

BALTIMORE GAS AND ELECTRIC COMPANY ELECTRICITY SUPPLIER – GUARANTY

THIS GUARANTY is given as of \_\_\_\_\_, 20\_\_\_\_, by \_\_\_\_\_ a \_\_\_\_\_ corporation, whose principal business office is located at \_\_\_\_\_ ("Guarantor"), to Baltimore Gas and Electric Company ("BGE"), a Maryland corporation whose principal business office is located at 2 Center Plaza, 110 West Fayette St., Baltimore, Maryland 21201.

RECITALS

WHEREAS, BGE is prepared to accept as an Electricity Supplier \_\_\_\_\_ whose principal address is \_\_\_\_\_ ("Supplier") under the BGE Electricity Supplier Coordination Tariff in connection with the Electricity Supplier's delivery of Competitive Power Supply in BGE's service territory; and

WHEREAS, BGE will accept Supplier only if payment of any fees, penalties, and other amounts owed by Supplier to BGE under the BGE Electricity Supplier Coordination Tariff will be guaranteed by Guarantor; and

WHEREAS, Guarantor is willing to guarantee payment of any fees, penalties, and other amounts owed by Supplier, its \_\_\_\_\_ (describe the relationship of the Supplier and Guarantor, i.e. subsidiary, sister corporation, etc.), to BGE 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 constitutes adequate consideration for its obligations hereunder the Guarantor agrees as follows:

1. Obligations of Guarantor. Guarantor unconditionally guarantees to BGE the prompt and complete payment of all amounts owed to BGE by Supplier in regard to the above-referenced delivery of Competitive Power Supply as provided under the BGE Electricity Supplier Coordination Tariff (or any successor tariffs or schedules approved by the Maryland Public Service Commission). If all or any part of such amounts is not paid by Supplier when due, Guarantor shall, upon the demand of BGE immediately pay such amounts. This is a primary, absolute obligation of Guarantor enforceable by BGE, its successors and assigns, regardless of Supplier's ability or willingness to pay. Notwithstanding anything to the contrary herein, the liability of the Guarantor under this Guaranty and BGE's right to recovery hereunder is limited to a total aggregate amount of **Twenty-Five Thousand Dollars (\$25,000.00)** (the "Guaranty Cap"). Expenses of enforcement as provided in Section 5 of this Guaranty shall not be considered a part of or subject to the Guaranty Cap.

2. Duration. This Guaranty may be terminated at any time by the Guarantor by providing at least ninety (90) days' prior written notice to BGE; provided however, Guarantor agrees that the obligations and liabilities hereunder shall continue in full force and effect with respect to any guaranteed obligations under any Agreement. Such termination shall not affect, in any manner, rights arising under this Guaranty with respect to any amounts owed to BGE by Supplier in regard to the above-referenced delivery of Competitive Power Supply Program, which shall have been created, incurred, contracted or assumed prior to such date (collectively, "prior rights") together with any additional amounts that relate back to the prior rights, such as expenses of enforcement as provided in paragraph 5 of this Guaranty, whether or not such additional amounts are incurred after the termination date. BGE shall not be bound or obligated to exhaust its recourse against Supplier 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 Supplier. This Guaranty will also survive and be binding following any merger, reorganization, consolidation or other change in Supplier's structure, personnel, business or affairs.

3. Remedies of BGE. The rights and remedies of BGE under this Guaranty are cumulative and concurrent and shall not be exclusive of any other rights or remedies that BGE may have against Supplier 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 Supplier or BGE shall affect, modify or impair the obligations of Guarantor under this Guaranty.

4. Waivers. Guarantor acknowledges that BGE will rely upon this Guaranty in accepting Supplier for delivery of Competitive Power Supply in BGE's service territory. Guarantor accordingly waives any claim or defense based upon lack of consideration or any other defenses that might otherwise constitute a legal or equitable discharge of a guarantor or a defense of a guarantor. Guarantor also irrevocably 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 Supplier or Guarantor. Without notice to Guarantor, BGE may extend the time for performance under any agreement with Supplier, or modify, supplement or amend any agreement, and otherwise agree in any manner with Supplier without affecting Guarantor's unconditional obligation under this Guaranty.

5. Miscellaneous. This Guaranty is for the benefit of BGE, its successors and assigns; 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 BGE. Guarantor will reimburse BGE for any expenses incurred by BGE 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 that (a) it is duly organized and in good standing in the jurisdiction of its incorporation, (b) it has received all necessary corporate and governmental approvals required for its execution and delivery of this Guaranty and the performance of its obligations hereunder, (c) this Guaranty constitutes a valid binding and legally enforceable agreement of Guarantor (except as enforceability may be limited by bankruptcy or similar laws affecting creditor's rights generally or by general principles of equity), and (d) the execution, delivery, and performance of this guaranty by Guarantor have been duly authorized by all requisite corporate action of Guarantor. This Guaranty shall be governed by the laws of the State of Maryland.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty by its authorized representative as of the date shown above.

ATTEST:

GUARANTOR

\_\_\_\_\_

\_\_\_\_\_

(SEAL)

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_