

EXHIBIT C-1 SELLER PARENT GUARANTEE GUARANTEE

THIS GUARANTEE, dated the _____ of _____, 200____, April __, 2001 (this "Guarantee"), is from {Seller's Parent Company}, a [-] GENERAL ELECTRIC COMPANY, a New York corporation ("XXX"), to [-] ("RECIPIENT"). ("GE"), to SALMON ENERGY, LLC, a Delaware limited liability company ("Salmon").

WHEREAS, {Seller} GE Packaged Power, Inc. ("Seller") is an affiliate of {Seller's Parent Company} ("XXXX") GE; and

WHEREAS, RECIPIENT Salmon and {Seller } entered into the attached Agreement dated [-] April __, 2001 (the "Agreement");

and

[WHEREAS, Seller desires to assign all or part of its rights and benefits and delegate its duties and obligations under the Agreement to the [Assignee] (the "Assignee")]; and [Please Advise – Is this correct?]; and

WHEREAS, {Seller's Parent Company} GE has agreed to guarantee the performance of [Assignee] under the Agreement in order to induce RECIPIENT Salmon to [consent to Seller's assignment of the Agreement];

NOW THEREFORE, {Seller's Parent Company} for good and valuable consideration, the receipt and sufficiency of which we hereby acknowledged, GE hereby irrevocably and unconditionally guarantees to RECIPIENT Salmon the performance by [Assignee] of all of Seller's undertakings, covenants, indemnities and obligations under the Agreement to the extent and under the terms and conditions and subject to the limitations set forth in the Agreement. {Seller's Parent Company} GE hereby consents that at any time and from time to time without notice to {Seller's Parent Company} GE, the performance or observance by [Assignee] of any term or covenant of the Agreement may be waived, the time of performance thereof extended, any provisions thereof amended and the rights of RECIPIENT Salmon hereunder assigned, without affecting the liability of {Seller's Parent Company} GE hereunder. {Seller's Parent Company} GE may assert any and all defenses and limitations of liability possessed by [Assignee], but excluding any defenses based upon invalid execution of the Agreement or this Guarantee.

Salmon hereby gives notice to Seller of the collateral assignment (the "Assignment") of the Agreement pursuant to the terms and provisions of a security agreement among Salmon, Pegasus Power Partners, LLC, and U.S. Bank Trust National Association, as collateral agent, dated as of April __, 2001 and Seller hereby acknowledges receipt of such notice and consents to the Assignment. Seller acknowledges and confirms that it has not received notice of any other collateral

assignment by Salmon to any other person or entity of any of its right, title or interest under the Agreement.

This Guarantee This ~~guarantee~~ shall be governed by, and construed, interpreted and enforced in accordance with the substantive law of the State of ~~Texas~~ **New York**, excluding any conflict of laws or principles which would result in a choice of law for this Guarantee other than ~~Texas~~ **New York** law. Further, the parties stipulate that this Guarantee is deemed to have been made and entered into by them in the State of ~~Texas~~ **New York**. With respect to any suit, action or proceedings relating to this Guarantee (the "Proceedings"), each party irrevocably submits to the exclusive jurisdiction of the courts of the State of ~~Texas~~ **New York** and the United States District Court ~~located in Harris County, Texas~~ **for the Southern District of New York**, and irrevocably 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 any court does not have jurisdiction of such party. Nothing in this Guarantee precludes either party from enforcing in any jurisdiction any judgement, order or award obtained in any such court.

~~{Seller's Parent Company}~~

GE waives any rights to subrogation/security and agrees to be bound by any findings of fact or final award or judgement made in an arbitration against **[Assignee]** under the Agreement.

This Guarantee and any liability or obligation created hereunder shall expire upon the expiration of all liability and obligations of **[Assignee]** under the Agreement.

IN WITNESS WHEREOF, [~~Seller's Parent Company~~] GE has caused this
Guarantee to be executed as of the date first written above.

[~~SELLER'S PARENT~~

GENERAL ELECTRIC COMPANY

†

By: _____

By:

Name: _____

Printed Name:

Title: _____

Title:

----- COMPARISON OF HEADERS -----

-HEADER 1-

-HEADER 2-

Header Discontinued

-HEADER 3-

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----- COMPARISON OF FOOTERS -----

-FOOTER 1-

-FOOTER 2-

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-FOOTER 3-

~~STM/196418.1~~ **STM/196418.2**

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