

FORM OF GUARANTY

This Guaranty is made and given this ____ day of _____, 201_, by _____ (hereinafter referred to as "Guarantor") a corporation organized and existing under the laws of _____ in favor of the **The Potomac Edison Company**, corporation organized under the laws of the State of Maryland (hereinafter referred to as "Beneficiary").

Guarantor enters into this Guaranty in consideration of the Beneficiary having entered into a Coordination Agreement under the Electric Generation Supplier Coordination Tariff (the "Agreement") with [Insert Supplier's Name] (the entity in behalf of which the Guarantor offers this Guaranty, hereinafter referred to as "Supplier"). Guarantor acknowledges the benefit to it of said Agreement between Beneficiary and Supplier, as well as the benefit of extending the Guaranty.

1. Guarantor hereby unconditionally guarantees to Beneficiary the prompt, faithful and full payment on demand of indebtedness that now is or may hereafter become due and payable from Supplier to Beneficiary in connection with the Agreement. The guaranteed liabilities and obligations include, but are not limited to, payments owed on open account, payments owed on or made by notes, drafts, or other instruments evidencing indebtedness, including late fees on unpaid balances, up to the amount of \$_____. Guarantor further promises to pay all reasonable attorneys' fees and other damages, costs, and expenses incurred by Beneficiary as a result of Supplier's failure to fully and faithfully pay any monies due to Beneficiary in connection with the Agreement, or Guarantor's failure to fulfill its obligations under this Guaranty. In addition, Guarantor agrees to reimburse Beneficiary for all sums paid to Beneficiary by Supplier, which sums Beneficiary is subsequently required to return or repay for any reason, including, but not limited to, Supplier's bankruptcy, insolvency or a requirement of any legislative enactment, proclamation or judicial proceeding providing for the postponement of the payment of debts or affecting the exercise of creditors' rights. Notwithstanding anything to the contrary herein, Guarantor reserves the right to assert any and all defenses which Supplier may have to the

payment of any indebtedness in connection with the Agreements other than defenses arising from the bankruptcy of Supplier and other defenses expressly waived hereby.

2. This Guaranty shall be a continuing guaranty of payment and not of collection, and shall remain in full force and effect from the date this Guaranty is executed until the earlier of 1) the termination of the Agreement, or 2) the replacement of this Guaranty with another Guaranty or other form of security acceptable in form and substance to the Beneficiary.

3. Beneficiary hereby agrees to use reasonable efforts to inform Guarantor in writing of any dishonor or default by Supplier at least four (4) business days prior to making demands on Guarantor for payment under this Guaranty. However, Beneficiary shall not be required to so inform Guarantor as a prerequisite to making demands on Guarantor for payment under this Guaranty, or enforcing any other of Beneficiary's rights and Guarantor's obligations under this Guaranty.

4. Guarantor shall pay or repay to Beneficiary via wire transfer of funds, free of any deductions or withholdings, all monies due to Beneficiary pursuant to this Guaranty within fifteen (15) days after receiving written demand for payment from Beneficiary. Beneficiary's demand shall include the bank account to which the funds should be wire transferred.

5. Guarantor hereby waives the giving of any notice, including, but not limited to, the following:

- (a) Notice of acceptance of this Guaranty by Beneficiary;
- (b) Notice that Supplier has entered into, and incurred indebtedness in connection with, Agreements with Beneficiary;
- (c) Notice of the modification or amendment of any Transaction between Supplier and Beneficiary;

(d) Notice of any extension of time or other modification of terms for the payment of any sums due and payable to Beneficiary in connection with Agreements between Supplier and Beneficiary;

(e) Notice of presentment, demand for payment, default, dishonor, protest or notice of protest with respect to any notes, drafts, or other instruments evidencing indebtedness, received from Supplier to Beneficiary; and

(f) Notice of any defaults by or disputes with Supplier with respect to payment or performance in connection with Agreements between Supplier and Beneficiary.

6. Guarantor acknowledges that the modification of the Agreement between Supplier and Beneficiary shall not discharge or otherwise affect the liability of the Guarantor with respect thereto under this Guaranty.

7. For the purposes of this Guaranty, all sums to become due from Supplier to Beneficiary shall be deemed to have become immediately due and payable upon the occurrence of any of the following: (a) Supplier defaults on its payment obligations to Beneficiary; (b) defaults on the Agreement between Beneficiary and Supplier; (c) a petition under any chapter of the Bankruptcy Code, as amended, be filed by or against Supplier; (d) Supplier makes a general assignment for the benefit of creditors, suspends business, or commits any act amounting to a business failure; or (e) an attachment be levied or a tax lien be filed against any of Supplier's property.

8. Guarantor's obligations under this Guaranty are independent of all obligations of Supplier to Beneficiary. Beneficiary shall not be required to proceed first against Supplier or any other person, firm or corporation before resorting to Guarantor for payment under this Guaranty.

9. Demands on Guarantor for payment under this Guaranty shall be in writing and delivered by mail or telecommunication to the following address:

Name:

Address:

Telephone:

Fax:

All demands for payment shall be effective when received by Guarantor. Guarantor may change the address to which demands for payment are to be sent upon written notice to Beneficiary.

10. Notices to Beneficiary under this Guaranty shall be in writing and shall be delivered in person or sent by Certified United States Mail (postage prepaid, return receipt requested), overnight express mail, courier service or facsimile transmission (with the original transmitted by any of the other aforementioned delivery methods) or telecommunication to the following persons and addresses:

FirstEnergy Corp.
Supervisor, Supplier Services
76 South Main Street
Akron, OH 44308

With a copy to:

Credit Risk Management
FirstEnergy Corp.
341 White Pond Dr.
Akron, OH 44320

All notices given to Beneficiary shall be effective when received by the persons designated herein or substitute persons designated by Beneficiary. Beneficiary may change the persons and/or addresses to which notices are to be sent upon written notice to Guarantor.

11. This Guaranty and each of its provisions may be waived, modified, varied, released, terminated or surrendered, in whole or in part, only by a duly authorized written instrument signed by

Beneficiary and Guarantor. No failure by Beneficiary to exercise its rights under this Guaranty shall give rise to any estoppel against Beneficiary or excuse Guarantor from performing under this Guaranty. No waiver by Beneficiary of performance by Guarantor under any of the provisions of this Guaranty shall be construed as a waiver of any subsequent performance by Guarantor under the same or any other provisions of this Guaranty.

12. This Guaranty shall bind the successors and assigns of Guarantor and inure to the benefit of Beneficiary, its successors and assigns. Guarantor shall not assign this Guaranty or delegate its duties hereunder without the prior express written consent of Beneficiary. Guarantor, shall remain liable under this Guaranty, notwithstanding assumption of this Guaranty by a successor or assign, unless and until released in writing from its obligations hereunder by Beneficiary. Guarantor agrees that its obligations under this Guaranty shall extend to Agreements between Beneficiary and any successors and assigns of Supplier which are owned and/or controlled, in whole or in part, by Guarantor.

13. This Guaranty shall be governed by and construed in accordance with the laws of the State of Maryland.

14. This writing is the complete and exclusive statement of the terms of this Guaranty and supersedes all prior oral or written representations, understandings, and agreements between Beneficiary and Guarantor with respect to the subject matter hereof. Beneficiary and Guarantor agree that there are no conditions to the full effectiveness of this Guaranty.

15. Guarantor represents and warrants that, at the time of the execution and delivery of this Guaranty, nothing (whether financial condition or any other condition or situation) exists to impair in any way the obligations and liabilities of Guarantor to Beneficiary under this Guaranty. Guarantor further represents and warrants that each of the persons signing this Guaranty on its behalf has been properly authorized by corporate action to do so. Each signatory on behalf of Guarantor represents and warrants

that he or she is authorized to do so on behalf of Guarantor and by so signing, to bind Guarantor under this Guaranty.

16. Upon payment of this indebtedness owing to the Beneficiary, the Guarantor shall be subrogated to the rights of the Beneficiary against Supplier, and the Beneficiary agrees to take at the Guarantor's expense such steps as the Guarantor may reasonably request to implement such subrogation.

IN WITNESS WHEREOF, Guarantor has duly signed and sealed this Guaranty on this _____ day of _____, 201_.

(Company)

Name:

Title: