FORM OF GUARANTY

1. **Guaranty.** For valuable consideration, *[Guarantor’s legal name]* , *[legal status]* (“**Guarantor**”) absolutely and unconditionally guarantees the timely payment to Southern California Edison Company, a California corporation (“**Beneficiary**”), its successors and assigns, of all amounts owed to Beneficiary by *[Seller’s legal name]* , *[legal status]* (“**Principal**”) under that certain *[agreement name]* between Beneficiary and Principal dated *[date]* , as amended from time to time (“**Agreement**”), whether direct or indirect, absolute or contingent, now existing or hereafter arising (said amounts are hereinafter referred to as the “**Obligations**”) and agrees that if for any reason Principal shall fail to pay when due any of such Obligations, Guarantor will pay the same forthwith. Initially capitalized words that are used but not otherwise defined herein shall have the meanings given them in the Agreement.

Upon the failure or refusal by Principal to pay all or any portion of the Obligations, Beneficiary may make a demand upon Guarantor. Such demand shall be in writing and shall state the amount Principal has failed to pay and an explanation of why such payment is due, with a specific statement that Beneficiary is calling upon Guarantor to pay under this Guaranty. Guarantor shall promptly, but in no event more than ten Business Days following demand by Beneficiary, pay such Obligations in immediately available funds. The obligations of Guarantor hereunder shall not be subject to any counterclaim, setoff, withholding, or deduction unless required by applicable law. A written demand satisfying the foregoing requirements shall be deemed sufficient notice to Guarantor that it must pay the Obligations.

2. **Guaranty Limit.** Subject to Section 12, the liability of Guarantor hereunder shall not exceed $\_\_\_\_\_\_\_\_ in the aggregate, which amount shall include all interest that has accrued on any amount owed hereunder.

3. **Guaranty Absolute.** Subject to Section 4 of this Guaranty, Guarantor agrees that its obligations under this Guaranty are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor. In furtherance of the foregoing and without limiting the generality thereof, Guarantor agrees as follows:

(a) The liability of Guarantor under this Guaranty is a continuing guaranty of payment and not of collectibility, and is not conditional or contingent upon the genuineness, validity, regularity or enforceability of the Agreement or the pursuit by Beneficiary of any remedies which it now has or may hereafter have under the Agreement;

(b) Beneficiary may enforce this Guaranty upon the occurrence of a default by Principal under the Agreement notwithstanding the existence of a dispute between Beneficiary and Principal with respect to the existence of the default;

(c) The obligations of Guarantor under this Guaranty are independent of the obligations of Principal under the Agreement and a separate action or actions may be brought and prosecuted against Guarantor whether or not any action is brought against Principal or any other guarantors and whether or not Principal is joined in any such action or actions;

(d) Beneficiary may, at its election, foreclose on any security held by Beneficiary, whether or not the means of foreclosure is commercially reasonable, or exercise any other right or remedy available to Beneficiary without affecting or impairing in any way the liability of Guarantor under this agreement, except to the extent the amount(s) owed to Beneficiary by Principal have been paid; and

(e) Guarantor shall continue to be liable under this Guaranty and the provisions hereof shall remain in full force and effect notwithstanding:

1. Any modification, amendment, supplement, extension, renewal, compromise, acceleration, agreement or stipulation between Principal and Beneficiary or their respective successors and assigns, with respect to the Agreement or the obligations encompassed thereby, all from time to time, before or after any default, without notice to or further assent from Guarantor;

(ii) Beneficiary's waiver of or failure to enforce any of the terms, covenants or conditions contained in the Agreement;

1. Any release of Principal or any other guarantor from any liability with respect to the Obligations or any portion thereof;

(iv) Any furnishing to Beneficiary of collateral for any Obligation or any exchange, release, failure to preserve, waste, deterioration, sale or disposition of any collateral, including any release, compromise or subordination of any real or personal property then held by Beneficiary as security for the performance of the Obligations or any portion thereof, or any substitution with respect thereto;

1. Without in any way limiting the generality of the foregoing, if Beneficiary is awarded a judgment in any suit brought to enforce a portion of the Obligations, such judgment shall not be deemed to release Guarantor from its covenant to pay that portion of the Obligations which is not the subject of such suit;

(vi) Beneficiary's acceptance and/or enforcement of, or failure to enforce, any other guaranties or any portion of this Guaranty;

1. Beneficiary's exercise of any other rights available to it under the Agreement;
2. Beneficiary's consent to the change, reorganization or termination of the corporate structure or existence of Principal and to any corresponding restructuring of the Obligations;
3. Any insolvency of Principal, or any other guarantor or any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, arrangement, dissolution or liquidation of Principal or any other guarantor or any defense which Principal, or any other guarantor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding, or Principal making a general assignment for the benefit of its creditors or admitting in writing its inability to pay its debts as they become due;

(ix) Any defense based upon any taking, modification or release of any collateral for the Obligations, any failure to perfect or continue perfection of a security interest in any collateral that secures the Obligations;

1. Any defenses, setoffs or counterclaims that Principal may allege or assert against Beneficiary with respect to the Obligations, including, without limitation, failure of consideration, breach of warranty, statute of frauds, statute of limitations and accord and satisfaction;
2. Any rights or defenses based upon an offset by the Guarantor against any obligation now or hereafter owed to the Guarantor by Principal;
3. Any other act or thing or omission, or delay to do any other act or thing that might in any manner or to any extent vary the risk of Guarantor as an obligor with respect to the Obligations; and
4. any other circumstance which might otherwise constitute a defense against, or a legal or equitable discharge of Guarantor’s liability under this Guaranty.

4. **Termination****; Reinstatement.** The term of this Guaranty is continuous until terminated by Guarantor by written notice received by Beneficiary not less than sixty (60) calendar days prior to the proposed effective date of such termination. No such notice or termination shall release Guarantor from, and Guarantor shall remain liable for, Obligations arising under transaction(s) already entered into under the Agreement as of the effective date of such termination, and for any related collection expenses under Section 12 hereof.  Guarantor agrees that this Guaranty shall continue to be effective or be reinstated, as the case may be, and Guarantor’s liability under this Guaranty shall continue and remain in full force and effect, if at any time any payment made hereunder is rescinded or must otherwise be returned by Beneficiary as a preference or fraudulent transfer under the United States Bankruptcy Code or any applicable state law, all as though such payment had not been made.

5. **Bankruptcy; Post-Petition Interest.** The obligations of Guarantor under this Guaranty shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Principal or by any defense which Principal may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding. Any interest on any portion of the Obligations which accrues after the commencement of any such proceeding (or, if interest on any portion of the Obligations ceases to accrue by operation of law by reason of the commencement of said proceeding, such interest as would have accrued on such portion of the Obligations if said proceedings had not been commenced) shall be included in the Obligations. Guarantor will permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar person to pay Beneficiary, or allow the claim of Beneficiary in respect of, any such interest accruing after the date on which such proceeding is commenced.

6. **Subrogation.** Guarantor shall have no right to subrogation with respect to any payments made under this Guaranty until all Obligations have been irrevocably paid in full to Beneficiary.

7. **Waivers of Guarantor.**

(a) Guarantor waives, to the fullest extent permitted by law, the benefit of any statute of limitations affecting its liability under this Guaranty or the enforcement of this Guaranty.

(b) Guarantor waives any right to require Beneficiary to proceed against or exhaust any security held from Principal or any other party acting under a separate agreement and waives any right under Section 2849 of the California Civil Code and any other benefit of or right to participate in any security now or hereafter held by Beneficiary.

(c) [SCE comment: Delete this Subsection (c) if real property is not applicable.] Guarantor unconditionally and irrevocably waives all of the rights and defenses described in subdivision (a) of Section 2856 of the California Civil Code, including without limitation:

1. any rights and defenses that are or may become available to Guarantor by reason of Sections 2787 to 2855 thereof, inclusive;
2. all rights and defenses that a guarantor may have because the debtor's debt is secured by real property. This means, among other things: (a) the creditor may collect from the guarantor without first foreclosing on any real or personal property collateral pledged by the debtor; (b) if the creditor forecloses on any real property collateral pledged by the debtor: (1) the amount of the debt may be reduced only by the price for which that collateral is sold at the foreclosure sale, even if the collateral is worth more than the sale price; and (2) the creditor may collect from the guarantor even if the creditor, by foreclosing on the real property collateral, has destroyed any right the guarantor may have to collect from the debtor;
3. any rights and defenses a guarantor may have because the debtor's debt is secured by real property or an estate for years. These rights and defenses include, but are not limited to, any rights or defenses based upon Section 580a, 580b, 580d, or 726 of the California Code of Civil Procedure; and
4. all rights and defenses arising out of an election of remedies by the creditor, even though that election of remedies, such as a nonjudicial foreclosure with respect to security for a guaranteed obligation, has destroyed the guarantor's rights of subrogation and reimbursement against the principal by the operation of Section 580d of the Code of Civil Procedure or otherwise.

(d) Guarantor assumes all responsibility for keeping itself informed of Principal’s financial condition and all other factors affecting the risks and liability assumed by Guarantor hereunder, and Beneficiary shall have no duty to advise Guarantor of information known to it regarding such risks.

(e) Guarantor waives any defense arising by reason of the incapacity, lack of authority or any disability or other defense of Principal, including, without limitation, any defense based on or arising out of the lack of validity or enforceability of the Obligations or by reason of the cessation of liability of Principal under the Agreement for any reason but full performance or payment;

(f) Guarantor waives any defense based upon Beneficiary's errors or omissions in the administration of the Obligations;

(g) Guarantor waives its right to raise any defenses based upon promptness, diligence, and any requirement that Beneficiary protect, secure, perfect or insure any security interest or lien or any property subject thereto;

(h) Guarantor waives its right to raise any principles of law, statutory or otherwise, that limit the liability of or exonerate sureties or guarantors, provide any legal or equitable discharge of Guarantor's obligations hereunder, or which may conflict with the terms of this Guaranty;

1. Guarantor waives presentment and demand concerning the liabilities of Guarantor, except as expressly hereinabove set forth;

(j) Guarantor hereby expressly waives all notices between Beneficiary and Principal including without limitation all notices with respect to the Agreement and this Guaranty, notice of acceptance of this Guaranty, any notice of credits extended and sales made by Beneficiary to Principal, any information regarding Principal’s financial condition, and all other notices whatsoever; and

(k) Guarantor waives filing of claims with a court in the event of the insolvency or bankruptcy of Principal.

8. **No Waiver of Rights by Beneficiary.** No right or power of Beneficiary under this agreement shall be deemed to have been waived by any act or conduct on the part of Beneficiary, or by any neglect to exercise a right or power, or by any delay in doing so, and every right or power of Beneficiary hereunder shall continue in full force and effect until specifically waived or released in a written document executed by Beneficiary.

9. **Assignment, Successors and Assigns.** This Guaranty shall be binding upon Guarantor, its successors and assigns, and shall inure to the benefit of, and be enforceable by, Beneficiary, its successors, assigns and creditors. Beneficiary shall have the right to assign this Guaranty to any person or entity without the prior consent of Guarantor; *provided*, *however*, that no such assignment shall be binding upon Guarantor until it receives written notice of such assignment from Beneficiary. Guarantor shall have no right to assign this Guaranty or its obligations hereunder without the prior written consent of Beneficiary.

10. **Representations of Guarantor.** Guarantor hereby represents and warrants that: (a) it is a corporation duly organized, validly existing and in good standing under the laws of [insert jurisdiction of formation] and has full power and authority to execute, deliver and perform this Guaranty; (b) it has taken all necessary actions to execute, deliver and perform this Guaranty; (c) this Guaranty constitutes the legal, valid and binding obligation of Guarantor, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws effecting creditors’ rights generally and to general equitable principles; (d) execution, delivery and performance by Guarantor of this Guaranty does not conflict with, violate or create a default under any of its governing documents, any agreement or instruments to which it is a party or to which any of its assets is subject or any applicable law, rule, regulation, order or judgment of any Governmental Authority; (e) all consents, approvals and authorizations of governmental authorities required in connection with Guarantor’s execution, delivery and performance of this Guaranty have been duly and validly obtained and remain in full force and effect; (f) it has reviewed this Guaranty with its legal counsel, and (g) there are no actions, suits or proceedings pending or, to the best of the knowledge of Guarantor, threatened against or affecting Guarantor before any government authority of which there is a likelihood that the outcome will materially and adversely affect its ability to perform its obligations hereunder.

11. **Financial Information.**  If requested by Beneficiary, Guarantor shall deliver (a) within 120 days following the end of each fiscal year that any Obligations are outstanding, a copy of its annual report containing its audited consolidated financial statements (income statement, balance sheet, statement of cash flows and statement of retained earnings and all accompanying notes) for such fiscal year, setting forth in each case in comparative form the figures for the previous year and (b) within 60 days after the end of each of its first three fiscal quarters of each fiscal year that any Obligations are outstanding, a copy of its quarterly report containing its consolidated financial statements (income statement, balance sheet, statement of cash flows and statement of retained earnings and all accompanying notes) for such fiscal quarter and the portion of the fiscal year through the end of such quarter, setting forth in each case in comparative form the figures for the previous year [**if Guarantor is an SEC reporting company:** certified in accordance with all applicable laws and regulations, including without limitation all applicable Securities and Exchange Commission rules and regulations] [**OR if Guarantor is not an SEC reporting company:** certified by a Responsible Officer as being fairly stated in all material respects (subject to normal year end audit adjustments)], provided however, for the purposes of this (a) and (b), if Guarantor’s financial statements are publicly available electronically on the Securities and Exchange Commission’s or Guarantor’s website, then Guarantor shall be deemed to have met this requirement. In all cases the statements shall be for the most recent accounting period and prepared in accordance with U.S. “GAAP” (generally accepted accounting principles) or International Financial Reporting Standards. [**if Guarantor is not an SEC reporting company**]**:** For purposes of this Section 11, ‘Responsible Officer’ shall mean the Chief Financial Officer, Treasurer or any Assistant Treasurer of Guarantor or any employee of Guarantor designated by any of the foregoing.]

12. **Collection Expenses.** In addition to the amounts for which payment is guaranteed hereunder, Guarantor agrees to pay reasonable attorneys’ fees and all other costs and expenses incurred by Beneficiary in enforcing this Guaranty or in any action or proceeding arising out of or relating to this Guaranty. Any costs for which Guarantor becomes liable pursuant to this Section 12 shall not be subject to, and shall not count toward, the guaranty limit set forth in Section 2 above.

13. **Governing Law.** This Guaranty is made under and shall be governed in all respects by the laws of the State of California, without regard to conflict of law principles. With respect to any suit, action, or proceedings relating to any dispute arising out of or in connection with this Guaranty (“Proceeding”), each party irrevocably: (i) submits to the exclusive jurisdiction of the courts of the state of California and the United States District Court located in Los Angeles, California; and (ii) waives any objection which it may have at any time to the laying of venue of any Proceeding brought in any such court, waives any claim that such Proceedings have been brought in an inconvenient forum and further waives the right to object, with respect to such Proceedings, that such court does not have any jurisdiction over such party. [SCE comment: Delete if the Guarantor is a domestic entity: Guarantor irrevocably appoints [insert process agent full legal name] (“Process Agent”) to receive, for it and on its behalf, service of process in any Proceedings. If for any reason Guarantor's Process Agent is unable to act as such, Guarantor will promptly notify Beneficiary and within 30 calendar days appoint a substitute process agent acceptable to Beneficiary.] Guarantor irrevocably consents to service of process given in accordance with Section 18 of this Guaranty. Nothing in this Guaranty will affect the right of either party to serve process in any other manner permitted by applicable law.

**14. Waiver of Jury Trial.** Guarantor hereby irrevocably and unconditionally waives any and all right to trial by jury in any action, suit or counterclaim arising out of or in connection with this Guaranty.

15. **Construction.** All parties to this Guaranty are represented by legal counsel. The terms of this Guaranty and the language used in this agreement shall be deemed to be the terms and language chosen by the parties hereto to express their mutual intent. This Guaranty shall be construed without regard to any presumption or rule requiring construction against the party causing such instrument or any portion thereof to be drafted, or in favor of the party receiving a particular benefit under this Guaranty. No rule of strict construction will be applied against any party.

16. **Amendment; Severability.** Neither this Guaranty nor any of the terms hereof may be terminated, amended, supplemented or modified, except by an instrument in writing executed by an authorized representative of each of Guarantor and Beneficiary. If any provision in or obligation under this Guaranty shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

17. **Third Party Rights.** This Guaranty shall not be construed to create any rights in any parties other than Guarantor and Beneficiary and their respective successors and permitted assigns.

18. **Notices.** Any demand for payment, notice, request, instruction, correspondence or other document to be given hereunder by any party to another shall be in writing and may be provided by hand delivery, first class United States mail, overnight courier service, e-mail or facsimile to the person and at the address for notices specified below.

Beneficiary:

Southern California Edison Company

2244 Walnut Grove Avenue

Rosemead, CA 91770

Attn: Manager of Risk Operations & Collateral Management
Phone: (626) 302-3383

Email: SCECollateral@sce.com

with a copy to:

Southern California Edison Company

2244 Walnut Grove Avenue

Rosemead, CA 91770

Attn: ­\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_
Phone: (626) \_\_\_\_\_\_\_\_\_\_\_\_

Facsimile: (626) \_\_\_\_\_\_\_\_\_\_\_\_

with an additional copy to:

Southern California Edison Company

2244 Walnut Grove Avenue, GO1, Quad 1C

Rosemead, CA 91770

Attn: Manager, Power Procurement Section, Law Dept.
Email: PPLegalNotice@sce.com

Guarantor:

*[Guarantor]*

*[Street address]*

*[City, State Zip]*

Attn:
Phone:
Facsimile:

Principal:

*[Principal]*

*[Street address]*

*[City, State Zip]*

Attn:
Phone:
Facsimile:

Notice by e-mail, facsimile or hand delivery will be deemed given at the close of business on the day actually received, if received during business hours on a Business Day, and otherwise will be deemed given at the close of business on the next Business Day. Notice by overnight United States mail or courier service will be deemed given on the next Business Day after such Notice was sent out. Notice by first class United States mail will be deemed given two (2) Business Days after the postmarked date. “Business Day” means any day except a Saturday, Sunday, a Federal Reserve Bank holiday or the Friday following Thanksgiving. A Business Day begins at 8:00 a.m. and end at 5:00 p.m. local time for the Party sending the Notice or payment or performing a specified action. Either party may periodically change any address to which notice is to be given it by providing notice of such change as provided herein.

IN WITNESS WHEREOF, Guarantor has executed this Guaranty as of \_\_\_\_\_\_\_\_, \_\_\_\_.

 *[legal name]*

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

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

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