



A PHI Company

Maryland Electricity Supplier Credit Application

Please forward this completed and signed application, and accompanying information to the following address:

<u>Mailing Address:</u> Attn: Scott Razze, 79NC82 Manager, Supplier Relations Delmarva Power PO Box 9239 Newark, DE 19714-9239	<u>Shipping Address:</u> Attn: Scott Razze, 79NC82 Manager, Supplier Relations Delmarva Power 401 Eagle Run Road Newark, DE 19702
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Please provide the following information:

Applicant / Company	
Applicant Name _____	
State of Incorporation (please mark N/A if not incorporated) _____	
Years in Business _____	
Federal Tax ID _____	D&B DUNS # _____
<u>Credit or Financial Contact Person</u>	
First and Last Name	_____
Title	_____
Address	_____
City, State, Zip Code	_____
E-mail Address	_____
Telephone	(____) _____
Facsimile	(____) _____
Parent Company _____	State of Incorporation _____
Will the Applicant's Parent Company or an Affiliate be the credit support provider (e.g., guarantee)? Yes _____ No _____	
If yes, identify by name the credit support provider:	
Parent Company _____	State of Incorporation _____
Affiliate _____	State of Incorporation _____

Bank Reference (lending institution)	
Bank Name _____	Address _____
Account Officer _____	City, State _____
Account # _____	Zip Code _____
Telephone # _____	



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Alternate Credit Arrangements

If the Applicant is unable to provide Delmarva Power & Light Company with the above-mentioned information or to demonstrate that it has and maintains Investment Grade bond rating, the Applicant will have to make alternative credit arrangements for an amount equal to \$25,000 or any alternative amount as determined pursuant to section 5.3 of the Electricity Supplier Coordination Tariff. The alternative credit arrangements are described in the Electricity Supplier Coordination Tariff and in the Electricity Supplier Coordination Agreement.

If you plan to offer Supplier Consolidated Billing, please provide an initial estimate for two months of applicable customer usage (in kWh) broken down by rate class (for a description of the rate classes please see the Maryland Electric Tariff on the Web Site at www.delmarva.com).

RS/RH: _____ GSH: _____ ORL: _____
 RTE: _____ LG: _____ OL: _____
 SGD: _____ CON: _____
 GSW: _____ GSP: _____

Representations

	<u>Applicant</u>		<u>Parent</u>		<u>Affiliate</u>	
	Yes	No	Yes	No	Yes	No
<i>Is the applicant and/or their parent (and/or the affiliate providing credit support):</i>						
a) Operating under federal bankruptcy laws?	___	___	___	___	___	___
b) Subject to pending litigation or regulatory proceedings in state or federal courts and/or agencies which could impact the Applicant's and/or Parent's financial condition?	___	___	___	___	___	___
c) Subject to collection lawsuits or outstanding judgements which could impact solvency?	___	___	___	___	___	___
d) Mandatory disclosure of prior bankruptcy declarations by Applicant and/or predecessor	_____ _____ _____					



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Certification, Authorization, and Signature

Delmarva Power & Light Company will treat all financial statements provided by Applicant in a confidential manner.

Applicant will notify Delmarva Power & Light Company if any financial, credit or electronic document exchange information changes.

Applicant certifies that the information herein is complete and accurate to the best of Applicant's knowledge, information and belief, and that the individual signing below is an authorized Representative of the Electricity Supplier.

Applicant herein authorizes Delmarva Power & Light Company to obtain any information that may be required relative to this Applicant hereby from any source, including Applicant's financial and trade references. Applicant also hereby authorizes each source to provide such information.

Legal Name of Applicant: _____

Signature of Authorized Representative: _____

Name (Please Print): _____

Title: _____

Sworn Before: _____

Date: _____



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GUARANTY

Guaranty, dated as of _____, 20__ by _____ a, _____ corporation (the "Guarantor"), in favor of Delmarva Power & Light Company (the "Beneficiary").

1. **Guaranty.** In consideration of the Beneficiary having entered into, or entering into a Third Party Supplier Agreement by and between _____(the "Company"), an affiliate of the Guarantor, and the Beneficiary (the "Agreement"), the Guarantor irrevocably and unconditionally guarantees to Beneficiary, its successors and assigns, the prompt payment when due, subject to any applicable grace period, of all of the Company's present and future obligations and liabilities of all kinds to Beneficiary arising out of the Agreement. Guarantor's liability under this Guaranty and the Beneficiary's right to recover under same shall be limited to an aggregate amount of \$_____. Guarantor acknowledges that it will benefit directly or indirectly from the transactions to be entered into between the Beneficiary and the Company.

2. **Nature of Guaranty.** This Guaranty constitutes a guarantee of payment when due and not of collection. In the event that any payment of the Company in respect of any Obligations is rescinded or recovered from Beneficiary as a preference or fraudulent transfer under the Federal Bankruptcy Code, or any applicable state law, the Guarantor shall remain liable hereunder in respect to such Obligations as if such payment had not been made. This Guaranty shall continue to be effective whether or not Guarantor, Company, or Beneficiary merges or consolidates with or into another entity, loses its separate legal identity or ceases to exist. **GUARANTOR SHALL NOT BE REQUIRED TO PAY SPECIAL, EXEMPLARY, PUNITIVE, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES (WHETHER OR NOT ARISING FROM A PARTY'S NEGLIGENCE) TO BENEFICIARY, EXCEPT TO THE EXTENT THAT THE PAYMENTS REQUIRED TO BE MADE PURSUANT TO THE OBLIGATIONS UNDER THE AGREEMENT ARE DEEMED TO BE SUCH DAMAGES. IF AND TO THE EXTENT ANY PAYMENT MADE PURSUANT TO THE OBLIGATIONS UNDER THE AGREEMENT IS DEEMED TO CONSTITUTE LIQUIDATED DAMAGES, THE PARTIES ACKNOWLEDGE AND AGREE THAT DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE AND THAT SUCH PAYMENT CONSTITUTES A REASONABLE APPROXIMATION OF THE AMOUNT OF SUCH DAMAGES, AND NOT A PENALTY.**

3. **Consents, Waivers and Renewals.** Guarantor agrees that Beneficiary may, at any time and from time to time, without notice to or consent of the Guarantor and without impairing or releasing the obligations of the Guarantor hereunder: (1) make any change in the terms of any Obligation or liability of the Company to Beneficiary, (2) take or fail to take any action of any kind in respect of any security for any Obligation or liability of the Company to Beneficiary, (3) exercise or refrain from exercising any rights against the Company or others, or (4) compromise or subordinate any Obligation or liability of the Company to Beneficiary including any security therefore.

4. **Expenses.** The Guarantor agrees to pay on demand all out-of-pocket expenses (including the reasonable fees and expenses of Beneficiary's counsel) in any way relating to the enforcement or protection of the rights of Beneficiary hereunder; provided, that the Guarantor shall not be liable for any expenses of Beneficiary if no payment under this Guaranty is due.

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5. **Subrogation.** The Guarantor will not exercise any rights which it may acquire by way of subrogation until all the Obligations to Beneficiary shall have been paid in full. Subject to the foregoing, upon payment of all the Obligations, the Guarantor shall be subrogated to the rights of Beneficiary against the Company, and Beneficiary agrees to take such steps as the Guarantor may reasonably request, at the Guarantor's expense, to implement such subrogation.

6. **Setoffs and Counterclaims.** Guarantor reserves to itself all rights, counterclaims and other defenses which the Company is or may be entitled to arising from or out of the Agreement, except for defenses arising out of the bankruptcy, insolvency, dissolution or liquidation of the Company, the power or authority of Beneficiary to enter into the Agreement, and to perform its Obligations thereunder, and the lack of validity or enforceability of the Company's Obligations under the Agreement or any transaction thereunder.

7. **No Waiver; Cumulative Rights.** No failure or delay on the part of Beneficiary to exercise, and no delay in exercising, any right, remedy or power hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by Beneficiary of any right, remedy or power hereunder preclude any other or future exercise of any right, remedy or power. Each and every right, remedy and power hereby granted to Beneficiary or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Beneficiary from time to time.

8. **Waiver of Notice.** The Guarantor waives notice of the acceptance of this Guaranty presentment, demand, notice of dishonor, protest, notice of any sale of collateral security and all other notices whatsoever.

9. **Representation and Warranties.**

(a) The Guarantor is duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has full corporate power to execute, deliver and perform this Guaranty.

(b) The execution, delivery and performance of this Guaranty have been and remain duly authorized by all necessary corporate action and do not contravene any provision of law or of the Guarantor's constitutional documents or any contractual restriction binding on the Guarantor or its assets.

(c) This Guaranty constitutes the legal, valid and binding obligation of the Guarantor enforceable against the Guarantor in accordance with its terms, subject to bankruptcy, insolvency, reorganization and other laws of general applicability relating to or affecting creditors' rights and to general equity principles.

10. **Assignment.** The Guarantor shall not assign its rights, interest or obligations hereunder to any other person without the prior written consent of the Beneficiary and any purported assignment absent such consent is void.



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11. **Notices.** All notices or other communications to the Guarantor shall be in writing and shall be given in the same manner and with the same effect as set forth in the Agreement. The Guarantor's address for notices is as follows:

Attn: _____

The Beneficiary's address for notices is as follows:

Mailing Address:

Attn: Scott Razze, 79NC82
Manager, Supplier Relations
Delmarva Power
PO Box 9239
Newark, DE 19714-9239

Shipping Address:

Attn: Scott Razze, 79NC82
Manager, Supplier Relations
Delmarva Power
401 Eagle Run Road
Newark, DE 19702

or such other address as either the Guarantor or Beneficiary shall from time to time specify to the other party.

12. **Termination.** This is a continuing Guaranty of all present and future Obligations of the Company to the Beneficiary. This Guaranty shall terminate the earlier to occur _____ or at any time upon written notice by Beneficiary to Guarantor, which termination shall become effective on the eleventh (11th) day after the date of receipt by the Guarantor of such notice. Notwithstanding the foregoing, this Guaranty shall continue to apply to all Obligations of the Company to the Beneficiary pursuant to the Agreement entered into before the effective date of termination.

13. **GOVERNING LAW.** THIS GUARANTY SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE WITHOUT REFERENCE TO CHOICE OF LAW DOCTRINE. GUARANTOR AND BENEFICIARY JOINTLY AND SEVERALLY AGREE TO THE NON-EXCLUSIVE JURISDICTION OF STATE AND FEDERAL COURTS LOCATED IN THE STATE OF DELAWARE OVER ANY DISPUTES ARISING OR RELATING TO THIS GUARANTY.

14. **Waiver of Right to Trial by Jury.** Each party hereby irrevocably waives any and all rights to trial by jury with respect to any legal proceeding arising out of or relating to this Guaranty or any Obligations arising under the Agreement.

IN WITNESS WHEREOF, the Guarantor has caused its duly authorized officer to execute and deliver this Guaranty as of the date first above written. The Guaranty becomes effective concurrent with the effective date of the Agreement according to its terms.

Guarantor: _____

By:
Name:
Title:



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Date

Delmarva Power & Light Company
Supplier Relations 79NC82
401 Eagle Run Road
Newark, DE 19702

RE:

Gentlemen:

We hereby establish our irrevocable Letter of Credit # _____ in your favor for payment of all of _____ (the "Company's") present and future obligations and liabilities of all kinds to Delmarva Power & Light Company in an amount not to exceed a total of _____ arising out of the Third Party Supplier Agreement (the "Agreement"). This Letter of Credit shall expire on _____, and is irrevocable except upon mutual written consent of Delmarva Power & Light Company and _____ unless renewed as hereinafter provided.

It shall be a provision of the Letter of Credit that it will automatically renew for one year from the listed expiration date unless we send written notice to Delmarva at the addresses listed below within 60 days of the expiration date to advise you that this Letter of Credit will not be renewed.

All drafts of this Letter of Credit should be addressed to the undersigned at:

Mailing Address:

Attn: Scott Razze, 79NC82
Manager, Supplier Relations
Delmarva Power
PO Box 9239
Newark, DE 19714-9239

Shipping Address:

Attn: Scott Razze, 79NC82
Manager, Supplier Relations
Delmarva Power
401 Eagle Run Road
Newark, DE 19702

All drafts of this Letter of Credit must be accompanied by a statement by an authorized office of Delmarva, indicating that the drafts are made in accordance with Letter of Credit# _____ and stating that the Company is in default with respect to the Agreement.

This Letter of Credit is neither transferable nor assignable.

This Letter of Credit is subject to the Delaware Uniform Commercial Code.

Sincerely,



SURETY BOND

KNOW ALL MEN BY THESE PRESENTS, THAT _____
(Customer Name)

(Customer Address)

as Principal (hereinafter "Customer" or "Principal"), and the _____
(Insurance Company)

as Surety (hereinafter "Company" or "Surety"), are held and firmly bound to Delmarva Power & Light Company as Obligee, in the full sum of _____ dollars (_____) for payment of which said Principal and Surety do hereby bind themselves jointly and severally, their successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, under the Third Party Supplier Agreement (hereinafter the "Agreement") Delmarva Power & Light Company requires Customer's to make alternative acceptable credit arrangements (hereinafter "Acceptable Arrangements"), one of which is a surety bond, when the Customer is unable to demonstrate creditworthiness by the criteria defined in the Agreement; and

WHEREAS, under the Agreement Delmarva Power & Light Company requires the forms of Acceptable Arrangements equal to two months of customer payments to the Principal, as estimated by Delmarva Power & Light Company which usage is subject to adjustment in Delmarva Power & Light Company sole and exclusive judgment, as defined in the Agreement; and

WHEREAS, Delmarva Power & Light Company, pursuant to the Agreement, has required that Customer, as a condition precedent to execution of the Agreement, make a cash deposit with Delmarva Power & Light Company of _____ to guarantee all of present and future obligations and liabilities of all kinds to Delmarva Power & Light Company arising out of the Agreement; and



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WHEREAS, Customer, has requested that, in lieu of such deposit, Delmarva Power & Light Company accept a surety bond in an amount of _____ executed by Customer, as Principal, and Company, as Surety, and running to Delmarva Power & Light Company, as Obligee, guaranteeing all of the Obligations; and

WHEREAS, Delmarva Power & Light Company is willing, upon receipt of such a surety bond, to execute the Agreement.

The terms of the obligation are as follows:

1. If Customer shall establish satisfactory credit, as defined in the Agreement, then this obligation shall be void and of no effect; otherwise the obligation shall remain in full force and effect until and unless this bond is cancelled in accordance with Paragraph 6 hereof.
2. If Customer is terminated due to a default of the Agreement, Delmarva Power & Light Company will endeavor to give prompt notice thereof to Customer; provided, however, that (a) Delmarva Power & Light Company shall be under no obligation to give such notice to Customer or Company of such default and (b) Delmarva Power & Light Company's failure to give notice of such default shall not impair the obligation of this bond, nor shall such failure to give notice be raised as a defense against any action which may be brought by Delmarva Power & Light Company against Customer or Company on the bond.
3. Subject to the cancellation provisions of Paragraph 6, Delmarva Power & Light Company shall have the right at any time to make demand on Customer or Company on the bond for payment of any and all of Customer's unpaid Obligations.
4. Customer's filing of a bankruptcy, receivership or other debtor-relief petition, and/or Customer's discharge thereunder, shall in no way affect the liability of Company under this bond, but Company shall always remain liable to Delmarva for the full amount of Customer's unpaid Obligations (up to the principal amount of this bond).
5. Within 60 days after Delmarva Power & Light Company has made such demand on Customer or on Company for payment of Customer's unpaid Obligations, Company will (up to the principal amount of this bond) pay in full any balance due on such unpaid Obligations to Delmarva Power & Light Company, including any applicable late payment charges.



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- 6. This bond may be cancelled by Company at any time by giving sixty (60) days written notice to

Mailing Address:

Attn: Scott Razze, 79NC82
 Manager, Supplier Relations
 Delmarva Power
 PO Box 9239
 Newark, DE 19714-9239

Shipping Address:

Attn: Scott Razze, 79NC82
 Manager, Supplier Relations
 Delmarva Power
 401 Eagle Run Road
 Newark, DE 19702

in which event Company's liability at the expiration of said sixty (60) days shall cease and terminate, except as to such liability of Customer as may have accrued prior to the expiration of said sixty (60) days. Such cancellation by Company shall not relieve Customer from any liability under the Customer's Agreement with Delmarva Power & Light Company which accrue either prior to or subsequent to cancellation of this bond, it being the intent of the parties hereto that Customer shall always remain primarily liable for payment of all obligations due to Delmarva Power & Light Company.

SIGNED, SEALED AND DATED this _____ day of _____, 20____

ATTEST AS TO CUSTOMER/PRINCIPAL:

 (Secretary) President

By: _____

WITNESS AS TO COMPANY/SURETY:

By: _____

Title: _____