

GUARANTY

THIS GUARANTY is given as of _(date)_, 20___, by _(name of guarantor)_, a _(country of organization and domicile, and type of entity)_, whose principal business office is located at _(guarantor street address/country)_ (“Guarantor”), to PJM Interconnection, L.L.C. (“PJM”), a Delaware limited liability company, whose principal business office is located at 955 Jefferson Avenue, Valley Forge Corporate Center, Norristown, Pennsylvania, 19403-2497.

RECITALS

WHEREAS, _(member/customer being guaranteed)_ (“Customer”), whose principal business office is located at _(Customer's complete street address)_, will conduct business beginning as of the date of this Guaranty with PJM pursuant to which Customer may from time to time enter into power and/or related purchase and sale transactions in the PJM Control Area; and

WHEREAS, pursuant to the PJM Open Access Transmission Tariff, PJM Operating Agreement and/or the PJM Reliability Assurance Agreement among Load Serving Entities in the PJM Control Area, (the “Agreements”), PJM is authorized to require Transmission Customers and PJM Members to provide and maintain in effect appropriate creditworthiness arrangements; and

WHEREAS, PJM will accept Customer as a member or transmission customer only if payments, penalties, and other amounts owed by Customer to PJM in connection with the Agreements will be guaranteed by Guarantor; and

WHEREAS, Guarantor is an affiliate of Customer and will directly or indirectly benefit from Customer becoming a member or transmission customer of PJM and deems it to be in Guarantor’s best interest to provide this guarantee to PJM; and

WHEREAS, Guarantor is willing to guarantee payments, penalties, and other amounts owed by Customer to PJM under the terms set forth below.

NOW THEREFORE, in consideration of the above premises and the mutual promises and covenants contained below (which the Guarantor acknowledges constitute adequate consideration for its obligations hereunder) the Guarantor, intending to be legally bound, agrees as follows:

- (1) Obligations of Guarantor. Guarantor unconditionally and irrevocably guarantees to PJM the prompt and complete payment of all amounts owed to PJM by Customer in regard to the Agreements (or any successor agreements). If all or any part of such amounts is not paid by Customer when due, Guarantor shall, upon the demand of PJM, immediately pay such amount. This is a primary, absolute obligation of Guarantor enforceable by PJM, its successors and assigns, or any of its members on its behalf, regardless of Customer’s ability or willingness to pay. Guarantor agrees that its obligations hereunder shall not be affected by the Agreements validity, enforceability or the lack of authority of Customer to execute or deliver the Agreements or any change or amendment to the Agreements

- (2) Duration. This Guaranty shall continue in force until the entire indebtedness covered by this Guaranty is paid in full to PJM and the Agreement is terminated. PJM shall not be bound or obligated to exhaust its recourse against Customer or other persons or take any other action before being entitled to demand performance by Guarantor hereunder. This Guaranty shall continue to be effective even in the event of the insolvency, bankruptcy or reorganization of Customer. This Guaranty will also survive and be binding upon Guarantor following any merger, reorganization, consolidation or other change in Customer's or Guarantor's structure, personnel, business or affairs.
- (3) Remedies of PJM. The rights and remedies of PJM under this Guaranty are cumulative and concurrent and shall not be exclusive of any other rights or remedies that PJM may have against Customer or Guarantor. No set-off, counterclaim, reduction or diminution of an obligation or any defense of any kind or nature that Guarantor has or may have against Customer or PJM shall affect, modify or impair the obligations of Guarantor under this Guaranty.
- (4) Waivers. Guarantor acknowledges that PJM will rely upon this Guaranty in accepting Customer as a member or transmission customer under the Agreements. Guarantor accordingly waives any claim or defense based upon lack of consideration. Guarantor also irrevocably waives presentment, diligence, demand, protest or other notice of any kind, including, without limitation, notice of acceptance of this Guaranty and notice of any claim or demand upon Customer or Guarantor. Without notice to Guarantor, PJM may extend the time for performance under any Agreement with Customer or modify, supplement or amend any Agreement, and otherwise agree in any manner with Customer without affecting Guarantor's unconditional obligation under this Guaranty it being understood that Guarantor waives all suretyship defenses generally.
- (5) Further Assurances. Guarantor agrees to do all such things and execute all such documents as PJM may consider necessary or desirable to give full effect to this Guaranty and to perfect and preserve the rights and powers of PJM hereunder. Guarantor acknowledges and confirms that Guarantor itself has established its own adequate means of obtaining from Customer on a continuing basis all information desired by Guarantor concerning the financial condition of Customer and that Guarantor will look to Customer and not to PJM in order for Guarantor to keep adequately informed of changes in Customer's financial condition.
- (6) Overdue Amounts; Enforcement Costs. Guarantor hereby agrees upon demand (a) to pay to PJM interest on any unpaid amounts owing to PJM under this Guaranty and (b) to reimburse PJM for any and all costs and expenses, including but not limited to, legal fees and expenses, incurred in connection with the enforcement of or the preservation of PJM's rights under this Guaranty.
- (7) Effect of Bankruptcy. In the event that, pursuant to any insolvency, bankruptcy, reorganization, receivership or other debtor relief law or any

judgment, order or decision thereunder, PJM must rescind or restore any payment, or any part thereof, received by PJM, any prior release or discharge from the terms of this Guaranty shall be without effect, and this Guaranty will remain in effect as if the payment had not been made to PJM.

- (8) Assignment. This Guaranty is for the benefit of PJM, its successors and assigns, and its members; and is binding upon Guarantor, its successors and assigns, except that Guarantor may not assign or transfer any of its obligations under this Guaranty, whether by operation of law or otherwise, without the prior written consent of PJM.
- (9) Representations and Warranties. Guarantor represents and warrants to PJM that (a) the execution, delivery and performance of this Guaranty by Guarantor have been duly authorized by all requisite corporate action of Guarantor and do not require the consent of any governmental agency or other third party which has not been obtained, (b) this Guaranty has been duly executed and delivered to PJM, (c) the incurrence by Guarantor of its obligations under this Guaranty constitute and will constitute private and commercial acts of Guarantor, and the obligations of Guarantor hereunder will rank at least *pari passu* with all other unsecured indebtedness of Guarantor, (d) Guarantor is subject to civil and commercial law with respect to its obligations under this Guaranty and enjoys no immunity, sovereign or otherwise, from any suit or proceeding, the jurisdiction of any court, recoupment, setoff or legal process (and hereby waives any defense of immunity to the extent available to Guarantor), (e) no taxes are imposed by the country in which Guarantor is organized or has its principal business office on or by virtue of Guarantor's execution or delivery of this Guaranty other than any payable by Guarantor and which have already been paid, (f) this Guaranty is in proper legal form for the enforcement of this Guaranty, (g) no filing, recording or notarization not already made is required, and no tax or other charge not already paid must be paid, on or as a condition to the enforceability of this Guaranty.
- (10) Payments. All payments by Guarantor under this Guaranty shall be made (a) in U.S. dollars to such account in the United States as PJM may from time to time designate to Guarantor and (b) free and clear of, and without deduction or withholding for or on account of any present or future income, stamp other taxes or levies, imposts, duties, charges, fees, deductions or withholdings now or hereafter imposed, levied, collected, withheld or assessed by an governmental authority (collectively "Taxes"). If any Taxes are required to be withheld from any amounts payable by Guarantor under this Guaranty, the amounts to payable shall be increased to the extent necessary to provide the full amount (after payment of all Taxes) owing by Guarantor under this Guaranty.
- (11) Subrogation. Until the final payment and performance in full of all of Guarantor's obligations under this Guaranty, Guarantor shall not exercise any rights against Customer arising as a result of any payment by Guarantor

hereunder, whether by way of subrogation, reimbursement, restitution, contribution or otherwise.

- (12)Governing Law. This Guaranty shall be governed by and construed in accordance with the laws of the State of Pennsylvania in the United States of America, without regard to any of conflict of laws rule that would require the application of laws other than those of the State of Pennsylvania.
- (13)CONSENT TO JURISDICTION. GUARANTOR IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE EXCLUSIVE JURISDICTION OF ANY STATE OR FEDERAL COURT SITTING IN PHILADELPHIA, PA, IN THE UNITED STATES OF AMERICA IN ANY ACTION OR PROCEEDING ARISING OUT OF OR RELATING TO THIS GUARANTY. GUARANTOR WAIVES ANY OBJECTION TO VENUE IN PHILADELPHIA, PENNSYLVANIA, USA AND ANY OBJECTION TO ANY ACTION OR PROCEEDING ON THE BASE OF FORUM NON CONVENIENS. FINAL JUDGMENT AGAINST GUARANTOR IN ANY SUCH ACTION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN ANY OTHER JURISDICTION.
- (14)Process Agent. Guarantor hereby irrevocably and unconditionally appoints [e.g. CT Corporation System], with offices on the date hereof at [.....], _____, Pennsylvania, as its agent for service of process of any summons or other legal process in any action or proceeding arising out of or relating to this Guaranty, and such agent is hereby authorized and directed to accept such service on behalf of Guarantor. Guarantor shall at all times maintain [e.g. CT Corporation System] or another person acceptable to PJM in _____, Pennsylvania, as a person acting as its agent to receive service of process.
- (15)Judgment Currency. The obligations of Guarantor under this Guaranty shall, notwithstanding judgment in a currency other than U.S. dollars (the "Judgment Currency"), be discharged only to the extent that, on any day following receipt by PJM of any sum adjudged to be due in the Judgment Currency, PJM may in accordance with normal banking procedures purchase U.S. dollars with the Judgment Currency. If the amount of U.S. dollars so purchased is less than the sum originally due to PJM in U.S. dollars, Guarantor agrees, as a separate obligation and notwithstanding such judgment, to indemnify PJM against such loss.
- (16)Partial Invalidity. If any provision of this Guaranty is found by a court of competent jurisdiction to be prohibited, illegal, invalid, inoperable or unenforceable, such prohibition, illegality, invalidity, inoperability shall not affect the remainder thereof or any other clause, provision or section, and each such clause, provision or section shall be deemed to be effective and operative in the manner and to the full extent permitted by law..
- (17)Notices. Any demand, notice or other communication under this Guaranty shall be in writing and shall be delivered by hand, send by overnight mail or

courier or transmitted by facsimile. Any communication to PJM shall be effective upon receipt and shall be delivered or sent to:

PJM Interconnection, LLC
955 Jefferson Ave
Valley Forge Corporate Center
Norristown, Pa 19403-2497
Attn: Treasurer

Any notices sent by PJM to Guarantor or Customer shall be deemed effective upon mailing by PJM to Guarantor or Customer at the following address:

If to Guarantor:

If to Customer:

IN WITNESS WHEREOF, Guarantor has caused this Guaranty to be executed on its behalf by its duly authorized Officer as of the date shown above.

[NAME OF GUARANTOR]

(Signature)

(Printed name)

(Title)

Form of Foreign Guaranty
#392516 v.1

[Guarantor's signature on this Guaranty must comply with any form requirement or custom in Guarantor's country for a signature to bind Guarantor, including sealing or notarization if so required or customary, and must be accompanied by a signed secretary's or other appropriate officer or manager certificate attesting to the validity of the signature and the authorization of the person signing this Guaranty]