

the Demand Letter. A Demand Letter shall be in writing, sent pursuant to Section 9 and shall reasonably and briefly specify in what manner and/or what amount Generator has defaulted and an explanation of why the Obligations are due, with a statement that Counterparty is calling upon Guarantor to fulfill its obligations hereunder.

8. Transfers; Benefit and Burden.

(a) This Guaranty shall be binding on the Guarantor and its successors, and shall benefit Counterparty, its permitted transferees and its and their successors. Any reference to the Guarantor or Counterparty in this Guaranty shall be construed in accordance with the preceding sentence. Counterparty may sue to enforce this Guaranty in its own name and right.

(b) Guarantor agrees that its obligations and the rights of Counterparty hereunder shall not be affected or impaired by any transfer, consolidation, renaming or other corporate event with respect to Guarantor.

(c) Neither the Guarantor nor the Counterparty shall assign this Guaranty or its rights hereunder without the prior written consent of the Guarantor or the Counterparty, as the case may be, which consent may be withheld in the exercise of its sole discretion; provided, however, either the Guarantor or the Counterparty, as the case may be, may, without the consent of the other party (and without relieving itself from liability hereunder), (i) transfer, sell, pledge, encumber or assign this Guaranty or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements, (ii) transfer or assign this Guaranty to an affiliate of the Guarantor which affiliate's creditworthiness is equal to or higher than that of Guarantor, or (iii) transfer or assign this Guaranty to any person or entity succeeding to all or substantially all of Guarantor's assets whose creditworthiness is equal to or higher than that of the Guarantor; provided, however, that in each such case of clauses (ii) and (iii), any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as Guarantor delivers such tax and enforceability assurance as Counterparty may reasonably request.

9. Notices and Communications; Place of Payment.

(a) Any notice or other communication in respect of this Guaranty must be in writing and may be given in any manner set forth below to the address or number provided and will be deemed effective as indicated:

(i) if delivered in person or by courier, on the date it is delivered or its delivery is attempted, unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Business Day or that communication is delivered (or attempted) or received, as applicable, after the close of business on a Business Day, in which case that notice or communication shall be deemed given and effective on the first following day that is a Business Day;

(ii) if transmitted by facsimile, on the date such transmission is received, unless the date of that transmission is not a Business Day or that transmission is received after the close of business on a Business Day, in which case that notice or communication shall be deemed given and effective on the first following day that is a Business Day

(iii) if sent by certified or registered mail (return receipt requested), on the date that mail is delivered or its delivery is attempted; or unless the date of that delivery (or attempted delivery) or that receipt, as applicable, is not a Business Day or that notice or communication is delivered (or attempted) or received, as applicable, after the close of business on a Business Day, in which case that notice or communication shall be deemed given and effective on the first following day that is a Business Day.

(b) Guarantor's address and facsimile number for such notices and other communications is as follows:

YYYY
Address
Address
Attn.: _____
Phone No.: _____
Facsimile No.: _____
[COMPLETE AS APPROPRIATE]

provided, that Guarantor may by not less than fifteen (15) Business Days prior written notice to Counterparty change the address details above at which notices or other communications are to be given to it.

(c) Counterparty's address and facsimile number for such notices and other communications is as follows:

Brazos Electric Power Cooperative, Inc.
2404 LaSalle Avenue
Waco, Texas 76706
Attention: Executive Vice President and General Manager
Telephone: 254-750-6200
Fax No.: 254-750-6229

provided, that Counterparty may by not less than fifteen (15) Business Days prior written notice to the Guarantor change the address details above at which notices or other communications are to be given to it.

(d) All amounts payable by the Guarantor to Counterparty under this Guaranty shall be payable to Counterparty at its office at 2404 LaSalle Avenue, Waco, Texas 76706, or at such other place and in such manner as may be specified in written notice given by Counterparty to the Guarantor, which written notice may be included in the Demand Letter given by Counterparty to the Guarantor under this Guaranty.

10. Costs and Expenses.

The Guarantor agrees to pay on demand by Counterparty all reasonable Collection Costs incurred by Counterparty.

11. Term; Termination.

This Guaranty shall continue in full force and effect from the Effective Date; provided, however, this Guaranty may be terminated by Guarantor after Guarantor's 60-day prior written notice to Counterparty of Guarantor's intent to terminate is delivered by courier or mailed by Registered or Certified U.S. Mail, Return Receipt Requested. In no event shall termination be effective as to any Surviving Obligation of Generator to Counterparty, all of which Surviving Obligations shall remain guaranteed pursuant to the terms of this Guaranty, nor shall such termination affect the obligations or liability of Guarantor hereunder "Surviving Obligations" means (a) all Obligations owing by Generator to Counterparty on the date on which this Guaranty, or the obligations of Guarantor under this Guaranty, as the case may be, terminates, (b) all Obligations at any time owing by Generator to Counterparty prior to the date on which this Guaranty, or the obligations of Guarantor under this Guaranty, as the case may be, terminates, whether or not owing on the date of such termination, and (c) all other Obligations at any time owing by Generator to Counterparty by reason of or attributable to any act or omission of Generator occurring prior to the date on which this Guaranty, or the obligations of Guarantor under this Guaranty, as the case may be, terminates, whether or not owing on the date of such termination.

12. Miscellaneous.

(a) This Guaranty constitutes the entire agreement and understanding of the Guarantor with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

(b) The headings used in this Guaranty are for convenience of reference only and are not to affect the construction of or to be taken into consideration in interpreting this Guaranty.

(c) Subject to Guarantor's right to terminate this Guaranty pursuant to Section 11, no amendment of this Guaranty shall be effective unless in writing and signed by Guarantor and Counterparty; provided however, that a written instrument executed solely by Guarantor may extend the termination date, increase the Maximum Amount, or both, and any such notice so given shall be and constitute conclusive evidence of the increase or extension described therein, shall be irrevocable and binding upon the Guarantor for all purposes of this Guaranty, and Counterparty shall, from and after its receipt thereof, be unconditionally and conclusively entitled to rely thereon without necessity giving notice of its receipt or acceptance thereof to Guarantor.

13. Governing Law; Jurisdiction.

This Guaranty shall be governed by and construed in accordance with the laws of the State of Texas without reference to choice of law doctrine.

With respect to any suit, action or proceedings relating to this Guaranty ("Proceedings"), the Guarantor irrevocably (i) submits to the exclusive jurisdiction of: the courts of the State of Texas and any United States District Court located in Texas and (ii) waives any objection which it may have at any time to the laying of venue of any Proceedings brought in any such courts, 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 courts do not have any jurisdiction

over the Guarantor. Nothing in this Guaranty precludes Counterparty from bringing Proceedings in any other jurisdiction nor will the bringing of Proceedings in any one or more jurisdictions preclude the bringing of Proceedings in any other jurisdiction.

IN WITNESS WHEREOF, the Guarantor has caused this Guaranty to be duly executed and delivered by its duly authorized officer as of the Effective Date.

YYYY

By: _____

Name: _____

Title: _____

[COMPLETE AS NEEDED]