

GUARANTY

THIS GUARANTY is made and entered into, effective this 15th day of August, 2016, by United Energy Corporation (the "Guarantor"), in favor of Duke Energy Ohio, Inc., a Corporation in the State of Ohio (the "Guaranteed Party").

WHEREAS, United Energy Trading, LLC ("Debtor"), is an affiliate of Guarantor; and Debtor and the Guaranteed Party have or will become parties to commodity related physical and financial transactions and agreements (collectively, whether one or more, the "Agreement"); and

WHEREAS, as consideration for the benefits that Guarantor will receive as a result of the Debtor executing the Agreement with the Guaranteed Party, Guarantor is willing to guarantee the payment of the Debtor's obligations to Guaranteed Party in accordance with the terms of the Agreement as provided herein;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein set forth, Guarantor hereby agrees as follows:

1. GUARANTY OF PAYMENT

(a) Subject to the terms and conditions set forth in this Guaranty, Guarantor hereby guarantees the prompt payment when due of all present and future amounts owed by the Debtor to Guaranteed Party in accordance with the terms and provisions of the Agreement (hereinafter the "Obligations"), such that, if the Debtor shall fail to pay when due any of the Obligations, Guarantor will itself pay such Obligations, or cause the same to be paid, in each case as if Guarantor were itself the obligor with respect to the Obligations. Guarantor's liability hereunder shall at all times be equal to, and neither less than nor greater than, that of the Debtor under the Agreement, provided that the aggregate amount that Guarantor shall be required to pay under this Guaranty shall not exceed Eight Million Seven Hundred Thousand United States Dollars (U.S.\$8,700,000.00) for all obligations under the Agreement, plus enforcement expenses. Guarantor's liability under this Guaranty shall be limited to direct, actual, monetary damages and other payments required under the Agreement and Guarantor shall not be subject to consequential, exemplary, equitable, loss of profits, tort or any other damages.

(b) Guarantor hereby agrees to pay on demand all reasonable out-of-pocket expenses (including the reasonable fees and expenses of the Guaranteed Party's counsel) incurred by the Guaranteed Party in any way relating to the enforcement or protection of the rights of the Guaranteed Party hereunder.

(c) The obligations of the Guarantor hereunder are in no way conditioned or contingent upon any requirement on the part of the Guaranteed Party to first attempt to enforce, require the payment of, or collect any of the Obligations from or against the Debtor or any other person or to attempt to collect any of the Obligations by any other means.

2. DEMAND FOR PAYMENT

(a) In order to make any demand hereunder for payment by Guarantor of any Obligations that the Debtor has failed to pay when due, Guaranteed Party shall give written notice to Guarantor of the failure by the Debtor to pay such Obligations and demanding that Guarantor pay such Obligations (such notice shall set forth the exact amount of such Obligations to the extent quantifiable at the time of the demand). Subject to the foregoing provisions and to the limitation on Guarantor's maximum aggregate liability hereunder as set forth in Section 1(a), above, repeated and successive demands may be made, and recoveries may be had, by Guaranteed Party hereunder as and when, from time to time, Debtor shall fail to pay when due any Obligations to be paid by it.

(b) The failure by Guarantor to pay the amount of any Obligations that Guarantor is obligated to pay to Guaranteed Party hereunder within ten (10) days after Guarantor's receipt of a written demand therefore from Guaranteed Party in accordance with the provisions of Subsection a. above shall entitle Guaranteed Party to pursue all rights and remedies available to it by law or in equity or otherwise.

(c) Any Demand, notice, request, instruction, correspondence or other document to be given hereunder by any party to another (herein collectively called "Notice") shall be in writing and delivered personally or by certified mail, postage prepaid and return receipt requested or by overnight courier service, or by electronic mail (provided that notices by electronic mail must also be simultaneously sent by one of the other delivery methods), as follows:

To Guaranteed Party: Duke Energy Ohio, Inc.
550 South Tryon St.
Charlotte, NC 28202
Mail Code: DEC40C
Attn: Chief Risk Officer
E-mail: reg.credit@duke-energy.com

To Guarantor: United Energy Corporation
919 S 7th St. Suite 405
Bismarck, ND 58504
Attn: Loren R. Kopseng
E-mail:

Notice given by personal delivery, mail or overnight courier service shall be effective

upon actual receipt. Notice given by electronic mail shall be effective upon actual receipt if received during the recipient's normal business hours, or at the beginning of the recipient's next business day after receipt if not received during the recipient's normal business hours, as evidenced by email confirmation. Any party may change any address to which Notice is to be given to it by giving notice as provided above of such changes or address.

3. TERMINATION/REINSTATEMENT

This Guaranty shall terminate 90 days after the date the Agreement terminates (the "Termination Date"); provided, however, that this Guaranty shall continue to be effective or shall be reinstated if, and only to the extent that:

a) at any time any payment made with respect to any Obligation is rescinded or must otherwise be returned by the Guaranteed Party upon the insolvency, bankruptcy, reorganization or other similar condition of the Debtor, all as though such payment had not been made; or

(b) any demand for payment made by Guaranteed Party in accordance with Section 2(a) hereof has not been paid, resolved, settled or discharged in full. Amendments to the Agreement in any form shall not terminate this Guaranty; or

(c) any Obligation remains in effect prior to the time the termination is effective.

4. UNENFORCEABILITY OF OBLIGATIONS AGAINST DEBTOR

Nothing herein is intended to deny to Guarantor, and it is expressly agreed that Guarantor shall have and may assert, any and all of the defenses, set-offs, counterclaims and other rights with regard to any Obligations that the Debtor may possess, including without limitation, any defense based upon the payment or satisfaction by the Debtor of such Obligations (or the performance or observance of any terms or provisions of the Agreement out of which such Obligations are alleged to arise), except any defense that the Debtor may possess relating to:

(i) lack of validity or enforceability of the Agreement against DEBTOR arising from the defective incorporation of the Debtor,

(ii) Debtor's lack of qualification to do business in any applicable jurisdiction,

(iii) Debtor's defective corporate authority to enter into, deliver or perform the Agreement, or

(iv) the insolvency, bankruptcy or reorganization of the Debtor.

5. REPRESENTATIONS AND WARRANTIES OF GUARANTOR

Guarantor hereby represents and warrants that the execution, delivery, and performance of this Guaranty are within the Guarantor's power and authority and have been duly authorized by all necessary proceedings, it is duly organized and validly existing under the laws of the jurisdiction of its formation, no authorization, approval, consent or order of, or registration or filing with, any court or other governmental body having jurisdiction over Guarantor is required on the part of the Guarantor for the execution, delivery and performance of this Guaranty and this Guaranty constitutes a valid and legally binding agreement of Guarantor enforceable against it in accordance with its terms.

6. GOVERNING LAW

This Guaranty shall be governed by and construed in accordance with the laws of the State of New York, without recourse to provisions governing choice of law or conflicts of law, and is intended to be performed in accordance with, and to the extent permitted by, such laws.

7. SUBROGATION

Guarantor hereby agrees not to assert or enforce any right or contribution, reimbursement, indemnity, subrogation or any other right to payment from the Debtor as a result of the Guarantor's performance of its obligations pursuant to this Guaranty until all Obligations are paid in full.

8. WAIVERS

Guarantor hereby unconditionally waives (a) notice of acceptance of this Guaranty; and (b) presentment and demand concerning the liabilities of Guarantor, except as provided in Section 2 herein.

Except as to applicable statutes of limitation, no delay of Guaranteed Party in the exercise of, or failure to exercise, any rights hereunder shall operate as a waiver of such rights, a waiver of any other rights or a release of Guarantor from any obligations hereunder, nor shall any single or partial exercise by Guaranteed Party 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 Guaranteed Party or allowed it by law or other agreement shall be cumulative and not exclusive of any other, and may be exercised by Guaranteed Party from time to time.

Subject to the provisions hereof, Guarantor consents to the renewal, compromise, extension, or other changes in the time of payment of or other changes in the terms of the Obligations, or any part thereof or any changes or modifications to the terms of the Agreement, and Guarantor further agrees that Guaranteed Party, at any time and from time to time without notice to or consent of Guarantor and without impairing or releasing the obligations of Guarantor hereunder, may take or fail to take any action of any kind in respect of any security for any Obligation or liability of the Debtor to Guaranteed Party.

9. MISCELLANEOUS

If any one or more provisions of this Guaranty shall for any reason or to any extent be determined invalid or unenforceable, all other provisions shall, nevertheless, remain in force and effect.

No term or provision of this Guaranty shall be amended, modified, altered, waived or supplemented except in a writing signed by Guarantor and Guaranteed Party.

Neither the Guarantor nor the Guaranteed Party shall assign its rights, interest or obligations hereunder to any other person without the prior written consent of the other party and any purported assignment absent such consent is void.

Nothing in this Guaranty or any other document referred to herein is intended to waive any rights not specifically waived in said documents nor is intended to enlarge or modify the obligations or duties of Guaranteed Party.

IN WITNESS WHEREOF, Guarantor has duly executed this Guaranty on this 15th day of August, 2016.

UNITED ENERGY CORPORATION

By: _____

Name: Loren R. Kopseng

Title: CEO



This foregoing document was electronically filed with the Public Utilities

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Case No(s). 11-0027-GA-CRS

Summary: Contracts Guaranty issued to Duke Energy Ohio, Inc. by United Energy Corporation electronically filed by Mr. Kenneth B Thomson on behalf of UNITED ENERGY TRADING LLC GEN COUNSEL