOF the parties hereto have executed these presents as of the _____ day of _____, A.D. 20_____.

\$5 Membership Yes No (will be applied to your first bill)

 LAC LA BICHE DISTRICT NATURAL GAS CO-OP LTD.
 (CORPORATE SEAL)

SIGNED, SEALED AND DELIVERED)
 In the presence of:)
)
)

Witness _____) Consumer: _____
) Consumer: _____