

GUARANTY

THIS GUARANTY is given as of _(date)_, 20___, by _(name of guarantor)_, a _(state of guarantor incorporation)_ corporation, whose principal business office is located at _(guarantor street address)_ (“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;

WHEREAS, Guarantor 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 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.
- (2) Duration. This Guaranty shall continue in force until the entire indebtedness covered by this Guaranty is repaid 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 irrecoverably waives presentment, 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.
- (5) 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 Agreement shall be without effect, and this Agreement will remain in effect.
- (6) Miscellaneous. 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. Guarantor will reimburse PJM for any expenses incurred by PJM in enforcing this Guaranty, including reasonable legal fees. If any provision of this Guaranty is found by a court of competent jurisdiction to be prohibited or unenforceable, this Guaranty shall be ineffective only to the extent of such prohibition or unenforceability and such shall not invalidate the balance of the Guaranty. Guarantor represents and warrants to PJM that the execution, delivery and performance of this Guaranty by Guarantor have been duly authorized by all requisite corporate action of Guarantor. Any Correspondence to the beneficiary should be sent to the following address:

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

Attn: Treasurer

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.

(Signature)

(Printed name)

(Title)

[Guaranty must be stamped with Corporate seal or must be accompanied by a signed secretary's certificate attesting to the validity of the signature and the authorization of the person signing the guaranty]